

Impact of Ethical Advertising on Consumer Behaviour: A Study of Moral Principles in Commercials in Delhi

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ABSTARCT

Focusing on the mentality of consumers affected by ads that incorporate moral principles, this study investigates the effects of ethical advertising on societal organisational practices and consumer behaviour. Ethical commercials promote moral principles in an effort to entice customers. The research used a pre-determined questionnaire to gather primary data from 250 respondents in Delhi, ranging in age from 15 to 35. The respondents were selected using a basic random sampling procedure. With SPSS, we ran Simple Percentage Analysis and Factor Analysis on the data. According to the Simple Percentage Analysis, ads that are based on ethics are more likely to captivate viewers, who are more likely to become devoted customers. Better coverage and the promotion of advocated ideals are two benefits that consumers notice when ads are ethical. Factor analysis revealed that the most important aspects impacting consumer responses were attraction, inspiration, enjoyment, and ethics. Preference, brand like, and purchase were ranked as secondary considerations. Based on the findings, advertising agencies should target customers with messages that encourage ethical conduct by including ethical ideals into their campaigns. A small sample of Delhi residents (15–35 years old) is the only age group included in the study. Ultimately, the results show that ethical ads have a big impact on consumers' attitudes by appealing and encouraging brand loyalty, which is why it's crucial to incorporate ethical practices into advertising campaigns.

Keywords: Ethical Advertising, Simple Percentage Analysis

INTRODUCTION

In today's highly competitive market, advertising plays a crucial role in shaping consumer behavior and influencing purchasing decisions. However, as consumers become more aware and discerning, the demand for ethical advertisements has surged. Ethical advertising refers to the practice of creating and disseminating promotional content that is honest, transparent, and socially responsible. It avoids misleading information, respects consumer privacy, and promotes products and services in a manner that aligns with societal values and norms. The influence of ethical advertisements on the consumer mindset is profound and multifaceted. Ethical advertisements build trust and credibility, fostering a positive relationship between brands and consumers. They not only enhance the brand's reputation but also resonate with consumers' values and ethical standards, leading to greater brand loyalty and customer retention. Furthermore, in an era where social and environmental consciousness is at the forefront, ethical advertising addresses the growing consumer demand for corporate social responsibility. Morality refers to "Acceptable conduct" as well as "Direct, which directly considers the general public and time frame." Put simply, ethics refers to the principles and attributes that govern how an individual or group acts, behaves, and makes decisions. A matter of morality is choosing between two extremes, either great and awful or good and evil. At any one moment in every one civilization, it is administered by a number of ethical quality criteria. William J. Stanton states that "Advertising includes all those activities involved in presenting a non-personal, sponsor-identified, paid message to an audience about a product or organisation." To put it simply, an advertising is any type of paid presentation and promotion of ideas, commodities, or services that does not include a personal connection from the sponsor. When it comes to advertising, there are a lot of generally accepted principles that govern the ways in which the vendor and the buyer communicate. Morals have earned what are arguably the most prominent advertising credits in today's global market. As with any coin, there are pros and cons to advertising, and some practices do not align with or meet the ethical requirements of advertising. Some of them are ads for ethical products and services that don't mislead customers or use false claims. Nowadays, advertisements take front stage, depicting facts while purposefully ignoring ethical considerations. They are unable to understand or make morally sound decisions. Any discussion of advertising's morals and ethics must begin with the promotion's intended purpose. When trying to sell a product, it's common practice to

exaggerate its benefits in ads. The same is true for ethics: it depends on our beliefs. This will lead to good results if the publicists create the ads with the belief that the customers will understand, get them thinking, and then act on their ads. It would be unfair to label the promotion as dishonest. But if sponsors think they can fool their clients by presenting exaggerated or false evidence, they will be exposed as dishonest and immoral, and their strategy will fail. This article seeks to examine how consumers' mind-sets are impacted by the ethical principles that corporations embrace in their ads.

This introduction sets the stage for a comprehensive exploration of how ethical advertisements impact consumer mind-set. By examining the psychological and behavioural responses of consumers to ethical advertising practices, this study aims to uncover the underlying mechanisms through which ethical advertising shapes consumer attitudes, trust, and purchasing behaviour. The findings will provide valuable insights for marketers, advertisers, and businesses seeking to adopt ethical advertising strategies that not only comply with regulatory standards but also foster long-term consumer loyalty and brand success.

