*Dama International Journal of Researchers (DIJR), ISSN: 2343-6743, ISI Impact Factor: 0.878*
*Vol 1, Issue 1, January, 2016, Page 20-40, Available @ www.damaacademia.com*

# The Effects of Applied Business Ethics on Consumers' Perceptions in the Fast Moving Consumers' Goods (FMCG) Sector

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***Abstract***

*The main objective of the present study is the investigation of the effects of applied business ethics to consumer perceptions, as well as the identification of possible research relationships among business ethics, brand equity and ultimately, consumer willingness to buy. Having defined our principal research questions, various steps have been followed. First, a precise determination of the existing research gap proved the academic interest to investigate the subject. Then, the description of the detailed research questions and research hypotheses followed. The detailed review of the literature that required the above mentioned path, led us to the identification of the possible research items, which were considered as appropriate to explore the arising potential relationships among them (conceptual framework). This particular analysis enabled us to the most appropriate methodological approach (survey design), the necessary research instruments and the corresponding scales of measurement. At last, the final execution of the research followed, including the analysis of the results relying on SPSS 2.0. The descriptive statistics of the convenience sample used (from a total of 283 questionnaires 167 were used) were presented. The test of the various hypotheses was conducted by using an Exploratory Factor Analysis and four Regressions for the hypotheses under consideration. At the end of the research chain, we had the final results of the current study. The results of this survey indicate that business ethics, finally, do not affect consumer perceptions, since they are formed by aggregating multiple cues (financial, competitors' offers, etc.) and eventually assessing a brand as a whole. However, a strong positive relationship is shown between business ethics and brand equity. Another positive relationship between consumer perceptions and actual willingness to buy*.

***Keyword:*** *Business Ethics, Business Governance, Law in Business, Ethics on FMCG*

## I. INTRODUCTION

### *A. Problem Consideration*

Ethics, it is a concept that is difficult to be defined in the existing literature. It is related to the subject of philosophy itself and has its roots approximately 2,500 years before, when Socrates, Plato and Aristotle started getting interested in issues of human conduct (Brickley, Smith, Zimmerman, 2002).

Today, in the contemporary, competitive business world, due to the influence of both globalization and new technologies, ethics and ethical considerations are being increasingly important (revisited) as the world is experiencing a financial crisis, approximately since 2008 (with the collapse of important global corporations such as Lehmann Brothers, Northern Rock, Bear Stearns, AIG, Freddie Mac, Fannie Mae, Merrill Lynch, Fortis, Woolworth, Chrysler, Ford, General Motors, Saab), which has both, social and ethical implications. Thus, it is important for the business world to understand, as thoroughly, as possible, the exact causes that have contributed to this crisis.

It is widely acceptable today, that business ethics affect, both, producers and customers, the two key cornerstones that are included in the definition of business itself according to Ghosh (2011) that defines business as "an interaction between producers and consumers". However, philosophical/social ethics and economics/business ethics appear to be parting their ways in affluent societies.

The separation of marketing from economics, its subsequent development as an independent field and its focus on the behavior alone, has resulted in an overemphasis on individual desires at the expense of values. End result of this, is the adaption of a brand policy, as the last reduces perceived customers' risks in a society characterized by many uncertainties.

Today, one faces a wide variety of alternative products/brands options, no matter the service or product category itself. On the positive side, this can be considered as something useful, since the customers can choose the best offer according to their special desires. On the negative side, this plethora of variety can make their decision making harder, in the worry to get the best value for money, time and effort invested in the process of buying. This is a particularly important issue in the case of fast-moving consumer goods

(FMCG) sector, where this thesis is focused on. Business executives spend their time struggling to offer the best alternative, the product with the best attributes, but most of the times, even when they succeed to that, the competition may catch them up and they will have to come up with something new to stay in the game. This is one of the reasons why the notion of the "brand" has such an importance for today's companies. Modern firms are not proposing (selling) just their products they are also aiming with their brands to position their offering effectively in the customers' mind (Ries and Trout, 1981).

Consequently, one could conclude that in that way, the consumer is not only consuming a certain commodity alone, but at the same time, all the symbolic values and attributes that the brand incorporates as a systematic whole, in order to take a decision. This is the point where ethical behavior gets involved. Ying (2005) mentions that the brand is not only being evaluated by the economic or financial criteria but also by the moral ones. Thus, one could identify the moral, business ethics criterion that is one of the areas of research of this thesis.

Several business misconducts have resulted to, a new kind of consumer who has been identified, by Roddick (2012) the one who is acting more like an ethical watchdog rather than a hungry consumer. Many corporate scandals such as: Enron, France Telecom, Nike, Gap, BP (Tsalikis, Beaton, 2006) have contributed to the creation of a consumer more skeptical and critical than ever, affecting its choices and perceptions. Every day, most of the people are being exposed to a variety of commercial and promotional messages, aiming at increasing a certain brand image. Brand image can be characterized as one of the most valuable assets for a company (Fan, 2005). It can be transformed either to a motive to buy from a specific brand or not. It is, actually, the current image that potential customers have for a brand. This is why many suppliers are trying to incorporate moral criteria, influencing consumer perceptions about a brand in their effort to gain competitive advantage (Mulki, Jaramillo, 2011).

According to Singh et al (2012) there is a vast part of bibliography (Story and Hess 2010), suggesting that behaving in an ethical way is in the greatest attention of products since consumers in addition to the rest of brand stakeholders are becoming more demanding than ever, "expecting brands to reflect their ethical concerns". This may be one of the reasons why the number of companies implementing the ethical dimension, as a key element to their corporate strategy defining and promoting their brands, is getting higher.

Based on the existing literature that underlines a whole interacting set of variables and on the limitations of the present study two basic components of marketing are going to be analyzed: Business ethics and consumers' perceptions. A third concept that in the literature seems to emerge between the applied business ethics and the formation of consumer perceptions that of brand equity will be used as a mediating variable in the conceptual framework of this study, resulting to the actual willingness of the consumer to buy the product.

### *B. The Theoretical Framework*

There has been an increasing body of academic literature on business ethics, according to which companies which are acting ethically can perform better, financially, even in periods of crisis (Ethics pay for GE, eBay 2011). Moreover, business ethics, as a part of Corporate Social Responsibility, could be considered as an investment for the majority of modern organizations, since it seems to affect positively the consumer in different kind of ways that can be shown in the existing literature. First, Brown and Dacin, (1997); Sen and Bhattacharya (2001) are arguing that business ethics, as a part of Corporate Social Responsibility, can benefit a firm by contributing favorably to consumers' brand evaluations, choice, and recommendations. In addition, Fan et al (2005) found that customers are not only buying a brand because of the product/service quality or price, but also according to the evaluation of how ethical the company is being perceived manufacturing products and services.

