

Tetiana Dubovyk\*

## ONLINE-MARKETING COMMUNICATIONS IN THE CONTEXT OF ETHICS

*The article explores a safe, unobtrusive and comfortable vision of Internet marketing communications in order to satisfy users, and achieve loyalty. It is proposed to update the design of online markets not to deceive and deceive the user and to be closer to ethical standards. Inform users about the benefits of the ethical position of future trading companies. Use some tools to improve ethical behavior in the organization. Ethical rules for employees, training of their employees, as well as involvement of highly skilled workers.*

*Keywords: Internet marketing; employee ethics; online market design.*

*Peer-reviewed, approved and placed: 10.10.2017.*

Тетяна В. Дубовик

## ІНТЕРНЕТ-МАРКЕТИНГОВІ КОМУНІКАЦІЇ В КОНТЕКСТІ ЕТИКИ

*В статті досліджено безпечно, ненав'язливе і комфортне бачення інтернет-маркетингових комунікацій з метою задоволення користувачів і досягнення лояльності. Запропоновано оновити дизайн онлайн-ринків, не вводити в оману і обман користувачів і бути ближче до етичних норм, інформувати користувачів про переваги етичної позиції майбутніх торговельних компаній, використовувати деякі інструменти для покращення етичної поведінки в організації. Розроблено етичні правила для співробітників, підвищення кваліфікації своїх співробітників, а також залучення зі сторони висококваліфікаційних працівників.*

*Ключові слова: інтернет-маркетинг; етика співробітників; дизайн онлайн-ринків.*

Татьяна В. Дубовик

## ИНТЕРНЕТ-МАРКЕТИНГОВЫЕ КОММУНИКАЦИИ В КОНТЕКСТЕ ЭТИКИ

*В статье исследовано безопасное, ненавязчивое и комфортное видение интернет-маркетинговых коммуникаций с целью удовлетворения пользователей, и достижения лояльности. Предложено обновить дизайн онлайн-рынков, не вводит в заблуждение и обман пользователя и быть ближе к этическим нормам, информировать пользователей об преимуществах этической позиции будущих торговых компаний, использовать некоторые инструменты для улучшения этического поведения в организации. Разработаны этические правила для сотрудников, повышения квалификации своих сотрудников, а также привлечения со стороны высококвалифицированных работников.*

*Ключевые слова: интернет-маркетинг; этика сотрудников; дизайн онлайн-рынков.*

**Introduction.** It's necessary to make an accent that at the present stage of economic growth, the essential changes take place in the consciousness of the customer became another one, his "market consciousness" increased. They have the higher level of goods and services quality expectations, strive for more convenient arrangement and working hours, better service, lower prices. Such situations were caused by the modern society development tends, changes in the way and style of people life.

---

\* Kyiv National University of Trade and Economics, Ukraine.

Also the part of innovators, who endeavor to get goods, in which new ideas and technologies were embodied. It is also stipulated by the modern development temps and by implementation of information-communication technologies, and by the psychological factors.

Consumption of such goods becomes a symbol along with the buying of prestige goods, it demonstrates the high social status, shows progressiveness and contemporaneity of the customer.

As the world experience shows the velocity of reaction on market changes is characteristic for small and midsize business, which are rather flexible to changes and opportunities of variable market conditions.

On today stage of economic development the majority of trade companies face with the market crisis, which is caused by globalizing processes, increasing competition, science-technology progress, consumer shift, his behavior and life style, the decrease of traditional marketing communications effectiveness, and also the increasing of society expectations about companies with great resources.

Consumers show the need to be served but not to be chased. According to Adobe data, the 82 % of consumers all over the world think that companies gain too much information. Pew Research Center published information that the 86% of Americans tried to remove or hide the trace of their online activities [1].

Regular violation of the privacy right leads to nascence and increasing of “no-data-brands” popularity – companies, which will provide the exceptional service and at the same time could guarantee privacy and no chasing.

Thus, Lightbeam and Collusion companies collect information, analyzing cookies data, sent by web-servers and saved on computer. Modern browsers allow forbidding cookies saving [2].

**Brief Literature Review.** The modern works of J. Alqatawna [3], B. Akhgar [3], J. Aycocock [4], M. Btoush [3], E. Buchanan [4], S. Dexter [4], and D. Dittrich [4], M. Ettredge [5], J. Howard [6], V.J. Richardson [5], K.M. Rogers [6], J. Siddiqi [3] are dedicated to the problem of Internet safety.

