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UNDERSTANDING THE RELATIONSHIP BETWEEN UNETHICAL BEHAVIOUR AND CUSTOMER BRAND IMAGE: A CASE STUDY ON H&M

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Abstract

This study is conducted to determine the relationship between unethical behavior and customer brand image. The main focus is to understand this relationship regarding the clothing industry. The clothing industry is very wide, and nowadays fast and cheap production has become a trend in the clothes market. Previous study about the effect of unethical behavior on people and purchase choices was made, but no study was made focusing on the relationship of unethical behavior and brand image, nor did it focus on the clothing industry. The methodology used in this study is two focus groups, one conducted in Saudi Arabia and one conducted in Spain. The aim of choosing different countries is to see if cultural and social differences have an effect on this topic. The results of this study prove that there is no direct impact of unethical behavior of brands on customer brand image. The results in both countries prove to be similar; therefore social differences do not really have an influence in this matter. This study helps to understand consumer behavior and what priorities do consumers have when purchasing a specific brand.

INTRODUCTION

Hennes and Mauritz (H&M) is one of the most popular multinational clothing companies worldwide and they offer great value and prices to customers. They have stores in Africa, Asia Pacific, Europe, Middle East, and North and South America. Recently, attention was set on these companies that joined the fast clothing industry. The fast clothing industry is generally known for the very fast production of clothes with immense varieties. These companies manufacture in very poor third and fourth world countries, such as Bangladesh and India. They give them very low wages and extensive working hours (Samuel Osborne, 2018). Because of this, these companies can provide low prices and high quality products in order to satisfy peoples' needs and provide them with the latest trends in fashion.

Kotler (2001) defined brand image as the attitude, thoughts and feelings of a consumer towards a specific product. In a different scenario, Hsieh, Pan and Setiono (2004) agreed that brand image guides consumers in realizing their needs and satisfaction to the brand, as it also differentiates the brand from the other competitors by motivating customers to purchase their brand. A good customer brand image leads to a good reputation and an overall good experience for customers. This image that customers create about certain brands can be affected by many different factors around them, such as brand history and reputation, word of mouth, memories and customer satisfaction. When a brand invests in creating good experiences and to give customers what they need, this is create a positive brand image in customers' minds. Brand image also affects brand trust, so if the brand image of a company is positive, this will create an automatic trust in customers. Berry (1995) defines brand trust as the strongest marketing tool, as Urban et al. (2000) argued that it is very important in creating customer relationships.

Even though customers now are more informed and have more access to data regarding any company, and a lot of stress has been put on the social responsibility of marketing, this still does not prove that unethical behavior of companies affect their purchase choices. According to Hunt & Vitell (2005) study, customers will only get affected and make ethical judgments if that issue had a direct 'impact on them', but if it doesn't, then it definitely doesn't affect their purchase choices. They also listed out some of the personal characteristics that may influence customers' ethical decisions. These include religion, personal value system, strength of moral character, level of cognitive moral development, and ethical sensitivity affects their decision making. Moreover, the organizational culture and social networks will affect the decision.

Boulstridge & Carrigan (2000), studied the reaction of consumers to ethical and unethical marketing behaviors, and what they discovered is that most consumers lacked information and generally have little awareness on unethical issues. Moreover, even though they had information about the unethical activities that some companies do, most respondents admit that social responsibility was not important for them in their purchase choices. Carrigan & Attalla (2001), concluded this issue of ethical judgments as the following; it's either that consumers are really not aware and have a lack of knowledge, or that they talk in a way and act in a different way.

This study focuses on understanding how the unethical behavior done by these companies to produce their products affects the customers brand image, and if it actually does affect it in any way. This study was conducted in two countries; Saudi Arabia and Spain. It also aims to find if results will vary in different countries, and to understand people's knowledge about fair trade in Saudi Arabia compared to other societies.

METHODOLOGY

In this study, qualitative data is collected using focus groups. Qualitative data is a more detailed way of collecting data, as it digs deep into the topic being discussed. It also reveals the thoughts, experiences and feelings of the respondents in a very interesting way. Since ethics is such a sensitive matter, qualitative data is much more accurate for it than quantitative data. Focus group is one of the most common qualitative data methods. It consists of a group of chosen people to discuss the issue or matter being raised, with some specific topics or questions asked by the monitor. A focus group is not a debate, but rather a group discussion sharing different opinions. As a qualitative research methodology, focus groups concede for fundamental exploration, and are specifically useful in ‘under research’ operations (Tynan & Drayton, 1988). Tynan and Drayton (1988) also added that focus groups allow different views to be confidential and to be arranged as the discussion goes on, in order to investigate their behaviors and to experience the consumers “eye view” of the world. For a topic under examination, focus groups give the advantage of flexibility, speed, honesty, different ideas being discussed and to see the real point of view of respondents. If a quantitative method would be used in this case, it wouldn’t give the accuracy and the rich data gained from using focus groups.

