

ETHICAL MARKETING PRACTICES VIEWED THROUGH CONSUMER SPECTACLES

ETIČNE MARKETINŠKE PRAKSE PROMATRANE OČIMA POTROŠAČA

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Abstract

Purpose – The purpose of this paper is to describe the working of a demand and supply mechanism in an ethical scenario in the cosmetics market context. It principally aims to investigate the intentions of consumers to consider marketers' commitment to ethics issues.

Design/Methodology/Approach – Using a sample of urban female respondents from Malaysia, a consumer survey was carried out. PLS structural equation modeling was used to analyze the data.

Findings and implications – The results show that the aspects of product fairness and price fairness are positively correlated to the attitudes of shoppers' towards firms that resort to such practices. Additionally, shoppers' attitudes and their perceived behavioral control further influence their intentions to consider a firm's ethicality while anticipating a purchase. In terms of life-style aspects, the self-confidence and health consciousness of consumers do not moderate the relationship between attitude and intentions. As a whole, consumers offer hints that it is high time for marketers to start developing a sense of obligation to adhere to relevant ethical practices under vulnerable circumstances. Accordingly, it is suggested that managers offer products that are safe and pose the least risks, and that they set rational and justifiable prices.

Limitations – This study has been limited to facial care products in Malaysia.

Sažetak

Svrha – Cilj je rada opisati kako djeluje mehanizam ponude i potražnje na tržištima u etičnom scenariju. U osnovi, žele se istražiti namjere potrošača prema opredjeljenju i predanosti marketinških stručnjaka etičkim pitanjima.

Metodološki pristup – Provedeno je anketno istraživanje na uzorku žena iz urbanih sredina u Maleziji. Podaci su analizirani korištenjem PLS modeliranja strukturalnih jednadžbi (PLS structural equation modeling).

Rezultati i implikacije – Rezultati pokazuju kako su aspekti pravednosti proizvoda i pravednosti cijene pozitivno povezani sa stavom potrošača prema poduzećima koja primjenjuju takvu praksu. Dodatno, stav potrošača i percipirana kontrola ponašanja utječu na namjere potrošača pri razmatranju etičnih aspekata poduzeća u procesu koji prethodi kupovini. Kao dio aspekata životnog stila, samopouzdanje potrošača i svjesnost o zdravlju ne moderiraju odnos stava i namjere. Općenito potrošači pokazuju znakove kako je krajnje vrijeme da marketinški stručnjaci počnu osjećati obavezu prema etičnim praksama u osjetljivim okolnostima. Prema tome, menadžerima se sugerira nudišenje sigurnih proizvoda koji predstavljaju najmanji rizik, a čije su cijene racionalne i opravdane.

Ograničenja – Ograničenje istraživanja proizlazi iz istraživane kategorije proizvoda (proizvoda za njegu lica) i jednog tržišta – Malezije.

Originality – This study addresses and operationalizes fairness aspects of products and their pricing from a consumer perspective through a rigorous review of the marketing and business ethics literature.

Keywords – product fairness, price fairness, consumer lifestyle, theory of planned behavior, cosmetics

Doprinos – Predstavljani su i operacionalizirani aspekti pravednosti proizvoda i pravednosti cijene iz perspektive potrošača, a na temelju pregleda literature iz marketinga i poslovne etike.

Ključne riječi – pravednost proizvoda, pravednost cijene, životni stil potrošača, teorija planiranog ponašanja, kozmetika

1. INTRODUCTION

The issue of ethics in marketing practices has become increasingly pertinent due to a rising number of consumer complaints. In most instances, it is the overzealousness of marketers to increase their profit at any cost that eventually brings them disrepute. Furthermore, cosmetic products are usually considered vulnerable in a marketing ethics context. Marketing managers often try to attract consumers to their brands and products by means of a variety of marketing tactics (Friestad & Wright, 1994). In response, consumers generally consider previously known features, as well as those which have been newly introduced while making purchase decisions (Iqbal, Verma & Baran, 2003; Lynch, Marmorstein & Weigold, 1988). It has frequently also been observed that consumers exhibit negative emotions, displeasure, and rage if they experience a failure in services or come across product defects (Cho & Walton, 2009). But it is also true that price is the main demand-side determinant behind consumers' not buying an ethical product, and it has been further recommended that analysts test the capacities of marketers' fair trade proclamations to affect consumers' attitudinal changes, brand cognizance, etc. (Pharr, 2011).

