

Print ISSN: 2234-3040 / Online ISSN: 2234-3059  
doi: 10.13106/eajbm.2014.vol5.no1.27.

# Effects of Ethical Management of Retail Enterprises in Korea on Corporate Image and Purchase Intention

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Received: November 05, 2014. Revised: November 18, 2014. Accepted: January 15, 2015.

## Abstract

**Purpose** - The study aims to investigate the effects of ethical management on corporate image and purchase intention.

**Research design, data, and methodology** - The study employs monthly time series data from October 2013 to November 2013, analyzing variables to verify hypotheses. These concern three questions on marketing communication, five on public interest business activities, four on donation & sponsorship, two on donation & sponsorship activities, six on corporate image, four on volunteer service, and five on demographic characteristics.

**Results** - Hypothesis 1, "Ethical management in marketing communication, public interest business, donation & sponsorship, and volunteer service positively affects corporate image," was partially adopted with significant regression of marketing communication, public interest business activity, and donation & sponsorship. Hypothesis 2, "Ethical management such as marketing communication, public interest business, donation & sponsorship, and volunteer service positively affects purchase intention," was partially adopted with significant regression of marketing communication and public interest business. Hypothesis 3, "Corporate image positively affects purchase intention," was adopted at significant regression.

**Conclusions** - Ethical management influenced purchase intention and corporate image.

**Keywords:** Ethical Management, Purchase Intention, Corporate Images, South Korea.

**JEL Classifications:** F31, F47, L83, L88.

## 1. Introduction

Enterprises that do not continue to exist in the society shall keep affirmative relations with the parties concerned to be given love and reliability and to do management activities continuously. Enterprises shall strengthen ethics and social responsibility of important values and competence to be given reliability and respect from the parties concerned. In other words, enterprises shall have ethics and social responsibility of intangible asset being values of competitiveness to build up sustainable management system.

These days, consumers have been interested in corporate social responsibility owing to growing consciousness. And, consumers' ill feeling against enterprises having no social responsibility had influence upon sales. The corporate social responsibility is thought to give enterprises opportunities beyond passive level of evasion and control of risks.

The enterprises also do not think of ethical management from point of view of obligations, and make effort of put into practice from point of view of strategies. Enterprises' ethical management is known to be given affirmative reaction from consumers.

Not only enterprises but also academic world was interested in ethical management of the enterprises for a long time: And, studies on consumers' demand and interest in ethical management of enterprises were not enough. Even if ethical management of the enterprises could have various kinds of forms, studies on effects of ethical management activities were limited to some of social levels to have small number of studies on various kinds of ethical management of enterprises.

In fact, many enterprises cognized high demand on ethical management of enterprises in the society, and not only consumers but also enterprise ethics played important role at enterprise management. These days, enterprises should be responsible for the society in addition to basic goal of pursuit of profit to realize 'human values'. In such a way, enterprises shall help consumers have favorable image on enterprises and brands that is very much important for enterprises considering close relations with promotion of product purchase.

This study investigated effects of ethical management upon corporate images and consumers' purchase intention that could give effective strategy to let enterprises do ethical management.

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## 2. Theoretical Background

### 2.1. Previous studies

Discussion on the study was often done. Nonetheless, number of studies on distribution enterprise was small. The study needed to investigate previous studies and effects upon corporate images and purchase intention of distribution enterprises. The study investigated studies on ethical management, corporate images and purchase intention in Korea (<Table 1>).

First, studies on ethical management were done (Hur, Park & Kim (2009), Lee & Kim (2011), Lee (2010) and Choi & Park (2011)). Second, studies on corporate images were done (Kim, Oh, & Kim(2011), Hwang & Shin (2012), Rha & Lee (2011), Lee & Lee (2014), Su (2010), Kim, Hwang, & Song (2014), Kim & Kim (2013)). Studies on purchase intention were done (Su (2010), Kim, Youn & Kim (2012), Choi & Lee (2012), Cho (2013), Kim & Cho (2013) Kim, Ha, Lee & Ahn, (2014)).