Designing the Focus Group **Group Discussions**

Two group discussions were arranged, each located in a different country; Spain and Saudi Arabia. As one of the main aims of the study is to compare western ideas of this issue and the local ones, a focus group was conducted in Valencia, Spain, and the other in Jeddah, Saudi Arabia. Both focus groups were recorded with the participant’s permission.

Size, Age and Location

The first focus group conducted was located in Valencia, Spain, in the University of Valencia’s college of psychology seminar room. It involved seven participants, three males and four females of ages 21 to 30 years old. However, gender does not play a role or influence in this issue regarding unethical activities (Atalla & Corrigan, 2001). All the participants were educated, some with Master degrees and others still continuing their undergraduate diplomas in different fields.

The second focus group was conducted in Jeddah, Saudi Arabia, including five participants. It involved only female participants from ages 19 to 25, all university educated as well. Even though the most common number of participants for group discussions is from eight to twelve (Morgan, 1992), if the topic being discussed is sensitive, it is more recommended to use a less number of respondents (Falconer, 1976).

RESULT AND DISCUSSION

Findings in Saudi Arabia

Through the group discussion set, many interesting ideas were discussed and revealed. The first truth was that none of the participants actually knew that

the issue being discussed actually existed, and all of them found the problem very upsetting. This is agreeable to the idea that people do not get affected by a company's unethical acts due to their lack of information (Boulstridge & Carrigan, 2000). Even though the information might be provided, one of the participants argued that this issue was never talked about in the media.

All of the participants seemed to be facing a dilemma and were confused on what could be done when they were asked for solutions. One of the participants added: *"I would be a hypocrite to say that I would boycott H&M, or any other brand doing the same, because it is very difficult due to the quality and price of their clothes. They have really good offers"*. All the participants agreed that they will not stop buying from these brands, arguing that they do not have other options in Saudi Arabia due to the expensive lifestyle. They also argued that even if they stop buying, other people will, so this wouldn't make a difference.

Another participant added: *"They offer us our needs, even though other people are suffering to make those clothes"*. She also added that local brands and businesses are very expensive, and they usually set a much higher price than they actually need to, due to the expensive lifestyle in Saudi Arabia and the general idea that the more the expensive clothes are, the better quality they have. Therefore, most people living in Saudi Arabia cannot support local brands due to their high prices.

Another argument was also discussed, stating that: *"If we lived in a less developed country or a third world country where local brands have really good prices, it would be very easy to boycott brands such as H&M. However, in a country like Saudi Arabia it is very difficult due to the limited options that we have"*. One of the participants also stressed on the idea that people usually don't get affected by what's happening miles away, especially that it does not affect them in any way. She also added that if the problem was related to a food brand for example, that is directly affecting peoples' health; consumers would definitely stop buying from these brands. However, in the case of clothing brands, people are not directly affected, but the complete opposite is happening; these brands are providing customers with their needs. This is exactly what Hunt & Vitell (2005) stated that people are only expected to react when such issues have a direct "impact on them".

Solutions were discussed and many ideas were raised. One of the main ideas was to create more awareness through social media, to inform people about what's happening in these countries. Another idea was to create foundations to help these workers and support them with some funds. However, another participant argued that this might be rather difficult, and would not really solve the entire issue, because it's not only a matter of wage, but also safety, hygiene and human rights. Another idea was to implement this in a more academic way, because even though students are being taught about ethics, they never really touch these matters because most classes focus on a more theoretical part of ethics. A participant added: *"We need more hands on, a more practical course rather than studying cases that happened decades ago"*.

Interestingly, one of the participants connected the religion to ethics. She believes that if more awareness was raised in Saudi Arabia, and this issue was talked through, people would get really emotional about it and feel it much more than the people outside, stating that: *“Our religion teaches us to have merci on other people, so we can communicate this problem to people here adding that that’s what our Prophet (PBUH) taught us”*. This shows a more spiritual side of the issue, and also proves that people are highly affected on their religious beliefs personally and ethically. One of the participants disagreed; adding that this awareness will only make people think for a second, then forget about it, just like all the other problems that happen worldwide.

Regarding fair trade, half of the participants were not familiar with what fair trade was. After it was explained to them, they agreed that a fair trade stamp or certificate makes brands more trustworthy and authentic. One of the respondents said that she would at least feel good when buying these products.

Another case that was talked about is the fact that these companies are at least providing these poor workers jobs, and if these factories close for any reason, all these people would lose their jobs and probably won’t get a better one in the corrupt environment that they live in. Therefore, the blame was not fully put on H&M or any other brand doing the same, but the main blame is on those countries systems that allow these things to happen to their own people. One participant added: *“These less-developed countries are still very new in the collectivist nation –colonized countries- so they would not react the same as the first world countries who solved these issues decades ago”*.

