



---

**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMERCE**

---

**THE EFFECT OF ETHICAL MARKETING ON CUSTOMER  
RELATION IN SELECTED PRIVATE HOSPITALS IN ETHIOPIA:  
THE CASE OF KOREA GENERAL HOSPITAL (MCM)**

**BY  
TEWODROS DEGEFU**

**MARCH 2023  
ADDIS ABABA**

**THE EFFECT OF ETHICAL MARKETING ON CUSTOMER  
RELATION IN SELECTED PRIVATE HOSPITALS IN ETHIOPIA:  
THE CASE OF KOREA GENERAL HOSPITAL (MCM)**

**BY  
TEWODROS DEGEFU**

**ADVISOR: TEMESEGEN BELAYENEH (P.H.D)**

**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES  
OF ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE IN  
PARTIAL FULFILLMENT FOR THE REQUIREMENTS OF DEGREE  
OF MASTERS OF ART IN MARKETING MANAGEMENT.**

**MARCH 2023**

**ADDIS ABABA**

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE  
DEPARTMENT OF MARKETING MANAGEMENT  
POST GRADUATE PROGRAMME**

**APPROVAL SHEET**

**THE EFFECTS OF ETHICAL MARKETING ON CUSTOMER RELATION: THE CASE OF SELECTED  
PRIVATE HOSPITAL IN ETHIOPIA MCM GENERAL HOSPITAL**

**BY  
TEWODROS DEGEFU**

**APPROVED BY BOARD OF EXAMINERS**

-----  
**Advisor**

-----  
**Signature & Date**

-----  
**Internal Examiner**

-----  
**Signature & Date**

-----  
**External Examiner**

-----  
**Signature & Date**

## DECLARATION

I, the undersigned, declare that this thesis "**The Effects of Ethical Marketing on Customer Relation: The Case of Selected Private Hospital in Ethiopia MCM General Hospital**" is my original work, prepared under the guidance of **Temesgen Belayeneh (Ph.D.)**. All sources of materials used for this thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for earning any degree.

---

**Name**

**Addis Ababa University, Addis Ababa**

---

**Signature**

**March 2023**

## **STATEMENT OF CERTIFICATION**

This is to certify that Tewodros Degefu has carried out his research work on the topic entitled "THE EFFECTS OF ETHICAL MARKETING ON CUSTOMER RELATION: THE CASE OF SELECTED PRIVATE HOSPITAL IN ETHIOPIA MCM GENERAL HOSPITAL" is his original work and suitable for submission for the award of Master's degree in marketing management.

---

Advisor

Addis Ababa University, Addis Ababa

---

Signature

March 2023

## **ACKNOWLEDGEMENT**

First and for most, my deepest gratitude goes to God Almighty without whose grace and mercy I could not have come this far, even in starting and successfully completing my study. God helped me in all walk of my life.

I am highly indebted to my dear advisor Temesegegn Belayneh (Ph.D.) for his invaluable comments, constructive corrections, kindness, cooperation and assistance in doing this research.

Unforgettable thank goes to my families, specially my oldest brother's Yilma Degefu, for his love, affection, financial support and sacrifices in so many ways.

My sincere thank goes to staffs of MCM General Hospital, for their support, time and cooperation in distributing and collecting the questionnaires.

My deepest gratitude extends to my friends Tibebe Negash who always help me in to preparing this thesis paper, Abdulmualik Aserar and Biniyam Menegestu for their encouragement, support and strong and invaluable comments during my study and throughout my life.

Finally yet importantly, I would like to thank all the respondents for being used as the unit of analysis in this study and all who encouraged me and provided necessary materials and supporting ideas for the study.