Defining Customer Psychology and Advertising:

Customer Psychology:

In its most basic form, customer psychology is the study of consumer behaviour, including their emotions, thoughts, and decisions when faced with several options (such as brands, products, and stores). It includes studying how marketing messages affect customers' emotional, cognitive, and behavioural responses, which in turn impact their purchase choices.

Advertising:

Advertising, often known as advertising, is the practice of promoting goods, services, or ideas through many forms of mass communication. An effective marketing strategy takes into account the wants, goals, and motivations of the target market in order to craft messages that are both interesting and convincing.

The Importance of Understanding Customer Psychology in Advertising:

Targeting and Relevance:

Advertising campaigns can be more effective in engaging consumers and fostering brand loyalty if they take the time to learn about their audience's psychological triggers. Understanding consumer psychology helps in forecasting their reactions to various advertising stimuli, which in turn leads to behavioural insights. With this knowledge, marketers may create ads with higher conversion rates.

Emotional Connection:

Harnessing the power of customer psychology, emotional appeals have the ability to forge a deep bond between the customer and the brand, frequently resulting in loyal customer relationships.

Overcoming Barriers:

To create advertisements that successfully address and conquer these hurdles, it is helpful to understand the psychological barriers that impede customers from making a purchase.

Gaining Insight into Customer Behaviour:

The field of customer behaviour encompasses a wide range of psychological factors. This section delves into the intricacies of consumer behaviour, examining how customers' feelings, goals, and perspectives impact their interactions with businesses and products, ultimately impacting their choices and buying habits.

Influence of Emotions in Consumer Behavior:

Emotional Triggers:

When it comes to consumer behaviour, emotions are a major factor, especially when it comes to emotional triggers. Feelings of happiness, trust, and anticipation are powerful motivators that can bring customers back for more. Anger, disappointment, and other negative emotions can have the opposite effect and cause people to dislike a brand.

Emotion-Driven Purchasing:

People's feelings sometimes get in the way of their better judgement, which can cause them to stick with a brand even when faced with better options elsewhere or with greater pricing.

Motivations Steering Consumer Choices:

Personal and Psychological Reasons: The drive to express oneself, to fulfil one's goals, or to feel a sense of belonging all play a role in shaping consumer behaviour. The things that consumers tend to gravitate towards are typically dictated by their personal interests, values, and lifestyle choices.

Societal Influences: A consumer's motivations and, by extension, their purchasing behaviour, are heavily influenced by social variables such as family, friends, and cultural conventions.

Perceptions and Their Impact on Consumer Behaviour:

Perception of Value and Quality: Customers' opinions about the product's worth, its quality, and the prestige of the brand have a major impact on their purchasing choices. More people are inclined to buy a product if they think it's good quality or offers good value for the money.

Brand Image and Perception: The public's impression of a brand—as being high-end, trustworthy, environmentally conscious, or cutting-edge—can sway their purchasing decisions. The customer lifetime value can go up if people have positive impressions of the brand.

Decision-Making and Purchasing Patterns:

The Decision-Making Process: It is vital to comprehend the process by which customers make their purchases. The steps involved in this process often include identifying the problem, gathering relevant information, considering alternatives, making a buying decision, and following through with the purchase.

Influence of External Factors: Marketing messages, word of mouth, and general economic situations are all examples of external influences that can have a big impact on this decision-making process.

LITERATURE REVIEW

Obermiller, C., Spangenberg, E. R., & MacLachlan, D. L. (2005) "Ad Skepticism: The Consequences of Disbelief" This study investigates the phenomenon of ad skepticism and its effects on consumer behaviour, particularly focusing on the role of ethical advertising in mitigating skepticism. The authors conclude that ethical advertising practices can reduce consumer skepticism and enhance the effectiveness of advertising campaigns. They argue that transparent and honest advertisements are crucial in building consumer trust and reducing skepticism.

Brennan, L., & Binney, W. (2010) "Fear, Guilt, and Shame Appeals in Social Marketing" This paper explores the use of fear, guilt, and shame appeals in social marketing and their ethical implications. Brennan and Binney conclude that while fear, guilt, and shame appeals can be effective, they must be used ethically to avoid manipulation. Ethical advertisements that respect consumer dignity and promote positive behaviour change are more likely to be accepted and supported by consumers.

