

ADVERTISING AND ETHICAL PRACTICES IN PAKISTAN



By

Muhammad Akbar Ather

2001-NUST-MBA-111

**NUST Institute of Management Sciences
National University of sciences & Technology
Rawalpindi Pakistan
2003**

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2001-NUST-MBA-111



A research study submitted in partial fulfillment of the requirement for degree of
Master's in Business Administration

NUST Institute of Management Sciences Rawalpindi

Executive Summary

This research paper is a part of our Management course. An endeavor has been made to address the issue, relating to ethics in advertising of local companies as well as multinationals. In the end I have given recommendations as regards to practices pertinent to advertising management in Pakistan.

The central points of the research revolved around the most important element of marketing mix, promotion. An extensive research has been carried out to collect material on the ethics in advertising and their violation. Uses of annexure have been made where felt necessary to highlight the relevant true data/information.

This paper also gives the overall condition of advertising industry and actions of companies in order to compete and gain market share. This study covers all aspects of advertising ethics that a company should cater before advertising. I explored and tried to explain how companies view ethics in advertising. This report describes the ethical issues that companies face in their advertising.

Chapter # 1

INTRODUCTION

Advertising is the most fundamental, important and crucial aspect of business, today. For a company it is essential to advertise its products to compete in the market place, develop brand, brand loyalty and brand equity. The issue of ethics violations in ads is as old as advertisement compassion. With the passage of time it is emerging as a most divisive issue. In the first section of this chapter the background will be presented. This will be followed by the problem discussion, the purpose & objectives, research questions and at the end limitations will be presented.

1.1 BACKGROUND

Advertising can be defined as "Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor"(Philip kotler, 2000: 550). Within the area of advertising, customer needs, business interests, creativity and government regulations meet. Advertising has a great impact on consumers' lives. Aaker (1992) states that advertising, on the positive side, has discouraged participation in harmful behavior. It has encouraged participation in socially beneficial behaviors such as physical fitness and provided detailed information, which consumers need to make product evaluations. On the negative side, advertising has misled and deceived consumers resulting in misinformed and inappropriate product selection.

According to Hackley and Kitchen (1999), advertising does not contribute to the progress of human moral sensibility. Advertising is accused of promoting self-doubt rather than self-indulgence. Further, advertising seeks to create needs, not to fulfill them and it also creates new anxieties instead of the opposite. Consumption is the cure to the desolation of life and advertising is the means to do it. These statements are supported by consumer research. Advertising makes consumers feel that they are lacking and creates doubt and anxiety. A certain degree of caveat emptor (Latin for let the buyer beware) is acceptable in society. However, it is important to draw the line for where the marketing communications become insidious. Consumers are exposed to about 2000 promotional messages every day. The expenditure on promotional activities is high along with a high rate of literacy and access to print media. Irony, relativism, self-preferentiality and hedonism characterize the promotion of today.

A critical issue that has been debated over the years concerns society and advertising. Questions can be asked in relation to this issue: does advertising shape society's values or does it simply mirror them? Does advertising follow trends or does it lead them? Critics argue that advertising constantly creates social values instead of reflecting them. It seems as if the advertising industry tends to grow in societies that experience excess supply. In relation to this, advertising is transformed into being something more than just a tool to inform customers. It has become a tool for correcting misconceptions and to reinforce a brand image (Jobber, 1995). Advertising has gained more power in terms of both money and communication dominance, that is, advertising creates major support for the mass media and they can no longer survive without the support of advertising (Wells 1992). Advertising is dynamic and highly visible, which makes it subject for criticism. Advertising has been criticized as far back as 1907: "on the moral side, advertising is thoroughly false and harmful. It breeds vulgarity, hypnotizes the imagination and the will, fosters covetousness, envy, hatred and underhanded competition" (Lacznia, 1998, p. 232). Advertising is said to be pervasive, intrusive and the creators of advertisements are sometimes said to be mischievous. Critics of advertising say it is a moral and intellectual pollution. Others state that it is a form of social pollution that has a subtle but pervasive effect.

Advertising is accused of being immoral and that it creates false values upon people and makes them buy things they do not need or cannot afford. Further, expectations created through advertising are not met. However, critics of advertising are making a fundamental mistake. They tend to blame advertising as a communication tool instead of blaming the people behind it. It is the advertisers that either unintentionally or deliberately abuse or misuse advertising. The advertising industry has been said to contribute to the moral degradation of the modern society. Further, advertisements are confusing to people and difficulty is experienced in where to place the ethical concerns that advertising causes. According to Murphy (1998), ethics in advertising is an ongoing topic and have high importance to the whole society.

1.2 ETHICS

The first stage in ethics is moral which gives us the preliminary guideline. There is a very small distinction between morals and ethics. Morals are found in three broad forms; which are

- ❑ Concerned with the principles of right and wrong in conduct and character;
- ❑ Modes of conduct;
- ❑ Teaching or upholding standards of good behavior judged by one's own conscience to be ethical or approved.

While ethics can be described as;

- ❑ The principles of conduct governing an individual or group, i.e professional ethics;
- ❑ A philosophy of conduct and principles practiced by a person or group;
- ❑ The discipline dealing, what is good & bad and with moral duty & obligation
- ❑ A set of moral principles or values.

Ethics can also be defined as “Moral principles and values that govern the actions and decisions of an individual or group”. Ethics is an area, which requires each individual to take a stand. In the end, each individual must not only decide what is right or wrong but must also be able to justify these personal decisions to critics. It is suggested that being ethical is when a person is following the rules of conduct, which are based on the moral principles. This means that people are doing things they do not want to do and further they avoid doing things they want to do. The law says what they must do and the law can force them to do things. Ethics, however, make people do things they do not have to do. This is due to the beliefs people have about their obligation to the society. Further, ethics begins where law ends.

1.2.1 Business Ethics

Business ethics is "a set of established rules, standards, or principles for morally right behavioral conduct in specific situations, and in specific cultures when applied internationally". Ethics is about right and wrong in the way people behave

when they meet and the good and bad in life. Hence do business ethics involve the good and the bad within operations of companies and the principles within the area of business that determine what is right and wrong. It can be difficult to determine what is right or wrong in a situation. It can be difficult to determine what is right or wrong in a situation. One act or thing, which is ethically right for one person, is ethically wrong for another. Further, ethical issues refer to situations or actions that are perceived as wrong by those people involved. Ethics shall therefore always be seen in a frame of a relation, whether it concerns people or companies.

Now a day, businesses increasingly find themselves confronting ethical dilemmas, many articulate organizational values to formalize ethical codes in their companies. These codes address the position of the company on a range of practices. Codes also direct employees to resolve specific issues in a particular manner. Further, codes require employees to think about their mission and the obligations they have to each other, their clients and society as a whole. Once a code is developed, it serves as a basis for further discussion and clarification. Finally, codes can reassure the broader community of a corporation's values and standards.

1.2.2 Ethics in Advertising

Advertising is often at the center of controversies; critics associate it with health afflictions, unbridled materialism, and manipulation. They also blame advertisers for these manipulative and misleading ads, violating ethics. On the other hand, Ethics are totally based on the perception, knowledge and belief of a person or level of commitment of an organization about its social and community responsibilities. Each and every body (person or organization) has its own standard and criteria for it. There is no hard and fast rule that this is ethical and this is unethical. Yet, understanding consumers is important for both practical and theoretical reasons. Ultimately, the consumer decides what is permissible and proper in advertising, either directly (purchase behavior) or indirectly (demands on regulatory agencies, media organizations, and elected representatives). Additionally, advertisers and their agencies often spend a great deal to cultivate

consumer trust. Practices that violate this trust may have a practical as well as moral cost. However, when discussing ethics in advertising, there are three criteria of relevance: advocacy, accuracy and acquisitiveness. *Advocacy* concerns the fact that advertising is persuasive since the purpose is to sell a product, and hence is not neutral or objective. It is demanded that advertising must be both neutral and objective and should provide information for consumers. However, most people are aware of the persuasive characteristics of advertising.

The second criterion is *accuracy*, which involves perception. An advertisement has easily visible claims, but beyond that there are issues of perception. This concerns personal characteristics and the needs and wants that a person may have. For example, a person may want to reinforce certain characteristics or the image by buying a specific product. Many products are aimed at a special group of consumers and the advertisements are trying to make people buy the product through these subtle messages. The third and final criterion is *acquisitiveness*. Critics claim that advertising is contributing to a material society by making people buy products that they really do not need. Supporters of advertising argue that it contributes to a progressive society not only by making products visible but also allowing people to choose among products. It is the customers that have the final decisions concerning advertising. If an advertisement is perceived as offensive or against existing ethical standards, customers have the opportunity to make complaints to the company or simply refuse to buy the product. The ethical guidelines that are developed by an industry concern quite general requirements. The truthfulness of the claims and the media used to present the message is emphasized through honesty, legality and decency. The globalization of the world makes it difficult to formulate and regulate advertising and regulation in one country is also influenced by other cultures.

The large volume of marketing messages and the effects on society are not considered and neither is the moral values and sensibility of those who work in the industry. The advertising professionals should try to “define their own standards of professional ethics by those of their consumers”. This is one of the fundamental questions of ethics in communications marketing. Therefore, the

most important topics are the use of deception, advertising to children, advertisements for tobacco, negative political advertisements, use of sex appeal, emotional appeal, fear appeal, and the use of stereotypes in advertisements. Advertisements for personal care and hygiene products rank least in importance, which suggests that such advertisements are viewed as offensive but ethical.

There are two dominant ethical systems concerning advertising. The first is an outside system where codes, guidelines and formal regulation regulate the industry. There are standards for ethical behaviors and also laws that regulate the actions of companies. The second is a personal system. This system is based on the standards of immediate consequences. Finally, the ethical performance of advertising is unlikely to change in the future, due to the nature of the business and the inherent faults in the ethical systems.

1.3 PROBLEM FORMULATION

The aim of this report is to analyze ethical issues in advertising. This issue has not yet been adequately researched and described in the literature and there are large uncertainties about what ethics are, how they can be described, and how advertiser can work in ethical frameworks. As advertisers are required to make many difficult choices, and it is not always easy to know how to make these decisions. Whatever choices advertisers make, there is no scarcity of third parties to criticize and/or second-guess. Thus, research on advertising ethics has the potential to assist managers and public policy makers as they make these difficult choices about communicating with their respective public.

In advertising ethics literature, only a few topics dominate. These topics tend to be highly concentrated to the areas of advertising deception and advertising content. Ethical issues related to ethical content, include the use of informative versus emotional persuasive advertising, using messages such as fear, advertising to children and minorities. Another issue is whether restrictions should be placed on advertising of harmful products such as cigarettes, child products and other adult advertisements like green star and female products. In recent times there has been discussion of the ethical responsibility of marketers and agencies. Advertising is particularly vulnerable to criticism and charges of unethical conduct due to its high visibility and overly persuasive intent. Extensive

regulation exists in the advertising industry but every issue is not covered by a clear rule. Many issues related to advertising are hence left to the discretion of the advertiser and many decisions are based on ethical concerns. When facing questionable advertising situations, advertisers can seek help in making decisions from sources such as codes of ethics. A code of ethics is a collection of principles intended as a guide for the members of a company or an organization. When advertising decisions are not clearly covered by a code, a rule or a regulation, an ethical decision has to be made. Ethical decisions are complex since there is no consensus about what constitutes ethical behavior.

Every organization exists within a network of environmental forces and is affected by political, legal, economic, technological and social systems and trends. Each business also operates within a specific industry. These factors influence advertising ethics; which influence ethics in advertising to a greater extent than others do. These are personal values/ethical orientation, the opinion and anticipated response of managers/peers, legal constraints, and business/economic considerations. Mostly advertising professionals tend to equate ethics with law. Their view of what is unethical is also illegal and what they should avoid doing is merely what the law states as illegal. But there is a difference in legal and ethical. A particular action can be legal but unethical. The most important example is tobacco advertisements. Ethics hence become a minor issue and the law the dominant matter. Technological advances have created new media such as the Internet. The rapid development and increased use of technology create new ethical issues in advertising. Ethics in advertising is an area of ongoing concern to many people inside and outside of the business. The globalization of the world economy and the internationalization of the market place increase the importance of ethics in advertising.

Differences exist regarding ethics between different people, companies and countries. What is unethical in advertising in one company or country may be perfectly acceptable in another. Further, advertising is a part of the progress of our society and change constantly. Advertisers' perception differs regarding the concept of ethics, ethical performance and social responsibility in advertising, standards and guidelines. Conflicts between ethical/moral and social/economic values can be observed in many western countries and it is need of the hour to recognize in Asia, particularly in Pakistan being a Muslim country because Islam preaches ethical and moral considerations in business.

Further it is found after research that no company can carry its business successfully until it develops ethical practices. Because people working in such environment feel that they are not doing a good practice so their motivation level is usually low which effects their performance.

1.4 PURPOSE AND OBJECTIVES

The purpose of this thesis is to gain a better understanding of how companies and consumers views ethics in advertising and to find out both parties concerns and views in terms of ethical issues in advertising. The objectives of conducting this research are to study the various aspects of advertising in terms of ethics, what factors influence ethics in advertising? How these aspects can be addressed, what are the results? What are the various viewpoints of different people? Laconic overviews of ethics in advertising of other countries (similar to Pakistan) like Malaysia.

1.5 RESEARCH QUESTIONS:

1. How can companies advertising codes of ethics be described?
2. How advertising should be done without violating ethics and moral standards?
3. What factors influence ethics in advertising?
4. What consumer thinks about advertising ethics?
5. Does consumer believe that companies in Pakistan are working in ethical framework?
6. What are the reasons of poor advertisement in Pakistan?

1.6 LIMITATIONS:

Besides all these objectives and research purpose stated above there are several limitations that can affect this study these limitations are;

- ❑ Time constrain because I have to complete this study within a limited period of time
- ❑ Resources are limited
- ❑ Sample size is small because it is not possible collect data from various parts of country
- ❑ Companies restrict to limited information
- ❑ Most information of code of conduct of Malaysia and ICC is web oriented due to geographic location.

1.7 SEQUENCE OF THE STUDY

The report has been structured in six main chapters. Whole structure of the report is visualized in figure 1.1. Chapter I contain introduction, Background information of problem, purpose and objective and at the end research questions. Chapter II contains a description of literature concept and arguments that supports the study findings. Chapter III describes the methods of data collection and analysis methods.

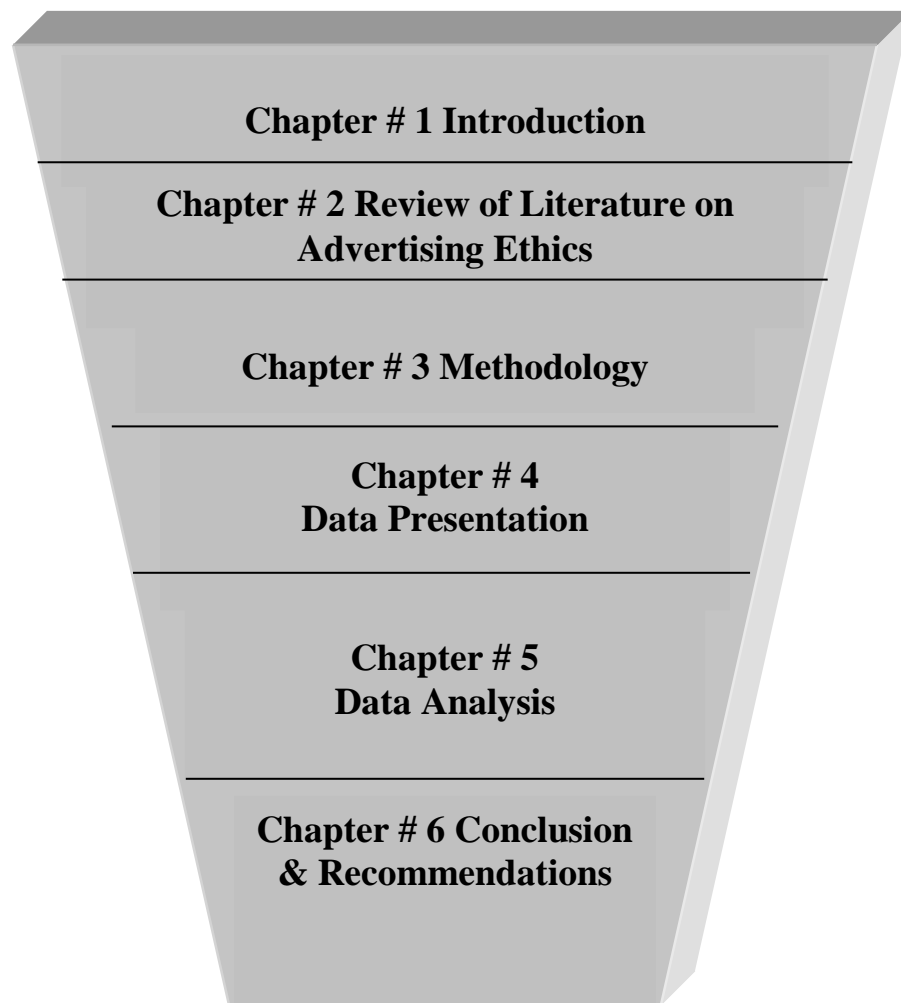


Figure: 1.1 Source: Of Own Make

Chapter IV and V involves presentation of the data and analysis while chapter six consists of conclusion and Recommendations.

Chapter # 2

REVIEW OF LITERATURE ON ADVERTISING ETHICS

Much of the controversy over advertising stems from the ways many companies use it as a selling tool and from its impact on society's taste and life style. Specific techniques used by advertisers are criticized as deceptive or untruthful, offensive, or in a bad taste, and exploitative of certain groups and children. In these chapter relevant studies concerning the research topic will be brought up. In this chapter, literature connected to the research questions will be presented.

2.1 ETHICAL ISSUES IN ADVERTISING

There is no clear consensus about what ethical behavior is and it may be a conflict between personal ethics and what that is the best for the business. Since there are people who create the ethical standards of an organization it is important to state what is right and wrong. A number of ethical issues face companies in their advertising; these will now be discussed further.

