

# Ethical branding in marketing



**ASSIGN  
BUSTER**

The area of business and marketing requires more research in ethics. In ethics all issues except branding has been much studied after an extensive literature research. Brands exist for well over a thousand years, but no one society has given such importance to branding ethics as witnessed today. Brands are prevalent in every aspect of life, food and clothing, production and consumption, personality and life style, even from pop culture to politics. Branding is nothing just adding value to products; branding promotes the lifestyles and it becomes the kind of culture. Brands have effects beyond the fields of advertising and marketing; and branding is considered as social and economic construct. Brands are studied from both marketing and financial perspectives. Social construct has been less focused owing to dearth of academic research in this area. Advertising is an important element of the marketing but branding is at the center of communication in marketing. Problem lies in branding strategy that impacts the advertising.

What is ethics in branding and how it affects the new trends in marketing?

The following points are correlated with our research area as:

- Business Intelligence
- Discrimination (Brand Equity)
- Social Responsibility

Brand is very confusing word with multiple meanings. An American Marketing Association has defined the brand: a term, a name, symbol or a combination of all of them, which is intended to identify the services of one seller or a large group of sellers making difference from other competitors (Kotler, 2003). Brand has also other meanings depending upon its role as its value with more importance. A brand is known as due to its present value

<https://assignbuster.com/ethical-branding-in-marketing/>

and its future prospects. Brand users and brand owners establish an emotional bond; that relationship turns into an icon. Not only companies but firms are known due to their brands and these brands become a synonym of the company's policy (de Chernatony and McDonald, 2003).

Branding is a key function in marketing and means much more than giving the product a name. At corporate level brand develops and manages the relationship between organization and stakeholders as well as public customers. Question arises that branding should be ethical or not? Its answer is obvious as most companies say yes. But it becomes difficult to find a universal agreement on what ethical branding is. Ethics refers to moral rules and principles for deciding what is wrong and right. It becomes difficult to distinguish between ethics and legality; ethical values vary between organization and individuals. It is also difficult to distinguish among the different cultures as these are changed over time. Ethics by itself is very complex topic. We are concerned with the marketing ethics that is subset of business ethics and business ethics is subset of ethics. Recent research on the marketing ethics is confined to general issues in marketing such as pricing, advertising and product safety. There are ethical issues in branding, being a subset of ethical marketing ethics relates to certain moral principles which define the right and wrong in branding decisions (Martin, 1985). A brand is not only evaluated by the financial or economic criteria but also by the moral ones. An ethical brand does not harm the public good and contributes to promote the public good.

With the progress of technology mostly products have become commodity and there exist very few differences between competing offers. The ultimate

aim of branding is to command a favorable position in mind of consumers distinct from competition. A good brand brings very beneficial results for its owner in terms of either higher sales or premium prices. The ultimate objectives of branding are as follows:

Increased customer loyalty (Increasing the switch cost)

Raising the entry barriers (to fend off potential threat)

Dominating the market (Reducing or eliminating the competition)

There may be nothing wrong if one brand succeeds in dominating the market, it is different matter if the brand aims at monopoly with active attempt to eliminate the competition. Same has been done when a record 497 million pounds fine by EU for anti-competitive behavior. Branding is evaluated from a moral point of view. In market moral issues are the real concerns for companies.

## **Business Intelligence**

Non-branding decisions at business or marketing level can affect the image of a brand, for example sweatshop accusation, labor disputes and animal testing etc. Little consideration is given to shape the business decisions which are made by people other than brand managers using financial criteria. When thing goes wrong at small or large scale the brand is blamed; hence brand image and corporation are always the victim. Brands are not responsible for the guilty of social and environmental damage, corporations are guilty and laws that permit the unethical practices are guilty (anonymous comment on brandchannel. com 29/10/2001). It is the corrupt top

management that decreases the brand image and reputation. Brands are swift targets in case of corporation's misbehavior. The brands are the real as well as vulnerable assets of the corporations. A brand reputation established with million pounds in many years can be damaged or even destroyed overnight.

Brand manager wants to create a single unique image of its brands which is considered as positive and consistent. Originally a brand contains multiple images intended versus perceived, positive to neutral to negative and external versus internal. Many people still believe that “ethics does not sell” and these concerns are outside of their responsibility as managers will continue to face the dilemma of cost versus conscience. Brand images are projected by product and corporate advertising by creating a gap between them. Brand communication aimed at one group may not be appreciated by another group of people. A brand with single image cannot appeal to everyone.

#### Discrimination (Brand Equity)

Brand managers are confined to product branding in the fast moving consumer goods sector. Brand models are related with two audiences as brand owner and brand consumers. Brand equity can be defined and calculated by its economic value in financial terms. Branding power lacks a number of elements. Basic two elements missing are legality and ethics which make the foundation of brand equity. Good brands are legally and ethically best one as brand value is assessed by both ethical and financial measures. Further more conventional brand models focus largely on the

product brands instead of corporate brands. Brands and branding have their impacts on the whole society and not on those people who buy them. Employers, shareholders, suppliers and wider community are affected by the branding decisions. A good brand creates benefits for its owners and emotional value for the users (Aaker, 1991; Kapferer, 1997 and Keller, 1997).

## **Social Responsibility**

Business ethics and corporate social responsibility (CSR) are the two different concepts but often used inter-exchangeable. This field is further complicated by use of many terms like corporate image, corporate citizenship and corporate reputation (Carroll, 1999). CSR is a social contract between business and society while business ethics require operating according to specified laws or moral philosophy (Robin and Reidenbach, 1987).

Corporate reputation is concerned with how people feel about that company's location, company activities, past performance and future prospects. Corporations are also responsible for arranging the community programs, supporting the social activities and attempting to improve the welfare of a society as a whole (Keller, 1998). A corporate brand deals with a wide range of audience than investors and consumers. Ethical branding and corporate reputation have close connection. Honesty, quality, respect, responsibility, accountability, diversity and integrity are attributes of ethical brand. An ethical branding enhances the firm's reputation at both corporate and product levels (cocacola. com).

Consumers are sophisticated and face more choices in marketplace and changes in lifestyle. People believe that ethical behavior is an important consideration, when customers decide to purchase the products and pay higher prices for that firm's product. Today society is more concerned about ethical issues in marketing as compared with 20 years ago. So in marketing the ethical branding is the key role player in the success of constant sale of goods for a long period.

The ethical branding requires the integrating faith and marketing education that develops the faithful implementation of God's word as revealed in Bible. Ethical branding seeks to practice justice, mercy and love. In marketing one must seriously think about their spiritual growth in their professional life. To integrate faith and learning is a first foundation stone and then is the knowledge of faith that involves the personal relationship with Christ. This knowledge of Christ either comes directly from Bible or through the interpretation of Bible texts. Bible focuses on the economic spirituality in an original way. Many people are not spiritual but they care about characters, morals and ethics.

Branding managers are educated to get knowledge about their practical lives in industry; and connect themselves with the Truth that has been already written in their hearts. Brand managers are invited to practice their Christian faith in their work. Therefore Ethical branding has very close connection to teaching of Bible as it reveals the brand equity in marketing.