



Surveying the Influence of Customer Perception from Corporate Ethical Behaviors in the Field of Marketing Mix on Confidence of the Customer

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Abstract

Today, gaining customer confidence in maintaining and sustaining the life of the organizations is very important and critical, by considering the competitive circumstances. However, one of the major problems that the organizations are faced with them is ethical issues, since ethical behavior of the organizations plays the basic role in the formation and maintaining long term relationships between the organization and customers. In this way, the current study investigates the influence of customer perception of ethical behaviors of the company in the field of marketing mix on customer confidence. On this basis, 400 individuals of Kerman City Refah Chain Stores were investigated as the sample. Model and the assumptions of the study according to the results of the investigation of the standard questionnaire based on the obtained analyzes from Amos (22) software were approved. According to the results based on the effects of factor variables, the customer perception of ethical behavior of the company in the field of the marketing mix, promotion with a standard path estimate of 0.77 has the highest influence on the customer confidence. Therefore, companies should extend ethical behavior throughout all of the marketing activities, especially decision making in the field of the marketing mix as the most tangible activities of the company from the customer's point of view, in order to survive in the market and preventing the destroying its reputation and brand.

Keywords: Ethics; Marketing Ethics; Marketing Mix; Confidence of the Customer

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1. Introduction

A recent shift in marketing thinking from traditional transactions to relation-based methods has been caused the growing importance of issues which leads to the development and keeping the relationships to customers [1], because by the extension of the organizations in the 20th century, also, the business world was faced with many changes. Many of the companies targeted achieving only material goals and values as their basis of activity, and as a result, observance of ethical principles was ignored by them, and it was this issue that led to a sharp decline in consumer confidence in the business organizations.

Therefore, the issue that could recover such an atmosphere, was performing an environment full of confidence along with re-considering ethical principles in business [2].

Confidence leads to the legitimizing to the performance of the company, and ultimately, it will lead to increasing the financial performance of the company [3]. According to the consumer behavior theory, marketing activities is a motivation for the specific activities of the customer [4]. The customer's confidence in the activities of a company depends on ethical behavior of the company to a great deal in the fields of product, price, distribution, and promotion, and the positive

correlation between these factors has been proved [3, 5-7]. In this way, marketing ethics is also considered as ethical judgment and behavioral standards in the marketing activities, which one of its important dimensions is decision making about the field of marketing mix [8]. According to the results of the research of Valenzuela et al., (2010), the ethical approach from a company is one of the most important un-financial factors of the promotion of the customer's confidence. Therefore, marketing managers must use of the most ethical methods of representation of products, packaging, pricing, release and distribution, advancement and promotion, to be able to reach to their goals in the field of profit and market share [10]. In this way, the first issue of the research about the ethical issues is related to the key application fields of marketing strategies including decision making about the field of marketing mix strategies [5]. Surveying the ethical view of marketing managers about the marketing decisions due to dimensions of marketing mix demonstrate the issue that the most non-ethical activations is seen in the price dimension, and there is the most observance of ethical principles in three industries namely: textile, food and animal husbandry, and also, their labors are influenced by the ethical thinking of managers [11].

In general, always the observance of the ethical principles has enjoyed a great place in people's business and lives due to benefiting from, and following of the rich culture of Islam in our country, the Islamic Republic of Iran. Prophet Muhammad (PBUH & HP) proclaims: whoever buys and sells should avoid five characteristics: 1- usury 2- swear 3- hiding the defect of the goods 4- definition of the goods that he buys 5- criticize of the commodity that buys [12].

On this basis, the current research surveys the influence of the customer's perception of the ethical behavior of the company in the field of marketing mix on the customer's confidence.

2. Theoretical Framework of the Research

2.1 Customer's Confidence

The customer's confidence is due to this issue that to which extent the promises of the company are trusted by the customer, and totally they perform their commitments related to exchange [13].

2.2 Marketing Ethics

The term 'ethics' refers to a set of views and beliefs related to the human's disposition that conducts the behavior of individuals, groups, nations, and entities [14]. The most challenging context of professional ethics is marketing, on this basis, marketing ethics is related to the use of the ethical considerations in marketing decision makings, and

it could be considered as the ethical judgment and behavioral standards in the marketing activation [15].

