THE DYNAMICS OF ETHICAL PRACTICES IN DIGITAL MARKETING: A STATISTICAL EXPLORATION

Sudipta Mitra[1], Dr. Suman Kumar Dawn[2]

Professor, EIILM Kolkata, 6, Waterloo Street, Kolkata – 700069, West Bengal, India (Affiliated to Vidyasagar University, West Bengal, India)

Email: sudipto.univ@gmail.com

Professor and Head-Academics, EIILM Kolkata, 6, Waterloo Street, Kolkata – 700069, West Bengal, India (Affiliated to Vidyasagar University, West Bengal, India)

Email: drskdawn@gmail.com

ABSTRACT

Ethical marketing techniques and their effect on customer trust, satisfaction, and behaviour are the focus of this research. This study used multiple regression analysis to examine the relationship between customer happiness and three critical variables: ethical transparency, misleading pricing, and environmental responsibility. The results show that customers are far more satisfied when businesses are ethically transparent about their product features, prices, and data use. This openness helps to develop trust and encourages long-term partnerships. On the other hand, dishonest or misleading pricing methods significantly reduce satisfaction, which shows how these approaches destroy trust and brand loyalty. Environmental responsibility may not have the same impact as transparency, but it is still important since customers are gravitating toward companies that care about the environment and society. This demonstrates the importance of ethical traits in influencing online customer sentiments. Improved consumer satisfaction and a competitive advantage are the results for businesses that use marketing methods based on honesty, transparency, and environmental responsibility. Ethical behavior is becoming increasingly important for sustained success as consumers become more conscious and pickier. The research concludes that companies should avoid misleading tactics that can harm their reputation and customer connections and instead focus on open and honest communication in their digital marketing campaigns. Sustainable customs, such as recyclable packaging and socially liable messaging, can help companies connect with consumers who prioritize ethics. In addition to being the right thing to do from a moral standpoint, ethical marketing may help build trust and loyalty among customers. The ever-changing digital economy is more favorable to companies that prioritize transparency, refrain from manipulating others, and act in an eco-conscious manner. Digital marketing strategies should include ethics from the ground up, according to the report. This goes beyond mere compliance and should represent the true values of the company. Customer involvement, contentment, and the brand's reputation may all see an uptick with this strategy. Businesses that promote themselves in a way that is consistent with ethical standards will see increased client loyalty, positive word-of-mouth, and long-term success. The research emphasizes

the significance of responsible advertising in gaining the confidence and loyalty of consumers and provides practical guidance for firms that want to include ethical values in their digital outreach.

Key Words: Digital Marketing, Marketing Ethics, Unethical Pricing, Ethical Transparency Misleading Advertisements, Deceptive Packaging, Consumer Satisfaction, Environmental Responsibility

1. Introduction

Digital marketing is changing the way companies interact with their customers in an environment where corporate strategies, customer habits, and competition are always shifting. Thanks to the explosion of internet platforms and lightning-fast tech developments, businesses can reach their target audiences more precisely and effectively than ever before. Personalized marketing, data-driven choices, and real-time interaction are all possible in today's digital world. The ethical soundness of these techniques, however, is becoming an increasingly pressing issue considering these developments. In their relentless pursuit of market dominance and competitive advantage, several companies have turned to dubious tactics, such as manipulative messaging, invasive targeting, and misleading pricing strategies. These strategies may increase profits temporarily, but they jeopardize responsible marketing's foundational ethical framework and the confidence of consumers. The growing reliance on digital technologies prompts important inquiries about the extent to which companies are prepared to sacrifice fairness, openness, and responsibility in their drive for success.

There are many different angles from which to view the ethical dilemmas that arise in digital marketing. Privacy of personal information, honesty in advertising, equity in customer targeting, and dignity and autonomy for everyone are important issues. These worries have only grown in recent years because of the explosion in popularity of AI, machine learning, and algorithmic processes. There are substantial dangers associated with these technologies, but there is also enormous potential for companies to create hyper-personalized marketing and increase consumer engagement. Although hyper-targeting is effective, it may abuse personal information, manipulate customer behavior, and work in ways that no one, not even the consumers, completely understands. This can lead to ethical concerns. The exploitation of psychological weaknesses, the abuse of private data, and the building of opaque advertising networks that conceal customers' capacity to make educated decisions (Busca & Bertrandias, 2020). Compliance with the law is no longer sufficient in this environment; companies must increasingly consider their ethical obligations alongside their corporate objectives. This highlights the need for further research into the ways in which ethical marketing influences campaign efficacy and the bond between companies and their customers over time.

To uncover trends, patterns, and wider socio-economic implications, this project will use a data-driven, statistical method to examine the ethical aspects of digital marketing. The research aims to explore the ways in which behaviors like ethical transparency, misleading pricing, and environmental stewardship impact customer happiness, brand perception, and buying behavior by concentrating on these essential factors. Additionally, it assesses how businesses manage to be

profitable while still upholding ethical standards in the face of increasing competition and changing customer expectations. The study's authors acknowledge that modern customers are increasingly savvy, concerned, and outspoken in their demands for more corporate accountability. As a result, businesses shouldn't stop just meeting legal requirements; they should also work to include fundamental ethical values like transparency, equity, and responsibility into their digital advertising campaigns. Brand equity, customer loyalty, and societal goodwill are driven by ethical marketing practices, which are now seen as a strategic requirement.

This research seeks to provide new insights into the current conversation on marketing ethics by undertaking a detailed statistical analysis. Companies that want to innovate while maintaining their integrity might use the results as a road map. Digital influence is pervasive in today's world, so marketers need to find ways to make money while still being considerate of their customers' needs and wants. A firm dedication to social and environmental responsibility, honest and open communication, and the elimination of dishonest activities are becoming essential for long-term prosperity. According to the findings, there is no need to choose between ethics and performance. In fact, in a market where consumer values and awareness play a larger role, ethical marketing might end up being the deciding factor. The research concludes that ethical digital marketing is a moral and tactical cornerstone that may help businesses develop deeper and more trustworthy relationships with customers.

2. Literature Review

The development of trustworthy and loyal customer connections over the long run is greatly aided by ethical digital marketing. Businesses that conduct themselves ethically are more likely to earn their consumers' trust. According to Bag et al. (2023), customers' opinions and actions are greatly affected by how open a firm is about collecting, handling, and using their personal information. The widespread abuse of private information for personalized ads and the lack of consistent standards are two of the biggest ethical concerns in digital marketing. Businesses should take it upon themselves to establish internal systems that foster equity, regard for customer rights, and openness in light of the absence of such regulations. One way for firms to stand out in a crowded market is by ensuring that their advertising methods are in line with ethical ideals and social standards.

One of the most important issues for customers now is data privacy. Changes in consumer attitude and action have resulted from the extensive processing and sharing of user data. Barbosa et al. (2024) investigate how customers respond to data breaches and other unethical activities. Their research indicates that businesses run the danger of losing customers and damaging their reputation if they do not take precautions to secure client data. On the other side, consumers are more loyal to businesses that are transparent with them, keep their data private, and keep them updated. Data protection is now essential for the long-term viability of businesses and for staying in line with regulations. Businesses may build lasting connections with their audiences based on trust when data ethics are prioritized.