The considerable research was held in the field of consumer and marketing ethics for the last 20 years (Hunt and Vitell, (2006) [7]; Nwachukwu et al., (1997) [8]; Vitell, (2001) [9]). Nevertheless, some journals - Journal of Business Ethics, Journal of Advertising, Journal of Consumer Marketing, Journal of Business, paid the peculiar attention to the debatable (argumentative) advertising.

The aim of the paper is to make a try in estimation of online customers safety in Ukraine and clarification of perspectives of further safety and data privacy for customs in Internet and applying of social-ethic principles by trade companies in their activity.

Customers are ready to trust promoted brands to which the 79% of respondents in the world (and 87% in Australia) unhesitatingly give information. The cogitations about the personalization of promotions and goods are divided almost in a half: the 55% of respondents don't want promotions to be consorted with their preferences, but the 57% don't want the service to be analyzed for them due to collected data. Less than a half of respondents (41%) agree to share their personal data with companies to receive free commodities in any form. Customers rely on the consumers protection

societies. Thus the 62% of respondents in the world expect such societies to supervise how the companies collect and use personal data [10].

Conditions put to the online customers in Ukraine are often ignored by law norms. Even in the best shops the customers rights are being reduced. The more is in the area of e-Commerce, which is positively convenient, but less controlled.

Among the widespread offenses we can make an accent on the abandonment to provide the replacement or warranty repair of the good; the disparity of the good to demands of regulatory enactment; the nonconformity of covering documents, price change in case of delivery etc.

Today there is no peculiar law, which can regulate the e-Commerce. But this doesn't mean that the e-Commerce can be held beyond the legal framework. According to the explanations of the Ministry of Economic Development and Trade of Ukraine in the letter № 3502-05/43517-14 from the 19th of November, 2012, entities which exercises the procedure of trade using Internet, are to be guided by the demands of Rules about selling the goods on order and beyond the trade or office rooms (hereinafter – Rules) [11].

Of course, online trade is under the Law of Ukraine “About Consumer Protection”. Besides the mentioned regulations, e-Commerce seller is to be guided and comply the demands of other trade activity regulations.

The main difficulties in the e-commerce area, according to the data of foreign sources, are the insufficient safety of the data, which is transmitted by Internet, and is reduced to two menaces — computer fakes, fraud and violation of the private life mentioning the opportunity to strict fixation of who, what, when and where made a purchase.

The other crucial problem is the quality of communications (development of the network, small capacity of channels and the low speed of data transmission), which is chiefly typical for the ukrainian segment of e-commerce.

The automated control systems for manufacturing, trade and financial activity of corporate level are less common for ukrainian e-commerce. The uncertainty of the real counterparty, ignorance of foreign business rules, the absence of universal standards of cooperation during online work are also problems of e-Commerce progress.

Uncertainty of law and financial problems is important, in particular intellectual property rights and the customers rights, demands to all types of contracts, their jurisdiction and responsibility, information protection, cryptography regulation, operations rates, contracts taxing and customs rates.

Problems, which are too characteristic for ukrainian e-commerce are dealing with rather small amount of national Internet users, with imperfection and often absence of appropriate legislative and regulatory framework, which controls the activity of business structures online, and also the weak distribution of cashless payment systems (plastic, mainly international cards) for individuals.

The level of the customers trust to the national online resources is rather low, it is the effect of prices overestimation in online markets, low standards of living, opaque technical and economic norms, absence of regularity tools for e-commerce activity.

According to the fact that more then half of ukrainians are below the poverty line, it is difficult to count on the real wide audience.

Online technologies are more effective when they are used by more than 5% of people. In Ukraine the possibilities of global international network Internet are actively used by 1,2-2 m. of users, it means 2,5-4% of people; the insufficient level of telecommunication infrastructure development which doesn't allow to give the customers all types of modern services.

The access to Internet is rather expensive in Ukraine; the low usage of information technologies on enterprises, different organizations, including governmental, and this doesn't promote the awareness of a place and role of Internet in modern economics; considerable difference in the standards of big cities and regions informatization and it reduces the network users audience; the absolute absence of reliable system of tangibles prompt delivery in our country (and CIS countries) backs off the development of our online trade more than small amount of Internet users.

Post of Ukraine is too slow and doesn't give guarantees of delivery; lack of reliable and legitimate means of authentication, digital signs, certificates and encryption. Thus the problems of data confidentiality and integrity, intellectual property rights compliance appear.