2.1.1 Deception

It has been said that advertising can be untruthful and deceptive. Deception represents misrepresentation, omission or practice when that is likely to mislead consumer (George E. Belch, 1998, p 715). Since there exist regulations and guidelines, some advertisements are deceptive, but it is generally believe that the industry is more deceptive than any other industry. Deception involves statements such as "the finest" and "the best". Deception can be said to involve two parts. The first is when the perceptual process differs from reality and the second when it affects the buying behavior of the consumer. In the case above it is relatively easy to determine deception but it is more difficult when the advertisement is not clearly false, but when a perception of deception is generated. (Aaker, 1992).

Three different types of deception have been identified. The first is fraudulent advertising. This means that the advertising message is a straightforward lie. The second type of deception concerns false advertising and involves a claim-fact discrepancy. This means that either a product's benefits are only fulfilled under certain conditions that might not be clearly stated in the advertisement or that a

product must be used in a special way or with certain precautions. The third type is misleading advertising. It involves a consumer belief about a product that interacts with an advertisement and result is a misleading claim. (Assael, 1995). If an advertisement is deceptive it will affect the economic behavior of the customer since it is misleading if it deceives those to whom the advertisement is addressed. But the problem with deceptive advertising is that the advertisement might be literally true but misleading; it is therefore not completely false. Deceit differs from lying in two ways. Firstly, lying is always verbal, but deceit can be both verbal as well as non-verbal. Secondly, deception involves making someone to hold false beliefs about something, but lying on the other hand, does only attempt to make a person believe something that is misleading about a product. Hence, it is necessary to look at the outcome in order to decide what is deception or lying. Deceit is, in that sense an outcome-concept, while lying is an act-concept. The determining factor of deceit is whether a person is made holding false beliefs. However, deceit is similar to lying in one respect. The two notions are both intentional, both have the purpose to cause a person to hold false beliefs and therefore can both concepts be said to be agent-centered concepts. The legal perspective of deceptive advertising tends to focus more on the way that the customer perceives the advertisement and if the customer holds false beliefs. The intention of the deceiver is considered rather irrelevant and the focus is more put on the customer's perception and beliefs.

Advertising in its nature carries several ways of interpretations or miscomprehension. There are many ways in which a message can be perceived wrong. These can be divided into one external source, noise, and three different internal sources of distortion. The first internal source concerns the audience itself. This can involve the following factors. The audience may lack specific knowledge, a particular experience or lack a certain experience necessary to interpret the message in a correct way. The cultural background of the audience is also of importance. The second source of distortion is the actual content of the message. This concerns poetry and nonsense or bad grammar in combination with images that suggest a meaning that was not the intended. Also culturally loaded

expressions, the use of metaphors and vague words can distort the message. The final source of internal distortion is in the context in which the message appears. Factors such as the time, the year when the message is received and proximity to other messages can distort messages. Further, the time passed between the transmission of a message and the point in time when it arrives to its recipient is also an internal source of distortion.

2.1.2 Puffery

Puffery can be defined as “advertising or other sales representation that praises the item to be sold using subjective opinions, superlatives, and similar mechanism that are not based on specific facts” (Wells, 1992, p. 40). In general, puffery is a subjective opinion as opposed to an objective claim (Aaker, 1992). Puffery takes two general forms. The first is a subjective statement of opinion about a product’s quality, using terms such as "best" or "greatest". Nearly all advertisement contains some measure of puffery. Statements that have not been proven to be true, but neither been proven false can be considered puffery. The second form of puffery is an exaggeration extended to the point where it is obviously not true (Aaker, 1992). A representation of fact or an objective claim that fixes a tangible quality to something that can be measured and identified cannot be considered puffery. In essence, if the claim can be the subject of substantiation by testing, measuring statistics or any other activity, which can prove the truth of the claim, the claim is no longer puffery and becomes a representation of fact. If a product is represented to be compatible with another competing product, then the product should be compatible. If it is not, it is a misrepresentation of fact. If the advertisement merely states that the product operates better than the competing product, the word "better" is not susceptible of measurement. If the advertisement specifically states the manner in which it is better, than that becomes a question of fact. To merely say that a product is superior to another product without any substantiation or identification, of which function is superior, the comparison probably falls under the heading of puffery rather than a representation of a fact. (Winston and Winston, 1998).

2.1.3 Subliminal perception

The term "subliminal" means "below the limen," or below the threshold of consciousness. Subliminal advertising can be defined "It is the use of ability of an individual to perceive a stimulus below the level of conscious awareness" (Blech & Belch, 1998. p. 115). It was first of all used in 1957 by "Eat Popcorn" & "Coke" and researched that it causes increase in sales. Advertisers use subliminal affects for better brand recognition and recall. They basically exploit the powerful affects of sound and light that have effects on human brain waves. In fact there are sound psychological reasons why they affect human behavior. They effect because such ads are difficult to perceive, require careful consideration before they can be detected (though it is not normally a good idea to make use of magnifying glasses. Simply magnifying images rarely helps one to recognize what is inherently ambiguous) and such images may influence individuals without their being aware of this influence.

2.1.4 Manipulative Advertising

Advertising has been criticized for having the power to influence people to behave atypically or do things that they would not do if they were not exposed to advertising (Wells, 1992). Manipulative advertising regard people as a means to an end, it undermines the autonomy by stimulating the propensity to consume and this propensity may also divert consumers away from the pursuit of more traditional virtues. Aaker (1992) mentions that advertising can be so effective that it can manipulate a buyer in making a decision against his or her will or at least against his or her best financial resources. The argument takes several forms. Firstly, there is concern with the use of *Motivation Research Model*. This Model assumes that important buying motives are subconscious in that a respondent cannot explain them when asked about an opinion of a brand or a product. A person can therefore dislike a certain product because of a subconscious association with that product, but may not consciously realize the existence of this association and its relevance to purchasing decisions.

Motivation research made a strong impact in the 1950s when many saw it as a decisive and powerful marketing tool. There was a belief that advertising could

indeed identify subconscious motives, and by playing on these motives, influence an unsuspecting public. Today, researchers know that motivation research was oversold and that it does not give advertisers total control over an audience. However, motivation research has a role to play in developing effective advertisements. In providing insight, in suggesting copy alternatives and in helping advertisers avoid approaches that will cause undesirable reactions, motivation researches have been particularly useful. (Aaker, 1992). Secondly, there is the use of indirect emotional appeals. Factual information about a product's main functions is usually accepted as being of value to the customer. When advertising utilizes associations or appeals that go beyond the basic communication task, the charge of manipulation through emotional appeals is raised. Emotional appeals will lead the consumer to make less than optimal decisions. Finally, there is a more general claim that advertisers have the power to manipulate consumers. There are many companies with the capacity to obtain significant amounts of advertisement exposure. There is also a belief that these companies are able to use highly sophisticated and scientific techniques in order to make the advertising effective. However, there are limitations to these approaches since many other factors influence the consumer's decision-making in addition to advertising. Such factors include price, advice from friends, life-styles of family-members and so on. Advertising is only one of many variables in the process.

2.1.5 Stereotyping

Advertising has been accused of creating and perpetuating stereotypes. According to George A. Belch (1998) Advertising is accused of creating and perpetuating through its portrayal of woman, ethnic minorities and other groups. It often also involves some common misconceptions. It is relevant to ask the question if advertising only reflect the values of society or if it shapes and creates them and affect people's view of the world? Irrespective of the answer advertising professionals have to be careful. If advertisements are considered to reflect the values, advertisers have to take responsibility to be accurate when they portray people. On the other hand, if advertising shapes society's values it is of

importance that advertisers are aware of how they portray people in their advertisements. These issues are difficult for professionals to deal with and they have to take these into account every time they use people in advertisements (Wells, 1992).

Women, minorities and elderly are often presented in a narrow manner and in a predictable fashion. Women are presented as housewives or as sex objects (G & M. Belch 1998). Belch (1998: p.697) also state that women in advertisements are often preoccupied with beauty or household duties or motherhood but are seldom shown in authoritative role. Today, however, advertising professionals are aware that women have more roles in society than that. As this was acknowledged, another type of woman came in focus, the businesswoman who often was portrayed as a superwoman instead of the super-mom. Research done in this area shows that a majority of the women thought that advertising stereotyped women like dumb housewives. The super-mom picture showed to be hard to live up to in reality and nearly thirty percent of the women strongly agreed. Advertisers today face a challenge in portraying women in a correct way, without any stereotyping segment. According to Wells (1992), women want to see other women in advertisements that are intelligent and have varied interests and abilities.

Racial groups are often stereotyped in advertisements. Most complaints concern the subordinate and the unflattering way in which they are presented. They are many times joked about or simply something in the background. Minorities are also strongly underrepresented according to some critics. In Pakistan, an overview shows that only two to six per cent of print advertisements use black (unfair in color) and minorities' models. These models can be counted on fingertips. According to Shimp (2000) are elderly people characterized as senile and feeble. They are also often presented as slow and afflicted. Wells (1992) states that advertising models, a pattern of behavior that is held out to be "the good life", with the props for sale, and this is shown to be the ideal for all to strive towards. The lifestyles displayed are ideal from a consumption perspective. Modern advertising seeks to promote not so much self-indulgence as self-doubt. It seeks to create needs, not to fulfill them and to generate new anxieties instead of allaying

old ones. By constantly showing us that the grass seems greener somewhere else, we are led to doubt our immediate environment and experience. The fear that advertising brings a sense of inadequacy has been particularly expressed with respect to women's self-concept. Advertisements can reinforce stereotypes for not just the sexes, but also the races, ages and occupations, family relations, etc. According to Wells (1992) few would argue that advertisers faithfully mirror reality. While some worry about mass conformity, more worry about the nature of norms that we may be conforming.

2.1.6 Taste in Advertising

Advertising can be offensive, disgusting, vulgar and objectionable because the creative efforts behind it are not in good taste (Aaker, 1992). Taste varies from person to person and it is therefore difficult to make any general guidelines for what is characterized as good taste in advertisements (Wells et al., 1992). If the public views an advertisement as being too offensive, regulatory bodies should ban it. This costs both time and money for the advertiser and professionals try to avoid making such advertisements. Factors influencing if an advertisement is offensive are the media it appears in, the product itself and the audience that are likely to see it. Also important for professionals to take into consideration, is that outdoors advertisements have a higher probability to offend due to their size relative to other media. It is not just the advertisement that might be offensive; the product itself may also be criticized. Certain product categories are more prone to cause feelings of distaste than others do. In our culture (Pakistan) the ads of family planning and feminine products are criticized for bad taste. Further, what is considered bad taste today may not be bad taste tomorrow? Taste changes constantly overtime and professionals have to take this into account. The current issues of taste concern mostly violence, nudity and sexual innuendo. The fashion industry has, for example, many times been criticized for its use of sex in advertising. In order to avoid offensive advertisements the advertiser should keep up with the standards of taste and one other way to avoid or minimize this problem is to pre-test and get feedback on the advertisements before they are launched.

The appeal is hence an important element of the advertisement. Aaker (1992) state that sexual appeals in advertising may only reflect the society's views, but on the other hand many regard it as overused and offensive. Again the medium and the place and time of the advertisement are of high relevance when looking at these issues. Appealing to people's fears is also used in advertisements. The objective is to create a feeling of anxiety that can be relieved by buying a certain product, such as a fire alarm. Some people may regard these types of advertisements as highly undesirable and offensive. However, according to Aaker (1992) people will become immune against such messages and the advertisements will hence lose their emotional appeal.

Evidence shows that the very pleasant and the very unpleasant advertisements tend to be more effective than those in between. Firstly, an advertisement that is disliked by the public may communicate better and receive more attention than an advertisement that is bland. Secondly, if an advertisement is perceived in a negative way, this does not mean that the negative feelings get attached to the brand itself. This relationship between the brand and the public depends on a number of factors such as the product and the audience. Advertising is by nature biased and attempts to persuade. An advertisement with a persuasiveness message will in general be more tolerated and accepted by a consumer if the advertisement matches the interest of the consumer. The more specialized the medium is, the more specialized will the advertisement be. It will therefore be fewer ethical concerns about persuasion since the consumer welcomes the message.

2.1.7 Fear Appeals in Advertising

The use of fear appeals is quite common in many types of marketing communications today. A fear appeal can be defined as "an advertising message that creates an anxiety in a receiver by showing negative consequences that can result from engaging in a particular behavior" (Belch & Belch: p.716). A fear appeal in advertising have been found to increase the persuasiveness and interest of advertisements, and is the primary reason for growing popularity. Fear appeal in Pakistan is very common tactic in advertising of dandruff shampoos. State Life Corporation charity organizations and many other organizations use fear appeal in

their ads very frequently. Empirical studies indicate that subjects better remember and more frequently recall advertisements that portray fear than they do warm advertisements or advertisements with no emotional content. This is particularly important today, where advertisers have to work hard for the viewers' attention. An undesirable practice such as smoking is usually associated with a negative consequence, such as lung cancer. After the association is made, recommendations are offered for making an attitude change or action taken in order to avoid the consequence. The recommendations are usually concentrated around buying a product. The relationship between the amount of fear in an advertisement and the attitude change has been a subject for research, but the results are inconsistent. Some research suggests that by invoking too much fear in an advertisement, feeling of anxiety can cause individuals to avoid the advertisement. However, it is in general widely accepted that a direct relationship holds between fear and attitude enhancement, for low to moderate levels of fear arousal. Other research have shown that stronger fear appeals are more effective than weak, especially when it comes to health and safety topics, such as smoking and safe driving practices. The use of fear appeals in advertising is not universally accepted. Critics argue that fear appeals can be unethical because they can expose people to harmful and seriously offensive images against their will. Criticisms of advertising ethicality cite over its overly dramatic and increasingly graphic use of fear appeals and such advertising's general lack of societal responsibility. According to Belch & Belch (1998), advertising contributes to the development of social norms and hence, has an obligation to work for the society's best. Further some researchers suggest that improperly use of fear appeals damage the credibility of advertisers and create unnecessary fears and worries among audience members. A fear appeal is exploitative and attempts to stimulate demand for products by describing the negative consequences of not buying a particular product. Fear appeals are unethical in the way that the technique is based on messages that are intended to elicit negative or even unhealthy responses in consumers.

2.1.8 Telemarketing

Telemarketing is another aspect of unethical advertisement. Mostly in telemarketing mails are send through spamming. “Spamming is when thousands of mail are send without prior approval of recipient” (Luis Columbus: 2000). Companies get bio-data of potential customer from search engine data warehouses and sending mails is a common practice in credit card business of Banks. Also giving toll free numbers, showing customer that they care about their concerns, actually they note their preferences and demands. In other words they are illegally pursuing consumers.

2.1.9 Advertising to children

Showing children is another widespread unethical practice in advertisements. According to *Gallup Pakistan, 50 million of the country’s population of 140 million has access to TV, with 11 million TV owners. A third of Pakistan’s population has access to cable TV, mostly in urban areas. Children between ages of 2 to 11 watch TV on average of 21.5 hours a week and 22,000 to 25,000 commercials in a year. Critics argue children; particularly young ones are especially vulnerable to advertisement because of several reasons. First, they lack experience & knowledge to understand and evaluate critically the purpose of persuasive advertising appeals and also biggest influencer in buying behavior. Second, there is evidence that some preschool children cannot differentiate between commercials and programming, cannot understand the selling intent of commercials, and distinguish between fantasy and reality. Thirdly, children between the ages of seven to twelve have difficulty balancing appeals of highly sugared products with long term health risks by age two, about one half of children have disease gums and decayed teeth. Finally, children’s advertising is deceptive in that omit significant information, such as the complexity and safety of operating toys (Aaker: 1992). Using children in advertising is casual practice in Pakistan. A small candy or chocolate bar has long commercials on TV and big billboards. Children are not well evaluator that what is right and what is wrong for them so they force their parents to buy them these candies which ultimately act as

* Courtesy to Daily times http://www.dailytimes.com.pk/default.asp?page=story_2-4-2003_pg5_12

a poison for their health. Also presenting needy children in ads is unethical. Most charity organizations and NGO's use children to collect donation and funds.

2.1.10 Competition

Companies also use advertising as a tool to avoid healthy competition and create monopoly (Aaker: 1992). One of the most common criticism economists has about advertising concern its effects on competition. Mostly big companies develop high entry barrier for new entrants. This ultimately results in high prices and low quality products. Further heavy advertising costs are also shifted to consumer by increasing prices. That's why in some European countries companies are bound to run their ads for a specific period of time and prices are closely monitored by Law and enforcement agencies. According to Belch (1998). Large companies clearly enjoy certain competitive advantages. First, economies of scale in advertising, large advertiser usually sell more of the product or service, which means they can lower production costs and can allocate more monies to advertising so they find more opportunity for developing brand loyalty

2.2 CODE OF ETHICS IN ADVERTISING

There is no significant regulation of advertising by international treaty. However, there are a number of international treaties that do regulate areas of critical importance for advertising law. These primarily concerns copyrights and to a lesser extent trademarks. Further there is a certain measure of international self-regulation.