It was further discussed that most third world countries suffer from brain drain, and all their educated and qualified people travel to other more developed countries to invest on themselves, and have a decent and peaceful future, as most people don’t want to get involved in social problems. One of the participants also complained that in Saudi Arabia they have many limitations, especially as females, and these rules limit them from fighting against such causes or trying to get involved in these issues.

At the end, the discussion was concluded by stating that each person must start with himself first, and then try to influence others in a positive matter. It was also discussed how art could be a way of representing these issues and touching hearts, however all of the participants still agreed that boycotting is not the answer and will not create a change.

Findings in Spain

The discussion in Spain took another twist. There were many different ideas discussed and many disagreements between the participants. First, most participants knew about the issue going on, stressing on the idea that we all know how these clothes are made, and we know it’s wrong, but knowing hasn’t stopped us from buying. So this proves that our lack of information is really not the main reason for people not acting against unethical companies.

Some of the respondents argued about the fact that these issues are not talked about or supported by the media; some believe that this cause is not supported by the media, while others said it is being talked about in some places and that's how we got to know about such issues, and there are even campaigns against it. However, they all agreed that even if some media has talked about this issue, most known channels don't, so even if people hear about it they are not sure it's actually happening, so that's why they are not very sensitive about this cause.

One participant added: *“These people are really far away, we don't see them, and so because we don't see them, most people won't sympathize with them. Ethically speaking, if a person is really far away, we will be less concerned about helping him, however if a person falls in front of you, you'll automatically help that person.”* One participant disagreed, arguing that because these people are far it doesn't mean we don't sympathize with them; it is just that we sympathize more with the people near to us. They were further asked if pictures and videos may change that, but most agreed that showing people pictures won't really change the situation, as people are still driven by other factors.

Another idea was raised, talking about the society and culture of these countries. Some participants agreed that in these societies such things are rather normal, and they don't see it as bad as we do. In order to understand them, we must ask why is this done and understand the way these societies think. These companies are giving the poor people there jobs, so the issue is how each society perceives this situation. However, a participant argued saying that culture is not an excuse, because everyone deserves human dignity and human rights.

A very interesting thought was also spoken by one of the participants. He stated: *“If in our democratic countries they don't let this happen to their local citizens and protect them from such unfair treatment, while they let this happen outside their borders; what type of democracy is this? What message are we giving to the people?”* Responding to that, some participants agreed that these societies and people might not be ready for these changes now, so till what point can we interfere in their social problems? Commercially speaking, these multinational companies have the permission to produce in these countries, so they have the international right to do this.

A broad discussion about how this as affected the global economies was set. Some participants argued that if people stop buying, and these companies shut down, this will arm the entire economy of their country, as it will make people lose jobs in the countries of production. One participant added that this issue is more about the economy of people, more than the entire economy, because logically speaking you can't go to a poor or middle class person and ask them to boycott these brands while it's the only thing they can afford. One participant added: *“Our crisis actually started because of this. Our countries stopped their production industry because they couldn't compete with the prices, labor or working hours that these countries afford them. This led to loss of industrial employment in our countries, because it is impossible for us*

to compete with them". This led to another discussion. A participant declared: *"They are us 40 years ago. Spain was a third world country too, not until the end 80s they became a developed country. We lived these problems here, it was the way we were raised and taught. They are going through the process we went through in the past. Therefore the question is: Do we wait for these countries to go through the process we went through and change gradually? Or can we interfere in their social problems and ask them to change? I believe that the past is the best predictor for the future, so we must let that change happen naturally"*.

Consumerism was also in the top list during this discussion. They think that as long as you're giving people their needs and personal satisfaction, people are happy. Our world now is not like it used to be. In the past things were more dear to us, they had more value, but nowadays we have so much varieties, so much of everything, and everything became so cheap, that people will still buy even if they don't need to. A participant added: *"This happened because of China. They started the cheap production and then things went on. They also suffer from tremendous labor mistreatment, but now it's not only China, but most of the third world countries"*.

Regarding fair trade, all the participants were familiar with what it was. However, they believe that there is no demand for it and people don't really support it or think it's very important, due to all the other priorities that they have in life. This took the discussion to another lever, discussing human nature. They believe that people are selfish and competitive by nature, so we can't really change that. Only the minority of people, who are altruists actually do good without expecting anything back but personal satisfaction. A participant added: *"If you buy toys for a child, he will want more and won't share with other children, until his parents teach him to share. Therefore, our nature is like that, we want everything for ourselves and as much as we get the more satisfied we are. Rich people for example are also raised like that; they become greedy and selfish because they are not aware of what's happening outside their circle. They only compare themselves to people who are like them, or probably richer"*.