# CONTENTS

DECLARATION .....	I
ACKNOWLEDGEMENT .....	III
SUMMARY OF CORRELATION TEST .....	VII
LIST OF FIGURE .....	VII
<b>ABSTRACT</b> .....	VIII
CHAPTER ONE .....	1
INTRODUCTION .....	1
1.1 BACKGROUND OF THE STUDY .....	1
1.2 STATEMENT OF THE PROBLEM .....	3
1.3 RESEARCH QUESTIONS .....	7
1.4 GENERAL OBJECTIVES .....	7
1.4.1 General objectives .....	7
1.4.2 Specific Objectives .....	7
1.5 SIGNIFICANCE OF THE STUDY .....	7
1.6 SCOPE OF THE STUDY .....	8
1.7 LIMITATION OF THE STUDY .....	8
1.8 DEFINITION OF TERMS .....	8
1.9 BACKGROUND OF THE ORGANIZATION .....	9
CHAPTER TWO .....	12
REVIEW OF RELATED LITERATURES .....	12
INTRODUCTION .....	12
MARKETING ETHICS .....	12
2.1 THEORETICAL REVIEW .....	12
2.1.1 Concept of Marketing .....	12
2.1.2 Ethical Marketing .....	13
2.1.3 Marketing Ethics Model .....	17
2.1.4 A New Paradigm in Marketing .....	18
2.1.5 Sensitivity of Price Vs Service Marketing .....	18
2.1.6 Customers Ethical Decisions .....	20
2.1.7 Customer Relation .....	22
2.1.7.1 Factors that Affect Customer Relations .....	22
2.1.7.2 Reasons of Customer have not good relations .....	22

2.1.7.3 The Relationship between Service Quality and Customer Relation .....	23
2.2 EMPIRICAL REVIEW OF LITERATURE .....	23
2.3 HYPOTHESES .....	23
2.4 CONCEPTUAL FRAMEWORK .....	25
CHAPTER THREE .....	26
OBJECTIVE AND RESEARCH METHODOLOGY .....	27
INTRODUCTION .....	27
3.1 RESEARCH APPROACH .....	27
3.2 RESEARCH DESIGN .....	28
3.3 TARGET POPULATION .....	29
3.4 SAMPLING METHODS AND SAMPLE SIZE .....	29
3.4.1 Sampling methods .....	29
3.4.2 Sample Size .....	29
3.5 DATA SOURCE AND TYPES .....	30
3.6 DATA COLLECTION PROCEDURE .....	30
3.7 VALIDITY & RELIABILITY .....	30
3.7.1 Reliability analysis .....	30
3.7.2 Validity analysis .....	31
3.8 METHODS OF DATA ANALYSIS .....	31
3.9 ETHICAL CONSIDERATION .....	31
CHAPTER FOUR .....	32
RESULTS AND DISCUSSIONS .....	32
INTRODUCTION .....	32
4.1 RATES OF RESPONSE .....	32
4.2 GENERAL INFORMATION ABOUT THE RESPONDENTS .....	32
4.2.1 Background of the respondent .....	33
4.2.1.1 Classification of Age .....	33
4.2.1.2 Classification of Gender .....	34
4.2.1.3 Classification of educational level .....	35
4.2.1.4 Classification of occupation .....	35
4.3 DESCRIPTIVE STATISTICS .....	36
4.3.1 Price Norms dimension .....	36
4.3.2 Information Norms Dimension .....	38

4.3.3 Integrity Norms Dimension .....	39
4.3.4 Honesty Norms Dimension .....	41
4.3.5 Customer Relations Dimension .....	43
4.4 INFERENTIAL ANALYSIS .....	45
4.4.1 Correlation Analysis .....	45
4.4.2 Hypothesis testing.....	47
4.4.3 Normality Test.....	48
4.4.4 Linearity Test.....	48
4.4.5 Multicollinearity Test .....	49
4.5 CORRELATIONS .....	50
4.5.1 Statistical Tools Used.....	50
4.5.2 Respondents Profile .....	50
4.6 ANALYSIS AND RESEARCH .....	51
4.6.1 Regression Analysis .....	51
4.6.1.1 Model Summary .....	51
4.6.2 Discussion of Results .....	53
4.6.2.1 information norms .....	53
4.6.2.2 price norms .....	53
4.6.2.3 integrity norms.....	53
4.6.2.4 honesty norms.....	53
4.6.3 FINDINGS.....	53
4.6.4 Pricing Norms .....	54
4.6.5 Information Norms.....	54
4.6.6 General Honesty and Integrity Norms .....	54
CHAPTER FIVE .....	56
SUMMARY OF FINDINGS, CONCLUSIONS AND .....	56
RECOMENADCTIONS.....	56
5.1 SUMMARY OF FINDINGS .....	56
5.2 CONCLUSIONS .....	57
5.3 RECOMMENDATIONS.....	57
5.4 SUGGESTIONS FOR FURTHER RESEARCH .....	57
REFERENCE.....	58
APPENDIX A: QUESTIONNAIRE.....	62

