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The effect of business ethics on buying behaviour

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Bachelor of Business Administration

International Business and Logistics

Bachelors Thesis

May 2, 2013

Author Title	Emmi Seppänen The effect of business ethics on buying behaviour
Number of Pages	55
Degree	Bachelor of Business Administration
Degree Programme	International Business and Logistics
Specialisation option	International Business and Logistics
Instructor(s)	Daryl Chapman, Senior lecturer
<p>The purpose of the thesis was to find whether business ethics have an effect on buying behaviour. The topic was chosen after a school project on ethically produced clothing. Quantitative research method was chosen to get a larger picture of consumers' opinion. The research was conducted by electronic questionnaire. The main objectives were to be able to create a bigger picture of ethical consumerism and the current opinions of the topic.</p> <p>The thesis consists of three theoretical parts. The first part is the theory of business ethics, the second the theory of ethical consumerism and the last and third is about buying behaviour. Together these three theoretical parts will form the theoretical background for the study. The questionnaire was sent to Metropolia Business School, Finnish department.</p> <p>The results of the study showed that consumers would like to get more information more easily on ethical clothing. Majority of the respondents are not satisfied with the current availability of ethical clothing in Finland. With a better marketing majority of the respondents would prefer companies with good ethical values and be willing to pay little extra for ethically produced clothing.</p>	
Keywords	Business ethics, ethical consumerism, buying behaviour

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1 Introduction

Ethics as a study has been relevant and current in the business field for quite a while. It became the subject of growing social and political debate in the late 1980's. (Bruce Macfarlane) The significance of ethics has risen remarkably on the 21st century. Many writers, including Thomas Donaldson, the author of Ethics in Business- a new look, has observed that there are several key reasons why ethics and business ethics are vital and why they play such an important role in business. Some authors say that only companies which follow ethical grounds can develop their businesses in long run.

Business ethics and consumer buying behaviour caught my interest while doing a project for a school course on ethically produced clothing. The topic has also been brought up in the media during the last few years. The goal of this thesis is to examine whether the ethical matters of companies and their products affect and influence consumer buying behaviour. The hypothesis is that people are aware of ethics and purchase ethical clothing. As a result they support businesses providing the clothing.

1.1 Objectives and scope

The objectives of this thesis are based on the existing literature and other information sources as well as to the information received from questionnaires. The objective is to become more familiar and understand more of the theory of business ethics, ethical consumerism and consumer buying behaviour. The goal is to study the theory to be able to use it to survey whether companies' business ethics affect the buying behaviour of Metropolia Business school students and staff. The aim is also to examine whether people are willing to pay extra for ethically produced garments and is there a need for more. Similar studies have been done, for example in 2006 Manchester Metropolitan University conducted a research where ethical fashion consumption and buying behaviour were studied in United Kingdom and Germany.

In terms of scope, the research consists of three parts. Introduction to the theories of business ethics, ethical shopping and consumer buying behaviour form the first and theoretical part of the thesis. The second part consist of the research findings and the third and last of the results and analysis. Any limitations of the research, have to do with the validity of the data sources of the secondary research, which includes published books, articles and online sources. The validity of the primary research was also concerning, due to its limited demographic and number of responses. However the main limitation and difficulty was to find the relevant information for these topics, among the wide range of literature. Also due to the fact that some secondary sources were published numerous years ago, might have led to problems in the timeline of the publications and the research.

1.2 Research method

As stated previously, the aim of the thesis is to introduce business ethics and consumer buying behaviour, examine the effects of ethics on buying behavior and analyse and discuss the results.

The research method chosen for the thesis is quantitative. In quantitative research the main conclusions are from previous studies, previous theories, as well as from the definition of terms. (Unofficial translation, Hirsjärvi, Remes & Sajavaara, 2006: 131) In order to be able to have reliable sample and represent majority of people, sample sizes are quite a lot bigger than in qualitative research. (Glenn 2010: 95-97) Secondary sources used during the research are literature and articles. The secondary sources were found from library, school library, online libraries and from other online sources. These sources were used in order to create a thorough understanding of the background and research topic. An additional study with articles, news and other online sources were used later on to support the literature theory of the topic. Somewhere round this step the picture got clearer and conclusions were drawn. The secondary research was followed by the primary research, which did provide information and examples and opinions from Metropolia business students and staff.

The research method used for data collection in the primary research was an electronic questionnaire done by Elomake program via email. The data was collected between 27th of February to 17th of March. (Appendix 1) The questionnaire was send to 940 students and member of staff of Metropolia Business School, Finnish department with a cover letter. (Appendix 2) The data obtained from the electronic questionnaire was analyzed and conclusions were made from it.

2 Business Ethics

2.1 Ethics and Business ethics

Ethics (*ethos* in Greek) is the discipline that examines your moral standards or the moral standards of the society. (Velasquez 2011: 13) Ethics (or moral philosophy) deals with individual character and the moral rules that govern and limit our conduct. It investigates questions of right and wrong, duty and obligation, and moral responsibility. (Shaw & Barry 2010: 7)

Business ethics (BE) is a specialized study which constitutes of moral right and wrong, good or bad, that focuses on business institutions, organizations and activities. Business ethics is seen as something which concentrates on the moral standards as well as the moral and ethical problems which may arise in business environment (Boatright). Such moral standards apply in the business policies, institutions as well as in behaviour. This means that business ethics is a form of applied ethics or professional ethics. Business ethics can also be defined as written or unwritten codes of principles and values that have been decided within a company. In most basic terms, business ethics is seen as knowing the difference between right and wrong, good and bad and finally choosing the one which is right and good to do in business life.

Often business ethics is divided into three different kinds of issues; society or systemic, corporate as well as the individual issues. Society issues are seen in business ethics as issues which are ethical questions on for example, economic, political, and legal or in other social systems in which the organizations work. Such questions could be for example, whether environmental legislation has been arranged so that the environment responsibly in respect of other companies have a better chance to succeed, or whether environmental obligations under ignoring success of your business is more profitable? Corporate issues in business ethics, ethical questions are raised especially about the company itself, such as conservation of the environment, treatment of the staff, work safety and so on. For example in American business world, many companies have adopted codes of ethics to guide their activities and decision-making, whereas Finnish companies have defined it as 'corporate values'. The individual issues in business ethics

are ethical questions raised on a particular individual in a company or particular individuals within a company and their behaviours and decisions. (Velasquez 2011: 15) Such questions could be how an individual can take the principles they consider ethically correct course of their work? Or do the ethics individuals follow at work differ from their own personal ethics? (Kopperi)

2.1 Main topics and approaches of business ethics

Business ethics include various topics and themes. As mentioned previously, there are three main issues, society, corporate and individual. All of these three issues have several topics or issues in it. The main topics of business ethics may also vary a lot depending of the company, individual as well as the society. Furthermore different cultures see some issues differently than others. After searching for information about business ethics itself and what do we mean by it, it is clear that there are various visions about ethics. For example, one main part of business ethics is the code of conduct. In some cultures codes and regulations are seen more important and more strictly to be followed than in others. Also the atmosphere and the size of the company impacts quite highly on the way of rules are obeyed. Whether it is a multinational corporation or small a company of two, breaking the rules has most likely different consequences.

The code of conduct is something which is supposed to be widely known by all the members of the organization, and so followed by all. The code of conduct is seen as one topic of business ethics, furthermore there are several other topics. Such topics are: benchmarking, capacity building, code provisions, compliance, conflict of interest, corruption, courage, credo, empathy, ethical dilemmas, good faith, governance, in-house reporting system, integrity, maxims, moral, ombudsman, patience, sustainability, transparency, values and whistle-blower. These are a few focus points of business ethics, which need to be considered when discussing about business ethics.

The benchmarking, is seen as the process of comparing one's ethics climate with previously established 'best practices' climate. It is an important part of ethics, and wrong-

ly done could be harmful. With capacity building we mean the development of organization's skills and capabilities, such as leadership, management and finance. Capacity building is mitigated through the provision of technical support activities, such as coaching and training. Conflict of interest is quite an important part of business ethics. Conflict of interest happens when an individual or organization is involved in multiple tasks, one of which could possibly corrupt the motivation of another. Moving from corrupting the motivation of another we come to corruption. Corruption is still a serious problem in some societies as well as in some companies (Ethics Resource Center.)

Usually a good thing to have, courage is not always ethically correct. Courage is seen as choosing to do something what one believes is right, even though the result of it may not please everyone. Ethical dilemmas are also a part of business ethics. Ethical dilemmas are situations which require ethical judgment calls. In many cases there is more than one correct answer and no win-win solutions. An in-house reporting system is any system established by an organization to set standards of cogent program to prevent and detect violations. Morals are a sense of behavioural conduct that differentiates intents, decisions, and actions between those that are right or wrong, or good or bad. Ombudsman is a designated neutral practitioner whose paramount function is to provide privileged and informal assistance to managers and employees (Ethics Resource Center). Even though ombudsman is a neutral person, and topic of business ethics, problems and ethical dilemmas may occur. Sustainability is mainly referring to a state or condition that can be maintained limitless period of time. For example, sustainability is to make sure that needs are being fulfilled so that no future abilities are been sacrificed. Values are the core beliefs we have concerning to what is right and fair in terms of our behaviour and interactions with others. A whistle-blower is someone who takes a concern of certain things, such as safety or financial fraud outside the organizations (Ethics Resource Center).

What comes to business ethics approaches, there are different ones in different types of fields. For example, according to Poznak Law firm, a utilitarian approach focuses on taking the action that will result in the greatest good for the greatest number of people where as the moral rights approach concerns itself with moral principles, regardless of the consequences. Other sources say that business ethics approaches can be divided

into three different approaches, such as the human-oriented approach, the living oriented approach and the environment oriented approach (Yukselen). There are several other approaches to business ethics, such as a Marxists approach, a holistic approach, an Islamic approach and so on. There is no right or wrong approach to business ethics, or is there? All These approaches have different perspectives, and some include more righteous features than other, however that is only our personal opinion. It may not be an ethically correct opinion.

2.3 Stakeholder consideration

Several stakeholders are part of corporations and their activities. Such stakeholders are customers, personnel, partners and suppliers, society and owners and shareholders. Könnölä & Rinne states that companies should include its ethical policies and responsibilities to its core business. In order to be able to achieve the responsible business reputation requires consistency of business operations. With this, Könnölä & Rinne means, that all aspects of ethical responsibility should be recognized, especially in the core business of the company. For instance, importer who is sure of its subcontractor's ethical operations and the origins of the products, the importer is well prepared to react in case of any negative contact arises from stakeholders direction.

The nature and the industry of a company mainly affect the themes of the emphasized corporate responsibility. For example the industrial and commercial sectors in Finland have had to paid attention to environmental issues whilst the financing and service sectors have highlighted the importance of fair advertising. In the following chapters, the role of major participant and functions of business has been examined. (Unofficial translation, Könnölä & Rinne 2001: 67-68)

Customers

Customers are the most important group of stakeholders for a success of a company, due to the fact that without customers there would not be any other stakeholder groups either. Companies are expected to be customer-oriented, to know their cus-

tomers values and needs and remember to satisfy and respond to them. If the ethical values of a company and customer varies a lot, will the customer most likely change the company. Nowadays many other facts among the price influence the buying behaviour. The meanings of ethics and environmental issues have increased their importance in the buying process. It is also important to remember not to underestimate customer's rights as consumers. (Unofficial translation, Könnölä & Rinne 2001:82)

Personnel

After customers the personnel are among the customer the most important resource and thrive. No company can be productive without having motivated and committed staff. For the staff it is important to have consistent values followed by the employees and the board. Also more importance has been put on work well-being and coping at work. Especially in multicultural companies the cultural differences and needs need to be considered in the human resource department. While operating in foreign cultures the management should be based on the local cultures conditions and culture. For instance companies have paid attention to health problems in developing countries and so helped the local personnel's well-being. (Unofficial translation, Aaltonen & Junkkari 2000: 255–256; Könnölä & Rinne 2001: 72–73.)

