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The pricing of branded items has a significant effect on the revenue of most businesses. Unlike the unbranded items, designer brands take advantage of the available opportunity to use their prices as their marketing tool. Most designer brands price their products highly because they target to compensate for the time and money that they had used in the production process. The pricing set for the customers considers the costs of inputs, distribution, and overhead. The ultimate goals of these companies are to increase their profits. Designer brands grow their prices profits unethically while others do so ethically. Increasing profit margins is considered to be unethical. Besides, it smears public relations and the loss of trust from consumers. The pricing of designer products presents its own set of ethical dilemmas and challenges that are hard to navigate.

Some retailers retail clothes at lower prices. Also, some sell designer brands at extremely higher prices. However, choosing to buy either of the two incurs in ethical options. A designer brand like Gucci will be considered unethical because of its higher pricing of clothing and other accessories. Of course, when people are paying handsomely for the designer clothes, they are compensating for the time that was used and the brilliance. Apart from these, other things that are factored in are the licensing, labor costs, and material (Ahmed, Nayeema and Ahmed 201). The cheap retailers like Tesco are generally held villains of the industry. They are accused of paying their workers' low wages despite having the desire to sell their clothes and accessories at extraordinary prices. Therefore, designer brands selling their clothes at higher prices may not be considered to be unethical despite compensating for the time and details used in designing the clothes.

The production of most designer products has some environmental impact. The designer brand companies grow their profit margins by overpricing the items. At the same time, they use unethical ecological practices in their production processes, thus causing pollution. Besides, they contaminate water supplies and destroy forests. It is less costly to create a negative impact on the environment than it is to create a positive impact. For instance, a small design company that is still expanding may not have funds to purchase materials that are derived from the environment. It will cost the business less to continue their operations in a factory that produces more pollution than to upgrade to a factory that disposes of its wastes safely. In the United States, the designer companies are needed to adhere to specific environmental laws which most of them do not follow(Wu 215). These laws, on the other hand, prevent excessive environmental damage, not mild or moderate damage. Despite these companies negatively damaging the environment, the companies dare to overprice their items. Indeed, their pricing strategy is far more than unethical.

It is unethical to increase price margins of product, especially if a company has a monopoly on that product. One company, known as Mylan, received 19 million dollars after they increased the prices of their products to 600 dollars. According to the US-based magazine TechTimes, the incentive of the Mylan CEO increasing the costs of their products was to hit their targets. Some designer companies also increase the prices of their brands so that they can escalate the earnings of their shares (Wu 210). The cost of making each shoe pairs is not even close to the amount that they are sold at. Therefore, it is clear that most designer companies raise their profit margins for their personal gains.

One of the highest expenses incurred by designer brands in processing is ensuring that goods are of high quality. High-quality goods are unique, and people often identify them from far. However, some designer brands are known to reduce the quality of their products and still sell the same goods at higher prices to maximize profits. By doing so, they cross the line into unethical business practice. It is wrong to reduce the quality of products and maximize the profit. This act damages the brand’s name, and they may lose their consumer’s trust and respect (Godey 5833). Designer brands that are establishing their presence in the market rely on consumers trust and respect. The loss of both has significant repercussions that are capable of slowing the growth of the start-up. Indeed, reducing the quality of products and maximizing profits margin is unethical and has negative consequences for designer brands that are starting up.

Designer brands often use workers from other countries to make their products, yet they pay them lower wages. These people are paid poverty wages for the high-end products that they make. In the United States streets, there are no retailers that have been registered to pay their staff wages that can cover their medical insurances. Moreover, they have never strived to do better in ensuring that their workers are compensated well. They employ many workers in other countries, and they fail to recognize that the money they use in paying the workers will lift them from poverty and make them have financial stability (Ahmed, Nayeema and Ahmed 201). Paying factories workers because of dedicating their time in making designer items has highly positive benefits. The company will get workers that are motivated because they will feel that they are compensated for working hard. Designer companies that pay their workers are accredited for higher staff turnover. Besides, they save money on training new workers. Designer brands insults are always driven to the injury of the low wages given to the workers that sew and sell items that they have no possibility of ever affording. Designer brands pricing of items seems unethical since they value their merchandise more than the people that dedicate their time to perfect the products.

In conclusion, the pricing of designer products presents its own set of ethical dilemmas and challenges that are hard to navigate. These unethical practices sometimes go unnoticed by customers. Some of the ethical concerns associated with increasing profit margins of designer products are that the designer products processing causes harm to the environment. Most designer companies raise their profit margins for their gains. Also, reducing the quality of products and maximizing profits margin is unethical and has negative consequences for designer brands that are starting up. Moreover, they use workers from other countries for labor, and they do not compensate them well. Indeed, from the above reasons, overpricing of designer brands to increase profits seems unethical.

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