

Impact of Ethical Marketing: A Study on Relationship Between Ethical Marketing and Consumer Behavior

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Abstract:

In an increasingly competitive and transparent business environment, ethical marketing has emerged as a vital strategy for business aiming to build trust and long term relationships with customers. This study explores the relationship between ethical marketing practices and consumer behaviors, focusing on how transparency, fairness, and corporate social responsibility influence purchase decisions, brand loyalty, and trust. Ethical marketing which involves honesty, fairness, and responsibility in advertising and promotion plays critical role in shaping consumer trust and long term engagement. As consumer become increasingly aware of corporate social responsibility and ethical issues such as environmental sustainability and fair trade, their behavior reflect a preference for brand that align with their values. Ethical marketing and business practices are important for a good reputation and creating a positive impact on the environment and community. This topic explore how ethical marketing influence consumer perception, buying behavior, and brand loyalty and why business must adopt responsible practices to succeed in modern economy.

Key words: ethical marketing, consumer behavior, corporate social responsibility, customer loyalty.

1. Introduction:

On today's dynamic and socially conscious market place, ethical marketing has emerged as a significant factor influencing consumer behavior. Ethical marketing refers to the process by which companies promote their product and services in ways that are not only legally compliant but also morally sound, honest and respectful of societal values. Ethical consideration in consumer behavior are crucial in shaping the profit landscape. Consumers have the power to drive positive change by making conscious choice and supporting business that prioritize ethical practices. However, the responsibility also lies with business to be transparent, accountable, and accessible in their ethical practices. Government regulations can provide a frame work for ethical consideration fostering a harmonious relationship between consumer behavior.

The core principle of ethical marketing are:

Transparency: being open about products, services, pricing, sourcing and business operations along with access to information about how the company makes decisions.

Honesty: ensuring that marketing messages are truthful and not misleading. Brands that admit their fault, values and practices are more likely to be perceived as authentic.

Responsibility: acknowledging the impact of business practices on the environment and society and taking steps to mitigate negative effects.

This study explore the relationship between ethical marketing and consumer behavior. It examines how ethical consideration influences consumers attitude, trust. And decision making processes and how business can align their marketing practices to meet these evolving expectations.

Consumer behavior:

consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the action of the consumers in the market place and the underlying motive for those actions.

There are two types of consumers in society they are:

Personal consumer or individual consumer: buy the product and services for his family and own or family

Organizational or commercial consumers: buy the product or services for manufacturing or selling

Corporate social responsibility:

corporate social responsibility is a management concept that describe how a company contribute to the wellbeing of communities and society through environmental and social measures. CSR plays a crucial role in how brands are perceived by customers and their target audience.

Principles of CSR:

Principle of sustainability: business practices should contribute to the balanced long term economic and social development. A firm has to work with government and civil society to clearly understand its role and responsibilities for the suitable development of the society.

Principle of integrity: a business should maintain high standards integrity. It must show honesty in all dealing. Theft, bribery, corruption and other fraudulent practices must be avoided in business transactions.

Principle of fairness: all the policies and programs of business should be formulated on the basis of justice and fairness. Fairness principle included reasonable return to the shareholders adequate salary and working conditions to the employees, best qualities product and services to customers, accuracy in computation and payment of taxes to the government.

Principle of cooperation: the business organization to adopt a democratic and participative style of, management. Employees must be given sufficient opportunities in the management and decisions making process.

Customer loyalty:

customer loyalty describe an ongoing emotional relationship between you and your customer, manifesting itself by how willing a customers is to engage with and repeatedly purchase from you versus your competitors.

Importance of ethical marketing:

Ethical marketing is essential in today's business environment, importance of ethical marketing:

Build consumers trust: ethical marketing practices such as honest advertising, transparent pricing, and responsible sourcing help business build trust with consumers. When customers feel that a company

respects their rights and values, they are more likely to support it. This trust translates into stronger customer's relationships and repeat business. Trust also encourages word of mouth promotion, as satisfied customers share their positive experiences with others.

Enhance brand reputation: Ethical marketing promotes a positive brand image which can set a company apart in a competitive market. A good reputation attracts not only customers but also investors and business partners.

Support long-term profitability: ethical practices build strong customer relationship which are more valuable and sustainable than short term profits gained through manipulation or dishonesty.

Reduce legal risk: ethical marketing ensures compliance with law and regulations helping companies avoid costly lawsuits.