<Table 1> Previous studies in Korea

Section	Previous studies
Ethical management	Hur, Park & Kim (2009), Lee & Kim (2011), Lee (2010), Choi & Park (2011)
Corporate image	Kim, Oh & Kim (2011), Hwang & Shin (2012), Rha & Lee (2011), Lee & Lee (2014), Kim, Hwang, & Song (2014), Kim & Kim (2013)
Purchase intention	Su (2010), Kim, Youn & Kim (2012), Choi & Lee (2012), Cho (2013), Kim & Cho (2013), Kim, Ha, Lee & Ahn, (2014)

### 2.2. Concepts

#### 2.2.1. Ethical Management

The ethical management gives priority to ethics at company management as well as corporate activities to have ethical norm of business activity standards and to have new management strategy paradigm at transparent, fair and reasonable business performance.

The ethical management level of enterprises may vary depending upon management and employees. Difference of ethical management can be made by personal attributes and/or nature and structure of the enterprises.

The ethical management of enterprises is said to keep moral standards in order to create corporate profits. The ethical management was sometimes said to control employees' corruption and/or to innovate management. The ethical management was given attention at occurrence of corporate corruption accidents at home and abroad. Since 1997-1998 Asian financial crisis, many enterprises introduced ethical management system, and reliability on the enterprises fell down at disclosure of window dressing settlement and/or illegal political fund. A lot of citizens expressed almost cynical reaction to enterprise movement put-

ting an emphasis upon ethical management.

Enterprises that have lost consumers' reliability have admitted of basic obligations of enterprises of not only economic and legal responsibility but also performance of ethical responsibility based on social conventions to do ethical management with principles of observance of enterprise ethics. In other words, enterprises have strategies of enterprise management of ethical management that can get reliability from customers, shareholders, employees, competitors, suppliers, the government, community and other parties concerned by having ethical responsibility.

The ethical management has strategies: Ethical environment at home and abroad has made change to increase importance and needs of ethical management. The ethical management prepares for risks at environmental change. Effects of ethical management of enterprises may be produced in short term and/or long term to have direct effect and/or indirect effect. The ethical management can lessen risks to give economic effects and to elevate reliability as well as reputation and increase corporate values. In other words, the ethical management can do cause-related marketing to increase consumers' interest as well as corporate interest and values:

First, enterprises lessen risks. The ethical management can reduce risks that may have great influence at unexpected changes of management environment. The corporate risk includes not only compliance risk but also operational risk.

The compliance risk may produce fine, penalty and contract cancellation when not satisfying legal requirements, practice and moral standards. The compliance risk may produce difference of legal application between project countries and problems of interpretation to make change of laws themselves, and to have close relations with project company's profit and loss and to require careful prior inspection. Enterprises may get legal guarantee from government to be given advice from law advisory organization and to reduce the risk.

The operational risk is said to be uncertainty of the loss by improper and/or wrong internal procedures, manpower, and system and external cases.

The operational risk includes compliance risk and excludes business risk, system risk, strategy risk and reputation risk. The operational risk without definite definition has difficulty at measurement and control to have neither measuring standards nor measuring time. And, the operational risk that investigates risks from point of view of behavior of operating organization has been mixed with another level of risks.

The ethical management of enterprises can lessen not only compliance and systematic risk but also operational risk.

Second, enterprises can increase not only internal and external reliability but also reputation. Effects of enterprise ethics can lessen not only compliance and systematic risk of enterprise3s but also ethical risk from passive point of view. And, effects of ethical management can increase internal and external reliability of enterprises. Enterprises with ethical management can be given reliability not only from the government, supervisory agencies, stockholders, suppliers and consumers ex-

ternally but also from labor union and employees internally. Enterprises with wrong ethics may lose credit rating externally to decrease sales and profits and to lower employees' morale as well as productivity internally. In other words, corporate ethics can strengthen company competitiveness to increase profits and to promote employees' will to work. And, ethical management can improve corporate images to satisfy customers and to increase sales externally and to improve employees' pride, work efficiency, productivity and quality internally.

Third, the ethical management can elevate corporate values. Enterprises with ethical management can lessen risks to increase reliability. Enterprises with ethical management may have larger corporate values than the ones without ethical management have. Corporate value is said to be aggregation of current value of cash flow: Enterprises with less risk may have smaller discount rate after risk to increase corporate values.

