

ETHICAL E-MARKETING FOR COMPETITIVE ADVANTAGE

By


A. K. G. R. D. Attanayake



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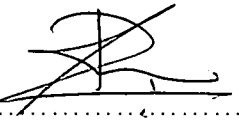
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ABSTRACT

Marketing practice is now busy integrating the potential of information and communication technologies through the utilization of databases and Internet marketing tools. Billions of potential consumers can now be reached this way. Therefore rivalry firms are in a big competition to increase their market share by attracting maximum portion of potential e-Purchaser. A brief observation in the Internet shows that these firms go beyond the ethical limits and adapt unethical and aggressive E-marketing practices to win from the competition.

The observation of marketing practice on the Internet can give an idea of the types of unethical practices that are either already in place or recommended by certain marketing consultancy sites. A simple analysis of many sites highlights two important issues. The first one is concerned with the gathering and selling of consumer information and the second one is concerned with the utilization of various marketing techniques such as pop-up banners, deceiving banners and hyperlinks and other forms of intrusive mechanisms, by which make e-Purchasers discomfort and impinge on their personal privacy. Meanwhile advent of new powerful Internet Technologies and Tools would make the unethical practices to be carried out seamlessly in the Internet.

Whereas the potentialities of ICT are endless, the very interactiveness of the Internet creates new and serious ethical problems reflected by the use of short-term aggressive actions. Given the fact that such powerful tools and techniques will become the norm within two to five years, experts advocate that firms that wish to differentiate themselves from their competitors will have to turn to E-marketing ethics in order to gain and keep consumers. Firms that follow ethical marketing stances are likely to be more **Competitively Advantaged** in the future.

Adhering to these facts the possibility of creating Competitive Advantage through **Ethical Interactivity** in E-Marketing was investigated in this research. The Ethical Interactivity in E-Marketing was evaluated through three visible forms of e-Marketing namely Web Advertising, E-Mail marketing and Customer Profiling. Ethical Interactivity in Web Advertising and E-Mail marketing is judged against three criteria (Nwachukwu model): Consumer sovereignty, Individual Autonomy and Harmfulness of product. To measure the Ethical Interactivity in Customer Profiling process (through information gathering), Gauzente and Ranchhod's seven-factor model (notice, choice, access, contact, security, horizon, and intrusiveness) has been used.

The importance paid to factors in each criterion can reflect the degree of ethical interactivity that the firm is willing to exhibit. In fact correct interpretation of these practices leads to empowered e-Purchasers creating Competitive Advantage for the firm and greater benefits for the e-Purchasers themselves.

The room for creating Competitive Advantage is determined through the intensity of **Positive Response Behavior** of the e-Purchasers towards the **high Ethical Interactivity**. To find out relationship between Ethical Interactivity and the Positive Response Behavior, the research has been carried out separately for Local, South Asian, European and North American e-Purchasers. Positive results found for European and North American regions. Hence there's a possibility in creating Competitive Advantage through Ethical Inactivity in these regions.

Meantime the Effectiveness of the Customer Profiling process was examined too. This process is found to be highly effective among European e-Purchasers. Then the impact by the Internet laws towards the Ethical E-marketing practices was investigated. It was observed that the impact is low on unethical marketing practices due to difficulties in executing such laws (cross country issues) and lack of Internet governing body. In that perspective, this makes the Competitive Advantage through Ethical Interactivity a sustainable one. Finally some of the important factors were determined for designing an ethically interactive site, based on all the research findings.

