Unpacking the Ethical Product

Andrew Crane

ABSTRACT. Acknowledging the increasing attention in the literature devoted to the incorporation of ethical considerations into consumers' purchase decisions, this paper explores the notion of an ethical product. It is argued that ethical issues have long been involved in consumers' product evaluations, but that there has been little academic investigation of ethics in terms of product concepts and theories. Ethics are thus examined in the context of the augmented product concept, and two dimensions of ethical augmentation are identified: direction and content. These dimensions are set out and discussed at some length, and then they are used to construct an ethical product matrix. It is shown how this could be used to provide structure and coherence to examinations of the perceived ethics of any given product offering. The implications of the analysis offered in the paper are discussed, and a number of limitations of the ethical product notion are identified. Finally some conclusions and directions for future research are suggested.

KEY WORDS: ethical augmentation, ethical branding, ethical consumption, ethical product, marketing, product concepts

The 1990s have seen ethics rapidly rising up the corporate agenda, and interest has soared in their potential to provide a powerful influence on consumer purchase decisions. Survey evidence regularly shows that significant proportions of consumers are fully willing to incorporate ethical considerations into their product purchase decisions and that they are seeking to purchase more ethical products (e.g. CWS, 1995; BT, 1996; Strong, 1996; Cooper, 1998; Rogers, 1998). At the same time, companies such as the Body Shop and Ben & Jerry's have shown how ethical branding can be harnessed for commercial success, whilst firms such as Shell with its environmental policies, and Nike with its overseas sourcing policies, have shown how ethical problems can seriously tarnish the brand image and hinder sales.

There is then by now little doubt that business ethics do indeed figure significantly in consumers' purchase decisions. Considerable research effort has subsequently been expanded in identifying so-called ethical consumers and uncovering their values, attitudes, preferences and behaviours, particularly in relation to environmental issues (see Anderson and Cunningham, 1972; Prothero, 1990; Shrum et al., 1995; Schlegelmilch et al., 1996; Strong, 1996). However, although there is now a greater understanding of ethical purchase behaviour beginning to develop, there is little clarity regarding *what* exactly it is these consumers are choosing to buy, or not to buy. Whilst notions of the ethical product and ethical branding have begun to evoke discussion in the popular and trade press (e.g. Mitchell, 1997; Rogers, 1998; Waller, 1999) they have yet to enter the academic literature. Whilst this may to some extent be due to the relative newness of these concepts, they are clearly going to be central to emerging debates on ethics and purchasing in the business ethics and marketing literatures. Hence, there is a need at this stage to explore what these concepts refer to, what they mean, and what their implications

Andrew Crane is a Lecturer in Marketing and Strategy at Cardiff Business School. His research interests are in the area of business ethics and corporate greening. His new book, published in 2000, is Marketing, Morality and the Natural Environments.

might be. In short, it is necessary to unpack the ethical product.

By "ethical" product, the paper means to refer to a whole set of issues and considerations that might impinge upon the purchase decision, such as product safety, environmental impacts, consumer privacy, employee welfare, discrimination, fair pricing, community action, charitable donations, etc. The list is extensive, and almost certainly growing, as new issues such as fair trade and gene technology become introduced into purchase decisions. Despite the attention paid (or not paid) to these various issues in certain products, no value position is taken in the paper regarding the virtues of particular product offerings, and the purpose of the paper is certainly not to judge which products are, or are not, ethical.[1] The purpose of the paper is however to see how it is possible to conceptualise these issues in terms of "the product". As the paper proceeds, it will become evident that there are certain problems with the notion of an ethical product. Indeed, one of the key conclusions of the paper is that in many respects, there probably isn't even any such thing as an ethical product! However, the paper does provide the means by which ethical considerations can be incorporated into product theory in a powerful, logical and comprehensive manner. Thus by referring to this process as "unpacking" the ethical product, the intended meaning is threefold: to dismantle some existing preconceptions about ethical products; to break down the ethical product concept into its constituent parts; and to examine what in fact ethical products are, what they are not, and what they can or cannot be.