Ethical marketing practices are aimed at promoting the ethical values of firms so that consumers are attracted to buy from such firms (Schlegelmilch & Öberseder, 2010). In this regard, it is useful to note that consumers have been observed to respond positively to socially responsible companies (Lämsä, Vehkaperä, Puttonen & Pesonen, 2008). But at the same time, it has also been observed that such companies have traditionally witnessed a relatively smaller market share (Boulstridge & Carrigan, 2000). In a classical sense, Brenner and Molander (1977) described many instances of undesirable activities undertaken by businesses. Though studies have highlighted the significance of ethics in marketing, the role of ethical marketing practices in determining the attitudes of consumers

is not yet conclusively known, especially when fairness of product and pricing are concerned. This was also highlighted by Antoine and Green (2009), who suggested examining the impact of strategies and practices pertaining to the marketing ethics of firms on the behavior especially of women consumers, something which is taken into consideration in this study. Ethical, as well as contentious corporate practices including, but not limited to, misleading promotion campaigns, consumer rights violations, and harmful products, have been a matter of serious concern in the past (Alsmadi & Alnawas, 2012; De Bock & Kenhove, 2011). Moreover, in the comprehensive review conducted by Schlegelmilch and Öberseder (2010), it was strongly suggested that ethical aspects of marketing should be incorporated into consumer studies.

Malaysia has been prone to skin issues, and at the same time, cosmetics companies are reported not to follow ethical practices sufficiently (Fake Drugs Big Problem, 2012). Moreover, females in Malaysia have been found to be very much concerned about the use of cosmetics for enhancing their complexion and beauty (Chiang & Yu, 2010; Riji, 2006). As the cosmetics market continues to grow, and the integrity of businesses remains debatable, it would be useful to understand how consumers view the ethicality of cosmetics marketers in a developing economy such as Malaysia, as such information would serve as a benchmark to help marketers act in a desirable manner. It has also been observed that in Malaysia, which is a multiethnic country, all ethnic groups enjoy amicable relations with each other. Still, ethnic identity-based differences can be seen in terms of behavior, language, and cultural values (Rashid & Ho, 2003). Furthermore, the aspects of lifestyle and comfort function simultaneously because, even if an environment-friendly and ethical product is affordably available, using it might change the lifestyle and comfort of the consumers (Manzano, Rivas & Bonilla, 2012). As such, in line with Deng (2012), it is pertinent to take lifestyle as well as demographic factors into consideration while

investigating the ethical aspects considered by consumers during their purchasing decisions.

2. LITERATURE REVIEW

It is known that ethical behavior in marketing practice can potentially reduce consumers' suspicions about marketers. However, it is challenging for marketers to get a ready-made list of their moral responsibilities, as new issues keep giving rise to the emergence of new duties and accountabilities. In general, attitudes are concise evaluations of objects or issues based on information emanating from affective, cognitive, or behavioral aspects (Gupta, Pirsch & Girard, 2010; Petty, Wegener & Fabrigar, 1997). Perceived risk arising from consumers' perceptions of uncertainty involved in buying and consuming a product is also taken as an important factor in consumer studies. This sense of uncertainty might further cause concern among consumers and thus adversely affect their purchase decisions (Bhatnagar & Ghose, 2004). Attitudes that consumers form, based on their perceptions of benefits and risk, act as important indicators for predicting their purchase intentions since they are mostly concerned about minimizing risks and maximizing benefits (Forsythe, Liu, Shannon & Gardner, 2006), which further becomes critical to understand when marketers' actions are evaluated according to ethical parameters. Moreover, it has been observed that unfair marketing practices eventually harm firms' reputation and goodwill, and as a result, consumers are less inclined to choose the products of such firms when making their purchasing decisions (Ozbek, Alniacik & Koc, 2012). Taking the afore-said issues into consideration, and in line with Kumar, Mokhtar and Al-Swidi (2014) and Viriyavidhayavongs and Yothmontree (2002), it is realized that few studies have focused on the influences of the ethicality of businesses on the perceptions and sensitivities of consumers.