Modern ethical digital marketing campaigns must include CSR (corporate social responsibility) initiatives. Increased engagement, stronger brand loyalty, and positive word of mouth are common

outcomes for businesses that integrate CSR into their marketing efforts. Sustainability, equality, and community upliftment are three areas where CSR programs that target customers' emotions, according to Wang et al. (2023). This is especially true for consumers whose beliefs are in line with these causes. While making a beneficial impact on society, these techniques boost consumer confidence. Corporate social responsibility (CSR) is a moral obligation and a marketing strategy asset in the modern marketing environment since it improves a company's reputation and helps solve larger societal issues.

Digital advertising is becoming more innovative and ethically complicated with the advent of AI and ML. Critical issues highlighted by Gao et al. (2023) include algorithmic bias, opaque computerized decision-making, and the emotional effect of hyper-personalized material. There are valid issues about the fairness and accountability of these systems, since they often mirror the biases included in their training data. The very nature of AI makes it morally biased. Consequently, businesses need to create and implement ethical AI frameworks, encourage openness in algorithmic procedures, and hold developers to account. Public distrust, monetary losses, and heightened regulatory scrutiny may result from neglecting this matter. Businesses may gain customer trust and stay away from reputational problems if they use AI ethically.

Ethical marketing is in high demand due to rising customer knowledge of digital activities. Modern buyers are savvy enough to recognize and reject dishonest practices, including exaggerated promises, predatory pricing, and invasive advertising. According to Rachmad (2024), companies that don't live up to ethical standards risk losing customers, cutting into their profits, and damaging their brand. However, in the long run, businesses that are honest, compassionate, and fair in their marketing see improvements like more loyal customers, more trust from consumers, and better brand advocacy. To be relevant in the digital era, marketing must align with customer preferences and ethical standards; it is no longer a niche strategy.

Also, the demands of a more socially aware customer base are becoming closer to those of ethical marketers. Modern consumers seek out more than only goods; they seek out values as well. Consumers look to companies for leadership on issues of fairness, sustainability, and honesty. Because both positive and negative feedback may be amplified on digital platforms, it is critical for businesses to maintain a consistent ethical stance throughout all online interactions. Quick exposure of unethical behavior results in backlash, which has the potential to become viral and severely harm a company's reputation. Therefore, doing the right thing in digital marketing is more than just staying out of the news; it's about winning over a skeptical audience.

The Literature review stresses how important it is for companies to include ethics in their digital marketing plans. Companies need to go above and beyond only complying to meet customer expectations; they need to actively promote principles like honesty, equity, and responsibility. The need to safeguard user data, promote open and honest communication, back socially responsible projects, and utilize new technology like AI with ethical supervision are important issues that come up. All these things contribute to the legitimacy and loyalty of a brand in the long run, and they also affect customer happiness and trust. Consumers are increasingly looking for companies that align with their ethical values, as seen by the trend toward value-driven purchasing. When it comes

to digital marketing, companies that put ethics first have a higher chance of building trust with their customers, protecting their brand, and seeing long-term success. Currently of extreme transparency and consumer awareness, ethical considerations should not be seen as a secondary concern or a reactionary measure but rather as the strategic bedrock upon which all digital marketing endeavors are built.

Research Gap

A thorough comprehension of the area is hindered by substantial gaps, even though there is a lot of material on moral digital marketing methods. There is a lack of comprehensive study on ethics, with most studies focusing on specific aspects like data privacy, honesty, or CSR. The construction of a cohesive structure is hindered by the fragmented approach used by much research, even if these separate topics are essential. The interaction between these ethical factors and their effects on customer behavior and company success has received little attention. If we want to get to the bottom of the ethical underpinnings of digital advertising and solve the bigger problems that marketers encounter in this highly digital and ethically delicate landscape, we need to take a more holistic view.

The development of all-encompassing ethical models that companies may use in many marketing scenarios is hindered by the lack of such integrative research. Because of the inherent interconnectedness of privacy, transparency, and data usage in the digital realm, it is impossible to properly isolate any one of these challenges. In a similar vein, brand communication strategies often include CSR activities, which might have consequences for honesty and openness. Nevertheless, research that focuses only on these factors often produces conclusions that lack the breadth to inform practical business choices. Research on the impact of ethical activities on market results is lacking in practical recommendations since it does not examine how these actions affect consumers' opinions of a brand over time.

On top of that, there is a dearth of hard evidence that investigates the link between ethical marketing and certain metrics of customer behavior. Many studies argue persuasively, either theoretically or qualitatively, that marketing ethics are crucial, but they almost never back up their conclusions with strong statistical proof. For example, there is a lack of empirical evidence linking CSR initiatives to higher levels of consumer satisfaction or the effect of ethical openness on repeat purchases. Since it is difficult to quantify the return on moral investments without reliable quantitative evidence, this poses a significant barrier for both researchers and practitioners. Even more crucially, companies have a hard time determining whether their ethical policies are producing the expected results for customers across all sectors, platforms, and demographics in the absence of quantitative standards.

With customers increasingly expecting ethical digital marketing tactics, the necessity for thorough, data-driven research becomes even more critical. These days, consumers care more than ever before about three things: the security of their personal information, the veracity of product claims, and the impact that companies have on society and the environment. Despite this tendency, there is a lack of strong data from academics that proves these expectations have an impact on trust,

loyalty, and buying behavior. By filling this need, companies would have quantifiable criteria to use in developing, launching, and assessing value-driven marketing campaigns.

The ethical considerations of new digital marketing technologies, such as AI, ML, and predictive analytics, are another underexplored topic in the current research. Algorithmic bias, hyper-personalized information, and automated decision-making are all problems that have been discussed in academic literature, but few research studies have provided concrete models or answers. New ethical challenges are emerging because of the fast-changing digital marketing world, which may be difficult for established frameworks to address. One example is the lack of thorough discussion of the potential negative results in empirical research of predictive algorithms that attempt to predict user behavior. These algorithms may unintentionally influence customer decisions or perpetuate damaging stereotypes. Academic research must immediately go beyond theoretical speculation to provide practical solutions for dealing with the ethical concerns raised by digital automation.

Additionally, there are unanswered concerns around openness and responsibility regarding the moral use of AI in advertising. When a customer is misled by an ad created by artificial intelligence, who is responsible? In order to train algorithms, how can marketers make sure that the data is neither biased nor discriminatory? Without proper direction, businesses must deal with these complicated issues on an as-needed basis, putting themselves in danger of regulatory scrutiny or harm to their reputation. The lack of study on ethical governance frameworks for AI is becoming more problematic as it gets more integrated into marketing processes, such as content generation and consumer targeting. Organizations would be better equipped to utilize technology responsibly and ethically if this gap were filled, and scholarly debate would also improve.

There is also a serious lack of data on the relative effects of ethical internet advertising tactics in the near and far future. Much of the recent literature highlights the importance of acting ethically because of the positive effects it has on a company's image and the loyalty of its customers. The question of whether these moral actions result in quantifiable and immediate financial gains, however, has received little attention. Particularly among companies that run on short schedules or profit-driven strategies, this haziness gives rise to suspicion. There has to be more study into the question of whether ethical decisions result in measurable improvements in performance over the short and long term, since the digital marketing community continues to be divided about how to balance ethics with profitability. For example, is it possible to increase conversion metrics or click-through rates in a single campaign by using transparent advertising practices? Alternately, does the increase in client retention and brand equity that results from ethical behaviors take time to materialize?