Ethics and products

The starting point for unpacking the ethical product is the assumption that consumers may incorporate various ethical considerations into their purchase decisions, and hence that firms' marketing efforts are in some way affected by their perceived stance or response on certain ethical issues. The possibilities here have long been recognised by practitioners. For example, the U.K. Co-operative movement was established in the mid 19th century partly in response to customer concerns over the questionable ethics of existing retailers (Bonner, 1961), and "enlightened" employee welfare policies on the part of large commercial enterprises during the early part of the 20th century were at the time seen to have afforded products an ethical dimension. As Ashley (1912, p. xiii) commented some 75 years ago regarding the benefits of the British manufacturing firm, Cadbury's, progressive labour policies:

> [The labour policy] has been a splendid advertisement. . . . I think this is a particularly encouraging fact, and highly creditable to human nature. It shows there is such a thing as a consumer's conscience. The whole essence of the Consumers' League work in America and of the white lists of the Christian Social Union in [Great Britain] is to make it "good business" to be known to manufacture under satisfactory working conditions; and with increasing publicity and an increasing fellow-feeling among all classes, I expect that this is going to be the case more and more.

Academic researchers have only more recently focused attention on this issue, but early work in the 1970s on socially conscious consumption (Anderson and Cunningham, 1972), responsible consumption (Fisk, 1973) and ecologically concerned consumers (Kinnear et al., 1974) established a foundation for much of the work that now goes on under the labels of ethical and green consumption and purchasing (e.g. Drumwright, 1994; Shrum et al., 1995; Schlegelmilch et al., 1996; Strong, 1996). Broadly, what these studies have sought to discover is who these consumers are, why they have emerged, what their concerns are, and how these concerns might impact upon purchase behaviour.

Another stream of work has sought to establish whether there is indeed a benefit to firms for being ethical. Taking the "enlightened self interest" position that good ethics is good for business (see Mintzberg, 1983), various studies have investigated corporate ethics, social responsibility, or social performance (or a reputation for these) in relation to financial performance (Aldag and Bartol, 1978; Aupperle et al., 1985; McGuire et al., 1988; Dooley and Lerner, 1994),

and market share (Owen and Scherer, 1993). As yet though, the empirical evidence is somewhat equivocal regarding this relationship (Aldag and Bartol, 1978; Owen and Scherer, 1993; Burke and Logsdon, 1996). Nonetheless, survey evidence has shown that: consumers have increasingly claimed to include ethical criteria in their purchase decisions; and that boycotting of firms and products over ethical issues is a potential tactic for sizeable proportions of the populace (see CWS, 1995; Strong, 1996; Cooper, 1998; Rogers, 1998). Moreover, it is quite clear that business leaders too, in their public pronouncements and corporate communications, have increasingly stressed the importance of ethical values in attracting and retaining customers. For example, following considerable time in the spotlight regarding its social and environmental policies, Shell U.K. in 1998 published its "Report to Society". In the introduction, Chris Fay the Chairman and CEO had this to say:

> Consumers have become more discriminating and more demanding. From ethical investments to rising demand for "green" products, from concern over employment conditions in the developing world to consumer boycotts, the evidence of a more committed public is all around us. The public demands from us the highest standards of ethical and environmental responsibility.

This paper attempts then to build a bridge between these two very important streams of literature: that which identifies and investigates the needs of the ethical consumer, and that which explores the relationship between ethics and market performance. This is very much a missing piece of the puzzle. So by looking specifically at what the consumer might actually be purchasing, what exactly might be meant (or not meant) by the notion of an ethical product, it is hoped that some light can be thrown on what remains as yet a largely unexplored area.

Ethics as product augmentation

To begin, it is essential to establish the nature of a product in such a way as to allow us to incorporate ethical dimensions. Smith (1990) has

provided one of the first, and certainly one of the more scholarly, expositions of how ethics can be theorized as part of ethical purchase behaviour. He bases his analysis on Levitt's (1980) notion of the augmented product concept, and it is here that this analysis too shall begin. Levitt contends that the product can be conceptualised at three different levels: the *core product*, which is the fundamental benefit, or problem-solution, sought by consumers; the *expected (or actual) product*, which is the basic physical product which delivers those benefits; and the *augmented product*, which is the addition of extra or unsolicited services or benefits to the consumer in order to prompt purchase. In most introductory marketing textbooks (e.g. Kotler et al., 1999), this model is usually presented in a simple diagrammatic form (see Figure 1), one that is no doubt known and recognised by most students and alumni of marketing today.

