Examining the influence of business ethics on consumer decision making processes and consumer involvement in ethical decisions in Harare

ABSTRACT
The research was found on the premise of exploring the extent to which consumers were actively involved with business ethics prior to making a purchase decision. This research was influenced by the prevalence of unethical practices common in modern organisations, globally and in local context, as reflected by literature trends visited in the research background. The objectives of this research revolved around understanding whether consumers considered business ethical or unethical behaviours and practices when they made purchasing decisions. The qualitative research methodology was chosen as the appropriate method to examine the influence of business ethics to consumer behaviour. The in-depth interview method was chosen as the appropriate data collection method from a sample of population identified using availability sampling method. Data analysis relied on thematic analysis where relevant themes were identified for the research. A total of 30 adults' participants identified from different Harare shopping centre participated in the research, and they did provide interesting insight regarding the topic understudy. The overall findings demonstrated that consumers were active when they made purchase decisions, as they were aware of some businesses unethical practices. In the process, the research established that there were some business ethics which were important for consumers which and in turn influenced the consumers’ purchase decisions. These ethics involved pricing, social corporate responsibility and public safety. On the other hand, there were also some ethics which consumers were not actively considering before making purchase decisions namely environmental pollution, corruption and labour abuse. This means corporate needs to take ethics very serious when designing organisation strategy, while on the other hand various consumer defenders like government, civil rights advocates and agency of government they also need to take a proactive role in protecting the consumers, as well as educating the consumers about other broader forms of ethics as well as their rights.

Introduction
The trend of consumption in this modern day has dramatically changed as numerous factors have worked in collaboration to shift consumers’ purchasing patterns (Mullins and Walker, 2010). Modern consumers have evolved due to combination of trend factors and one such push factor is the influence of business ethics on consumer behaviour. Globalisation has led to changes in consumer behaviour as it has brought the world into a small community where consumption cannot be confined to a particular community as acculturation and enculturation processes are shaping the modern society (Gupta, 2011). Technology on the other hand is one of the drivers that have been shaping modern consumers into a complex and sophisticated generation (Appelbaum, Felstiner and Gessner, 2001). Also, regulatory authorities and the expectations of environmentalists are impacting on the consumer behaviours. All these factors (globalisation, technology, and regulatory authorities and environmentalists expectations) are working in collaboration to
shape the modern day consumer behaviour, as these pushy factors are working in collaboration to create an informed generation of consumers who are well equipped with ethical principles and overall rights they deserve.

The interconnectedness of the global community facilitated by technology has provided a platform for consumer interaction through e-commerce thereby allowing consumers to share and to consider the relationship between business ethics and consumption (Dudovskiy, 2012). The empowered generation of consumers of the modern era who are techno-savvy seem to create a bottom-up form of audit to businesses in relation to business ethics. It is from this background that there is increasing number of consumers who consider ethics to be fundamental for decision making purposes. In developed countries, ethical practices seem to be the greatest motivation for consumers to be more involved when making a purchase decision. However, due to the interconnected nature of the globe with information shared through mere click of button, ethical values are spontaneously shared across the globe. It is due to that background that there is need for an exploration of value consumer psychology of the developing world populace and Zimbabwe is not an exception to that, as the Zimbabwe case study has the potential to give interesting insights on the topic understudy.

The goal of consumer psychology is to understand consumer behaviour, explain consumer behaviour and predict consumer behaviour (Kopet, Kruglanski, Arens, Etkin, & Johnon, 2012). In this regard, it is of paramount importance to understand what influences consumer’s behavioural and mental processes in making purchasing decisions. The value consumers attach to a product can be based on rationality or emotional connection according to the involvement theory (Zaichkowsky, 2009). The involvement theory according to Zaichkowsky (2009) postulates that high involvement rationality products are those products that people buy for their purposes and the rationality behind is usually based on product functionality. For instance, on one hand, somebody might buy a phone on the basis of how the phone functions in terms memory, music transfer and interactivity. On the other hand, high involvement emotional products carries emotional status and prestige although at times it may be misappropriate to buy them as the product may not save the purpose intended. For example one might buy an IPhone and NOKIA mobile phone on the bases of the status linked to the phone but not necessarily product functionality. Both high involvement rationality and high involvement emotional carry a lot of time and energy on the side of the consumers, as consumer are more active when making a purchase decision to a high involved product.