The actual scheme of e-trade begins working by the acting of payment mechanism. Not everyone has payment card, credit card are less common. There are some problems of credit cards like writing-off money from the fake accounts and refusal of payment acceptance. Besides it is not possible to pay by means of card in every shop. Approximately the half of the ukrainian online markets deliver goods payable on delivery, including postpay (payment at the post office at the moment of delivery).

The main reason is that online markets don't trust customers and the reliability of payment systems is the other one.

The salvation is the significant improvement of online payment system, spreading of plastic cards, disjunction of clubs payment systems, especially in banking area, creating of bank-agent networks and clearing centers. It is necessary to provide the whole internalization of bank services, "bank-client" systems, including home-banking; the low safety level while paying with the credit card.

Internet-sites analysis made by the author allows distinguished two main questions. The first one is dealt with the collection of information for customers, the second one – with the using of different online marketing communication instruments. There is a diversity of instruments, such as banners for the certain ads and flash ads for customers information exchange.

For example, online-store "Rozetka.com.ua" uses different technologies for information collection and storage, while customer is looking through the site: the recording of one or more cookies or anonymous identifiers while visiting store, and also when customer uses the service, offered by partners.

The author's research on consumers disquietude concerning information [12] privacy affirms that: 12% of respondents, who share their own personal data, expect benefits like an access to unique proposals in response; 26% – do not see the value in their personal data, and do not express considerable anxiety on this occasion; 41% – know that social networks can use their personal data to inform about special offers; 34% – have protected private setting and know how to change privacy settings on their web-browser. Customer survey method is used for collecting the required data. The size of the sample taken in this study is 120. The study was done during March

and April 2014. Herewith author questioned the management of online stores and discovered that the 83% of trade companies provide the data confidentiality control and consider that this data is valuable.

Thus there was defined that the reasons of non-ethical behavior of trade companies:

- Insufficiency of the legislative and regulatory frameworks;
- Considerable scope of 'shadow' economics;
- Competitions which push back the ethical cogitations;
- Increasing aspiration to report about the rate of return in short terms, i.e. in every quarterly report;
- Absence of appropriate stimulation of senior management ethical behavior;
- General reduction of the ethics role in society;
- Several company pressure on the ordinary employees to find compromises between their values and the values of senior management;
- Low morality of society.

Today trade companies use different types of services (Google Analytics), including web-tracing to define the effectiveness of online marketing communicational activity control. Nonetheless, author supposes, that using all these possibilities, can also appear the menace for sales long-term perspective.

All the developed efficiency estimation web software for online marketing communication activities of trade companies has no indexes for estimation ethics and morality; also there are no notifications for customers about using and application of information about him collected by different software products, i.e. there is no confidentiality.

Internet technologies provide opportunities for companies to collect information about customers. But some aspects of information collection are evident (for example, announcing information about purchase, announcing information about web-site access, announcing information about free goods), some of them are less obvious (for example, anonymous profile data, IP, cookies).

Due to this fact information can be used and overused at the same time, but herewith most of customers are still hesitating to make online purchases or not. The development of software, which allows "working online anonymously" and allows to be "absolutely invisible for surfer" is the mark of customers solicitude about violation of personal space.

Five aspects, concerning private life of customer can be used to describe the social ethic positions of web-site on customers privacy policy:

1. What can appear as the warning that the information is being collected and how it will be used, will it be handed to third person and will the Cookies be used.
2. Choice: Will the customer agree with all the aspects of information collection?
3. Access: Does customer have an access to collected information? Does he have an opportunity to look through and edit information?
4. Security of information transfer and subsequent storage.
5. Contacts: customers receive information about contact person or contact links for questions and registration of complaints about privacy.

One of the sore issues is the ethical dilemmas on data privacy in social networks. The ethical subject in social networks is the practice of online marketing, viz. appropriate using of personal data by mass media social employees.

For example, it is advisable to cancel the non-ethical using of newsletters in social networks, photo reports and held event information messaging, in which the visitor took part, and hasn't agree to announce this fact.

There are several ethic moments dealing with the way how social networks inform users about the level of their privacy, how to change it and how accessible they are. At last there are ethical issues on using social media data for brand-marketing.

For example, IBM is testing technology, which will allow detecting the psychological peculiarities of a person by his posts in Twitter. If the project appears successful, advertisers will have an opportunity to customize the ads according to character and temperament of every user. Thus the profile forms for every user, it includes the last updates of his Twitter – hundred or thousands posts. Mashable.com admits that after the data working up, the character of user is identifying automatically and is measured at five basic psychological criteria: openness to new ideas and impressions, integrity, extraversion, conformity, neuroticism. “Values” (hedonism or conservatism) and “demands” (interest or harmonious relationships) are also discovered. Besides, the investigations showed what language constructions combine with the psychological personal features. The language models were formed from these data and allow independent creating of the psychological users' portrait according to his micro blogging.