Obviously then, it can be seen that a product is more than just its tangible features, but from the perspective of the consumer, it is a complex bundle of attributes and perceived benefits. Ethical considerations, as Smith (1990) notes, are likely to be seen as product augmentations. Hence, they might be regarded as added benefits for the consumer over and above the basic, expected, value-giving properties of the product.
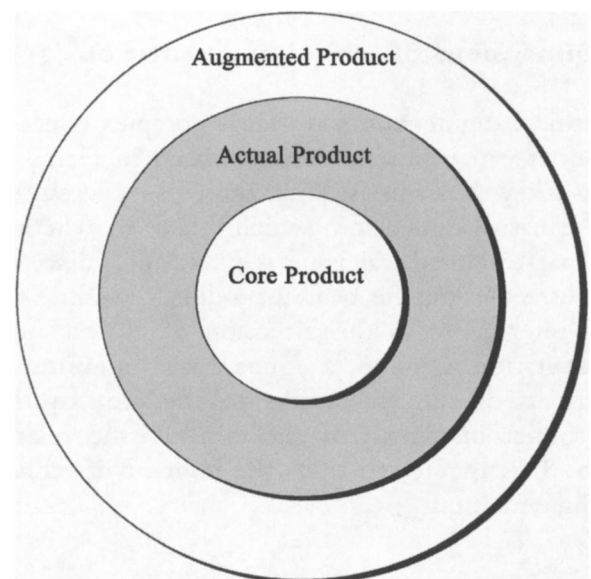
Figure 1. The three product levels.

They are key influences on the values represented by a brand.

To explain this, let us take the example of recycled writing paper. In this instance, the core benefit which the consumer is likely to be seeking is a functional medium on which to write. The actual product will be the physical paper itself, its quality, size, thickness, surface sheen, etc. Without these, the paper would not be able to fulfil its function in an appropriate manner. However, the fact that the recycled paper can provide these consumer benefits *and* offer an additional benefit of being perceived as better for the environment than non-recycled paper, means that the overall product offering is augmented by ethical considerations; it has added value. For some consumers however this will not be a significant augmentation, either because the extra "ethical" value added by the recycled content is not desired by them, or because the additional value is seen as being insufficient to justify a price premium over certain competing offerings which offer equivalent quality on other more-valued attributes. If there is a perceived augmentation though, if we are indeed considering an ostensibly ethical product scenario, it is necessary to know what exactly this augmentation is. This is discussed here in terms of the dimensions of ethical augmentation.

Dimensions of ethical augmentation

Ethical augmentation is a fairly complex concept but it can be usefully summarised in terms of two key dimensions. First, the paper addresses a normative dimension, which relates to whether a particular ethical issue is likely to add to, or subtract from, the overall product benefit. This is referred to as the direction of ethical augmentation. Second, a conceptual dimension is discussed, and this refers to the area of the product offering that the ethical issue relates to. This is referred to as the content of ethical augmentation.

Direction of ethical augmentation

Smith (1990) acknowledges that in the traditional marketing view of the product concept, augmentation is viewed as a positive addition to the product's benefit bundle, i.e. it can be a source of competitive or differential advantage. However, he is at pains to emphasise how in the case of ethical augmentation, the opposite can be true, i.e. it works in a negative fashion and is hence a "competitive minus" or competitive disadvantage. Looking specifically towards incidences of consumer boycotts, Smith (1990) argues that pressure groups can alert consumers to the negative ethical associations of a product or its producer, and this provides the consumer with a disincentive to purchase the product. For example the well-publicised boycott of Nestlé products (on account of their aggressive marketing of infant formula in developing nations) clearly acted as a negative augmentation for significant numbers of their customers (see Post, 1985; Smith, 1990). Crucially, as Smith (1990) notes, these negative augmentations are usually unintentional, and it must be said, very difficult to control.

Unfortunately, Smith (1990) does not even consider positive ethical augmentation, yet this is clearly a key part of our current understanding of ethical purchase behaviour. Companies such as the Body Shop and Ben & Jerry's have provided vivid examples of good ethics providing an added incentive for consumers to purchase their products, over and above the existing core, actual and augmented benefits. The phenomenon of cause-related marketing, where consumer purchases are linked to corporate contributions to good causes, has also been shown to provide significant augmentation to the product offering for certain groups of consumers (Varadarajan and Menon, 1988; Andreasen, 1996). Indeed, it is essential that ethical product augmentation is thought of as something that can be both positive *and* negative, an incentive *and* a disincentive, whether intended or not. Moreover, not all issues identified as ethically relevant by some consumers, or by some marketing managers, will be particularly significant for all consumers. For example, although animal testing is high on the

ethical agenda of some sections of society, for many consumers it may be of little consequence whether a cosmetic product was tested on animals: they might see testing as a legal and perfectly reasonable method to ensure human safety. Hence, for these consumers, the issue will be fairly neutral in terms of the direction of ethical augmentation. Therefore, if we are trying to identify ethical augmentation as it exists in the individual consumer's mind, for any particular issue we can conceive of the direction of ethical augmentation as being a continuum, stretching from positive through neutral to negative.