Ethical marketing business can build stronger relationship with customers enhance their reputation and contribute to a more responsible and sustainable economic system.

Overview of ethical marketing:

The establishment of marketing ethics has the potential to benefit society as a whole, both in the short term and long term. As such ethical marketing should be part of business ethics in the sense that marketing forms a significant part of any business model. Ethical marketing promotes qualitative benefits to its customers. Ethical marketing is a positive influence on companies and their response is to market their products in a more socially responsible way.

Benefits of ethical marketing: there are many benefits to both company and society from ethical marketing. The benefits are:

Reputation: companies that market consistent with ethical norms or expectations build a positive reputation with the public.

Customer's satisfaction and loyalty: delivering a product that is consistent with advertising establishes trust or confidence with customers.

Increased sales: ethical marketing has better long term effect on sales.

Improved standard of living: the overall sense of fairness and equity that results from ethical business practices results in an overall improved standard of living for customers.

Attract quality employees: ethical companies are appealing to employees who seek integrity and propose in their work place.

Ethical marketing helps business differentiate themselves in competitive market. Ethical marketing also enhance a company's reputation helping it stand out in competitive market and gain public goodwill. Ethical marketing reduce the risk of legal issues by ensuring compliance with advertising and protection laws. One of the most significant benefits of ethical marketing is its ability to build consumer trust.

Concept of consumer behavior

Consumer behavior refers to the study of individuals, group, or organizations select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and desire. Understanding consumer behavior is crucial for markets as it helps them understand and empathize with consumer expectations.

Factors affecting consumer behavior:

Personal factors: individual demographics, life style, and personality shape purchasing decisions. That is buyer's age, income, and occupations influences what, when, and how they purchase.

Psychological factors:

Mental processes like motivation, perception, and attitudes impact how customers respond to products or services.

Social factors: family, friends, and social networks heavily influence buying behavior.

Cultural influences: cultural norms, traditions and values play significant role in shaping purchase decisions.

Importance of consumer behavior:

Consumer differentiation: each group of consumers is different and their needs and wants differ from other group. This helps to make a target group of consumers with the same or similar behavior.

Predicting market trends: consumer behavior analysis will be the first to indicate a shift in market trends.

Competition: studying consumer's behavior facilitating understanding and facing competition. Based on consumer's expectations your brand can offer competitive advantages.

Improve customer services: consumers require different level of customer's services and understanding the difference within your customer's base will help you provide the most appropriate services for individual needs.

Competition: studying consumer behavior facilitates understanding and facing competition. Based on consumers' expectations your brand can offer competitive advantages.

Concept of social responsibility of business:

The concept of social responsibility is fundamentally an ethical one. It has new dimension of social nature that have direct connection with quality of life in society. It implies that business organizations have some obligations to the society in which they are part. They must deal with social problems and contribute something more than just economic goods and services.

Social responsibility refers to the obligations of business men to pursue those policies to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society. Social responsibility of business one of the newest management strategy where companies try to create a positive on society while doing business.

Relationship between business ethics and social responsibility:

Business ethics and social responsibility are closely interrelated. The former leads to the latter. Being ethical in business would mean doing right thing according to the standards prescribed and the prevailing expectations. It is doing justice to all concerned and protecting the business values system. When a business ethical it naturally meets its social responsibilities. It has to justifiably discharge its obligations towards employees, consumers, government and local authorities and other social group.

Influence of ethics on consumer trust and loyalty:

Ethical conduct significant influence consumer trust and loyalty. Brands perceived as ethical; tend to foster stronger trust and customer loyalty compared to those lacking ethical practices.

Ethical marketing in build trust: trust is a foundational element in the relationship between a brand and its consumers. When company engages in ethical marketing it signals to consumers that the brand is reliable and values integrity. This build a sense of security among consumers, as they believe they are

making informed decisions and are not being misled. Companies that are consistent in their ethical practices can build a strong reputation, which in turn enhances consumer trust.

Ethical marketing and consumer loyalty: loyalty is cultivated when consumers repeatedly choose a brand over its competitors, often because they feel a strong connection to the brands values. Ethical marketing plays a pivotal role in fostering this connection. When consumers believe that a brands values align with their own, they are more likely to become loyal advocates for that brand.