Moreover, Singhapakdi et al (1999) argue that through corporate ethics the organizations can gain reputation, which is constructed by the sum up of consumers' perceptions and others stakeholders. Fan (2005) and Paluszek (2006) are adding that business ethics, also, enhance a company's reputation. Business ethics are usually associated with the ethical perception of their different brands. Thus, if a brand is performing ethically this could result to strategic differentiation by providing the customers a whole set of interacting intangible values having to do with business integrity and social responsibility (Paluszek, 2006). Furthermore, Wartick (2002) is suggesting that since the company's reputation is a result of all stakeholders' perceptions it can profit by capitalizing aspect of ethical performance.

- The Purpose and Explanation of the research
- The problem statement and research questions

The central question of this research is:

- What effects do business ethics have on consumer brand perceptions?

The analysis is going to be conducted, using as mediating variable the concept of brand equity that in the literature seems to emerge between the applied business ethics and the formation of consumer perceptions (Lai et al, 2010).

The variable of brand equity will be divided to four parts: Brand Loyalty, Perceived Quality, Brand Awareness/Association and Brand Satisfaction, as Lai et al (2010) are defining the term, adapting and extending Aaker's (1996) model, which will be analyzed in a later section. Finally, the last variable that is going to be analyzed is the willingness of the consumer to buy a product/service of a company, according to his/her moral criteria.

The following sub-questions will contribute to the main research question:

- Is brand equity being affected in a positive way by applied business ethics?
- Do consumers evaluate companies based on moral criteria, except of economic and financial ones?
- Do these ethical evaluation criteria affect their perceptions about a brand?
- Will the consumers keep on buying if the brand of their choice will not fulfill their expectations in moral terms?

- Definitions and Key Concepts
- The notion of Business Ethics

Business ethics may seem a sensitive term for quite a lot of people in the business sector. Some may think it as an oxymoron, since in the pursuit of profit may be no place for morality issues (Barry, 1997). Others may believe that business and ethics are two complementary terms since business is all about taking the right decisions in a specific context, as is ethics.

Business ethics, in an important number of papers is associated or even identified with the notion of Corporate Social Responsibility (CSR).The conclusion of this academic stream of thought is to associate CSR with the social liabilities that the modern enterprise has to serve as a part of its overall social responsibility. Nevertheless, the term of business ethics has not been analyzed adequately, although it seems that the relationship between sustainable business practices and the need to act ethically are being positively related to each other (Svensson, Wood, and Callaghan, 2010). In this area, we identify a certain research gap.

Nowadays, there is an important theoretical background on business ethics following the work of: Krishna et al, 2011; Caccioppe et al, 2008; Fan et al, 2005; Ziaul Hoq M. et al, 2010; Svensson et al, 2010; Brickley et al, 2002; Mulki et al, 2011. However, most of the researchers seem to be interested in the ways of pursuing sustained competitive advantage through the use of business ethics or proposing guidelines on how to construct an ethical organization.

*C. The notion of Brand Equity*

For the needs of this thesis, the term of brand equity will be approached divided in four different components (research items), the three of which derive from the work of Aaker (1996) and the fourth has been incorporated as according to Lai et al (2010) influences the incremental value of a brand:

- Brand awareness/associations
- Brand loyalty
- Perceived quality
- Brand satisfaction.

The components will be thoroughly analyzed further on.

*D. The notion of Brand Perceptions*

According to Brunk (2010) who has created a whole theory about consumer perceived ethicality (CPE) the ethical perceptions of the consumer can be identified as the "assessment of the corporate level of a brand as being honest, responsible, and accountable toward various stakeholders". This is in line with the definition of the "ethical brand" as the one that does not harm the public good, but promotes it, is behaving honestly, with integrity, diversity, responsibility, quality, respect and accountability (Fan, 2005).

As the theory of CPE suggests, the ethical perceptions about a company results from the formation of an overall subjective impression of ethicality, which means the way a consumer is perceiving theconsiderations at the same time.

*E. The notion of Willingness to Buy (WTB)*

Nowadays, with the huge variety of alternatives being offered to the consumer, the willingness to buy a particular product can be either harder to be achieved or very weak due to over competition. The consumer's willingness to buy can be determined by both hedonic and utilitarian purposes and is a result of variables such as: the price of the product, the income of the consumer, the situation he/she experiences, the symbolic value of the product in association with the brand image as a whole (Dodds, 1991). The ethical behavior of a company seems to become a quite significant cue for the consumer brand image formation.

*F. The Conceptual Framework*

The conceptual framework proposed in this study is shown on Diagram 2, aiming to answer the central question of the current thesis:

- What effects do business ethics have on consumer brand perceptions?

In this figure, business ethics is the independent variable, consumers' perceptions the dependent and brand equity is the mediating one. The last variable is the one of consumer's willingness to buy (WTB).

## II. LITERATURE REVIEW AND HYPOTHESES

The Research incorporates a variety of topics about business ethics such as: brand equity and consumer perceptions, in order to identify the possible effects and associations of the former to the latter. First, the theoretical background of business ethics is introduced, including its various definitions from which one is selected that seems to apply the best for the purpose of this particular research. Furthermore, the various theoretical linkages of business ethics and sustainability are analyzed.

The next section refers to the process of decision making in an ethical context, as well as the notion of corporate leadership. A literature review follows in relation to the main topic of interest and especially for each one of the hypotheses under consideration. Moreover, the various linkages between business ethics and brand equity are scrutinized, focusing on each of the four principal components of it and on the possible mediating relationships. Finally, special reference is given to the existing academic literature, concerning the effects of brand equity to the formation of consumer attributions and perception, which eventually lead to the creation of a certain brand image and to a particular willingness to buy.

*A. Business Ethics*

"The Social Responsibility of Business is to Increase its Profits" mentioned Friedman in 1970, who believed that a businessman should not worry about reducing poverty or pollution, but should only be interested in maximizing the profits of the company as a whole, Hooker (2003). Contrary to Friedman's position is John Elkington (1995) who in his book: "Cannibals with Forks: The Triple Bottom Line of 21st Century Business" emphasized that modern corporations should not only pay attention on the economic but also on the environmental and social value, concluding that "the three pillars" that the organizations should be focused on are nothing else than: people, planet, profit (Stormer, 2003).

During the last twenty years terms such as: corporate governance, corporate social responsibility, and theories such as: the triple bottom line have received increasing attention, but no one can contribute to long run business sustainability without "acting ethically". These terms seem intertwined and inseparable (Svensson, 2009). Nonetheless, in most of the existing literature Corporate Social Responsibility and Corporate Ethics are being studied in association with the decision making process of the organization alone, ignoring the possible relationship between a company's applied ethics and eventual consumer responses presenting an interesting research gap. Following the call of Brunk "The consumer side is still in need of in depth exploration" (Brunk, 2010).