Owners and Shareholders

Shareholders and owners affect to the company by their given capital. For this stakeholder group the most important is the investment return. It is good to remember that the expectations in terms of return may vary among the shareholders. Some may expect to get return in short run where as others may be ready to invest in long run. Socially responsible investment has also become more relevant, where the focus is also put into environmental expertise and to social responsibility. Ethical investment limits the investment only to ethically accepted targets and financial perspectives are secondary. (Unofficial translation, Aaltonen & Junkkari 2000: 257–259; Könnölä & Rinne 2001: 92–93.)

Partners and Suppliers

In order to act ethically company has to know its partners and suppliers. Especially large corporations may have rather long supply chain, so it may be difficult to define what happens in each and every step in the process. What makes it even more difficult is that in many cases the supply chains weakest links are tempted to hide any mistakes and problems. The most important way to avoid such problems is to have an open flow of information and trust among the partners and suppliers. The information flow has to be two-way path of communication. The best way to achieve responsible cooperation is to include the stakeholders to decision making processes. In such cases both parties are ready to commit to the company's activities. (Unofficial translation, Aaltonen & Junkkari 2000: 260; Könnölä & Rinne 2001: 54-55, 81.)

Society

Every company should be a good corporate citizenship. In order to be able to act in society, it also has to be beneficial to the society. Mutually the society provides settings for the company's operations. On society's view, company's basic tasks are paying taxes and providing jobs. Among these tasks, it is important that companies follow existing laws and especially in developing countries participate in different development projects. Such development project could be the prerequisite to get professional employees. These social activities have positive effects also on company's reputation. (Unofficial translation, Aaltonen & Junkkari 2000: 265; Könnölä & Rinne 2001: 87.)

3 Ethical Consumerism

Ethical shopping and consumerism in general is about taking responsibility for your day-to-day impact upon the world (Clark, 2004: 7) Carolyn Strong states in her investigations that ethical consumerism refers to buyer behaviour which reflects a concern with the problems of the Third World, where manufacturers are paid low wages and live in poor conditions only to produce cheap products for western consumers and profits of multinational companies. Ethical consumers purchase products produced in Third World countries, by a people paid a fair salary, working in good conditions and who actually benefit from the made profits. (Strong, 1996:5)

There are several arguments for ethical shopping and consumerism. However the biggest nowadays, more than ever, the products we purchase and consume connects us to huge variety of social, economic, political and environmental issues. Many say that existing ethical and fair-trade labels are only consumer driven, which shows that ethical consumers have influenced all kind of thinkers.(Clark 2004: 4-5) Defining ethical fashion is quite hard, due to the lack of existing industry standard. Ethical fashion shares many common characteristics with fair trade and ecology and green fashion. With the term ethical fashion we mean the new approach of fashion with sense of right and wrong or conscience. Ethical fashion is a growing market in western countries, just in Finland the growth of ethical and environmental fashion stores has more than doubled since 2008. (Lappalainen,2011) Ethical consumerism and fashion has increased its visibility in the media in the last years. For example YleAreena, the online TV of YLE, has a document of ethical fashion which aired on 1st of May. In the documentary ethical consumerism and ethical fashion are being discussed by Vihreät Vaatteet blogger Anniina Nurmi.

3.1 Five ethical approaches

There are several general approaches to ethical shopping, such as fair-trade, boycotts and simply buying less. In this chapter we will take a closer look to five most important approaches. The first approach is fair-trade. There are various terms to describe fair-

trade, such as fair is sometimes replaced with alternative, responsible or ethical. Some organizations like to refer it to community trade, to highlight how their proposal aspires to support local communities. Also different levels of formality are related to fair-trade, from officially certified products with the Fairtrade mark all the way to uncertified goods whose ethical qualifications are mostly based on trust. (Clark 2004: 15-16) All these share the same basic idea, to improve the livelihoods of poor and marginalized workers in the developing countries, this meaning paying the producers more money for their goods and work. Fair-trade also aspires to empower producers and encourage forming democratically run co-operations. (Clark 2004:16) The fair-trade concept has been around much longer than the trade mark and certification system Fairtrade. The Fairtrade emerged in 1980's in Holland in response to collapsed international coffee prices. Fairtrade has internationally agreed standards and the supply chain has also been reviewed to make sure that rules are been followed. These standards are designed to address the imbalance of power in trading relationships, unstable markets and the injustices of conventional trade. (Fairtrade [www-page](#)) It is important to remember that Fairtrade is not a brand or company, it is certification system. (Clark 2004:19)

The second approach is boycotts. It is nothing new to refuse to do business with a particular person, business or country. Boycotts really took off in the 70's and 80's with calls for consumers to dodge companies doing business in apartheid South Africa and Nestlé for its irresponsible baby milk promotions in the third world. (Clark 2004:27-28) nowadays boycotts are probably the most broadly understood approach to ethical consumerism, these are not just aimed to certain countries or companies but also to certain products. It is hard to measure accurately the value of goods boycotted on ethical basis, but only by UK shoppers the amount is around two to three billion pounds per year. (Clark 2004: 28) Boycotts do still happen and are actually quite powerful tool for a change, if enough people would boycott a certain product or company. All this is in theory, and in practise it is quite difficult to measure their effectiveness. For example there have been quite active campaigns to avoid Esso petrol or Nestlé and their milk formulas, but no change in their sales has shown. In the Nestlé case even the Church of England started sponsoring avoiding Nestlé, yet nothing really happened. It is important to remember that boycotts are usually a part of a bigger and wider campaign.

They are a good way to bring issues to public's knowledge and awareness, yet they could be more effective. (Clark 2004: 28-34)

The third approach of ethical shopping is selective shopping. With the selective shopping is meant to shop in the chosen shop and choose a certain brand. The vast majority of our purchasing is done in high-street shops and brands. The question arises, should we make ethical discriminations between high-street names, such as Nike and Adidas or K-Citymarket and Prisma? It is almost impossible to avoid high-street shops, so why not to choose the most responsible one. Whether this kind of picking or a certain store or brand really makes a difference is quite hard to measure exactly. The irony of selective shopping is that most likely a bigger change would happen by confronting a manager rather than avoiding the store itself. (Clark 2004: 36-39) The fourth approach buy less, is aggravate to said to save the planet. Supporting ethical brands or products is all good, we do face a fundamental issue that western consume way too much. Firstly there is only so much goods in world, so buying more must affect the availability of the product somewhere else. Secondly our consumption habits are unsustainable. Perhaps the biggest argument to support buying less is what our consumption habits do to the world. Climate change and rainforest clearance are just some examples. (Clark 2004:40-46) The fifth and last approach is to buy local and it is often thought to be the core principle of ethical shopping. Buying locally is more eco-friendly than buying globally. The main reason is simple, less transport fuel is spend when buying locally. Buying locally would especially give its benefits in food industry, when you would be guaranteed to get your food fresh. (Clark 2004: 46-50)

3.2 Should we buy from

One of the most argued issues in ethical shopping is whether buying goods from poor countries is good or bad for the people in those countries. (Clark) Most of us have heard of sweatshop labour in Far Eastern garment factories or the appropriation of water and land for growing cash crops in Africa. It is mostly a matter whether buying

goods produced in poor countries sums to the misuse of poverty or the provision of an opportunity out of poverty. (Clark 2004: 52)

Most likely only few people would deny that labour conditions in poor countries are normally very low criticized by our western standards. Some of the issues are broadly discussed, such as the working hours, received wages in sweatshop styled export factories and farms in Asia, Latin America and Africa. (Clark 2004: 52) Some investigated reports have shown that manufacturers in Asia and Latin America have demanded incredible working hours, up to 120 hours per week or more. In many cases up to half of the worked hours as unpaid overtime, while the official worked hour may only pay as little as 20 cents. (Clark 2004: 52) The sweatshop problem may include wages deductions for making mistakes; job security is quite rare wonder, not to forget the health and safety aspects. As huge number as two million workers die every year due to occupational accidents or illnesses. (Clark 2004:53, UN) In clothing industry many are injured my machines or fires. Another big problem in clothing and shoe factories are exposure to toxic glues. Also verbal and physical abuse is largely reported. However the most substantial of all, is the fact that collective bargaining for better conditions and terms through unions is quite often impossible. (Clark)

Sweatshops have been associated for a long time with garment factories. There are numerous reasons why clothing manufacturing is been linked with labour abuse. One of the reasons is the low infrastructure costs of establishing a clothing factory and the training needed is minimal. Due to this middleman can afford to start factories and compete in the industry. In the era of globalization, garment sector was one of the first to move to developing countries. The reason is simple, clothes are big business, and the major production cost is labour. In many peoples opinion is that child labour is the biggest problem, even though arguably this problem is somewhat overstated. In many cases child workers are much more common in less-discussed areas, such as silk production. (Clark 2004: 190-202)

Generally in case of bigger, more visible and more strongly brand-name a company is, the more it is disliked by those who claim to be ethical shoppers or consumer activists. (Clark 2004:62) Naomi Klein made a case in her bestseller No Logo that big companies

are getting bigger and their focus is shifting away from real world activities. She has profoundly criticized Nike and Gap. This is only one opinion, and luckily in many cases big brands and retailers do generally have more ethically developed policies than the ones producing no-name goods. A fact is that these policies only go so far, and arguably the aggressive buying practices, lobbying and political donations replace the good they have done with their moral ethics. (Clark 2004: 71)

Oppressive regimes also wonder whether to trade or not with them. As mentioned in the five approaches, boycotting a special country has existed since apartheid in South Africa. One part of ethical shopping is to avoid products and services coming from oppressive governments. It is quite transparent that governments always benefit from their exports, and while we buy products from such regimes we may be supporting their unfair practices. Boycotting a country has also positive and negative sides. To begin with it is hard to say which country to boycott, since no single measure exists. Boycotting may also be counterproductive for the country. When harming the government, most likely it will harm the population as well. In many cases oppressive countries are poor and have unequal distribution of wealth. In such cases avoiding their products would most likely influence agricultural workers and factories. However as global trade is transparent and encourages to good communication, the negative short term effect of boycotting could shift to positive in the long term. After all this all depends of the special regime and its circumstances. (Clark) Political donors are also something to consider when buying ethically. For example in the US campaign contributions are enormous and these political contributions have more influence on the world than anything else. (Clark 2004: 79)

3.3 Eco-labels and certificates in Clothing

In order to be sure that the clothing is actually ethical and ecological it is good to have a certificate given by a third party. As the globalisation of clothing industry has grown, certifications importance has also increased. As we cannot follow the production closely, with the help of certification organisations we are able to trust that the production really is ethical and ecological, also in the other side of the world. (Unofficial translation, Vihreät vaatteet)

Here are listed some of the most common certificates to recognise ecological and/ or ethical product according to Vihreät Vaatteet:



GOTS

GOTS is wide ecological and ethical certificate for textiles, which cover the entire production process from naturally grown raw-materials to entire production chain to the final product. GOTS pays attention to also humans and animal well-being. Only naturally grown natural fibers (minimum 95%) can receive the GOTS-certification.



Swan eco-label (Joutsenmerkki)

The swan label ensures that the entire production process fulfills the requirements of environmentally friendliness, health effects, ethicality and quality. In order to receive the swan label, the product can be made of natural fibers, synthetic or leather.



Textile Exchange

American Organic Exchange switched its name to Textile Exchange in the end of 2010. This new Textile Exchange covers wider material selections than Organic Exchange did, besides organic material it also has other natural fibers and also recycled materials. In additions to material, Textile Exchange has criteria's related to environmental friendliness such as environmental emissions and energy consumption.



Global Recycle Standard

The Global Recycling Standards tells you how much recycled materials were used in the product. The label also includes other ecological and ethical criteria of production. Global Recycling Standard is maintained by Textile Exchange.



