

# Ethical Practices and Customer Satisfaction: Enduring the Apocalyptic Business Context of Very Low Income Countries

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## Abstract

*Purpose* – Ethical practices are necessary in marketing for customer satisfaction. The purpose of this paper is to show that fair practices from business to customers bring a particular dynamism that has some effects on companies' performance in very low income countries. *Design/methodology* – This is an exploratory research, based on a constructivist posture. Data collection is implemented through some semi-structured interviews with some customers of two (2) private companies: one company in the field of professional training, and another company in the field of IT and printing. The qualitative data is transcribed by hand, and then a content analysis is implemented. *Findings* – The results show that internal equity has some effects on customer satisfaction in the context. Customer satisfaction proves that internal equity is implemented, through fair practices. *Practical implications* – This implies that companies in the context should offer fair products, fair services, and fair prices to increase customer satisfaction. *Originality/novelty* – To the best of author's knowledge, this research addresses an under-researched area of how fair practices affect customer's satisfaction, thus, their needs from the perspective of a very low-income country such as Burkina Faso. This research presents theoretical, conceptual and managerial contributions to boost profitability.

## Keywords

Internal Equity, Customer Satisfaction, Marketing, SMEs, Burkina Faso

Received: September 25, 2021 / Accepted: November 11, 2021 / Published online: December 6, 2021

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## 1. Introduction

Very recent studies show that some irrational, insane and immoral practices are in both public companies and private companies in the West African context, and that, affects its economy and its development [1-3]. The present research is rather focused on private companies. The research areas different actors are the customers, the managers, the shareholders, and the competition. Today, many companies maximize on customers' needs and expectations for business sustainability and profitability. Thus, this is a type of strategy to customers' attraction and retention [4]. In addition, it is clear that the achievement of company's performance goals

requires both an innovative strategy and knowledge that is a competitive advantage [5]. Equity concept remains significant in management context, and, this is why Kotler and Dubois [6] state that fair price is one main factor in customers' perception of an offer. A similar topic by Morrisson [7], underlines the influence of external equity on customer satisfaction only. Urbain [8], makes some mere links between equity, fair price, and the perception of fair price. As one can perceive, the previous studies mainly put a focus on external equity and customer satisfaction, equity and fair price, or a focus on internal equity and performance in other contexts. For Georges et al. [9], there is no too much research knowledge on small and medium size companies in

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the context of Africa. Up to now, the effects of internal equity on customer satisfaction, especially in the African context are mainly disregarded. An observation is that in the context of Burkina Faso, companies rarely meet customers' expectation because of very poor management system, some unfair practices [10, 11], and because of lack of transparency [12]. Thus, to understand the business context, it is necessary to consider the following key question: What is the effect of equity on customer satisfaction?

The first objective of this research is to examine how internal equity and customer satisfaction are related, and the second objective is to determine how customer satisfaction and internal equity are related.

## 2. Literature Review

### 2.1. Conceptual Framework

**Internal Equity:** Ladhari [13], critically and ultimately defines internal equity as an internal dimension of equity as opposed to the external dimension of equity. Thus, internal equity refers to the core illustrious perception that the customer has about the offer (product, or services) as compared to the investment, s/he has made [14]. The customer investment is under the form of time, energy, efforts, pain endured and finances. Finally, Brewer and Selden [15] assess internal equity as a dimension of performance.

**Customer Satisfaction:** The concept of customer satisfaction refers to the perception of how happy, delighted or pleased customers are with a given company's products or services [16]. Customer satisfaction can be high or it can be very low, and the fact of knowing the level of satisfaction may help companies to best improve, adjust or renovate their products and services to address customer fundamental needs and expectations.

### 2.2. Theoretical Framework

#### 2.2.1. The Theory of Equity in Business Exchange

Homans [17], Adams [18], Zeithaml, and Lemon Rust [19], Nasse [20], put a strong emphasis on the theory of equity. This theory insight results from the comparison between what an individual perceives in an exchange "output, profit" and the contribution s/he makes to the exchange "input, investment". They demonstrate that equity not only influences customer satisfaction but also, they demonstrate that equity influences customer's re-purchases.

#### 2.2.2. The Theory of Distributive Justice

Sabadie [21], Juët [22], Olsen [23], reflect the concept of fair price to the extent that the concept of a fair price is perceived

as the balance between the needs of customers and the interests of the company. Thus, it is understood as an avoidance of unfair or illegal practices in setting prices.

#### 2.2.3. The Theory of Satisfaction

Fang, and Wang [24], Carr [25], Verard, and Galletta [26], show that customer satisfaction is an important success factor in business. For these authors, equity and emotional reactions are linked to customer satisfaction. In addition to that, fairness is an antecedent to satisfaction.