Thus from the point of view of technical safety some authors point out the next steps taken to prevent/detect internet fraud:

- Identity and authentication systems Anti-virus/anti-DDoS;
- Manual vulnerability inspection and assessment Manual inspection of web pages in production;
- Security intelligence systems;
- Content aware firewalls;
- Automated forensic tools that detect business logic abuses;
- Intrusion prevention systems;
- Use of WAF;
- Testing of the website's functionality prior to production;
- Intrusion detection systems Network security and VPN;
- Other.

The problem of acceptance of trade companies ethic norms reduces not only to confidentiality of information about customers, companies employees and different public groups, but at the same time is to be depicted in general marketing strategy, including companies online marketing communication activity. Author defined main criteria concerning customers privacy policy:

- 1) informing customer about collecting the data and its disclosure;
- 2) choice right to give information about himself and to use and disclose his data;
- 3) safety and checkout of customers' data access;
- 4) temporary frames of cutomers data usage;
- 5) level of privacy interference by using online marketing communication measures, which can appear the guides for trade companies, who want to realise ethical norms in online marketing communicational strategy.

It is advisable to develop the model of ethical interaction with customers for proactive policy. Trade companies are suggested to inform customers that company

takes an ethical position in society by creating and spreading this information online, and this way company can gain the competitive advantages.

Trade enterprises were suggested to introduce special symbols (quality mark) as a guarantee of companies serious expectancies to establish serious affairs with customers and different public groups. Herewith the implementations of different psychological confidence formation mechanisms are appropriate.

- The “displacement” principle in confidence formation. If my friend gave a recommendation to some third person I as a rule, would trust this person as I trust my friend. Such a trust principle through the evidence of other users covers different web-sites. Of course, the trust to such evidences is rather weak, because users know that these evidences “compliments” in favor of either site could be imaginable or too “embellished”. The customers’ trust can be reached by means of special quality marks. Company signs the service agreement with certain licensed organization (for example, eTrust or Verisign), about compliance and monitoring obligations and quality norms. Before acting, these quality marks are to be announces, they must gain positive reputation among customers.

- Strictly formulated obligations facilitate the customers confidence. Obligations, guaranties and promises – are quality marks, given online, calm customers. Levels of confidence and credence depend on the fact what exact obligations grant and their nature and reliability.

- The capacity to predict the future of enterprise – is the factor of obtaining, strengthening and customers confidence return.

The publicity and good reputation of quality mark strengthen its prediction capacity concerning customers, who are the well proof of confidence and certain character of trade enterprise.

To accept such an active position trade companies are to develop the model of ethical interaction with customers. Trade companies are suggested to inform consumers that company is taking the ethic position in society by creating and spreading of such information in Internet and so they receive the competitive advantages.

Author thinks that the complex index of consumer noticing about the trade company confidential policy and the high level of safety are to be depicted on the home page of the online market and are the way to depict the reasonable level of ethic behavior of the trade company online.

Companies, represented on [www.youronlinechoices.eu](http://www.youronlinechoices.eu) work with web-sites providers, which collect and use information for online-behavior advertising [13].

Site provides a step-by-step instruction of customers’ online-behavior control on his own computer. Notes allow excluding or including all companies or setting preferences for some of them. With the ‘Advanced’ button, customer can learn more about company, and also about its behavior status of web-browser advertising. The attention of user is paid to the fact that the proposed actions don’t switch off advertising, but only ads, which are customized on the likely users interests, based on the previous web-browser activity review.

Enterprises engrain interactive online advertising marks or on web-sites as a section of pan-European initiative to give users information about clearness, choice and checkup of online behavioral advertising. Clicking interactive mark users can get distinct information about data, collected and used for online behavioral advertising, and how it can be used and checked by user.

Thus author defined certain group of symbols, which characterize the enterprises' activity in online behavior advertising:

- Companies assumed cookies, but they can show online advertising in future, customized for users interests.

- Company gives the ads, customized for customers' interests.

- Company doesn't show online advertising, customized for customers' interests.

- Company has technical troubles so can't renew the customers' status.

The companies below went through the independent certification process with an EDAA-approved Independent Certification Provider. These companies have been granted the corresponding Trust Seal, demonstrating full compliance with the OBA Self-Regulatory Program.

