

# Chapter 9

## Marketing Ethics: Digital Transformation and Privacy Ethics

**Tansu Işıkay**  
*Doğuş Üniversitesi, Turkey*

### ABSTRACT

*The digital transformation caused significant changes in marketing activities. It has become effortless to collect, process, use, and transmit personal information of consumers. However, marketers' obtaining consumers' personal data in such an easy way has raised privacy ethics. This study examines privacy ethics, which has become an important subject in marketing due to digital transformation. For this, in the first part, the emergence of the ethics issue in marketing and the theories developed for making ethical decisions are mentioned. The second part focuses on the digital transformation of marketing and the matter of privacy ethics. It is also said who is responsible for protecting the privacy and how measures can be taken. This study also includes solutions, results, and suggestions for future research.*

### INTRODUCTION

Digital transformation is one of the most remarkable topics of today. The digital transformation process that started with the development of Web 2.0 technologies has affected all the functions of the businesses. One of the most affected business functions is marketing. The rapid development of technology and the widespread use of the Internet have enabled marketing activities to begin to be carried out on digital platforms. While traditional marketing methods allow consumers to review and purchase products or services only in stores, digital marketing has allowed consumers to research and purchase products or services without space and time limitations. Consumers can now supply even their most basic needs online. Accordingly, consumers' purchasing behavior and consumption habits have changed.

The transformation process in marketing has led traditional consumers to become online consumers. The number of consumers who prefer to use online channels is increasing day by day. This has enabled marketers to obtain information about consumers at a lower cost and more quickly. In other words, the development of digital marketing has made it easier to access information about consumers. Because consumers leave clues about themselves with every click on the internet. Online transactions such as social

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media shares, emails, website visits and online purchases all cause consumers to leave digital cues about themselves. Marketers collect, process and use consumer information by following these digital cues.

The ability of online channels to access consumer information enables digital marketing activities to have many advantages over traditional marketing. First of all, marketers can use the information of the consumers (e-mail address, phone numbers, credit cards, website visits, product reviews, past buying behaviors, etc.) to analyze the requests, preferences and buying behaviors of the target audience. They can make strategic decisions for the target audience. In addition, they can measure and update how successful marketing practices are with digital metrics.

Although digital marketing has many advantages, it provides a very suitable environment for unethical behavior. The continuous collection, processing and use of consumer information, especially through digital marketing channels, causes issues regarding privacy ethics among businesses and consumers. Because of the internet and technological developments, consumers have lost control of keeping their personal information private. This situation, which occurs with the digital transformation of marketing, raises the issue of privacy ethics.

The fact that consumers clicks on the internet can be followed by marketers causes privacy concerns. Privacy concern refers to how worried consumers are about their personal information. These concerns differ for each user. Since the value that each user gives to their personal information is not the same, their level of privacy concern is not the same. For this reason, some consumers perceive lower privacy concerns than others, while others perceive higher. Consumers with lower privacy concerns are more likely to continue sharing information. Consumers with higher privacy concerns are expected to reduce or end information sharing. However, surprisingly, the expected situation may not happen. Because consumers need to share their personal information to perform online transactions. Otherwise, consumers can perform very few online transactions. Because consumers need to share their personal information in order to make transactions online. Otherwise, consumers can perform very few online transactions. Therefore, consumers continue to share information to utilize the benefits of digital marketing despite the possibility of unethical situations.

Researches are conducted on how to prevent unethical situations related to the privacy of consumers as a result of online marketing activities. Accordingly, all stakeholders who are parties to the relationship of change are considered responsible for the prevention of the issue of privacy ethics. These parties are government, businesses and consumers. Many countries around the world are making legal regulations to protect the privacy of consumers. One of the most important sides responsible for protecting consumer privacy is government. Because the regulations made by the government have the effect of deterring the violations that may be made regarding privacy. Another side responsible for the protection of consumer privacy is businesses. Businesses should request permission and state on how to use the information before collecting personal information about consumers. At the same time, they should publish their privacy and cookie policies. In addition, consumers should be able to access their own information, inquire about its accuracy and request it to be deleted at any time. There are also measures that consumers can take individually. Changing privacy settings, clearing cookies, using untrue information, and asking service providers to delete personal data are individual efforts.

Despite the many benefits that digital marketing provides, it has caused the emergence of ethical problems related to consumer privacy. For this reason, recently the subject of privacy has been frequently discussed in marketing. However, there are few studies examining privacy ethics issues. This study aims to contribute to this gap in the literature. This chapter begins by explaining the development process of marketing, the emergence of the concept of ethics in marketing and ethical theories. In digital market-

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