The Model of Ethical Variables Affecting Branding

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Abstract

Introduction: The concept of ethical branding comes from the intersection of business ethics and brand management. An ethical brand is a brand that prevents harm to others. The purpose of this research is to provide a model of ethical variables influencing branding.

Material & Methods: The current research is qualitative and among exploratory and applied research. The statistical population of this research includes business owners in East Azerbaijan province. Through targeted sampling, 15 people were selected as a sample from the target population. The data collection tool was semi-structured in-depth one-on-one interviews. Finally, the obtained data were recorded and analyzed by theme analysis method using MAXQDA$_{18}$ software.

Results: Examining the findings and conducting thematic analysis indicated the effect of 4 main ethical variables or main themes, which included: corporate ethical philosophy, corporate ethical communication, corporate ethical culture and ethical image.

Conclusion: The unethical activities of businesses have caused many concerns for managers and academic researchers, because unethical behavior on the one hand affects the brand's personality and on the other hand, the decline of the company's reputation among customers, lack of it leads to repeat purchases and sanctions and punishment of the business by customers. Paying attention to the 4 factors presented in the formation model of ethical branding can have a significant impact on creating brand trust and satisfaction in commercial businesses.

Keywords: Ethics, Branding, Business

INTRODUCTION

Today, in the transparent and fully connected environment, customers have a lot of access to the experiences of brands in business, and as a result, customers are increasingly demanding ethical behavior from their favorite brands [1]. Strong corporate brands feel the need to bring ethics into the depth of their identity and convey their moral commitment in interacting with their customers, so that they can gain customer loyalty and surpass their competitors in today's competitive market [2]. The category of ethical branding comes from the intersection of business ethics and brand management (3). An ethical brand is a brand that prevents harm to others and treats a wide range of stakeholders with honesty, integrity, accountability, and respect [4, 5].

A brief review of history shows that marketing and branding have always been accused in societies of using lies, fraud, violating people's privacy, environmental pollution, promoting consumerism, etc. It is from the social and moral dimensions that caused major violations to increase profitability [6].

Some researchers mention social responsibility as the most important factor in the formation of an ethical brand [7]. Others emphasize that usually ethical brands are those that have something good for society or consumers (like organic products). Besides that, a group also considers a brand to be ethical that promotes public goods with characteristics such as

honesty, quality, respect and reliability [7]. Therefore, the research on ethics in the field of branding is scattered and emphasizes on various ethical propositions [3].

But among the researches, it has been determined that the ethical brand and corporate ethical behavior perceived by the customer will have a positive indirect effect on the brand value [8]. Brand equity is a relational market-oriented asset that is driven by long-term interaction between brands and brand customers [9] and many researchers believe that brand moral image is a key element for brand value [10]. At such a time, buying a service or product from an ethical brand can have appreciative benefits for customers, which in turn increases the special value of the brand.

 Ethical branding is related to activities that emphasize transparency, trust building and individual responsibility and organizational marketing policies that lead to integrity and fairness in dealing with consumers and other stakeholders [11]. The research literature shows that there are few studies that have investigated the relationship between ethical variables influencing branding. Therefore, examining the role of

ethics in corporate branding is a category that has been neglected in the literature on the subject, and the studies conducted so far indicate the weakness of investigating the category of brand and corporate branding in relation to ethical aspects. This research aims to develop and provide a model of ethical variables influencing branding to explain the elements and components of ethical corporate branding in line with the ethical guidance of corporate branding actions.

MATERIAL AND METHODS

The current research is qualitative and among exploratory and applied research. The statistical population of this research includes business owners in East Azerbaijan Province. Through targeted sampling, 15 people were selected as a sample from the target population. The demographic characteristics of the sample group are presented in Table 1.

Table 1: Descriptive information of the interviewees

Gender		Age		Education	
Male	8	20-30ys	5	B.A.	4
Female	7	31-45ys	10	M.A.	10
				Ph.D.	1

The data collection tool was semi-structured in-depth one-on-one interviews. The interview questions were designed to access the required information in two parts: identification questions and main questions (18 questions in total) and during the interview, these questions were increased or decreased depending on the need and recognition of the interviewer.

In the implementation of this research, theoretical background and research literature were collected in the first stage. Then, the sample members were selected and interviewed (semi-structured interviews) to identify the influential ethical variables of the brand components in home businesses, through the purposeful sampling method. Before the interviews, an

invitation letter was sent to the business owners. The time of the interviews was generally determined by the interviewees and the place of the interviews was also chosen to be the office of the interviewees, a coffee shop and a library. The interviews generally lasted from 40 to 110 minutes. All the people who were interviewed were business owners in East Azarbaijan province. At the beginning of the interview, the researcher's purpose of conducting the interview was mentioned and it was emphasized that the interviews will be used only for research purposes and the identity of the individuals will not be revealed in any way in the research reports and published articles. Permission was obtained to record the audio of the interview session, and in

case of objection to the audio recording of the interview, notes were taken only from the comments.