Consumers may not buy a product, despite its benefits, if they feel uncertainty and a lack of trust towards that product. It has also been re-

ported that female consumers usually exhibit more positive attitudes towards firms that they consider to be ethical (Lämsä *et al.*, 2008). Furthermore, Eze, Tan and Yeo (2012) found that product knowledge and brand image expressively affect consumers' buying intention towards cosmetics products. Studies also divulge that consumers are not always willing to pay more despite their awareness about ethically produced goods. In some instances, however, they might be willing to pay just a little more for such goods, and this is something that has been a matter of constant concern among marketers (Stanforth & Hauck, 2010). Moreover, as consumers may not possess sufficient knowledge and time for comparing prices, businesses might resort to the practice of unfair pricing for quick gains which ultimately might adversely affect the sustainability of such firms (Khandelwal & Bajpai, 2012). In this regard, Table 1 provides useful information. Specifically, it presents the major ethical issues pertaining to consumer marketing which can be used when evaluating the marketing practices of firms as identified by Smith (1995).

Furthermore, a well-known source might have more influence on a person than lesser known ones (Ajzen & Fishbein, 1980). This is why even a positive attitude among consumers with regard to the fairness of cosmetic firms' marketing practices might not be reflected by their actual buying behavior due to such social pressure (Hashim & Musa, 2013), highlighting the relevance of subjective norms in consumer decision-making. Also, from an ethical perspective, perceived behavioral control (PBC) – as a variable in the theory of planned behavior (TPB) – denotes perceived difficulty or ease felt by consumers in deliberating about ethical aspects and gathering sufficient information about them while deciding whether to buy cosmetics products (Pavlou & Fygenson, 2006); which further increases the relevance of understanding by marketers of consumers' PBC aspects.

People feel a constant and deep need to embrace a lifestyle that is healthy, which is also

TABLE 1: Ethical issues in consumer marketing

<p>Product-related issues</p> <ul style="list-style-type: none"> o Product safety o Deceptive packaging/quality specifications (e.g. “slack” packing to reduce quantity and avoid price increase, or quality reduction for the same reason) o Planned obsolescence (i.e. postponed/design/style obsolescence) o Arbitrary product elimination (i.e. premature/unannounced product elimination, failure to ensure replacement parts for eliminated products) o Service product delivery (e.g. rote-like service, employee respect for customers) <p>Pricing-related issues</p> <ul style="list-style-type: none"> o Deceptive/misleading pricing (e.g. non-unit pricing, absence of item marking in retail stores, price advertising that fails to disclose full price through disclaimers, retailer “high-low” pricing) o Unfair practices (i.e. price too high; can occur when price is a signal of quality, price discrimination, non-price competition, price gouging, limited consumer ability to pay [e.g. life-saving drugs], consumer does not receive value expected [e.g., “downsizing”], price fixing)

Source: Adapted from Smith (1995)

being promoted through regular media coverage and further supported through increased government expenditures on raising healthcare awareness in the Malaysian context (Yap & Othman, 2010). It is believed that lifestyles characterized by personality and healthcare aspects may be possible benchmarks for segmenting audience (Grier & Bryant, 2005). Also, career optimism, pursuit of individual interests, leisure inclinations, etc. have been seen to emerge as key facets of women’s self-confidence in Taiwan, Hong Kong, and China (Tai & Tam, 1997); this is largely expected to have a say in determining women’s purchasing intentions. As a whole, lifestyle can be reflected by factors such as health consciousness (Matuska & Erickson, 2008) and self-confidence (Lim, Ting, Wong & Khoo, 2012) in women which are considered to possess moderating effects in consumer behavior studies in line with Chen (2011).

Consumers’ understanding of ethical issues might also be shaped by their demographic background in terms of age, income, education, etc. It has been observed that, with increasing age and maturity, people display enhanced inclination towards ethically motivated deci-

sions (Chiu, 2003). Also, there are contradictory opinions available on the demographic aspects. For instance, in keeping with Fatoki (2012) and Swaidan, Vitell and Rawwas (2003), consumers’ education levels have been reported to have no remarkable link of any kind with their tendencies to contemplate ethical issues. Therefore, seeing the abovementioned inconsistency, it is considered useful and interesting to know how exactly consumers’ demography can alter their abilities and decisions to assess ethicality of businesses. Keeping all of the aforesaid aspects in mind, the overall objective of this study was to investigate the link between ethical marketing practices and the attitude of consumers with regard to potential moderating aspects.