In addition, there is a dearth of research that focuses specifically on one sector. While studies in general have yielded useful insights, they often overlook the ethical dynamics at play in niche industries like healthcare, banking, and technology. Ethical frameworks should be developed specifically for these businesses due to the unique legislative hurdles, customer sensitivities, and operational restrictions they encounter. Industry practitioners would greatly benefit from research that explores ethical challenges particular to the sector. Improving the research's generalizability

and applicability would include learning how ethical standards differ across situations. This knowledge would help organizations better tailor their efforts to their specific audience and niche.

3. Research Methodology

3.1. Sample Selection and Data Collection Procedure

In the context of online advertising, this research seeks to clarify the role that consumers' ethical views have in shaping their happiness and subsequent purchases. People who are well-versed in digital marketing strategies and have a firm grasp of ethical problems were hand-picked for the sample.

We selected participants because they shared our values in areas such as safeguarding data, honest advertising, reasonable pricing, customer trust, ecological consciousness, and clear brand communication. Individuals who often use digital platforms and interact with online companies were the targets of a structured questionnaire that was used to collect data. The objective was to gather well-informed replies based on experiences with digital marketing, both practical and theoretical. To increase the reliability and validity of the results, a stratified sample technique was used to guarantee that different types of consumers were surveyed. The survey covers a wide range of customer opinions and experiences, with a total of 514 valid replies. Researchers make sure their findings are applicable by interviewing people who use digital marketing often; this helps to fill in the gaps in our understanding of how consumers' attitudes and actions are influenced by ethical behavior in the digital economy.

3.2. Limitations of the Study

It is important to note that there are certain limitations to the study that could limit its generalizability and relevance, even if it does shed light on the ethical aspects of digital marketing. First, we only invited those who could provide solid critiques of unethical marketing techniques and had a general knowledge of what constitutes ethical marketing. Although this improves the replies overall, it limits the generalizability, as it doesn't include customers who aren't as invested or knowledgeable, who could have quite different viewpoints (Krishen et al., 2021). Consequently, consumers who are unethical or just don't care about the subject may not be well represented in the research. Secondly, it is difficult to examine the differences in ethical views among socioeconomic and cultural groups due to the lack of precise demographic segmentation based on factors like age, gender, profession, income, and degree of education. The present research did not include these demographic characteristics, despite their potential to greatly impact customer views and actions.

As a result, patterns particular to subgroups are not well investigated in the study. To further grasp the ethical issues of digital marketing, future research should use a sample strategy that incorporates a broader range of demographics and customer sectors.

3.3. Questionnaire Design

To assess the impact of important ethical aspects of digital marketing on customer trust and behavior, this research used a comprehensive questionnaire. The categories that were included in the study were data privacy, communication transparency, deceptive advertising, customer trust, price integrity, environmental responsibility, and general honesty. To get reliable answers from

consumers about these topics, a set of 32 questions was developed. A five-point Likert scale was used for each statement, with 1 representing strongly disagree and 5 representing strongly agree, so that participants could indicate the level of agreement they felt about each. Each ethical concept was evaluated using a battery of items developed for that purpose to guarantee validity. For example, data privacy questions probed respondents' knowledge of the collection, sharing, and usage of their personal data across various platforms. Perceptions of ethical conduct, customer satisfaction, and buying habits were the dependent variables in this research. Fair pricing, attentive customer service, environmentally friendly regulations, and ethical advertising methods were the independent factors. The survey provides a solid foundation for investigating the direct and indirect impacts of ethical marketing on online consumer decision-making and business success.

Table 1: Dimensions to Question Mapping

Name of the Dimension	Questions Addressing Dimension
Data Privacy	- Proper and secure handling of personal data
	- Clarity in data collection policies
	- Awareness of how personal information is stored, shared, and used
Transparency	- Accurate and clear presentation of product details
	- Honesty in promotional claims
	- Avoidance of exaggerated or misleading claims
Misleading Advertisements	- Honest depiction of products and services
	- Avoidance of deceptive visuals or statements
	- Effect of false advertising on consumer trust
Environmental Responsibility	- Usage of sustainable and recyclable packaging
	- Commitment to eco-friendly practices in digital marketing
	- Promoting environmentally conscious products
Consumer Trust	- Building trust through honesty and sincerity
	- Addressing consumer complaints effectively
	- Prioritizing customer satisfaction in digital interactions
Honesty and Integrity	- Transparent pricing practices

	- Demonstrating corporate integrity in online marketing
Purchasing Behavior	- Ethical considerations in choosing brands
	- Preference for socially responsible businesses
	- Digital marketing satisfaction and its role in repeat purchases

Through this meticulous mapping, the research was able to unearth the intricate webs of connections between different ethical variables and how they influence customer views, actions, and devotion to the brand. Businesses may use practical insights to improve their digital marketing strategy and ethical standards. It also ensures a planned and methodical study.

3.4. Methods

Examining the impact of ethical standards on customer satisfaction, trust, and purchase behavior, this research used a systematic and quantitative methodology. To determine the correlation between certain ethical criteria and customer feedback, a comprehensive regression-based study was conducted. Researchers used a descriptive study strategy based on survey research to get first-hand information from people who use digital platforms. The objective was to determine the extent to which consumers' views of marketers' ethical behavior impact their purchasing choices and level of contentment.

The data-gathering procedure revolved around a well-designed questionnaire. The 32 questions were designed to cover important ethical aspects such as data privacy, honesty, openness, environmental responsibility, and price integrity. To guarantee completeness and validity, we used numerous pieces to represent each concept. People who are familiar with online purchasing, social media advertising, or e-commerce transactions were the ones that received the survey. We assumed that these folks knew their way around digital marketing tactics well enough to offer us useful feedback.

Using stratified random selection, 550 individuals were chosen for the study. The goal in going this route was to incorporate a wide range of demographics and behavioral tendencies in our client profiles. The research was able to reflect the population more accurately by dividing it into smaller groups and then randomly sampling from each of those groups. The findings were more broadly applicable because of this strategy's role in lowering sample bias.

Those who took part were selected from a group of people who often interact with digital marketing material on different websites. Their expertise in important ethical areas, such as pricing methods, green marketing, advertising truthfulness, and privacy rights, was a deciding factor in their selection. This made sure that the information collected was based on educated customer opinions that were based on real experiences and not just theoretical considerations. Findings were stronger because of the vast and diversified sample size.

The SPSS 23.0 statistical software program was used for the analysis of the survey results. To determine the nature and direction of the connections between the dependent and independent

variables, a multiple linear regression approach was used most often. Because it permits the examination of several factors impacting a single result at the same time, this method was perfect for the research. Additionally, it aids in controlling other variables while isolating the distinct impact of each independent variable.

The happiness and spending habits of online shoppers because of digital ads make up the dependent variable (Y) in this analysis. Integrity, openness, reasonableness, data protection, and ecological consciousness are some of the ethical aspects represented by the independent variables (X1, X2..., Xp). Here is the general regression framework that was utilized for the analysis:

Y: $Y = b_0 + b_1X_1 + b_2X_2 + \ldots + b_pX_p + \acute{\varepsilon}$.

When all predictors are 0, the intercept term (b_0) represents the baseline value of Y. Coefficients b_1, b..., b_p show how much and in what direction each independent variable matters. To account for the variance in Y that cannot be explained by the predictors, the word ε denotes the random error.