Content of ethical augmentation

Having set out the direction of ethical augmentation, the analysis now turns to the content of this augmentation, i.e. what it relates to and how. It has been shown that this can be conceptualised in terms of the different levels at which ethical issues can be considered in relation to the product (Crane and Ennew, 1995; Crane, 1997). Expanding upon Crane's (1997) framework, those levels can be defined as: the product, its marketing, the corporation, and the country.

Product level. At the product level, ethical augmentation can be seen in terms of those issues which are directly related to the actual product or service itself. At its most basic, this could be considerations regarding the product's potential for individual/social good or harm. For example, cigarettes could be regarded by some as augmented negatively in terms of their deleterious health effects, and pollution control technologies might be viewed positively since they assist in providing social good. Looking deeper however, one of the major contributions of the green marketing literature to our understanding of the product is the realisation that it is necessary to look throughout the product's lifecycle to ascertain its full social impacts and ethical connotations (Peattie, 1992). This means that ethical augmentation can also occur at the product level in the product's design, its inputs or raw materials, the manufacturing processes used to create it, the manner in which it is used or disposed,

etc. Hence, for a product such as an automobile, positive augmentations might include: its safety specifications and energy efficiency (design); the use of recycled or recyclate material as production materials (inputs); low energy, low pollution manufacturing (processes); and inclusion of biodegradable and re-usable components (disposal).

Of course, these ethical connotations are often relevant to value-making activities, such as resource extraction and manufacturing, which may be carried out by other firms at different stages in the supply chain. This means that at the product level, ethical augmentation might be shaped by decisions being made beyond the boundaries of the supplying firm. For example, the British firm Marks & Spencer has recently had to defend itself against TV reports alleging the use of child labour in the production of their clothing products (see Fox, 1996; Gibb et al., 1998). However, it was not the working practices of M&S's own factories which were in question, but rather those of an overseas manufacturer which supplied one of M&S's main suppliers. Hence, ethical augmentation for their clothing products in this respect was influenced by policies being implemented two stages back in the supply chain.

Marketing level. It is important to recognise that all of the ethical considerations which are relevant to the product offering as perceived by consumers may not actually be pertinent to the product itself. For example, the Nestlé infant formula case has already been mentioned: here the actual product was seen by most as perfectly acceptable (and caused no controversy when sold in the U.S.), but problems arose because of the way in which it was *marketed* in developing countries (Post, 1985; Smith, 1990). Equally, Smith (1995) provides a number of examples of products such as the Suzuki Samurai which might not be seen as unethical in themselves, but which can become so due to the marketing campaigns which accompany them.[2] As he illustrates, these campaigns can misrepresent the product, or otherwise misinform the consumer, leading to negative ethical attributions. Therefore, a second level of ethical content might be posited as the

marketing of the product: it still pertains to the individual product offering, but is not intrinsic to the physical product itself. Of course, augmentations at the marketing level can also be positive as well as negative in direction. Cause-related marketing for instance is clearly an attempt to provide positive marketing level augmentation. An example such as American Express's Charge Against Hunger programme, whereby the company donates 3 cents to the hunger-relief organization Share Our Strength every time someone uses the card, suggests that the main ethical focus is not the credit card itself, but the value-added through the particular marketing campaign accompanying it.

Corporate level. The third level of ethical content is a fairly indirect augmentation since it relates not to the specific product, nor even its marketing, but to the firm actually supplying the product. It could perhaps be argued that buying cosmetics or ice cream is hardly a circumstance relevant to ethical purchasing, but if we take the case of *Body Shop* cosmetics and *Ben & Jerry's* ice cream, it is the ethical stance of these companies that makes it one. Over the past decade or so, firms have indeed increasingly looked to corporate promotion to present their messages of social, ethical, and environmental responsibility. The use of social and moral themes in organizational communications has been shown to have steadily increased (Lill et al., 1986), with the incidence of environmental themes in particular experiencing a sharp incline during the late 1980s (Iyer et al., 1994). However, Iyer et al.'s (1994) study of green advertising was revealing in that it showed that the most dominant green communications strategy has been to position the corporation rather than the product as being green. Indeed, it has long been recognised that consumers make product evaluations based on their knowledge of the supplying firm and its brand values, and Brown and Dacin (1997) have now shown that the ethical reputation of the firm is a key element in this decision. This reputation can be based on a whole range of issues dealt with by the firm both currently and throughout its past. For example, as positive augmentations we might consider Cadbury's history of employee welfare policies, Merck's development and donation of drugs to third world countries, and 3M's environmental programme; negative augmentations might occur as a result of Nike's downsizing and massive employee layoffs in the U.S., or Exxon's environmental problems in the wake of the Valdez incident.