3. THEORETICAL FRAMEWORK

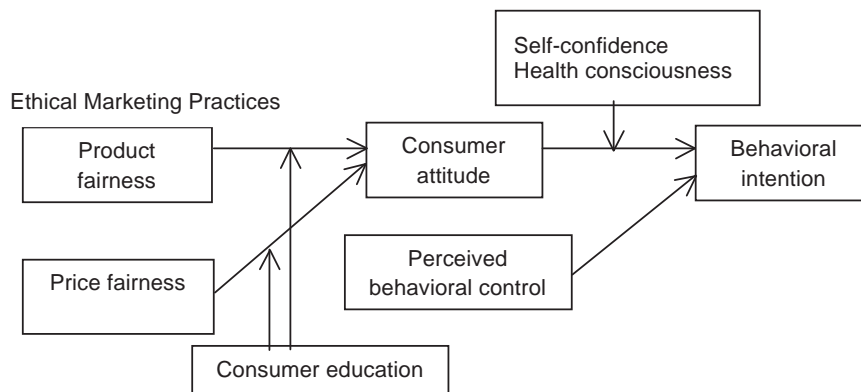
On the basis of literature and arguments mentioned above, the theoretical framework of this study is presented in Figure 1. As this consumer study is based on an ethical context, the framework shows that the ethical marketing practices reflected in this study by factors such

as product fairness and price fairness have influence over the formation of consumer attitudes, which further shape the behavioral intentions of consumers towards considering the ethicality or fairness aspects of marketers while considering purchases. Furthermore, perceived ease or difficulty in considering ethical aspects also influence the behavioral intentions of consumers. Consumer education has been considered to moderate the relationship between ethical marketing aspects and consumer attitude while lifestyle factors, viz. self-confidence and health consciousness, are posited to exert a moderating influence on the relationship between the attitudes of consumers and their intentions. It is useful to notice that this model is based on the theory of planned behavior (Ajzen, 1985), which primarily shows that the performance of a behavior arises from a stronger behavioral intention emanating as the result of a favorable attitude towards something.

traits have the potential of influencing various phases of consumer decision-making. Accordingly, the following hypotheses were proposed in this study:

- H1: The higher the level of product fairness maintained by firms, the stronger the consumer attitude towards such firms.
- H2: The higher the price fairness maintained by firms, the stronger the consumer attitude towards such firms.
- H3: Consumers' attitudes positively influence their behavioral intentions to consider the ethicality of marketers while contemplating whether to purchase.
- H4: Perceived behavioral control positively influences the behavioral intentions of consumers to consider the ethicality of marketers while contemplating whether to purchase.

FIGURE 1: Theoretical framework



There are several ethics-based consumer studies (e.g. Carrington, Neville & Whitwell, 2010; Ozcaglar-Toulouse, Shiu & Shaw, 2006) which have underpinned their models with the TPB. Also, the consideration of lifestyle aspects, such as self-confidence and health consciousness, has been done in line with the consumer decision process model (Blackwell, Miniard & Engel, 2001) which shows that lifestyle

- H5: Consumer self-confidence has a moderating influence on the relationship between their attitude and their intentions, as observed in an ethical context.
- H6: Consumer health consciousness has a moderating influence on the relationship between their attitude and their intentions in an ethical context.

H7a: Consumers' differing education levels have a moderating influence on the extent of attitude formation arising from the product fairness of firms.

H7b: Consumers' varying education levels have a moderating influence on the extent of attitude formation arising from the price fairness of firms.

4. METHODS

4.1. Sampling

Following a survey-based experimental approach, this study was conducted in Malaysia on a sample of 363 urban female consumers, 15+ years of age, surveyed in three cities: Kuala Lumpur, Johor Bahru, and Penang. A systematic sampling was followed in line with Sudman (1980), and a survey was conducted at the randomly selected shopping malls from these three cities. The age of 15 years or above has been termed as working age for women in Malaysia, and a survey of urban female consumers was done because it is usually expected that urban consumers would be more frequently exposed to ethical issues emerging from marketers; thus, they are considered to be in a better position to offer opinions about issues such as compromising advertisements, unmet promises, etc.