<b>PART ONE: - GENERAL INFORMATION /DEMOGRAPHIC QUESTIONS.....</b>	<b>62</b>
<b>PART TWO: - INSTRUMENTS FOR THE EFFECT OF ETHICAL MARKETING ON CUSTOMER RELATION RELATED QUESTION .....</b>	<b>63</b>

## SUMMARY OF CORRELATION TEST

<b>Table 10: Multicollinearity Test</b>	<b>49</b>
<b>Table 11: Model Summary Model Summary</b>	<b>51</b>
<b>Table 12: Analysis of Variance</b>	<b>52</b>
<b>Table 13: Coefficient Results</b>	<b>52</b>

## LIST OF FIGURE

List of Figure	page no
Fig 1: Conceptual framework	25
Fig 2: Classification of Gender	34
Fig 3: Normality Test for Residuals	48

## ***ABSTRACT***

*In marketing practices, ethics are core building blocks in establishing trust, which in turn helps in building long-term customer relationships. In developed nations, ethical judgment of consumers has received considerable attention but in Ethiopian market setting, marketing ethics have barely been explored. Having good relations of customers, organizations could improve profitability by expanding their business and gaining a higher market share as well as repeat and referral business. The selling of spurious products is common to Ethiopian consumers. Ethics is a marketing tool used by the company to reach marketing objectives in fulfilling the target market. On the other hand, customers described ethics as the marketing tools used by companies to create profit. The general objective of the study was to examine the effect of ethics on customer relation and satisfaction in private hospitals in Ethiopia: a case study of MCM general hospital. This paper attempts to examine the consciousness among the consumers about marketing practices followed by the marketers in the MCM general hospital. The study is based on a well-defined schedule of five point Likert Scale. The results indicate that consumers are conscious about the marketing practices adopted by the marketers and they are mindful while making buying decisions. Further, the consumers prefer marketers following ethical practices in terms of offering product quality, pricing policy, sharing product information, respecting social and cultural values which in turn help in developing customer relations. In order to get a comprehensive data 371 customers are included in the study. The study used both primary and secondary data that were collected through a semi-structured questionnaire. Out of the 384 questionnaires that were distributed 371 questionnaires were filled and returned successfully. This represents a response rate of 96.61 percent. Data was analyzed using descriptive and inferential statistics. The study found that there is consistence and compatibility in the quality of the services, the price charged for the service is expensive, the company does not have good way of giving the information about the company, and the company remain using most of promotion tools like advertising using radio and television programs and other events. Based on these findings, the study recommends that company needs to know the sensitivity of price norms and due consideration need to be given in times of price setting by giving discount, image and experience and the company is recommended to work more on information norms area and expand their branch.*

***Keywords:*** *Ethical Marketing, Customer Relations, Price Norms, Information Norms, General Honesty Norms, Integrity Norms.*

# CHAPTER ONE

## INTRODUCTION

### 1.1 BACKGROUND OF THE STUDY

Marketing is a key issue of any profit seeking organization as it provides an interface with customers and other stakeholders such as the media, shareholders, regulatory bodies, channel members, trade associations, and others. Marketing concepts have placed an emphasis on building good relation and delivering of satisfaction to customers and the realization of profits through enhanced customer acquisition and retention (McCullough, Berry & Yadav, 2000).

Forrester defines ethical marketing is ethical marketing in the marketplace will ensure the advertisement of appropriate content when selling products and services. Learn more about the impact of ethical marketing on consumers, right vs. wrong approaches, and how to make decisions with examples. Marketing ethics addresses the principles and standards that define acceptable conduct in the marketplace.

Historical and current development between marketing ethics and business ethics with customer relation

According to the American Marketing Association (AMA Ethical marketing practices is not so much about creating a solidified plan as it is generally making the right decisions for your company, customers, and the marketplace in which you operate. Ethical decision-making pertains to everything from protecting the health and safety of your consumers and presenting honest and straight-forward advertising, to making decisions regarding product pricing and protecting your customers' data and privacy. Some companies may make definitive decisions regarding advertising such as not targeting children or avoiding overt criticism of their competition.

Business ethics are the moral principles and laws that determine employee and business conduct on an everyday basis. Learn about Lawrence Kohlberg's three levels of ethical development--pre-conventional morality, conventional morality, and post-conventional morality--and how businesses can develop ethical behavior in employees. A business is best run when its management takes into consideration ethical operation and observes social responsibility. Learn more about the definition, the differences between ethics and responsibility, and their responsible application in the business world.