Business ethics is considered to be a very important subject in today's business world and can enhance the way a certain brand or corporation is being perceived by the consumer. Thus, contributing to a superior overall symbolic value, towards a more carrying and reliable image. Nowadays, there are many examples of what we consider negative corporate morality in firms such as: Gap, Nike, Nestle, Shell Oil, Siemens etc. Brunk (2010) identified a positive association between negative corporate ethical actions and the eventual negative feelings and attitudes leading even to boycotting the brands involved.

### B. *Business Ethics definition*

Ethics in general, is considered a term quite difficult to be defined. Most of us can understand it instinctively but, it is rather difficult to be precisely defined in words. Very often, in business practice, there is no distinction between general ethics and a specific business ethics issue (Tsalikis, 1989).

The first time in our modern history that there was a direct concern for business ethics seems to be on the 1920's. Later on, in 1970's the literature about business ethics increased quite impressively while, the further development of business ethics, occurred after 1985 (Ma, 2009).
More particularly about business ethics, it seems that there is no national or even international agreement on the definition of the subject. Confirming this point, Baumhart (1968) and Lewis (1985) are underlining that even the business executives themselves have not uniformly agreed on a specific definition of business ethics. The same path is followed by Steiner and Steiner (1980).

Additionally to that, Hooker (2003) goes a step further getting to the conclusion that "Management is part of ethics. And business ethics is management carried out in the real world." Finally, according to Oruc et al, 2011, the term of business ethics is the interacting whole of both ethical principles and standards that are guiding behaviors in the modern business world.
To finalize, despite the overall difficulty to accept a universally agreed definition of the notion of business ethics, for the purpose of this thesis, the definition that we adapt, is the one given by De George 1995.

There are various theories concerning Business Ethics. The most important are: i) deontology ii) utilitarianism iii) egoism iv) relativism and v) justice. All these theories are being utilized in order to measure Business Ethics, in research instruments such as: the Ethics Position Questionnaire (EPQ), The Multidimensional Scale and the Refinement of The Multidimensional Scale which are being presented in details in Appendix 1 of this thesis.

### C. *Business Sustainability*

Business sustainability has become recently an important concept of the business world. According to Hofstra (2008) is a precondition for future growth. In the bibliography it is often associated with ethical business practices in the sense that the above had led to the development of the Stakeholder theory, according to which, an organization must fulfill its responsibilities and commitments to various internal and external stakeholders in the marketplace and society such as: their employees, customers, suppliers, societies and the environment (Mathur & Kenyon, 1997). For, a company in order to be able to satisfy most of their stakeholders must have adopted a sustainable corporate model (Waddock, Bodwell, & Graves, 2002). As a result, one can only gain sustainability if is performing ethically (Svenson, 2010). Therefore, business ethics is a fundamental value for the modern organization, which is necessary to incorporate in its overall corporate strategy. This final point is underlined by Robin and Reidenbach (1987) according to whom "... morality should be considered a vital part of the strategic planning processes".
Sustainability refers to a whole set of considerations regarding the present and the future human generations. As a result, the final consideration of what is, actually, ethical is nothing else than what can contribute to the wellbeing of future generations. Finally, sustainability also requires the adaptation of an Environmentally Conscious Supply Chain Management (ECSCM) that contributes to a more ecological friendly, comprehensively ethical enterprise that seeks sustainability (Beamon, 2005).

Ablander (2011) is the one who associates his work with the classical Aristotelian elements of Ethos, Pathos and Logos, concluding that only through passionate ethical leadership that leads to business excellence, organizational sustainability can be achieved. He reinforces his position, arguing that only through passion for moral, stable business and sustainable corporate policies, one can contribute to a more effective and responsible management.

Still there is a minority of scholars who support the Friedman's position according to which the ultimate goal of a company is nothing else than profit maximization. However, the majority argues that the actual objective is nothing else but organization survival; in this concept, profit is just a precondition in order to keep our focus on business ethics and achieve the strategic objective of sustainability (Fassin, 2011). He adds that sustainability and business ethics were considered as very closely associated subjects, especially, in the minds of small-business owners. Eberhard-Harribey (2006) confirms that the real objective of

Corporate Social Responsibility and business ethics, as complementary terms, is to provide a sustainable development of the organization.

Concluding, business ethics as they are defined by Lewis (1985): "moral rules, standards, codes, or principles which provide guidelines for right and truthful behavior in specific situations" are the foundations of modern business sustainability. For, what is considered as more ethical, truthful and rightful behavior can only be attained through a sustainable corporate process aiming to contribute to the well-being of the whole earth's inhabitants (Christensen, 2007).

*D. Ethical Decision Making*

Peter Drucker states that "Whenever you see a successful business, someone once made a courageous decision." Everything in business is about taking the right decisions in the right moment. One of the most challenging aspects in decision making is to incorporate the most reliable, accurate information in order to have the best insights of an issue and take the best and most suitable decision (Certo, Lester, Daily, & Dalton, 2006).

This position of Drucker is particular valid in our turbulent times, in which it is more than necessary to rely on any business decision making process on, both, moral and financial criteria, instead of focusing only on mere financial. For, as the literature shows, companies that are taking into consideration, the ethical concerns of their stakeholders and have high-quality information involved into the company's strategic decision-making process, can recognize better economic opportunities because of the ethical concerns (Collins, 2007). In this concept, ethical considerations in decision making is the foundation of successful business since they are highly associated with increased growth and enhanced profitability, improving the overall company's performance.

As far as the measurement of the ethicality of decision making is concerned, Michael Josephson (2003) in his book "Bell, book and candle" suggests a three-step procedure. In addition to this, Wallace and Pekel (2006) propose a ten-step test, while the Ethics Resource Center indicates a six-step procedure: the "PLUS decision- making model".

Furthermore, West (2008) illustrates an alternative decision-making tool, which is a Sartrean perspective of ethical decision making, in which each individual before reaching to a decision has to be fully aware of his/her individual freedom and responsibility towards his/her self and the rest of humanity (theory of Existentialism) .

Moreover, Provis (2010) proposes a model which is based on the classical virtues of Aristotle and Confucius, concluding that instead of just selecting the most 'appropriate' decision (option) each time, it would be more effective to stick to the old values and principles of philosophy and use them as a reference, starting point and corner stone, rather than in hedonic, short-term outcomes (postmodernism philosophy).