There are a lot of examples of unethical behavior of companies in the field of online marketing communications. For example, Microsoft on keepyouremailprivate.com shows the examples of how Google uses private data for the profit [14].

**Conclusion.** The comfort of the safe navigation is the key to the satisfaction of online users, the absence of obsessive ways of online marketing communications can appear the part of this comfort and consequently lead to satisfaction of the users and to formation of their loyalty.

The design of the online markets, by the authors opinion, is to be integrated with the ethical norms. Thus the trade companies are suggested to avoid misleading and cheating of the user, to prevent the imposition of different types of online marketing communicative appeals.

To achieve the competitive advantages in future trade companies are recommended to inform customers about the ethical position of the company by creating and spreading several marks online, and also to use following instruments to improve ethical behaviour in organizations:

- Ethical standards (codes), which describe the general value system, ethical rules for company employees;

- Committees on ethics, which make everyday estimation of activity from the point of view of ethical demands. Some companies implement positions of ethics lawyers instead of such committees, which include authoritative employees;

- Social revisions, which are held to analyze and estimate reports and programs of social responsibility of company;

- Ethical behavior education of senior management and employees.

1. MICROSOFT is working on replacing the COOKIE-files for effectiveness of advertising (2013) .

2. FIREFOX got plugin for monitoring watching (2013), mmmr.ua/news/id/firefox-poluchil-plagin-dlja-nabljudenija-za-nabljudajuschimi-36820.

3. J. Alqatawna, J. Siddiqi, B. Akhgar, M. Btoush (2008). Towards Holistic Approaches to Secure e-Business: A Critical Review, proceedings of EEE'08, Las Vegas, USA, 2008; J. Alqatawna, J. Siddiqi, B. Akhgar, M. Btoush, A Holistic Framework for Secure e-Business, proceedings of EEE'08, Las Vegas, USA.

4. J. Aycock, E. Buchanan, S. Dexter, D. Dittrich (2011). Human Subjects, Agents, or Bots, in G. Danezis, S. Dietrich, and K. Sako (eds.), Current Issues in Ethics and Computer Security Research, FC 2011 Workshops, LNCS, 7126, Springer, Heidelberg, pp. 138–145.

5. M. Ettredge, V.J. Richardson (2001). Assessing the risk in e-commerce. in International conference on information systems, New Orleans, pp. 275–284

6. J. Howard (1997). An analysis of security incidents on the Internet. Carnegie Mellon University.



7. *S.D. Hunt, S.J. Vitell* (2006). The General Theory of Marketing Ethics: A Revision and Three Questions, "Journal of Macromarketing", 26(2), pp. 143-153
8. *S.L.S. Nwachukwu, S.J. Vitell, F.W. Gilbert, J.H. Barnes* (1997). Ethics and Social Responsibility in Marketing: An Examination of the Ethical Evaluation of Advertising Strategies, "Journal of Business Research", 39(2), pp. 107-118.
9. *S.J. Vitell* (2001). Introduction to Special Issue on Marketing Ethics, "Journal of Business Ethics", 32(1), pp. 1-2.
10. Buyers are not satisfied with the virtual surveillance retailers (2013, March). Retrieved from: [mmr.ua/news/id/pokupateli-nedovolny-virtualnoj-slezhkoj-ritejlerov-38672](http://mmr.ua/news/id/pokupateli-nedovolny-virtualnoj-slezhkoj-ritejlerov-38672).
11. Letter of the Ministry of Economic Development and Trade of Ukraine (2012, November). Retrieved from: [www.profiwins.com.ua/uk/letters-and-orders/ministry-of-economy/3496-3502.html](http://www.profiwins.com.ua/uk/letters-and-orders/ministry-of-economy/3496-3502.html)
12. The size of the sample taken in this study is 120. The study was done during March and April 2014. Herewith author questioned the management of online stores and discovered that the 83% of trade companies provide the data confidentiality control and consider that this data is valuable.
13. European Interactive Digital Advertising Alliance. (2012). [www.edaa.eu/about/](http://www.edaa.eu/about/)
14. MICROSOFT is working on replacing the COOKIE-files for effectiveness of advertising (2013, October), [mmr.ua/news/id/microsoft-rabotaet-nad-zamenoj-cookie-fajlam-dlja-effektivnoj-reklamy-36528/](http://mmr.ua/news/id/microsoft-rabotaet-nad-zamenoj-cookie-fajlam-dlja-effektivnoj-reklamy-36528/)