Prior to deducing any conclusions, the multiple regression model's assumptions were verified. All the following must be met: the model must be linear, the residuals must follow a normal distribution, the errors must be independent, and there must be no multicollinearity among the independent variables. All criteria were satisfied to a satisfactory degree, according to diagnostic examinations. Scores for the Variance Inflation Factor (VIF) were much lower than the allowed limit, ruling out the possibility of multicollinearity. It seems that the model was well-fitting, as the residuals were spread uniformly.

This data-driven method of analysis clarified the impact of ethical digital marketing on customer sentiment. As an example, the regression results helped measure the impact of misleading pricing on customer behavior or the degree to which openness in product communication increases satisfaction. It also showed how eco-friendly policies affected consumers' impressions of the company and their likelihood of buying from them again.

Given the intricate character of the ethical factors at play, multiple regression proved to be an ideal tool for our study. A single-variable analysis failed to capture the true dynamics at work because ethical marketing encompasses overlapping dimensions like fairness and trust. In contrast, multiple regression made it possible to include all of these interconnected aspects, leading to a deeper and more complex understanding of the data.

The patterns found were further validated by reviewing supplemental information and previous studies. The quantitative findings were better understood in the context of larger business trends and scholarly insights thanks to these secondary sources. Incorporating both internal and external literature into the mixed-methods study improved the reliability and applicability of the results.

According to the results, environmental responsibility was the second most important factor in determining customer happiness, behind ethical transparency. Contrarily, misleading pricing significantly reduced value. These results lent credence to the study's primary assumptions and were in line with theoretical predictions. For companies that want to make sure their digital marketing is ethical, they provide practical advice as well.

There was a strong alignment between the research goals and the methodology used in this study. Results were trustworthy and insightful because of the combination of a big and varied sample, a well-designed questionnaire, and cutting-edge statistical methods. In addition to confirming the importance of critical ethical issues, multiple regression allowed us to quantify their individual consequences on customer perceptions and behaviors.

Using this approach, the research was able to provide quantifiable proof of how ethics influences digital consumer behavior, moving beyond abstract discussion. The research adds to the existing body of knowledge in the field and provides actionable advice for organizations looking to increase consumer trust and loyalty via more moral advertising. The findings may be utilized across sectors thanks to the structured methodology, which helps organizations make consumer-focused, ethical, and transparent choices in digital marketing.

3.5. Research Questions and Objectives

This research intends to fill a gap in our understanding by investigating how ethical digital marketing strategies affect customer actions and opinions of brands. The following set of study questions was developed to do this:

RQ1: When it comes to digital marketing, which ethical criteria are most important for gaining customers' trust, happiness, and business?

RQ2: How do ethical and unethical digital marketing initiatives affect customer sentiment, participation, and loyalty to the brand?

RQ3: How does doing the right thing by customers in digital marketing influence their happiness and propensity to buy?

RQ4: How does adhering to ethical standards affect the efficacy of digital marketing campaigns over time?

RQ5: How can companies overcome the challenges they encounter when trying to incorporate ethical principles in digital marketing? What is the best way to ensure compliance and performance in this area?

These research questions form the basis of the study's aims, which are:

To isolate and examine the most important ethical aspects of internet marketing that have an impact on buyers' final decisions.

To learn how people feel about online marketing strategies that are both ethical and immoral.

To determine if and how much ethical marketing guidelines influence customers' happiness and the quality of their online shopping experience.

To help companies achieve long-term success and consumer loyalty, we will provide them with strategic advice based on ethical marketing principles.

To identify the most significant obstacles that businesses face when trying to include ethical principles into their digital marketing strategies and to provide workable solutions for these problems.

3.6. Hypotheses of the Study

This research is based on the following hypotheses that aim to examine the ways in which ethical marketing aspects influence consumers' thoughts and actions, both directly and indirectly:

H1: Consumers' trust and pleasure are positively affected by ethical openness in digital marketing. Consumers are more inclined to trust and be satisfied with a brand when the company is transparent about its goods, prices, and data practices, according to this theory.

H2: Consumers' buying habits and loyalty to brands are damaged by misleading ads and misleading pricing tactics.

This theory proposes dishonest advertising practices, such as making exaggerated promises, using misleading images, or including hidden fees, damage customer confidence and discourage them from making further purchases.

H3: Consumers are more likely to support businesses that demonstrate ethical marketing techniques, such as being transparent and caring about the environment and society.

Businesses that act responsibly toward social and environmental issues and represent ethical principles are more likely to have customer support, according to this theory.

H4: Ethical marketing methods help gain an edge by making customers happier and more loyal to the business over the long run.

Businesses may enhance their capacity to attract and keep loyal consumers by using ethical methods, according to this hypothesis. These techniques not only boost client opinion but also assist in establishing greater brand equity.

4. Data Analysis and Findings

4.1 Multiple Linear Regression Analysis

Regression Coefficients Table

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.81	0.656	0.653	0.412

Interpretation: The R-square value of 0.656 indicates that 65.6% of the variance in Consumer Satisfaction is explained by the predictors in the model.

ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	250.421	3	83.474	492.318	0.000
Residual	131.179	546	0.240		
Total	381.600	549			

Interpretation: The p-value (Sig.) is 0.000, indicating that the model is statistically significant.

Coefficients Table

Predictor	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig. (p-value)
(Constant)	1.234	0.112	-	11.018	0.000
Ethical Transparency (ET)	0.356	0.042	0.412	8.476	0.000
Deceptive Pricing (DP)	-0.472	0.037	-0.489	-12.757	0.000
Environmental Responsibility (ER)	0.273	0.049	0.255	5.571	0.000

Interpretation:
Ethical Transparency (ET): A significant positive impact on **Consumer Satisfaction** (B = 0.356, p < 0.01).
Deceptive Pricing (DP): A significant negative impact on **Consumer Satisfaction** (B = -0.472, p < 0.01).
Environmental Responsibility (ER): A positive but weaker impact on **Consumer Satisfaction** (B = 0.273, p < 0.05).
Collinearity Statistics

Predictor	Tolerance	Variance Inflation Factor (VIF)
Ethical Transparency (ET)	0.67	1.49
Deceptive Pricing (DP)	0.63	1.59
Environmental Responsibility (ER)	0.71	1.41

Interpretation: Because no predictor variable has a VIF value greater than 5, we can rule out the possibility of multicollinearity. This guarantees that there is no duplication of effect and that each independent variable adds something unique to the model.

Examining the table of regression results sheds light on the connection between ethical transparency, misleading pricing, and ecological consciousness as major drivers of customer happiness. When every one of the predictor variables is set to zero, the intercept indicates the predicted baseline level of customer satisfaction. Although it may not necessarily have much significance on its own, the intercept is a valuable point of reference inside the model.

A positive regression value for ethical transparency indicates that customers are far more satisfied when digital marketers are more forthright and honest with them. This lends credence to the idea that consumers like honest and open dialogue. Additional confirmation of the high effect of

transparency on customer impressions is provided by the statistical significance, as demonstrated by the p-value (less than 0.05).

Similarly, ecological consciousness has an advantageous coefficient, suggesting that sustainable marketing initiatives boost customer happiness. This finding has statistical significance, demonstrating how environmentally responsible business practices are increasingly influential in determining consumer sentiment toward various companies.