Another interesting research that has been conducted by the Ethics Research Center (ERC) shows that when the members of the top management personnel show ethical behavior, their employees are 50% less likely to act unethically (Ethics Resource Center, 2005). Thus, ethics is positively associated with the working conditions, increase of effectiveness and better relationships among the employees (internal marketing- Gronroos, 1993).

In addition, O'Fallon (2005) mentions that during 1980s and early 1990s, various theoretical models concerning ethical decision making had been created (e.g., Jones, 1991; Rest, 1986; Trevino, 1986). According to his judgment, the most important ethical decision making model is that of Rest (1986) that incorporates a four-step procedure, as follows: i) identifying the moral nature of an issue ii) making a moral judgment iii) establishing moral intent and iv) engaging in moral action. Further research, has supported and validated his model (e.g. Bass et al., 1999; Cohen et al., 2001).

Loe's (2000) reviews the various empirical studies regarding the above topic. In his research findings he eventually identifies the most important factors (variables) of ethical decision making. In a hierarchical order he mentions, first, the role of gender that has already received intense examination (twenty six studies). He concludes that in most of the studies either there was no significant difference between the two genders, or they were female respondents who appear more ethically sensitive than males (in similar studies Loe (2000) discovered a positive correlation between age and ethical decision making).

Secondly, he identifies the variables of education and work experience. There were no significant differences of education and work experience on ethical decision making, in half of his studies. The rest of his studies indicated that higher education levels were associated with higher ethical sensitivity during the processes of decision making. Finally, he identifies a positive correlation between the variables of organizational culture and climate (eighteen studies), since it is shown that the effective management of a company's culture contributes positively to its organizational ethics.

Moreover, Singhapakdi (1999) is enriching the current background, focusing more on the consumer perspective of the ethical issue. As it is crucial to understand customers perceptions and beliefs regarding ethical issues when one makes business decisions, as they may have an ultimate impact on their final purchase decisions.
Further attention has been given on the fact that most of the times marketers and consumers have differences on matters of ethics.

As one would expect, research validates the fact that decision making, as a process, it is a very important one and thus has to be studied from both, a consumer and a company perspective. From a consumer perspective the moral criterion is increasingly crucial since it affects his/her eventual choice (customer orientation). Finally, from a company perspective, Hunt and Vittel (1986) illustrate that the degree to which marketers perceive that a situation involves ethical issues has important consequences and implications for the whole company's performance and welfare.

*E. Corporate Leadership*

Corporate leadership is another term that is often linked in the bibliography with the notion of business ethics. For managers it is of critical importance to define every time, what is ethically "appropriate", in a given situation showing always the leadership advantage? In this case, a managerial leader may inspire the employees through his ethos established by the personality of his leadership. This ethos has to be translated into everyday attitudes and behavior. Hitt (1990) is considered as one of the firsts who mentioned two key responsibilities of management in relation to ethics:
A key issue in the ethical leadership literature is the need of not only a responsible manager, but also responsible individuals within the organization (human centric organization). For, what should not be forgotten is that "ethics is everyone's responsibility" (Minkes, 1999).

Another important issue in ethical leadership is its potential conflict with corporate profitability. This conflict arises, in practice, whenever management does not recognize ethical corporate obligations and the cost involved as an investment, which enhances corporate reputation, corporate equity and sustainable business. As a result, a leader may be, quite often, confronted with matters such as: deciding whether or not he is going to inappropriately dispose the waste materials, reducing the company's costs or respecting more the environment and find another solution to the problem.

Furthermore, another interesting contribution is that of Pinchot (1992), who emphasizes the need for leaders to start developing their own ethical skills, as much as they are cultivating their technical, marketing and financial ones. Later on, Badaracco (1995) reinforces this position with another study. Minkes (1999) is making another interesting proposition, suggesting continuous training sessions for the employees (learning organization), that should be demonstrated and supported by management's commitment to ethical leadership. He is arguing that the CEOs, in particular, should be very clear in emphasizing the importance of ethical behavior, in order to support an ethical corporate culture, which in fact is considered as the cornerstone of the organization. In order to reach this, it is important to support this position, both, through words and actions.

The above arguments can be further supported by other empirical studies, which emphasize the need to invest in the education of future ethical business leaders: Hoffman and Moore (1982), Arlow and Ulrich (1985), De George (1987), Grant and Broom (1988), and Singh (1989). This education need of managers to act as ethical leaders is also emphasized by Ciulla (1995), who states that in order to achieve superior leadership, the organization has to develop both, technical and moral capacities and capabilities. Otherwise, leadership would be insufficient for leaders to act effectively but on the same moment, unethically (Sendjaya, 2006).

One could conclude that leadership as a managerial task is a quite difficult one, to be applied in practice with success. However, leadership as a concept is positively associated with improved corporate performance and reputation. The last requires an ethical corporate culture and the ethical support of the CEO.

*F. Brand Equity*

In today's competitive conditions of our highly globalized market, which is characterized by an oversupply of product and services, the notion of brand is getting increased importance, as it is considered as the most effective way to build and maintain strategic competitive advantages.
However, one of the first and most accepted definitions of brand equity is that proposed by Aaker (1991). The last, defines brand equity as a set of assets and liabilities adding more value to the firm and its customers. Two years later, Keller (1993) enhanced the theory adding to the former, the notion of customer-based brand equity giving greater focus on the effects of brand knowledge on consumer responses.

For the purpose of the current study, the definition that is going to be adopted is the one proposed by Lai (2010). Lai's definition is based on four principal components. Three of them are borrowed from the Aaker's definition and they are the following:

- Brand awareness/associations,
- Brand loyalty and
- Perceived quality.

Lai adds a fourth component that of brand satisfaction, following the suggestion of Wang et al (2006). This definition has been chosen, as it is considered to offer an integrated picture that reflects effectively how consumers are evaluating a certain brand image in relation to its ethical practices and implications as well as the interaction of its variables. The addition of the forth component contributes to the understanding of the ultimate customer's evaluation about a brand, for it is comparing buyer's expectations with buyer's perceptions themselves (Lai, 2010).

These four components will be used in this study in order to assess brand equity, adopting Lai's et al (2010) process of methodology going further the investigation from CSR alone to Business Ethics.

*G. Brand Awareness*

It is considered as a vital component of brand equity but not the only one. In order to build brand awareness, two preconditions are necessary. First, the familiarity of a brand must be increased through repeated exposures with it (brand recognition). Second, there must be strong associations with the appropriate product category or other consumption cues (brand recall), (Keller et al, 2008).

According to Keller brand awareness is consumer's ability to recognize and recall the brand during the process of identifying a brand. It is more than just to be able to know the brand name, it, also, involves the ability to link the name of the brand with its logo, symbol, and the whole "needs" that this brand is promising to satisfy (holistic approach).