Role of consumer trust in ethical marketing:

Consumers trust plays a vital role in ethical marketing. When a company market its products honesty, respects consumer's rights, and acts responsibly, it build trust. This trust encourages consumers to choose the brand, stay loyal, and even recommend it to others. Trust also protects a brand during crises as loyal customers are more forgiving .without trust even the best ethical efforts may fail to influence consumer behavior.

Ethical consideration in consumer behavior:

Ethical consideration in consumer behavior are crucial in shaping the profits motive landscape. Consumers have the power to drive positive change by making conscious choice and supporting business that prioritize ethical practices. The responsibility also lies with business to be transparent, accountable, and accessible in their ethical practices. Government regulations can provide a frame work for ethical considerations but must strike a balance to avoid impeding individual freedom and market innovation.

This article reviews the history of marketing thought in relation to social responsibility and business ethics. The main objective of articles is to show that business can be profitable and socially responsible at the same time by practice the societal marketing concept. More especially, it presents the development of consumerisms on the marketing concepts and deals with ethics and social responsibility in marketing it is argued that organizations who adopt the societal marketing concept will be the ones most likely to make long run profits as well as be to societal as a whole.[R abrat, D Sacks 1988]

The authors review the concepts of social responsibilities and business ethics as well as some of the reasons why their adoptions by marketing practitioners has been somewhat limited. An approach is developed to integrate these concepts into the strategic marketing [Donald P Robin, R Eric Reidenbach 1987]

The purpose of this paper is to investigate the link between individual's expectations of corporate social responsibility and their readiness to support the socially responsible behavior of companies in lights of the expetational relationship a company has with its stake holders as defined in the corporate marketing model.

Marketers must first perceived ethics and social responsibility to be important before their behavior are likely to become more ethical and reflect greater social responsibility. However little research has been conducted concerning marketers perceptions regarding the importance of ethics and social responsibility as components of business decisions. The purpose of the study is to develop a reliable and valid scale for measuring marketer's perception regarding the importance of rich and social responsibility. [Scott j vitell, Kumar C Rallapalli 1996]

This article presents a schematic plan for analyzing the variable inherent in the ethics of decision making and framework of social and personal ethics proposed [Robrt Bartels 1967]

This article provides a systematic review of this research by developing a categorization scheme for marketing ethics research and by analyzing via content analysis all journal articles, which have been revealed by a major search engine for the time span 1981 to 2005, in terms of quantity, nature and scope, topical areas and publication outlets. Much progress has been made in areas such as improving our understanding of markets, values, marketers' ethical decision making processes and cross cultural related issues. [Alexander, Jhon A Schibrowsky 2007]

Ethical marketing involves transparency, respect, for consumer's right, environmental concern and cultural sensitivity. It aligns with corporate social responsibility and builds long term trust [Murphy 2005]

The study that modern consumers are influenced by values and ethics in addition to price and quality. The growing awareness of issues like sustainability and fair trade has shifted consumers' preference towards ethical brands. [Solomon 2017]

The study shows that the age, education level, and cultural background affect how consumers respond to ethical marketing. Younger and more educated consumers tend to be more responsive to ethical consideration in advertising and branding [Vitell 2001]

This article presents a schematic plan for analyzing the variables inherent in the ethics of decision making and a framework for social and personal ethics is proposed [R. Bartels 1967]

I would suggest that the concepts of ethics in business have the following layers of meaning: commonsense grasp of ethics, a philosophical appreciation, an etymological layer and the notion of religious ethics. From an understanding of these four layers of meaning a fresh perspective can be gained on the questions of ethics in business. [William J. Byron 1977]

Relationship between ethical marketing and consumer behavior:

Nowadays, the marketplace has a relationship between ethical marketing and consumer behavior. Consumers are increasingly influenced not just by product features or price but also by how a company conducts its operations. Ethical marketing fosters consumer's trust which in turn strengthens brand loyalty and encourages repeat purchasing behavior. Studies have shown that consumers are more likely to support brands they perceive as ethical, particularly when such brands demonstrate commitment to sustainability, fair trade and social responsibility. Ethical marketing significantly influences consumer behavior by building trust, enhancing loyalty, and strengthening brand identity.

Consumer behavior is the study of how individuals make decisions about purchasing goods and services. It is influenced by various factors such as cultural, social, personal preferences, and psychological motives. Understanding consumers' behavior allows companies to tailor their marketing strategies to meet the needs and values of their target audience.

