



A STUDY ON CONSUMER'S RESPONSE TO UNETHICAL PRACTICE OF THE RETAILERS IN A PREOCCUPIED SOCIETY

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Abstract

Profit being the foremost object of the business enterprise, Retail businessman is finding all the possible ways to earn profit. The most easiest and common way of swindling profit is to get involved in the unethical practices. Not every unethical practice is reported to the legal authorities. This is because of the tolerance and ignorance of the consumers.

This study seeks the consumer's response to unethical practices of the retailers and level of the serious reaction taken against them. The study also tells about the most common unethical practices prevailing in the retail market i.e., Adulteration, which means the food product fails to meet its state standards, which attracts consumers to buy the low standard products and therefore, study depicts the steps taken to avoid these ethical issues in the retail market.

1. Introduction

Retail marketing is the sale of goods and services from individuals or businesses to the end-user. Retailers are a part of an integrated system called the supply chain. A retailer purchases goods or products in large quantities from manufacturers directly or through a wholesale, and then sells smaller quantities to the consumer for a profit. Retailing can be done in either fixed locations like stores or markets, door-to-door or by delivery. The term "retailer" is also applied where a service provider services the needs of a large number of individuals, such as for the public. Shops may be on residential streets, streets with few or no houses, or in a shopping mall. Shopping streets may be for pedestrians only.

2. Statement of the Problem

Profit being the foremost object of the business enterprise, entrepreneurs is finding all the possible ways to earn profit. The most easiest & common way of swindling profit is too involved in unethical practices. India being the largest country by population is also unfortunately notorious for various unethical practices prevailing in the retail industry, not every unethical practice is reported to the legal authorities. This is because of the tolerance & ignorance of the Indian consumers. Hence it is the need of hour to analyze the various reasons that are put in Indian consumers, into such situation.

3. Objectives of the Study

- To identify the consumer's view on unethical business practices of the retailers.
- To determine the level of serious reaction taken against the type of retailers.
- To evaluate the significant relationship between the age category of respondents and creation strong awareness program.
- To analyze the relationship between gender and consumer's reactions against unethical behaviour will find a temporary solution.

4. Scope of the Study

- To develop a sense of resistance among consumers against exploitation.
- To promote individual as well as collective welfare of the community in order to abolish the unethical practices of the retailers
- To minimize the adverse effects of retailers through redressal forums.
- To inject the knowledge and skills relating to ethical views in purchasing goods to consumers.
- To develop a better ethical retail environment for consumers.

5. Methodology of the Study

The study is intended to analyze consumer's view on unethical practices of retailers and their reaction and action towards it and steps taken to avoid/minimize the unethical practices in the retail market. The area of the study is confined to Coimbatore city. The study uses only primary data confined questionnaire have been prepared and collected from various consumers. Primary research is done to gather original data required for the research. The research is focused on both qualitative and quantitative issues. 100 questionnaires were collected from the different consumers

Statistical Tools used for the study were as follows:

- Percentage analysis



- Rank analysis
- Weighted average score method
- Chi-square analysis

6. Limitations of the Study

- The results and findings are confined to a limited area.
- The opinions of the respondents may be biased.
- Time and resource constraint.

7. Review of Literature

Adam Bose (2015), This paper will explore the theory of unethical behaviour of retailers, and go into further detail by exploring if short-term business goals compared to long-term business goals have an effect on unethical behavior. This is important because if there is a difference in unethical behavior between a short-term business frame of mind and a long-term business frame of mind, this will show that managers can reduce unethical behavior by changing the business frame of mind their employees are in. If a short-term business frame of mind is shown to produce more unethical behavior than a long-term business frame of mind (as they predict), managers can then reduce unethical behavior by eliminating employee’s short-term deadlines and goals and instead having them focus on long-term goals.

8. Unethical Practices of the Retailers

Ethical decisions ensure society’s sense of order and justice. But trying to determine what falls into that sense of order and justice can be difficult. One department that is frequently maligned for unethical acts in business is retail marketing. A major reason for this negativity is that marketing tends to be the most visible or conspicuous department to the public at large. For example, fictitious pricing, deceptive advertising and false sales pitches

8.1. Common Unethical Practices of the Retailers

- **Adulteration:** Adulteration is a legal term meaning that a food product fails to meet federal or state standards.
- **Fake branding:** Duplication of popular brands of products are produced and sold. Duplication is available in the market for every original & a pure part of components etc., a consumer is not in a position to distinguish duplicate from the original. Thus he is exploited
- **Sub-standard:** On opening a packed and sealed container here, in this case the consumers may find the contents with poor quality.
- **Artificial scarcity:** In milk booths and cinema house we find “No Stock” and “House Full” boards. But milk packets and cinema tickets will be available and will be sold only through black market at higher price.

9. Analysis And Interpretation of Data

Data analysis is a process for obtaining raw data and converting it into information useful for decision-making by users. Data is collected and analyzed to answer questions, test hypotheses or disprove theories.

9.1. Percentage Analysis

Percentage methods refers to the specific kind which is used in making comparison between two or more series of data collected.

Exhibit no.9.1.1: Exhibit showing the age category of the Respondents

Age (years)	Frequency	Percentage
Less than 20	12	12%
21-30	31	31%
31-40	29	29%
41-50	18	18%
51 & above	10	10%
Total	100	100%



Interpretation

The above exhibit depicts that 12% of the respondents are under the age group of less than 20, 31% of the respondents are under the age group of 21-30 years, 29% belong to 31-40 years, 18% belong to 41-50 years and 10% belong to 51 & above.

