

# The Influence of User Characteristics and Experience on Ethical Opinions of Internet Marketing

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## Extended Abstract

As many other areas of business, internet marketing has been under attack by social commentators and other consumer or general public organisations for alleged unethical practices. As sophistication of marketing tools and techniques improve and as the impact of the internet on society grows, ethical considerations must be addressed if public trust in the profession is to be secured and maintained.

While e-marketing is subject to the same general criticism as marketing from the general media, mainly about issues such as consumers' right, misleading information or freedom of choice, its specific characteristics make it a fertile ground for other, more specific ethical dilemmas than those previously experienced or identified by marketers. It is therefore useful, when examining the generic portfolio of marketing activities, to identify the specific nature of some e-marketing decisions, in order to identify where a specific ethical dilemma may arise. In other words, although the internet technology may not have generated any new or unique ethical issues, many of the controversies associated with this technology might warrant special considerations from an ethical perspective. Further, consumers' personal characteristics such as the individual's level of moral development and personality and cultural environment may impact also on consumer choices in a situation involving ethical issues.

Given the exploratory nature of the study, a convenience sample of avid Internet users was selected and asked to rate and rank ethical dilemmas. 41 ethical issues were encapsulated in the short descriptive scenarios provided as examples in the previous section and respondents were asked to rate these issues in terms of the ethicality of the situation and the importance of this issue when considering an internet site or an etailer/service provider. Although the inclusion of the examples (e.g. McDonald's) may have biased the sample by framing the respondents' perceptions of the issues, it was considered important as a means of focusing participants' responses. The majority of respondents (76%) were between the age of 19 and 22, with

even split between males and females. In terms of internet usage activities, the vast majority of respondents (64%) used the internet on a daily basis with another 30% using the internet 2 to 6 times a week. Thirty eight percent of respondents spent 1-2 hours each time they access the internet, followed by a 31% spending less an hour on the internet each time they access the internet. Many respondents (59%) had purchased goods on the internet while a staggering 82.6% used an online service. There was no significant difference between genders in terms of internet use.

The results showed that five out of the top ten issues are related to e-marketing practices targeting children, indicating that using the internet in targeting children is a serious consumer concern. Surprisingly, the fourth issue involves one of the consumer ethical issues – 81% of respondents consider purchasing prescription-only drugs online without a valid prescription unethical. The fifth issue relates to the content of advertising messages. A little over 80% (80.5%) of the respondents agreed or strongly agreed that using sex, nudity and racist languages in online advertising messages was unethical. Respondents also seemed to be concerned about online market research activities. Consistent with findings from previous research, about 80 per cent of internet consumers considered the intrusion privacy through data collection and spam is very unethical or unethical.

Further, two primary antecedents of ethical opinions can be identified from data collected: (1) user characteristics such as gender, nationality, and age; (2) user experience in terms of length and frequency of internet use, amount spent in online purchase and activities on the internet. For example, the Spearman's rank order correlation tests show that the positive association between frequency of internet use and opinions on using incentives on websites targeted at children, selling drugs online, grey importing and realtime pricing is significantly, but not very strong. This suggest that as internet use become more prevalent, consumers may become desensitised to some of the ethical issues that are prickly currently. It is important to note, however, that this is not intended to be an exhaustive list of antecedents to ethical opinions. Rather, these are variables that can be identified from existing research and are considered important for ethical opinions. More antecedents may emerge in the future as our knowledge of consumers' online interaction deepens.

In brief, this paper offers a critical examination and analysis of key ethical issues arising in the planning and execution of internet marketing practice. It provides a critical reflection on ethical implications of specific e-marketing strategies and practices and discusses the influence of user characteristics and experience on their opinions of ethical issues and consequences of those strategies and practices that marketing managers may consider in their decision making.

It is important to note the limitations of our study and, more particularly, the convenience nature of our sample. Further replicate research could be conducted using a sample with different demographic characteristics. Despite these limitations, our study showed that internet users are aware and concerned about ethical issues about e-marketing. Marketing professionals, therefore, should not ignore these concerns and they should examine their practices in the light of their consumers' ethical sensibility. Similar research with respect to knowledge, awareness and use of privacy protection strategies relevant to e-commerce is needed. For example, research should examine whether consumers are more aware of privacy protection strategies related to internet use. Further, will these ethical issues disappear as time goes on and consumer gain more internet experience? Longitudinal studies of consumers ethical opinions on internet marketing practices is warranted as e-business applications develop.

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