The relationship between ethical marketing and consumer's behavior is significant. Consumers today are increasingly aware of social environment and ethical issues. As a result they tend to support brands that reflect their own values. Ethical marketing helps build trust, enhance brand loyalty and encourages positive word of mouth. When consumers perceive a brand as honest and responsible they are more likely to choose its products over competitors.

Ethical marketing impact on consumer's behavior:

Building trust and loyalty: consumers increasingly value brands that align with their personal values and demonstrate ethical conduct. Transparency, honesty, and social responsibility are key elements in building trust, leading to increased customer loyalty and advocacy.

Influencing purchasing decision: ethical marketing can influence consumers to make more conscious and responsible purchasing decisions.

Enhance brand reputation: ethical marketing practices can significant enhance a brands reputation and positive perception among consumers. This can lead to increased brand recognition, positive word of mouth marketing and a competitive edge in the market place.

Promoting ethical consumption: by educating consumers about ethical issues and highlighting the positive impact of ethical choices, marketing, can promote a shift towards more sustainable and responsible consumption patterns.

Ethics in marketing:

Ethics in marketing is important to build trust in stakeholders, create a positive brand image and avoid legal issues. Unethical practices can damage a brands reputation. There are many ethical issues to consider across the four p's of marketing. Both business and government share responsibility for ethical marketing and protecting consumer's .upholding strong ethics in areas like marketing research is also crucial for serving customers responsibly.

Types of marketing ethics:

Positive marketing ethics: positive marketing ethics entails adhering to ethical ideals and actions that benefits people, society, and the environment. This strategy extends beyond mere legal compliance and attempts to positively impact many stakeholders. Such ethical behavior encourage fairness, social responsibility, empathy and honesty. They consider not only how products would benefits users but also how they will fulfill social obligations and addressed various ethical challenges.

Normative marketingethics: normative marketing ethics refers to the research and execution of ethical concepts and standards that govern what should be done in marketing. It entails setting moral norms and practice that organization and marketers should adopt. Normative ethics offers a framework for making ethical marketing decisions, assisting organizations in aligning their actions with widely recognizes moral standards.

Benefits of ethical marketing strategies:

Ethical marketing and business practices are important for establishing a good reputation and creating a positive impact on environment and community. Consumers are more aware of business ethical practices and expect companies to be transparent and responsibly. By doing so companies are more likely to gain loyal customers who will continue to make purchase to friends and family. This leads to increased profits all the while also protecting the planet and helping communities worldwide.

Impact of ethical marketing on brand reputation and consumer loyalty:

- ethical marketing fosters consumers trust by ensuring honesty, transparency and integrity
- ethical practice prevents negative publicity, maintain a positive image
- openness about business practices boosts respect and credibility
- brands with ethical values attract consumers who care about sustainability, fairness and social issues

- trust and product quality lead to stronger customer retention and repeat business
- consumers are brand loyal with their experiences
- Ethical practices focus on building lasting, loyal customer relationship.

Ethical strategy:

an ethical strategy is a long term business approach that integrates ethical principles into all areas of decision making and operations .it ensures that an organization not only pursues profit but also considers its responsibilities to stakeholders,society and the environment.

Components of ethical strategy:

Corporate governance: establishing transparent, accountable leadership and decision making structure.

Stakeholder engagement: considering the interests and wellbeing of all stakeholders, employees,customers,suppliers, communities, and shareholders.

Compliance and integrity: adhering to laws, regulations and moral standards while fostering a culture of honesty and responsibility.

Sustainability: committing to environmental and long term resource preservation

Social responsibility: supporting community development, fair labor practices and ethical sourcing

Fair marketing and communication: ensuring truthfulness,clarity,and fairness in advertising and public relations

Objectives:

- promote trust and credibility
- avoid ethical risk and scandals
- ensure responsible and sustainable growth
- align business success with social goods.

2. Conclusion:

The relationship between ethical marketing and consumer behavior is strongly interconnected. Ethical marketing practices such as honesty,fairness, and social responsibility positively influence consumer attitude, build trust and enhance brand loyalty. Consumers are increasingly inclined to support brands that align with their personal values and demonstrate ethical conduct. Ethical marketing contributes to a company's long term success by fore casting stronger emotional connections with consumers. Ethical marketing not only guide responsible business practices but also plays a critical role in shaping modern consumers decisions, ultimately contributing to both customer's satisfaction and brand sustainability.

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