2.2.1 The ICC International Code of Advertising Practice

The International Chamber of Commerce (ICC) is the world business organization, the only representative body that speaks on behalf of enterprises from all sectors in every part of the world (ICC International Code of Advertising Practice, 1997). ICC has since 1937 issued a number of marketing codes designed to serve as national codes. One of the most relevant of these is the ICC International Code of Advertising Practice. Some countries have directly adopted the ICC norms. Sweden has not formally adopted the ICC codes as Swedish law, but tends to follow the codes in judging advertisements and marketing conduct. The ICC International Code of Advertising Practice follows the well-established policy of the ICC of promoting high standards of ethics in marketing via self-

regulatory codes intended to complement the existing frameworks of national and international law. The Code, which was first issued in 1937 and revised most recently in 1987, is an expression of the business community's recognition of its social responsibilities in respect of commercial communications. The globalization of the world's economies, resulting in intense competition, requires the international business community to adopt standard rules. To adopt these self-regulatory rules is the best way in which business leaders can demonstrate that they are motivated by a sense of social responsibility, particularly in the light of the increased liberalization of markets. The Code is designed primarily as an instrument for self-discipline but is also intended for use by the Courts as a reference document within the framework of applicable laws. (ICC International Code of Advertising Practice, 1997) The ICC Codes, however, have no provision for international implementation and establish no international body to enforce them. (Maxeiner and Schotthöfer, 1999). The ICC Code applies to all advertisements for any goods, services and facilities, including corporate advertising. It sets standards of ethical conduct to be followed by all concerned with advertising, whether as advertisers, advertising practitioners, agencies or media. The Code applies to the entire content of an advertisement, including all words and numbers, visual presentation, music and sound effects. The Code will, according to the ICC, promote adherence to high standards of commercial communication leading to efficient international markets and significant consumer benefits.¹

2.2.2 Pakistan Advertising Association

The existence of a professional association or organizational code of ethical conduct is not a necessary or sufficient condition for ethical behavior. Professional association codes usually specify the purpose and beliefs of groups of professionals and have emerged in the response to social, environmental, and economic demands. Corporate codes of ethical conduct are designed to influence employee behavior and are used as managerial tools for creating change and give more attention to area of illegalities or unethical concerns that are likely to

¹ The guidelines are presented in appendix IV

decrease a company profit (Stephen: 1996 p.168). Such codes often demand higher standards than those required by law. According to Stephen (1996) some researchers have questioned the impact of professional codes while others have found the codes to have an impact on decision-making. However, for the codes to affect decision-making, people have to be aware of their existence.

The PAA is the most prominent professional association in the advertising industry. It is a management-oriented organization, offering its members the broadest depth of information regarding the operation of advertising agencies. The association's services cover areas including management, media, print and broadcast production, secondary research on advertising and marketing, professional development etc. The PAA also serves as a representative of the agency business to all levels of government, clients, the media, educators and the general public.

2.3 FACTORS INFLUENCING ADVERTISING ETHICS

In this part of chapter factors that have an impact on ethics in advertising, will be brought up. First, external and internal influence factors will be discussed. This will be followed by a discussion concerning the Internet. After this the legal influence on ethics in advertising will be described. Finally, self-regulation as an influencing factor will be discussed.

2.3.1 External and Internal Influence Factors

According to G. Armstrong and Kotler (1994 p.84), beyond written laws and regulations, businesses are also governed by social code of ethics and rules of professional ethics. Research identifies a number of external and internal factors, which may influence how advertising professionals evaluate alternate decisions related to advertising contents and policy. External influence factors include legal considerations such as laws and regulations, business/performance results (for example anticipated business and economic outcomes of the decision) and general industry considerations (for example standards and professional code of conduct). Further the external influence factors include corporate considerations such as rules, regulations, and expectations and finally interpersonal considerations such as the anticipated response of peers, supervisors, clients, and other significant

individuals. Internal influence factors include personal experiences, values, level of ethical and moral development and internalized norms. A variance can be found across researchers as to how these factors are labeled and incorporated into conceptual models of business-related decision-making. However, Gary Armstrong (1994) also states four independent factors as having a relatively greater influence on how an individual frames and reaches a decision:

- Personal values/ethical orientation
- The opinion and anticipated response of management/peers
- Legal constrains/considerations
- Business/economic considerations

In order to develop remedies and actions, an identification of the factors that exert relatively greater influence on decision-making about advertising content and policy is required. If advertising professional is mainly influenced by ethical considerations in the way that they consider the public good, the absolute rightness of the decision, and the consequences of their actions on their target consumers, then the issue of deceptive advertising might be considered “lapses of judgment”. When such an ethical orientation exists and is generally influential, remedial action in order to reduce the incident of deceptive advertising should encourage professionals to more consistently consider ethical factors to avoid such lapses. On the contrary, if advertising professionals are primarily guided by what legal and not ethical is oriented; the reduction of deceptive advertising requires another solution. An ethical foundation would, according to Gary Armstrong (1994), have to be developed and incorporated into the decision making process. Therefore, many companies now are developing policies and guidelines to deal with complex and social responsibility issues.

Armstrong states that vast majority of advertising professionals appear to be primarily influenced by legal considerations. In order for business to be successfully conducted, acknowledgement and adherence to the law are vital. It is not necessarily wrong or inappropriate to first turn to legal considerations when making a decision. What Davis (1994) mentions to be troubling is that legal considerations do not appear to be tempered by ethical considerations? The line of

reasoning among most advertising professionals appears to be “If it's legal it's acceptable” or “If it's legal, why wouldn't we do it?” Lack of ethical influences precludes consideration of the question, “Even if we can do it, should we do it?” Armstrong suggests that several changes in current approaches to advertising regulation are necessary since current regulatory control is insufficient to reduce the use of deceptive advertising.

2.3.2 Legal Influences

The purpose of the Marketing laws is to establish rules for how advertisements should be designed and to protect consumers and professionals from unfair practices. Marketing practices should contain information that is of specific significance to the consumer. The ethical rules that have been established for the trade and industry have to be followed in order to be consistent with generally accepted marketing practices. The various industry branches have different ethical rules and the ICC has also developed general ethical rules.² The need of marketing laws is to provide a guideline what is generally accepted marketing practice. Advertising shall also be designed in accordance to different authorities' recommendations since these are an expression of what is an acceptable practice. Advertising is controlled by internal self-regulation and external by laws and regularity agencies. Numerous laws and rules can affect individual advertiser but also the whole industry (G. Belch: 1998). Research shows that countries, which have an appropriate mix of legal and self-regulation, achieve a higher acceptable level of advertising by society. The weaknesses of one system may be compensated for by the strengths of the other system and hence more acceptable advertising will be provided to society.

2.3.3 The Internet

The Internet has experienced tremendous growth in usage in the last few years by both consumers and businesses. The growth together with the unique capabilities of Internet has attracted the marketing industry. Internet is changing how products and services are marketed and sold and increase of speed of change in industries (Louis: 2000 p.1). There exists, however, a great deal of uncertainty about the

² (See appendix III).

Internet and there has not been much research conducted on the ethical issues that might be encountered when advertising on the Internet. Internet is quite complex and global in nature and business, legal, ethical and regulatory considerations have to be taken into account. Many companies have felt the necessity of being present on the Internet. The characteristic of interactivity has received attention from the marketing community. The Internet is a means to develop and reinforce customer relationships and to build brand identity. There are, however, drawbacks to this relatively new medium. The interactivity of it has been criticized and privacy and unsolicited e-mail are issues that are debated constantly.

Louse (2000) states that there are difficulties in how the Internet should be regulated. There is a dilemma here, because the Internet cannot be regulated to an extent where it does not allow universal access to information. There is also a question if the Internet can be regulated, since there are difficulties associated with Internet regulation. The barriers of time and distance are decreasing when it comes to the marketer's possibility to create databases and the consumer has the ability to obtain information selectively. The flexibility, how information is presented and the depth of the information are higher than if compared to other media. Therefore, a code of ethics alone cannot affect the business done on the Internet, but it can however, help to establish a climate that encourages ethics on the Internet to be developed.

2.3.4 Advertising Self-Regulation

Advertising self-regulations systems have been debated in marketing journals for over 20 years and involves both a descriptive body and normative guidelines provided in order to develop an effective advertising self-regulatory system. Self-regulation is undertaken in order to secure a high standard of customer satisfaction and service (Jobber, 1995). Self-regulation is undertaken by advertisers themselves rather than by any governmental body. Self-regulation can be said to be a form of private government whereby peers establish and enforce voluntary rules of behavior (Shimp, 2000). He also states that self-regulation means that the industry is responsible for controlling the behavior of the members. A societal marketing approach is followed by a great majority of

advertisers. G. Belch (1998) defines the social marketing concept as *“the practice by the advertising industry of regulating and controlling advertising to avoid interference by outside agencies such as the government”* (p.722). Everything that advertisers do is to be carefully examined by consumers and other agencies. It has therefore become necessary for advertisers to regulate themselves and the use of the self-regulation system, ensures that societal marketing is more likely to become reality. Further, the advertising industry has created a self-regulating mechanism in an attempt to deal with issues such as deception, in addition to governmental controls. In this way the industry will better avoid confrontations with the government. (Wells: 1992)

Self-regulation in advertising has flourished in many countries, particularly in highly developed countries. Advertising associations, special industry groups, media associations and trade associations are the four major groups sponsoring self-regulation programs. A form of self-regulation is the advertising clearance process, which takes place behind the scenes before advertisements reach the public. An advertisement or television commercial undergoes a variety of clearance steps, prior to its appearance in media. These steps include the clearance by the advertising agency, approval from the advertiser’s legal department or an independent law firm, and media approval. When a finished ad appears in media after making it through the clearance process, it is subject to possible ad hoc regulation from different associations.

2.4 ISLAM AND ETHICS OF BUSINESS AND ADVERTISING

Ethics are those values that are found only in religion and are not taught at institutions. This reflects the fact that it is considered a trivial issue. But unfortunately religion affects the businesses not minutely. Therefore companies must consider this issue in their strategy and culture in order to better serve their customers. For this, it is important to understand the implications and role of religion because religion influences human behavior in two ways, perceptual and perspective. Islam presents itself as a religion that is the representative of humanity and ethics. Further, both Quran and Hadith together form Sunna, which is complete and comprehensive guideline to spiritual, ethical and social living.

2.4.1 Basic philosophy:

From an Islamic point of view, there is no direct translation or meaning of ethic or ethical behavior. The term most closely related to ethics in the Quran is *khuluq*. Depending on the translation this could be interpreted as “character” (A. Yusūf ‘Alī). However, the Quran uses many terms to describe the concept of goodness or good behavior all of which contribute to the formation of character: *Khayr* (goodness), *birr* (righteousness), *qist* (equity), *‘adl* (equilibrium and justice), *haqq* (truth and right), *ma’rūf* (known and approved), and *taqwā* (piety). Allah describes people who attain felicity or success in life as those who are “...*inviting to all that is good, enjoining what is right, and forbidding what is wrong.*” (*Quran 3:104*). What one would consider ethical behavior, therefore, depends on many factors that define or affect that person’s life experiences and education. These factors are discussed here briefly.

2.4.1.1 Legal interpretation: The legal structure of the West is often based on contemporary opinions and ever-changing social norms. This often leads to confused legal opinions and frustration by the law abiding, particularly when obvious transgressions are treated with current liberal thinking. Islamic societies, on the other hand, are guided by the Shari’ah and a collection of *Fiqh* judgments handed down from a string of great Islamic jurist of the past starting with Imam Ibu Hanifa

2.4.1.2 Organizational Factors: The organization in which one works plays a major part in determining the ethical behavior of an individual. One cannot expect to rid itself of bad ethics from the bottom. It must start at the top. The example set by management determines the behavior and attitude of the staff.

2.4.1.3 Individual Factors: We are all individuals – and thanks are to God for this wonderful diversity. Any two of us are not the same; for we all reached are present stages in life through different life experiences. Our *moral development* as children, *personal values*, *Peer influences*, and *situational factors* are Different. *Our family influences* are yet another important factor in determining our development.

2.4.1.4 Ethical Model of other Religions: The moral ethical models (I call them secular models) imposed by other religions have often stressed values that de-emphasized our existence in this world. For example, Christianity by its overemphasis on monasticism encourages its adherents to retire from the real world and “escape” to the religious order thereby convoluting the relationship between ethical behavior and manipulated behavior. In fact, the secular ethical model assumed moral codes that were transient in nature and narrow in perspective. They were created by the secular establishment and willingly modified or compromised to suit evolving secular social interests. In general there are six major ethical systems that now dominate secular ethical thinking. These can be summarized as follows:

1. Relativism: Ethical decisions are made on the basis of *self-interest* and needs.
2. Utilitarianism: Ethical decisions are made on the basis of the outcome resulting from these decisions (*Calculation of costs and benefits*). An action is ethical if it results in the greatest benefit for the largest number of people.
3. Universalism: Ethical decisions stress the intention of the decision or action (*Duty*). Everyone under similar circumstances should reach similar decisions.
4. Rights: Ethical decisions stress a single value: liberty, and are based on individual rights (*Individual Entitlement*) ensuring freedom of choice.
5. Distributive justice: Ethical decisions stress a single value; justice, and ensure an equitable distribution of wealth and benefits (*Fairness and Equality*).
6. Eternal Law: Ethical decisions are made on the basis of eternal law, which is revealed in *scripture*.

2.4.1.5 Islamic Ethical Model for Businesses: The Islamic ethical model, on the other hand, places its emphasis on the Creator. Because God is

perfect and Omniscient, Muslims have a code that is neither time bound or biased by human intervention. Islam takes a differing path. Basing himself on the Quranic passages quoted here: -

“O you who have attained to faith! Do not devour one another’s possessions wrongfully – not even by way of trade based on mutual agreement – and do not destroy one another: for behold, God is indeed a dispenser of grace unto thee!

“And as for him who does this with malicious intent and a will to do wrong – him shall We, in time, cause to endure [suffering through] fire: for this is indeed easy for God.”

(Quran -4:29-30).

“And thus have We willed you to be a community of the middle way, so that [with your lives] you might bear witness to the truth before all mankind, and that the Apostle might bear witness to it before you.”

(Quran 2:143)

“...Community of the middle way...” can also be interpreted as ‘middlemost community’, i.e., a community that keeps an equitable balance between extremes and is realistic in its appreciation of man’s nature and possibilities, rejecting both licentiousness and exaggerated asceticism.

2.4.2 Axioms of Islamic Ethical Philosophy

Unity Related to the concept of Tawhid and is the political, economic, social, and religious aspect of man’s life from a homogenous whole, which is consistent from within, as well as integrated with the vast universe without. This is the vertical dimension of Islam. The most important aspect (LA ILAHA ILLA ALLAH), being that a Muslim will obey and observe God’s law. As such no Muslim should discriminate against his employees, suppliers, buyers, or any other stakeholder on the basis of race, color, sex, or religion. *“O men! Behold! We have created you all*

out of a male and a female, and have made you into nations and tribes, so that you may know one another.” (Quran 49:13).

Also, the Muslim should not be coerced into unethical practices, since he has Allah to fear and love. *“Wealth and children are an adornment of this world’s life; but good deeds, the fruit whereof endures forever, are of a greater merit in thy Sustainer’s sight, and a far better source of hope”. (Quran 18:13)*

2.4.2.1 Equilibrium: Related to the concept of ‘adl and is a sense of balance of the various aspects of a man’s life mentioned above in order to produce the best social order. As Allah says; *“Behold, everything We have created in due measure and proportion” (Quran 54:49).* This principal of equilibrium or balance applies both figuratively and literally in business. For example, Allah admonishes Muslim businessmen to; *“And give full measure whenever you measure, and weigh with a balance that is true: this will be [for your own] good, and best in the end” (Quran 17:35).*

2.4.2.2 Free Will: To a certain degree man has been given the free will to steer his own life as Allah’s vicegerent on earth. However, he is completely regulated by the law governing Allah’s creation, he has been endowed with the ability to think and form judgments, to adopt whatever course of life he wishes, and, most importantly, to act in accordance with whatever code of conduct he chooses. Based on the axiom of free will, man has the freedom to make a contract and either honor it or break it. A Muslim, who has submitted to the will of Allah, will honor all contracts. As Allah tells us; *“O you who have attained to faith! Be true to your covenants!” (Quran 5:1)* In other words, be true to your contracts and honor your contracts and commitments.

2.4.2.3 Responsibility: To meet the dictates of ‘adl and unity that we see in Allah’s creation, man needs to be accountable for his actions. Allah stresses this concept of moral responsibility for one’s actions: *“...[that] he who does evil shall be requited for it, and shall find none to protect him from God, and none to bring him succor, whereas anyone – be it man or*

woman – who does [whatever he can] of good deeds and is a believer withal, [sic] shall enter paradise, and shall not be wronged by as much as [would fill] the groove of a date-stone.” (Quran 4:123-124).

Islam is fair that people are not responsible for their actions if:

- They have not reached the age of puberty;
- They are insane or
- They are acting during sleep.

Should a Muslim businessperson behave unethically, he cannot blame his actions on the pressures of business or on the fact that everyone else is behaving unethically. He bears the ultimate responsibility for his own actions. According to Allah; *“[On the Day of Judgment,] every human being will be held in pledge for whatever [evil] he has wrought – save only those that have attained to righteousness.” (Quran 74:38-39).*

Hence this axiom ties in with the other axioms of unity, equilibrium and free will. All obligations must be honored unless morally wrong. For example, Abraham (saaw) rejected his filial obligations because his father wanted him to engage in shirk or idolatry. On the other hand, the Prophet (saaw) observed the conditions of the treaty of Hudhaybiyah although it meant that Abu Jandal, a new Muslim, had to be returned to Quraysh envoys. Once a Muslim has given his word or engaged in a legitimate contract, he must see it through.

Finally this model tells us about mapping out one’s (either individual or organization) ethical behavior, it is important for Muslims both to avoid the unlawful and to avoid making the unlawful as lawful. Allah Himself says, *“Say: “Have you ever considered all the means of sustenance which God has bestowed upon you from on high – and which you thereupon divide into ‘things forbidden’ and ‘things lawful’?” Say: “Has God given you leave [to do this] – or do you, perchance, attribute your own guesswork to God?” (Quran 10:59)*

“The Prophet, may peace be upon him, said, “The signs of a hypocrite are three: (1) whenever he speaks, he tells a lie, (2) whenever he promises, he always breaks it, and (3) if you trust him, he proves to be dishonest (if you keep something as a trust with him, he will not return it).” (Sahih al-Bukhari no. 1.32).