Finally, the definition of Keller concerning brand awareness is, also, being supported by the one that Lai et al (2010) referring to it as: "measuring the degree to which the buyer recognized and recalled that the brand is a member of a certain product category".

*H. Brand Loyalty*

Keller (1993) is the first who defines Brand loyalty as the consumer's willingness to re-purchase from the same purchased brand. It is considered as one of the most important components of brand equity, having a direct, positive relationship with it (Atilgan et al., 2005). Lai et al (2010) define the term brand loyalty as "the degree of customer's favorable attitude toward a brand that resulting in repurchasing behaviors".

If the customer is identified as brand loyal that means that continues to buy the brand, regardless of the price that is being offered (Aaker, 1991). According to the marketing theory, the higher the loyalty of a customer, the less the vulnerability of his purchases. Repeated buying is considered as one of the most important indicators of brand loyalty (Keller, 1998). For the majority of companies today loyalty is the ultimate objective of marketing adding to that of satisfaction. Brand loyalty is perceived as one of the most valuable assets of a company, for various reasons that are presented in the text that follows.

Firstly, it can contribute to reduce the marketing costs of doing business (Aaker, 1991). Secondly, if a customer is considered a loyal one, the possibilities of repurchasing are increasing. Additionally to that, it is widely accepted that is less costly to maintain an already existing customer than attracting new ones. Thirdly, brand loyalty could result to word of mouth communication from one consumer to another, increasing, in that way, company's revenues and returns. The last is being supported by (Marney, 1995; Silverman, 1997; Henricks, 1998; Bansal and Voyer, 2000) suggesting that word-of-mouth communication is one of the most powerful tools in the modern marketplace.

Finally, a company with a high ratio of loyal customers can even gain some time for reacting to competitors' threats with new, innovative or improved launches. In that way, a company can take advantage of the loyalty that their consumers are showing towards it and respond as quickly as possible to competitors' alternatives, without losing a big amount of customers (marketshare).

### I. *Perceived Quality*

Other contributions concerning the identification of perceived quality is that by Khachaturian and Morganosky (1990) pointing out that the country-of-origin of a product is being positively related with its perceived quality. Moreover, Srikatanyoo and Gnoth (2002), enrich the theory, mentioning that consumers do develop stereotypical beliefs about the products in relation to particular countries. Finally, it is considered important to mention that, price is one of the most important cues to evaluate perceived quality (Aaker, 1991).

### J. *Brand Satisfaction*

Brand satisfaction is being defined by Lai et al (2010) as: "the degree to which an overall evaluation was based on the total purchase and consumption experiences with a brand over time". Customer satisfaction has been widely accepted as an important issue in the already existing bibliography.

In most of the studies brand satisfaction, is referred as a marketing benchmark of a company's performance (Bennett & Rundle-Thiele, 2004). Moreover, it is a necessary precondition for loyal behavior - repeat purchase, word of mouth - (Taylor, 1998; Bennett & Rundle-Thiele, 2004; Schultz, 2005). Nevertheless, what is considered important to mention, in this point, is Taylor's comment (1998) who stated that "companies began to notice that they often were losing customers despite high satisfaction".

Finally, there have been quite a few criticisms (Jones & Sasser, 1995; Reichheld, 1994) about relying on consumer satisfaction surveys alone, ignoring loyalty itself as a strategic business goal (Oliver, 1999). According to Oliver (1999) the shift from satisfaction to loyalty "appeared to be a worthwhile change in strategy for most firms because business understood the profit of having a loyal customer base". Thus, it has been proposed to keep on measuring brand satisfaction, but not to just stop there (Reichheld, 1994). The last is being supported by Taylor (1998) too, who mentions that the fundamental need to better understand loyalty is actually based on "a desire to better understand retention, a principal component of loyalty which has a direct link to a company's profit".

### K. *Consumer Perceptions*

According to a European study concerning consumer attitudes toward applied business ethics, 70% of consumers mentioned that applied business ethics are important to them concerning their actual decision about buying a product/service. In addition to that, 37% of the respondents mentioned that they had bought a product labeled as ethical, the last few years (Slingh, 2012).
Many researchers have attempted to define the term "consumer perception". One of the first, is the definition by Fiske and Taylor (1991) referring to it as "impression formation". Moreover, according to the theory of social psychology, individuals can form impressions in two ways that are explained by the algebraic and the configural model.

### L. *Willingness to Buy (WTB)*

As it is indicated in the literature, the term willingness to buy consists of many parts except the basic conceptualization of the price-product evaluation relationship (Dodds and Monroe 1985). It can be described as the aggregate consumer reaction to different variables such as: price, brand, store name, customer service, fashion, personality traits, reference groups, shopping situation etc. In most of the cases, the various definitions of the consumer willingness to buy give more emphasis to price judgments.

Nowadays, with the huge variety of alternatives being offered to the consumer, the willingness to buy a particular product can be either harder to be achieved or very weak due to over competition. The consumer's willingness to buy can be determined by both hedonic and utilitarian purposes and is a result of variables such as: the price of the product, the income of the consumer, the situation he/she experiences, the symbolic value of the product in association with the brand image as a whole (Dodds, 1991). The ethical behavior of a company seems to become a quite significant cue for the consumer brand image formation.

*M. Study Hypotheses*

**a. Business Ethics and Brand Equity**

This part derives hypotheses from the literature review and the research framework shown in Diagram 2. This thesis, argues that corporate ethics arouse customers' emotional responses about the firm and the brand(s) they deal with. Thus, developing brand equity and reinforcing the corporate overall image of the particular firm who supports this brand. Existing academic research defines corporate ethics as: "a movement within business or the movement to explicitly build ethics into the structures of corporations in the form of ethics codes, ethics officers, ethics committees and ethics training" (De George, 1995). Due to its increasingly importance in our globalized world that is characterized by a lot of uncertainties, most companies nowadays not only invest a lot of time and effort on business ethical issues but also actively involve corporate ethics, as an inseparable part of corporate system of values.

Brand equity which is associated with a company's reputation for socially ethical and responsible behavior, constitutes an important part of its brand capital (Brickley, 2002). In practice, this is a base for a continuous and sustainable competitive advantage in the business environment, where branding stands for "trust". In reality, this process can be identified with cause-related marketing (Varadarajan and Menon, 1998).