This also stressed on the idea about capitalism. One participant insisted that capitalism works because it is based on human nature, so as humans are competitive in nature, capitalism will definitely work. Therefore, since people have lost the value of things, capitalists can use this for their favor and make more money, and this is leading to radical capitalism. Another example discussed, was an incident that happened with one of the participants, she explains: *"Previously people were asking us to protest against coke because of different political reasons. However, people did not stop drinking it, and I personally only stopped drinking coke when I knew about the exaggerated sugar it has"*. This again brings us the Hunt & Vitell's (2005) study that people only react against a product if it harms them directly.

Ending the discussion, all participants agreed that if companies tried to improve these workers conditions, this will increase their costs and therefore increase the price. What all companies want is to reduce costs and increase

profits, and this is why they produce in these countries in the first place. However, they could cut costs from their marketing activities for example, and make these workers' situation a better one. They concluded that we must also understand how the companies owners think, try to understand their point of view, and from there try to make a change. We must also start with improving ourselves first, and then try to affect others. Table 1 highlights the similarities and differences answer between Saudi Arabia and Spain.

Table 1. Similarities and differences answer between Saudi Arabia and Spain

No.	Question	Answer	(Similar/ Different)
1	Are the participants aware of this ethical issue?	Saudi Arabia: No Spain: Yes	Different
2	Are the participants familiar with fair trade?	Saudi Arabia: 50% yes and 50% no Spain: Yes	Different
3	Did the participants in both countries agree on the fact that fair trade may improve the situation?	Saudi Arabia: Yes Spain: No	Different
4	In their opinion, does the knowledge of consumers about this problem affect their purchase choices? Are people ready to boycott these companies?	Saudi Arabia: No Spain: No	Similar
5	If not, what may lead consumers to boycott a certain brand?	Saudi Arabia & Spain: If that brand has a negative impact on peoples' health	Similar
6	In terms of brand image, are the participants affected by this information?	Saudi Arabia: they are affected emotionally, but still continue to support these brands because they satisfy their needs and cannot economically afford other brands. Spain: only one participant protested that something must be done quickly. The rest agreed that human nature is more powerful, even if the situation is sad and wrong. Therefore, majority of people will still support these brands as well because they satisfy their needs and due to their	Similar

		economic situation.	
7	Did both discussions lead to similar conclusions?	Yes	Similar
8	Does the difference in location and culture affect people's reaction to this problem?	Not directly, as both discussion were gradually different in some sense but at the end they both led to similar conclusions. Therefore, consumers will not stop buying, but may consider different ways to solve or improve this situation.	Similar

Smith (1995) argues that due to the legalization standards that we have nowadays consumers expect better socially responsible activities. This is true to a point, but does not represent the entire situation, because in many countries there are no such legalizations, and these rules only matter to the developed countries protecting their local citizens only, and even though people expect a better world, it is not actually happening. Smith (1995) also concluded that we now live in the 'ethics era', however if this was true, none of such unethical activities could have been accepted. Also, according to Carrigan & Atalla (2001), the debate of ethical judgments was concluded by two questions: either consumers have lack of knowledge, or that they talk in a way and act in a different way.

The study by Boulstridge & Carrigan (2000) is again proved by the results of this study. It is true that it's not that consumers don't care about unethical activities, but rather are driven by more important factors, and therefore do their purchase choices according to their personal reasons, not social reasons. Hunt & Vitell (2005) also added that consumers will only act against unethical practices if it has a direct 'impact on them', which come in line with the results of this study. This explains a lot about the fast clothing industry case, since customers are given great offers with great value and price, little attention will be given to the unethical practices done in order to make these

products available, especially that clothes do not cause health harm like food products or medicines for example.

Besides that, Carrigan & Atalla's (2001) concludes that whether the unethical practices of a brand affects its brand image, it can be concluded that there is no direct impact between unethical behavior and customer brand image, as there are more powerful factors such as price, quality and self-satisfaction that affect consumers more than the ethical side of the situation. It is also important to understand that the difference in countries and societies did not really make a difference in the responses, as this study was conducted in Saudi Arabia and Spain, both findings lead to similar conclusions regarding the research question, even though the factors may be slightly different.

CONCLUSION

This study proves that it's neither this nor that; the situation is that even though people may be aware, they are pressured by other external factors, economical, personal and even political. These factors leave a dilemma in consumers' minds, and most of them are rather confused, or simply accept the reality of how things work in the capitalist world that we live in. Therefore, as long as customers are happy and satisfied with the products they're buying, at a very competitive price, they will keep buying even if they get informed about the unethical ways of production. Only the minority of people will generally act, or are activists and protest against such issues.

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