The reverse is also true, as Allah says, *“O you who have attained to faith! Do not deprive yourselves of the good things of life which [sic] God has made lawful to you, but do not transgress the bounds of what is right: verily, God does not love those who transgress the bounds of what is right. Thus, partake of the lawful, good things which God grants you as sustenance, and be conscious of God, in whom you believe.” (Quran 5:87-88).*

2.4.3 An Islamic perspective of the Social Responsibility of Organizations

An organization exercises social responsibility in three domains: its stakeholders, the natural environment and the general social welfare. Organizational stakeholders refer to the organizations relationships – namely:

- Relationship of the firm to its employees
- Relationship of employees to the firm
- Relationship of the firm to other stakeholders

Muslims are expected to care the general welfare of the society they live in. As part of the community, Muslim businessmen need to watch over actions and impact on society. *“And why should you not fight in the cause of Allah and of those who, being weak, are ill treated (and oppressed)?—Men, women and children” (Quran 4:75).*

At the end I must say that it is the responsibility of every Muslim to be ethical in their daily business practices and to act responsibly toward the community in which it serves. To review its business practices (especially marketing and advertising) and remove from its organization any haram (unethical) activities and devote themselves to productive and halal (ethical) activities that benefit mankind and the Islamic Community. It is everyone’s

responsibility to take a long and serious look at his or her organization and implement policies and procedures that are conducive to ethical behavior and remove from its organization anything that may be a deterrent to function.

2.5 ADVERTISING ETHICS IN MUSLIM COUNTRIES

Before moving further we will review the code of ethics of other Muslim country Malaysia. So we will be able to know about the advertising in Muslim countries and then can make comparison with Pakistan advertising.

2.5.1 Malaysian Code of Ethics

Malaysian advertising code of ethics control practices that the local industry may not wish to self-regulate themselves including anti-social content like uncompetitive practices, foul language, anti-government or unacceptable images. The code protects the industry itself, as well as government social policies.

Like the news media, the Malaysian advertising code has strong control exerted from the *Malaysian Ministry of Information*, an important and key enabler of the Malaysian policy of ensuring that information is closely controlled, especially that which could endanger the government's own social engineering. The Malaysian government realizes that information is power. Every country controls the content of commercials and advertisements, and almost all would agree that it is necessary. But the extent of control varies markedly between countries and some broad understanding of the "Malaysian way" can be gleaned from studying the code.

- To some extent the code explains why advertising agencies in Thailand can produce some of the most innovative and compelling commercials, while Malaysian agencies are comparatively hamstrung. The common belief that Thai advertising professionals are naturally more innovative and creative than their Malaysian counterparts may be in large part due to differences in advertising codes.
- The code also reminds advertisers that while multi-cultural and multi-religious, Malaysia is an Islamic country, with the obvious bans on

advertising items such as pork products and alcohol, and the exposure of body parts

Advertising and marketing professionals involved in the production and broadcasting of TV and radio commercials should obtain the latest Advertising Code of Ethics (*Kod Ethika Pengiklanan*) from the Commercial Department of the *Ministry of Information*.

2.5.2 Some interesting snippets:

These are only small excerpts reproduced to highlight the spirit of the code and those sections that may seem "surprising" to foreigners, as well as to demonstrate the importance of complying with the cultural prescriptions of the code. Those snippets that are reproduced here are word for word from the original and not edited in any way. As always in Malaysia, interpretation of rules and regulations can vary widely and are discussed, negotiated and agreed face to face.

- Advertisements must not project and promote an excessively aspiration of lifestyle and culture
- Adaptation or projection of foreign culture, which is not acceptable to a cross-section of the major communities of the Malaysian society either in the form of words, slogans, clothing, activity or behavior, is not allowed.
- The use of man or women as principal agent by highlighting characteristics that appeals to the opposite sex, as the main ingredient in the selling of products should not be allowed.
- The body of the female model should be covered until the neckline, which should not be too low. The length of a skirt worn should be below the knees. Arms may be exposed up to the edge of the shoulder but armpits cannot be exposed. Costumes, although complying with the above, must not be too revealing or suggestive.

Women in swimming costumes or shorts and men in swimming trunks or shorts will only be allowed in scenes involving organized sporting or outdoor

activities provided they are generally decently dressed on groups any only in long shots. A "long shot" is technically described as a shot with full frame.

- Scenes involving models (including silhouettes) undressing or acts, which could bring about undesirable thoughts will not be allowed.
- Strong emphasis on the specialty of the country of origin of an imported product is not allowed. Any reference made should only state the name of the foreign country. Words should not be used to suggest superior quality of promise a greater benefit.
- All scenes of shots must be done in Malaysia. If foreign footage is deemed necessary, only 20% of the total commercial footage is allowed and prior approval from this Ministry must be obtained. However, foreign footage for advertisements on tourism to ASEAN countries can be approved up to 100%.
- Musicals and other sounds must be done in Malaysia.
- Promos of foreign programs/events not telecast in this country are not allowed.
- All advertisements on food and drinks must show necessity of a balanced diet.

2.5.3 Unacceptable Products, Services and Scenes: (some are listed here)

- Liquor and alcoholic beverages.
- Blue denims - Jeans made from other material can be advertised provided the jeans are clean and neat.
- Promotions of any contest, except in sponsored programs.
- Application of a product to certain parts of the body such as armpits
- Clothes with imprinted words or symbols, which could convey undesired messages or impressions.
- Scenes of amorous, intimate or suggestive nature.

- Disco scenes
- Feminine napkins
- The use of the word 1 (one) either in numeric or in words.
- Kissing between adults.

(For complete code of ethics see appendix II)

There are many tools for decision-making, but few guides to indicate when situations might have an ethical implication. Yet this awareness is a crucial first step before decisions are made. Recognizing the moral context of a situation must precede any attempt to resolve it. Besides all these things companies are not forced to act ethically. They make huge claims and do nothing actually on the ground. Companies can work in ethical scaffold in two ways. Either they feel self-responsibility they call self-regulation or through law enforcement through power. I developed a star Model for companies to operate on ethical ground both in advertising and business. This model can help business companies to focus on their operations and mold their activities according to ethical demands by communities and Govt. This model also provide action plan for Govt. to implement advertising code of ethics.

2.6 Star Model

2.6.1 A Framework for ethical Business and Advertising

Star model provides a skeleton for companies to operate and advertise in ethical framework. The eight pointing star represents eight major areas, which affect the organizations. These factors can be divided into internal and external factors. Internal factors are global principles & ethics, corporate ethics, professional ethics and self and personal ethics. While external factors are Govt. regulations, Religious values, social/community pressure and Media code of conduct.

Internal factors:

Internal factors are directly related to organization's internal culture and values. They basically represent company's attitude and value that gives to ethics. *Corporate ethics* tells about corporate considerations of ethics and their role in strategies. *Global principles* and ethics are generally accepted rules & guidelines and norms across the globe. We act on these rules and norms unknowingly, for example we leave the way for

ambulances on the road. Thus global principles tell us about right and wrong. *Self or personal ethics* represents person's own thinking and mind set to ethics. Self/personal ethics are heavily much influenced by company culture because person join a new firm bring its own values but after some time it adopt according to new culture and environment. Professional ethics carries two different cases. 1) In case of public limited company the professionals act more responsibly because they are accountable to society and community. 2) In case of private limited company professionals are generally less responsible because the owner directly controls them. The biggest reason is that private owners try to do business in their own interests. In this process many unethical actions are taken or ordered by them and professionals are forced to do those acts. Such actions can be giving commissions and kickbacks to authorities. These measures give rise to dilemma of corruption. However, in both cases ethical values vary from person to person and organization to organization. *Professional ethics* describes how a person in an organization sees and act according to ethics.

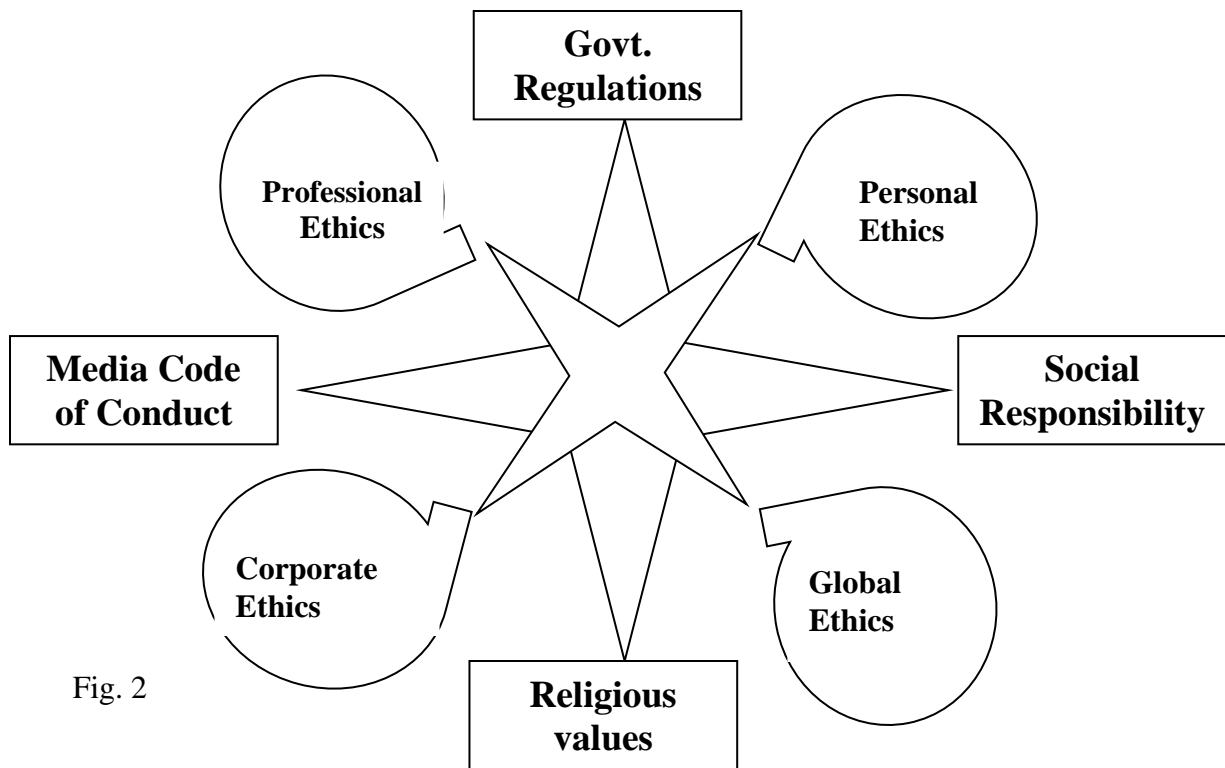


Fig. 2

External Factors:

These factors affect organizations from the external environment also called Mega environment. These factors are imposed by the outside forces while internal factors are adopted. *Govt. regulations* are developed to create and check standards and implemented through law enforcing agencies. Govt. regulations specifically tell about what is right and what is wrong. *Religious values* gives us spiritual laws and instructions, how to lead a balanced life. A firm believer of any religion tries to spend life according to these spiritual values. For example a Muslim will never drink even in European country where it is not illegal. Third external factor is *social/community* factor. Companies try to avoid negative impression in the market because it directly and immediately affects their business and financial performance. Thus communities can force companies to follow code of ethics. The final factor *Media code of ethics* includes both electronic and print media. A media can impose its will on companies by not accepting their ads for ethical violations. But media should itself have a code of conduct first. Therefore, media has to play its role in this regard.

Chapter # 3

METHODOLOGY

In this chapter, we will describe how the data was collected and explain why we chose this approach.

3.1 RESEARCH PURPOSE

The purpose of research is to state what is to be accomplished by researching and how the result of the research can be used. The purposes can be grouped in three ways:

- Descriptive
- Exploratory
- Explanatory

A *descriptive research* approach is appropriate when the problem is fairly structured, but a cause-relation relationship is not studied. The researchers know what they want to know, but they do not know the answers. A well-structured disposition is necessary in order to be certain of getting exact answers. The objective is to develop descriptions that were observed in the previous stage and the purpose is to develop empirical generalizations.

Exploratory research is suitable when it is difficult to limit a problem and when there exist uncertainty regarding what model to use and what characteristics and relations those are important. The main purpose is to investigate and find as much information as possible around a particular problem in order to reach a better understanding of the problem. The purpose of *explanatory research* is to answer cause/relation related questions. A clear problem structure is required and so are hypotheses and assumptions if a certain factor causes another one. The purpose of this stage is to explain the generalizations from the previous stage by developing explicit theory. By doing this, a cycle is created where the first stage is theory construction, the second stage is theory testing and the final stage is the theory formulation.

This study is primarily descriptive due to the fact that we aimed to describe how companies and consumer view ethics in advertising. The study is also to some extent exploratory because the purpose is to gain a better understanding of ethics in advertising.

3.2 RESEARCH APPROACH

There are different ways to conduct research and here we will present and motivate the ways we have chosen.

3.2.1 Inductive and Deductive Research

When drawing conclusions from research, the most common procedures are induction and deduction. The inductive approach is based on empirical data. The researchers studies objects without first having established the research in already existing theory and then use the empirical data to formulate a theory. A deductive approach uses already existing theory by deriving hypotheses from the theory and testing them empirically to see if they are valid. The researcher uses already existing theory as a base for deciding what information that should be collected and how the information should be interpreted and finally how the results should be related to the theory. This research is deductive since I have used existing theory and compared the theory to reality and tried to draw logical conclusions from our findings. The theory has worked as a foundation for assumptions and conclusions made in this study.

3.2.2 Qualitative and Quantitative Method

The qualitative and quantitative methods refer to how the data is treated and analyzed. There is no real distinction between qualitative and quantitative methods. The two methods are similar in the way that they have common purposes. They are both aiming towards a better understanding of the data which we collect from the target people and try to find out how people and groups act and how they influence each other. The basic difference is that the quantitative method converts the collected information into figures and that the following statistical analyses are based on these figures. Concerning the qualitative method, the attention is focused on the researcher's perception and interpretation of the information. The information can, in this case, not be converted and should not be converted into figures. The qualitative method tends to be more flexible while the quantitative is more structured. This research is qualitative in nature, since we aimed to gain a better understanding of the things studied.

3.3 RESEARCH TOOLS AND STRATEGY

The research strategy involves the strategies that are available in order to collect data. The choice of research strategy depends on the three factors. The first in the type of research questions asked. The second factor is to what extent the researcher has control over behavior events. The final factor is to what degree the focus is on contemporary events compared to behavior events. Depending on the outcome of these factors, the researcher can choose between experiments, survey, and analysis of archival records, history or case study. These are presented in TABLE 1

Table: 1

Research Strategy	Form of Research Question	Required Control over Behavioral events	Focus on contemporary events
Experiment	How, Why	No	No
Survey	Who, what, where, how many, how much	No	Yes
Archival Analysis	Who, What, Where, How many, How much	No	Yes, but to limited extend
History	How, Why	No	Yes, but to limited extend
Case Study	How, Why	No	Yes

Using experiments, as research strategy was not suitable since our study did not demand control over behavioral events. We used survey to find the consumer perspective because it is the only parameter, which can give best information that, what consumer perceive and demand in the advertisement. We also used data (secondary data) of various advertising companies. An archival analysis was not suitable either because it attempts to answer the questions of how much and how many. Using history as a research strategy was not appropriate since this approach does not focus on contemporary events. The research strategy that we found suitable is case studies. The focus is upon contemporary

events and it demands no control over behavioral events. Finally, the research questions are in many cases, but not in all, formed as how and why questions. A case study was hence the most suitable research strategy under the prevailing conditions. Case studies are suitable when research is focused on few objects and look at them in many respects. Further case studies have a good ability to communicate with reality. There is a distinction between single and multiple designs of cases. The researcher has to decide whether to do a single case study or to do multiple case studies. Multiple case studies increase the validity of the research and it also creates a possibility to compare the cases. We have chosen to conduct multiple case studies. By doing this, the cases can be compared and the validity is increased.

3.4 DATA COLLECTION METHOD

There are six different sources for data collection. These are documentation, archival records, interviews, direct observations, participant observation and physical artifacts. We have not used archival records due to the fact that these are quantitative in nature. Since our study is qualitative this method is not suitable. We have used direct observations although it is time consuming and costly but to get access to the consumer and their daily life experience it was necessary. In this regard detailed questionnaire was provided to consumer and get feed back about advertising.³

Using different sources of evidence gives the researcher the opportunity to collect several measures of the same phenomenon and this increases the validity of the study. We have, in our study, used Mail questionnaire as the primary tool for data collection and documentation as a secondary tool. The advantage is that it is targeted and the focus is on a case study subject. Further, it does also result in perceived causal conclusions and they do hence give insight to a topic. The secondary data was collected through reports and other printed sources. One advantage of documentation is that the document can be reviewed over and over again.

3.5 SAMPLE SELECTION

To conduct this empirical study I selected three Pakistani companies, two of which operates in same industry (manufacturing), and one in service industry. The reason for

³ (For Questionnaire see Appendix D).

this was our intentions of having contrasting cases. By having contrasting cases, the ability to generalize the results can be discussed in relation to a particular population. P&G Pakistan is a subsidiary of the Proctor and Gamble Corporation, the leading consumer goods company (link) with a mission to improve the lives of consumers wherever it operates. P& G is an international Company reaching out to almost the entire world population with more than 250 brands in 130 countries. In contrast to P&G, I selected the company Unilever and Shaukat Khanum Memorial Hospital because one operates in the similar industry and the other is a service company. The companies' advertising situations are very different and their view of ethics in advertising may therefore differ. We considered the respondents Unilever and P&G to be the best appropriate for Case studies.

For the consumer research I selected a random sample of 50 people that mostly belong to Rawalpindi and Islamabad because of accessibility problem. However I tried to get data directly from the consumer. Selecting consumer sample was also very difficult because it require adequate knowledge. To overcome this problem I provided a page that carried necessary information. Also I tried that respondents fill that questionnaire in my presence so they get help and necessary information.