To simplify, traditional marketing persuades consumers to buy something. No matter what.

Ethical marketing helps consumers make a conscious decision by means of transparency, authenticity and mindfulness. As a business owner, you need to sell your products or services. Which marketing approach you choose is a reflection on how you run your business. Where there is gratitude, there is support and loyalty?

By taking an ethical, non-manipulative approach, your customers will be grateful because they'll feel respected and understood. The non-manipulative marketing approach implement these four practices in your marketing strategy; Use rounded prices, be transparent, encourage abundance and patience, and embrace a healthy competitive mindset.

I also encourage you to tune into your intuition when you work on your next marketing activity and watch out for signs in external marketing campaigns. If something doesn't feel right, that usually means it's not do what feels right for you, your brand and your customers.

Use rounded prices created over a century ago, charm prices allow us to see a smaller number on the left, making us feel like we're getting a bargain. These prices are used everywhere and are ingrained in our brains to the point that we don't even think about them. I'm not inferring that if you use them in your pricing strategy, that you're being manipulative. I'm suggesting you consider your intention for using them. Is it only because that's what everyone else does?

If we use charm prices because of habit, this sets the tone that it's not worth our time to change. Why bother changing a running system. I might also ask myself, "Why should I bother making my own products to avoid plastic waste - plastic will continue to be produced and purchased? True. But do I want to support more plastic in this world when I can easily avoid it? No.

After I wrote about charm pricing in a large business group on Facebook, a few people commented, "It's just a number. We're not stupid, we know what we're paying." Also true, it's just a number. And that number works. So do the other manipulation tactics and give your products the price they deserve.

And then there's this perspective. When we see a price tag with .99 at the end, we automatically put that product in the cheap, low-quality category. We think it's on sale. If your products are cheap and of low quality, charm prices may work better for you and your customers, but if not, think about what you're doing to the reputation of your products and business.

In a 2015 study published by Oxford University Press, evidence suggested that feelings determine our perception of price. They concluded that rounded prices are more readable and understood as opposed to charm prices, making them more feeling-based. Purchasing decisions are often emotional and those who are emotionally attached to a product are more likely to trust a rounded price.

When a charm price tag is slapped on a high-quality product that could raise suspicion. You may ask yourself if the product really is of high quality. When you use rounded numbers, you're telling your customers that your products deserve the price they have.

If you want to change your prices, start a conversation and share your views on marketing manipulation. This will not only let your customers know that you are committed to keeping your marketing free of manipulation. It will also drive engagement and anticipation for "what's next?" which you can incorporate into your content strategy. If you want to read more about this, check out my article specifically on price manipulation.

Be transparent means something different to everyone, just like the word sustainability. Transparency for me means being open and honest about how you: run your business, produce your products, treat your employees, partners, customers, competitors, etc., plan for improvements and take responsibility for errors.

Your customers may already know that you use green WordPress hosting for your website, but do they know about your supply chain from top to bottom, how you source your materials, who your partners are, who sews your clothes, where your coffee beans come from or if your employees and partners are paid and treated equally and fairly?

Answer these types of questions before they're asked and your customers will feel confident in their decision-making process.

When you also show your customers that you're working on specific areas, you're telling them that they are important enough for you to make this investment. It will also show your vulnerability which makes your brand more relatable and trustworthy.

For example, if you use plastic in your packaging but are currently looking for a biodegradable solution, your customers want to know your intentions. By showing them the first steps you've taken and stating a timeframe as to when you can offer the better solution, you will gain trust.

Encourage patience and abundance use urgency and scarcity tactics inspire fast action and cause anxiety and FOMO, the fear of missing out. Messages and technology (i.e. countdown timers, limited offers) that are solely used to drive a sale are considered urgency or scarcity tactics. There is a grey zone here where I feel some things are OK while others are manipulative.

When you remain honest, you may not get that seat filled now, but you will gain the trust of your customer who will be more motivated to join later. They'll also be more apt to actively participate, complete your program and give you positive feedback.

Embrace a healthy competitive mindset is shaming the competition. Collaboration is the new competition. Or is it? I recently read the word "coopetition" from this source, which means "cooperation between business competitors in the hope of mutually beneficial results." It was originally coined in 1913! Even with over 100 years of experience in collaboration, the human fear of competition is real. So much time and energy is spent thinking about how to "beat the competition".