The above theories are straight in line with the research topic and they reveal the motivations and the expectations of customers towards fair and good practices, to make good predictions in line with their satisfaction.

The conceptual framework here suggests that the perception of equity gives satisfaction to the customer (joy, comfort, happiness, confidence). Satisfaction is also a sign that there is equity. But, the non-perception of equity is a source of dissatisfaction (anger, sadness, frustration, conflicts, and boycott). The previous studies suggested as solutions, reparations, compensations, reimbursements, the consideration of customer's needs and expectations whereas the present research suggests as solutions the consideration of customer's needs and expectations, hyper-personalization, reactivity, satisfactions surveys and customer recovery.

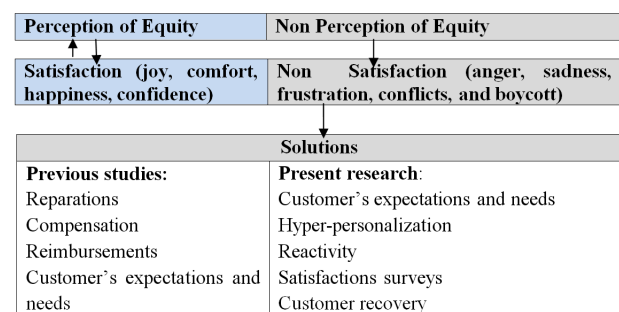


Figure 1. Conceptual Framework. (Source: Author's construct).

#### 2.2.4. Research Model and Assumptions

- 1) Assumption 1: Internal equity is related to customer satisfaction.
- 2) Assumption 2: Customer satisfaction is related to internal equity.

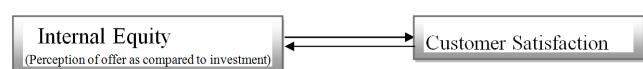


Figure 2. Research model. (Source: Adapted from Nasse, 2019).

## 3. Research Methodology

**Research Design:** This study is exploratory for the fact that in the Burkinese context, the subject has not yet been studied.

Thus, some semi-structured interviews are conducted with customers of two private companies in Burkina Faso, one in the sector of professional training, one in the sector of printing. Some face to face semi-structured interviews are conducted. According to Roche [27], "The purpose of qualitative research is to understand the needs of the interviewees, but also - and even more importantly, their motivations, their attitudes, their behaviors, their expectations or their language". To better the knowledge and the understanding of the studied topic, the epistemological posture adopted is constructivist.

**Research procedure:** A random sampling [28] is used to conduct this research. This is also known as a qualitative purposive sampling or judgment sampling. The research targeted the participants that have the characteristics to provide the convenient information in line with the topic. Interviews are conducted at participant's convenient time. The snowballing technique is also used to increase the number of participants. The recorded data is transcribed using audio software. Some criteria such as, saturation and homogenization criteria are used to stop data collection [29]. Saturation is reached at 12 respondents.

**Duration of Interviews:** The interviews, lasting twenty to thirty minutes, are appropriately performed during a suitable and very convenient time chosen by the interviewees. The recordings of the interviews are conducted using a "SONY Voice Recorder" and then transcribed by hand using the audio software "SONY Sound Organizer" to facilitate their content analysis in order to highlight deemed relevant themes.

**Research Instrument:** This is an interview guide that has five themes. The research instrument has been pre-tested, and some corrections have been imputed before collecting the final data [30]. The interview guide is validated by three lecturers. Post-validation of data is also made and the respondents reiterated the same views.

**Data Collection and Data Analysis:** The entire sample is composed of 37 respondents (23 interviews from the first company that is in the sector of professional training, and 14 interviews from the second company that is in the sector of printing). The criterion of "saturation" is used to stop the collection of data, because usually, the last interview does not provide more information. The data is collected in French and local languages and then translated into English for the necessity of the present research. The technique that is used to analyse the data is a content analysis.

**Ethical Considerations:** Some ethical measures are observed in this research. The answers of the respondents are kept confidential and they are used for the purpose of this research only.

## 4. Research Results

The following table contains the details of the participants to the present research.

**Table 1.** Number of research participants.

Company	Men	Women	Total
Company 1	9	14	23
Company 2	12	2	14
Total	21	16	37

Source: Fieldwork (2014-2015).

The content analysis of the 37 semi-structured interviews brought out 4 themes.

After, the verbatim content is partitioned into different themes, thus a categorical thematic content analysis is made, a commonly used analysis [31] is used to check our propositions and provide answers to our initial questions.

