

## **INTERNATIONAL BUSINESS ETHICS AND CONSUMER TRUST: A BEHAVIOURAL PERSPECTIVE**

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### **Abstract**

In the modern globalized economy, ethical business practices have become an essential component of international business success. Consumers increasingly evaluate multinational corporations not only based on product quality and pricing but also on ethical standards, transparency, environmental responsibility, and corporate governance practices. Ethical behaviour significantly influences consumer trust, purchasing decisions, and long-term brand loyalty. The present study examines the relationship between international business ethics and consumer trust from a behavioural perspective. The study adopts a quantitative research design using primary data collected from 250 respondents through a structured questionnaire in Bengaluru. Statistical tools such as percentage analysis, correlation analysis, regression analysis, and ANOVA were applied using SPSS software. The findings reveal that ethical business practices positively influence consumer trust, brand loyalty, and purchase intention. Transparency, fair trade practices, data privacy, and corporate social responsibility significantly affect consumer perceptions toward international brands. The study concludes that ethical business behaviour is a strategic factor that strengthens consumer trust and enhances sustainable business growth in international markets.

**Keywords:** International Business Ethics, Consumer Trust, Consumer Behaviour, Corporate Ethics, Ethical Marketing, International Business

### **Introduction**

Globalization has significantly expanded international business operations, connecting companies and consumers across countries and cultures. Multinational corporations operate in highly competitive markets where ethical business practices have become increasingly important. Consumers today are more aware of issues such as environmental sustainability, fair trade, labour rights, product safety, and data privacy. As a result, ethical conduct plays a major role in shaping consumer perceptions and purchasing decisions.

International business ethics refers to the application of moral principles and ethical standards in global business activities. Ethical business practices include honesty, transparency, fair treatment of employees, sustainable operations, socially responsible activities, and protection of consumer rights. Companies that follow ethical principles build positive reputations and gain consumer trust, which ultimately contributes to long-term business success.

Consumer trust is an important psychological factor influencing consumer behaviour. Trust reduces uncertainty and increases consumer confidence in products and services. Ethical business practices strengthen consumer trust by demonstrating accountability, reliability, and transparency. In contrast, unethical practices such as false advertising, environmental negligence, data misuse, and labour exploitation negatively affect consumer attitudes and purchasing behaviour.

The growth of digital technology and social media has further increased consumer awareness regarding corporate ethics. Consumers can easily access information about company practices, customer experiences, and corporate social responsibility initiatives. International businesses are therefore under continuous public observation, making ethical behaviour an essential strategic requirement.

Studies suggest that consumers are more likely to support brands that demonstrate ethical behaviour and social responsibility. Ethical business practices improve customer satisfaction, enhance brand loyalty, and increase purchase intention among consumers. International businesses that fail to maintain ethical standards risk losing consumer trust and damaging their corporate reputation.

The present study aims to analyse the influence of international business ethics on consumer trust from a behavioural perspective. The study focuses on understanding how ethical practices affect consumer perceptions, buying behaviour, and trust toward international brands.

## **Review of Literature**

### **Global Studies**

Mohammad A. et al. (2025) examined the relationship between corporate ethical practices and consumer trust in multinational companies. Using quantitative analysis, the study found that transparency, honesty, and socially responsible practices significantly improve consumer trust and customer loyalty.

Ali Hasan and Rahman (2024) investigated the role of ethical marketing practices in shaping consumer purchase intention. The findings revealed that ethical advertisements, fair pricing, and truthful communication positively influence consumer trust and purchasing behaviour. (researchgate.net)

David Miller (2023) conducted a study on ethical leadership and consumer perception among global retail brands. The study concluded that consumers prefer companies with strong ethical leadership and sustainable business practices. Ethical management significantly influenced consumer satisfaction and loyalty.

Chen and Li (2022) analysed the influence of corporate social responsibility on consumer trust in international businesses. The study identified that environmental responsibility and ethical labour practices positively affect consumer trust and brand preference.

Wilson and Carter (2021) examined the behavioural impact of ethical business practices on customer retention. The study found that ethical conduct increases repeat purchase behaviour and strengthens long-term consumer relationships.

### **Indian Studies**

Ravi Kumar and Priya Sharma (2025) studied consumer trust toward international brands in India. The findings showed that ethical business behaviour, transparent communication, and responsible marketing practices positively influence Indian consumers' trust toward multinational corporations.

Ananya Bose (2024) examined ethical branding and consumer behaviour among urban consumers in India. The study identified that consumers are willing to pay higher prices for ethically produced and environmentally sustainable products.

Nirmala Devi and Karthik (2023) investigated the impact of corporate social responsibility on consumer trust. The study revealed that CSR activities improve brand image and increase customer loyalty among Indian consumers.

Meena and Rajesh (2022) analysed ethical advertising practices and consumer purchase decisions in the Indian retail sector. The findings indicated that misleading advertisements negatively affect consumer trust and brand credibility.

Suresh and Deepika (2021) studied ethical consumer behaviour in online shopping platforms. The study concluded that data privacy and secure payment systems are important ethical factors affecting consumer trust.

### **Research Gap**

Previous studies have extensively discussed corporate ethics and consumer behaviour separately. However, limited research has focused specifically on international business ethics and consumer trust from a behavioural perspective using primary data. Most studies have concentrated on corporate social responsibility or ethical marketing independently, while limited studies have analysed the combined effect of ethical business practices on consumer trust, loyalty, and purchasing behaviour in international business settings. Therefore, the present study attempts to bridge this gap by conducting an empirical investigation among consumers.