Do what's right for your customers and invest time and energy on them, not on beating your competition. When your competition is passionate about the same cause and you can help each other move forward, how exciting and effective would it be to collaborate. There are plenty of easy and profitable ways, such as: organize an event together, i.e. a fashion show. No one is loyal to only one fashion brand, making this an easy way to gain new customers and create new designs by combining ideas. If you want to make sure your marketing is manipulation-free, read and take the pledge at the ethical move.

For this reason, understanding the outcome of the ethical marketing strategy for MCM general hospital is important to have a differential advantage in building good customer relation and satisfying customer. Therefore, this study attempts to investigate the ethical marketing strategy and its effects on customer relation and satisfaction in MCM general hospital.

## **1.2 STATEMENT OF THE PROBLEM**

Consumers are becoming more conscious about how their products are made, demanding companies to adapt. Ethical brands are showing larger corporations that the future is with clean supply chains, fair and diverse employment, and a purpose-driven ethos. How you run your business matters! How you market it does too! Learn in this article about four non-manipulative marketing strategies that will attract and nurture today's customers.

Why ethical marketing matters Traditional marketing is a catalyst for environmental destruction, animal cruelty and psychological and financial problems such as compulsive buying disorder and debt. This is what gives marketing a bad reputation. Rightly so. To be fair, it is not marketing itself that is evil. It has only been abused because of human greed. Times are changing (literally) as awareness is rising. The current crisis of a pandemic, climate change and social unrest is inspiring people to permanently change their lifestyles, rethink their purchasing decisions and seek out and support ethical brands.

Your customers don't want to be manipulated or lied to and you don't want to have to manage a crisis management team.

Green washing is saying you're environmentally-friendly when you're not. This has now unfortunately become a standard marketing practice. In ethical marketing: Don't be fooled under green washing. Single-use plastic is not eco-friendly. To be safe and clear of any troubles, implement a non-manipulative marketing strategy that is more in line with human nature.

Ethical marketing helps consumers make a conscious decision by means of transparency, authenticity and mindfulness. As a business owner, you need to sell your products or services. Which marketing approach you choose is a reflection on how you run your business. Where there is gratitude, there is support and loyalty. By taking an ethical, non-manipulative approach, your customers will be grateful because they'll feel respected and understood.

Under the non-manipulative marketing approach the company use and implement these four practices of marketing strategy: Use rounded prices, be transparent, encourage abundance and patience, and embrace a healthy competitive mindset to feel respect and understood by the customer.

Ethical marketing also encourage you to tune into your intuition when you work on your next marketing activity and watch out for signs in external marketing campaigns. If something doesn't feel right, that usually means it's not. Do what feels right for you, your brand and your customers.

Use rounded prices manipulation tactics: charm prices: 2.99, 347, 997. Created over a century ago, charm prices allow us to see a smaller number on the left, making us feel like we're getting a bargain. These prices are used everywhere and are ingrained in our brains to the point that we don't even think about them. I'm not inferring that if you use them in your pricing strategy, that you're being manipulative. I'm suggesting you consider your intention for using them. Is it only because that's what everyone else does?

If we use charm prices because of habit, this sets the tone that it's not worth our time to change. Why bother changing a running system?

Give your products the price they deserve and then there's this perspective. When we see a price tag with .99 at the end, we automatically put that product in the cheap, low-quality category. We think it's on sale. If your products are cheap and of low quality, charm prices may work better for you and your customers, but if not, think about what you're doing to the reputation of your products and business.

In a 2015 study published by Oxford University Press, evidence suggested that feelings determine our perception of price. They concluded that rounded prices are more readable and understood as opposed to charm prices, making them more feeling-based. Purchasing decisions are often emotional and those who are emotionally attached to a product are more likely to trust a rounded price.

Will the right content guarantee you more sales? When a charm price tag is slapped on a high-quality product that could raise suspicion. You may ask yourself if the product really is of high quality. When

you use rounded numbers, you're telling your customers that your products deserve the price they have.

If you want to change your prices, start a conversation and share your views about marketing manipulation. This will not only let your customers know that you're vested in keeping your marketing free of manipulation.

Be transparent manipulation tactics: Dishonesty, Greenwashing; transparency means something different to everyone, just like the word sustainability. Transparency for me means being open and honest about how you: run your business, produce your products, treat your employees, partners, customers, competitors, etc, plan for improvements and take responsibility for errors.