### 2.2.2. Ethical Management, Corporate Image and Consumers' Purchase Intention

The corporate image has concept and structure: Enterprises with various kinds of communication strategies have kept reciprocal relations with the public and associated organizations to let public people and organization accept and deal with messages. Public people can cognize corporate messages in the process to have favorable and/or unfavorable feeling toward an enterprise and to decide upon direction of actions that corporate message gives. Consumers often cognize service in different way because of corporate image and/or trademark image.

Therefore, enterprises shall make effort to build up differential image than competitors have. Image is said to be system of the belief that either individual or group may have concerning specific subject (Kotler, 1980). The corporate image from objective point of view is said to be image that organizations having relation with consumers have toward enterprises rather than products and/or trademark.

In other words, corporate image is said to be image that public people have concerning enterprises. So, interest group of enterprises may have image in mind concerning enterprise. Corporate image is said to be impression that customer, employee, media and other interest group think concerning specific enterprise (Lee, 1988). And, corporate image is said to be belief that public people have concerning enterprises, and to have three images, that is to say, corporate behavior image, social behavior image and social contribution image (Winners, 1990). First, business conduct produces marketing image of enterprises by supply of good quality service, setting of proper prices and production of high quality product. Second, social conduct produces social practice image by interest in environmental preservation, interest in cause and payment of tax. Third, contribute gives physical support to culture and/or art to donate to health, education and social welfare program. Marketing image by corporate behavior may have the most important influence upon corporate image, and social behavior factor can be the most important image factor when public relation occupies important share (Winners, 1990). The corporate image means image con-

cerning specific enterprise by an individual's belief, thought, emotion and impression. An enterprise has not its own image by itself to have image on the enterprise so that enterprise should control images.

The corporate image that consumers have in mind concerning enterprises is system and/or impression of direct or indirect experience for a long time to be enterprise's personality made by various kinds of consumer groups. The corporate image that includes citizens' concept and personal affairs on an enterprise has affirmative and/or negative attitude. An enterprise image made shall be stored at the memory to have influence upon belief and/or attitude of consumers when consumers makes decision of purchase intention. Good enterprise image can establish public relation at all of business activities to let enterprises be accepted in the society. In particular, corporate image is made by enterprise behavior, impression and inference of groups in and out of enterprise. Citizens may cognize various kinds of aspects of enterprises by personal experience and/or communication with persons in and out of enterprise to keep enterprise image in mind. On the other hand, enterprises shall transfer and emphasize images by advertising and/or public relations through mass media that enterprises can control.

First, the corporate image can be made in various kinds of shapes depending upon an individual's experience and perception on substance of the enterprise. Features, in other words, enterprise image elements that decide upon corporate image have various kinds of factors. Enterprise image factors that are based on literature studies consist of four images, that is to say innovation, customer-oriented, growth, and social contribution (Park, 2002), and consist of factors of enterprise behavior, social behavior, and enterprise contribution (Winter, 1990).

Second, ethical management and corporate image are: Calphalon, manufacturer of kitchen appliances, was combined with 'Share Our Strength(SOS)', an anti-hunger organization, to raise fund for the ones who suffered from hunger. Not only fund-raiser but also retailers' sales promoters did marketing activities actively to raise fund of million dollars or more and to sell kitchen appliance with SOS label more than 10 times than the one without SOS label.

Professionals said that Calphalon's SOS activities helped improve images of not only community but also corporate brand images. As such, the ethical activities have direct and/or indirect influence upon corporate images.

Many studies said that corporate ethical management activities had influence upon corporate images. Not only corporate advertising but also social contribution activities had influence upon corporate images as well as brand attitude (Yoon et al, 2003): Cognition on ethical management had affirmative influence upon corporate image to have more influence upon attitude on corporate advertising. In particular, ethical management activities had not significant influence upon brand attitude so that indirect effect of ethical management activities was important.

BITC survey showed that 86% of public citizens had favorable images on enterprises that helped produce good places to

live in, and that 61% of citizens were ready to convert from previous brand to brand with cause-related marketing. And, 64% of public citizens thought that cause marketing would be standard of corporate business. A study on effects of cause marketing upon corporate image said that social responsibility of enterprises had affirmative influence upon corporate image (Kim et al, 2014).