Fairtrade

Fairtrade certificate supports smallholders and employees of large farms situation in developing countries. The farmers are paid the minimum of Fairtrade guaranteed price, in order to cover the production costs of sustainable production and in addition a Fairtrade bonus which is meant to improve the living conditions of local communities. The employees of larger farms must have good working conditions, at least the minimum wage set by the law and the right to join trade unions. The trade relations are set to be long, which enables to develop the production in the long run.

The farmers must also fulfill the set criteria by FLO (Fairtrade Labeling Organizations International). In the field of cotton, FLO has certified the production done on fields, but also the companies involved in the clothing's production chain must show that they are at least following agreements set by ILO (International labor organization) and laws by the production country.

The Fairtrade cotton focuses on the ethicality of the production but also to environmental criteria related to production.



Fair Wear Foundation (FWF) is international organization, which works in cooperation with companies in order to improve the working conditions in clothing industry. FWF monitors production conditions through the entire production process.

SA8000

The meaning of SA 8000- standard is to improve working conditions world widely. The requirements of standards are based ILO and United Nations (UN) statements on human rights and child labor. (Könnölä & Rinne 2001:75) The following figure displays the different areas of SA8000 certifications.

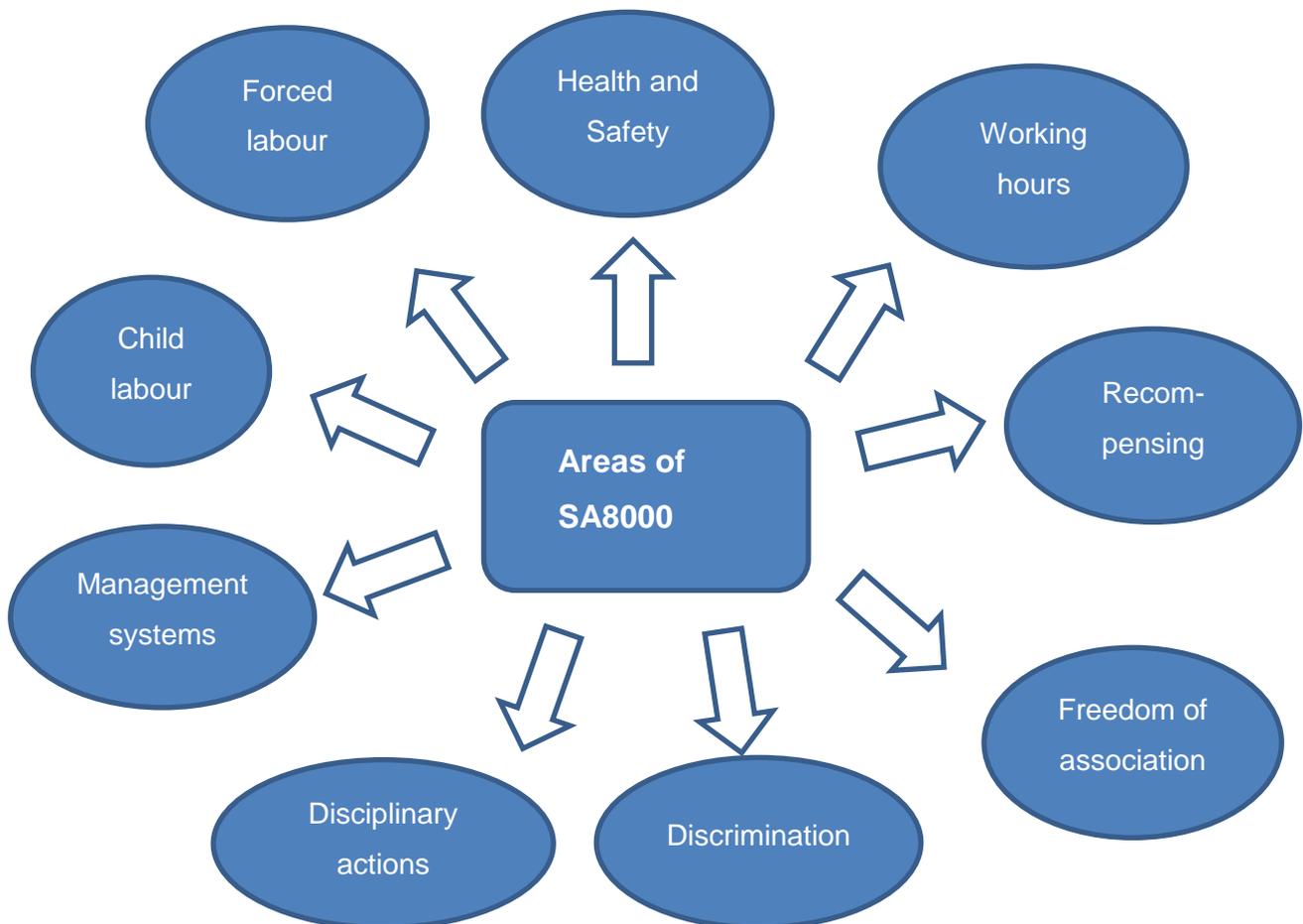


Figure 1. Areas of SA 8000 standard (Unofficial translation, Könnölä & Rinne 2001:76)

4 Buying Behaviour

The consumer is the focus of all retail decisions. (Cox & Brittain 1996:58). Therefore it is very important to respect how buying decisions are made by consumers. How consumers come to the decision on which product to purchase, the brand, and at which shop to choose from? What are the factors influencing on these selections?

4.1 Types of buying decision behaviour

Making a consumer decision varies with the type of buying decision. (Kotler 2008, 261) Consumer buying behaviour varies highly whether you are buying toothpaste, a hockey stick or a new motorcycle or house. The more complex the decision is, the more it usually requires buying participants and buyer discussion. (Kotler 2008, 261) The figure shows the different buying behaviour types based on the level of involvement and extent of the brand differences.

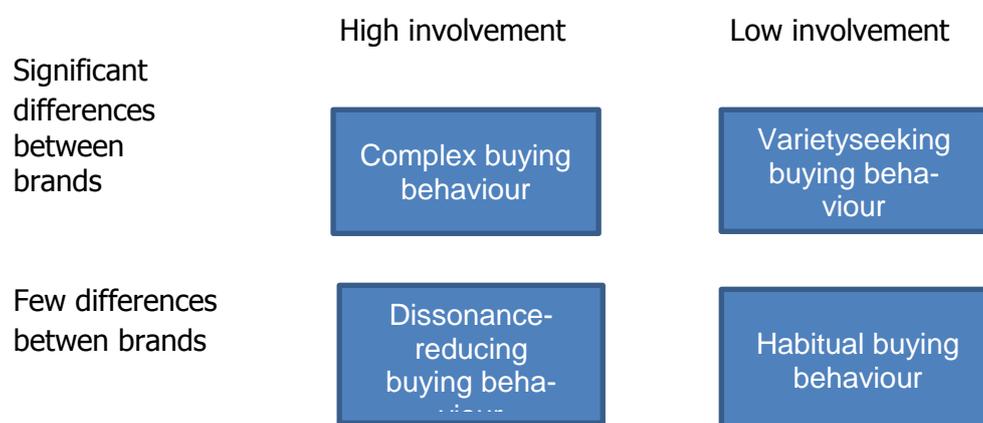


Figure 2. Four types of buying behaviour (Kotler 2008: 262)

These four types of buying behaviour differ from each other. Starting from the first type, complex buying behaviour is often undertaken. As the figure above shows, complex buying behaviour appears in situations where there is high consumer involvement and significant differences between brands. For example a PC buyer may not know the

different attributes in PC versus Mac. The buyer will go through a learning process consisting of the product belief, attitudes and coming to a decision. (Kotler 2008: 263) Dissonance-reducing buying behaviour appears in situations typified by high involvement but few perceived differences between brands. (Kotler 2008: 263) Such a type occurs when the buyer is greatly implicated with a costly, rare or uncertain purchase, but sees only little dissimilarity between brands. For example, a consumer buying parquet could face a high involvement decision, due to the expensiveness and self-expressiveness of the product. Most likely buyers believe that most parquets in a given price range are quite similar to each other. In such case the brand differences are not huge, consumers could shop around to learn what other options there are, but still purchase quite rapidly. (Kotler 2008: 263) Customers may primarily take action towards affordable price or purchase handiness. After sales discomfort is something customers might feel after a purchase, if any disadvantages arise of the purchased product or brand. In such cases marketers post-sales communications should offer support for customers and make them feel excellent of their brand choice.

Habitual buying behaviour takes place under conditions of low consumer involvement and few significant brand differences. This type of buying behaviour appears most frequently on regularly purchased low-cost products. Such a product could be for example pepper. Customers have little involvement in these types of product categories; they often just go to the store and reach for a brand. If they reach for the same brand, it is often just a habit rather than being brand loyal. (Kotler 2008: 263) The fourth and final buying behaviour type is variety-seeking buying behaviour. This type exists when low consumer involvement but significant perceived brand differences appear. (Kotler 2008: 264) In this type of buying behaviour a lot of brand changing is made by consumers. The brand switching occurs due to brand boredom or simply based on a desire to try something else. It usually is not related to dissatisfaction with a certain brand, but rather of variety. In order to allure customer, companies will persuade variety seeking customers by offering lower prices, better deals, samples or coupons. (Kotler 2008: 265)

4.2 The buying process

The buying process is essentially a decision process designed to provide solutions to problems. (Cox & Brittain, 1996: 58). The process is divided into five different stages: felt of need/ want, pre-purchase activity, purchase decision, user behaviour and post-purchase feelings.

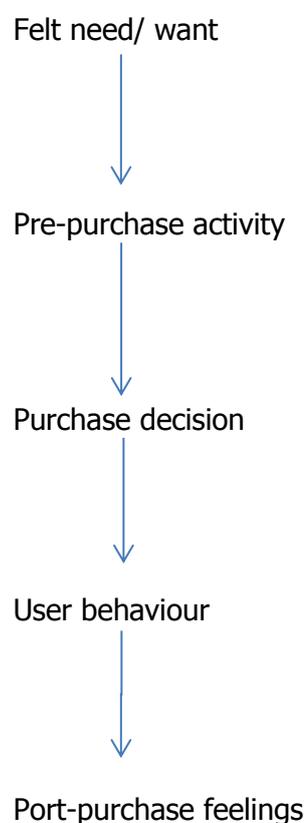


Figure 3. Stages of the buying process

Tutor2u has defined the buying process beginning with recognition the need. In this first stage the buyer recognizes the need or a problem (I am thirsty, I need a jacket) or responds to market stimulus (for example passing by McDonalds and attracting by the aroma of hamburgers). (Tutor2u www-page. 2013; Riley, J. 2012) Such a feeling or need can be described as a problem and solutions are sought to such problem. According to Philip Kotler the need can be triggered by either an internal or an external

stimulus. (Kotler 2008: 266) The internal stimulus is defined as one of the normal needs, such as hunger or thirst whereas the Kotler's external stimuli corresponds with the Tutor2u pages market stimulus. Kotler has named these two stimuli as internal and external, whereas other sources have named them differently. People are most alert of visual stimulus, however the smell stimulus is increasing its importance according to some psychologist. (Kotler 2008: 266)