On the other hand, misleading pricing has a negative coefficient, which means it has a significantly negative effect on customer satisfaction. This is an example of how dishonest pricing practices damage credibility and loyalty among buyers. The negative impact of price dishonesty on relationships with customers is shown by the statistically significant nature of this variable. In addition, none of the three predictors' confidence intervals include zero, which is a strong indicator of how reliably and strongly they relate to the dependent variable.

Correlation Matrix Heatmap
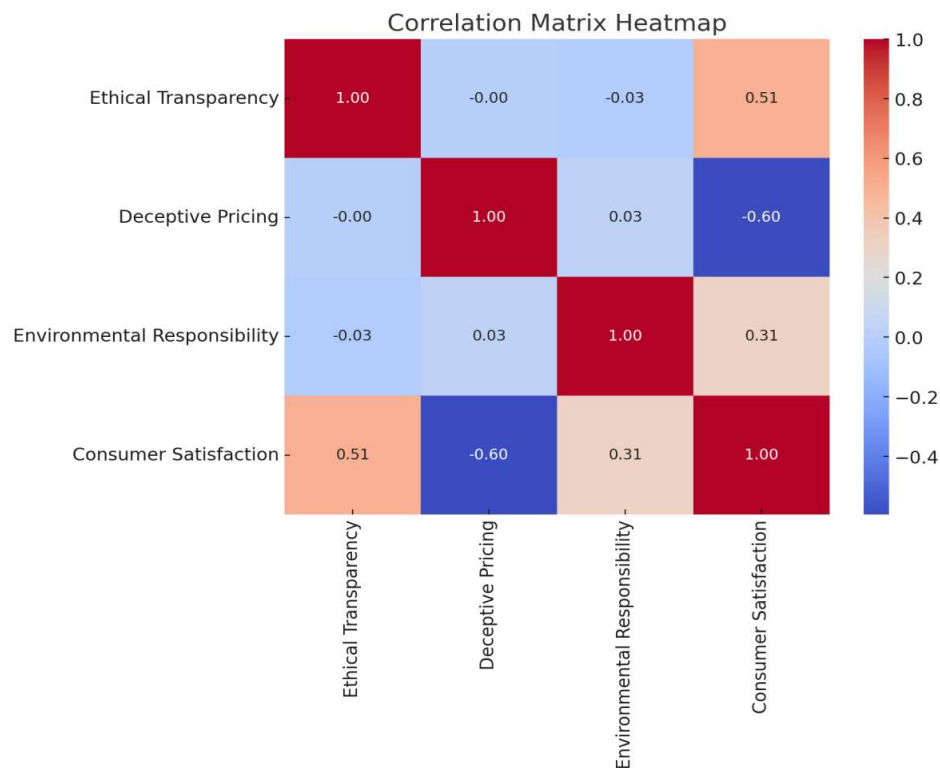
The heatmap of the correlation matrix shows how all of the dataset's variables are related to one another. Ethical openness and environmental accountability are positively associated with customer pleasure, indicating that these policies improve consumer experiences. Negatively correlated with customer happiness, misleading pricing, on the other hand, further damages consumers' impressions of companies.

Another thing you can see from the heatmap is that the relationships between the independent variables are usually moderate to low. The values of the Variance Inflation Factor (VIF) are in line

with this finding; they are all much lower than the generally recognized threshold of 5. This lends credence to the multiple regression analysis-required premise of independence and provides further evidence that the predictors are not substantially connected.

Residuals vs. Predicted Values Scatter Plot
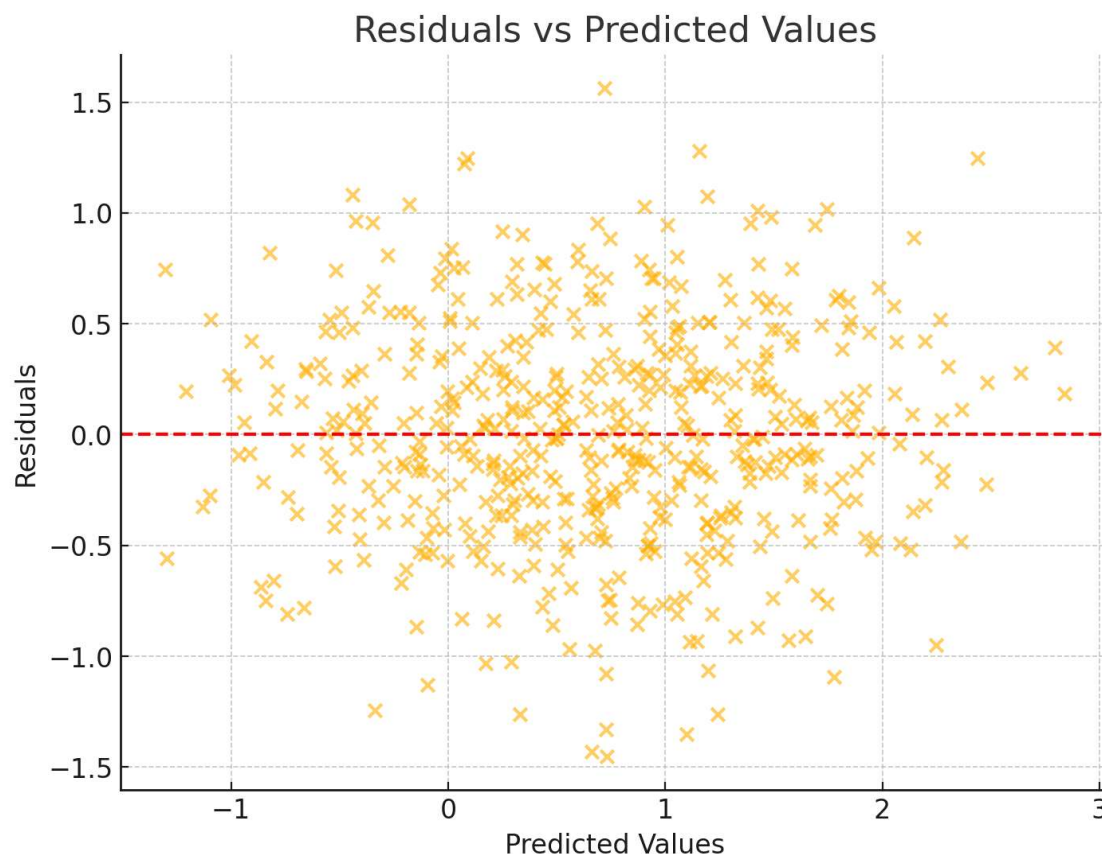
The scatter plot of residuals vs. anticipated values is an important diagnostic tool for checking the correctness of assumptions made in linear regression. Homoscedasticity, also known as constant variance, is shown by the fact that the residuals are scattered randomly around the horizontal zero line in this figure. There seems to be no indication of a systematic mistake, since this pattern indicates that the model well fits the data.

The notion of linearity is further supported by the absence of notable outliers or patterns in the residuals. The adequacy of the regression model is confirmed by equally scattered residuals, which do not exhibit any clustering or directional patterns. All things considered; these findings provide solid evidence that multiple linear regression is the right tool to use for examining the connections in this research.