An empirical analysis was done to investigate effects of ethical management activities of paper product manufacturers upon corporate images (Part, 2005b): Not only marketing communication but also cause activities of the ethical management had affirmative influence upon improvement of corporate image. A study on effect of travel agencies' identity upon store loyalty of corporate image was (Lee, Kim & Hor, 2013): Enterprises' social contribution activities had great influence upon corporate image formation, and the interviewees thought of not enterprises' social contribution from point of view of social service but improvement of images and advertising activities. Enterprises that did marketing communication, public service, donation & sponsorship, volunteer service and other ethical management activities had affirmative influence upon improvement of corporate images. In other words, a company with image of ethical management concerning public service activities gave consumers good images to let consumers have favorable attitude on the product of the company to improve brand images and to have consistent buying behavior of consumers. So, enterprises have management strategies to maintain and control various kinds of ethical management activities continuously in order to improve and maintain corporate images.

### 2.2.3. Ethical Management and Consumers' Purchase Intention

The purchase intention means making decision of purchase of final alternatives prior to actions after having attitudes.

Image variables had influence upon formation of inferential belief on the product and to produce emotional reaction and to have influence upon attitudes (Enkson, Johnson & Chao (1984)): And, images were emotional to have influence upon belief by consumers' inference.

The corporate images had influence upon consumers' purchase decision-making to sell in advance (Lpudon and Bitta, 1987): In other words, strong and definite corporate image could increase consumers' reliability on the products to be likely to buy products.

First, purchase behavior by corporate images may follow categorization theory. Consumers need to classify complicated information in organized category to handle easily. Such a thing can simplify values from a lot of experiences in the world. At difficulty of comparison between products because of less differentiation, consumers may move images to immediately before product to evaluate.

At the discussion, corporate image was found to be important at purchase intention of the product. In this study, corporate image that has increased owing to ethical management activities put an emphasis upon ethical management activity factors rather than common corporate image. Affirmative factor made by cor-

porate image, in other words, ethical management, at decision-making of purchase shall be important to let corporate image have influence upon purchase intention. Being different from marketing image that put an emphasis upon enterprise's primary responsibility, social contribution image that put an emphasis upon secondary and/or third responsibility was not made by corporate responsibility to have no purchase drive for all of citizens. In other words, attitude on ethical management activities that was secondary factor of purchase activity may be very much difficult to have affirmative purchase intention. However, affirmative purchase intention made by ethical management activity may give behavioral effects of ethical management activities.

Second, consumers' purchase intention decides upon purchase among alternatives prior to taking action after having intention of purchase subject.

Images of enterprises that put ethical management into practice and made effort played an important role at purchase intention.

Ethical management of enterprises gives affirmative image of the enterprise to let consumers take concrete actions, pattern and attitude, and to have influence upon purchase intention. The purchase intention that is psychological state may make appearance by controlling environmental and/or situational conditions. The purchase behavior commonly has relations with purchase intention. And, the purchase behavior may vary depending upon attitude on purchase subject. So, consumers' purchase behavior shall rely upon attitude toward enterprises.

Consumers' purchase intention and cause related attitude were given influence at high relation between cause and product (Kim, 2006). The activity having relation between cause related marketing and products produces favorable attitudes on consumers' purchase intention and cause to do cause related marketing effectively. And, enterprises think of social responsibility as much as economic responsibility to raise consumers' participation that is cause.

A study investigated effects of cause related marketing upon consumers' purchase motives (Park, 2005a): Cause related advertising message was favorable to advertising attitude than common product advertising was, and it had affirmative attitude on corporate image and brand that made use of cause related marketing.

When enterprises' support for social cause activity had affirmative influence upon consumers' favorable attitude and purchase intention to have same product prices and quality, 76% of consumers wanted to buy brand of the enterprise that would support cause activity. Consumers said not to buy products and/or services of socially irresponsible enterprise despite much price discount.