Exhibit no.9.1.2: Exhibit showing the opinion of the respondents that all the retail outlets in their locality are involved in unethical practices

Satisfaction level	Frequency	Percentage
Strongly agree	12	12%
Agree	29	29%
Neutral	43	43%
Disagree	12	12%
Strongly Disagree	4	4%
Total	100	100%

Interpretation

The above exhibit describes that 12% of the respondents strongly agree the statement saying only unorganized retail outlets are involved in unethical practices, 29% of the respondents agree the statement, 43% of the respondents stay neutral for statement, 12% of the respondents disagree and 4% of the respondents strongly disagree.

9.2. Rank Analysis

Rank analysis is a method of statistics that measure the relationship between ranking of different ordinal variables and different rankings of the same variable.

Table no. 9.2.1: Table showing ranking of most common unethical practices of retailers

Unethical Practices	R1	R2	R3	R4	R5	Total	Rank
Adulteration	32	22	25	8	13	248	1
Fake Branding	9	13	13	37	28	362	4
Sub-Standard	17	25	33	16	9	275	3
Artificial Scarcity	27	33	13	15	12	252	2
False Claims	14	9	14	21	42	368	5

Interpretation

The above tables depicts that, the most common unethical practice in retail business is adulteration and followed by artificial scarcity, sub-standard, fake branding, etc.

9.3. Weighted Average Score Method

A weighted average score takes different scores, or grades, with assigned weights.

Table no. 4.3.1: Table showing the level of serious reaction taken against the type of retailers

Type of Retailers	Frequently	Occasionally	Rarely	Never	Total	Average Score	Rank
Kirana stores	51	32	17	-	334	3.34	1
Convenient stores	45	37	18	-	327	3.27	2
Departmental stores	-	25	32	43	182	1.82	3
Super market	-	15	21	64	151	1.51	4
Hyper market	-	-	27	73	127	1.27	5

Interpretation

The above table depicts the level of serious reaction and action taken against the unethical retailers, where Kirana stores are frequently involved in serious reactions and actions and secondly, by convenient stores.



9.4. Chi-Square Analysis

Chi-square test is the non-parametric test of significant difference between the observed distribution of data among the observed distribution of data among categories and the expected distribution based on the null hypothesis.

Table no.9.4.1 Table showing the relationship of gender and reacting against unethical behaviour of retailers will atleast find a temporary solution

Reacting against the unethical behaviour will atleast find a temporary solution							
GENDER		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Total
	Male	4	25	13	5	2	49
	Female	1	30	11	6	3	51
	Total	5	55	24	11	5	100

Level of significance = 5% or 0.05

Chi-square value $X^2 = 0.16$

Degree of freedom = 4

Table value = 9.49

Hypothesis

H0: There is no significant relationship between gender and respondents reactions against the unethical behaviour of retailers.

H1: There is a significant relationship between gender and respondents reactions against the unethical behaviour of retailers.

Interpretation

In the above analysis, the calculated value (0.16) is less than the table (9.49) at the level of 5% of significance. Hence, null hypothesis is accepted. Thus, there is no significant relationship between gender and respondents reactions against the unethical behaviour of retailers.

Table no.9.4.2: Table showing the relationship between the age category of the respondents and creation a more customer redressal forums

Creating a more customer redressal forums							
AGE		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
	Less than 20	9	5	7	6	-	27
	21-30 years	7	6	-	12	-	25
	31-40 years	6	1	-	11	-	18
	41-50 years	4	2	8	3	1	18
	51&above	2	-	9	1	-	12
	Total	28	14	24	33	1	100

Hypothesis

H0: There is no significant relationship between ages and creating a more customer redressal forums.

H1: There is a significant relationship between ages and creating a more customer redressal forums.

Level of significance = 5% or 0.05

Degree of freedom = 16

Chi-square value $X^2 = 1.57$

Table value = 26.3

Interpretation

In the above analysis, the calculated value (1.57) is less than the table value (26.3) at the level of 5% significance. Hence, null hypothesis is accepted, thus, there is no significant relationship between age category of the respondents and creation of more customer Redressal forums.



10. Findings

10.1. Percentage Analysis

- The majority 68% of the respondents lives in a nuclear family.
- The majority 61% of the respondents prefer to visit Departmental stores.
- The majority 38% of the respondents agree that reacting against the unethical practices will find a temporary solution.

10.2. Rank Analysis

- The respondents have ranked the most common unethical practice in retail business is adulteration and followed by artificial scarcity, sub-standard, fake branding, etc.

10.3. Weighted Average Score Method

- The respondents opinion upon the level of serious reaction taken against the unethical retailers, where Kirana stores are frequently involved in serious reactions and actions and secondly, by convenient stores and they don't react much upon super markets and hypermarkets.

10.4. Chi-Square Analysis

- The gender of the respondents has no significance influence towards respondents' reactions against the unethical behaviour of retailers.
- The age of the respondents has no significance influence towards consumers' view on minimizing the unethical practices in the retail market.

11. Suggestions

- Consumers are much aware about the unethical practices that are happening in the modern marketing environment. However this awareness level is very low in sub –urban & rural areas.
- More awareness & more legal empowerment will ensure much more consumer respondents towards unethical retail practices.

12. Conclusion

This research proposes that consumers are much more aware of unethical practices of the retailers in the modern marketing environment, consumers are ready to show their personal expression of anger rather than taking any legal action, due to factor of time, money, tolerance and relationship criterion with the business consumers feel that unethical practices can be minimized only by restructuring the government control over retail outlets. The research seeks answer to those questions by examining consumer's reactions, such as complaining and switching, to instance of unethical business practices, this research proposes that consumers should be willing to tolerate some ethical behaviour as long as they feel their investments and outcome remains proportionately equal. Consumers who perceive that their outcomes/investments ratio is proportionately unequal to their comparison others will respond by switching or complaining.

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