In view of the above, in the modern day, ethics and accountability are gaining momentum in the consumption vocabulary through the influence of multiple pressure groups, and other information sharing platforms (Burke, 1993). The concerns about the environment, unhealthy products, fraud, false claims, and community welfare among other concerns, are all increasingly becoming determinants of consumers’ decision making process. Technology has been a platform where people have been sharing information regarding unethical practices of giant global organisations like KFC, ADDIDAS and PUMA amongst many. Technology has provided information to consumers and has exposed numerous organisations that are well known for cutting corners in their organisational operations (Hirst, 2008). As consumers are increasingly getting worried about ethical issues as portrayed by a plethora of consumer literature, consumers are now increasingly paying attention to details regarding company’s integrity and product authenticity. As a result, a significant number of consumers in the mature markets are more
involved when it comes to ethical issues and consumption. Due to globalisation, the world is increasingly getting smaller and as result people are sharing information quickly and easier making people more aware of ethical issues, brands and corporate. Information sharing across the globe is very easy and quick which creates a room for global ripple effect on consumer behaviour.

According to Jackson (2000) the developing world is also beginning to appreciate the issue of business ethics in relation to consumption behaviour. Zimbabwe is one of the countries where ethical concerns have been raised by various pressure groups including the regulatory boards like Consumer Council of Zimbabwe and the Standard Association of Zimbabwe (CCZ, 2015). It is therefore important to explore consumer behaviour in relation to ethics in Zimbabwe business organisations. Mullins and Walker (2010) argue that involvement refers to the amount of investment and commitment a person assign to a particular purchase process. As consumers of the developed world are increasingly more involved with ethics when making a purchase decision, it is of paramount importance to consider the relevance of business ethics in consumer purchasing decisions in the Zimbabwean context.

Research Objectives

The four-fold research objective of the study was:

1. To examine the consumers’ level of involvement to ethical issues when making purchasing decisions
2. To assess the level of awareness of consumers to ethical practices
3. To identify important ethical concerns valuable to the consumers
4. To explore source of information that consumers are using to get information about consumption and ethics

Materials and Methods

The exploration of consumer behavioural patterns was based on qualitative methodology. The qualitative method was a preferred methodology because of its ability to tap into the contextual and cultural elements of consumers of a particular segment, and in this case the Zimbabwean consumers in selected low density areas. The understanding of consumers to the subject of business ethics, what they called ethics and what they expected from ethical issues, could only be addressed after accurate conceptualisation of the concept from the consumer’s point of view and the qualitative method was the most appropriate. The method of gathering data was based on in-depth interviews. An in-depth interview held a primary advantage of providing broad and comprehensive information which provided new insights to the researcher which the researcher may not have known or expected regarding ethics and consumer in Harare. It was administered to 30 participants chosen by availability sampling from six high density suburbs of Harare, which include Avondale, Chisipite, Kamfinsa, Borrowdale Village, Westgate and Arundale shoppers. The affluent suburbs were chosen on the premise that they have people who have global exposure while at the same time there are potential frequent shoppers in dominant corporations like Bon Marché, Pick and Pay and Spar.

In-depth interviews were used together with audio recording machines to capture the content of every discussion. Ethics were observed to make sure there is commitment and total cooperation of the participants during the research. The ethics observed involved informed consent, privacy, anonymity and also free withdrawal. The collected data was basically presented in theme presentation and the thematic analysis was used as the most appropriate data analysis method.
Presentation of Findings

Importance of Ethics in Consumer Decision Making Processes

The research has discovered that business ethics are crucial for consumers especially in giving them a positive self-concept and positive identity. They mentioned that business ethics are also important to others as they protect the next person. In other words, a sense of collective self or a sense of community is the main driver behind this ethical consciousness found by this research amongst participants. Some reported that, “It might not happen to me, but others might be harmed by sub-standard products or from these big businesses…” The purchasing process seemed to be so ingrained with desire to protect one’s reputation, that is, consumers do not want to be known to be loyal to an organisation that is famously known for cutting corners when it comes to ethics related issues “… I would not want to be a friend of a company that has a bad name…” Consumers like to be associated with organisations that behave ethically. Therefore, ethical organisations are first priority for the consumers because they bring about positive identity which consumers can easily identify themselves with and as result gain some pride and confidence from such an organisation.