3.6 ANALYSIS OF DATA

In qualitative research, the focus is put on data in the form of words. The processing that the data requires is a form of analysis. Data analysis is consistent of three concurrent activity flows. The first flow is data reduction and is made in order to make the data sharp, focused, sorted, discarded and organized so that the researcher can draw and verify conclusions. A within-case analysis is often used at this phase. Such an analysis involves comparing the collected data against the theory that have been used. The second phase is data display, in which the researcher takes the reduced data and displays it in an organized and compressed way in order to make it easier to draw conclusions. This phase is useful when multiple cases are being studied. Multiple cases can be compared in a cross-case analysis, where data in one case is compared to data in another case. The third and final phase concerns conclusion drawing and verification. The researcher begins to note, for example, explanations, regularities and patterns. I have used these phases when analyzing the data I collected. In chapter five, the data is reduced through a within-case

analysis for each case and consumer perspective. The data will be displayed through analysis and in the sixth chapter conclusions will be drawn.

3.7 QUALITY STANDARDS

Validity and reliability are two useful measures in order to define the quality of a research.

3.7.1 Validity

Validity is a measuring instrument that measures what it is intended to measure. There are three forms of validity: construct validity, internal validity and external validity. In order to attain construct validity, correct operational measures have to be established for the concepts that are being studied and to use objective judgments to collect the data. The internal validity concerns the conformity between the concepts and their operational definitions. It is therefore possible to examine the internal validity without the collection of empirical data. Internal validity is only a concern for casual case studies, in which an investigator is trying to determine whether one event led to another event. This is not the purpose of our study and we will therefore not use the concept of internal validity. External validity concerns whether the findings of a study can be generalized beyond the immediate case study.

In order to increase the construct validity of the data I sent a mail version of the interview question, to the each company. The respondents were in that way familiar with the research area and had the opportunity to provide data concerning the topic and possible misunderstandings would be avoided. The respondents also had the opportunity to mail back for questions regarding the interview or the questions. Before we sent the interview question, my supervisor and I commented on it, which increases the construct validity. After putting together the questions for the companies, they mailed PDF file for correction of eventual misunderstandings. Another way to increase the validity is to conduct the research with companies I believe to have the best knowledge about the topic area, as described in the sample selection. The external validity is increased due to the fact that we have made analytical generalizations based on empirical data.

3.7.2 Reliability

Reliability can be defined as a measuring instrument's ability to give reliable and stable results. During the interviews we used a tape-recorder, [soft copy (PDF) of company policy in case of e-mail] which increased the reliability. By collecting information in document form I could go back to make sure that we had interpreted the respondent correctly and in that way avoid misunderstandings and misinterpretations.

Chapter # 4

DATA PRESENTATION

In this chapter the empirical data of the study will be presented. The first case to be presented is Proctor and Gamble. This will be followed by the cases of second Company (Unilever) and third company Shaukat Khanum Memorial hospital. At the end data regarding consumer perspective will be presented. This will provide basis for data analysis in the next chapter.

4.1 CASE ONE: Proctor & Gamble

P & G Pakistan is a subsidiary of the Proctor and Gamble Corporation, the leading consumer goods company (link) with a mission to improve the lives of consumers wherever it operates. P& G is an international Company reaching out to almost the entire world population with more than 250 brands in 130 countries. Many of these world brands (Ariel, Tide, Pert Plus, Pantene pro-V, Head & Shoulders, Pampers and Always) have become famous household names and are found in almost every home. Headquartered in Cincinnati-Ohio in the USA, P & G has local operations across the globe in more than 80 different countries, including numerous manufacturing sites and 18 R&D-technical centers. P & G is an internationally owned company with publicly traded shares, currently owned by over one million shareholders from around the globe. P & G employs over 100,000 people from all over the world, spread evenly between USA, Europe/Middle East & Africa and Latin America/Asia. P & G hires and respects individuals regardless of race, color, religion, gender, age, national origin, citizenship or disability, and actively promotes diversity within its organization as well as in its business operations.


In July 1997, Ariel was launched in Pakistan based on a sophisticated and advanced formula never seen before here. Ariel was able to deliver better end-results on cleaning and whiteness maintenance with 20% less product [i.e. 80 g. of Ariel offers better cleaning than 100 g. of Surf and 250 g of Sufi bar soap (According to company claim)]. The success of Ariel can be attributed to its cleaning superiority versus other laundry brands as well as innovative and break through marketing ideas. Now Ariel means more to the people than just a detergent. "Ariel is a friend who is there to help them every

time." In the last two years, Ariel has established itself as a brand that really cares about people. In 1998, Ariel launched its "Help the Needy" campaign that Procter & Gamble runs in all Muslim countries in the month of Ramadan. The objective of this campaign is to assist the less fortunate children in our society by giving them a diversity of donation items which ultimately goes towards improving their lives. Last year, Ariel increased the scope of this campaign dramatically by reaching the needy children in all 105 districts of Pakistan. Through its continuous community efforts advertisement like 'Help the Needy Children Campaign' where Ariel helps out the needy children all over Pakistan every year and the 'Maa' TV program paying tribute to the great mothers of Pakistan and helping out the ones in need, company (P & G) able to attach people's emotions with Ariel and look at it as a part of their family. Now before discussing further we must know the company perspective also.

4.1.1 How can the Ethical Issues Company facing in their Advertising be described?


Deception and manipulation:

When it comes to advertising and the perception of messages consumer's perception about message is important because the way in which consumers perceive and interpret advertising messages is also dependent on age. A company such as P & G has a broad customer base and has to communicate with consumers and Media of all ages and types. This can cause problems since it is difficult to focus. P & G believes on the basic principle of honesty. Neither deceptive advertisement nor questionable promotional activity can be ever justified. These are vital tents of P & G's dedication to consumers and essential to gain and keep loyalty of brands. P & G observes standards of commercial fairness in devising, using and selecting advertising and promotion, so P & G's products succeed based on their own quality and performance and its reputation as a company, rather than by false or deceptive statements or comparisons. We firmly believe in truth and fair statements and provide complete information to our consumer about our products.


 *Fair competition:*

P & G believe fair competition because we believe that it brings benefits to our business. We compete strictly on the merits of our products and services and make no attempts to restrain or limit trade. Specifically P & G

- Never discuss matters of prices, pricing strategies, and products of marketing plans or terms of sales with competitors
- Never enter into agreement with our competitors on prices, production volume and customer and sales territory
- Do not disparage the products or services of a competitor
- Collect competitive information through proper public of other lawful channels but do not use information that was obtained illegally or improperly by others

 *Stereotyping:*

P & G is committed to universal human rights, particularly those of employees communities in which we operate. To that end P & G practice and seek promote the standards of equal opportunities for employees at all levels with respect to issues of race, color, religion, gender, age, national origin, citizenship and disability. Also company not only provides safe and healthy workplace protecting human health and environment but also work with government and communities to improve the educational, cultural, economic and social well being of the community.

 *Taste in Advertising:*

When it comes to taste in advertising, it is getting increasingly difficult to be so general so that no people are offended. The industry, in which P & G operates, is characterized by a broad customer base, which makes it difficult to make advertisements that all consumers like and approve of.

4.1. 2How Company's advertising Codes of Ethics can be described?

P & G's guidelines for business conduct flow from our purpose, core values and principles. P & G statement of purpose describes

"We will provide products of superior quality and value that improve the lives of world consumers. As a result consumers will reward us with leadership sales,

profits and value creation, allowing our people, our shareholders and the communities in which we live and work”.

P & G follows the ethical recommendations that have been developed by the industry organization. The ICC provides the fundamental rules for advertising. The company has taken actions in order to ensure a high ethical standard of advertising and developed guidelines based on the ICC Codes. The guidelines have been developed through various issues that the company has encountered. Consumers communicate with company and hence much information comes from consumers. Consumers may ask the company where it stands in particular issues and the employees have to be able to answer.

At P & G the company's ethics is spread through discussions, which involves all employees of management level. There is also written document of code of conduct that touch upon ethics and advertising and the company's policy. Ethics is incorporated into the company's operations and is a natural part of the operations because they are a natural part of the daily work. Those who work with advertising within the company have ethics in mind. If the company turns to an external advertising agency, the ethics and the principles of the company are discussed in order to avoid mistakes and ensure a satisfactory work by the agency.

4.1.3 What Factors Influence Ethics in Advertising?

 *IT & Technology:*

The Company's financial result does not influence ethics. A company cannot tell the employees that they have to be more manipulative in their advertising, in order to improve the financial result. P & G expect that all companies have come that far that they have realized that it would not work. By working that way, the company would be the one that loses. It all comes down to the consumer, and a company has to observe and listen to the consumer and a reference bank is built on the consumers.

 *Self Regulation:*

Proctor and Gamble's reputation is earned by its conduct: what we say and what we do, the product we make; service we provide and the way we act and treat others. As conscientious citizen and employee we want to do what is right. For

P&G it is the only way to do business. It is in the spirit that we provide code of conduct. By acting consistently with these guidelines, we can each do our part to assure that P&G earn its reputation as a company which conducts its business with utmost integrity.

4.2 CASE TWO: UNILEVER

Unilever is one of the world's leading suppliers of fast moving consumer goods in foods, household and personal care products. Around the world Unilever provides food home and personal care products. Unilever was found in 1930 when the British soap maker Lever Brothers merged with the Dutch margarine producer, Margarine Unie. Margarine Unie grew through mergers with other margarine companies in the 1920s. Lever Brothers was founded in 1885 by William Hesketh Lever. Lever established its soap factories around the world. In 1917, he began to diversify into foods, acquiring fish, ice cream and canned foods businesses. In the Thirties, Unilever introduced improved technology to the business. The business grew and new ventures were launched in Latin America. Today, employing 265,000 people, Unilever has two parent companies - Unilever NV and Unilever PLC – which, despite being separate businesses, operate as a single unit with the same board of directors. Unilever's corporate centers are London and Rotterdam. Unilever Pakistan is a subsidiary of the Unilever Inc, the leading consumer goods company. Unilever's brands are trusted everywhere and it is one of the world's most successful consumer goods companies. In fact, 150 million times a day, someone somewhere chooses a Unilever product. Unilever leads the Home Care market that includes cleansing and hygiene products. Its many products are market leaders. Within the Personal Care market Unilever is global leader in products for skin cleansing, deodorants and antiperspirants. Their global core brands include Axe, Dove, Lux, Pond's, Rexona and Sunsilk. Innovation is paramount within the Home and Personal Care markets in order to maintain our strong market position.

When we talk about advertising, Unilever is also a big player in the market and advertise heavily on media (both electronic and print) to compete with its competitors including biggest competitors P&G. But like any other company in Pakistan its advertising is also seems to be manipulative, deceptive and stereotyped in the minds of consumers. We must look at both ends considerations and concerns in order to evaluate consumer perception

and company's viewpoint. First we look for company perspective and consumer perception will be presented in the end. Unilever claims. (Annual report: 2001)

"We are committed to high standards on advertising. Balancing creativity and social sensitivity require an approach and willingness to respond if and when we get it wrong".

4.2.1 How can the Ethical Issues Company facing in their Advertising be described?

Deception and manipulation:

Unilever is committed to a responsible approach to marketing, conscious that freedom to advertise can too easily be taken for granted. As advertising is created, tested and rolled out, any mistake are by definition subject to ready criticism. That's why animated photos that contained an unacceptable portrayal were swiftly withdrawn in Canada. Thus Unilever observes standards and fairness of commercial, using and selecting advertising and promotion. Therefore, Unilever's products succeed in the market place due to quality, performance and reliability. For any complaint we take review of the matter and then take actions accordingly.

Taste in Advertising:

Issues of taste are a particularly contentious area with different perspectives not only between cultures and societies, but within themselves as well. Unilever itself develop its advertising campaigns with great care, paying particular attention to local differences of perception, as they are made available worldwide. In advertising to different consumers groups, creative communication pushes at the boundaries of what is acceptable. Unilever try hard to maintain the balance between what is highly appealing to young adults and what is acceptable to adult population generally. We don't succeed every time but where we got wrong; we listen to consumer quickly and respond immediately.

Fair competition:

We (Unilever) operate in highly competitive consumer markets. For our employees it is important for them to understand that competition, while vigorous, should also be fair. Thus we strongly believe on fair competition. By equipping our employees (said a high official) with high standard training, we train them what competition law

means, we maintain our standards, and meet the standard of competition authorities. We apply the principle of the code to joint ventures and contracted third party suppliers.

Stereotyping:

As a multi-local multinational, Unilever embraces diversity around the world. We firmly believe on principle of equality and equal opportunity not in the employment but also in advertising. Unilever all over the world advertise its products and hire both black male female in advertising. We also monitor the equal opportunities for women and minorities.

4.2.2 How Company's advertising Codes of Ethics can be described?

We describe ourselves as a Multi-local multinational (Transnational) company that thinks globally and act locally with 2, 65,000 employees and operations around 100 countries. Our challenge in social responsibility is to live out our company wide values and standards of business behavior in a way that is both consistent and appropriate in many distinct local societies. We do this by empowering the managers to exercise their responsibility in the day- to-day context of operations providing support, monitoring key areas of performance, learning from experience and reporting the outcomes. Our code of business principle sets the framework for our worldwide (including Pakistan) operational standards of behavior in issues such as obeying the laws, providing safe products for consumers everywhere offering fair employment and advertising. To meet our standards in advertising we make our own advertising campaigns.

4.2.3 What Factors Influence Ethics in Advertising?

The factors that influence ethics in advertising are a combination of existing laws and regulations, moral and ethical considerations of the company, the society in which the company exist, and personal values. It is important that company gives importance to social values and the values of society, in order to function properly. Factors such as legal considerations, corporate considerations, interpersonal considerations, and personal experiences and values all influence ethics in advertising. Jobber, D. (1995) states that professionalism is important and the employees should handle their skills in a correct manner. Further the direction of the company is important. Personal values and ethical

considerations in relation to the values of the company are here important. The easier an employee can identify with the values of the company, the easier it will become for each individual to act in accordance to existing rules and regulations, which are more or less stated.

 *Self Regulation:*

Our (Unilever's) business success is built on understanding people not simply as consumers who buy the products but as a citizen of common concerns. Unilever is engaged in their local communities in a broad range of activities in health, education and community projects, sharing skills and responding to local needs. Company is also involved in regulation of advertising messages and media campaigns. This engagement brings results for our business through new partnerships and ways for us & for our brands to connect with our consumers. It enhances employee motivation and the development of new skills.

In this Code the expressions 'Unilever' and 'Unilever companies' are used for convenience and mean the Unilever Group of companies comprising Unilever N.V., Unilever PLC and their respective subsidiary companies. The Board of Unilever means the Directors of Unilever N.V. and Unilever PLC.

(Unilever annual report 2001)

4.3 CASE THREE: Shaukat Khanum Memorial Cancer Hospital:

Most people in Pakistan do not have access to quality medical care, especially for the complex care required for cancer. Shaukat Khanum Memorial Cancer Hospital is the only Cancer Hospital in Pakistan was established in 1994. It was conceived by Imran Khan in 1989 because his mother was died for cancer. The Hospital was built and being run solely on donations, and generous contributions from around the world. The Hospital is Comparable with any best hospital around the globe. Shaukat Khanum has the latest facilities for cancer diagnosis and treatment. The Hospital plans to undergo completion in three consecutive phases, including state-of-the-art research facilities. The Hospital has facilities for initial evaluation of suspected and diagnosed cancer patients - both for adults and children. Diagnostic facilities include radiology, laboratory medicine, endoscopies and nuclear medicine. Facilities for multimodality treatment include surgery, radiation and chemotherapy.

"The Hospital is striving to overcome physical and financial constraints in the years ahead. A tremendous amount is needed for the treatment of patients, maintenance, and operation of the Hospital and to implement the future plans" said Imran Khan in his message for donation campaign. The mission of the Shaukat Khanum Memorial Cancer Hospital and Research Center is to provide the highest quality diagnostic and therapeutic care to patients with cancer, irrespective of their ability to pay. The hospital plans to be at the cutting edge of innovation and involved in every aspect of cancer research.


Shaukat Khanum is mainly working with cancer disease, its ads are controversial because of portray of poor and needy children. In addition to laws and regulations, which have to be followed, the main question is should marketing be allowed for such ads, which in some way arouse sympathy and compassion in the minds of viewer or audience? There are many issues in this regard, which influence society. The use of emotional appeal in donation ads is the most controversial issue. The interesting thing is, there is no documented code of conduct for advertisement because it is not a corporation or marketing company, it is a charity organization (said a high official of administration). The factors that influence ethics in advertising are a combination of existing laws and regulations, moral and ethical considerations of the hospital, the society in which it operates, and personal values. It is important that each member of the staff give importance to values and ethics. In the case of Shaukat Khanum, the values of society, in order to function and to be able serve the poor society is all the more pressing. Its totally separate issue that how shaukat Khanum should advertise for donations and help to run hospital. When it comes to regulating advertising, a mixture of laws and self-regulation is the best alternative. Like industries hospitals should regulate themselves in response to criticism and laws, which will gradually regulate advertising in near future.


4.4 CONSUMER SURVEY RESULTS

Like understanding companies' viewpoint, consumer perception is also very important in order to draw inferences and conclusion. Before moving to consumer survey results, first we take a general view of advertising in Pakistan and look at media responsibilities, actions and code of conduct.

4.4.1 Advertising in Pakistan

Although Pakistan is marching into the age of commercialized media, where advertising sets the agenda in electronic and print media. Yet, Advertising industry of Pakistan is still in its transition stage. There are dozens of advertising agencies are working in the market including: local, foreign affiliated and multinational. These ad agencies work according to their company's guidelines rather working as a business partner or in collaboration. The overall condition of advertising in Pakistan regarding ethical practices is not good. Excessive claims, misleading statements, stereotyping and taste are common practices in both print and electronic media.

 *Advertising Media:* The television, press and radio are vital source of advertising in Pakistan. The majorities of broadcasting outlets in Pakistan are government-owned and operated, although most accept private advertising. PTV (Pakistan Television Corporation) has its own three channels. Radio also has been an effective method of communication because the literacy rate is low and other methods of communication are sometimes not available. In the early 1990s, there are over 1,500 newspapers and journals in the country, including publications in Urdu, English, and in regional languages. Now we briefly touch both electronic and print media advertising code of ethics.