In other words aims to improve corporate effectiveness, market share and profitability through effective brand differentiation and positioning, by creating and proposing, ethically responsible benefits associated with brands. As a consequence, this thesis supposes that the perceptions of corporate business ethics by customers, can positively affect its brand equity. Thus, the following hypothesis:

*H1: Corporate business ethics as a system of moral values are positively associated with the brand equity.*

**b. Business Ethics and Consumers' Perceptions**

Today, we are faced with the rise phenomenon of ethical consumer that is the customer who expresses his or her ethical, moral and ideological viewpoints, by selecting and avoiding products from companies that support his viewpoints. Thus, modern firms are increasingly coming to realize that ethical behavior and performance is also a "good business" in the long run, since trust, loyalty and word of mouth of customers, is translated into market share and profitability (Solomon et al, 2006).

Supporting the above view, a survey of US consumers (1999) identifies that twenty five percent of respondents admitted that they had either boycotted a company or urged others to do so in the previous year, due to their disapproval of its moral policies and ethical actions (Alsop, 1999). The last, supports an increasing international trend according to which, customers prefer to buy from ethical providers, rather than the ones which they consider to be 'unethical' in the way they function. This trend is intensified by the fact that more and more customers take their role as ethical "watchdogs" very seriously (Roddick, 2002).

In an age where the ultimate customer is increasingly considered by the business world, both, as judge and jury, applied business ethics becomes an important component for the success of their products and services. For, a growing number of consumers are increasingly demanding the participation of corporations in genuine ethical actions, that show with tangible evidences their real moral values and ethical principles. As a result, companies associated with philanthropic behavior and other ethical businesses practices are usually perceived by customers to be good corporate citizens, in their effort to differentiate themselves in a positive way, to increase their loyalty and trust (Cacioppe et al, 2007).

Thus, we derive the following hypothesis:
*H2: The customers' perceived business ethics are positively related to the consumers' perceptions about the brand.*

**c. Brand Equity and Consumers' Perceptions**

A modern firm, in a business world that is characterized by over competition, that result in an endless brand warfare, realizes that the perceived differentiation in the consumer's mind is the best way to guarantee its survival and profitability. The financial face of this brand differentiation is brand equity, which has been analyzed in a subsequent section (Mudambi et al, 1997). Since brand equity is nothing else but the aggregating system of values proposed to customers, a successful branding cannot originate but from the total whole of brand value components and the moral, ethical variable is one of them.

Following the Aaker's model (1996) we adapt in our study the three components of brand equity (excluding brand name) that is: brand loyalty, brand awareness, and perceived quality, adding as a fourth component that of brand satisfaction as proposed by Wang et al (2006).
*H3: Brand Equity is positively related to consumers' perceptions about a brand.*

**d. Consumers' Perceptions and Willingness to Buy (WTB)**

According to theory, the price of the product is one of the most important factors of consumers' willingness to buy (Dodds, 1996). At the same time, price is also considered as an indicator "of the amount of sacrifice needed to purchase a product and an indicator of the level of quality". All of these indicators and many more (price, quality, brand attitude etc) can help a consumer form a perception about a brand (brand image) and according to that, to decide whether he/she is willing to buy the product.

As it has also been stated by Ying (2005) a brand is not only being evaluated by economic or financial criteria but also by moral ones. This is why consumer perceptions concerning a firm's applied business ethics can result to a certain willingness to buy a product. Finally, following Roddick's (2012) modern type of consumer, who is described as an " ethical watchdog", one can say that today more than ever, the ultimate perceptions of a consumer, concerning a company's applied business ethics can affect his/her willingness to buy.

*H4: Consumers' perceptions about a brand are positively related to Consumer Willingness to Buy (WTB).*

*N. Conclusion*

After a short introduction, the reader is getting acquainted with the subject of business ethics and its various definitions. As one can see business ethics as a subject is considered to be a sensitive one. This can be seen from the difficulty of precisely defining it as a term, this is one of the reasons why so many attempts have been realized in order to give a detailed definition. One certain definition of business ethics is adapted which seems suitable for the purpose of this thesis, the one by De George (1995), since is the most complete, recognized and valued by the academics.

Furthermore, there are some linkages concerning business ethics, in relations to sustainability, ethical decision making and corporate leadership, in order to have a deeper insight of the independent variable of the research. In this point, the notion of business ethics is being examined in depth, attempting to give a concrete insight of this sensitive topic. Additionally, some measurements of business ethics are being presented (Appendix 1).

Later on, there is a detailed analysis of the mediating variable of brand equity and its components: brand awareness, brand loyalty, brand satisfaction and perceived quality. Mostly the theories by Aaker (1996) and Keller(1995) are being used in order to understand the notions and further identify possible relationships of business ethics and brand equity.

Following, the dependent variable of consumers' perceptions is being analyzed describing possible ways of its formation, since it I considered as a quite complicated process.

Finally, the hypotheses of the current thesis are being stated, using literature background.

## III. METHODOLOGY

The focuses on the methodology followed in this study, presenting the various steps of the survey, as well as the measurement scales of the four variables under consideration that are: Business Ethics, Brand Equity, Consumer Perceptions and Willingness to Buy.

The actual research instrument is an online survey (questionnaire) including demographic questions about the participants, questions concerning the four research variables and two small videos for the respondents to be exposed.

Background theory that has been presented in chapter two serves as the basis for the questionnaire design of this research. This chapter begins with describing the research approach. Continues with the process that the questionnaire has been designed, analyzing, at the end, the scale measurements of each of the variables. The chapter also presents the questionnaire format and the pretesting process in order to confirm the ease to use for the respondents. It concludes, with a summary of the research design process, the ethical considerations of the selected quantitative method and finally, the conclusion.

### *A. Research Approach*

This section describes the methodology that is used in order to collect the required data. For the needs of the current study an online questionnaire is used. In order for core variables to be operationalized and measured, the questions of the survey are based on the background theory as proposed by (Dodds 1991, Tsalikis 2009 and Lai 2010).

A quantitative approach is preferred since "is associated with exploring connections between variables" (Bryman & Bell, 2007, p.426), that applied in our case are the connections between business ethics and consumers' perceptions. Even earlier than that, Creswell (1994) mentioned that through quantitative research, phenomena are being explained "by collecting numerical data that are analyzed using mathematically based methods (in particular statistics)." In addition, quantitative research is selected due to the character of the subject of the current thesis; quantitative research helps to quantify opinions, attitudes and behaviors concerning the applied business ethics and can show how the public feels about the research issues.

Quantitative research helps to generalize the evidence found in the sample of a given population in order to understand a certain phenomenon. It provides a wide range of different age groups, indicates the extensiveness of attitudes held by participants, and provides results which can be condensed to statistics (Sukamolson, 2010). Finally, it is considered the most suitable method to answer the kind of questions that have already been established by theory that can operationalize the main variables of this research.