Enterprises that did business to increase profits in the past to be evaluated by high sales should make effort to solve social problems as an important member of the society and to produce favorable reaction of corporate image and/or product and to create corporate profit and to satisfy consumers' desire on products and/or services by ethical management strategies.

### 3. Contents and Methodologies

#### 3.1. Contents

The purpose of the study was to investigate effects of ethical management of enterprises upon consumers' purchase intention and to give marketing strategy plans. Marketing communication of ethical management, cause activities, donation & sponsorship and volunteer service that were reason variables had influence upon corporate images and purchase intention and other parameters to have influence upon corporate images and purchase intention that were dependent variables.

Hypothesis 1, 2 and 3 were used (<Table 2>):

<Table 2> Hypotheses

Hypotheses		Contents
Hypothesis 1		Ethical management has positive influence upon corporate image.
	Hypothesis 1-1	Marketing communication has positive influence upon corporate images.
	Hypothesis 1-2	Public interest business activity has positive influence upon corporate image.
	Hypothesis 1-3	donation & sponsorship has positive influence upon corporate image.
	Hypothesis 1-4	Volunteer services have positive influence upon corporate images.
Hypothesis 2		Ethical management has positive influence upon purchase intention.
	Hypothesis 2-1	Marketing communication has positive influence upon purchase intention.
	Hypothesis 2-2	Public interest business activity has positive influence upon purchase intention.
	Hypothesis 2-3	donation & sponsorship has positive influence upon purchase intention.
	Hypothesis 2-4	Volunteer service has positive influence upon purchase intention.
Hypothesis 3		Corporate image has positive influence upon consumers' purchase intention.

#### 3.2. Methodologies

##### 3.2.1. Measuring of the Variables

The study tested variables to verify hypotheses (<Table 3>). Reason variables had three questions of marketing communication, five questions of public interest business activities, four questions of donation & sponsorship, two questions of donation

<Table 3> Measuring of the Variables

Variables		Contents	Number of questions	Scale
Ethical management of enterprise	Marketing communication	Economic development, consumer protection, advertising & marketing	3	Likert 5-point scale
	Public interest business	Sports promotion, cultural and art support, education and scientific support, community development, and environmental preservation	5	
	Donation & sponsorship	donation & contribution, program supports, charity and aid	4	
	Volunteer service	Social welfare, social service and committee member and advisor activity	2	
Corporate image		Good memory and experience, friendliness, good impression, belief and reliability	6	
Purchase intention		Consider to buy, intend to buy, buy continuously, and recommend to buy	4	
Demographic characteristics		Gender, age, educational background, occupation and income	5	Nominal scale

& sponsorship activities, and six questions of corporate image being dependent variable, four questions of volunteer service and five questions of demographic characteristics.

##### 3.2.2. Material Collection and Analysis Methods

###### 3.2.2.1. Material Collection

The subject was 302 men and women in the twenties or higher at the metropolitan areas. Convenience sampling was used. Self-administered questionnaire survey on Internet was used from October 1, 2013 to November 5, 2013.

207 copies of 302 copies collected were used for final analysis after pre-test and editing.

###### 3.2.2.2. Methodologies

SPSS 21.0 was used. Frequency, reliability analysis and regression were used.

## 4. The Findings

### 4.1. General Characteristics of the Interviewees

The interviewees consisted of 157 men (59.1%) and 113 women (41.9%), and 215 persons in the 20s (80.0%), 45 persons in the 30s (16.7%) and 9 persons in the 40s (3.3%).

Educational background was: 76 persons of high school graduates (28.1%), 48 persons of 2-years college graduates (17.8%), 141 persons of 4-years college graduates (52.2%) and 5 persons of graduate school graduates or higher (1.9%).

Occupation was: 137 students (50.7%), 2 government officials (0.7%), 81 company workers (30.0%), 2 self-employed (0.7%), 32 professionals (11.9%), 3 housewives (1.1%), 11 jobless (4.1%) and 2 cook (0.7%).

Monthly income was: 40 persons of less than 1.5 million KRW (14.8%), 58 persons of 1.5 million to 2.5 million KRW (21.5%), 42 persons of 2.5 million to 3.5 million KRW (15.6%), 38 persons of 3.5 million to 4.5 million KRW (17.8%), 35 persons of 4.5 million to 5.5 million KRW (13.0%), and 47 persons of more than 5.5 million KRW (17.4%).

