

**THE ROLE OF THE ETHICAL BRAND AND ITS EFFECT
ON INDUSTRIAL BUYERS' RESPONSES**

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**FACULTY OF BUSINESS AND ACCOUNTANCY
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THE REQUIREMENTS FOR THE DEGREE OF
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**THE ROLE OF THE ETHICAL BRAND AND ITS EFFECT
ON INDUSTRIAL BUYERS’ RESPONSES**

Field of Study: **Marketing and Business Ethics**

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ABSTRACT

The main aim of the present study is to empirically test the ethical brand (EB) as a construct and to discuss about mediation impact – what is the most influencing result? Conceptually, the notion of the ethical brand has been established as a brand that considers responsibility toward its stakeholders. Definition the ethical brand is brand as a moral actor that is responsible toward social, economic and environment has the integrity to do the right thing and gives superior value to its stakeholders. The present study adds the concept of the ethical brand in a model to relate with company reputation and brand loyalty in order to provide a better model regarding industrial buyers' responses as in the past empirical evidence is limited. The model of this study has been developed and tested in a business-to-business perspective in the context of electronic office equipment in Malaysia. The antecedents of the ethical brand, which were the functional aspects (such as product quality, service quality, and price perception), affected the ethical brand (which is as a moral actor considering responsibility for its stakeholders) and furthermore, the consequences of this ethical brand such as company reputation and brand loyalty were tested. The study employed a survey method for collecting data. Quota sampling was used for data collection. The sample comprised of experienced managers of businesses buying electronic office equipment as the product selection in this study. This type of product was chosen due to the potential harmful affect the natural environment in instances of unethical conduct.

To identify what is the impact of the ethical brand in a business-to-business context (i.e. the investigation of relationships between antecedents) and its consequences, structural equation modeling using the two-step approach was performed. The present study has empirically found that the ethical brand is a construct that considers economic, social and environmental responsibilities, and has the impact in the model based upon industrial buyers' responses. The result also indicates that the ethical brand has significantly effect the model tested in a business-to-business context. Furthermore, when evaluating the consequences of the ethical brand as a whole, it was found that the indirect impacts were exist in the relationships between the antecedents and company reputation, subsequently brand loyalty (via the ethical brand), and also the direct impact was most significant in explaining such phenomena. The present study enhances this understanding by providing the empirical evidence in a business-to-business context of buying electronic office equipment. Furthermore, these findings indicate that brand value could be migrated to the ethical context of branding. The practical contribution of the study and its managerial implications can be seen in the context of defining strategy and positioning the ethical brand in a business-to-business perspective.

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