

# Ethical Marketing and Brand Loyalty

Subjects: Economics

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The attainment of brand loyalty is based on programs related to the corporate marketing. Typically, brand loyalty is reflected in how customers evaluate the company's outlook towards the product evaluation and consumer-brand relations. A company's ethical marketing practices affect the daily routine of consumer activity. Every company's ethical marketing practices are closely related to the purchase of products or services, regardless of whether it is conscious of consumer purchasing power strengths and weaknesses. The importance of ethics in the advancement of business sustainability, and general marketing issues (including product safety, price tags and advertising) has duly been recognized by corporate managers and vendors. As an outcome, an economic behavior, whether ethical or non-ethical, is inherently linked with a company's overall reputation and assessment, and stresses the fundamental factors in keeping the company competitive on the market. Ethical marketing practice plays a significant role in improving consumer-firm ties, product assessment, and brand loyalty.

Keywords: ethical marketing ; consumer brand relationships ; brand loyalty

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## 1. Ethical Marketing

In the literature, "ethics" describes concepts like good and evil, correct and false, virtue and sin, justice and crime <sup>[1][2][3][4]</sup>. Ethics seeks to address the human moral issues. The fields of moral psychology, descriptive ethics, as well as value theory are all connected to ethical philosophy <sup>[5]</sup>. The words "ethics" or "morals" in the literature refer to a collection of moral standards <sup>[6]</sup>, values and beliefs and moral principles, such as moral decisions, standards, norms and laws, and the essence and motivations that direct people to behave a certain way <sup>[7][8][9][10][11][12]</sup>. Gaski <sup>[13]</sup> defined ethical marketing as "a code of morals and conduct used in marketing practices". Ethical marketing drives companies make marketing decisions that are morally acceptable in terms of ties between marketing managers and other stakeholders including customers, employees, competitors, and general public <sup>[7]</sup>. Ethical marketing is an important subject for both academia and practitioners because ethical principles require companies abide by the minimum standards of liability and conduct their marketing activities in ways that make business transparent and acceptable to all <sup>[14][15][16][17][18][19]</sup>.

The significance of ethical marketing is further highlighted by the fact that consumers in modern societies continue to require high-quality products and prefer socially renowned brands even though they may acquire those products at higher prices <sup>[20]</sup>. Ethical marketing typically contributes to a more culturally sensitive and socially conscious business culture. Given that marketing is a big part of any business model, ethical marketing forms an integral part of corporate ethics <sup>[21][22][23][24]</sup>. Built on the theoretical underpinnings of ethical marketing, ethical practices should be applied while analyzing whether the product or the service is portrayed accurately and factually in terms of cultural and social values. Ethical marketing practices provide directions to managers and marketers on how to deal with an ethical issue <sup>[25]</sup>. Certain researchers consider the use of moral principles in marketing decisions a systematic approach.

This study has considered practices encompassing ethics related to the extended marketing mix elements, viz. product, price, place, promotion, person, physical evidence, and packaging. Several scholars have highlighted the ethics approach of a marketing combination. Ethics related to product decisions offer a competitive advantage and determine if such products are detrimental to customers. The concept of proportion and justice is included in price-related ethics. Ethical pricing should be equivalent to the advantage gained from the product by the consumer <sup>[26]</sup>. Unreasonable pricing may influence the structure of competition. Ethics related to place-specific decisions emerge largely in relationships along distribution channels as some organizations sometimes follow ethical actions, including abuse of power <sup>[27][28]</sup>. Promotional ethics issues can be analyzed in marketing and personal sales. Promotional ethics covers questions of marketing, sales and public relations <sup>[29]</sup>. Other examples of person-specific ethical issues include difficulties with sales advertisements for customers by brokers and suppliers as well as conflicts with advertising media organizations. Physical evidence and packaging specific ethical approach are directed towards a more socially conscious way of thinking; wherein adjustments are made because of its concerns about the ethical issues such as child labor, working climate, ties with third-world countries and environmental problems <sup>[30][31][32]</sup>.

Considering these arguments, this study intends to build a theoretical framework that explains the relationship of the above discussed extended marketing mix elements from an ethical perspective with some specific consumer behavioral outcomes, which we discuss in the following sections.

## 2. Consumer-Value Brand Relationship Sustainability

To illustrate the common elements of relationship sustainability (RS) which have evolved over the past few decades are relationship marketing and branding [33][34][35]. Therefore, it is important to analyze the recent branding context description for consumer product identification (CPI). The questions arising with respect to its nature and its connection to RS are equally important. The significance of the relationship between brand and customer are reflected by various terms viz. brand influence, brand identity, personal relationships, brand trust, brand interdependence, and brand loyalty. From a sustainable relationship perspective, if customers are happy, it leads to an increase in the potential of the brand in particular as well as the company in general [36][37]. Previous models of this relationship provide hierarchical aspects of the cognitive, affective and conative elements. This means that connections between customers and brands are formed and maintained over a period of time. The main factors influencing the quality of brand relations between customers include acquisition experience, emotional experience, experience in action, cognitive convictions, and brand commitment [38]. Prior research suggests that in order to enhance the consumer-brand relationship and strengthen the moral aspect and ethical relationships of a business with its consumers, factors specific to the quality of a consumer-brand connection need to be considered [39][40][41][42]. Consumer brand partnership sustainability is an alliance created through a mechanism in which customers and brands play their part and engage on a marketplace, as two equal parties. Relationship marketing theory further propounds that a product can longer win a customer's favor through just quality, rather customers often look for brands that focus on building an engaging and sustainable relationship with them.

## 3. Brand Loyalty

Scholars have investigated the concept of brand loyalty across contexts extensively over the past few decades [43][44]. The concept of loyalty is used in different situations and, therefore, varies across contextual dimensions. Different conceptualizations of brand loyalty have been offered by scholars over time. For instance, brand loyalty is "the probability that a consumer will purchase or recommend a particular product or service" [45][46]. Similarly, the 1999 Oliver in defined loyalty as "a deeply held commitment to re-buy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior" [47]. Furthermore, some scientists consider brand loyalty to be a strong commitment to disposing, contributing to customers avoiding situational pressures and marketing strategies that may help to brand change. The commitment to action is demonstrated by the customer's true buying conduct towards a certain brand. Products may have the potential to engage customers and to make them feel emotionally attached [48][49]. Customer beliefs and perceptions build brand images, and this has an effect on the way they view brands they come in contact with. Therefore, companies cannot just rely on informing customers about their products/services, rather they also have to provide exceptional customer experiences to make them sustainably loyal over a period of time [50]. This loyal base of customers will serve as a sustainable competitive advantage for companies across industries.

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