The second stage, pre-purchase activity, is a stage where gathering information and processing it allows the consumer to move towards a purchase decision. (Cox & Brittain 1996: 59) Kotler designates the second phase to information search and adds one phase to the process. The added phase is evaluation of alternatives. Cox & Brittain divides pre-purchase activity into four sections. Firstly the consumers become aware of products or services that fulfil their demand. Secondly the interest towards the product or service has generated and becomes more intense when more information is gathered. This all results in desiring to obtain the product and ends with action, deciding the purchase. (Cox & Brittain 1996: 59) In some cases consumers may want to search for more information before purchase. If the drive is strong and a satisfying product is easy to get, the customer is expected to purchase it, whereas if it is strong not, a consumer may store the need into memory or commence information search. (Kotler 2008: 266) Such information could be searched from different sources such as: personal sources which include family, friends and neighbours, commercial sources such as advertising, salespeople and the Internet. Public sources are mass media and consumer-rating organisations and exceptional sources include handling, examining and using the product. (Kotler 2008: 266) Evaluation of alternatives is the stage where a consumer uses the existing information and knowledge to appraise other brands in the choice set. (Kotler 2008: 267) Kotler has divided the evaluation process into five different basic concepts. Firstly not all consumers are trying to satisfy a need or looking for specific benefits which could be obtained by buying a product or service. (Kotler 2008: 269) Secondly each customer has their own salient attributes and degrees of importance. Different products have different attributes, whereas different consumers will be keen to different qualities and features. Thirdly all customers have their own brand beliefs and images. Some brand attributes allure some consumers more than other. The fourth concept is that all consumers are assumed to have useful function to

all of the different attributes of the product. The fifth and last concept is an assumption that a consumer approaches different brands through an evaluation procedure. In many cases one or more evaluation procedures have been used, depending of the buying decision. (Kotler et al 2008: 269)

The third stage, purchase decision does not only consist of one decision but bundle of them, and any one of them could result in a change of mind. (Cox & Brittain 1996: 60) Consumer may have come to decision of the product, brand and store, but by the time of purchase the opinion might have changed. Kotler states that attitudes of others may affect consumers purchase decision. Another factor influencing on purchase decision based on Kotler is unexpected situational factors, such as expected family income, expected price or expected benefits of the product. Such factors may arise relevant in case of purchasing more expensive and riskier items. In most cases the purchase transaction is the most important step, as it gives the last impression of the purchase situation. Whether you got good service, ease of purchase, lack of queues, etc. All these factors influence the purchase decision, and lack of them could be a loss of sale or even cause a permanent loss of customer ship. (Cox & Brittain 1996: 60) Customers rarely purchase a product for its own sake but for its ability to fulfil a need. For example people rarely buy a new smart phone just because you can phone with it, but because with it you can do lot more. As in the other stages, and also in this, the satisfactions of customers' needs are the most important. There is no faster way to spread a bad word of a company or seller than from customer to another. (Cox & Brittain 1996: 60)

The last stage of buying process is the post-purchase feelings or postpurchase behaviour as Kotler calls it. Dissatisfaction with a product may occur either of genuinely disappointing performance or due to psychological factors. (Cox & Brittain 1996: 61) Psychological factors are such the tension of wondering whether the purchased product was the correct one among all the other attractive items. Almost every major purchases result in cognitive dissonance, discomfort caused by post-purchase conflict. (Kotler et al 2008: 271) Sometimes there may not even be anything wrong with the product but due to the contrary information by friends and family may cause buyer to return the product and require a refund. (Cox & Brittain 1996: 61) Many companies have now

a day's voluntary return policies for their products, to satisfy customers. Knowing there is a possibility of return and refund often facilitates consumers purchase decision. Also providing customers extended guarantee times gives customers certainty. Offering information of number of other satisfied customers or the popularity of the product also reassurances the customer. For example, 'The No.1 Best Seller', 'Brand leader' or 'Award winner 2013'. As said, the bad word of mouth travels much faster than good word of mouth. It is important to remember that post-purchase feelings are not only relevant to post-purchase satisfaction. (Cox & Brittain 1996: 61) These post-purchase feelings are also important due to the possible loss of sale, if the customer is afraid of making a wrong decision.

4.3 The buying participants

The buying process includes many factors which influence consumer buying behaviour in a specific buying situation. (Cox & Brittain) Such possible roles in the buying process are considered as the buying participants. Some sources indentifies four different buying participants where as others recognize five different roles. These roles are influencers, deciders, the buyer and the users. In case of identification of five roles, the fifth one is gatekeepers. Influencers are the people who encourage, inform or persuade in the stages of buying process. Such persons could for example be a celebrity promoting ethical clothing, which would influence on your buying process. Clearly the actual purchase decision maker is the prime target of promotions. These are known as the deciders. In many cases the purchase decision is made in groups instead of by individuals. For example the decision making unit (DMU) for a family house most likely will be the entire family, whereas the DMU for a piece of clothing is mainly just one individual. When talking of buyers, the DMU is emphasized when the buyer is seen as an individual who makes the purchase (Cox & Brittain) For example a twelve year old has some say on the clothing he/ she wants to wear, but do they really have a significant say on what they want to buy? The buying decision is made by the parents, even though we could see the 12year old as the buyer and the one making the purchase.

The final buying participant is the user. In some cases the user may have had no role in choosing the product, brand or its ethics. Sometimes the user might be dissatisfied with the product and will avoid making purchasing in that specific store or among the certain brand again. For a retailers defining the customer can be quite challenging, is it the decider, the buyer or user. As mentioned, in some sources as Cant, Strydom, Jooste and du Plessis state in their book of marketing management, that the fifth participants are the gatekeepers. Gatekeepers mainly appear in the business field of buying behaviour, as in the individuals who control the flow of information from one to another. For example, they could control the contact among deciders and influencer or users and the buyer.

4.4 Factors influencing behaviour

There is a wide range of different factors which influence our buying behaviour. According to Egan and Cox & Brittain, the factors are divided into internal and external, whereas Kotler divides the factors into cultural, social, personal, psychological and the buyer categories.

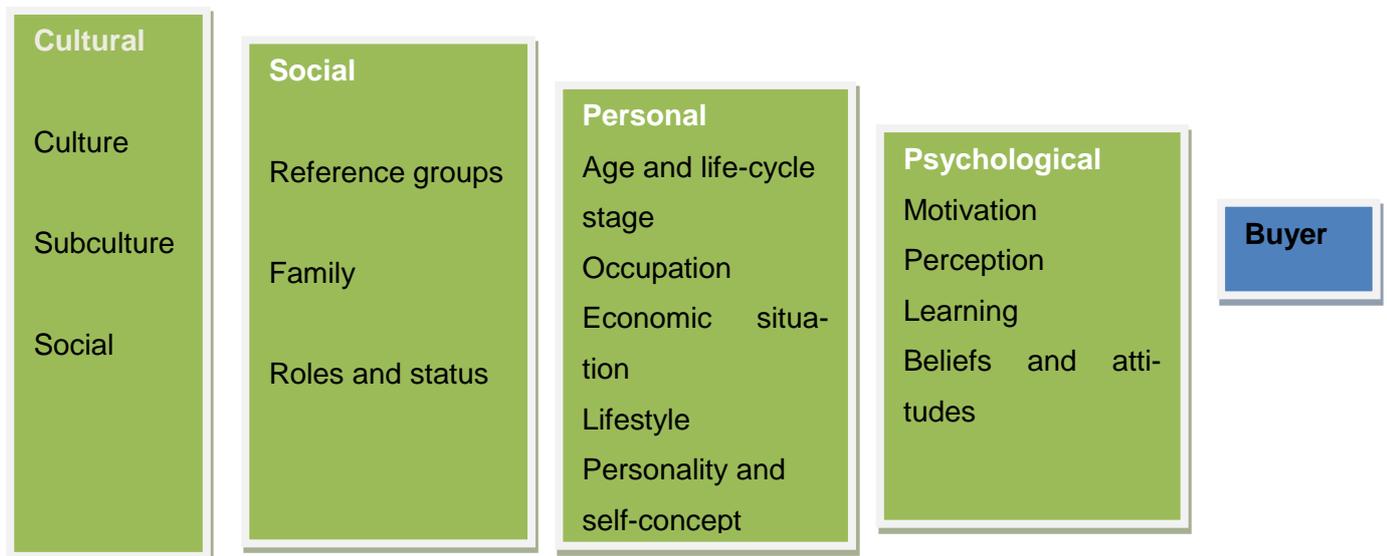


Figure 4. Factors influencing consumer behaviour (Kotler et al 2008: 240)

Both methods include same type of factors. When Egan and Cox & Brittain list internal factors to be attitudes, perceptions, learning and motivation, Kotler places them under the category psychological factors. As Kotler has cultural, social and personal factors, Egan and Cox & Brittain, have bundled all these three categories under the name of external factors.

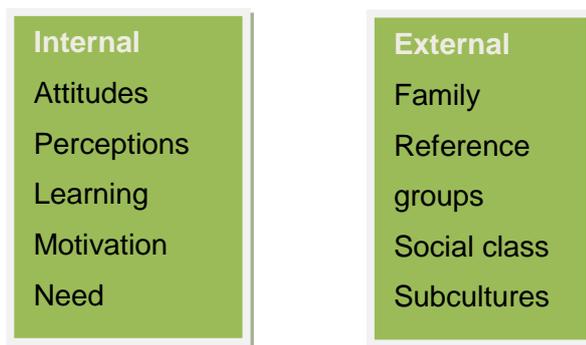


Figure 5. Factors influencing consumer behaviour

4.4.1 Internal

Starting from the internal or psychological category, attitude describes ones fairly consistent evaluations, feelings and tendencies towards an object or idea (Kotler et al 2008: 260) Cox & Brittain believe an attitude is a learned tendency to respond in a consistently favourable or unfavourable way with regard to a specific object or idea. Attitudes could make people like or dislike them, as well as move towards or away from them. Perceptions vary from one to another. For instance two people with the same motivation, being in same situation, could act totally differently due to their different perception of the situation. Kotler and Egen states that people can form diverse perceptions of the same stimulus as a result of three perceptual processes: selective attention, selective distortion and selective retention (also known selective exposure). Selective attention is described as the propensity to screen out most of the information to which we are exposed, whereas the selective distortion is the tendency to adapt the information for personal matters. Selective retention is the tendency where people re-

tain only partially the information given to them, the information retained typically endorses their existing attitudes or beliefs. (Kotler et al 2008:259)

Learning can be thought of as alteration of behaviour based on some prior experience. (Cox & Brittain 1996: 64) Majority knowledge of products or services known by consumers is collected through learning. Some researches imply there are two main types of learning, behavioural (or experiential) and cognitive learning. In behavioural learning, the learning is seen largely as unconscious whereas in cognitive as a conscious mental activity. Motivation is what moves people (Egan 2007: 70)

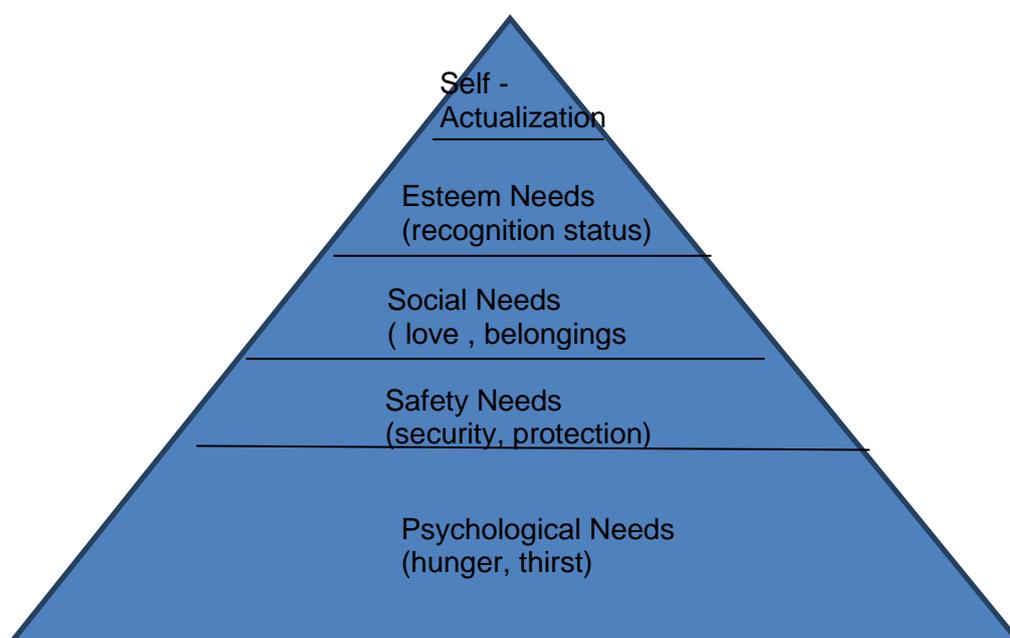


Figure 6. Maslow's (1954) hierarchy of needs

According to Abraham Maslow people are driven by particular needs at particular times. Maslow states that human needs are arranged in a hierarchy from the most pressing to the least pressing. Maslow's hierarchy of needs is shown in the picture above, where the most important need is on the top and the least on the bottom of the figure. According to Maslow a person tries to satisfy the most important need first, however this

hierarchy is not universal, since in some cultures, esteem needs or safety needs exceed the need of self-actualization. (Kotler et al 2008)

4.4.2 External

As mentioned before, both Egan and Cox & Brittain have divided the factors influencing consumer behaviour into two categories, internal and external, has Kotler divided the external into more specific categories as cultural, social and personal. These two different types of categories include the same factors. Culture is stated to be the most fundamental cause of one's wants and beliefs, as human behaviour is mostly learned. (Kotler et al 2008) Culture is also said to be the set of essential values, observations, wants and behaviours, which are learned from family and other important institutions. Subcultures are part of cultures. Subculture could be defined as a distinct cultural group which exists as a specific segment within a larger and more complex society. (Cox & Brittain) Social class is defined as somewhat permanent and well-organized divisions in a society, whose members share similar values, interests and behaviours. Almost every society has some kind of social class structure, this of course differs from culture to culture.