It is at the corporate level where consumer boycotts often impinge upon ethical augmentation. Although boycotts tend to be the avoidance of purchase of particular products (hence, they are negatively augmented), such actions are usually directed against the supplying firm, often regarding an issue which is completely unrelated to the products being avoided. For example, the Nescafe brand of coffee has been the subject of boycott action, not because of anything to do with the product or its marketing, but because it is the property of Nestlé, and therefore implicated in the infant formula issue.

Clearly then the scope for augmentation at the corporate level is enormous. The ethical reputation of the firm has a host of influences, including even the other organizations which the business is related to. In the case of financial organizations, this might be other organizations which the firm invests in. The Co-op Bank in the U.K. is a good example of this in that it has attempted to develop positive ethical augmentation by refusing to invest in companies which pollute the environment, sell weapons to countries with oppressive regimes, manufacture tobacco, produce animal fur, and so on (see Harvey, 1995; Kitson, 1996). Moreover, other service firms, as well as manufacturers and retailers have also attempted to develop their ethical reputation through strategic relations. For example Levi Strauss & Co. have sought to build a reputation throughout their value chain, necessitating attention to their sourcing policies, supplier relationships, consumer policies, etc. (Preece et al., 1995). Finally, ethical augmentation can even occur, both positively and negatively, in the activities of a firm's parent or subsidiary companies. For example sales of Shell Deutsche were hit when Shell U.K. was engaged in conflict with Greenpeace regarding the sea disposal of the Brent Spar oil platform (see Corzine, 1995; Summers, 1995)

Country level. Finally, the most indirect level of product augmentation can be identified in terms of the country which the product or its manufacturer might be associated with. For some consumers, the country of origin of their purchases is a significant ethical consideration, from the positive augmentation afforded by drives to buy only home-produced products, to the negative augmentation accruing to producers in countries with government policies deemed unacceptable by overseas consumers. For instance, over the years there have been boycotts in the U.S. and Europe of South African products (on account of the apartheid regime), French products (due to nuclear testing), and Chilean products (due to the military dictatorship).

What we have then is four different levels at which the content of ethical augmentation can occur: product, marketing, corporation, and country. These should be understood as augmentations which are successively more indirect with respect to the individual product. However, this should not be interpreted as meaning that indirect levels are any less significant in terms of their ethical augmentation: for the consumer, a corporate or country level augmentation may have just as much, even more, moral meaning than a product or marketing level one. It is however possible that the more indirect levels may be rather more difficult to identify by the supplying firm, and certainly much more difficult to change; both corporate and country-level augmentations are likely to be attended to only through significant strategic change.

Ethical product matrix

Having unpacked the ethical product in terms of two dimensions of ethical augmentation – content and direction – it is now possible to recombine them in an ethical product matrix. This is intended to be a simple schematic for mapping out plausible ethical attributes. What it means is that each of the levels of content can be thought of as positive, neutral or negative in direction, presenting us with twelve areas of ethical augmentation. This is shown in Figure 2. The matrix can be used to assess ethical augmentation for any given product, and can be used in two ways. First, it can provide a framework by which it is possible to identify and categorise the actual and potential forms of ethical augmentation which are appropriate to the product. Any relevant ethical issue can be plotted on the grid according to its posited direction and content,

Direction of Ethical Augmentation

	Negative	Neutral	Positive
Product	A	B	C
Marketing	D	E	F
Corporation	G	H	I
Country	J	K	L

Content of Ethical Augmentation

Figure 2. Ethical product matrix.

where sectors A–C represent product level augmentations, D–F marketing level augmentations, and so on. In this way, a picture of the product offering's overall ethical make-up (both current and predicted) can be developed. For example, a bar of Cadbury's *Dairy Milk* chocolate could hypothetically be plotted as follows. At the product level, its use of natural ingredients might be scored in sector B (i.e. not sufficiently natural or non-natural compared to competitors to be salient), but the failure to incorporate organic ingredients might be scored in sector A. At the marketing level, it's truthfulness in advertising about ingredients might be scored in sector F, and its non fair-trade status in D. At the corporation level its labour policies might be scored in sector I, whilst at the country level, the company's national identity might be perceived as fairly inconsequential, and hence be plotted in K. Clearly, a plot which is balanced more towards the left hand side of the matrix is to be interpreted as a less ethical product than one which is balanced more towards the right. Second, the matrix could also be used in an aggregate form, such that the matrices of a set of people (such as a sample of current customers) could be assessed together to give a more generalised picture of how the product is perceived.

