Chapter-5
Ethics in Marketing and Consumer protection

Ethics in Marketing

1- Following acts denotes unethical Marketing
- False advertisements
- False Claims (False Guarantee).
- Unfair competitive practices
- unfair price

2- Ethics in marketing means a proper manner to sell the product or service. In other words, if the above mentioned acts are not present in marketing, then it is said to be ethical. i.e there would be no false advertisement, No unfair price.

3- It is the responsibility of marketing department as well as marketing managers to ensure ethical marketing.

4 Marketing managers sometimes have ethical delimma as to satisfy their own needs or customer welfare.

5- Benefits of Ethical Marketing:-

(i) Consumer welfare
(ii) Image ~~boos~~ of the organization ↑
(iii) Reduce govt interventions ↓

(iv) long-term growth ↑
(v) strengthening the organization. ↑

Competition:

दुश्मनी

1. Competition is a ~~rivalry~~ rivalry in the market place where two or more sellers independently strive (fight) with each other so as to attract buyer's behaviour in order to increase their profits, sales or market share

Eg Pepsi and coca cola.

2. Consumers are the main beneficiaries of the competition in the form of better quality, ~~competition~~ competive price and various other benefits, At the same time, consumers are the main loosers in case of uncompetitive practices.

3- Competition Policy explain competition as a process which encourages efficiency in the production and allocation of goods and service over a period of time through innovation and technological changes. The main objective of this policy is to

- presure competition
- Promote competition.

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Eg Hyundia — Daewoo

Hyundia	Daewoo
- Santro (99)	Matiz (99)
- Santro Zipplus (00)	Matiz (00)
- Santro Zip drive (01)	Matiz (01)
- Santro Zink (03)	Matiz (03)

Here Hyundia develop his Quality and also use new technology but Daewoo do not use and upgrade its Quality and hence Daewoo is out of market.

4- Competition Act 2002 which is applicable on whole of India except, Jammu and Kashmir has the following objective:-

(I) TO establish Competition Commission (Group of person)

(II) To ~~ensure~~ presure and promote Competition in markets.

(III) TO protect the interest of ~~Costumers~~ Consumers.

(IV) TO ensure freedom of trade carried on by the other [foreign company (MNC)] participant in markets in india.

5- following are some of the parameters (boundaries) of competition act:-

(I) Prohibition of anti - competitive agreements:-
There are those agreements which are against competition. As per this act, such agreements are void.

(ii) Prohibition of abuse of dominant Position: This act does not allow a monopoly person to misuse his position

Eg DMRC

(iii) Regulations of Combinations: Any Combination which has an adverse effect on competition is not allowed.

Eg. Airtel and vodafone join together to break Idea which is wrong

6- Competition Commission refers to a body which has been appointed to regulate competition.

☆ Consumer Protection

1. The word consumer has been defined in both the acts as follows:

Competition Act 2002	Consumer Protection Act 19
• consumer means any person who purchase the goods or services for any • Personal Purpose • Resale Purpose • Commercial Purpose	• Consumer means the person who purchase the goods for any personal purpose. [Personal Purpose is covered in both act]

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2 United Nations Guidlines for Consumer welfare :-

(i) The United nation Guidlines represents an international framework (Guidlines) which requires the goverments to develop, strengthen and maintain a strong consumer policy as well as legislation (Law).

(ii) As per these guidlines, following should be considered while drafting the policy and law.

(a) physical safety :- Eg. purchase product which has ISI mark.
(b) Economic interest :- Eg. people should not pay Extra then Mrp.
(c) Standards
(d) essential goods and services
(e) Redress (consumer court)
(f) education and information
(g) Health (
(h) Sustainable consumption (some stock should be in Buffer stock)

(iii) These guidlines have also provided following Rights of consumers :-
- Right to Basic needs
- Right to safety
- Right to choice
- Right to redress

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- Right to information
- Right to consumer education
- Right to Representation
  (To Represent the case in consumer court)
- Right to healthy environment.

☆ Consumer Protection Councils in India

1. Councils for consumer protection have been established at the following 3 levels:-
   (i) Central Consumer Protection Council
   (ii) State Consumer Protection Council
   (iii) District Consumer Protection Council

2. Following are the objectives of council or rights of consumers
   (a) Right to be protected against the marketing of goods and services which are harmful to life.
   Eg. Cigarettes, tobacco products
   (b) Right to be assured wherever possible, access to variety of goods and services at competitive prices
   (c) Right to be informed about the Quality Quantity or Price of the product
   Eg. label of the product

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(D) Right to seek redressal (complaints)
(E) Right to consumer education

Comparison table of Competition Act in various Countries :-

Basic	UK	USA	India.
competition law	UK Competition Act 1988	federal Trade Commission Act	Competition Act, 2002
mergers	Enterprise Act	–	Companies Act, 1956
Restraint of trade	–	Sherman Anti Trust Act	Indian Contract Act, 1872
Monopoly	–	Clayton act	Competition Act, 2002
Competition Policy	UK's Competition Policy	Federal Trade Commission Act, 1914	Competition Policy of India
Competition Commission	European Commission	Federal trade Commission	Competition Commission of India