 *PTV Code of Ethics:* The PTV code of advertising standards and practices were approved in 1995. Now PTV has been over-commercialized. It is only pertinent that these ethics be reviewed in keeping with the changed times. The TV code says: It is essential to maintain consistently high standards of television advertising. In judging advertisements, the main consideration will be the impression it is likely to create on an average audience, which includes children and young persons of innate judgment and of impressionable age. The code also bans sublime advertising or where the promotion is implicit. Before putting a commercial film or telop on PTV, it is mandatory for an advertiser to give an undertaking in writing to the secretary PTV/STN censor board that models appearing in the commercial

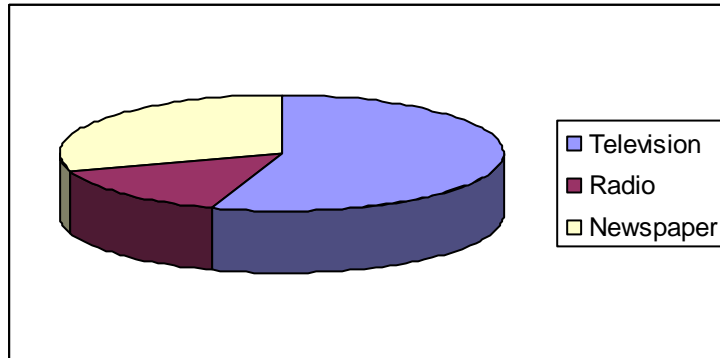
are not Indian nationals; that the strains of music and soundtrack have not been borrowed from Indian compositions and that the commercial was not produced or shot in India. After that the commercial is presented to a special committee, which censors it by enforcing a strict interpretation of PTV's long code of ethics.

Print Media: the code of ethics and conduct is recently revised by two representative bodies of press namely APNS, and CPNE. According to this code of conduct press media will avoid misleading, biased, privacy interference, any material, which encourages or incites discrimination or hatred on grounds of race, religion, caste, sect, nationality, ethnicity, gender, disability, illness, or age, of an individual or group, sexual offence and children in advertising and news. ⁴

⁴ (See appendix IV for print media code of ethics)

Question # 1 Time spends on Media in Hours:

Media	Time
Television	55%
Radio	15%
Newspaper/Magazines	30%

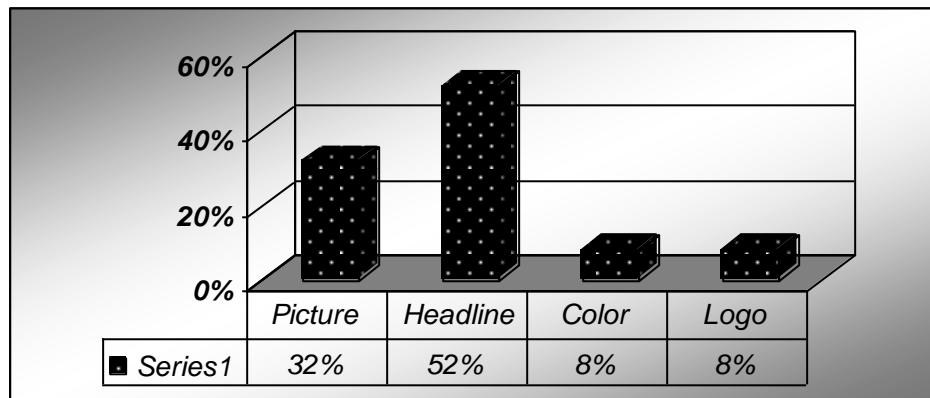


Question # 2 How many ads you see and listen in a day (including bill boards and posters)?

Ans: Average people see 34 ads daily

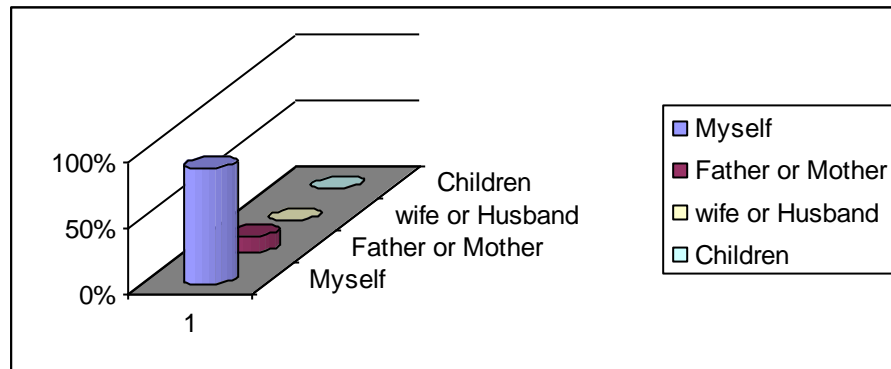
Question # 3 Which factors forces you to see the ads?

Picture	Headline & information	Color	Logo
32	52	8	8



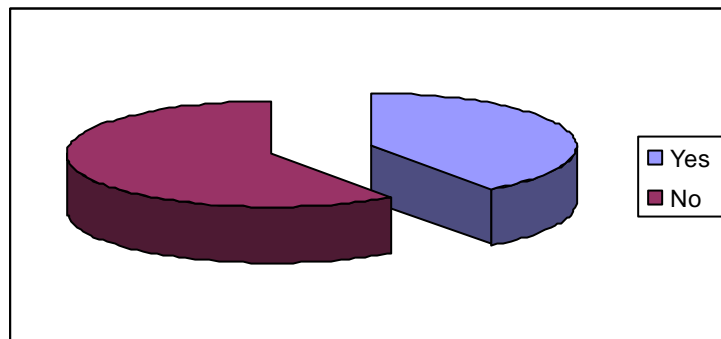
Question # 4 *who is the decider of buying product?*

		Wife or	
Myself	Father or Mother	Husband	Children
88%	12%	0%	0%



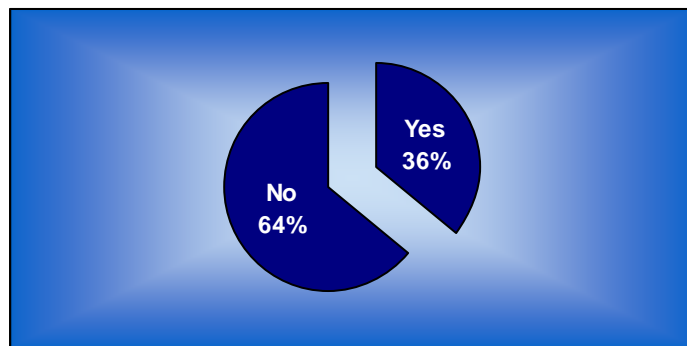
Question # 5 *Do you believe that you get the right thing, for right prices and exactly the same thing you see in different ads?*

Yes	No
40%	60%



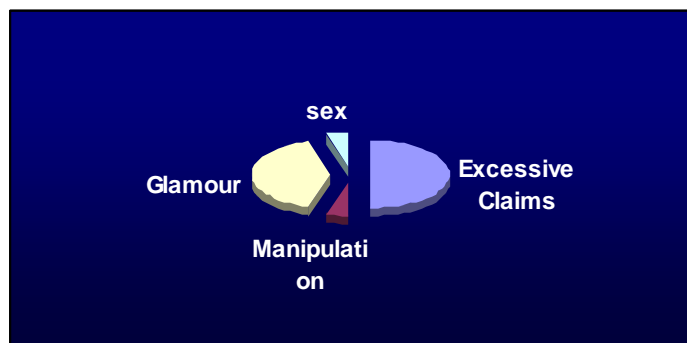
Question # 6 Do you believe that information given in ads is relevant and true?

Yes	No
36%	64%



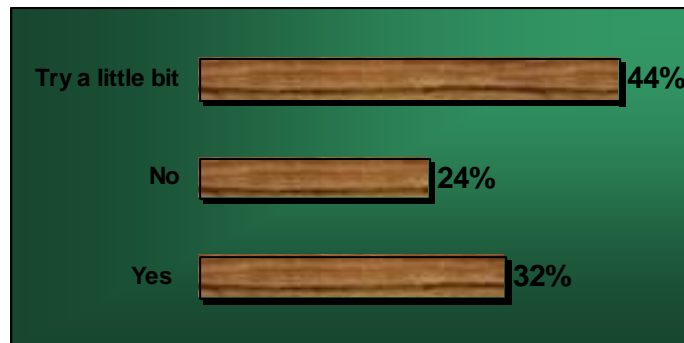
Question # 7 What are the most controversial things in ads in your opinion?

Excessive Claims	Manipulation	Glamour	Sex
44%	4%	36%	4%



Question # 8 *Do companies in your opinion try to work in ethical guidelines or not?*

Yes	No	Try a little bit
32%	24%	44%



Question # 9 *Which ad you still remember and why?*

Ans: About 70% respondent asked Lipton ads due to its landscape and 15% Pepsi ads due to innovation.

Question # 10 *What are the positive and negative factors of our advertisement in your opinion (both electronic and print)?*

Ans: Positive: competition, provide information, and persuasiveness.

Negative: Lack of Innovation, Misleading, and Glamour.

Chapter # 5

DATA ANALYSIS

In this chapter the collected data will be analyzed. First, the data will be analyzed within each case and against previous theory in order to reduce data. Second, the three cases will be compared in a cross-case analysis. The reduced data will in this section be displayed in an organized and compressed way in order to make it easier to draw conclusions.

5.1 WITHIN-CASE ANALYSIS OF P&G

➤ *How the ethical issues company facing in their advertising can be described?*

The legal perspective of deceptive advertising mainly focuses on how the consumers perceive the advertisement rather than the intention of the advertiser. This is true for P&G. The company states the importance of the consumer's perception of the message. Advertising can, according to Aaker (1992), lead to multiple interpretations or misunderstandings. These can be divided into internal and external sources. The first source concerns the audience itself. The respondent suggests, according to theory that misinterpretations arise due to the fact that professional advertisers see things in another perspective and tend to see things as obvious. Another source of misinterpretations is related to the age of the consumers. Different age groups perceive and interpret things differently. The second source involves the actual content of the message. The findings are according to theory since the respondent states experience and knowledge to influence how the contents is perceived and interpreted. P&G mentions that the different age groups require varying amount of displayed information in advertisements. However, P&G states the importance of the Marketing laws in requiring minimum amount of information displayed in advertisements. P&G claims that its products succeed based on their own quality and performance and its reputation as a company, rather than by false or deceptive statements or comparisons. Its true if we talk about performance and quality but when it comes to reputation, it is important question how it has developed this reputation especially in the case of Ariel! Through use of needy children in advertising and use of emotional appeal of mother's love, while, we are as a nation and being Asian more attached to our parents especially to our mother. But the good thing is that P&G is working for betterment of society and pay tributes to great mothers and help to keep our

tradition alive to respect old parents and elders. Besides all these things company must think what is they are trying to do. They should position their products in the market more by using rational appeal instead of using such emotional appeals. This would be better not only for the society but also for the company.

➤ *How can companies' advertising codes of ethics be described?*

According to Shimp (2000), codes of ethics emerge in response to environmental, social and economic demands. The findings support theory, since the industrial organizations, has developed ethical recommendations that P&G follows and to which a few amendments have been made. The company's code of ethics has emerged from various issues encountered. The customer profiles provide much information for the company regarding ethical issues. The importance of employee awareness concerning the company's advertising ethics. P&G is aware of the importance and tries to involve all concerning management in discussion about ethics. Theory implies that advertising codes of ethics may directly or indirectly influence the decision making of a company. The respondent agrees and states that ethics is a part of the daily operations. The ICC International Code of Advertising Practice has the intention to promote high standards of ethics in marketing through self-regulatory codes. The ICC guidelines shall complement the existing frameworks of national and international law. P&G is aware of the ICC Code. However, issues are debated in the organization and a general decision is taken regarding the actions of the company.

➤ *What factors influence ethics in advertising?*

Hackley, C.E. and Kitchen (1999) lists a number of external and internal factors that are influencing advertisers' decisions related to advertising content and policy. According to theory these factors legal considerations, general industry considerations, corporate considerations and interpersonal considerations, as external factors influencing advertising-related decisions. However, the P&G does not agree business/performance result to be an influencing factor, as theory suggests. According to theory the internal influencing factors include personal experiences, values, ethical and moral development and internalized norms. P&G did not believe that these factors influenced advertising-related decision.

Ten ethical issues that we discussed earlier in chapter two might be encountered when marketing on the media (either print or electronic). P&G has experienced ethical problems regarding the animal testing which badly affected its sales in developed countries and then company made efforts to develop code of conduct. There are difficulties related to how the media should be regulated. Government regulation, open discussion and self-regulation are three possible ways in which the media can be regulated. Self-regulation can be the best alternative for the advertisers. The industry is in general more flexible than the government. According to Aaker (1992), an appropriate mix of laws and self-regulation result in a higher acceptance of advertising by society. This statement seems correct for our environment and culture. The organizations and companies in general works are closer to the consumers compared to governmental institutions.

5.2 WITHIN-CASE ANALYSIS OF UNILEVER

➤ *How ethical issues companies facing in advertising can be described?*

The legal perspective of deceptive advertising focuses primarily on the consumers' perception of the advertisement and ignores the intentions of the advertiser. Since advertising is directed towards people and their judgment is crucial. While pictures, expressions, symbols and poorly formulated messages can lead to misinterpretations. Aaker (1992) state that almost all advertising contains puffery to some extent. The respondent agrees and suggests that consumers understand the way in which companies exaggerate in order to attract attention. The kind of exaggeration that consumers understand is a part of advertising, however, false statements can never be justified. We agree with this but this raises the question, to which extends puffery is acceptable. There must be some limit in this regard. Unilever accepts that in one or two countries complaint against Unilever were submitted and in Canada it withdrew animated photos. In country like Pakistan, where there is lack of education and consumer rights this violation is more easy and unnoticeable. Unilever claims that it tries its best to evaluate ads seem unnecessary claim because Unilever's ads of LUX are full of stereotyping using women as a sex object. At the same time the annual program of seven-LUX style stars is also violation of Pakistani culture, norms and values. I agree that claims about quality are true but not always. The recent ad of Dalda ghee and oil is very much controversial. There is

no medical evidence and proof of claim that it does not clot in blood veins. But overall Unilever's self-regulation and social responsibility actions are appreciable. Also company has a complete code of conduct for its actions and can serve as a role model for local companies to follow it.

➤ *What factors influence ethics in advertising?*

Ethical issues can be encountered on all type of media. Unilever has not experienced any major ethical issues, since the company has code of conduct and self-regulation. Codes of ethics should be developed concerning advertising. Ethical behavior in marketing activities and advertising is necessary for every business today. There are three ways in which the advertising can be regulated. In these three methods two methods are self-regulatory while one is regulated by outside power

1. A mix of laws and regulations and self-regulation
2. Communication with consumer and close monitoring
3. Regulation by the law enforcement agencies

5.3 WITHIN-CASE ANALYSIS OF SHAUKAT KHANUM MEMORIAL HOSPITAL

➤ *How ethical issues company facing in their advertising can be described?*

Since the legal perspective of ethical/unethical advertising focuses primarily on the consumers' perception of the advertisement and ignores the intentions of the advertiser. Therefore advertising is directed towards people and their judgment is crucial. Advertising message can be distorted through internal and external sources of distortion. It is true that pictures, expressions, symbols and poorly formulated messages can lead to misinterpretations and have a bad taste. Therefore this is a matter, how professional the advertiser uses it. However, the use of children and deceptive advertising on purpose can never be justified in consumer and industrial products. Using children in advertising for donation and using emotional appeal for it is not a good act but in case of Shaukat Khanum Memorial Hospital it is justifiable in a sense they are using it for a good cause. Jobber, D. (1995) discusses the question whether advertising reflects the values of society or helps to create and shape them. Few would argue that advertising faithfully reflects society. Advertising must mirror the values of society and that current opinions and

trends in society lie as a foundation for what is portrayed in advertising especially in case of children advertisement.

It is difficult to establish general guidelines what can be characterized as good taste in advertising, since taste varies from person to person. There is consensus on this opinion that companies (either consumer/industrial companies or charity organizations) operating in the society have to be careful (or avoid) when using children, symbols and expressions in order to avoid misunderstandings. Advertiser must be able to handle issues concerning taste in advertising; otherwise it is difficult for a company to exist.

➤ *What factors influence ethics in advertising?*

Ten factors identified in chapter two can influence advertising content. External factors include legal considerations, business/performance results, general considerations, corporate considerations and interpersonal considerations. Internal factors include personal experiences, values level of moral and ethical development and internalized social norms. The findings at Shaukat Khanum support theory with the exception those industry considerations do not have to influence ethics in advertising. The underlined fact is that it cannot be taken for granted that a company accepts something just because it operates within a certain industry.

5.4 CROSS-CASE ANALYSIS

The cross-case analysis will further reduce and display the collected data. The data concerning each research question is presented in a matrix. Comments concerning the specific findings will follow the matrix. (PTO)

How ethical issues companies facing in advertising can be described?

Variable/Case	P & G	Shaukat Khanum Memorial Hospital	Unilever
Deception	Focus on the consumer's perception.	Not applicable	Focus and communicate with consumer's
Fair competition	Believe on fair competition	No need to compete because it is a charity organization	Believe on fair competition and focus on employee training
Manipulative Advertising	Advertising can manipulate people. 4 P's can also influence purchase.	Advertising can to a certain extent manipulate people.	Advertising can be puffery. Use rational appeal mostly
Stereotyping	Advertising reflects the values of society	Not applicable	Mold advertising according to culture and environment
Taste in Advertising	Guidelines are there and require proper implementation Difficult to design advertisements which all people approve	Difficult to design advertisements which all people approve	Guidelines are there and require proper implementation. Difficult to design advertisements which all people approve

How can companies' advertising codes of ethics be described?