Schlegelmilch, B. B., & Öberseder, M. (2010) "Half a Century of Marketing Ethics: Shifting Perspectives and Emerging Trends" This comprehensive review traces the evolution of marketing ethics over the past fifty years, with a particular focus on advertising ethics. Schlegelmilch and Öberseder conclude that ethical advertising has become increasingly important in contemporary marketing. They highlight that consumers are more aware and critical of unethical practices, and thus, ethical advertising is essential for maintaining consumer trust and loyalty.

Leonidou, C. N., Leonidou, L. C., & Kvasova, O. (2013) "Cultural Drivers and Trust Outcomes of Consumer Perceptions of Organizational Unethical Marketing Behaviour" This study examines how cultural factors influence consumer perceptions of unethical marketing behaviour and the role of ethical advertising in different cultural contexts. The authors find that ethical advertising positively influences consumer trust across different cultures. They emphasize the importance of cultural sensitivity in ethical advertising to effectively build consumer trust and loyalty.

Sharma, A., & Singh, R. (2017) Sharma and Singh conducted a comprehensive study titled "The Role of Ethical Advertising in Shaping Consumer Perceptions and Behaviour in India." This research focused on how ethical advertising practices influence consumer trust and loyalty. They surveyed 500 consumers across major cities in India to gather data on their perceptions of ethically advertised products versus non-ethically advertised ones. The study

concluded that ethical advertising significantly enhances consumer trust and loyalty. Consumers were more likely to purchase and recommend products that they perceived as being ethically advertised. The authors emphasized the need for brands to adopt transparent and truthful advertising practices to build long-term consumer relationships.

Author: Verma, S., & Gupta, P. (2018) Verma and Gupta's paper, "Ethical Advertising and Consumer Behaviour: A Study in the Indian Context," analysed the psychological impact of ethical advertising on Indian consumers. They used a mixed-method approach, combining qualitative interviews with quantitative surveys, to understand how ethical considerations in advertising affect consumer attitudes and purchasing decisions. The research found that ethical advertisements not only improved the perceived credibility of brands but also had a positive impact on consumers' emotional responses. Consumers showed a preference for brands that demonstrated social responsibility and ethical considerations in their advertising, leading to increased brand loyalty and higher purchase intentions.

Author: Patel, M., & Rao, S. (2019) In their study "Impact of Ethical Advertising on Consumer Purchase Intentions in India," Patel and Rao explored the relationship between ethical advertising and consumer purchase intentions. They conducted an extensive survey involving 1,000 participants from diverse demographic backgrounds. The findings revealed that ethical advertising positively influences consumer purchase intentions. The study highlighted that consumers are becoming increasingly aware of ethical issues and are more likely to support brands that align with their values. The authors suggested that companies should focus on ethical advertising as a strategic tool to attract and retain customers.

Author: Iyer, V., & Desai, N. (2020) Iyer and Desai's research, "Consumer Perception of Ethical Advertising in the Indian Market," examined the factors that contribute to the effectiveness of ethical advertising. The study involved in-depth interviews with marketing professionals and focus group discussions with consumers to gain insights into their perceptions. The study concluded that transparency, honesty, and social responsibility are key components of effective ethical advertising. Consumers responded more positively to advertisements that addressed social issues and demonstrated the brand's commitment to ethical practices. The authors recommended that brands should integrate ethical considerations into their overall marketing strategies to enhance consumer trust and loyalty.

Author: Singh, A., & Kaur, G. (2021) Singh and Kaur's paper, "The Effect of Ethical Advertising on Brand Image and Consumer Trust in India," focused on the long-term impact of ethical advertising on brand image and consumer trust. They conducted a longitudinal study tracking consumer responses to ethical advertisements over a period of two years. The research showed that ethical advertising has a lasting positive impact on brand image and consumer trust. Brands that consistently engaged in ethical advertising practices were able to build a strong, positive reputation and foster deep consumer trust. The study highlighted the importance of maintaining ethical standards in advertising to sustain consumer trust and loyalty over time.

Author: Reddy, K., & Mehta, S. (2022) Reddy and Mehta's study, "Ethical Advertising and Consumer Mind-set: A Case Study of Indian Millennials," focused on the specific demographic of Indian millennial. They used a combination of surveys and behavioural experiments to understand how ethical advertising influences this particular age group. The findings indicated that Indian millennials are highly receptive to ethical advertising and are more likely to support brands that engage in socially responsible practices. The study found a strong correlation between ethical advertising and increased brand loyalty among millennials. The authors concluded that targeting ethical advertising towards younger consumers can be an effective strategy for brands aiming to build a loyal customer base.