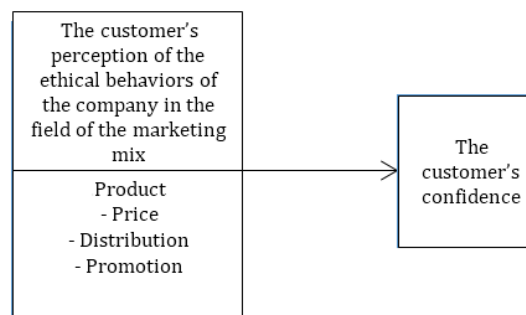


Figure 1. The Conceptual Model of the Research

3. Research Methodology

This research is a descriptive/survey research type in the field of human science. The statistical population of the research is the customers of Refah Chain Stores in Kerman city. The sampling method is of available type and the sample volume due to the unlimited volume of the population (more than 100000), Is defined as at least 384 individuals. The questionnaire is the data collection tool for this research, and its content validity has been approved by professors and professionals, and also, its analytical validity has been approved by Amos software. Five options Likert spectrum (totally agree, totally disagree) was used in this questionnaire, and Cronbach's alpha coefficient was used for measuring its reliability. Cronbach's alpha coefficient was estimated 0.92 by using SPSS software, which the derived results are shown in Table 1.

Table 1. Cronbach's alpha coefficients of the research variables

Item	Scale	Cronbach's alpha
1	Product mix	0.817
2	Price mix	0.808
3	Distribution mix	0.829
4	Promotion mix	0.883
5	Customer's confidence	0.866
6	Total alpha	0.926

In this research, Structural Equation Modeling Method was used in order to data analysis, and Fit of the model, as well as the test of the research hypotheses on the basis of Amos software. On this basis, the research model is investigated in the section of the test of the Fit measurement model, also, the structural model test used to test hypotheses is popular.

4. Research Hypotheses

The basic hypothesis: The customer's perception of the ethical behaviors of the company in the field of the marketing mix is effective in customer's confidence.

The subsidiary hypotheses:

1. The customer's perception of the ethical behaviors of the company in the field of the product marketing mix is effective in customer's confidence.

2. The customer's perception of the ethical behaviors of the company in the field of the price marketing mix is effective in customer's confidence.

3. The customer's perception of the ethical behaviors of the company in the field of the distribution marketing mix is effective in customer's confidence.

4. The customer's perception of the ethical behaviors of the company in the field of the promotion marketing mix is effective in customer's confidence.

5. Research Findings

5.1 Descriptive Statistics

Table 2: The specifications of the sample population cognition

Variables	Sex		Age			Education		
	Male	Female	18-35	36-45	>45	Under the diploma	Diploma and Associate Degree	Bachelor's degree and higher
Frequency	164	236	215	112	73	39	195	166
Distribution%	41	59	53.75	28	18.25	9.75	48.75	41.50

5.2 Inferential Statistics

5.2.1 Measurement Pattern Test

According to the Structural Equation Modeling Method, the values of the indices of the Fit model are according to table 3. The values of pattern Fit indices in this research were Chi-Square (the minimum discrepancy divided by its degrees of freedom) (CMIN/DF) 2.799, the goodness of fit index (GFI) 0.88, adjusted goodness of fit Index (AGFI) 0.85, comparative fit Index (CFI) 0.951, normative comparative fit Index (NFI) 0.926, The Tucker-Lewis Index (TLI) of 0.944, the values of these indices are varied between 0 and 1, whatever its value is being closer to 1, the fit model is more favorable. The radial root mean square error (RMSE) of 0.067, the acceptable level for this index has been determined below 0.08 in order to optimally fit model. Therefore, based on estimated values, the research model has the necessary fit to examine the research hypotheses.

5.2.2 Research Hypotheses Test

Results of path coefficients of research variables presented in Table 3 demonstrates the influence of the customer's perception of the ethical behaviors of the company in the field of the dimensions of marketing mix including product, price, distribution, and promotion in the customer's confidence, on the basis of the estimated values of the variables' effect coefficients are respectively 0.26, 0.59, 0.33, and 0.77, which at the significance level less than 5%, with assurance of 95% zero hypothesis based on lack of relationship is rejected, and considering the significance and the positivity of the path coefficients, it could be said that the customer's perception of the ethical behaviors of the company in the field of promotion marketing mix has positive effect on the customer's confidence. Also, according to the results, the ethical observance in the promotion dimension has the highest influence on the customer's confidence, and then respectively the dimensions of price, distribution and product are placed after it.