4.2. Instrument and operationalization

A seven-point interval scale (1 = strongly disagree, 7 = strongly agree) was used for designing the instrument consisting of items from various sources. On the basis of a rigorous instrument search, the reflective type measurement items for the study's variables were adopted or adapted from the following related sources: product fairness (Green & Antoine, 2011; Paul, Roy & Mukhopadhyay, 2006; Vitell, Rallapalli & Singhapakdi, 1993); price fairness (Green & Antoine, 2011; Hanzae & Nasimi, 2012; Kaura, 2012; Paul *et al.*, 2006; Vitell *et al.*, 1993); consumer attitude (Barksdale & Darden, 1972; Forsythe *et al.*, 2006; Kim, 2012);

behavioral intention (Kim, Lee & Hur, 2012; Lin, 2006; Ozbek *et al.*, 2012); perceived behavioral control (Kidwell & Jewell, 2003; Lee & Ngoc, 2010; Lin, 2006); self-confidence (Tai & Tam, 1997); and health consciousness (Tai & Tam, 1997).

In this study, the abovementioned variables are understood as follows: product fairness means ensuring product safety, not manipulating the provision of quality, and non-adherence to planned obsolescence techniques (Smith, 1995). Price fairness means offering justifiable and reasonable prices aimed at gaining customers' confidence (Xia, Monroe & Cox, 2004). Consumer attitude, in line with Ajzen (1991), refers to an overall favorable or non-favorable assessment (Cho & Walton, 2009) of ethical marketing practices, as seen in the Malaysian facial care sector. Furthermore, behavioral intention refers to the level of enthusiasm and motivation of consumers towards considering or not considering the firms' ethicality in marketing activities. In consistency with the TPB, perceived behavioral control in this study mirrors the degree of easiness or struggle confronted by consumers in gaining relevant information and being able to consider ethical issues of marketers while making buying decisions. Afterwards, an overall optimistic approach hinting at strong general beliefs and capabilities of female consumers is presented by their self-confidence in this study (Koubaa, Ulvoas & Chew, 2011; Tai & Tam, 1997). And finally, in line with Tai and Tam (1997), health consciousness indicates levels of care and focus of women consumers, or a tendency to buy and consume healthy products, thus leading to a healthy lifestyle.

4.3. Procedure

The survey was conducted by the researcher along with two enumerators hired for the purpose of data collection. The survey was administered personally, and 374 responses were collected. Eleven instruments were found to have some empty responses, and such responses were not considered for the purpose of data entry. As such, 363 usable questionnaires were finally entered, whereby four missing values were found and re-

placed with the arithmetic mean. A total of 47.9% of the consumers had senior secondary-school education, and 87.3% of the consumers reported an income of 0-6000 RM (Ringgit Malaysia). Moreover, around 82.9% of the consumers were found to fall within the age group of 15-25 years. Factor analysis was done using a varimax rotation under the principal component analysis option; it showed that there is more than one factor possessing eigenvalue greater than 1.0, and the variance was well spread over those factors. This indicated an absence of common method variance using Harman's single factor test.

4.4. Results

The data analysis was done using SmartPLS 2.0 software (Ringle, Wende & Will, 2005), which is a partial least squares based structural equation modeling tool used for models that are predic-

tion-oriented. In order to examine the overall fitness of the outer model (measurement model) under study, confirmatory factor analysis (CFA) was conducted, under which convergent validity (Table 2) and discriminant validity (Table 3) were calculated. As such, it was ensured that all items contained a loading of minimum 0.50. Afterwards, it was ensured that Cronbach's alpha for all constructs were greater than 0.60 and that composite reliability was greater than 0.70. Furthermore, the average variance extracted (AVE) values – which should be greater than 0.50 – were estimated (Fornell & Larcker, 1981). In this study, the AVE for the construct's consumer attitude and price fairness was initially found to be less than 0.50, which necessitated deleting a few items from the consumer attitude and one item from the price fairness construct, thus gaining AVE values greater than 0.50.

TABLE 2: Convergent validity

Measurement Items	Loading	Cronbach's Alpha	Composite Reliability	AVE
BI1: I would love to buy facial care products of brands which follow fairness in their marketing practices	0.690	0.787	0.854	0.542
BI2: I plan to buy such products in the future	0.762			
BI3: I would be willing to recommend such products to other people	0.825			
BI4: I would be willing to buy such products for family and friends	0.760			
BI5: I would be willing to defend such products when others speak poorly about them	0.631			
CA2: I am afraid that I might be overcharged when buying a facial care product	0.732	0.805	0.861	0.508
CA3: I can't examine the actual facial care product prior to buying it	0.769			
CA4: I prefer to buy a facial care product which seems to contain less harmful contents	0.714			
CA5: Over the past several years, the quality of most cosmetics products has not improved	0.717			
CA6: It is exciting to receive a package offer for a facial care brand	0.699			
CA8: I hesitate to buy a facial care product if there is limited or little information available about it	0.639			