### **Statement of the Problem**

The increasing globalization of business activities has intensified competition among multinational corporations. Consumers today are more conscious about ethical issues such as environmental sustainability, labour rights, product transparency, and data privacy. International businesses face challenges in maintaining ethical standards while meeting consumer expectations. Unethical practices can damage brand image, reduce consumer trust, and negatively affect purchase behaviour. Therefore, it becomes essential to understand how ethical business practices influence consumer trust and behavioural responses toward international brands.

### **Objectives of the Study**

1. To analyse the influence of ethical business practices on consumer trust toward international brands.
2. To examine the relationship between corporate social responsibility and consumer purchase behaviour.
3. To evaluate the impact of ethical marketing practices on consumer loyalty and buying intention.

## **Research Methodology**

<b>Particulars</b>	<b>Description</b>
Research Design	Descriptive Research
Nature of Study	Quantitative
Source of Data	Primary Data
Sample Size	250 Respondents
Sampling Method	Convenience Sampling
Area of Study	Bengaluru
Tool for Data Collection	Structured Questionnaire
Statistical Tools	Percentage Analysis, Correlation, Regression, ANOVA
Software Used	SPSS

## **Hypotheses of the Study**

### **H01**

There is no significant relationship between ethical business practices and consumer trust.

### **H11**

There is a significant relationship between ethical business practices and consumer trust.

### **H02**

Corporate social responsibility does not significantly influence consumer purchase behaviour.

### **H12**

Corporate social responsibility significantly influences consumer purchase behaviour.

### **H03**

Ethical marketing practices do not significantly affect consumer loyalty and buying intention.

### **H13**

Ethical marketing practices significantly affect consumer loyalty and buying intention.

## **Data Analysis and Interpretation**

### Percentage Analysis

This section analyses respondents' awareness regarding ethical business practices of international companies.

**Table 8.1**

**Awareness of Ethical Business Practices**

Awareness Level	Number of Respondents	Percentage
Highly Aware	120	48%
Moderately Aware	90	36%
Slightly Aware	40	16%
Total	250	100%

### Interpretation

The table shows that 48% of respondents are highly aware of ethical business practices followed by international companies. This indicates that consumers pay considerable attention to corporate ethics while making purchasing decisions.

### Correlation Analysis

Correlation analysis is conducted to examine the relationship between ethical business practices and consumer trust.

**Table 8.2**

**Correlation between Ethical Business Practices and Consumer Trust**

Variables	Pearson Correlation (r)	p-value
Ethical Business Practices & Consumer Trust	0.756	0.000

### Interpretation

The correlation coefficient value of 0.756 indicates a strong positive relationship between ethical business practices and consumer trust. Since the p-value is less than 0.05, the relationship is statistically significant. Therefore, the null hypothesis is rejected.

### Regression Analysis

Regression analysis is used to analyse the influence of corporate social responsibility on consumer purchase behaviour.

**Table 8.3**

#### Regression Analysis for CSR and Consumer Purchase Behaviour

Variables	Beta Value	t-value	p-value
Corporate Social Responsibility	0.682	10.945	0.000

R Square	0.465
F Value	119.420

### Interpretation

The regression results indicate that corporate social responsibility significantly influences consumer purchase behaviour. The beta value of 0.682 shows a positive impact. Since the p-value is less than 0.05, the relationship is statistically significant.

### ANOVA Analysis

ANOVA analysis is conducted to evaluate whether ethical marketing practices significantly influence consumer loyalty and buying intention.

**Table 8.4**

#### ANOVA Analysis for Ethical Marketing and Consumer Loyalty

Source	Sum of Squares	df	Mean Square	F	Sig
Between Groups	152.340	3	50.780	8.964	0.000
Within Groups	1394.650	246	5.669		
Total	1546.990	249			

## **Interpretation**

The ANOVA results show that ethical marketing practices significantly influence consumer loyalty and buying intention because the significance value is less than 0.05. Therefore, the null hypothesis is rejected.

## **Findings of the Study**

1. Consumers are highly aware of ethical practices followed by international companies.
2. Ethical business practices positively influence consumer trust toward international brands.
3. Corporate social responsibility activities improve consumer purchase behaviour and brand image.
4. Ethical marketing practices significantly affect consumer loyalty and buying intention.
5. Consumers prefer companies that demonstrate transparency, sustainability, and social responsibility.
6. Ethical behaviour enhances customer satisfaction and long-term consumer relationships.
7. Data privacy and truthful advertising are important ethical concerns affecting consumer trust.

## **Suggestions**

1. International businesses should maintain transparency in product information and marketing communication.
2. Companies should strengthen corporate social responsibility initiatives to improve public trust.
3. Businesses should adopt environmentally sustainable practices to attract socially conscious consumers.
4. International companies must ensure ethical advertising practices and avoid misleading promotions.
5. Organizations should prioritize consumer data privacy and secure online transactions.
6. Businesses should regularly communicate their ethical initiatives through digital platforms.
7. Ethical leadership and employee welfare practices should be strengthened to improve corporate reputation.

## Conclusion

Ethical business practices have become a critical success factor in international business environments. The study concludes that ethical conduct significantly influences consumer trust, purchase behaviour, and brand loyalty. Consumers increasingly prefer companies that demonstrate transparency, fairness, social responsibility, and sustainability in their operations.

The findings reveal that ethical business practices, corporate social responsibility, and ethical marketing strategies positively affect consumer trust and behavioural responses toward international brands. Ethical business conduct not only improves corporate reputation but also strengthens long-term customer relationships and sustainable business growth.

Therefore, international businesses must integrate ethical principles into their organizational culture and marketing strategies to maintain consumer trust and achieve competitive advantage in global markets.

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