### *B. Operationalization and Scale Measurement*

The questionnaire design describes the scales of measurement for the main variables of the research: Business Ethics, Brand Equity, Consumers' Perceptions, and Willingness to Buy. The variables that construct the proposed conceptual framework (model) were measured by using pre-existing scales from the literature. Finally, the questionnaire in order to achieve the neutrality of the participants was not using any brand names as examples, as the research objective was to capture consumers' sentiments and perceptions of business ethics in a general way without using specific brand images that could influence the respondents in different ways. A complete list of the statements used in order to study the variables under investigation is demonstrated in the Appendix 2.

### *C. Business Ethics*

According to the literature, the term Business Ethics is composed by different research items: rights of employees, rights of employees in third-world countries, local community, environment and social initiatives (Maignan 1999; Cacioppe 2007; Lai 2010; Brunk 2011, Singh 2012). Consequently, Business Ethics was measured using a five-item scale. In each question, the respondents were asked to rate in what level his/her perceptions are being affected in a positive way, when they are aware that a company/brand is considered ethical. A seven-point Likert scale (Totally Disagree-Totally Agree) was used to answer questions under each section of Business Ethics.

### *D. Brand Equity*

Brand Equity was measured by using a four-item scale: Brand Loyalty, Brand Satisfaction, Brand Awareness/Associations, and Perceived Quality according to Lai et al (2010) adapting and extending the theories of Aaker (1996), Yoo and Donth (2001) and Washburn and Plank (2002). Each item was consisted of three or four questions in order to assess respondents' perceptions and attitudes of an ethical brand and their effects on the company's brand equity. In line with Tsalikis' (2006) research approach, the "ethical brand" was not specifically defined in the questionnaire but the respondents had to use their own personal criteria. The line in the instructions of the questionnaire was indicating "please keep in mind that even though ethical behavior can be defined in many ways, we are interested in your perceptions of ethical behavior".

*E. Willingness to Buy (WTB)*

In order to conceptualize consumers' Willingness to Buy (WTB) the work of Dodds (1991) was followed and adopted using a three-item 1-7 Likert measurement scale (Totally Disagree-Totally Agree).

*F. Questionnaire format*

The questionnaire of the online survey attempted to answer to the current research's hypotheses, started with the collection of the demographic characteristic of the respondents. Following there were the five-item scale of Business Ethics and the four- item scale of Brand Equity, including the sub-questions for each item. At the end, there was the four-item scale assessing the Consumer Ethical Perceptions concerning their past experiences and their future expectations.

Finally, two videos were shown to the respondents in a random way in order to secure the validity and credibility for an unbiased research. After that, a three-item scale followed assessing the willingness of the respondent/consumer to buy. The questions were answered with a seven-point Likert scale, (Strongly Disagree - Strongly Agree) except from the questions concerning Consumers' Perceptions that were being assessed too in a seven-point Likert scale but it was from Very Unethically to Very Ethically.

*G. Pretesting the Questionnaire*

After constructing the questionnaire, a pre-test was realized in order to check and ensure the required flow of the various statements and to eliminate respondents' confusion about answering the questions. The questionnaire was sent almost to twenty individuals, ranging in age from 20-60 years old both males and females. All of the respondents managed to answer the questionnaire in an understandable way without having any questions or misunderstandings. The most important thing about pretesting the questionnaire was to ensure that the two videos were shown randomly and in equal number of times, which was verified in the end of the procedure.

*H. Data Collection*

After the pretest of the questionnaire was finalized, the survey was put again on line and was sent to more than two hundred potential respondents through e-mail and social media (facebook). The data was collected in the period of one week (8/6/2013 to 14/6/2013).

*I. Data Preparation*

283 questionnaires were collected and only 167 of them were complete, that is 59% rate of return. After the process of collecting data was finalized, the data coding and preparation began by entering them into the SPSS software in order to be checked and analyzed.

*J. Ethical Considerations*

According to the literature, ethical considerations should be seriously considered by the researchers (Weber, 1949). As Weber mentions, the considerations can be divided into four categories: First of all, there is the right of every respondent do be informed for everything relevant with the particular research. Secondly, is that the researcher must protect the identities of the participants, ensuring that their answers are private and confidential. Third, is the fact that deception is considered forbidden since it is unethical and finally the "accuracy of the data has to be assured, as it is a basic principle in social science".

On the one hand, although ethical considerations have been remarked as quite important from the Market Research Society (MRS) reassuring that respondents' rights are being protected, on the other hand, according to Lovett (2001) a researcher's ethical responsibilities should be concerned with those of his fellow researchers and the wider community. "The researcher has to be honest about the methods he used while collecting and analyzing his data and also about the limitations of the specific research" (McGivern, 2006).

Finally, all of the above ethical issues have been attended during the process of the current research. All respondents had the possibility to communicate with the author of this study any time (by e-mail), asking possible questions, indicating objections or any second thoughts that may had. Moreover, it was clearly mentioned in the beginning of the questionnaire that all of the answers of the participants would be used only for the present research objectives and that would be kept confidential. In addition, in order to ensure unbiased results and honest responses to the questionnaire, the survey was extremely carefully structured, so that the respondents would be fully aware of the procedures been applied. Finally, the two videos were randomly being played for each participant of the survey (negative-positive, positive-negative), avoiding any possible "manipulation".

### K. *Conclusion*

To conclude, in this chapter there has been presented the research approach as well as the methods and scales and techniques used to collect the data. Moreover, all additional information is presented about the process of the questionnaire design, its pretesting and finally about any ethical considerations which may arise and that are useful to respect in order to ensure the validity and reliability of the data. In the next chapter the results of the data will be presented and analyzed.

## IV. CONCLUSION

Research motives of the present study:
The major research motives that led us to the pursuit of the present study are the following:

Today, in our contemporary and highly competitive business world, ethics and ethical considerations are being increasingly important (revisited) due to the influence of globalization, new technologies, consumerism and the different type of crisis that we experience (financial, ecological, political, system of values).

The marketing discipline has reached maturity, so it is about time it re- examined itself and its ethical function.

Consumers appear to be becoming increasingly more hostile to marketing, as marketing professionals' disregard for the ethical effects of their actions.

Several business misconducts and corporate scandals have resulted to a new kind of consumer who is more skeptical and critical than ever, affecting individual choices, perceptions and system of values.

Close to a century ago, Hess (1935) called for marketing to create "wholesome demand", but was obviously not heeded as Manrai & Manrai (2007) had to echo the call for the replacement of a "popular marketing mix" with an "ethical-rightful marketing mix".

