

## **Abstract**

Even though numerous scholars have undertaken theoretical and empirical studies to examine business ethics, most of them have primarily focused on ethical conduct of organization/marketer within the marketing process. It can be identified that, relatively, less number of studies have tried to examine ethical issues of marketing process from consumer's point of view, though it is an important aspect. Further, the impact of many social and individual factors on ethical judgments and behaviors have been studied. But it is evident that religiosity has been less examined as an antecedent of consumer ethical beliefs, even though it is vital. Thereby, this study attempts to examine the impact of religiosity on consumer ethical beliefs.

Observing the fact that almost all previous studies have only used intrinsic and extrinsic dimensions to measure the religiosity, this study has used the "quest" dimension of religiosity, which cannot be found in previous studies, along with intrinsic and extrinsic dimension, so as the complete domain of religiosity would be captured. Further, the interaction between intrinsic and extrinsic religiosity has been examined as suggested by previous studies. Hence, the study was designed to address this theoretical gap.

Prevailing literature was reviewed with the purpose of understanding related theories and concepts. Though the number of models and theories in the field of marketing ethics is limited, Hunt-Vitel General Theory of Marketing Ethics (Malhotra & Dash, 2011; Sekaran, 2000) was found to be the most appropriate model that best explains the relationship between religiosity and consumer ethics. H-V theory elucidates that religiosity impacts consumer's ethical beliefs as the religiosity lays foundation to the deontological and teleological evaluations of the consumer. Based on the rigorous literature review, it was hypothesized that there is an impact of intrinsic religiosity, extrinsic religiosity and quest religiosity on consumer ethical beliefs. Further, an interaction between intrinsic and extrinsic religiosity was hypothesized while the final proposition argued that, intrinsic religiosity is a stronger predictor of ethical beliefs than extrinsic religiosity.

The study was quantitative while the cross-sectional (survey) design was chosen as the overall research design. All variables were operationalized using established and tested scales and the survey instrument was a structured questionnaire. Convenience

sampling technique was used to draw the sample and the sample size was 359. Data was analyzed using Structural Equation Modeling (SEM) to test hypothesis as specified by Hair et al (2010). Data analysis revealed that there is an impact of intrinsic, extrinsic and quest religiosity on consumer ethical beliefs. As the interaction between intrinsic and extrinsic religiosity was not statistically significant, a power analysis was performed to examine whether the sample size is adequate and the power analysis unveiled that a larger sample is required to reach the expected statistical power. Further, a multiple group analysis was performed in SEM by splitting the sample into two categories; high and low extrinsic religiosity. It was revealed that there is a significant interaction between intrinsic and extrinsic religiosity within high extrinsic religiosity group. Further, it was found that such an interaction strengthens the impact of intrinsic religiosity on consumer ethical beliefs when extrinsic religiosity is high. Finally, the relative strength of the impacts of intrinsic and extrinsic religiosity was examined by comparing standardized beta coefficients where the findings proved that intrinsic religiosity is a stronger predictor of consumer ethical beliefs.

Based on the findings, this study proposes several managerial and social implications. It emphasizes the importance of incorporating ethics education into the education system of Sri Lanka, so as the knowledge on consumer ethics would be transferred to people systematically. Further, religiosity and consumer ethics must be inculcated into the consumer socialization process which may lay a solid foundation for a society with ethical behaviors in the marketplace. Managers do have the opportunity to use ethical appeal in advertising and companies are urged to adopt relationship marketing strategy, instead of using punitive actions to control unethical behaviors of consumers.