Reference groups are groups which have direct or indirect influence on person's attitudes or behaviour (Kotler et al 2008). Some of such groups are primary groups, which include family, friends and neighbours. Some of the groups are secondary, these groups are more formal and have less interaction with. Such groups are religious groups, professional associations or trade unions. Cox & Brittain claims family to be the strongest external influencer. In many situations the influence by family has risen before other participants are involved in the process. For example parents might be strong influencers in the process even without communicating of the purchase decision, due to their strong influence in ones upbringing. However even though family is said to be the strongest influencer, it depends whether talked about parents, husband/wife or children.

5 Research findings

As mentioned previously, the questionnaire was sent to 850 student of Finnish department of Metropolia Business School, including both day and evening students. The questionnaire was also sent to roughly 90 business department personnel. The amount of responses remained at 142 giving a total response rate to be $142/940 = 0.1510 = 15.1\%$.

The questionnaire consisted of background questions, questions concerning corporate ethical values and consumer buying behavior. The background questions included respondent's gender, age and annual gross income. 69 per cent of the respondents were women and 31 per cent men. (Figure 7) The age distribution was quite evenly spread, given the majority of respondents being in between 18-25 years (40.1%). The second largest group of respondents were older than 37 year (32.4 %) and the remaining 27.5 % were respondents between ages 26- 37. (Figure 8)

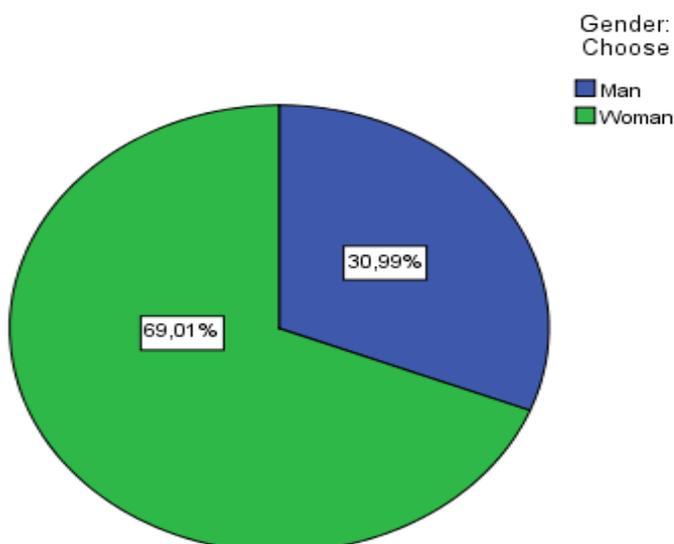


Figure 7. Respondent's gender

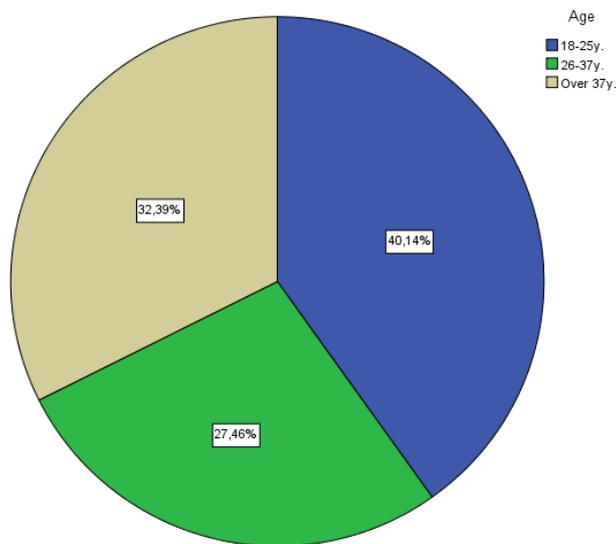


Figure 8. Respondent's age

The income level was asked in order to find out whether respondents annual gross income level has any affect in the buying behavior of ethical clothing. It became clear that majority (50.7%) of the respondents do earn more than 20 000€ per year (Figure 9). This was expected due to the amount of evening students and personnel the questionnaire was send. Also the fact that over 65% of the respondents were older than 26, it was expected to show on the income levels as well.

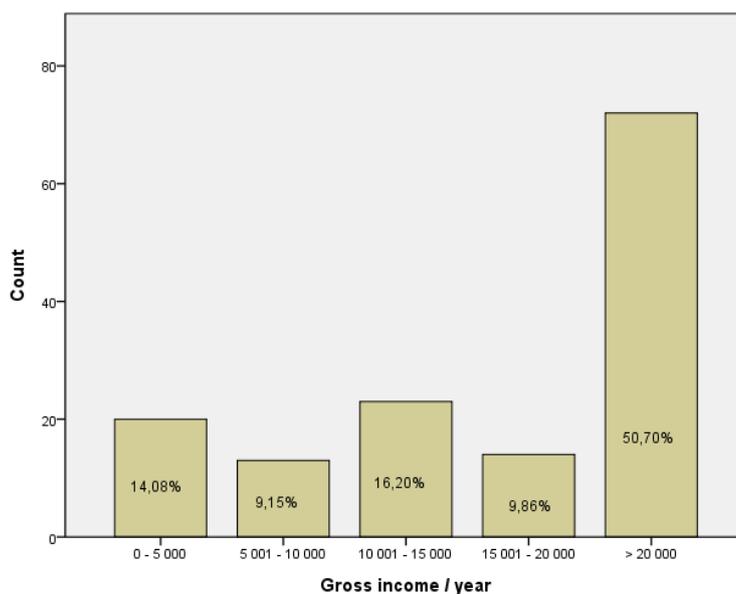


Figure 9. Respondents' annual gross income

The second part of the questionnaire was about ethics and corporate values. I wanted to know what sort of issues represents company's ethics on respondent's opinion. Both ethical and unethical issues were listed up. As the figure 10 shows, respondents have noticed that one of the options was stated differently. Majority of the respondents, 129 do think that having the production located in low-cost countries does not represent company's ethics. Majority of respondents also thought that increase of sustainable development is important, whereas environmental efficiency and improve of welfare society gave more scattering responds.

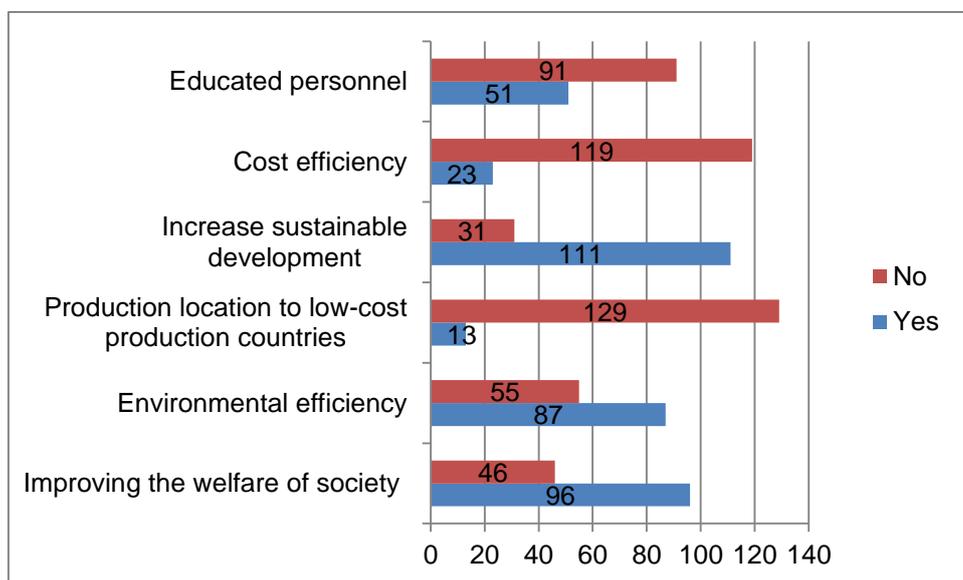


Figure 10 Respondents' views of corporate ethics

The second question in the ethics part was simply to find out whether respondents care about the ethics of a purchased garment. The question was simple in order to get a straight opinion, whether they care about the products ethicality. As the figure 11 shows, slightly over half of the respondents (53%) said they do care about the ethics while 47% find it irrelevant. In the figure 12, we can see that that majority of the women respondents care more about the ethics of the product while the majority of the men respondents do not think it as that important.

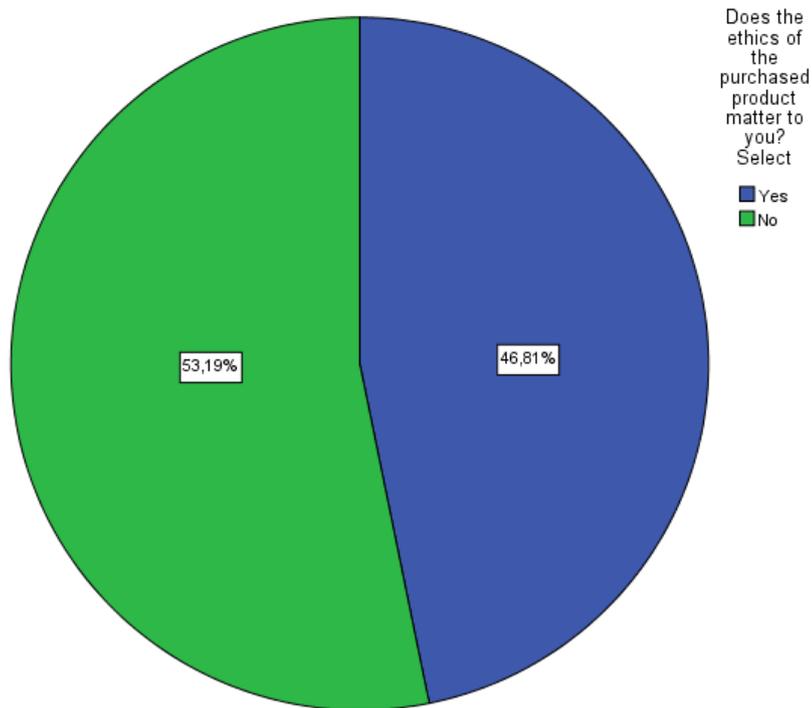


Figure 11. Does the ethics of the purchased clothing matter to you.