This therefore means that businesses that are managed in an ethical manner in providing quality and excellent service towards the market they service tend to be more competitive and enduring in the market. At the same time, they are more sustainable as the community and citizens identify themselves with the product, thereby owning the brand (Sassen, 2003). However, Schepel (2005) states that many organisations are still falling short of meeting quality standards and the overall service due to the inability of the organisations to take ethics seriously as a priority. This may be the reason why many governments are calling for protection of its citizens through policy and regulatory control (Stewart, 2009). Besides all this, consumers seem to provide a bottom up form of audit, as they seem to be interested in ethics related issues revolving around their buying patterns. The facts that citizens are so concerned about these matters will then pose pressure to organisations to be more ethical because the research have demonstrated that citizens have become active buyers (Schwab, 2008). Business ethics are therefore important because they allow ethical competition amongst service providers as consumers would scramble for accountable and responsible organisations to buy from. They provide consumers with better choices based on quality and ethical grounds.

Factors that influence ethical awareness

Technology has been identified as one of the driving factors of consumer awareness which has facilitated high involvement of consumers to organisations’ ethical practices. “…………people observes damaging reports on the internet……” As technology is spearheading information sharing, it is also facilitating the sharing of unethical practices by organisations and also by individual customers. Various social media platforms are being used to share information about companies’ ethical practices by various business stakeholders on the social media platforms like Whatsapp, Facebook, and Twitter. Personal confessions from friends and family members also create awareness amongst the consumers about ethical practices of those organisations operating in Zimbabwe. Personal confessions were reported by online users who sometimes take videos of themselves reporting unethical practices they encountered with a specific organisation. “I saw somebody who posted video of her burned face after using Forever Living products...”
This reflects the power of technological platforms in quick sharing of information. According to Stewart (2005), the world has become so interconnected that consumer empowerment is no longer given by authorities but citizens earned, as citizens are fighting tirelessly to win their rights through the power of technology. Companies therefore cannot afford to ignore ethics related issues in such a turbulent and unpredictable environment of the modern day where the rules of the game seem to have shifted in favour of the common man against the capitalistic tendency of the modern day multinational corporations (Stewart, 2005). The sharing of information therefore makes companies so vulnerable, because such information shared can easily be accessed with consumer rights defenders and various pressures groups, who will in turn expose these companies to shameful identity. As a result, organisations need to be very conscious about ethical issues if they want their business to be more sustainable, while avoiding sudden collapse of their product identity. Companies like NIKE and Siemens have lost the top brand status in the world due to compromising business ethics by abusing labour standards (Thompson, 2006). As a result of the high involvement of consumers with business ethics, it is critical that organisations make ethical practices a high priority.

**The Response of Consumer to Awareness**

The general consensus amongst consumers is that whenever they find out about unethical business practices of any dimension they tend to share this information with others leveraging on technological power. “I share the information with my family, church mates, and everywhere I go where I can make an impact, worse nowadays with internet and technology...” Connecting this response to the work of Walzer (1998) who reported that generally consumers tend to believe the recommendations of other citizens compared to advertised material offered by companies, one can observe that personal recommendations are the most effective marketing strategy of the modern era. Therefore companies cannot avoid connecting their ethical practices to the demands of the consumers. Since majority of the consumers are the bottom of the pyramid therefore it is important for corporate to align with consumer demands which are particularly focused on ethics related issues and failure to do so can lead to brand abandonment or overall brand shift. Zaichkowsky (2009) in his research has warned companies that continue to show half-hearted commitment to ethics is likely to register poor financial performance in mature markets, but the findings have demonstrated that his findings are not only confined to developed world as the developing world is showing glimpse and signs of evolution. Pressure groups coupled with civil rights can destroy corporate reputable identity for overnight, especially if the general public are ethical sensitive. The civil unrest of the modern day do not use the streets demonstration approach, as demonstration is done and dusted online without physical presence, and the company could suffer a serious challenge to basically rebrand. In the Zimbabwean context Tanda Tavarua was one of the local bus operators lost their operating licence together with general confidence. They even tried to rebrand after they were given a licence but the rebranding process was difficult as information of rebranding was shared online. The business of TandaTavarua became less sustainable due to ethics related issues, as the company was reported for poor service as it has been reported to have caused numerous cases of accident which killed many people on the Masvingo Harare highway (Herald 2015).
Common Compromised Ethics which Consumers are worried about

