

SOME ETHICAL ISSUES

Ethical issues are situations where the right course of action is not always clear, they can be wrong. And decisions can impact people, society or the environment. They can be in many places of business, such as advertising, product safety, employee treatment and environmental responsibility. These issues are very important because companies that act ethically build trust, maintain a good reputation and contribute positively to society while balancing profit with moral principles.

Some key principles of ethics include honesty, integrity, loyalty, fairness, responsibility, obedience and accountability guiding companies to act morally and maintain a good reputation.

There are many different sectors related with ethical issues: Finance, marketing, production and human resources. Each sector facing its own specific challenges.

MARKETING: MISLEADING ADS

Misleading advertising occurs when companies exaggerate or misrepresent their products or services in order to impact customers. These practices can take many forms, such as false claims about effectiveness, hiding important information, or implying benefits that the product does not actually provide. Misleading ads not only harm consumers by creating wrong expectations but they also damage trust in the brand and can lead to legal consequences. Examining real cases helps us understand how companies can cross ethical boundaries in marketing and highlights the importance of honesty and transparency in all promotional activities.

One example of misleading advertising in marketing involves L'Oreal.

NOW, CRACK THE CODE TO YOUNGER ACTING SKIN.

THE NEW ERA OF SKINCARE: GENE SCIENCE.

Imagine what if you could grow young? Every great discovery begins by pushing the boundaries of science. After 10 years of research, now we know that recovery genes in youthful skin respond 5x faster to aggressions than aging skin does. So even though you can't grow young, we now have the knowledge to help you begin cracking the code to younger acting skin.

NEW YOUTH CODE™ Youth Regenerating Skincare

CLINICAL STUDY: 5X FASTER

GENE RESPONSE TO AGGRESSIONS

AGING SKIN vs. YOUNG SKIN

A dramatic new possibility against the signs of aging. L'Oréal introduces Youth Regenerating Skincare: New Youth Code Serum infused with GetActive Technology™. Designed to help increase skin's ability to recover faster from aggressions more than it did when it was younger. With Youth Code, now you can instantly improve skin quality while revealing the new youth of your skin.

10 YEARS OF GENE RESEARCH INTERNATIONAL PATENT

GetActive you it worth it.

L'ORÉAL PARIS

Discover all of the Youth Code products and learn more about Gene Science. Lorealusa.com/youthcode

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One example of misleading in marketing involves L'Oreal. The company was criticized for its anti-aging products, such as Lancome Genifique and L'Oreal Paris Youth Code. In its ads, L'Oreal Paris claimed that these creams could affect people's genes and make their skin look younger. But there was no strong scientific evidence to support these claims, so the company was accused of using wrong advertising. This case shows that even big and trusted brands can make unethical choices in marketing. It also reminds us that honesty and clear information are very important when promoting products.

Negative Outcomes;

- L'Oreal's reputation was damaged
- Consumers lost trust
- Company learned the importance of transparency, honesty, evidence based marketing.
- Damaging the environment
- Ignoring the after sales services

Ethical Analysis; What Was Wrong?

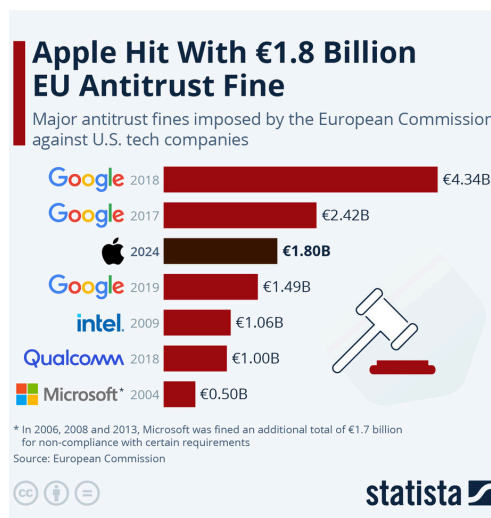
- Lack of transparency
- Manipulative language (scientific terms)
- False claims
- Exaggeration

Source: Federal Trade Commission (2014).
www.ftc.gov

MARKETING: ANTI-COMPETITIVE PRACTICES

Anti-competitive practices occur when a company tries to stop or reduce competition in the market in unfair ways. For example, a company can secretly agree with others to set the same prices, ignoring new companies from entering the market or control supply to make more profit. These actions are unethical and illegal because they hurt consumers, limit their choices and increase prices. They also harm innovation and can damage the company's reputation if discovered.

One example of anti-competitive practices in marketing is Apple and the App Store.



Apple was accused of using unfair rules in its App Store. The company only allowed iPhone users to download apps from the App Store and charged developers a 30% fee for every sale. This made it hard for other app stores or smaller developers to compete. Many companies such as Spotify and Epic Games, said that Apple was creating an unfair advantage for itself.

This applies limited consumer choice and increased prices for users. In 2024 the European Union fined Apple about €1.8 billion for breaking competition rules.

Negative Outcomes:

- The Apple' image was damaged
- Users lost trust
- Increased government pressure

Ethical Analysis; What was wrong?

- Was not fair or transparent
- Reduced consumer choices
- Unfair prices
- Focusing too much on economic outcomes

Sources: The European Commission (2019)

www.euronews.com