**<Table 4>** Frequency of the Interviewees

Section	Variables	Frequency (persons) n=270	Ratio (%)
Gender	Men	157	58.1
	Women	113	41.9
Age	10s	216	80.0
	20s	45	16.7
	30s	9	3.3
	40s	76	28.1
Educational background	High school graduate	48	17.8
	2-year college graduate	141	52.2
	4-year college graduate	5	1.9
	Graduate school graduates or higher	137	50.7
Occupation	Students	2	0.7
	Company worker	81	30.0
	Self-employed	2	0.7
	Professionals	32	11.9
	Housewives	3	1.1
	Jobless	11	4.1
Monthly income	Cook	2	0.7
	less than 1.5 million KRW	40	14.8
	1.5 million to less than 2.5 million KRW	58	21.5
	2.5 million to less than 3.5 million KRW	42	15.6
	3.5 million to less than 4.5 million KRW	48	17.8
	4.5 million to less than 5.5 million KRW	35	13.0
5.5 million KRW or more	47	17.4	

### 4.2. Reliability Analysis

Reliability analysis (Cronbach's alpha) was done to inspect not only reliability of the questionnaire but also concepts with multiple items. At social science studies, more than 0.6 of  $\alpha$  is thought to have high reliability. All of  $\alpha$  were 0.767 or more to have reliability (<Table 5>):

**<Table 5>** Reliability Analysis Results

Variables		Cronbach's $\alpha$		
Ethical management of enterprise	Marketing communication	Marketing communication 1	.917	.824
		Marketing communication 2	.913	
		Marketing communication 3	.916	
	Public interest business activities	Public interest 1	.913	.771
		Public interest 2	.912	
		Public interest 3	.912	
		Public interest 4	.910	
	Donation & sponsorship	Donation 1	.910	.767
		Donation 2	.910	
		Donation 3	.911	
	Volunteer service	Volunteer service 1	.911	.783
		Volunteer service 2	.912	
Corporate image	Image 1	.912	.819	
	Image 2	.914		
	Image 3	.911		
	Image 4	.910		
	Image 5	.909		
	Image 6	.911		
Purchase intention	Purchase intention 1	.915	.854	
	Purchase intention 2	.912		
	Purchase intention 3	.911		
	Purchase intention 4	.912		

Cronbach's Alpha ranges from 0 to 1, and 0.6 or more Cronbach's Alpha is thought to be reliable, and 0.7 or more is thought to be much reliable. At the reliability analysis, all of the variables exceeded 0.7 to be much reliable.

### 4.3. Hypothesis Test

#### 4.3.1. Hypothesis 1 Test

<Table 6> Regression Analysis Results

Models	Non-standardized coefficient		Standardized coefficient	t-value	Significant probability	F	R <sup>2</sup>
	B	Standard error	Beta				
(Constant)	1.197	.217		5.512	.000	26.131	.283
Marketing communication	.269	.058	.260	4.621	.000		
Public interest business	.231	.081	.229	2.872	.004		
Donation & sponsorship	.267	.085	.278	3.141	.002		
Volunteer service	-.118	.073	-.129	-1.614	.108		

a. Dependent variable : Corporate purchase intention , \*p < 0.05

<Table 7> Regression Analysis Results

Model	Non-standardized coefficient		Standardized coefficient	t-value	Significant probability	F	R <sup>2</sup>
	B	Standard error	Beta				
(Constant)	1.576	.247		6.373	.000	11.809	.151
Marketing communication	.175	.066	.162	2.645	.009		
Public interest business	.283	.092	.268	3.089	.002		
Donation & sponsorship	-.039	.097	-.039	-.402	.688		
Volunteer service	.084	.083	.088	1.014	.311		

a. dependent variable : purchase intention, \*p < 0.05

Independent variables such as marketing communication, public interest business, donation & sponsorship and volunteer service had influence upon dependent variable of corporate image: At that time, R<sup>2</sup> of the model was 0.261, and F value was 26.141(p<.05) to have significant regression. So, marketing communication, public interest business and donation & sponsorship had significantly positive influence upon corporate image (Table 5). Hypothesis 1 of 'Ethical management has significantly positive influence upon corporate image' was partially adopted.