Table 2 - Continued

Measurement Items	Loading	Cronbach's Alpha	Composite Reliability	AVE
HC1: I am more health conscious than most of my friends	0.805	0.684	0.825	0.611
HC2: I prefer to use facial care products regularly for maintaining a healthy and glowing face	0.737			
HC3: I frequently purchase "health improving cosmetics products" / "natural or green cosmetics products"	0.800			
PBC1: I would be able to buy facial care products of the brands which follow fairness in their marketing practices	0.765	0.725	0.845	0.646
PBC2: Whether or not I buy such products is entirely up to me	0.857			
PBC3: I believe I have the ability to buy such products	0.786			
PF1: The facial care products should be safe and fit for their intended uses	0.739	0.781	0.858	0.602
PF2: Information regarding all substantial risks associated with the facial care product should be disclosed	0.817			
PF3: I prefer buying a facial care product from a store where the sales staff treat me respectfully	0.791			
PF4: Any product component substitution that might materially change the product or impact on the buyer's purchase decision should be disclosed	0.754			
PRF2: All extra costs and added features should be identified clearly in a facial care product	0.727	0.735	0.834	0.557
PRF3: A facial care product should offer me the full value that I expect from using it	0.734			
PRF4: The pricing of facial care products should not be unfair	0.786			
PRF5: The full price associated with any purchase of facial care products should be disclosed	0.737			
SC1: I think I have more self-confidence than most people of my age	0.809			
SC2: I will probably get a promotion at my job or in my studies in the near future	0.866	0.773	0.867	0.686
SC3: When I set my mind to achieve something, I usually can achieve it	0.808			

Variables: BI – Behavioral intention; CA – Consumer attitude; HC – Health consciousness; PBC – Perceived behavioral control; PF – Product fairness; PRF – Price fairness; SC – Self-confidence

Furthermore, in order to show that the scale items are more linked to their own respective constructs rather than other constructs, discriminant validity (Table 3) was estimated. It showed that the diagonal values (the square roots of respective AVEs) were more than 0.50, and that they were also greater than other values given in their respective columns and rows, as presented in Table 3. Afterwards, the effect size of endogenous constructs was calculated to show the strength of the overall model. The

effect size ranged from 0.032 to 0.243, showing the existence of up to medium effect, which is deemed statistically acceptable.

Thereafter, as suggested for PLS-based studies, the predictive relevance of the model was estimated, showing the overall prediction quality (Table 4) of the study model. All of the cross-validated redundancy values are ideally suggested to be greater than 0 (Fornell & Cha, 1994), which was also found in this study.

TABLE 3: Discriminant validity

Variable	BI	CA	HC	PBC	PF	PRF	SC
Behavioral intention	0.736						
Consumer attitude	0.387	0.713					
Health consciousness	0.329	0.300	0.782				
Perceived behavioral control	0.537	0.351	0.231	0.804			
Product fairness	0.174	0.278	0.220	0.310	0.776		
Price fairness	0.285	0.316	0.228	0.252	0.265	0.747	
Self-confidence	0.279	0.277	0.343	0.174	0.206	0.219	0.828

TABLE 4: Predictive quality of the model

Construct	R ²	Cross-Validated Communality	Cross-Validated Redundancy
Consumer attitude	0.141	0.509	0.071
Behavioral intention	0.371	0.542	0.188

TABLE 5: Direct hypothesis results

Hypothesis No.	Hypothesized Effect	Path coefficient	Standard Error	T-Value	P-Value	Decision
H1	Product fairness -> Consumer attitude	0.209	0.054	3.878	0.000	Supported
H2	Price fairness -> Consumer attitude	0.261	0.058	4.500	0.000	Supported
H3	Consumer attitude -> Behavioral intention	0.163	0.068	2.411	0.008	Supported
H4	Perceived behavioral control -> Behavioral intention	0.427	0.059	7.252	0.000	Supported

Afterwards, the global goodness of fit (GoF) of the overall PLS path model was calculated and found to be more diagnostic in nature and in line with Wetzels, Odekerken-Schröder and Van-Oppen (2009). The GoF was found to be 0.346, which is deemed to be large according to Wetzels *et al.* (2009). It allowed the researcher to achieve the inner model (structural model) used for conducting hypothesis tests. The direct hypotheses were tested using the bootstrapping technique with 500 resamples, and the results showed that all four direct hypotheses are supported, as shown in Table 5.