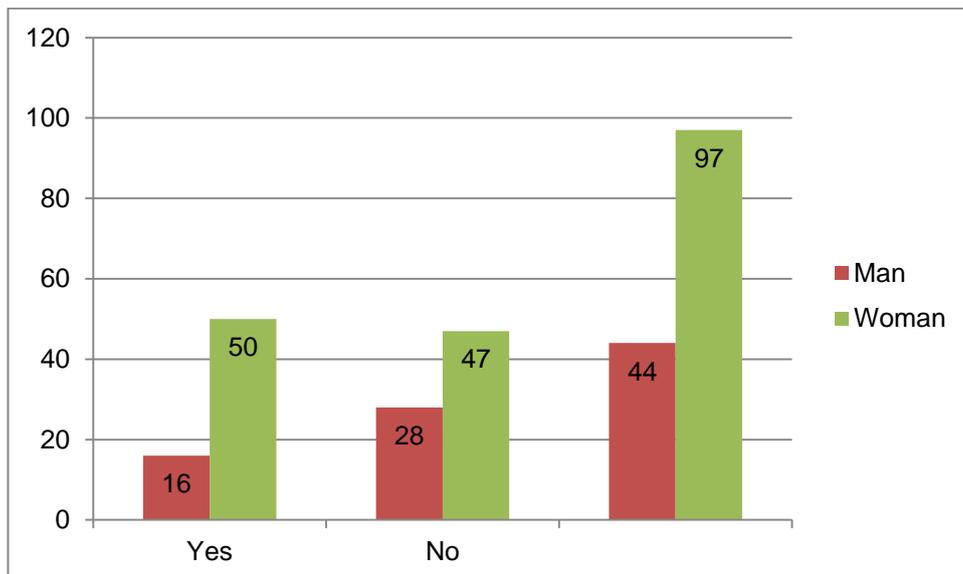


Figure 12. Does the ethics of the purchased clothing matter to you.

The third question in the ethical part was to discover from where respondents find their information of companies' ethics (Figure 13). If the respondents did find information, majority did search it from Internet and the companies' web-pages. Only 9% of the respondents said to be looking information of companies' ethics on their annual reports. The question included also open space for respondents to write other sources to find ethical information. The respondents wrote that they search information from the products, media, blogs and magazines. Few of the respondents said they are not looking any information of company's ethics.

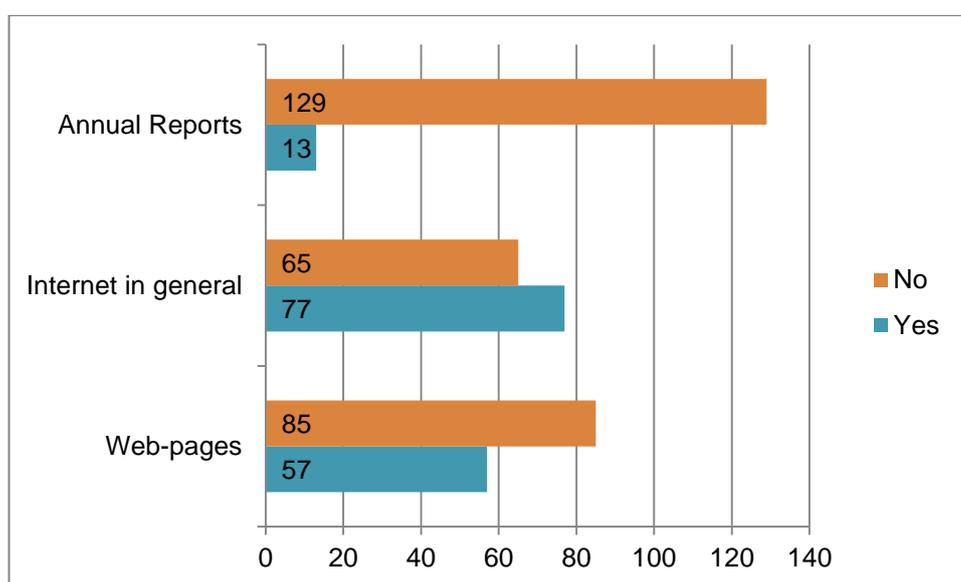


Figure 13. Where do you find information of company's ethics?

The final question in the ethical part was about whether respondents would prefer a certain company and their products if more information about their ethics would be in their availability. (Figure 14) Almost a third (72.5%) said they would prefer and favor a company which ethics they are familiar with. Even though 47% of the respondents said in the beginning of the questionnaire that they do not care about the ethics of the purchased product, some of them would still favor a company in case more information would be more easily available. This gives the impression that even though right now they do not choose ethical options, they might do it in the future, when information would be more easily available.

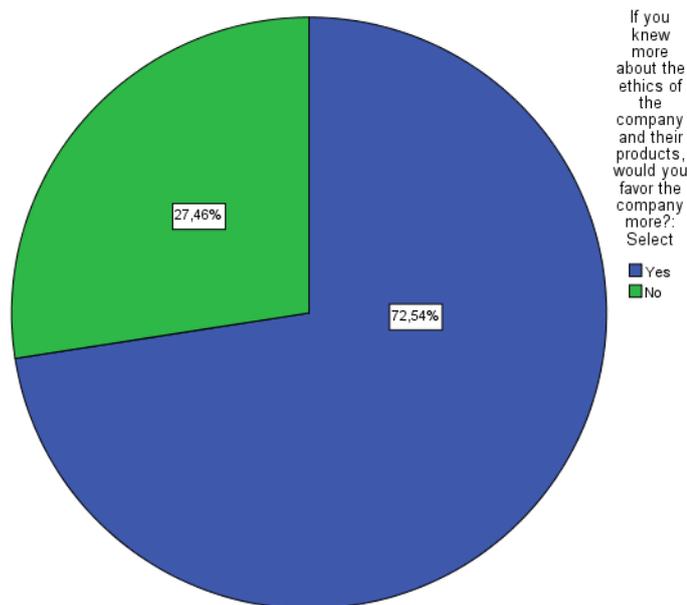


Figure 14 If you knew more about the ethics of the company and their products, would you favor the company more?

The final part of the questionnaire handled the buying behavior. The first question was about whether there is enough ethically produced clothing available. In the figure below (Figure 15) we can see that more than 60% of the respondents find there is not enough ethically produced clothing available, whereas 38% of the respondents do find that there is enough ethically produced clothing available. As mentioned in the theory, the amount of Finnish ethical brands has more than doubled in Finland in just few years, however I assume not many of the respondents knew of it, since the visibility of ethical brands has not been that large until the last few years.

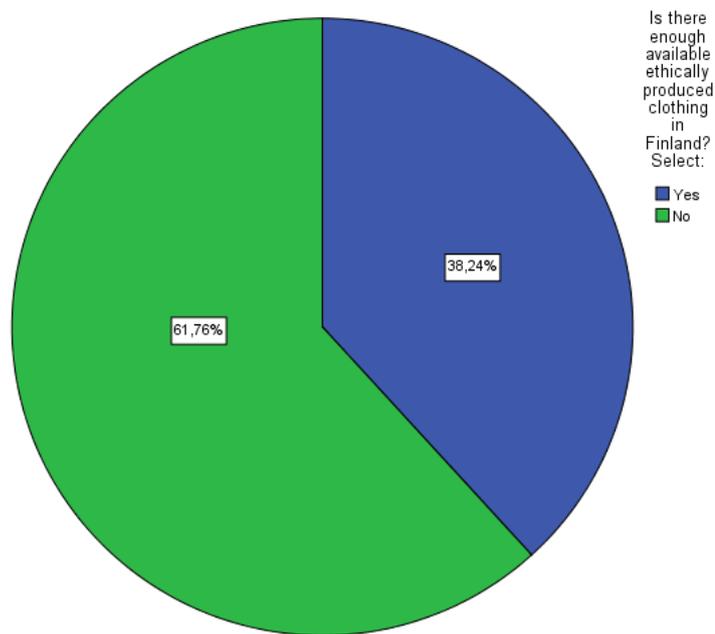


Figure 15. Is there enough available ethically produced clothing in Finland?

The second question was about whether respondents are willing to pay extra for ethically produced clothing (figure 16). Slight majority of the respondents (47%) would be willing to pay 10% more for ethically produced clothing, while 37% of the respondents would not pay any extra for the ethical clothing. Only 15% would be willing to pay 30% extra. It was also asked whether respondents are willing to pay 50% or 100% extra, but no one said to be willing to pay so much extra.

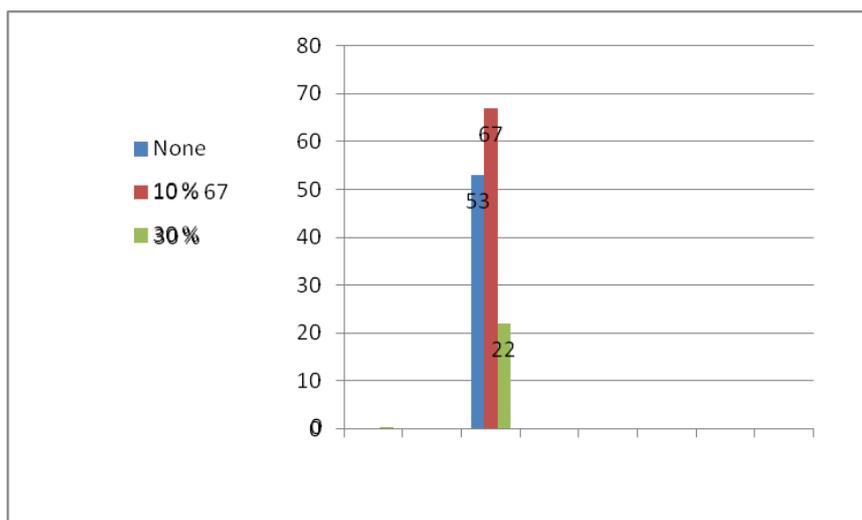


Figure 16. How much more would you be willing to pay for ethically produced clothing?

I also wanted to know does the age and gross income effect on the amount respondents would be willing to pay extra for ethically produces clothing. In the figure below (Figure 17) we can see that in every age group the willingness to pay extra is quite similar to each other. The age group 26-37 has the biggest percentage 49% of buying ethically produced clothing. However the amount of respondents is also the smallest. Also the youngest age group, 18-25 years, a total of 47% would be willing to pay extra.

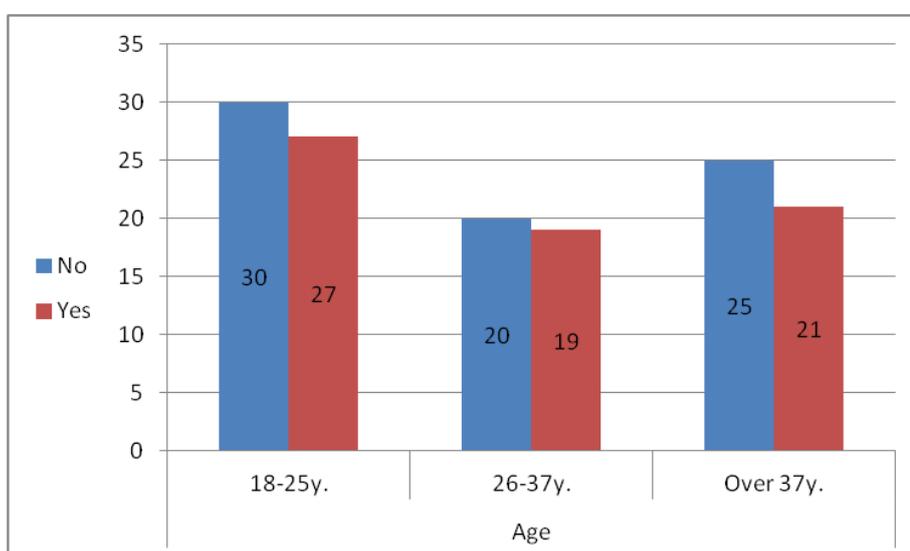


Figure 17. Age and 10% increase of price cross tabulation.