Variable/Case	P & G	Shaukat Khanum Memorial Hospital	Unilever
The development of codes of ethics	Emerge in response to environmental, social and economic	Don't have any advertising code of ethics	Emerge from law and regulations
Employee awareness	Every employee is aware	Don't have any advertising code of ethics	Every manager is aware
The influence on decision-making	Affect on managerial decision making	Not applicable	Affect on day-to-day operations
ICC International Code of advertising	Is aware of the ICC Code and take guidelines from it	Is not aware of the ICC Code of advertising	Is aware of the ICC Code and has developed its own code of conduct

What factors influence ethics in advertising?

Variable/Case	P & G	SKM Hospital	Unilever
Influencing Factors	External Factors -Legal consideration -Corporate consideration Internal Factors does not affect advertising much	The only influencing factor is society and community influence	External Factors -Legal consideration -Corporate consideration Internal Factors affect advertising through social and personal values
Ethical issues	Has experienced in UK for animal testing	Has not experienced any.	Has experienced in Canada for animated pictures
Self Regulation	Believe on self regulation	Believe on social Responsibility	Believe on self regulation and social Responsibility

5.5 Consumer Survey Analysis:

Consumer perception about advertising is very important because it directly affects the buyer's black box and then this information is analysed and evaluated before buying a product. If consumer believes that certain ad is not providing correct information, he/she develops a negative perception about that brand and it is rejected during the evaluation

phase of the buying process. Therefore it depends on advertiser that how he perceives product to the consumer. If he/she able to develop positive perception about the product in consumer's minds then it will ultimately result in positive brand equity if not then vice versa. Here I am presenting the analysis of consumer survey about advertising in Pakistan.

The first two questions were about the time a person spends on media or exposed to media for advertising. According to Gallup Pakistan, 50 million of the country's population of 140 million has access to TV, with 11 million TV owners. Due to this limited accessibility on average a person spend only one hour and 45 minutes daily to all kind of media, 55% of which spend on Television, 15% on Radio and 30% on Newspapers and Magazines. While only 34 ads are seen intentionally on average in a day, which is a very small amount as compared to developed countries. Third question was about factor that grabs the attention of the reader. 52% told that it is Headline & information, which means that people are more concerned about information and headline rather picture. Fourth question was regarding buying role in daily life purchase. 88% responded that they buy their own product showing weak attachment of products with consumers that they don't bother to influence any other person to purchase any specific product. Fifth and sixth questions were do you (consumer) believe that they find exact product in they see in ads and information in ads true or not. Respectively, 60% and 64% respondents responded negatively which presenting their mistrust on advertisers. In the most important question in which they were asked to choose most controversial factor in ads. 44% said excessive claims and 36% glamour. Again representing mistrust on advertisers. In 9th question consumer believe that companies try little bit to work in ethical frame works but their efforts are half hearted. In final two questions people liked the ads of Lipton due to landscapes and told about positive and negative factors of our advertisements.

5.5.1 Reasons of poor advertising in Pakistan:

There are several reasons to poor advertising in Pakistan. These reasons are listed here.

- Lack of competencies and education
- Unprofessional people

- No government regulation regarding ethics in advertising
- Lack of social responsibility in companies
- Lack of awareness in consumers regarding their rights
- Unavailability of any forum to raise the voice

The impact of not regulating advertising is that companies make their own rules and regulations and exploit it. Last month a person was died under the huge billboard when it fell due to wind and storm. There is no specification about the size and support of billboards. It's only a small example there are hundreds of incidents of such kind and yet there is no measure to control and regulate advertising.

The star model provides a complete and comprehensive approach to fulfill the needs of companies to work in ethical grounds. Company has only two choices, either do business through self-regulation which is more suitable for them and stakeholder or ethics are dictated by government law enforcement agencies which can affect their reputation and business as we observed in the case of P&G and Unilever. Companies which are big and responsible make a wise decision of ethical business which ultimately affect their business performance but also recognition in the market place. This model provides perfect solution for businesses to operate in Pakistani environment.

Chapter # 6

RECOMMENDATIONS & CONCLUSION

6.1 Recommendations:

"The truth isn't the truth until people believe you, and they can't believe you if they don't know what you're saying, and they can't know what you're saying if they don't listen to you, and they won't listen to you if you're not interesting, and you won't be interesting unless you say things imaginatively, originally, freshly."

William Bernbach

What we may neglect in our daily life are values and an advertiser may neglects ethics in advertising in his daily life. Therefore, need is to consider both values and ethics an essential part of our daily life and occupation.

Since companies operate on global level, make decisions on global level. This creates problems because of cultural, traditional and religious differences. While decision-making can occur at various levels:

- Corporate level
- Business level and
- Functional level

In the age of globalization only those companies will survive which act on code of conduct and provides true information to the consumers because consumer will have lot of choices in the market place. This is possible only if decision making authority is at functional level so that any individual can act according to business needs.

6.1.1 Recommendations to Companies:

- Ethics are required in advertising, and this need is beyond the laws, rules and regulation. Companies those haven't code of advertising ethics must develop and implement it properly.

- Companies should communicate and build relationship with consumer to find out what is acceptable and what is not, and to which extent certain act is admissible.
- Situation of human rights in Pakistan is not too good, therefore companies should act responsibly and make self-regulation an essential part of their business strategy.
- Whenever companies' moves from one country to another country (which is a common phenomenon in this age of business) they must study norms, cultural values, traditions and religious values and develop advertising campaigns according to their code of conduct keeping in mind all the considerations stated above.

6.1.2 Recommendations to Govt. & Regulating Authorities:

- Govt. should develop and implement laws concerning advertising matters. After all its Govt. responsibility to protect rights of consumer as a honorable citizens of Islamic republic of Pakistan.
- An Advertising authority should be established under the ministry of information to regulate the standard of advertising.
- Consumer right protections organizations must raise voice in the favor of consumer to protect their basic rights
- Marketing association of Pakistan (MAP) and advertising should develop an advertising code of conduct for companies under the guidelines of ICC code of ethics and our cultural & religious values.

Conclusion

Companies face different ethical issues in advertising. Ethical issues are also perceived and interpreted differently. Ethics is a subjective and sensitive topic and it may therefore be difficult to exclude personal opinions and people may not want to express their true opinions or feelings. The findings indicate that companies view the consumer's perception as being of significant importance in order to determine if an advertisement can be perceived as deceptive. Customer satisfaction is crucial for companies hence advertisers should be able to see advertising messages from the consumers' point of view. Further, the findings reveal that misinterpretations can easily arise since professionals handle advertising issues on a daily basis and see things as obvious. In general, misinterpretations are due to the fact that people with subjective views and opinions both create advertisements and interpret them. The findings suggest that puffery is dependent on how the issue is defined. People perceive exaggeration differently and it can therefore be difficult to draw a line where an advertising message can be considered puffery. According to the findings, advertising can manipulate people. However, a number of additional factors influence the purchase decision. A high level of moral and ethical development in society can explain the fact that the findings view manipulative advertising as being unethical.

The findings indicate that advertising reflects the values of society. Stereotypes in advertising can arise when certain characteristics are taken too far and presented in an unfavorable way. The purpose of using stereotypes may be to attract attention and to make people remember the advertisement. The issue of taste requires advertisers to have thorough knowledge of individual and cultural differences that exist in society. The findings imply that it is difficult to establish guidelines on how to handle taste issues due to people's different ways in how to perceive and interpret messages. The findings concerning fear appeals are inconsistent. The inconsistency can be explained by personal differences in how to define the concept of fear appeals. Further, an advertising message can evoke fear in some people while it to others can cause feelings of humanity and a desire to help other people. More specifically we can conclude that:

- The ethical issues in advertising that a specific company faces are dependent on the industry it operates in. Some industries are subject to heavy restrictions, which regulate advertising activity.
- The ethical issues in advertising that a specific company faces are dependent on type of organization. The ethical issues encountered differ between manufacturing companies and retailers.
- The ethical issues in advertising that companies face are dependent on product type. Some products are considered to be controversial products and require a more careful approach in advertising. Other products are subject to restrictions in advertising regulated by law.

A company's code of ethics in advertising can be described as a set of guidelines established in order to promote a high standard of ethics in advertising. The findings indicate that codes of ethics can emerge in different ways, depending on industry, company and product type. This is due to existing laws, regulations and other guidelines, which serves as a foundation for a code of ethics. Above existing laws and regulations, codes of ethics can be found. Companies may establish or develop the existing advertising codes of ethics in order to secure a high ethical standard of their advertising activities. The findings indicate that it is important for employees to become aware of the company code of ethics. It can be concluded that employee awareness is important in order to decrease the occurrence of unethical behavior in advertising.

A number of different factors seem to influence companies' advertising ethics. Legal, industry, corporate, business/economic and interpersonal considerations influence ethics in advertising. Further personal experience, values, ethics and morals and internalized norms influence ethics. The findings reveal that these factors influence ethics in advertising to a various extent. Industry considerations cannot always be considered as an influencing factor. It cannot be taken for granted that a company accepts certain behavior only because it operates within a certain industry. Business/economic considerations can influence ethics; however, this is not true for all companies.

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29. Aurora Sep- Oct 2003
30. Aurora Jan- Feb 2003
31. Aurora May-June 2003
32. Consumer Wise June-July 2003

Interviews

33. Ms. Anjum Ashraf creative director interflow communications
34. Ms. Samira AM. P & G

APPENDIX I

Consumer Questionnaire

1. *How much time you spend on television, radio and newspaper reading?*

Media	Time Spend in hours in a week				
	a	b	c	d	e
<i>Television</i>	000	5 hours	10 hours	15 hours	20 hours
<i>Radio</i>	000	3 hours	5 hours	8 hours	10 hours
<i>Newspaper</i>	000	3 hours	5 hours	8 hours	10 hours

2. *How many ads you see and listen in a day (including bill boards and posters)?*

- a) 20
- b) 35
- c) 50
- d) 50 and above

3. *Which factors forces you to see the ads?*

- a) *Picture*
- b) *Head line & Information*
- c) *Colors*
- d) *Logo*

4. *Who is the decider of buying product?*

- a) *Myself*
- b) *Wife or husband*
- c) *Children*
- d) *Father or Mother*

5. *Do you believe that you get the right thing, for right prices and exactly the same thing you see in different ads?*

- a) *Yes*
- b) *No*

6. *Do you believe that information given in ads is relevant and true?*

a) *Yes*

b) *No*

7. *What are the most controversial things in ads in your opinion?*

a) *Deceptive & Misleading*

b) *Excessive claims*

c) *Manipulation*

d) *Glamour*

e) *Any other*

8. *Do companies in your opinion try to work in ethical guidelines or not?*

a) *Yes*

b) *No*

c) *They try a little bit*

9. *Which ad you still remember and why?*

10. *What are the positive and negative factors of our advertisement in your opinion (both electronic and print)?*

Personal Information

Name: _____ **Age:** _____

Occupation: _____ **Education level:** _____

Resident Address (city): _____

Company Questionnaire

Information

Name: _____ Designation _____

Location: _____ Date _____

Research Question 1: How Ethical Issues Companies facing in their Advertising can be described?

- What is the company's believe about *Deception*
- What is the company's believe about *Puffery*
- What is the company's believe about *Manipulative Advertising*
- What is the company's believe about *Stereotyping*
- What is the company's believe about Taste in Advertising
- What is the company's believe about Fear Appeals in Advertising

Research Question 2: How can Companies' Advertising Codes of Ethics be described?

- Advertising ethics of company (list)

Research Question 3: What Factors Influence Ethics in Advertising?

- Financial results
- Does Company tell its employees about their ethical responsibility and their misleading and deceptive advertising? (Stakeholders)
- Does Company have any market research about it advertising ethics?
- Internet
- Laws and self-regulation

APPENDIX II

CODE OF ETHICS OF MALAYSIA:

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CONTENTS

1. Preamble

- a. Advertisements must be legal, decent, honest, sensible, truthful and in line with National policies.
- b. Advertisements must help promote and develop local industries and services.
- c. Advertisements must protect the Malaysian culture, identity, reflect the multiracial character of the population and advocate the philosophy of "Rukunegara".
- d. Advertisements must project a better quality of life for all Malaysians, inject civic mindedness and desired behavioral attitudes in life, such as queuing up when boarding a bus, etc. and keeping public places clean. Other than the commercial objectives, all advertisements must convey a second message, such as messages calculated to bring about discipline, cleanliness, healthy living or industrious attitudes.
- e. Advertisements must not project and promote an excessively aspirational lifestyle.
- f. The detailed rules set out in this code are intended to be applied in spirit as well as the letter. They should be taken as laying down the minimum standards to be observed.

2. Authority

The Minister of Information reserves the right to delete from an advertisement acts which could bring about undesirable thoughts and impression to the viewers or require the

withdrawal of previously accepted material if, in his opinion, such withdrawal is necessary in the national or public interest.

- a. The Minister of Information reserves the right, in exceptional circumstances, to make changes to the Code from time to time in the overall national and public interest.
- b. Any ambiguity in words and sentences found in the Code shall be clarified by the Minister whose decision shall be final.
- c. Scripts, double heads, final prints of all advertisements including promos must be submitted to Bahagian Perdagangan, Kementerian Penerangan Malaysia for approval before transmission.

The Technical Specifications for the production of advertisements are found in the [Appendix I](#).

3. Sensibilities

Political/Religion

- a. Advertisements may not be inserted by or on behalf of anybody, the objects of which are wholly or mainly of a religious or political nature. Advertisements must not be directed towards any religious or political end or have relation to any industrial dispute.
- b. Advertisements must not make irrelevant references to any name, incident or concept or religious significance.
- c. Advertisements must not contain statements or suggestions which may offend the religious, racial, political or sentimental susceptibilities of any section of the community

Attempts must not be made in advertisements directly or otherwise, to disrupt and destroy the unity, harmony, stability and well being of the country or exploit any abnormal national or international events or conditions.

b. Cultures

Adaptation or projection of foreign culture which is not acceptable to a cross-section of the major communities of the Malaysian society either in the form of words, slogans, clothing, activity or behavior is not allowed. Depicting ways of life that are against or totally differently from the ways of life followed by Malaysians (Malaysian Society) will not be allowed.

c. Morality or Decency

1. Advertisements should not contain statements or visual presentations which are, or likely to be interpreted to be, contrary or offensive to the good taste or the standards of morality or decency prevailing in the Malaysian society or in any way defamatory or humiliating to any segment of the public.
2. The use of man or women as principal agent by highlighting characteristics which appeal to the opposite sex as the main ingredient in the selling of products should not be allowed.
3. Models should portray good behavior acceptable to local culture and society. Models should be decently dressed. Dress and hair-styling must conform to RTM's guideline.
4. The body of the female model should be covered until the neckline, which should not be too low. The length of a skirt worn should be below the knees. Arms may be exposed up to the edge of the shoulder but armpits cannot be exposed. Costumes, although complying with the above, must not be too revealing or suggestive.
5. Women in swimming costumes or shorts and men in swimming trunks or shorts will only be allowed in scenes involving organized sporting or outdoor activities provided they are generally decently dressed on groups any only in long shots. A "long shot" is technically described as a shot with full frame.

Scenes involving models (including silhouettes) undressing or acts which could bring about undesirable thoughts will not be allowed.

4. Malaysian identity

a. Made-in-Malaysia Requirements

All commercials must obtain "[Made-in-Malaysia \(MIM\)](#)" certificates from FINAS

b. Foreign Elements / Scenes

1. Strong emphasis on the specialty of the country of origin of an imported product is not allowed. Any reference made should only state the name of the foreign country. Words should not be used to suggest superior quality of promise a greater benefit.
2. All scenes of shots must be done in Malaysia. If foreign footage is deemed necessary, only 20% of the total commercial footage is allowed and prior approval from this Ministry must be obtained. However, foreign footage for advertisements on tourism to ASEAN countries can be approved up to 100%.
3. Processing of advertisements must be done in Malaysia. Satisfactory evidence of non-availability of such services must be produced before approval can be given to obtain such services overseas.
4. Musicals and other sounds must be done in Malaysia.

5. Model/Staff

Commercials must reflect the multiracial nature of this country and must be in line with the current Economic Policies. (Depending on product desirability and target group appeal).

1. Models, narrators and singers must be Malaysians projecting the Malaysian identity.
2. Racial groups must not be identified typically with a trade or vocation.
3. Groups (including Caucasians and Pan-Asians), must not be shown advantageously or disadvantageously vis-à-vis other groups by such variables as lifestyles, vocation, mode of transport, dress, environment or habitation.
4. Technical and creative staff must be Malaysians. Prior approval from FINAS and a work permit(s) must be obtained for use of expertise from outside Malaysia.

5. It shall be the responsibility of the advertising agency to ensure that a balanced proportion of the main ethnic origin of the Malaysian community appears in the activities of their commercial films.

6. Role of Woman

1. Advertisements must project the equal participation and contribution of women and men in family life, in the economy, society and the development of the country.
2. Advertisements must contribute to the formulation of positive values of joint decision-making and joint responsibility between men and women, for family formation and family life.
3. Advertisements must portray positive images of women and project their roles, contributions and their rightful positions in all sectors of the economy and society.

7. Children in advertising

1. The use of children should be discouraged unless the products advertised have direct bearing on them.
2. Advertisements must not promote a product(s) or service(s) or use method(s) of advertising that may result in harm to children physically, mentally or morally.
3. Advertisements must not take advantage of the natural credulity and sense of loyalty of children.
4. Advertisements, which encourage children to collect coupons, wrappers, labels, etc, is not allowed.
5. Advertisements must not contain any appeal to children which suggests in any way that unless the children themselves buy or encourage other people to buy the product or service they will be failing in some duty or lacking in loyalty towards some person or organization whether that person or organization is the one making the appeal or not.
6. Advertisements must not lead children to believe that if they do not use the product advertised, they will be inferior in some way to other children or that they

are liable to be held in contempt or ridicule for not using it or conversely, if they use it, they will be superior in some way to other children.