Consumers mentioned some of the ethics which they reported to be compromised in the modern day market include pricing, corporate social responsibility, public safety and advertisements. Consumers are highly involved with these ethics in their purchase decision making processes. The fact that they managed to identify a number of ethics which they perceive as most violated one, demonstrate their level of consciousness to ethics related issues.

Social Responsibility

Generally, consumers were very concerned about community benefits from the activities of the corporate world especially multinational corporations like mining corporations and other international retailers like Pick and Pay and Spar. “...organisations symbolise capitalism in action...” Several local and international corporations are expected to make a local contribution by building schools, hospitals and other infrastructure. The main concern was that numerous multinational corporations seem to be present in the local market to enrich their mother countries. The findings stated that Chinese businesses operating in Zimbabwe are well known for not depositing their money in local banks, a scenario that fast tracked money shortage in the market. Whilst consumers took this ethical practice seriously, they also mentioned that information regarding community and organisational interaction was not available. As a result consumers found it difficult to become more involved when making a purchase decision based on such information.

As some organisations like ECONET Zimbabwe are investing in various social fraternities, others are standing aside as bystanders. Consumers were aware that many corporations were not doing anything. “We are aware of what is going, it doesn’t mean we do not see...” ... “This is why we support Econet products...” The public awareness of consumerism and capitalistic hegemony posed on them by multinational corporations should be a matter of concern for corporations, as consumer will choose corporate association on the basis of organisational ethical record, not mere service availability and product functionality. This is coupled with globalisation and competitive environment of the modern world, where consumers are so empowered with the freedom to choose among the present organisations available, and as a result those corporations that demonstrate great significant corporate citizenship will definitely be the winners (McIntosh, 2004).

Pricing

Due to the economic situation and the general poor quality life lived by the majority of Zimbabweans, pricing is an important factor which organisations should consider as a priority if they want to win the loyalty of consumers. “Companies are making 100% to 150% profit margin and we prefer to buy on our own in South Africa...” One consumer commented about Multichoice a digital satellite television service in Africa which generally overpriced the Zimbabwe consumers compared to their South African counter parts, and consumers are commenting that as highly unethical. “There is nothing I can do; I still subscribe to Multichoice because there is monopoly, but if another rival company comes up, will leave this company”. The ethical issues on pricing seem to make the consumers to be rationally involved prior to purchasing act. The pricing issues are worsened by serious cash shortages in the country hence consumers become highly involved rationally and emotionally in this purchase dimension. According Norr (1996) the price of products should be directly correlated with the quality of the product being offered on the market.
However, participants in the research reported that many of the products on the markets are counterfeits which are a result of total duplication and faking of quality, hence not worth prices charged. The pricing of the products therefore creates an overall negative imagery schema in the minds of consumers which would then be used in decision making process. Therefore pressure is on corporations to demonstrate their human side by reflecting that they have total societal duty of care in relation to setting product pricing (Sassen, 2003).

Integrity of Advertisements

Fraudulent and deceptive form of communication by the corporate world was one of the important ethics that influence the consumer decision making process. Consumers seemed to be careful when it came to advertisement, and they reported that most of them rely on friends, and communities network referee to cross validate advertisement claims. They claimed that advertisements that refer to quality and health service are usually verified by discussing with other consumers. “... I normally check with my mates on a particulars service or product...” The level of involvement was astonishing that if all businesses want to create a sustainable business atmosphere, they therefore need to authenticate their advertisements with concrete practical life service. In advertisement terms, it seems peripheral forms of advertisement as propounded by Petty and Cacioppo (1985) Elaborative Likelihood model do not make sense if a company does not have a good track record of ethical behaviour. Petty and Cacioppo (1985) cited in Yocco (2014) argue that the peripheral forms of advertisements aim to attract consumers emotionally to be involved, due to the celebrities used and attractive contents of the advertisement. The participants commented about the “Pinda muSmart” advertisement by Population Services International as peripheral form of advertisement. “The advertisement uses a celebrity musician to advertise circumcision. One wonders whether the musician is circumcised or no, and the question is, how far that person an expert in that area...” The central routes advertisement is a form of advertisement where details about history of organisational record regarding ethics can be found in detail for the consumer. This is meant to influence their overall attitudes, as the consumer mind-set cannot be changed by superficial elements of the peripheral routes. Therefore organisations should be so sensitive to ethical advertisement and be elaborative for consumer to have a positive mind-set about their particular brand in the market.