Of course, in setting these dimensions out as a matrix, it should not be forgotten that the direction of ethical augmentation should not be seen simply as a three state dimension, but rather as a continuum. This means that some issues will have more positive ethical rating than others, and some will have more negative rating than others. Hence, issues could be plotted in such a way within individual sectors to illustrate the relative strength of their direction. Indeed, it would be a very short step to set up the matrix as means of quantitatively assessing ethical augmentation, simply by gradating the direction dimension and incorporating some form of importance measure regarding individual ethical issues. This, as shall be discussed later in the paper, could be an important avenue for future research.

It is perhaps even more important to realise however that the preceding analysis has shown that the notion of an ethical product itself is at best questionable, and certainly open to consid-

erable shortcomings. The main problem is that the label "ethical product" clearly lends a favourable or meritorious quality to our perceptions of the product. By framing a discussion in terms of an "ethical" product, it is natural to assume that this means it should be regarded as intrinsically good, and that this is in some way beyond discussion. However, as it has been shown, the range of ethical issues that might potentially augment the product offering is likely to be sufficiently extensive that few products, if any, could *only* be positively augmented by ethical concerns without some negative augmentation being in evidence. Hence, there are unlikely to be any pure, ethical products, just as there are unlikely to be any perfectly virtuous companies. Some products may well be exemplary in their product class, or provide "ethical benchmarks" for their and other industries to follow, but they will always be *relatively* more ethical than other products, rather than ethical *per se*. Therefore, in understanding ethical product dimensions, it will always be a matter of identifying and acknowledging *both* potentially positive and negative augmentations. For example, Body Shop shampoo could potentially, among other things, be positively augmented by the product's lack of animal testing, and the company's stands on fair trade and recycling, but also negatively augmented by the product's use of non-renewable petrochemicals, and the company's supposed reputation for poor franchisee relations.

Clearly, the possibilities for potential augmentations are in fact quite considerable, and the use of the ethical product matrix is likely to illustrate this quite pointedly. The total number of ethical attributes is however probably finite, and with consumers relatively limited in their information search and processing, the attributes which might actually be instrumental in the purchase decision are likely to be little more than a handful. Therefore, it is important when using the matrix as a guide in product and brand management that only the most immediate and pertinent issues are included. In trying to understand ethical consumption though, *which* issues are the most immediate and pertinent is clearly the critical question, particularly from the point of view of the marketing manager. This will very much

depend on which consumers are asked, and it is apparent that the focus will be continually shifting as new or returning issues such as gene technology, fair trade, the environment and child labour enter and overtake the corporate agenda. Not only this, but further complexity is introduced by the possibility that an action or stand which might be seen by some as a positive augmentation, might just as well be seen by others as a negative augmentation. The ethical investment industry for example has seen a proliferation of personalised portfolios to accommodate the variations in interests and values of concerned investors. It is not so much then that some consumers may be more ethical than others (although this cannot be denied), but that their ethics lead them to different views of corporate moral rectitude. Therefore, it may be possible and advantageous to conceptualise an augmentation that is viewed as positive by a majority of consumers, but again, this does not define the product as ethical *per se*.