Socially-Responsible Marketing (SRM), includes morally-just marketing alongside socially-responsible and ecologically-friendly marketing but it is far from common practice in the marketing and businesses community (Manrai & Manrai, 2007), as empirical research results consistently fail to link its various forms, such as corporate citizenship, to measurable financial outcomes (Kusku & Zarkada-Fraser, 2004; Maignan & Ferrell, 2000). What marketing practice fails to do, consumers attain through their choices, changed behaviors and perceived ethicality.
Despite the fact that business ethics is considered as a multidimensional and complex phenomenon, it seems as an opportunity for companies to invest in it and gain insights, to invoke positive brand images and consumer perceptions.

Moreover, while there is an important body of academic literature on business ethics there has been limited research on the relationship between business ethics and consumer perceptions. The last, verifies the position of different researchers that current academic research remains inconclusive about how strongly ethical considerations feature in consumer's purchase decisions and the link between consumer perceived ethicality and ultimate consumer behavior, calling for further investigation.

### A. *Aim of the study*

The main objective of the present study is the investigation of the effects of applied business ethics to consumer perceptions, as well as the identification of possible research relationships among business ethics, brand equity and ultimately, consumer willingness to buy. The following sub-questions contributed to the formulation of our main principal question:

- Is brand equity being affected in a positive way by applied business ethics?
- Do consumers evaluate companies based on moral criteria, except of economic and financial ones?
- Do these ethical evaluation criteria affect their perceptions about a brand?
- Will the consumers keep on buying if the brand of their choice will not fulfill their expectations in moral terms?

*B. Conceptual Framework - Research Methodology*

Having defined our principal research questions, various steps have been followed. First, a precise determination of the existing research gap proved the academic interest to investigate the subject. Then, the description of the detailed research questions and research hypotheses followed. The detailed review of the literature that required the above mentioned path, led us to the identification of the possible research items, which were considered as appropriate to explore the arising potential relationships among them (conceptual framework). This particular analysis enabled us to the most appropriate methodological approach (survey design), the necessary research instruments and the corresponding scales of measurement. At last, the final execution of the research followed, including the analysis of the results relying on SPSS 2.0. The descriptive statistics of the convenience sample used (from a total of 283 questionnaires 167 were used) were presented. The test of the various hypotheses was conducted by using an Exploratory Factor Analysis and four Regressions for the hypotheses under consideration. At the end of the research chain, we had the final results of the current study.

More particularly, in order to approach the principal research question that relates to the possible effects of business ethics on consumer brand perceptions, it was, first, necessary to adopt, as a mediating variable the concept of brand equity, which in the literature seems to emerge between the applied business ethics and the formation of consumer perceptions. More specificaly, the study of the variable of brand equity was facilitated by identifying four different parts (constituent variables) that are the following: Brand Loyalty, Perceived Quality, Brand Awareness/Association and Brand Satisfaction, following the advice of Lai et al (2010) who have extended the classical model of Aaker (1996). One additional variable that we have added to this model, and we have incorporated in our final conceptual framework is the willingness of the consumer to buy a product/service of a company, reacting to his/her moral criteria

*C. Hypotheses Tested*

Four research hypotheses were formulated summarizing the primary and secondary research questions. These are as follows:

The first of the hypotheses was confirmed. In other words, business ethics do affect brand equity in a positive way, which means that a consumer's loyalty, perceived quality, brand satisfaction and brand awareness are increasing when a company is acting ethically.

The second hypothesis of investigation is whether business ethics affect consumers' perceptions. The particular hypothesis has been rejected.

The third hypothesis, investigates the relationship between brand equity and consumer perceptions. This hypothesis has, also, been rejected. The data analysis showed that an increased or decreased level of brand equity perceived by a consumer does not affect positively or negatively his/her experiences/expectations of applied business ethics.

Finally, the fourth hypothesis examines the relationship between consumer perceptions and willingness to buy. This hypothesis was confirmed. The last indicates that if a consumer is evaluating as ethical his/her experiences and expectations of a company's behavior, leads to a potentially positive willingness to buy.

*D. Limitations of the Study*

It is important to outline the limitations of this study as the validity and the credibility of the research outcomes are directly linked to them. These limitations are as follows:
The study is based on a small sample (167 questionnaires used out of 283).

Moreover, a larger sample could possibly best identify relationships between research items that have smaller significance or produce different final components to represent business ethics.

- A convenience sample is employed due to the research constraints.
- Qualitative research in the form of focus groups, depth interviewing and observation were not used, either, before the design of the questions of the questionnaire used nor, in order to explain further the research findings.

- Most of the respondents are Greek nationals.
- Another limitation has to do with the questionnaire that is in English and this may be a barrier for a perfect understanding from individuals who do not speak English fluently.
- The majority of the respondents belong in the age group 18-34 (66% of respondents).
- The study variables (brand image, consumer perception, willingness to buy remain up today) remains an unsolved measurement questions of marketing research as even the most advance measurement techniques are not able yet to overcome.

This is explained mainly by the complex of autocorrelation and multicollinearity problems faced with the measurement problem of the various variables involved.

*E. Further research*

There are various topics that could be suggested for further research. First, a clearer picture could be given to the way a consumer is forming his/her image about a brand (brand image) as a whole. More specifically, more focus could be given on the individual components that eventually construct the way consumer perceive ethicality. This is particularly important for the various items that compose business ethics, which are: the rights of the employees, the environment, the social initiatives, the rights of employees in third-world countries and the community as a whole, in an effort to revisit, revaluate and extend the current knowledge not only of the individual components but of the aggregate interaction of all of them.

A larger, a more representative sample could possibly offer better insights regarding the issues involved. An interesting subject of investigation remains the issue of measurement of customers' perceptions (attitudes, preferences, predispositions, personality traits etc.) and the one of the willingness to buy since there are various implications for marketing, consumer behavior, psychology and social psychology.

Another point for further research is the relationship between company misconducts and the measurement of the differences on consumer perceptions. This would may, also, lead to interesting consumer reactions, even to new ones that have not been practiced yet, but the consumer is always adapting to the existed environment and expresses his/her dissatisfaction concerning "false" behavior performed by the companies.

Finally, in economic terms, it would be interesting for future researchers to attempt to compare the effectiveness of traditional advertising as an investment in comparisons to obtain higher/increased reputation and recognition through the investment on applied business ethics (word of mouth-perception management).

*F. Final remarks*

As a final conclusion we propose that consummation does not come from the pursue of satisfaction through materialism and profit maximization alone but also through ethical behavior and good judgment, so to see our role as to seek what is good and ethical for people, not just their bellies; hominimum bonum quaero, non ventris (Seneca, 50 BCE / 2004). In this concept, reforms in the way we see marketing and consumption are necessary in order to reduce and diversify the Schumpeterian (1947) creative destructive effects of evolutionary forms of the present economic system, while fulfilling the Aristotelian economic ideal of creating wealth, in such a way, as to make every individual a better person and the world a better place to live, rather than just to consume.

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