Finally, the obtained data were recorded and analyzed by theme analysis method using MAXQDA$_{18}$ software. Theme analysis is a flexible, relatively easy and fast way to identify, analyze and express existing patterns in data. This method organizes the collected data set and describes it in the form of valuable details.

RESULTS

In this research, after entering the data into the software and checking them several times, coding started in the software. Codes were reviewed, deleted, created or merged several times. In other words, the coding work was not done just once from the beginning to the end, but after that, the data was referred to again, new codes were added and codes were deleted. Finally, 63 specific codes were selected. In the next steps, by reviewing the coding, unrelated codes were removed, and some codes that were very aligned and similar were merged with each other and turned into one code. The results of the analysis of the interviews conducted in the process of interview led to the formulation of the ethical model of corporate branding.
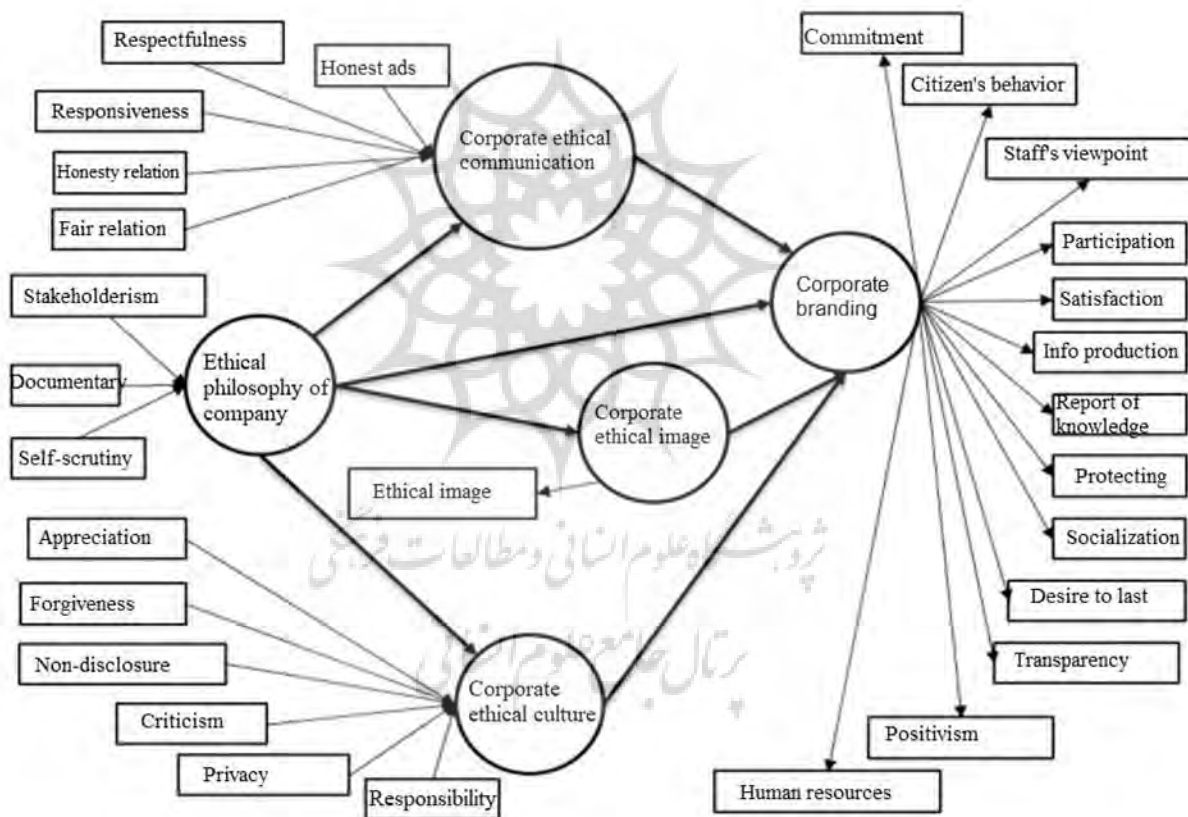

Figure 1: Structural model and measurement of ethical variables affecting branding

Effective moral indicators

A. Determinants of assessing the structure of philosophical and ethical foundations of a company: 1) Compilation of ethical corporate documents, 2) The company's self-awareness of its duties towards its stakeholders 3. Stakeholderism means recognizing the rights that the stakeholders have from the company.

B. Indicators for evaluating the structure of corporate ethical communication: 1) Honest interaction in all corporate communications with stakeholders based on honesty and truth-telling and avoiding any distortion of reality 2) Honest advertisement of introducing the company in a way that is completely consistent with the reality that the company is in it 3) Treatment based on respect, carrying out a behavior that conveys a sense of value and dignity to the beneficiaries; 4) Fair and just relations, dealing far from discrimination and showing fairness to all beneficiaries.