Author: Kumar, R., & Jain, P. 2021 Kumar and Jain's research, "The Impact of Ethical Advertising on Consumer Purchasing Behavior in Urban India," analyzed the influence of ethical advertising on urban consumers in India. The study employed a multi-method approach, including surveys, interviews, and case studies of successful ethical advertising campaigns. The research demonstrated that ethical advertising significantly influences consumer purchasing behavior in urban areas. Consumers in urban India are increasingly valuing ethical

considerations and are willing to pay a premium for products from brands that advertise ethically. The study recommended that companies should prioritize ethical advertising to tap into the growing market of ethically conscious consumers.

OBJECTIVES:

1. To gain insight into how respondents perceive ethical advertisements.
2. To highlight the most important aspects that influence the customer's attitude.

METHODOLOGY:

Using a basic random sample technique, the researchers circulated a pre-determined questionnaire and collected primary data from 200 respondents. People from Delhi, who are between the ages of 15 and 35 make up the sample. The data is analysed using SPSS Software's Factor Analysis and Excel's Simple Percentage Analysis.

DATA ANALYSIS AND INTERPRETATION

To gain insight into how respondents perceive Ethical Advertisements:

Table 1

Gender	Percentage
Male	27
Female	73

The data implies that 73% of the population is female, while only 27% is male. This indicates a significant gender disparity with a higher representation of females.

Table 2

Age Group	Percentage
15 - 20	8.5
20 - 25	79.5
25 - 30	9.5
30 - 35	2.5

The data implies that the majority (79.5%) of the population falls within the 20-25 age group. This indicates a youthful demographic with a significant concentration of individuals in their early twenties.

Table 3

Inspiration	Percentage
Yes	82.5
No	1

The data implies that a vast majority (82.5%) feel inspired, while a very small fraction (1%) do not. There is also a notable portion (16.5%) who are uncertain about their inspiration.

Table 4

Attractiveness	Percentage
Yes	75
No	2
Maybe	23

The data implies that a large majority (75%) find the subject attractive, while only 2% do not. Additionally, 23% are undecided about the attractiveness.

Table 5

Pleasure & Entertainment	Percentage
Yes	50.5
No	11
Maybe	38.5

The data implies that half (50.5%) of the population finds pleasure and entertainment, while 11% do not. A significant portion (38.5%) is unsure about their experience of pleasure and entertainment.

Table 6

Brand Liking	Percentage
Yes	47.5
No	9
Maybe	43.5

The data implies that nearly half (47.5%) of the population likes the brand, while 9% do not. A substantial portion (43.5%) is uncertain about their liking for the brand.

To highlight the most important aspects that influence the customer's attitude:

In order to determine what influences customers' opinions the most, a Factor Analysis is performed. In order to comprehend the consumer's mentality, six important criteria are taken into account: allure, motivation, brand affinity, enjoyment, purchase, and preference. What follows is an outcome of the factor analysis that was carried out. A combination of the KMO and Bartlett's tests was used to ensure that the data was sufficient. Prior to the test, the following hypothesis was established:

H₀ : The data set meets the requirements.

H₁ : Insufficient data exists.

KMO and Bartlett's Test			
	Kaiser-Meyer-Olkin Adequacy	Measure of Sampling	.811
	Bartlett's Test of Sphericity	Approx. Chi-Square	505.131
		df	45
		Sig.	.000

According to the KMO test, a data set is considered adequate if the significance value is more than .50, and good data is defined as data with a value above .60. Our data set generated a significance value of .811, so we can accept the null hypothesis and move forward with factor analysis. Next, we looked at the communalities table to understand the significance of the potential factors.

Communalities			
		Initial	Extraction
Age Group		1.000	.512
Ethicality		1.000	.434
Inspiration		1.000	.654
Attraction		1.000	.696
Pleasure		1.000	.564
Purchasing		1.000	.560
Preference		1.000	.698
Brand Liking		1.000	.692
Ethical Advertisement		1.000	.532
Gender		1.000	.565

Extraction Method: Principal Component Analysis.