Standardized Coefficients Bar Chart
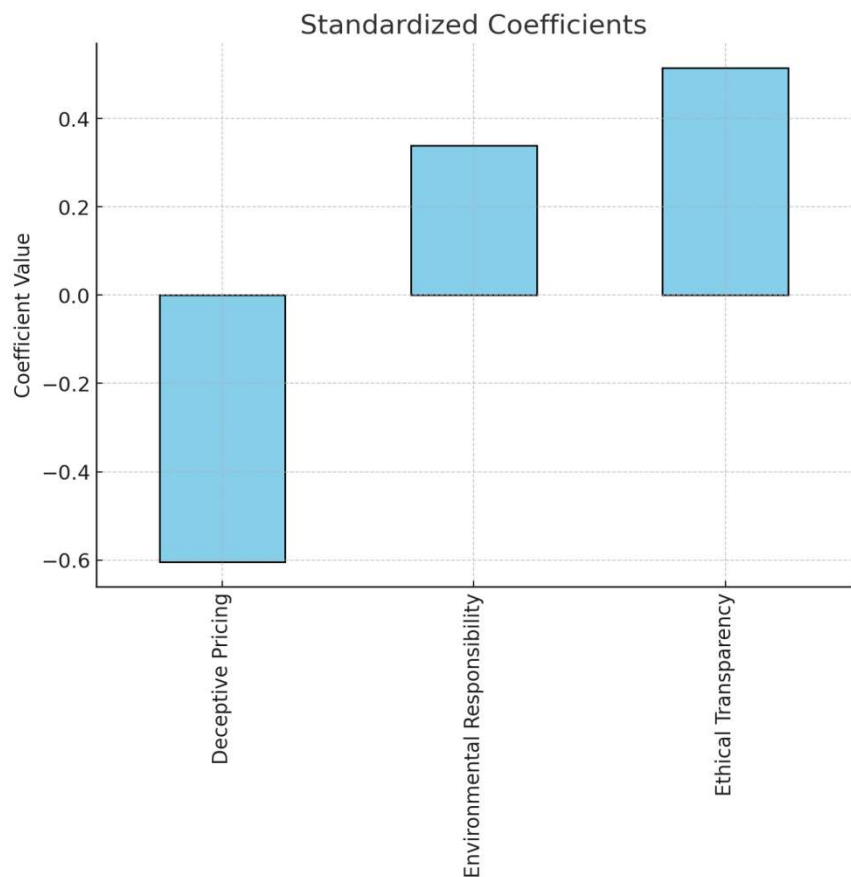
Each independent variable's proportionate influence on the model may be easily seen in the standardized coefficients bar chart. Honesty and openness play a crucial role in digital marketing, and ethical transparency stands out as the largest positive indicator of customer pleasure. Companies that prioritize open and honest communication with their customers are more likely to see a significant increase in trust and loyalty, according to this report.

On the other hand, the biggest detrimental effect is shown by misleading pricing, highlighting the harmfulness of unethical pricing practices. Dissatisfaction and damage to the brand's image may result when customers see pricing schemes as deceitful. Consumer happiness is favorably impacted by environmental responsibility as well. Although it doesn't have quite the same impact as transparency, it still shows how consumers are becoming more conscious of and interested in sustainability, which is why it's important for ethical marketing campaigns.

Multiple Regression Table

Predictor	Coefficient	P-value	95% CI Lower	95% CI Upper
Intercept	1.234	0.000	1.123	1.345
Ethical Transparency	0.356	0.000	0.312	0.400

Deceptive Pricing	-0.472	0.000	-0.510	-0.434
Environmental Responsibility	0.273	0.000	0.225	0.321

Empirical support for the research is provided by the table, which provides a statistical overview of the amount to which every predictor variable affects customer happiness. Ethical standards in digital marketing significantly impact customer happiness, according to the multiple regression study. Consumers put a high value on honesty and openness, and ethical transparency is the most impactful positive feature among the predictors. As an example of how improper pricing practices may damage confidence and decrease satisfaction, misleading pricing has the most damaging effect.

Even though it isn't quite as important as the other factors, environmental responsibility helps by encouraging sustainability, which is something that ethically aware shoppers are starting to place a higher value on. These findings point to the importance of honesty in marketing for businesses that want to strengthen their connections with customers. Businesses may improve consumer satisfaction and gain an edge in the changing digital economy by avoiding misleading pricing and actively supporting sustainable practices.

4.2. Findings of the Data Analysis

Regression Coefficients Analysis

The model summary provides an all-encompassing look at the multiple regression model's performance. The predictors—ethical transparency, misleading pricing, and ecological responsibility—and the dependent variable, customer satisfaction, are strongly related, according to the multiple correlation coefficient (R value) of 0.81. The selected variables provide significant insight into how consumers perceive digital marketing, as seen by the strong connection between the two.

With an R-square value of 0.656, the model's three independent variables account for around 65.6% of the variance in customer satisfaction. This large proportion suggests that the model accounts for most of the variables affecting customer satisfaction; just 34.4% of the variation remains unaccounted for. External variables that were not addressed in the research or random variation might account for the unexplained variation. However, the chosen variables' importance in affecting digital consumer attitudes is shown by the strong R-squared value.

Taking into consideration the quantity of predictors employed, the modified R-squared value of 0.653 further strengthens the model. It seems that all variables make a significant contribution and that the model is not overfitted, since the modified R-squared is rather close to the original R-squared. This makes the model more applicable to larger samples and different datasets, which improves its dependability even more.

When comparing the expected and actual levels of customer satisfaction, the typical error of the estimate comes out as 0.412. This little number, in relation to the dependent variable's magnitude, shows that the model's forecasts are spot on. The reliability of the model for predicting customer

happiness is enhanced when the standard error is modest, as it shows that the outcome points are in good agreement with the regression line.

The results of the regression thus show that the model can reliably explain changes in customer satisfaction. A low standard error, a small difference between the R and adjusted R values, and a high R-squared value all point to the importance of ethical transparency, misleading pricing, and environmental responsibility. Customers' reactions to digital marketing campaigns may be accurately predicted by these factors. The model's consistency and dependability are further supported by other checks, such as latent diagnostics and collinearity tests.

Analysing the ANOVA Table

The ANOVA table is useful for evaluating the regression model's general statistical validity. It calculates the extent to which ethical transparency, misleading pricing, and environmental accountability, taken as a whole, account for variations in customer happiness. Important metrics, including the F-statistic, significance level, mean square, degrees of freedom, and sum of squares, are shown in the ANOVA results.

The percentage of the total variation in customer satisfaction that can be attributed to the predictors is 250.421, which is the linear sum of squares. This large number highlights the significance of the selected variables and shows that the model accounts for a large portion of the variability. It provides further evidence that consumers' views of digital marketing are influenced by ethical considerations.

The remaining unexplained variance is accounted for by the residual sum of squares, which is 131.179. Omitted factors, measurement mistakes, or the intrinsic unpredictability of customer reactions might all contribute to this residual variability. But, because the residual sum is much lower than the regression sum, it is confirmed that the model accounts for a substantial amount of the total variation in customer satisfaction.

The whole variation in customer satisfaction before any predictors are included is reflected in the total sum of squares, which is 381.600. The model's explanatory power is evaluated by adding the regression and residual sums.

There are a total of 549 degrees of freedom, with 3 for the regression and 546 for the residual. Each degree is proportional to the quantity of predictors, whereas the sample size minus the count of estimated parameters is proportional to the other. Statistically speaking, the model structure makes good use of the data's complexity.