Since the age does not really matter in the willingness to purchase ethically produced clothing I wanted to find out whether the annual gross income does. In the figure 18 we can see that the amount of money you earn in a year is not an excuse not to buy ethically produces clothing. Majority of the respondents earning 10 001-15 000 per year are willing to pay extra, as well as the majority in the largest income group. It was interesting to find out that even when you earn 0 – 5 000 euros in a year, a total of 40% of the respondents would still be willing to pay extra.

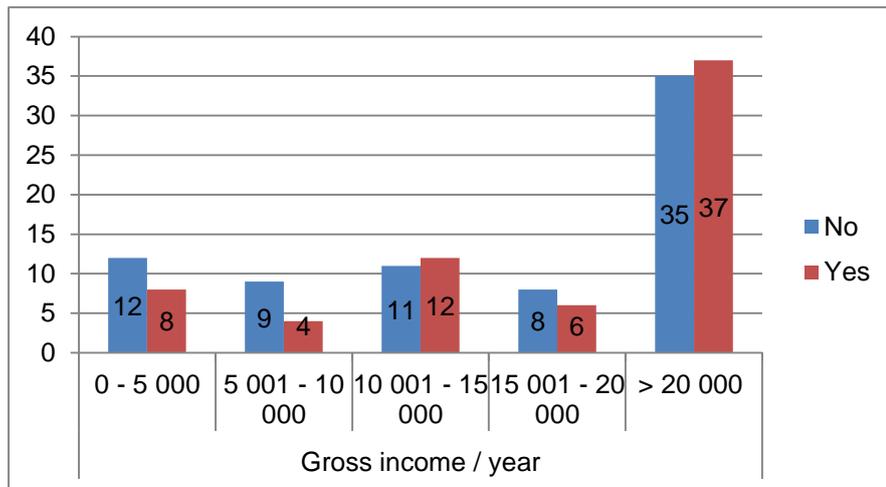


Figure 18 Gross income and 10% increase of price cross tabulation

The third question of the buying behavior section was about factors influencing the buying decision. In the questionnaire there were four different factors listed, price, brand, appearance and ethics. In the figure 19 we are able to see that for majority of the respondents the most important factor is appearance and the least is ethics. In the questionnaire there was also given space to write other factors influencing. The most common factor which appeared in the answers was quality and materials. Respondents also listed the product's ecology, availability and comfort as important factors.

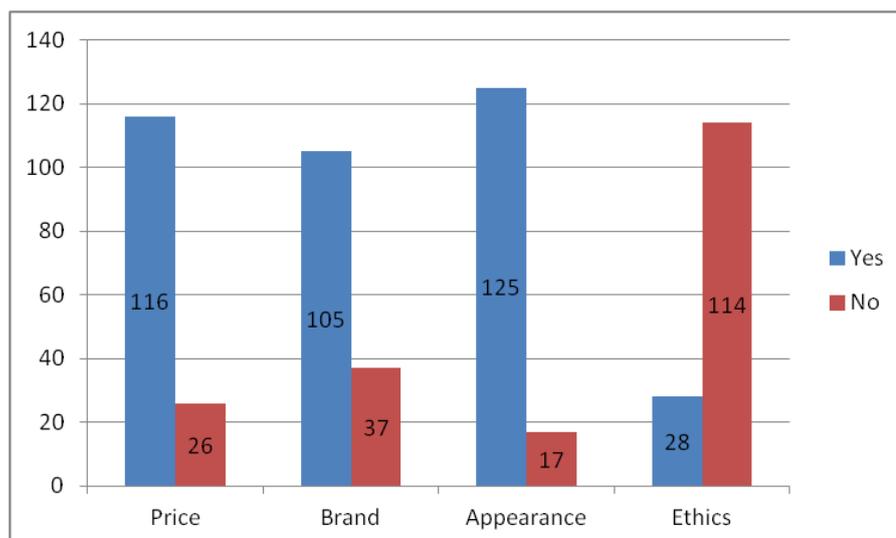


Figure 19 Factors influencing the buying behavior.

In the last question respondents were asked to choose a number between 1 and 5 which best reflects their opinion on five statements. In the questionnaire 1 represented strongly disagree and 5 was a strongly agree. The first statement was whether respondents wish ethical actions to increase in the clothing industry. (Figure 20) Only six respondents strongly disagreed, whereas 63 respondents strongly agreed with the statement. Based on the results, I can suppose that this group of respondents would want ethicality to increase in the clothing industry.

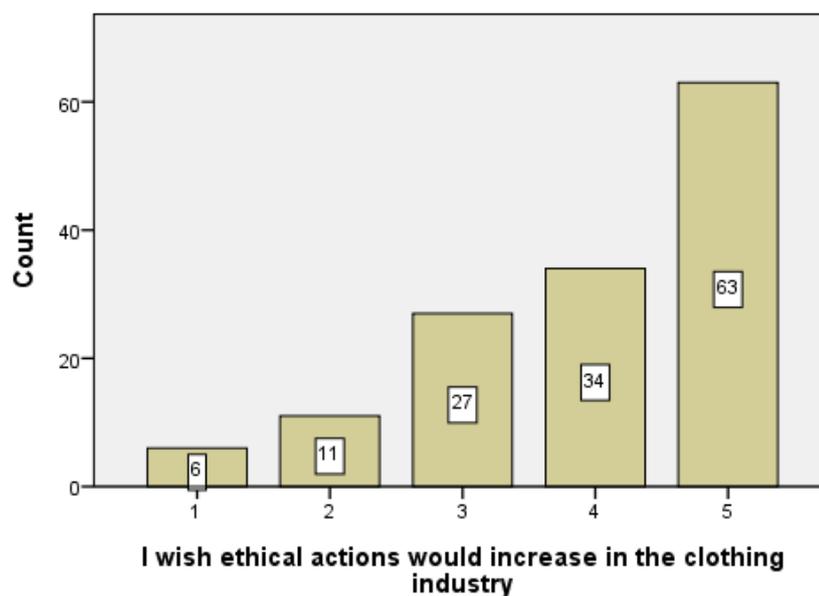


Figure 20. I wish ethical actions would increase in the clothing industry

The second statement was whether respondents find companies ethics important. (Figure 21) In this statement the dispersion of answers was clearer. Almost the same amount of respondents felt strongly disagreed as strongly agreed. However majority of the respondents did agree with the statement. Based on these result, I could say that majority of the respondents do care about the company's ethics.

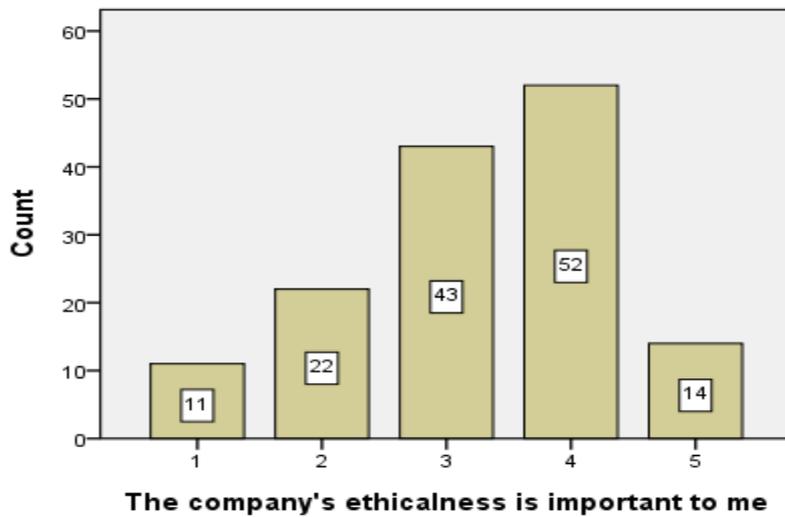


Figure 21 The company's ethicalness is important to me

The third statement was to find out is it easy to get information of the company's ethics. (Figure 22) Only a total of 18 respondents find it easy to get information of company's ethics, whereas more than a 100 respondents do find it rather difficult. From this I could assume that the information is not that easily found.

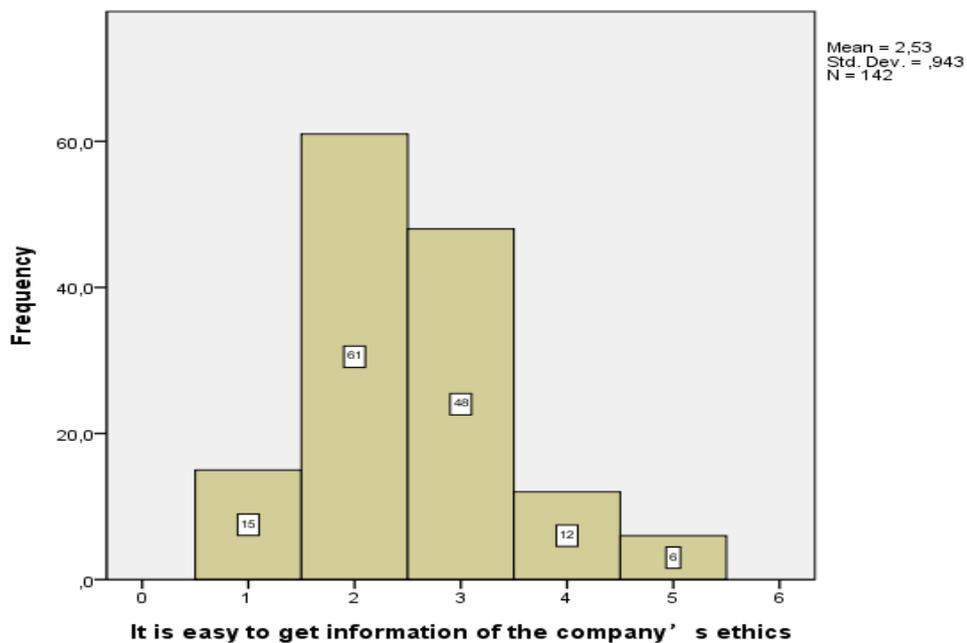


Figure 22. It is easy to get information of the company's ethics

The statement number four was whether respondents get enough information of the lifecycle of a garment. In this statement the results were quite clear. (Figure 23) A great majority (104 respondents) find that enough information is not given. Only 14 respondents said that getting the information is really easy.

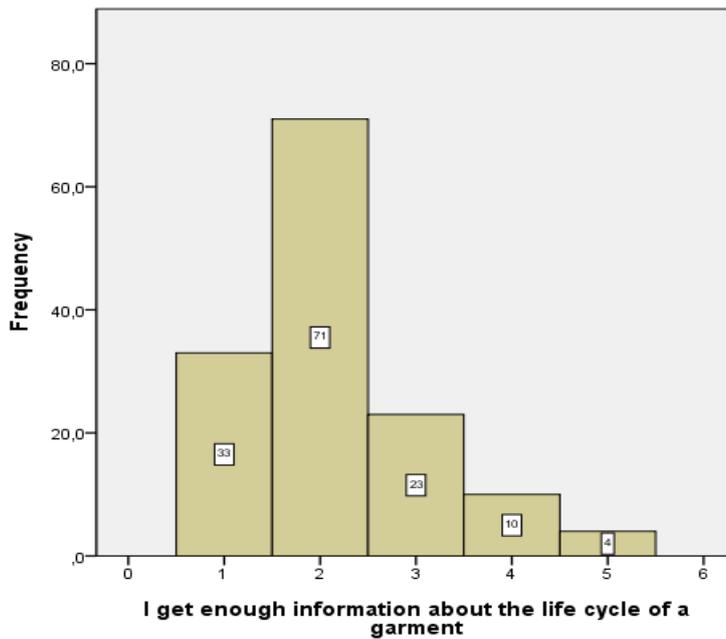


Figure 23. I get enough information about the life cycle of a garment.

The fifth and last statement was generally to know whether ethical clothing should be more available. (Figure 24) Almost all respondents did agree with the statement. As a result, it could be said that the demand of ethical clothing does exist.