The view presented in this paper then is that the product is best viewed not as ethical or unethical in itself, but as a bundle of ethical attributes and augmentations, relating to any number of ethical issues. In unpacking the ethical product therefore, we have essentially denied its existence: there are no ethical products, just ethical attributes. Of course, even these ethical attributes are but one aspect of the total product offering, they are merely one way in which the product can be augmented. Ethical dimensions cannot be divorced from the other benefits provided by the product. If ethical augmentations do provide differentiation and added value, it is likely that they will also be expected to command a price premium. In predicating the ethical performance of companies on the market, there will always be a necessity for a certain level of willingness to pay on the part of consumers (see Sagoff, 1986). Indeed, evidence suggests that price and performance criteria will continue to dominate consumers' purchase decisions (Mitchell, 1997), and even corporate reputation has been shown to have more impact on purchase intentions when viewed in the context of corporate ability rather than corporate social responsibility (Brown and Dacin, 1997). Hence, it is highly unlikely that ethical aspects will be the core product sought by consumers; it does appear however that they are increasingly becoming expected by consumers rather than being seen as unsolicited extras. As Kotler et al. (1999) state, over time augmented benefits do tend to become expected elements of the product offering, their place taken by ever new augmentations. Therefore, although there are inevitably trade-offs involved in providing and consuming ethical augmentations, they are likely to be increasingly demanded of contemporary business.

Implications and conclusions

It has been argued that the conventional notion of an ethical product can best be understood in terms of product augmentation, and that ethical augmentation comprises two dimensions – direction and content. The ethical product matrix is a means of representing these dimensions, and can be used as a framework to deconstruct the product from an ethical perspective. A number of lessons can be drawn from this analysis, particularly in relation to the development of products and brands with ostensibly "improved" ethics.

First, it is clear that any attempt to address product or brand ethics must begin with an acknowledgement that no product can be completely, unreservedly ethical. There will always be some potential for negative augmentation, and it is unlikely that the values of all potential consumers can be satisfied with any given product offering. Hence, any claims for the moral high ground, either in relation to a product, a brand, or a firm, will always be open to some form of criticism from the media, consumers or pressure groups. There is ample evidence that consumers are increasingly suspicious of ethical and environmental claims (Kangun and Polonsky, 1995; Mendleson and Polonsky, 1995; National Consumer Council, 1996; Wong et al., 1996; Rogers, 1998) and the decision by any firm to put its head above the ethical parapet should not be taken lightly. At the very least, the firm should have explored all areas of potential criticism and should be willing to engage in dialogue should

any significant clash of values be forthcoming. Again, this is something that Shell learnt to its cost during the Brent Spar episode and has since made great strides to rectify. The other alternative, as firms such as the Body Shop, McDonald's, and Marks & Spencer have shown, is to be emphatic and indefatigable in the pursuit of legal recourse to defend the challenged reputation. Again though, this is a fairly high risk strategy, which may have the consequence of bringing all of the firm's activities into the public spotlight. As McDonald's learnt in the process of occasioning the longest trial of any kind in English legal history (1994–1996), this can be a severely expensive and tortuous route to follow whatever the outcome (see Vidal, 1997).

Second, any attempt to positively augment the product in ethical terms is likely to be a complex and time-consuming activity. Clearly, many of the important decisions which shape the perceived ethics of any product offering occur beyond the organizational boundary. Firms which seek to address ethics as a product or brand issue will need to look not only at their own activities but also those of their parents and subsidiaries, and perhaps more importantly, those of firms throughout the value chain. Forward-looking firms have increasingly recognised this need, and supply chain management in particular is increasingly seen as a key area where ethical augmentation can be addressed. For example, U.K. company B&Q has become a leader in environmental management through their ambitious and enthusiastic attempts to improve the environmental impacts of their products right through to the initial source, be it a forest in Borneo or a charcoal brazier in Scotland. The key aspect of B&Q's policy has been a willingness to work with suppliers to address these issues rather than take their business elsewhere (Edwards, 1997). Ethical improvements have been shown to require a judicious mixture of support, pressure, patience and commitment with respect to supplier relations.

Third, ethical branding might be regarded as particularly problematic, for this requires the firm to ensure that every aspect of the firm's operations – i.e. all four levels of ethical augmentation – are in line with, and supporting, the intended brand image. Tinkering with merely the most direct product-level issues is unlikely to be seen as a credible approach by increasingly sceptical consumers. Tactical approaches to garner an ethical marketing advantage therefore may undermine any strategic attempts to build ethical reputation. Given the intense scrutiny afforded to ethical claims, an ethical brand cannot be seen as simply as a promotional exercise, but rather as a cultural one, i.e. the firm must live and breathe its ethical values and not just espouse them. This of course is an immensely tall order. Whilst firms such as the Cooperative Bank in the U.K. and Tom's of Maine in the U.S. have experimented – with varying degrees of success – with employee training programmes intended to emphasise and institutionalise the ethical values inherent in the brand image, the organizational culture literature suggests that the deliberate management of culture is a difficult, lengthy process, which is rarely successful except at very superficial levels (see Martin, 1985; Nord, 1985; Ogbonna, 1992).