Your customers may already know that you use green WordPress hosting for your website, but do they know about your supply chain from top to bottom, how you source your materials, who your partners are, who sews your clothes, where your coffee beans come from or if your employees and partners are paid and treated equally and fairly? Answer these types of questions before they're asked and your customers will feel confident in their decision-making process.

When you also show your customers that you're working on specific areas, you're telling them that they are important enough for you to make this investment. It will also show your vulnerability which makes your brand more relatable and trustworthy. It's always better to answer questions before they're asked.

For example, if you use plastic in your packaging but are currently looking for a biodegradable solution, your customers want to know your intentions. By showing them the first steps you've taken and stating a timeframe as to when you can offer the better solution, you will gain trust.

If you only write: "We're working on it." and nothing else, this could be viewed as green washing. If you're on the path to becoming more eco-friendly, congratulations! Its work and it also takes time to present the information to your customers in the best possible way, but it's doable and well worth it in the long run. Take advantage of this incredible opportunity to gain the trust of your customers by opening the door to your backend. Climate sinner online shop? How you can sell sustainably.

Encourage patience and abundance manipulation tactics: urgency and scarcity. Urgency and scarcity tactics inspire fast action and cause anxiety and FOMO, the fear of missing out. Messages and technology (i.e. countdown timers, limited offers) that are solely used to drive a sale are considered urgency or scarcity tactics. There is a grey zone here where I feel some things are OK while others are manipulative. "Only 2 Spots Left - Enroll Now!" when you really have 10 spots left is dishonest. "2 more days to join" isn't when you're setting a deadline to your non-evergreen launch. However, if someone asks you if you're going to be launching the same program later in the year and you lie and say "no" just to get the sale now, then be careful because that will probably backfire on you later.

When you remain honest, you may not get that seat filled now, but you will gain the trust of your customer who will be more motivated to join later. They'll also be more apt to actively participate, complete your program and give you positive feedback. When you arouse the feeling of abundance and patience in your customers, you will be mutually respected and rewarded. There's always enough to go around and there are no emergencies in marketing.

Embrace a healthy competitive mindset manipulation tactics: shaming the competition. Collaboration is the new competition even with over 100 years of collaborative experience, the human fear of competition is real. So much time and energy is spent worrying about trying to 'beat the competition'. For one, this unhealthy mindset enables fear and urgent action which often results in using manipulation tactics to try to get more sales. It also causes brand wars. Think Coke vs. Pepsi

or Microsoft vs. Apple. These wars are still going on, even though no one enjoys their shenanigans. This isn't a race or

a fight and remember from above, there's enough abundance to go around. Think about how your customers will feel. They want to know that you're spending time and energy on their needs, not on another brand.

Do what's right for your customers and invest time and energy on them, not on beating your competition. When your competition is passionate about the same cause and you can help each other move forward, how exciting and effective would it be to collaborate? There are plenty of easy and profitable ways, such as: organize an event together, i.e. a fashion show. No one is loyal to only one fashion brand, making this an easy way to gain new customers and create new designs by combining ideas. I've personally presented master classes at online summits together with my marketing colleagues to help our clients with various perspectives and experiences. Pool your resources together to buy materials in bulk and create something together with your purchase.

The transformations in Ethiopia health sector industry has created a situation in which the survival and profitability of private hospitals is dependent largely on their capacity to provide customer relation and satisfaction. This is true for the MCM general hospital extent to which the company has appreciated the issue of customer relation and satisfaction is uncertain.

Current competition within private hospitals, especially among the various players including the government hospitals and non-government hospitals like MCM general hospital necessitates the need to examine the issue of customer relation and satisfaction. A dissatisfied customer is bad publicity to the company Charles (1980). So, in today's competitive business world it become as an essential factor for the success or failure of business objectives. For this reason, companies meeting their customers' needs and wants are enjoying the customer reliability and getting positive response for their service.

Several researchers conduct a study on the relationship between and the effect on ethical marketing and customer relation, retention and loyalty in different parts of the service sectors such as Jamal and Naseer (2002), Awan, Bukhari & Iqbal, (2011) and Mamoun (2012) & Ateba et al. (2015) used ethical marketing in understanding drivers of customer relation and satisfaction.

Several studies have been carried out on ethical practices in the business and their importance in the present business scenario by keeping into consideration the relevance of ethics in the business's success.