C. Indicators of evaluating the structure of corporate ethical culture: 1) Corporate creditworthiness, the readiness of the company to put all the decisions and actions of the company in the balance of the stakeholders' judgment, 2) Non-disclosure of the secrets of the beneficiaries, keeping the secrets of individuals as natural and legal persons regarding all the beneficiaries, 3) Respecting the privacy of the beneficiaries is meaningful in the case of internal organizational beneficiaries such as employees and all personnel of the organization; 4) Organizational pardon and forgiveness for all the beneficiaries who have misbehaved with other people in the organization.

D. The indicators of measuring the company's moral image structure are: moral orientation and the company's moral image

To calculate the reliability of the codings in this method, two of the interviews were recoded by another researcher and the calculated kappa coefficient showed the agreement of the two codings as 0.87. In addition, in this research, the three-way location method, which refers to the collection of data from the interviewees in different places, was observed. Creating a sense of comfort for the interviewees to conduct the interview process in multiple places such as the workplace office, coffee shop and library, which was considered in this research, was in line with increasing the reliability of the interviews and their results

DISCUSSION

Due to the increasing number of brands in the market and the emergence of unreliable brands, the issue of respecting the ethical components and ethics of the brand is extremely important. Today, customers want authentic brands, so this research aims to provide a model of the formation of ethical variables influencing branding.

The results of this research indicated the influence of 4 ethical factors in the formation of an ethical brand:

1. Philosophical foundations of corporate ethics: Every action and action that is implemented in the organization and is a permanent process supported by all the factors of the organization, including influential factors such as senior managers and personnel, indicates the belief and roots of that action in Philosophical foundations are individual and organizational. In some studies, the importance of this factor in branding has been emphasized, and their results can support the results of the present study [12, 13].

2. Corporate ethical communication: organizational success is not achieved in an abstract space, but in interaction and a complex network of communication. Communication, if it is formed according to ethical principles, guarantees a positive impact on ethical branding. In some studies, the importance of this factor in branding has been emphasized, and their results can support the results of the present study [14, 15].

3. Corporate ethical culture: Ethical culture can make people aware of ethics influence on their judgments and performance, along with all activities, both on people to distinguish right from wrong activities and on decision-making structures and functions in branding. In some studies, the importance of this factor in branding has been emphasized, and their results can support the results of the present study [16, 17].

4. Corporate moral image: a series of activities, actions and ethical orientations in the organization can create an ethical image of the organization in the minds of the stakeholders or lead to the improvement of the organizational

image. In some studies, the importance of this factor in branding has been emphasized, and their results can support the results of the present study [18].

According to the obtained results, the following suggestions are presented:

It is suggested to the companies to avoid making any promises that the companies have difficulty in fulfilling and are not able to fulfill them, and also not to exaggerate when giving information about their products and services. and avoid lies so that the honesty and sanity of the company in providing information is maintained. Because giving exaggerated information increases the expectations of customers and if they are not met, it causes severe customer dissatisfaction.

It is necessary for companies to strengthen their internal measures in line with the formulation of organizational vision and mission with an ethical view and recreate corporate values and actions with an ethical view.

It is suggested that companies adhere to their values and beliefs regarding the concerns of consumers and society in order to keep their customers satisfied.

Companies should base and implement the culture of doing work based on ethics, such as moral responsibility of employees, organizational criticism, appreciation of stakeholders.

Conducting honest advertising, honest interaction and respect-based treatment should be based on the pillars of the organization.

Respecting the rights of the owners of the rights in all the beneficiaries is based on the model that the beneficiaries have rights and this task should be the moral model of everyone in the organization.

CONCLUSION

Business ethics by service businesses can have a positive effect on the perception of their customers by observing ethical traits. Therefore, the ethical behavior of organizations creates and maintains stable and consistent relationships between organizations and their customers. In recent years, the unethical activities of businesses have caused many concerns for managers and academic researchers, because unethical behavior, on the one hand, affects the brand's personality and, on the other hand, the decline

of the company's reputation among customers. It leads to non-repurchase and boycott and punishment of the business by customers. According to the theory of social identity, one of the demands of customers is to satisfy the need for self-respect, which means that consumers prefer to be classified and recognized with companies that have a moral reputation, and from companies with activities They avoid unethical things. Based on the results of this research, paying attention to the 4 factors presented in the ethical branding model (philosophical foundations of corporate ethics, corporate ethical communication, corporate ethical culture, corporate ethical image) has a significant impact on creating brand trust and satisfaction in commercial businesses.

ETHICAL CONSIDERATIONS

Ethical issues (such as plagiarism, conscious satisfaction, misleading, making and or forging data, publishing or sending to two places, redundancy, etc.) have been fully considered by the writers.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interests.

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