

Som Lalit Institute of Management Studies

Subject : Integrated Marketing Communication

Subject Code : 4539212

Author : Dr. Neha Patel

Face Whitening Applications by Sunflower Cosmetics* - An ethical issue

Topic: Market Research, Advertising and Ethics

Shirley is a Management Trainee at XYZ* Advertising agency based in Ahmadabad, Gujarat. Shirley has been selected by the company via college placements. She has been assigned to a group which looks after a national level brand called Sunflower Cosmetics. It markets Sunscreens, face Whitening creams and other face moisturizing products at a national level. Sunflower cosmetics are looking to launch a new campaign in the whitening category. The mandate was clear – they wanted to increase sales of their whitening brand and if XYZ could not do it then they would shift to another agency.

The agency has started conducting focus groups to understand segment better. Shirley has been sitting on all the focus group discussions (in total 10 of 8-10 women) since the past 15 days. The results indicated almost all the customers who used Sunflower whitening cream were extremely happy with the product. The loyalty factor was also high. Moreover, the customers indicated that a single application of the face whitening cream at night worked wonders. More focus groups were conducted for competitive brands. The results indicated that 80% of the customers were loyal to their brand, the 20% were switchers.

The top team of XYZ Agency met to decide on the campaign strategy. On research, they identified two ways to increase sales. That was to increase the customer size or/and to increase the usage of the product per customer. Increasing customer size needed a lot of back operations which was beyond the scope of the agency hence the decision was taken to use the second option. Art work would be prepared indicating for almost 100% result, the customers should apply this product twice – once in the morning along with their sunscreen and once in the night. This would increase the sales of the sunscreen as well the face whitening cream. Both the products would be bundled as a sales promotion gimmick. This indicated that the results of the focus groups to be tweaked to match the campaign idea. Presentations and Art work were initiated so they could a presentation could be made to Sunflower Cosmetics.

Shirley was extremely confused. In all the focus groups, the customers had mentioned that single application of whitening cream at night worked to their satisfaction. She understood that this would increase the sales but she was ethically conflicted. She felt that the agency was cheating the client Sunflower Cosmetics and their loyal target audience. She had other concerns that based on the focus group study that the customers might lose trust in the brand and shift to another competitive brand. In

the big picture, it would be a lose-lose situation for both XYZ agency and Sunflower Cosmetics. She was junior most in the agency.

1. Should she inform Sunshine cosmetics? And lose her job?
2. Should she move out of the Advertising industry? If yes why and if no why?
3. Should she go to the Vice President of XYZ agency and inform them?

*This is a fictitious company for the sake of this case let.

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Celebrity Endorsement for Energy Drinks - An ethical issue

Topic: Celebrity Endorsement, Advertising and Ethics

Mr. Desai* is a super star. His last 5 films have been huge blockbuster hits. He has been in film industry since 4 years and has been extremely successful since the past 2 years. He has a huge fan following of more than 100 million on Instagram alone. He is known to be a true philanthropist. He has setup multiple skill centers for the youth of India to promote employment. Currently, he endorses more than 15 brands via his marketing agency XYZ. He has signed a contract with them that he would endorse 15 brands without any questions asked and would be provided Rs. 50 crores in remuneration. He had signed up with them when he had just entered the industry 3 years ago did not know. He had only one more brand to endorse and one more month before the end of the Contract. XYZ was very happy with him and had informed him that they were ready to renew the contract for 2 more years and Rs. 100 crores would be paid to him but he had to be exclusive with them. Both the contracts had only one concern, he could not refuse any endorsement that the marketing agency brought to him. He had to be a part of the campaign and if he did not adhere to the rules, he would have to return all the money he has received from the marketing agency along with 10% interest and his old endorsement would remain in the market.

Desai was happily having his healthy breakfast at 8:00 am post his workout with his personal trainer. He was a health freak and promoted to his loyal, the need to have a healthy life style. He had committed to a farm outside Mumbai of Rs. 30 crore. Moreover, he was still paying EMI on his new purchased apartment. But he was not worried. The proposal from XYZ would help me to take care of his extra cost. They were meeting him at his house at 8:30 am.

Desai was troubled and was pacing the floor. He could not sleep and was disturbed. XYZ marketing company had told him to promote an energy drink which he believed was not right for the body. He had consumed it couple of times and his doctor had strongly advised against it. He said that too much consumption of the same in a few hours could lead to heart issues and in some cases death. Desai had stopped consuming all energy drinks and had strongly advocated his fans from doing the same. XYZ had informed him that if he did not endorse this brand, he would lose the Rs. 50 crore plus pay 5% extra on that in less than 2 months time. His future contract would be terminated as well. He realized that he did not have this kind of money since he had spent it on his house, CSR activity and travels. Moreover, he also knew that once his contract with XYZ terminated, no other marketing agency would hire him. He

also knew the impact that his endorsement of the energy drink would have on his young fan following. He was troubled and ethically confused.

Questions

1. What should Desai do? Why ?
2. According to you, what laws should be incorporated to safeguard people from such malice products/brands?
3. If Desai chooses not to go with this brand, how can he use Social media to his advantage?