Perhaps a more constructive route then is for the firm to embrace some degree of transparency regarding its activities. If a firm cannot possibly satisfy all of the ethical requirements of its customers, if it cannot hope to be perfect in all it does, then it can at least be open and honest about what it is doing. This, in the long run, may well be seen as the most ethical approach that the firm can take, since it provides a means whereby some degree of accountability is introduced into corporate behaviour. However, it requires a considerable commitment to social, ethical and environmental reporting, since it is only with full knowledge of corporate activities can customers effectively integrate ethical concerns into their purchase decisions (Smith, 1990). To this end, it is also essential that any ethical claims or intended positive ethical augmentations are attended by effective auditing and certification (Zadek, 1998). Responsible firms are beginning to realise that consumers are increasingly suspicious and cynical of ethical claims, and programmes are sprouting up throughout the world aimed at establishing effective and independent auditing and certification of ethical claims. This is painstaking work, but considerable success has been achieved

by firms working together, and with NGOs, to establish codes of practice, monitoring procedures and certification schemes for various ethical issues. Some of the more visible examples of these are the various national schemes set up to implement the Forest Stewardship Council principles of responsible forest management for timber-based products (see http://www.fscoax.org), the U.S. Apparel Industry Partnership code to monitor working conditions in the clothing manufacturing industry (see http://www.lchr.org/sweatshop/aipfull.htm), and the various programmes set up to implement the international Rugmark certification scheme which prevents the use of child labour in carpet manufacturing (see http://www.rugmark.de/).

There is clearly a need for further research into the area of ethical product concepts and ethical purchasing, and the initial ideas presented here need to be refined and elaborated through testing in the field. This means getting consumers and marketers to reflect on their perceptions of ethical attributes, and using these to build up a fuller and more informed picture of what the ethical product is, and what it is not. For example, as mentioned earlier, it would be relatively straightforward to use the matrix presented in this paper to develop an instrument to test how various products are rated in ethical terms. This could provide key insights for marketers seeking to understand the ethical dimensions of their product offerings. Also, by identifying key areas of ethical importance, it could also provide a means for setting direction in developing and addressing ethical augmentation. More understanding is also required regarding how ethical augmentations fit in with other product benefits, and what kind of trade-offs consumers might be willing to accept. There are clear dangers in considering ethics in isolation from other aspects of the product and brand, and as our knowledge of ethical augmentation develops, it is crucial that these relationships are not neglected. This may well mean that more research is called for at the level of the consumer and their ethical evaluations. Indeed, the issues and dynamics underlying the product concepts developed here would certainly benefit from further examination. For example, "direction" has been shown here to

be a key dimension of ethical augmentation. However, in so much as this is a normative aspect of ethical augmentation, we might also question what contributes to the effect of a particular issue being afforded a positive, negative or neutral rating.

Finally, further research should also focus on the consequences of firms' attempts to develop more ethical products and brands. It may be that such attempts increasingly satisfy the consumer's conscience, but it is also possible that they merely precipitate a continuing spiral of ethical demands. Questions might therefore be posed as to the role of ostensibly ethical products in providing a means by which firms can respond to social controls through the market (Smith, 1990). Also, legitimacy theory could be usefully brought to bear on these issues, much as it has in the areas of social and environmental reporting (see Patten, 1992; Gray et al., 1995). In this way it may become clearer whether ethical augmentations can affect organizational legitimacy, and indeed whether firms pay attention to ethical product dimensions out of concerns for legitimacy, customer demand, or some other motivation(s). Nonetheless, wherever direction it is that future research does actually follow, it is hoped that this paper has at least provided a significant step in advancing our understanding of ethics in relation to the product.

Notes

[1] The companies and products used as examples in this paper are for illustrative purpose only, and should not be read as indicating either ethical or unethical management.

[2] The 4-wheel-drive Samurai was targeted by the U.S. Consumers Union in 1988 due to allegations of a propensity to roll over when used on the road. According to Smith (1995), the problem with the Samurai was that despite being a primarily off-road vehicle, it was marketed as suitable for highway trips and commuting, and was targeted at the car-buying public. Therefore, despite being no less safe than other vehicles of its class, the car was deemed unsafe because of the attendant marketing campaign.

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Cardiff Business School,
Cardiff University,
Aberconway Building,
Colum Drive,
Cardiff CF1 3EU,
U.K.
E-mail: CraneAW@cardiff.ac.uk