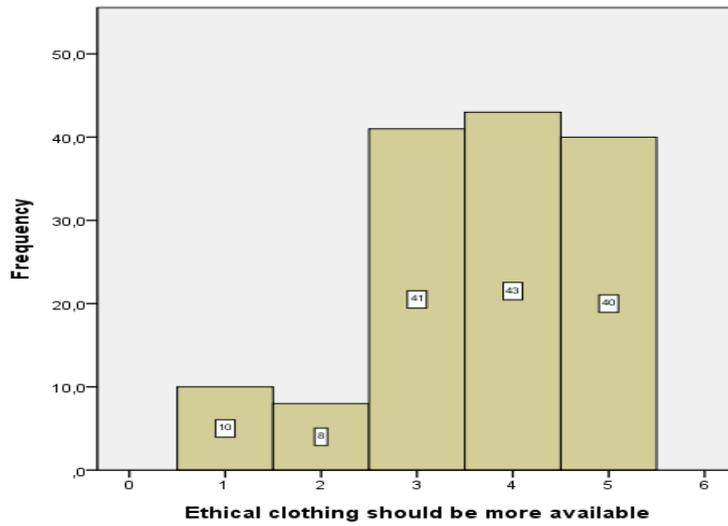


Figure 24. Ethical clothing should be more available.

6 Conclusions

The research problem was whether there is an effect of business ethics in buying behavior. The questionnaire was conducted by using quantitative research method. Questionnaire included multiple choice questions and free space for commenting. Research was sent to 940 students and members of staff of Metropolia Business School, Finnish department with a cover letter. Research received 142 responses, a total rate of 15.1%. Majority of the respondents were female, 69%. Based on the study, majority of the respondents were familiar with companies' ethical values, however only 53% of respondents do actually care of them. Majority of the female respondents claimed to care more about the ethics of purchased clothing than males.

Even though majority of the respondents have a gross income of more than 20 000 euros, the willingness to pay extra for ethically produced clothing is not much bigger than for the ones who earn 0-5000 euros. 62 of the respondents (47%) would pay 10% more for ethically produced clothing and 22 (15%) respondents would pay up to 30% extra. The income level or age was not directly related to the amount people were willing to pay. Even though only 53% of the respondents find ethics of the purchased products important, a total of 59% would still pay extra for them.

73 % of the respondents would prefer a company with good ethics, if they would only know more about the company. If the companies would invest more on their ethical promotion, consumers would most likely prefer them over others. However this would work vice versa, in case of bad ethical promotion, consumer would also most likely avoid them. When a total of 62% of the respondents feel that there is not enough ethically produced clothing in Finland. With a good marketing the buying behaviour of purchasing ethical clothing would change, based on the results of study.

The most important factor of purchased clothing was the appearance and price. Ethicality was the most important factor to only 20% of the respondents. This is quite contradictory with the fact that 47% of the respondents said that ethics of the purchased product matter to them. Based on the study it could be said that respondents would choose ethically produced clothing if the price and looks would be right. Based on the

study respondents would want ethical actions to increase in the clothing industry. This could also mean that the need for more ethically produced clothing exists, with a moderate price increase.

As a result of the study most of the respondents find the company's ethics important to them. Even though this is a little bit conflicting with the fact that 53% find the products ethics important, whereas a total of 77% find the company's ethics rather important. It could be that with the products ethicality more of the respondents see it also somehow important. Only 18 respondents felt that it is easy to get information about company's ethics, while more than a 100 respondents find it somewhat difficult. Based on this, if information would be more easily to get, the importance of ethicality would also increase in respondents view.

When great majority of the respondents find it difficult to get information of ethics, they also felt that enough information is not given and available. We can come up with the same conclusion as in the previous statements, that if the amount of information would increase, so would the response to it. The demand for ethically produced clothing exists among the respondents and consumers, as more than 87% of the respondents think that more ethically produced clothing should exist. As a researcher, I believe that with better labeling and information, the meaning of ethics would increase even more among the consumers. In many cases the information is not stated as clear as it could be.

The process of making the questionnaire was harder than expected. Creating the questionnaire itself was not that difficult, however getting the answers was. It was difficult to get students to respond to the questionnaire and few requests had to be sent. Analyzing the data was relatively time consuming, since both Excel and SPSS were used, in order to get the best of the results. For possible further research it is suggested to use qualitative research methods in order to achieve more discussion and more specific answers.

The study results were quite similar to my expectations. No big surprises occurred and respondents were quite coherent with their replies. The amount of older respondents

was surprisingly high, and made the research more versatile. Even though the hypothesis of the study being that respondents are aware of ethics and purchase ethical clothing, the amount of interest respondents took on ethics was positive. However based on the study, respondents are aware of ethics, but it does not show constantly on their buying behavior. Ethics are important for many respondents, but not enough research is done in order it to effect on ethical consumerism. In the end consumers are becoming more aware of their choices and their ethical impacts.

6.1 Reliability and Validity

Reliability is fundamentally concerned with issues of consistency of measures. (Bryman 2007: 162) Reliability and validity must be considered in order to assess how well the research was conducted. Validity meaning whether or not a measure of concept really surveys that measured concept. (Bryman 2007:164) In this questionnaire a possible risk might have been the participant error. With participant error is meant the change in human mind. The opinion may vary depending of time or place. As the questionnaire was online based, the possibility of participant error is quite large, since respondents could have answered to the questionnaire either in school, home or working environment. Also whether the questionnaire was done in rush, the answers may have changed if more time was used. As the questionnaire was done by using quantitative research the effect of participant error is not as in big role as participant bias. With participant bias is meant that respondents may have answered the way they were expected to. As the questionnaire and cover letter were about ethics and buying behaviour, respondent's mindset could have switched automatically to think in more ethically. This mindset could have lead the research to get falsify answers. Observe errors most likely did not appear in the answers, since the questionnaire was only conducted in Finnish language.

With the validity we wanted to know whether the questionnaire measure what is was supposed to measure. For the questionnaire it was important to know that respondents knew what ethics really is. The first question under ethics and values was to resolve whether respondents were familiar with the subject. Another factor which influenced to

questionnaire validity was the amount of responds got. Unfortunately the amount was not what was expected. The expected amount was more than 20% and the questionnaire only receives a total of 15% of responds. Due to this the validity of the research was not probably as valid as it could have been with more responds. However the wide range of respondent's ages was very good for the validity of the research. Overall, considering the amount of responses, I was very happy with the results and feel it was valid.

7 Recommendations

Present chapter proposes general recommendations for the ethical effects on buying behaviour based on the published practices and analysis of the done questionnaire. Based on the analysis in chapter 2 and 4, business ethics and consumer buying behaviour are not new theories. However these theories have transformed in the last few decades, as ethical consumerism has raised its importance. These theories shall keep evolving and bind more to each other. There is still limited amount of literature on ethical consumerism, though the information increases in the Internet. Ethics and being environment are being shown more on the news and companies becoming more transparent on their actions. Consumers do not only want to know the ethical procedures of clothing companies, but also the companies they are co-operating. Consumers would like to have more information of product life cycles and policies.

As a researcher it was essential to have a sufficient theoretical background in order to get the framework formed. Understanding business ethics, ethical consumerism and buying behaviour was crucial in order to be able to create and analyze the research.

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Appendix 1

Taustatiedot

Sukupuoli

Mies Nainen

Valitse

Ikä

Bruttotulot/

si

Yrityksen arvot

Mitkä seuraavista vaihtoehtoista kuvaavat mielestäsi yrityksen eettisyyttä?

- Yhteiskunnan hyvinvoinnin parantaminen
- Ympäristötehokkuus
- Tuotannon sijoittaminen halpatuotannon maihin
- Kestävän kehityksen lisääminen
- Kustannustehokkuus
- Koulutettu henkilökunta

Onko ostetun vaateen eettisyydellä merkitystä sinulle?

Kyllä Ei

Valitse

Etsitkö tietoa yrityksen eettisyydestä, heidän:

- Nettisivuilta
- Internetistä yleisesti
- Vuosiraporteilta
- Jostain muualta, mistä?

Jos tietäisit enemmän yrityksen eettisyydestä ja heidän tuotteistaan, suosisitko kyseistä yritystä enemmän?

Kyllä Ei

Valitse

Ostokäyttäytyminen

Onko Suomessa tarpeeksi saatavilla eettisesti tuotettuja vaatteita?

Kyllä Ei

Valitse

Kuinka paljon enemmän olisit valmis maksamaan eettisesti tuotetusta vaatteesta?

En yhtään

10 %

30%

50%

100%

Mitkä tekijät vaikuttavat ostopäätökseen vaatteita ostaessasi?

Hinta

Brändi

Ulkonäkö

Eettisyys

Jokin muu, mikä?

Valitse asteikolta 1-5 sinulle parhaiten sopiva vaihtoehto, missä 1 edustaa täysin eri mieltä ja 5 täysin samaa mieltä.

5 4 3 2 1

Yrityksen eettisyys on minulle tärkeää

Yrityksen eettisyydestä on tietoa helposti saatavilla

Toivoisin eettisten toimitapojen lisääntyvän vaateteollisuudessa

Saan tarpeeksi tietoa vaatteiden elinkaaresta

Eettisiä vaatteita tulisi olla enemmän saatavilla

Appendix 2

Hei!

Olen Kansainvälisen kaupan ja Logistiikan opiskelija ja teen opinnäytetyötä liike-elämän etiikasta ja sen vaikutuksesta ostokäyttäytymiseen.

Ei ole vain yhtä tapaa määrittää etiikka tai eettistä ajattelutapaa. Eettiseen ostokäyttäytymiseen liittyy suuresti sosiaaliset, ekonomiset, poliittiset sekä ympäristölliset ongelmat. Eettinen vaatetuotanto tapahtuu aina eettisesti hyväksytyissä olosuhteissa ja ympäristöä säästäen.

Ohessa linkki, jossa voit vastata kyselyyni ja auttaa minua valmistumaan. Kyselyyn voit vastata ajanjaksolla 27.2 -17.3.2013. Vastaamiseen kuluu aikaa noin 5 minuuttia.

<https://elomake.metropolia.fi/lomakkeet/7952/lomake.html>

Kiitos paljon avustasi!

Ystävällisin terveisin,
Emmi Seppänen

Appendix 1

Background

Gender

Male Female

Choose

Age

Gross Annual Income

Business ethics and values

In your opinion which of the following represents company's ethics?

- Environmental efficiency
- Production location to low-cost production countries
- Increasing sustainable developing
- Cost efficiency
- Educated personnel

Does the ethics of the purchased product matter to you?

Yes No

Choose

Do you search information on company's ethics on:

- Web-pages
- Generally from Internet
- Annual reports
- Somewhere else, where?

If you knew more about the ethics of the company and their products, would you prefer it more?

Yes No

Choose

Buying Behaviour

Is there enough ethically produced clothing in Finland?

Yes No

Choose

How much more would you be willing to pay for ethically produced garment?

None

10 %

30%

50%

100%

Which factors influence the purchasing decision when buying clothes?

Price

Brand

Appearance

Ethics

Something else, what?

In a scale 1-5 choose the best alternative for you, 1 representing strongly disagree and 5 strongly agree.

5 4 3 2 1

The company's ethics are important to me

The information of company's ethics is easily found

I would like ethical practices to increase in garment sector

I get enough information of garment's life cycle

Ethical clothing should be more available



Hi!

I am studying International Business and Logistics and I am doing a thesis on business ethics and its effect on buying behavior.

There is not only one way to determine the ethics or ethical way of thinking. Ethical purchasing behavior is associated greatly with social, economic, political and environmental problems. Ethical clothing production takes always place in ethically approved environmentally friendly conditions.

Please find attached the link, where you can answer to my questionnaire and help me to graduate. You can answer to the questionnaire between 27.2 and 17.3.2013. Answering will only take approximately 5 minutes.

<https://elomake.metropolia.fi/lomakkeet/7952/lomake.html>

Thank you very much for your help!

With kind regards,

Emmi Seppänen