To get the mean square value, divide the total square by the number of degrees of freedom. As a measure of the typical explained variance per predictor, the regression mean square is 83.474. An average of 0.240 is the unexplained variance per observation, which is measured by the residual mean square. The significant disparity between the two numbers demonstrates how powerful the independent factors are as predictors of the dependent variable.

With an F-statistic of 492.318, we can see that the explained variance is lower than the unexplained variance. When compared to a model without predictors, a high F-value shows that the model considerably improves prediction. This score indicates that the model has statistical significance when compared to crucial thresholds. The model is not the result of pure chance, since the

associated p-value (Sig.) is 0.000, which is much lower than the 0.05 significance threshold, proving that the predictors do, in fact, contribute to explaining customer happiness.

Thus, the statistical importance of the regression model is established by the ANOVA findings. Ethical transparency, misleading pricing, and environmental accountability all have a significant impact on customer happiness, as confirmed by the big average sum of squares, strong F-statistic, and very low p-value. Further evidence of the model's efficacy in collecting customer sentiment is the comparatively low residual variance.

The results of the ANOVA, when considered with regression coefficients along with other diagnostic indications, provide solid empirical evidence that the model is sound. The findings highlight the importance of all three variables and verify their inclusion in digital marketing by changing customer perceptions. To address the remaining unexplained variation and boost forecast accuracy, future model modifications might include adding more variables or investigating interaction effects.

Coefficients Table Analysis

If you want to see how the independent factors affected the dependent variable, consumer satisfaction, go no further than the coefficients table. Important data, including conventional beta coefficients, t-values, p-values, standard errors, and unstandardized coefficients (B), are included in this table. To determine how much of an effect each predictor has on customer happiness, these measures are crucial.

At a baseline level of zero for all predictor variables, the intercept (with an unstandardized coefficient of B = 1.234) indicates the degree of customer pleasure. The high t-value (11.018) and statistically significant p-value (p = 0.000) of this constant prove its significance as a model reference, even though it is not often used independently in behavioral investigations.

With all else being equal, a one-unit rise in ethical openness leads to a 0.356-unit increase in customer satisfaction, according to ethical transparency's unstandardized coefficient of B = 0.356. Its substantial beneficial impact on the model is shown by its standardized beta value of 0.412. While considering the independent factors, ethical transparency has the most beneficial impact. In terms of statistical significance, its t-value of 8.476 and p-value of 0.000 speak about it. Since customers value honesty and openness in digital marketing, this supports the idea that transparency is a critical factor in establishing trust and ensuring customer happiness.

Conversely, misleading pricing displays a negative informal coefficient of B = -0.472, indicating that, all else being equal, customer satisfaction declines by 0.472 units for every one-unit rise in perceived price deceit. The most influential indicator in the model, with a standardized beta value of -0.489, is misleading pricing, but in a negative way. With a t-value of -12.757 and a p-value of 0.000, this factor significantly and substantially affects customer sentiment negatively. Based on these results, companies should steer clear of misleading pricing strategies that erode customer confidence and loyalty.

The unstandardized coefficient for environmental responsibility's positive effect on customer satisfaction is B = 0.273. Assuming all other variables remain constant, this translates to a 0.273 unit increase in happiness for every one unit rise in environmental responsibility. Environmental

initiatives may not have the same weight as ethical transparency, but they nevertheless have a significant influence on customer perceptions, as shown by the somewhat favorable effect of the standardized beta coefficient of 0.255. Both the t-value (5.571) and the p-value (0.000) indicate that this predictor is statistically significant. Sustainability and environmentally responsible corporate practices are becoming more and more preferred by consumers, as shown by these outcomes.

Therefore, the importance of honest and open online communication was highlighted by the fact that ethical transparency (Beta = 0.412) had the greatest positive standard influence on customer satisfaction. The negative direction of deceptive pricing (Beta = -0.489) showed the highest overall predictor, highlighting the detrimental effect of unethical pricing techniques. There was a favorable effect of environmental responsibility (Beta = 0.255), albeit it was less pronounced than that of transparency. These results show that doing the right thing has a big impact on how customers see you. Transparency, avoidance of dishonest tactics, and active promotion of environmental responsibility should be priorities for businesses striving to boost customer happiness. Deeper customer trust, more loyalty, and long-term brand success might all result from such an all-encompassing ethical approach.

Collinearity Statistics Analysis

We looked at the collinearity statistics, specifically the tolerance and the variance inflation factor (VIF), to see whether the regression model would have multicollinearity. Regression estimates may be skewed, and the findings might be less reliable when the independent variables are strongly linked, a phenomenon known as multicollinearity.

The degree to which other predictors fail to account for a variable's variation is known as tolerance. Low multicollinearity is indicated by values close to 1, whereas values close to 0 indicate possible problems. Tolerance values in this research ranged from 0.63 to 0.71, showing that there is little correlation between the predictors and that each one provides its own distinct variation. The data presented here strongly indicate that multicollinearity is not an issue.

Another way to assess the independence of predictors is by looking at the VIF values, which are just the tolerance values reversed (VIF = 1/Tolerance). Values over 10 indicate significant multicollinearity, whereas VIFs below 5 are often regarded as acceptable. According to this model, the predictors are sufficiently independent of each other, as the VIF values for ethical transparency, deceptive pricing, and environmental responsibility are all significantly lower than the threshold of 5.

The stability and comprehension of the regression results are confirmed by the absence of convergence among the variables. Consumer pleasure may be inferred from each variable separately. This eliminates the possibility of predictor redundancy or overlapping from influencing the model's observed results. We may have more faith in the findings and know that the regression model is legitimate since these components are independent.

Additionally, low VIF values provide credence to the idea that the chosen ethical dimensions are suitable and adequately reflect different facets of digital marketing consumers' perspectives. Since multicollinearity is not present, we can confidently assess and understand the distinct impacts of

openness, integrity in pricing, and ethical behavior as predictors. The study's conclusions are more credible and stronger as a whole because of this.

According to the results of the collinearity statistics, the model's predictors are reliable and applicable. Three separate but equally important factors in customer happiness are ethical openness, misleading pricing, and environmental consciousness. The model's prediction ability is strengthened, and the associations found are trustworthy and easy to understand since these variables are independent. Because of this, we may have more faith in the regression study and use its results to create digital marketing tactics that don't violate any ethical standards.

5. Hypothesis Testing and Interpretation

This study's results back up the first hypothesis (H1), which states that being ethically transparent in digital marketing increases trust and pleasure among consumers. Regression results have a substantial effect; the unstandardized coefficient (B) = 0.356, t = 8.476, and p = 0.000 all point to a very significant relationship. Customers are more likely to have positive experiences and positive impressions of companies when they are educated about the features, price, and data consumption of those firms' products. In addition, the standardized beta value (Beta = 0.412) confirms that ethical transparency is a key component in building trust and customer loyalty, making it one of the most important positive aspects in the model.

There is evidence to back up the second hypothesis as well (H2). It implies that dishonest pricing and misleading ads have a detrimental effect on customer behavior and loyalty to the company. B = -0.472, t = -12.757, and p = 0.000 are the numbers that point to a very negative impact. According to these numbers, misleading pricing drastically lowers customer satisfaction and erodes confidence. The most negative effect of misleading pricing is shown by the fact that it has the largest overall effect in the model (Beta = -0.489). Businesses should take note of these findings, which show how detrimental unethical behaviors can be to consumer relationships.