7. Advertisements dealing with the activities of a club must submit satisfactory evidence that the club is carefully supervised as to the behavior of the children and the company they keep and that there is no suggestion of a Club being a secret society.
8. While it is recognized that children are not the direct purchasers of many products over which they are naturally allowed to exercise preference, care should be taken that they are not encouraged to make themselves a nuisance to other people in the interest of any particular product or service.
9. Medicines, disinfectants, antiseptics, caustic substances, pesticides and all aerosol preparation must not be shown within reach of children without close parental supervision, nor should children be shown using these products in any way.
10. Children must not be shown using matches or any gas, paraffin, petrol, mechanical or mains-powered appliance which could lead to their suffering burns, electric shocks or other injury.
11. Children must not be shown driving or riding on agricultural machines (including tractor-drawn carts or implements).
12. An open fire in a kitchen in an advertisement must always have a fire guard clearly visible if a child is included in the scene.
13. Children must not be shown playing with crackers or fireworks which are banned in this country.
14. Children seen advertisement should be reasonable well-mannered and well-behaved.
15. Children in advertisements may appear in shorts but must generally be in reasonable attire suited to the environment.
16. Children wearing school uniforms, or other uniforms relevant to schooling such as those of scouts, girl guides, police cadets and school bands should not be shown within school compound.
17. Notwithstanding all of the above, commercials should comply with the provisions of "Children and Young Persons Act 1947".

8. Use of Professional/ Public figures in advertising

1. Advertisements must not use any professional, public figure or anyone who, by their position is deemed by the Ministry of Information to have authority in convincing public opinion such as: School Teachers, College Professors, University Lecturers, Doctors, Dental Practitioners, Surgeons, Pharmaceutical Chemists, Veterinary Surgeons, Nurses, Judges, Religious Teachers including 'Alim Utama', Senators, Members of Parliament and Public Figures. However, celebrities like singing artists, actors, actresses, sportsmen, sportswomen and entertainers can be used in advertisements
2. Advertisements must not contain visuals or statements giving the impression of professional advice or recommendation made by persons who appear in the advertisements and who are presented, either directly or by implication, as being qualified to give such advice or recommendation.

To avoid misunderstanding about the status of the presenter of a medicine or treatment or infant food, it may be necessary to establish positively in the course of an advertisement that the presenter is not a professionally qualified adviser.

3. The status, integrity and credibility of teaching as a profession should not be undermined by the use of situations / scenes depicting a teacher or teachers advocating particular products. Educational activities in classrooms or other areas in the school compound, whether actual or simulated, should not be depicted in advertisements.

9. Portrayal of Living Persons

- Advertisements should not portray or refer to living persons, whether in their public or private capacities unless their prior permission has been obtained.

10. Testimonials

1. A testimonial used in an advertisement should be genuine, not more than three years and related to the experiences of the person giving it.

2. If a testimonial incorporates a name and address, the Ministry MUST sight the original together with an authority form the writer to use the contents.
3. All testimonial claims must comply with normal copy policy. They must be honestly obtained, limited to the expressed views of the writer, and must not have been paid for in cash or in kind.

11. Identification of advertisements

a. Description of Product

1. Pack shot must comply with Trade Description Act.
2. All advertisement must emphasize on the main product (registered product). Any offer, free gift or premium or any acceptable competition must be in the form of 'tag on' only. (tag on must not be longer than the main advertisement).
3. An advertisement must be clearly distinguishable as such. It must not contain wordage or effects identical to or closely approximate standard procedures of any broadcasting station.
4. Any imitation likely to mislead viewers or listeners, even though it is not of such a kind as to give rise to a legal action or infringement of copyrights, must be avoided.

Advertisement must not imitate or closely approximate the brand names, slogan or catch phrase already made known or made popular by an advertiser.

b. Space Farming

Space farming is not allowed. However, due to the nature of some products that are being advertised and for retail advertising, there may be a necessity for some other products to be shown. For instance, a refrigerator commercial may be allowed to show other branded consumer products on the inside rack provided that the consumer product shown are incidental.

c. Trade Marks

The Ministry has no legal liability if registered trademarks are improperly used in copy submitted for screening. Nevertheless, it accepts a normal responsibility to ensure that no registered trade mark is exploited by any one other than its registered owner.

12. description, claims and comparison

1. No reference should be made to any statement, test, statistics, etc. unless the permission of the body concerned is obtained.
2. All descriptions, claims and comparisons should be capable of substantiation. Advertisements should not contain any description, claim or comparisons, which is, directly or by implication, misleading about the product or service advertised, or about any other product.
3. Advertisements should not contain any indication that the product advertised, or any ingredient, has some special quality or property, which cannot be substantiated.
4. Advertisements should not contain copy which is exaggerated by reason of the improper use of words, phrases or methods or presentation: e.g., the use of the word 'magic', 'magical', 'miracle', 'miraculous', etc.
5. Advertisements should make it easy to judge the true size of a product (preferably by showing it in relation to some common object) and should take care to avoid any confusion between the characteristics of real-life articles and 'mock-up' copies of them.

13. Denigration/ Superstition/Fear

a. Denigration

Advertisements must not discredit or attack unfairly other products, services or advertisements directly or by implication. Further, Advertisements must not contain derogatory remarks or innuendoes about any person or organization. It must not criticize, directly or inferentially, the government of any country.

b. Superstition

Advertisements must not play on superstition or exploit the superstitious. In this spirit, words like 'magic', 'magical', 'miracle', 'miraculous', 'saintly', 'heavenly', or powers should not be allowed.

c. Appeals to Fear

Advertisements must not, without justifiable reason, play on fear.

d. Stridency

Advertisements must not utilize disturbing or irritating sound effects

e. Trust

Advertisements must not be so framed as to abuse the trust of the consumer or exploit his lack of experience or knowledge.

f. Acts of Violence or Illegal Activities

Advertisements must not contain anything which might lead or lead support to acts of violence, or criminal or illegal activity, nor should they appear to condone such acts or activities.

14. Miscellaneous

a. Mail Order

Advertisements for goods offered by Mail Order will not be accepted unless:

1. The name of the advertiser is prominently stated or displayed at the address given in the advertisement,
2. Adequate arrangements exist at all address for enquiries to be handled by a responsible person available on the premises during normal business hours,

3. Samples of goods are made available there for public inspection, and the advertiser gives an undertaking to refund money in full to buyers who can show justifiable cause for dissatisfaction with their purchases or with delay in delivery.

b. 'Subliminal' Advertising

No advertisement may include any technical device which, by using images or very brief duration or by any other means, exploits the possibility of conveying a message to, or otherwise influencing the minds of members of an audience without being aware, or fully aware, of what has been done.

15. Sponsorship of Programs

1. Sponsorship of a program can be made in the name of an establishment or a particular product or brand.
2. The title of the sponsorship must be the official title of the program.
3. Competitions are allowed in sponsored programs provided prior approval from the Ministry of Finance is obtained.

Technical Guidelines are found in [Appendix II](#)

16. Promos of Programs/ Events

1. The title of the promo must be the same as the official title of the program / event.
2. Promos must not resemble an advertisement.
3. Only TV and radio programs and local sports events can be promoted. In the case of a local sports event, all necessary approvals for promoting the event must first be obtained. Foreign footage may be allowed if no local footage is available at the time of producing the promo.
4. Promos of foreign programs / events that are not telecast in this country are not allowed.
5. Promos can be made in the name of an establishment or a particular band.

6. Details of the sponsored local sports program / event (i.e. Date and Place) must be clearly established. Normal and reasonable on site sign-ages are allowed. *Technical Specifications for Promos are found in [Appendix III](#)*

17. The advertising of medicines and treatments

All advertisement of Medicine, Treatment or Appliances containing health claims must obtain prior approval of Lembaga Iklan Ubat, Kementerian Kasihatan Malaysia (KKLIU).

18. The advertising of pesticides

All advertising of pesticides must obtain the prior approval of the Pesticides Board, Ministry of Agriculture.

19. Food and Drink

- a. All advertisements on food and drinks must show the necessity of a balanced diet.
- b. Advertisements containing claims must obtain prior approval from the Ministry of Health (Unit Kawalan Mutu Makanan).

20. Unacceptable products, services and scenes

Please refer to [Appendix IV](#) for the lists of products / services / scenes which are not allowed to be advertised or which has restrictions on their advertisements.

All other appendixes of technical specifications are available on internet website <http://mva.com.my>

APPENDIX (III)

The ICC International Code of Advertising Practice

Basic principles (Article 1)

All advertising should be legal decent honest and truthful. Every advertisement should be prepared with a due sense of social responsibility and should conform to the principles of fair competition, as generally accepted in business. No advertisement should be such as to impair public confidence in advertising.

Decency (Article 2)

Advertisement should not contain statements or visual presentations, which offend prevailing standards of decency.

Honesty (Article 3)

Advertisement should be so framed as not to abuse the trust of consumers or exploit their lack of experience or knowledge.

Social responsibility (Article 4)

1. Advertisement should not condone any form of discrimination, including that based upon race, national origin, religion, sex or age, nor should they in any way undermine human dignity.
2. Advertisement should not without justifiable reason play on fear.
3. Advertisement should not appear to condone or incite violence nor to encourage unlawful or reprehensible behavior.
4. Advertisement should not play on superstition.

Truthful presentation (Article 5)

1. Advertisement should not contain any statement or visual presentation, which directly or by implication, omission, ambiguity or exaggerated claim is likely to mislead consumer, in particular with regard to

- a. Characteristics such as: nature, and date of manufacture, range of use, efficiency and performance, quantity, commercial or geographical origin or environmental impact;
- b. The value of the product and the total price actually to be paid;
- c. Delivery, exchange, return, repair and maintenance;
- d. Terms of guarantee

- e. Copyright and industrial property rights such as patents, trademarks, designs and models and trade names;
- f. Official recognition or approval awards of medals, prizes and diplomas;
- g. The extent of benefits for charitable causes.

2. Advertisements should not misuse research results or quotations from technical and scientific publications. Statistics should not be so presented as to exaggerate the validity of advertising claims. Scientific terms should not be used to falsely ascribe scientific validity to advertising claims.

Comparisons (Article 6)

Advertisements containing comparisons should be so designed that the comparison is not likely to mislead, and should comply with the principles of fair competition. Points of comparison should be based on facts, which can be substantiated and should not be unfairly selected.

Denigration (Article 7)

Advertisement should not denigrate a firm, organization, industrial or commercial activity, profession or product by seeking to bring it or them into public contempt or ridicule, or in a similar way.

Testimonials (Article 8)

Advertisement should not contain or refer to any testimonial or endorsement unless it is genuine, verifiable, relevant and based on personal experience or knowledge. Testimonials or endorsement, which have become obsolete or misleading through passage of time, should not be used.

Protection of privacy (Article 9)

Advertisements should not portray or refer to any persons, whether in a private or public capacity, unless prior permission has been obtained; nor should advertisements without prior permission depict or refer to any person's property in a way likely to convey the impression of a personal endorsement.

Exploitation of goodwill (Article 10)

1. Advertisements should not make unjustifiable use of the name or initials of another firm, company or institution.

2. Advertisements should not take undue advantage of the goodwill attached to the name of a person, the trade name and symbol of another firm or product, or of the goodwill acquired by an advertising campaign.

Imitation (Article 11)

1. Advertisements should not imitate the general layout, text, slogan, visual presentation, music and sound effects etc., of other advertisements in a way that is likely to mislead or confuse.

2. Where an international advertiser has established a distinctive advertising campaign in one or more countries, other advertisers should not unduly imitate this campaign in the other countries where he operates, thus preventing him from extending his campaign within a reasonable period of time to such countries.

Identification of advertisements (Article 12)

Advertisements should be clearly distinguishable as such, whatever their form and whatever the medium used; when an advertisement appears in a medium which contains news or editorial matter, it should be so presented that will be readily recognized as an advertisement.

Safety and health (Article 13)

Advertisements should not without reason, justifiable on educational or social grounds, contain any visual presentation or any description of dangerous practices or of situations that show a disregard for safety. Special care should be taken in advertisements directed towards or depicting children or young people.

Children and young people (Article 14)

Inexperience and Credulity

a. Advertisements should not exploit the inexperience or credulity of children and young people.

b. Advertisements should not understate the degree of skill or age level generally required to use or enjoy the product.

c. Price indication should not be such as to lead children and young people to an unreal perception of the true value of the product. No advertisements should imply that the advertised product is immediately within reach of every family budget.

Avoidance of Harm

Advertisements should not contain any statement or visual presentation that could have the effect of harming children and young people mentally, morally or physically or of bringing them into unsafe situations or activities seriously threatening their health or security, or of encouraging them to consort with strangers or to enter strange or hazardous places.

Social Value

a. Advertisements should not suggest that possession or use of a product alone will give the child or young person physical, social or physiological advantages over other children or young people of the same age, or the non-possession of the product would have the opposite effect.

b. Advertisements should not undermine the authority, responsibility, judgment or tastes of parents, taking into account the current social values. Advertisements should not include any direct appeal to children and young people to persuade their parents or other adults to buy advertised products for them.

Guarantees (Article 15)

Advertisements should not contain any reference to a guarantee, which does not provide the consumer with additional rights to those provided by law. Advertisements may contain the word “guarantee”, “warranty” or words having the same meaning only if the full terms of the guarantee as well as the remedial action open to the purchaser are clearly set out in the advertisement, or are available to the purchaser in writing at the point of sale, or come with the goods.

Unsolicited products (Article 16)

Advertisements should not be used to introduce or support the practice whereby unsolicited products are sent to persons who are required, or given the impression that they are obliged to accept and pay for these products.

Environmental behavior (Article 17)

Advertisements should not appear to approve or encourage actions, which contravene the law, self-regulating codes or generally accepted standards of environmentally responsible behavior. Advertisers should respect the principles set forth in the ICC Code on Environmental Advertising

Responsibility (Article 18)

1. Responsibility for the observance of the rules of conduct laid down in the Code rests with the advertiser, the advertising practitioner or agency and the publisher, medium-owner or contractor.

a. The advertiser should take the overall responsibility for his advertising.

b. The advertising practitioner or agency should exercise every care in the preparation of the advertisement and should operate in such a way as to enable the advertiser to fulfill his responsibility.

c. The publisher, medium-owner or contractor, who publishes, transmits or distributes the advertisement, should exercise due care in the acceptance of advertisements and their presentation to the public.

2. Anyone employed within a firm, company or institution coming under the above three categories and who takes part in the planning, creation, publishing and transmitting of an advertisement, has a degree of responsibility commensurate with his position for ensuring that the rules of the Code are observed and should act accordingly.

Rules apply to entirety of advertisement (Article 19)

The responsibility for observance of the rules of the Code embraces the advertisement in its entire content and form, including testimonials and statements or visual presentations originating from other sources. The fact that the content or form originates wholly or in part from other sources is not an excuse for non-observance of the rules.

Effect of subsequent redress for contravention (Article 20)

While an advertiser's subsequent correction and appropriate redress for a contravention of the Code are desirable, they cannot excuse the original contravention of the code.

Substantiation (Article 21)

Description claims or illustrations relating to verifiable facts should be capable of substantiation. Advertisers should have such substantiation available that they can produce evidence without delay to the self-regulatory bodies responsible for the operation of the Code.

Respect of self-regulatory decisions (Article 22)

No advertiser, advertising practitioner or agency, publisher, medium-owner or contractor should be party to the publication or any advertisement, which has found unacceptable by the appropriate self-regulatory body.

Implementation (Article 23)

This Code of self-discipline is to be applied nationally by bodies set up for the purpose and internationally by the ICC's International Council on Marketing Practice as and when the need arises.

ICC International Code of Advertising Practice, 1997

Appendix IV

Code of Conduct for Print Media in Pakistan

The "Ethical Code of Practice" for the newspaper industry and journalists.

(1) The press shall strive to uphold standards of morality and must avoid plagiarism and publication of slanderous and libelous material.

(2) The press shall strive to publish and disclose all essential and relevant facts and ensure that the information it disseminates is fair and accurate.

(3) The press shall avoid biased reporting or publication of unverified material, and avoid the expression of comments and conjecture as established fact. Generalization based on the behavior of an individual or a small number of individuals will be termed unethical.

(4) The press shall respect the privacy of individuals and shall do nothing which tantamount to an intrusion into private, family life and home.

(5) Rumors and unconfirmed reports shall be avoided and if at all published shall be identified as such.

(6) The information, including picture, disseminated shall be true and accurate.

(7) The press shall avoid originating, printing, publishing and disseminating any material, which encourages or incites discrimination or hatred on grounds of race, religion, caste, sect, nationality, ethnicity, gender, disability, illness, or age, of an individual or group.

(8) The press shall not lend itself to the projection of crime as heroic and the criminals as heroes.

(9) The press shall avoid printing, publishing or disseminating any material, which may bring into contempt Pakistan or its people or tends to undermine its sovereignty or integrity as an independent country.

(10) The press shall not publish or disseminate any material or expression, which is violative of Article 19 of the Constitution of the Islamic Republic of Pakistan.

(11) The press shall rectify promptly any harmful inaccuracies, ensure that corrections and apologies receive due prominence and afford the right of reply to persons criticized or commented upon when the issue is of sufficient importance.

(12) While reporting on medical issues, care must be taken to avoid sensationalism, which could arouse baseless fears or false hopes in the readers. Early research findings should not be presented as though they were conclusive or almost conclusive.

(13) Sensationalism of violence and brutalities shall be avoided. All reporting shall be accurate, particularly when court proceedings are covered and an accused person must not be presented as guilty before judgment has been pronounced.

(14) In the cases of sexual offences and heinous crimes against children and unnecessary or excessive use of children in advertising, juveniles and women, names and identifying photographs should not be published and advertised on media.

(15) Confidentiality agreed upon at briefings and background interviews must be observed.

(16) The press while publishing findings of opinion polls and surveys shall indicate the number of people, geographical area on which the polls and surveys were conducted, and the identity of the poll-sponsor.

(17) Any kind of privilege or inducement, financial or otherwise, which is likely to create conflict of interest and any inducement offered to influence the performance of professional duties and is not compatible with the concept of a reputable, independent and responsible press, must be avoided.