#### 4.3.2. Hypothesis 2 test

Independent variables such as marketing communication, public interest business, donation & sponsorship and volunteer service had influence upon dependent variable of purchase intention: At that time, R<sup>2</sup> of the model was 0.151, and F value was 11.809(p<.05) to have significant regression. So, marketing communication, public interest business had significantly positive influence upon purchase intention (<Table 6>). Hypothesis 2 of 'Ethical management has significantly positive influence upon purchase intention' was partially adopted.

<Table 8> Regression Analysis Results

Model	Non-standardized coefficient		Standardized coefficient	t-value	Significant probability	F	R <sup>2</sup>
	B	Standard error	Beta				
(Constant)	1.065	.167		6.391	.000	160.600	.372
Marketing communication	.641	.051	.612	12.673	.000		

a. Dependent variable : purchase intention, \*p < 0.05

### 4.3.3. Hypothesis 3 test

Independent variable of corporate image had influence upon dependent variable of purchase intention: At that time,  $R^2$  of the model was 0.372, and F value was 160.600 ( $p < .05$ ) to have significant regression. So, marketing communication, purchase intention had significantly positive influence upon corporate image (<Table 7>). Hypothesis 3 of 'Ethical management has significantly positive influence upon purchase intention' was adopted.

The hypotheses test results were (<Table 9>):

<Table 9> Hypotheses Test Results

Hypotheses	Contents	Significant probability	Adopted or rejected
Hypothesis 1	Ethical management has positive influence upon corporate image.		Partially adopted
Hypothesis 1-1	Marketing communication has positive influence upon corporate image.	.000	Adopted
Hypothesis 1-2	Public interest business activity has positive influence upon corporate image.	.005	Adopted
Hypothesis 1-3	Donation and sponsorship have positive influence upon corporate image.	.002	Adopted
Hypothesis 1-4	Volunteer service has positive influence upon corporate image.	.123	Rejected
Hypothesis 2	Ethical management has positive influence upon purchase intention.		Partially adopted
Hypothesis 2-1	Marketing communication has positive influence upon purchase intention.	.007	Adopted
Hypothesis 2-2	Public interest business activity has positive influence upon purchase intention.	.002	Adopted
Hypothesis 2-3	Donation and sponsorship have positive influence upon purchase intention.	.658	Rejected
Hypothesis 2-4	Volunteer service has positive influence upon purchase intention.	.320	Rejected
Hypothesis 3	Corporate image has positive influence upon purchase intention.	.000	Adopted

## 5. Summary

This study investigated effects of ethical management upon corporate image and purchase intention.

The findings were:

First, hypothesis 1 of "Ethical management such as marketing communication, public interest business, donation & sponsorship and volunteer service has positive influence upon corporate image" was partially adopted at significant regression of marketing communication, public interest business activity and donation & sponsorship. Second, hypothesis 2 of "Ethical management such as marketing communication, public interest business, donation & sponsorship and volunteer service has positive influence upon purchase intention" was partially adopted at significant regression of marketing communication and public interest business. Third, hypothesis 3 of "Corporate image has positive influence upon purchase intention" was adopted at significant regression.

This study investigated effects of ethical management upon corporate image and purchase intention. The ethical management was not temporary fashion but request of the times. The study suggested to settle ethical management:

First, marketing communication, public interest business activity, and donation & sponsorship had influence upon corporate

image (hypothesis 1). So, enterprises shall make effort to raise corporate image by ethical management to do not only marketing activities but also various kinds of ethical management activities.

Second, the study investigated not only corporate image but also purchase intention by hypothesis 3 in connection with hypothesis 1 and 2. Further studies shall investigate up to purchase performance. The test may give elaborate material.

Third, the interviewees were students in their twenties. Further studies shall give an alternative of the interviewees.

Fourth, this study showed that ethical management of enter

prises had influence upon purchase intention and corporate image. Many professionals in wide areas shall investigate ethical management to let enterprises do ethical management under situation of the nation.

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