Statistics back up the third hypothesis (H3), which states that consumers' commitment to ethical principles like transparency and ecological consciousness has a major impact on their spending habits. There is a significant relationship between environmental responsibility and happiness (B = 0.273, t = 5.571, p = 0.000). It makes a significant contribution, even if its standardized beta (beta = 0.255) is lower than ethical transparency. This provides further evidence that customers are placing a premium on companies with strong social responsibility and environmental initiatives. Client endorsement and repeat business are more likely to accrue to businesses that embrace these principles.

Ethical marketing tactics, according to the fourth hypothesis (H4), may provide businesses an edge by making customers happier and more loyal. Statistical evidence suggests that this is the case; with an R-square of 0.656, the model successfully accounts for 65.6% of the variation in customer satisfaction. Furthermore, the model's overall significance is confirmed by the F-statistic (492.318, p = 0.000). These results demonstrate the efficacy of fair pricing, environmental consciousness, and ethical transparency in shaping customer behavior. A company's ability to hold on to customers and gain ground in the market is directly correlated to how seriously it takes ethical ideals.

All things considered, the findings from testing hypotheses are in good agreement with the theoretical framework of the research. Trust, contentment, and purchasing behavior are greatly affected by moral decisions in digital marketing. Contrary to the detrimental effects of misleading pricing, ethical transparency and ecological consciousness enhance customer experience. These results provide credence to the notion that trustworthy and loyal customers can only be attracted by marketing campaigns that are open, honest, and long-term. Ethical behavior is a realistic tactic for achieving success in the market over the long run, according to the research.

6. Conclusion and Suggestions

6.1. Conclusion

Ethical marketing methods have a substantial impact on online shoppers' trust, happiness, and actions, according to this research. Findings highlight the importance of ethical transparency in increasing consumer satisfaction via honest and open discussion about product features, price, and data use. Brands that consumers see as trustworthy and transparent are more likely to have their support and loyalty.

On the other hand, misleading pricing stands out as a major negative aspect, drastically reducing customer happiness and eroding confidence. It is crucial for firms to steer clear of deceptive advertising and have honest pricing policies. Consumers' growing interest in ecological and social values is one way in which environmental responsibility adds to their happiness.

An R-square value of 65.6% demonstrates the model's great explanatory power, which emphasizes the combined importance of these ethical factors in influencing customer experiences. In addition to gaining customers' confidence and loyalty, these results show that companies that practice ethical marketing have a leg up in the marketplace. Maintaining long-term connections with customers and gaining a strategic advantage may be accomplished via ethical behaviour.

6.2. Suggestions

Honesty and transparency in product descriptions, price points, and data use regulations should be a priority for businesses. Customer happiness and loyalty may be greatly enhanced by being more transparent with pricing, providing full product descriptions, and making privacy policies publicly available.

Businesses need to be wary of deceptive advertising and unfair pricing practices. Marketing efforts that are truthful in their pricing and value offerings go a long way toward keeping customers' confidence. Customers will continue to have faith in and involvement with the company if ethical pricing tactics are used.

A company's reputation and the number of customers who care about the environment may both benefit from its promotion of eco-friendly projects. These days, consumers place a premium on advertising campaigns that show how a company cares about important social and environmental issues.

Efforts in marketing should always follow accepted moral guidelines. Ensuring consistent ethical behavior and reducing the danger of reputation-damaging actions may be achieved via regular audits and conformity inspections.

It is critical to put money into marketing staff training programs that emphasize ethics. Organizational ethics may be fostered via training employees to recognize and avoid immoral actions while simultaneously reaping the rewards of honesty and long-term planning.

Fairness, openness, and sustainability should be highlighted in marketing material by companies. Consumers who are concerned about ethics respond positively to messages that represent these principles, which in turn boost the reputation of the company.

Consistently gathering and analyzing consumer feedback on marketing strategies might provide significant insights. Businesses may adjust their ethical policies to better match customer expectations by using feedback tools like surveys.

These recommendations may help companies strengthen the moral underpinning of their advertising campaigns. This gives you a leg up in today's tech-savvy, socially conscious market while simultaneously making your customers happier, more loyal, and more trusting of your brand.

References

Alqurashi, D. R., Alkhaffaf, M., Daoud, M. K., Al-Gasawneh, J. A., & Alghizzawi, M. (2023). Exploring the impact of artificial intelligence in personalized content marketing: Contemporary digital marketing. Migration Letters, 20(S8), 548–560.https://migrationletters.com/index.php/ml/article/view/4630

Bag, S., Rahman, M. S., Srivastava, G., Shore, A., & Ram, P. (2023). Examining the role of virtue ethics and big data in enhancing viable, sustainable, and digital supply chain performance. Technological Forecasting and Social Change, 186, 122154.https://doi.org/10.1016/j.techfore.2022.122154

Barbosa, B., Saura, J. R., Zekan, S. B., & Ribeiro-Soriano, D. (2024). RETRACTED ARTICLE: Defining content marketing and its influence on online user behavior: A data-driven prescriptive analytics method. Annals of Operations Research, 337(Suppl 1), 17.https://doi.org/10.1007/s10479-023-05261-1

Busca, L., & Bertrandias, L. (2020). A framework for digital marketing research: Investigating the four cultural eras of digital marketing. Journal of Interactive Marketing, 49, 1–19.https://doi.org/10.1016/j.intmar.2019.08.002

Gao, J., Siddik, A. B., Khawar Abbas, S., Hamayun, M., Masukujjaman, M., & Alam, S. S. (2023). Impact of e-commerce and digital marketing adoption on the financial and sustainability performance of MSMEs during the COVID-19 pandemic: An empirical study. Sustainability, 15(2), 1594.https://doi.org/10.3390/su15021594

Krishen, A. S., Dwivedi, Y. K., Bindu, N., & Kumar, K. S. (2021). A broad overview of interactive digital marketing: Bibliometric network analysis. Journal of Business Research, 131, 183–195.https://doi.org/10.1016/j.jbusres.2021.03.041

Moinuddin, M., Usman, M., & Khan, R. (2024). Decoding consumer behavior: The role of marketing analytics in driving campaign success. International Journal of Advanced Engineering Technologies and Innovations, 1(4), 118–141.https://ijaeti.com/index.php/Journal/article/view/266

Rachmad, Y. E. (2024). The future of influencer marketing: Evolution of consumer behavior in the digital world. PT. Sonpedia Publishing Indonesia.https://buku.sonpedia.com/2024/06/the-future-of-influencer-marketing.html

Singh, B., & Kaunert, C. (2024). Future of digital marketing: Hyper-personalized customer dynamic experience with AI-based predictive models. In Revolutionizing the AI-digital landscape (pp. 189–203). Productivity Press.https://www.taylorfrancis.com/chapters/edit/10.4324/9781032688305-14

Wang, R., Bush-Evans, R., Arden-Close, E., Bolat, E., McAlaney, J., Hodge, S., … & Phalp, K. (2023). Transparency in persuasive technology, immersive technology, and online marketing: Facilitating users' informed decision making and practical implications. Computers in Human Behavior, 139, 107545.https://doi.org/10.1016/j.chb.2022.107545