There were also moderation effects considered in this study, and as such, interaction effects were created for the self-confidence and health consciousness variables in SmartPLS; the two hypothesized effects were found not supported, as can be seen in Table 6.

Finally, in order to calculate the moderating effects of education, the whole data set was split into two groups: one for high education and one for low education, and the model was run using these two data sets, respectively. How-

ever, prior to running a multi-group analysis, in line with Hair, Babin, Black and Anderson (2010), measurement invariance was estimated, showing equivalent depiction of variables' performance when a model was estimated under different situations. Full invariance reflects a status wherein all individual item loadings of a variable are found to be invariant across both groups, whereas partial invariance of a variable reflects that at least two of its loadings are invariant across the groups (Hair *et al.*, 2010). For the variables of behavioral intention and perceived behavioral control in this research, partial invariance was achieved. Other variables achieved full invariance status. This ensured that loadings made equal representation across both groups – i.e. high, as well as low education groups – and allowed the researchers to move towards conducting multi-group analysis. Accordingly, bootstrap was run separately for the two groups with their respective sample sizes and data sets, and the information coming from these two models were further compared to ascertain whether there was any moderating effect or not, as shown in Table 7.

TABLE 6: Moderating hypotheses results (interaction effects)

Hypothesis No.	Hypothesized Effect	Path Coefficient	Standard Error	T-Value	P-Value	Decision
H5	CA * Self confidence -> BI	-1.029	0.640	1.608	0.109	Not Supported
H6	CA * Health consciousness -> BI	0.518	0.562	0.922	0.357	Not Supported

CA – Consumer attitude; BI – Behavioral intention

TABLE 7: Moderating hypothesis results (Multi-group analysis)

Hyp. No.	Hypothesis	High Education (n=189)			Low Education (n=174)			Moderation	
		Path coefficient	Standard Error	T-value	Path coefficient	Standard Error	T-value	P-value	Decision
H7a	Product fairness -> CA	0.261	0.072	3.621	0.110	0.141	0.784	0.165	Not Moderated
H7b	Price fairness -> CA	0.285	0.083	3.422	0.242	0.075	3.212	0.353	Not Moderated

5. FINDINGS

Hypothesis H1 was found to be supported; this shows that, when a product's features include adequate safety factors and prevention of all kinds of dishonesty, it directly impacts the formation of stronger consumer attitudes, which is similar to the findings of Shehryar and Hunt (2005), and Öberseder, Schlegelmilch and Gruber (2011). Afterwards, hypothesis H2 was also found to be supported. Keeping abreast of the claims of Khandelwal and Bajpai (2012), and Uusitalo and Oksanen (2004), this shows that resorting to a reasonable pricing strategy and abstinence from unfair pricing practices positively affect consumers' attitude formation. Hypothesis H3 was also supported, which is in uniformity with Shehryar and Hunt (2005), who reported observing stronger intentions towards firms that are ethical. Thus, this finding corroborated reports that consumers in Malaysia are well motivated to consider ethical aspects while planning to buy, which should further act as an alarm bell for the marketers. Thereafter, hypothesis H4 was found to be supported, showing that consumers' perceptions of difficulty or comfort in the consideration of ethical questions lead to the development of their respective levels of enthusiasm and motivation to buy from such firms, in consistency with Yoon (2011).

Furthermore, hypothesis H5 was not found to be supported. Contrary to the observations of Chiou (1998), and Hunt and Vitell (2006), this result indicates that consumers with greater or lesser optimism and stronger or weaker beliefs towards their capabilities tend to give similar importance to the consideration of firms' ethical marketing practices when planning to make purchases. Even though women's confidence level might show differing levels of positivity, this is possibly due to stronger family bonds which appeal them inherently to play it safe under all circumstances. Hypothesis H6 was not supported either. Unlike Chen (2011) and Ko, Lee, Kim and Burns (2010), this study shows that Malaysian consumers with differing levels of