Table 3. Results of Hypotheses Test

Hypotheses	Path Coefficient	T Statistics	Significance Level	Result of the Hypothesis
1 st Hypothesis	0.26	8.08	0.001	Confirmed
2 nd Hypothesis	0.59	13.20	0.001	Confirmed
3 rd Hypothesis	0.33	9.64	0.001	Confirmed
4 th Hypothesis	0.77	4.019	0.001	Confirmed

6. Discussion

On the basis of the derived results of the research, the influence of the customer's perception of the observance of ethics in the four dimension fields of the marketing mix in the customer's confidence was confirmed. According to the results of the first hypothesis in the confirmation of the significant relationship of the observance of ethics in the dimensions of the product and the customer's confidence similar to the research of Leonidou et al., (2013), Roma'n and Ruiz (2005), Creyer and Ross (1997), the observance of the issues including the products quality, suitable packaging, and also readable labels, as well as full information are very important in the formation of the customer's confidence [5, 6, 3].

Also, the significance of the influence of the customer's perception of the ethical behaviors of the company in the field of price marketing mix in the customer's confidence was similar to the surveying of Siham (2015) on the basis of the derived results of the second hypothesis, which it demonstrates this issue that the pricing activities possess the highest level of the ethical items [15]. Also, the pricing policies have an important role in the field of the perception of the ethical issues of marketing on the basis of the results of the research of Gaski (1999), and the items including the price modification, the price fixing, and clear price information, as well as real discounts are very important [8].

According to the third hypothesis, the necessity of the observance of ethics in the distribution dimension shows that the observance of the ethical issues in the field of products delivery has a significant role in the customer's confidence formation. and specifically, also, this is true to the observance of the issues in direct relations to the seller. The results of the research of Carrigan, M., and Attalla (2001), Hansen JD, Riggle (2009), and Ferrel (2004) confirm these items [16, 17, 18].

On the basis of the fourth hypothesis, the derived results of the ethical research history in the field of the promotion marketing mix have high importance, and the most done researches in the field of marketing ethics belong to the promotion dimension. On this basis, the derived results of the research according to the results of Nill, Schibrowsky (2007), and also, Bakir, Vitell (2010) emphasize on the lack of representing the unrealized and cheating promises in advertising and stereotyping of community individuals [19, 20].

7. Restrictions and Recommendations

One of the major restrictions of this research is the shortage of internal and external research works related to the area of the ethical marketing,

particularly in the subject fields such as marketing mix, and most of the done researches are related to the ethical selling.

One of the other restrictions of this research is the discussion about the surveying area and its questions. Due to this fact that the main aim of the research is surveying the customers' perception of the ethical issues, this issue causes investigating only the issues which are more tangible and understandable. As a result, the comprehensiveness of investigating ethical marketing issues is restricted. For example, the issues in relation to relationship to the competitors in the market environment, the discussions related to the members of the distribution canal, the discussion of marketing research, and the discussion of advertisements, direct marketing, and internet sale, as well as the other items such as these. Although considered as very important issues in marketing science, particularly from the ethical issues point of view. But they practically are going out of the study domain due to the fact that directly, the customers with some of these issues have not any relation.

Due to the fact that the main issue in this research is the only an investigation into the influence of the customer's perception of the observance of ethics in the field of the marketing mix in the customer's confidence. Therefore, it is suggested that the influence of the other variables of the population cognition due to the research history such as age, education, and even urban and rural life method, as well as the cultural dimensions being investigated, because according to saying of Hafsted (2001) these items have an excellent role in the formation of the customer's perception of the ethical issues. On this basis, the effective scheduling in the alignment of the elimination of ethical issues due to particular cultural contexts of each area is done to have more impact. Also, the influence of these issues on these behaviors must be investigated due to the influence of the ethical issues in the other customer's behaviors including satisfaction and loyalty, and also mouth to mouth marketing.

Execution of research in this context of the set of financial organizations that are active in the field of services, and represents different products than stores and companies could be a worthy issue to pay attention to it for the future research.

An investigation into the mentioned items in the other provinces and cities of the country could perform effective results of the field of the promotion of managers and politicians insights over the national level.

8. Conclusions

Therefore, the companies could act more effective for codification of their social responsibility scheduling and create the required ethical image of

the customer's viewpoints for their company due to the fact that on the basis of the current research, the relation between the customer's perception of the observance of ethics in the field of marketing mix and the customer's confidence has been confirmed. Because, since ethics of marketing has an important role in the creation of the relationships to the customer based on confidence and satisfaction, and ultimately their loyalty. So the chain stores that are faced with the different stratum of society and various groups of customers should extend their activities based on the ethical methods in the alignment of the elimination of the non-ethical issues in the field of the marketing mix that is more related with ethical issues. They could minimize the negative consequences due to non-ethical methods, and guarantee their business success in addition to the competitive advantage.

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