### 1) Internal equity and customer satisfaction.

The present study demonstrates that internal equity has effects on customer satisfaction. When customers perceive that offer of a company equivalent to their investments, so they can be satisfied with the transaction or purchase. In the first company or the training center, it is found that most customers are satisfied. Here are the words of some customers:

*Uh! In my opinion, I think the training is good as compared to the investment. I think it is acceptable... I would say that I am satisfied when I have already given my appreciation as compared to what is given as training; I would say it is okay. (Respondent 1, man).*

*"Well, I would say that I am pretty happy because the cost is not very high like that but the teaching is good, that it is teaching with quality." (Respondent 5, man).*

In the second company, offering printing services, the perception of fair practices has also brought the customers to be more satisfied.

*Ok, about quality, I can say that the quality is great! It's better! Myself, I was called by a friend as we are headmasters; that means for our year-end reports, we look for quality services for the same ministry to appreciate the scriptures and I was invited by a friend and we came together; and I am really satisfied, the same report is already in the department, and it is the same company that made it. (Respondent 24, man).*

*I think the quality of copies here is better, as compared to the investment being made. For example, the copy is fifteen francs per page, and it is very readable, so that is good. I am satisfied. (Respondent 28, man).*

## 2) Customer satisfaction and internal equity.

The views of the respondents also show that customer satisfaction is a sign that there is internal equity in the product or the service provided. Thus, customer satisfaction and internal equity are related. In the first company the customers' answers confirm that.

*It is good, yes, it is very good. I am satisfied. I think that there is equity when I compare the investment that I have made to the training I have received. (Respondent 6, Woman).*

In the second company the customers' answers confirm that.

*In regard of your question I think that I find a great satisfaction for the provided service as compared to the price (Respondent 26, man).*

## 5. Discussion of the Results

The results confirm the above research assumption.

### 1) Internal equity and customer satisfaction.

The results of the qualitative analysis bring out several significant elements and they demonstrate the influence of internal equity on customer satisfaction. Some authors have shown the influence of company fair practices on growth [32], and profitability. Other authors such as Tarigan et al. [33] emphasize the link between customer satisfaction and shareholders' value, while Abbasi et al. [34] bring out the

relationship between on service quality, customer satisfaction and loyalty and Nassè [35], emphasize the relationships between equity and customer satisfaction in relation to product quality through a quantitative analysis. The present research rather shows the effects of on internal equity on customer satisfaction in the context of developing countries. The perception of fairness leads the customer to satisfaction which is expressed by positive emotions (joy, happiness). The perception of unfair practices leads the customer to dissatisfaction that is expressed by negative emotions such as anger, frustration and deception.

### 2) Customer satisfaction and internal equity.

The perception of fair price is a sign that there is equity or some fair practice, and a recent study shows that equity is a source of customer satisfaction [36]. The present study aim is to reveal that customer satisfaction is related to internal equity through a qualitative research, and in a West African context. Thus, customer satisfaction is a sign that the company observes some fair practices. Dissatisfaction is a sign that the company does not observe fair practices.

Finally, the type and size of company can explain the reasons why that company is successful, creative and innovative to meet customer needs and expectations in terms of fair offer than the other. Moreover, data on forms of hybridization observed (Table 2 below) help to justify why fair practices affect customer satisfaction.

**Table 2.** Forms of management hybridization.

Companies	Type	Import of management tools	Type of managers	Norms of social relations	Hybridization level
Company 1	International SME	Insignificant	The owner is the manager Local senior executives Foreign senior executives	Local and "open"	Insignificant
Company 2	Local SME	Insignificant	The owner is the manager No senior executives	Local and "open"	Insignificant

Source: Adapted from Shamba and Livian [37].

## 6. Conclusion

The present research has shown that internal equity affects customer satisfaction in the business context of West Africa. Customer behaviors and attitudes are also portrayed, when customers receive fair and impartial offers. Thus, equity and the best management practices are some specific factors of success in the context. The research enriches the concept of equity, and the concept of customer satisfaction. It also allows the verification of theoretical assumption on fair practices and customer satisfaction within the context of West Africa.

### 1) Recommendations for companies: Avoiding unfair

practices can rebalance business exchanges between customers and companies by significantly increasing customer satisfaction.

### 2) Future research: It would be useful to extend this research to big companies.

## Acknowledgements

The researcher hereby acknowledges the efforts made by the various respondents. The author is also grateful to the managers of the different companies, to the editorial board of the American Journal of Marketing research and to the editorial board of International Journal of Management & Entrepreneurship Research.



## Conflict of Interest Statement

No conflict of interest has been declared by the author.

## Financial Support

This research has not received any financial contribution.

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