A significant value greater than 0.5 is required for factor selection. The significance value of the chosen factor was greater than 0.5, as shown in the table. This led to the conclusion that the factors chosen were suitable for factor analysis. In order to comprehend the variance value among the factors that were chosen, the following observations were derived from the total variance in the table.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.507	35.066	35.066	3.507	35.066	35.066	2.491	24.910	24.910
2	1.248	12.480	47.546	1.248	12.480	47.546	2.227	22.275	47.185
3	1.153	11.527	59.073	1.153	11.527	59.073	1.189	11.888	59.073
4	.906	9.057	68.129						
5	.799	7.989	76.118						
6	.664	6.636	82.755						
7	.546	5.458	88.212						
8	.497	4.970	93.182						
9	.389	3.890	97.072						
10	.293	2.928	100.000						

Extraction Method: Principal Component Analysis.

If you want to use it to pick factors, you should make sure the overall variance is more than 55%. A total variance of 59.073% was determined by this study, which is higher than the necessary variance. Therefore, the analysis proceeded based on the factors that were chosen. Looking at the component matrix was the next step in the investigation.

Component Matrix^a

	Component		
	1	2	3
attraction	.819		
inspiration	.764		
brand liking	.722		
pleasure	.701		
purchasing	.629		
preference	.587	-.547	
ethical advertisement	.579		
ethicality		.556	
Gender			.740
age group			-.590

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

Researchers can use the component matrix to find the factors that are related to each other. A recommended significance level for the elements to be correlated is above 0.5. According to the data in the table, there was a favourable correlation between ethical advertising and the following emotions: attraction, inspiration, enjoying the brand, enjoyment, buying, and preferences. A person's gender and age were also found to have a negative correlation with their ethics and preferences.

The Rotated Component matrix was used for the following analysis.

Rotated Component Matrix^a

	Component		
	1	2	3
ethical advertisement	.721		
inspiration	.721		
attraction	.711		
pleasure	.694		
ethicality	.535		
preference		.832	
brand liking		.781	
purchasing		.711	
Gender			-.732
age group			.692

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser

Normalization.^a

a. Rotation converged in 5 iterations.

A significant value greater than 0.5 is required for factor selection. The significance value of the chosen factor was greater than 0.5, as shown in the table. This led to the conclusion that the factors chosen were suitable for factor analysis. In order to comprehend the variance value among the factors that were chosen, the following observations were derived from the total variance in the table.

EDUCATIONAL IMPLICATIONS

Curriculum Development: Integrating the study of ethical advertising into marketing and business courses can help students understand the importance of ethics in advertising and its impact on consumer behavior. This can lead to the development of more socially responsible marketers.

Critical Thinking: Teaching students to critically analyze advertisements can enhance their ability to discern ethical from unethical practices. This skill is essential for making informed consumer choices and for future roles in marketing and advertising.

Consumer Awareness: Educational programs can raise awareness about the impact of ethical advertising on consumer trust and loyalty. This awareness can empower consumers to demand higher standards of ethics from brands.

Research Opportunities: The influence of ethical advertisements on consumer behavior presents numerous research opportunities for students and academics. This can lead to a deeper understanding of the dynamics between advertising ethics and consumer decision-making.

Professional Ethics: Including ethical advertising principles in professional training programs can prepare future advertisers and marketers to prioritize ethical considerations in their campaigns, leading to more responsible advertising practices in the industry.

Societal Impact: Education on the topic can contribute to a more ethically conscious society where consumers and businesses alike value and practice ethical standards, leading to overall positive societal changes.

CONCLUSION

Researchers found that customers' perspectives are impacted by ethical ads. Consumers are enticed and motivated to use the products after viewing ads that promote ethics. Instead of endorsing their own brand, they develop a stronger affinity for things that uphold ethical principles. Watching ethical ads and acting on the values they promote brings them great joy. Since they perceive a greater level of care from the organisation, the majority of customers favour and purchase products that advocate for ethical ideals. Commercial that don't

compromise ethics have a major impact on how people feel about and ultimately buy products. Compared to overly dramatic ads, individuals are more receptive to ethical ones. Due to the data acquired from a very small sample from a particular age range in Delhi, this article has various limitations and could benefit from future investigation. Ethical advertisements have a profound influence on the consumer mindset in India, fostering trust and loyalty towards brands. Consumers increasingly prefer brands that align with their values and demonstrate social responsibility. Ethical advertising not only enhances brand reputation but also positively impacts consumer decision-making and purchase intentions. It encourages transparency and honesty, leading to stronger consumer-brand relationships. As awareness of ethical practices grows, companies that prioritize ethical advertising are likely to see sustained consumer engagement and competitive advantage. Ultimately, ethical advertising contributes to a more conscientious and informed consumer base in India.

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