Least Considered Ethical Factors

Corruption

Organisational corruption record and level of involvement has been regarded as one of the least regarded factor, as consumers regard this as a responsibility of the state. Organisational reputation is very crucial for the consumers but the surprising findings of the research have demonstrated that consumers do not reflect concern, contrary to the research done by O’Rouke, (2003), who found that corruption issues affected consumer loyalty in developing world. The extent, to which the organisation operates at high moral principles, is an important determinant of consumer loyalty and normative buying. Besides, participants also have hinted that most corrupt activities are kept secret and other organisations have enough money to cover up corruption and as a result it will be difficult for consumers to have clear picture of the prevalence of corrupt activities. “...........we rarely know about corruption.....” However, another interesting idea which came out was the idea that, with information given regarding corrupt
activities by corporate world, there are prepared to use such information when making a purchase decision. In this regard, consumers are less involved about corruption.

Organisational Labour Relations

The discussion regarding labour relations ethics and their influence on consumer behaviour showed that consumers rarely consider such information when making a purchase decision. They will only consider this as an important aspect of decision making only when they find such labour abuse in action during purchase period. “….as people we rarely take that into consideration…” Labour relations seem to be crucial for unconscious perceptual influence than conscious approach to purchasing behaviour. Participants commented that they rarely look for this information. “How does one know about unethical labour relations of organisations…” This shows that consumers are less involved and do not consider unethical labour relations practices before making a purchase.

Environmental Factors

Environmental unethical practices factors seemed to have a less significant effect on the consumer decision making. The participants of the research, although worried about environmental pollution and degradation do not consider this before making a purchase decision. “….environmental issues are for Environmental Management Authority (EMA) people…..” Consumers do not seem to perceive their role towards the environment and as result consumers seems to be less involved when it comes to environmental factors influencing their purchase behaviour. This could be attributed to lack of public educational by governmental urgencies like the (EMA). Thompson (2005) pointed the danger with environmental agencies that they are great environmental deceivers who rarely demonstrate true environmental commitment, as their behaviour reflect true green washing. Green washing is a corporate approach where they sell the green concept without substantive desire to change factors on the ground. Such ignorance could be the reason why there is a plethora of literature regarding environmental violations by multinational corporations.

Conclusion

The research revealed that consumers are active buyers and are not merely victims of corporate marketing as they are empowered by various sources of information and technology has popped as the primed driver of consumer ethical consciousness. The researchers have also revealed that consumers are not necessarily passive recipients of information but they also take a proactive role in sharing the acquired information with the general public to warn each other about ethics related violations of organisations. Therefore, corporate are required to come up with a comprehensive strategy that can address consumer concerns because failure to do so will lead to consumers dumping the brand, campaigning against the brand, or revolting against the brand because consumers are now empowered by technology unlike before. Therefore, any organisation that value sustainable business practices should take ethics as priorities. In terms of involvement, the research showed that consumers were active in the purchase process and adherence to ethics will determine the success or failure of any organisation in the future. However, in their participation consumers seems to be selective in terms of ethics that are important to them, with social responsibility pricing and advertisement content leading the most prioritised ethical practices by consumers and corruption, labour relations and environmental malpractices were found to be the least prioritised ethics considered by consumers prior to making purchasing decisions. This also meant that various consumer defenders,
pressure groups and governmental agencies they need to pose more pressure on the corporate to be more sensitive to ethics. They can achieve this through coming up with campaigns that aims at educated the general public about ethics in broad terms. Although this research was confined to particular shopping areas, it lays a foundation for a more comprehensive future research on the topic.

References


