

BUSINESS ETHICS IN MARKETING COMMUNICATION

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***Abstract:** Business ethics is not only present in relationships between the organization and the environment, it is also important in the internal communication and relationships. The importance of business ethics contributes to the productivity of the organization, as well as its business image. Marketing is represented in many professional activities, regardless of the type of business entity and its position in the business market. Due to the need of leadership, many organizations are facing marketing temptations in line with ethically acceptable action. For the purpose of sustainable development of the economy and equal opportunities for all business entities, as well as proper competitiveness, it is necessary to harmonize operations on the global and local level with generally accepted business standards. The authors of the work, through adequate extracts from the legal regulations and reference scientific statements, emphasize the importance of doing business in accordance with ethical principles, as unavoidable ethical postulates in marketing and, in general, business communication.*

***Keywords:** Business Ethics, Communication, Marketing, Organization, Sustainable Business*

INTRODUCTION

The changes happening in today's society imply an obligation of adopting and respecting ethical code of conduct. In the previous years business ethics implied only business within the framework of legal regulations. There is also a dilemma of the relationship between business and ethics. With the further development of society, business ethics also developed. Ethics is very important not only in business but also in everyday life. It places the foundations on which human civilization is built. According to Klaić, (1988), ethics derives from the Greek word (ethos) which means custom, habits, someone's nature-the science of morality; it

has the aim not only to introduce us to morality and what are its basic components, but also to take a critical view of the existing moral practice (Bebek & Kolumbic, 2005).

Based on the various definitions of ethics, ethics can be defined as a collection and description of social norms, habits and rules, as well as science describing these rules, pointing about thinking what makes these rules useful and good. The role and importance of business ethics occurs in the time of globalization and rapid development of technology and the growlingly stressed economic and ecological crisis. Also, Ethics is the application of generally accepted ethical principles and principles in the business of individuals and companies in their business activities and relationships (Babic, 2014; Djordjevic, 2005).

Business ethics is a way of concluding, communicating and doing business in accordance with the spiritual, sociological, biological and natural laws of man and the environment. It relates to the truthfulness and fairness of expectations of society, advertising, social responsibility, public relations and company behavior at home and abroad. When it comes to ethics in business, it refers to all aspects of ethical business behavior, from strategic decisions to behavior towards customers and suppliers, that is, on moral principles and values that determine the behavior of individuals and groups within the organization (Martinović & Jurković-Majić, 2009).

Business activities that are not based on honesty, trust, and ethical principles can not contribute to achieving business performance (Rogošić, 2005). Theoreticians agree that the business success of any economic entity depends on the business ethics that it implements in both internal and external operations. As consumers and service users are important stakeholders of each organization, based on the research, we can confirm that business ethics is an important factor in marketing communication to consumers, and that business in accordance with ethical standards is a significant factor for the business image of the organization (Sretić, 2018).

CHARACTERISTICS OF BUSINESS ETHICS

The importance of business ethics for doing business contributes to its being placed at the heart of business practice, as evidenced by the broad list of topics that business ethics deals with. Focusing on ethical issues of particular actions, (Fischer et.al., 2013), elaborate three types of activities and activities in the organization through:

- actions that are good and legal, but do not constitute a legal obligation;
- actions that are wrong and illegal and
- actions that are legal but not compulsory and correct.

Many problems that arise in the business world create differences in the interpretation of ethical standards. Some procedures are justified because they are based on the right standards and lead to the desired and good results. Ethical business should be a part of continuous learning that needs continuous work.

Business ethics has its two basic dimensions of display and manifestation; collective, ie group ethics and ethics of an individual. Collective ethics includes ethical procedures in business decisions of management and company management relating to external entities and environment, as well as ethical relations within the company itself (Đurić-Kuzmanović, 2008: 235).

An individual who does not possess the elementary principles of personal business ethics is always ready to apply unethical actions, to put his personal interests above collective, legal, above the norm of normal business morality and human relationships, to undermine the business climate and atmosphere. Determining the boundaries of business ethics is also a great challenge for every chief executive and manager, but also for all employees. There are various opinions that doing business without moral criteria and economics without ethics cannot give lasting, stable and meaningful results, nor make a specific community happy and prosperous. All this imposes the need to introduce ethical codes into the principles of business, operation and management in all enterprises. The introduction of the Code as well as its implementation in business processes will set clear boundaries between current and future dilemmas in business.

Code of Business Ethics on the territory of the Republic of Serbia (Sl. Glasnik RS, no.1/2016) in the Basic Provisions of Article 8. cites the following explanations for the terms:

1. *Moral*; means a set of norms (rules) that regulate the behavior of people by directing to the realization of a good, spontaneously created and autonomously accepted in the community.
2. *Business Ethics*; means those moral norms (rules) that apply to business relationships; includes principles and standards, spontaneously created or set, based on moral virtue and professional good, governing the behavior of persons referred to in Article 4. of this Code.
3. *The activity* of an undertaking means the performance of legally permitted activities.
4. *Competitor*; a natural or legal person performing the same or similar activity on the market with a goal of obtaining profit.
5. *Consumer*; a person who, as an end user, buys a product or uses the services of another economic entity.

Business ethics best diagnose and reflects the behavior, performance and image of business people. Lack of business ethics is the first and foremost cause that, at some point, in an enterprise, company or any business entity, there will be a scandal and business atmosphere disorder.

Business ethics is not only present in relationships between businesses and the environment, it is also important in relationships within the company itself. The attitude of the employer, management and leaders among themselves, as well as their attitude towards employees in the company must be seen through the prism of business ethics and moral behavior. Regardless of the size of an enterprise or a business entity, no segment of work and business can be neglected for concern of ethical action and conduct.