health consciousness tend to exhibit similar patterns and levels of motivation and inclination to consider the ethicality of marketers. While women might have dissimilar indulgence and exposure to holistic health, fitness, nutrition, etc., they show similar tendencies to sidestep any kind of potential danger for their family members and avoid adventurism in buying, which can possibly arise from the quintessential nature of traditional societies and ways of upbringing in the same. Hypothesis 7a was not found to be supported: the lack of a moderating effect of education seems to indicate that consumers with differing levels of education are equally hopeful and cautious about expecting fairness from the firms, which is in accordance with the claims of Serwinek (1992). Finally, hypothesis 7b was also not found to be supported. Contrary to the observations of Boztepe (2012), these results show that, regardless of whether they have higher or lower education levels, consumers tend to form similar attitudes if firms exhibit fairness in pricing.

6. STUDY IMPLICATIONS AND LIMITATIONS

6.1. Theoretical implications

Ethical judgments have been deemed noteworthy in marketing in current times as they determine the fate of firms. Bolton, Warlop and Alba (2003) explained fairness as a judgment concerning an outcome or the route to achieve that outcome believed as reasonably acceptable. Although studies have reported that consumers do not seem to possess precise knowledge regarding the motives and ethics of firms (Carrigan & Attalla, 2001), the findings of this study conducted with urban female consumers indicate that consumers have now begun to take serious note of ethical issues and questions of fairness while buying products. This highlights a need to ensure coherent integration between firms' marketing activities and social expectations. In that regard, it is also useful to notice that the further consideration of ethical issues in marketing of late has assisted in the introduction of ethical

norms concerning the 4 Ps of marketing, which are expected to help marketers in conducting their activities properly (Batra & Klein, 2010; Constantinescu, 2011). Adherence to such ethical norms is reinforced by the findings of this study, which empirically shows that shoppers' willingness to buy largely depends on the ethical commitments of marketers.

6.2. Practical Implications

This study suggests that corporations need to be watchful in their marketing actions, as the perceptions and intentions of consumers are prominently affected by the ethical obligations and promises of companies. Marketers' greed can be profitable for the companies, but it would be more beneficial to them if they willingly self-complied with an appropriate ethical code in order to potentially enhance their brand equity and sustainability in the long run. Also, it is deemed worthwhile to recognize that Malaysian urban female consumers are keen to ponder the issues of fairness aspects while buying cosmetic products and that they appreciate getting value for their money. Therefore, it should be realized that there is a dire need for companies to maintain ethicality in their marketing practices when operating in developing economies.

6.3. Limitations

The first limitation of this study was the inclusion of only one demographic variable – i.e. education – in the model, which eventually did not exert a significant moderating impact. It would be useful to observe how this model would function if some other demographic variables were included as well. Secondly, the study was restricted to the facial care market, so it should not be used for establishing generalizations about the entire range of cosmetic products. The third limitation of this study consisted in its complete reliance on quantitative research design. A mixed method might have furnished

additional insight into ethical perspectives in developing economies.

7. CONCLUSIONS AND FUTURE RESEARCH

There have been few studies on marketing ethics in the context of developing economies. This research therefore has attempted to raise the issue of increasing consumer awareness about the ethical conduct of businesses. Furthermore, keeping the outcomes of this research in view, and as a contribution to the marketing ethics literature by resorting to using the theory of planned behavior, it is empirically concluded that attitude and beliefs of urban female shoppers are significantly affected by the issues of product and price fairness in Malaysia. This study seeks to support the claims of previous studies (e.g. Lämsä *et al.*, 2008; Öberseder *et al.*, 2011) which highlighted positive attitudes of consumers towards companies that thoroughly recognize their social and ethical accountabilities. It also provided evidence that, regardless of the lifestyle and education level of urban female shoppers, they remain similarly concerned with marketers' ethics. Moreover, while measuring the variables, this study took into consideration significant ethical issues from consumer marketing as presented in the marketing ethics continuum (Smith, 1995), which is a valuable contribution to the marketing literature. Finally, in terms of the directions of future research, we recommend conducting studies on the thoughtfulness of shoppers in the context of fakes and unfair practices in different research settings and locations, particularly in developing nations. We also suggest that researchers conduct ethics-centered studies using qualitative research methods in which data can be collected through in-depth interviews with marketing professionals, scholars, government officials, and consumers. This would be useful particularly in such settings in which the aforementioned field of knowledge is still in its inception stage.

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