There is much more to talk about business ethics, and as well to practice it in underdeveloped and transitional countries and environments. In our midst this topic is completely neglected, it is still unknown, and the discussion about it is rather avoided. Business by non-market principles and criteria with the absence of ethics prevail.

BUSINESS ETHICS IN MARKETING

In today's business, the notion of ethics is of great importance for marketing. Ethics is one of the most controversial concepts in marketing, the term that is most often misunderstood. For now, no one has found an accepted approach to address ethical issues in marketing. The notion and its application must be subject to continuous review with the aim of fostering such decisions in marketing that are acceptable and useful to society.

Social responsibility is seen as an opportunity for the marketing of each individual enterprise to create the right value. That is why business ethics confirms its purpose by trying to resolve ethical dilemmas in marketing. The ethics in marketing is manifested at different levels:

1. from the point of view of the consumer / buyer, which means offering the right value (in terms of quality, function, utility and safety) for the required price and obligation of true information about all the essential features of the product / service;
2. from the point of view of competition, that is business in accordance with the rules of good business conduct, which means failure to compete, do not treat competitors as enemies to be destroyed by all means;

3. from the point of view of the general public, that is to cultivate good taste, moral principles, cultural values, respect for tradition and customs in the overall business.

There are numerous definitions in the professional literature that marketing represents:

- The process of planning and executing the concept of prices, promotion and distribution of ideas, goods and services with the aim of achieving an exchange that meets individual and organizational goals (AMA).
- A management process by which individuals and groups provide themselves with what they need and what they want through the creation and exchange of products and values with others (Kotler & Keller, 2006).
- A complete system of interconnected activities for planning, pricing, promotion and distribution of products and services that meet the needs of current and potential customers (Stenton, 1967).
- Marketing is a set of activities that are used to guide the flow of products and services from the producer to the consumer, the user, the customer and the client (Cvijanović et al., 2011).

Marketing ethics can be seen as adhering to certain principles, values and standards of the marketing profession, which go beyond the requirements of the legislation and concern all business decisions, procedures and activities (Martinović & Jurković-Majić, 2009).

Marketing and market communication exist to inform consumers about the seller of products and services. The consumer is always in a worse position than the seller of products and services, and the seller uses marketing to try to satisfy the needs and wishes of the customers in order to achieve the highest possible satisfaction. Because of this, in business operations, ethics has an important role in marketing.

The definition of marketing ethics includes all principles, values and standards of behavior that must be followed by marketing professionals. The obligation of top management is to establish an environment in which ethical behavior is encouraged, supported, and rewarded (Đurić-Kuzmanović, 2008: 238). Employees are expected to respect the ethical standards of the company.

Areas of marketing ethics are: research, product, price, sales/distribution and communication. Marketing experts should follow all the principles, values and standards of marketing ethics behavior in order to make an ethical decision. Companies that accept and apply ethical

principles in their day-to-day business achieve certain benefits such as (Babić, 2014):

- Increase the reputation of the company
- increase in market share
- Increase employee satisfaction
- Increase Innovation and
- Better risk management.

It can be concluded that it is necessary in all segments of the business, and even in the marketing segment to comply with the rules of conduct and adhere to them, the result of such behavior is the long-term viable business. Companies that do not adhere to ethical principles will have a negative image of the company on the market, which can only be prevented by the implementation of ethics in business.

IMPORTANCE AND PURPOSE OF BUSINESS COMMUNICATION IN MARKETING

The concept of communication is a process of information and communication exchange among people through a common system of symbols, signs and behavior. Communication has always been perceived as a skill that is being taught, exercised and perfected. Communication skills represent the activity of a spirit that changes and transforms over time and experience.

Communication is the expression of thoughts, feelings, talking, describing, listening and in general correspondence between communicator and recipient. The study of communication deals with the social science of communicology (the science of communication), and one of its primary tasks is to observe and study the public, the way of making connections between people and the relation to people and the environment (Rakas, 2006).

The primary goal of communication is the credible reciprocation of the message sent by the business entity and the positive effects of this message. From the method of reciprocating the message and feedback depends on the success of the business, and the quality business communication among the indispensable segments of successful business (Sretić, 2018).

What distinguishes successful business communication from other aspects are the choices of resources and ways, goals, effects and significance, and this choice depends on the type of organization / institution, that is, the business entity as a communicator, then the content of the message sent by the recipients to whom it addresses. Successful communication with the

recipients gives a business entity a significant advantage over the competition.

For successful business, it is necessary that communication is clear in order to successfully decode the message and use the semantic potential of the message in full intensity, the flow of information without interruption, and that communication between communicators and recipients is based on trust. In each business organization, it is important that the information path is clearly defined depending on the nature of the information (Milojević, 2017).

Each successful organization also has its own code of conduct in line with business ethics in a wider sense, but also with national culture and activity. The ethics of business communication is based on the respect of all the employees regardless of their position, education, vocation, gender, age.

CONCLUSION

Business ethics today has become an indispensable part of business practice for successful business operations. Implementation of business ethics in accordance with ethical principles and standards improves the working climate in the company. Companies that manage to establish and harmonize the balance between the principles of profitability and ethics have a long-term perspective of growth and development, because the application of business ethics in the company creates a management system based on ethical standards and social responsibility, thus enabling the company to meet the requirements of all stakeholder groups were either directly or indirectly related to the company.

In the business of companies, ethics in marketing plays an increasingly important role, since good marketing is crucial for success. People engaged in marketing of one company often face ethical dilemmas and mistakes and in order to avoid that, marketing professionals should follow ethical rules and principles to make an ethical decision.

The ultimate goal of one company's business is long-term sustainable business. Companies that in their business and marketing accept ethical principles and standards, all marketing decisions can be directed through marketing standards that are universal standards of acceptable behavior.

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