It is necessary to assess whether the health industry in Ethiopia has achieved this aspects of customer relation and if this is not the case to establish some of the strategies the MCM general hospital can implement in addressing customers' expectations and relations. Furthermore, it is crucial to examine the company-specific factors or internal factors as well as the competitive factors that influence customer relation.

In view of the above, what an ethical dimensions and its relationship with the customer relation in the context of the MCM general hospital is the central problem statement for this study?

## **1.3 RESEARCH QUESTIONS**

The research questions point out those important questions that the research wants to answer deeply. All questions are developed to support the research objectives and to give more clarification on the subject.

How does ethical marketing influence customer relation?

What does customer relation with price norms aspect of ethical marketing?

Does the customers gain detail and appropriate information about the service given and the information towards the location of MCM general hospital?

To what extent customers to build good relation with an integrity and general honesty norms aspect of the ethical marketing?

What types of relationship exist between ethical marketing with perceived quality of the services and customer relation?

## **1.4 GENERAL OBJECTIVES**

### **1.4.1 GENERAL OBJECTIVES**

The general objective of this research is to examine the effect of ethical marketing on customer relation in private hospitals: a case study of MCM general hospital.

### **1.4.2 SPECIFIC OBJECTIVES**

- To evaluate the effect of marketing ethics on customer relation
- To examine the influence of price norms on customer relation
- To investigate the effect of information norms on customer relation
- To assess the significance of honesty and integrity norms on customer relation
- To describe the relationship between ethical marketing and customer relation

## **1.5 SIGNIFICANCE OF THE STUDY**

The study will be crucial importance to various stakeholders in private hospital. Theoretically, the study fills an important gap in the literature that is, exploring private hospital selection criteria for customers in Addis Ababa. Therefore, the findings of the study can add to the existing body of the literature and can serve as a starting point on which future studies can be built. This study also produces an assist to the policy makers, researchers and those who have concern for developing the varied aspects of health sector.

## **1.6 SCOPE OF THE STUDY**

The study is focused on one selected private hospital limited to Korean General Hospital in Addis Ababa, Ethiopia, due to the cost and difficulty to study all private Hospital Customers in Ethiopia. The study also conceptually limited to examining the effects of marketing ethics, price norms, information norms, integrity norms and general honesty norms on customer relation of Korea General Hospital (MCM) in Addis Ababa.

## **1.7 LIMITATION OF THE STUDY**

The Primary limitation of this study is lack of sufficient related studies that are conducted on the effect of ethical marketing on customer relation of private hospitals in Addis Ababa Ethiopia, in addition to that since the study focuses on ethical marketing on other factors beyond ethical marketing that affect choice of customers cannot be addressed by this study.

## **1.8 DEFINITION OF TERMS**

Marketing - is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value to each other's.

Ethical Marketing - is a tool that can be used by firms to set appropriate strategies so as to get the desired responses from their target markets. It is a framework business use to pursue their marketing goals in the target markets.

Ethical marketing terms - is an ethical marketing comprising of marketing ethics, ethical dilemma, ethical judgments and corporate social responsibility. Based on 4Ps.

Marketing Ethics - Marketing ethics serve as moral principles and values that should be followed during marketing communication.

Ethical Dilemma - An ethical dilemma occurs when there is a conflict between two sets of human values, both of which are judged to be good but both of which cannot be fully served.

Ethical Judgment - Ethical judgment is defined as the reasoning necessary to be able to choose the most convenient action or attitude among those presented in a given situation.

Corporate Social Responsibility - Corporate social responsibility is a type of business self-regulation with the aim of social accountability and making a positive impact on society.

Customer Relation - Customer relations is the process and manner by which a business develops, establishes, and maintains relationships with its customers.

Brand awareness - is a marketing term that describes the degree of consumer recognition of a product by its name. Creating brand awareness is a key step in promoting a new product or reviving

an older brand. Ideally, awareness of the brand may include the qualities that distinguish the product from its competition.

Brand Loyalty- Unlike customer loyalty, which is money-based (prices and discounts), brand loyalty is perception-based (image and experience). Brand-loyal customers believe that a certain brand represents both higher quality and better service than any competitor—and the price does not matter.

Brand association - a mental connection a customer makes between your brand and a concept, image, emotion, experience, person, interest, or activity. This association can be immediately positive or negative and it heavily influences purchase decisions.

Perceived quality - the quality of a product or service according to the customer's perception. It is a subjective criterion and does not have to coincide with the actual or objective quality, which is based on tangible data such as raw materials, manufacturing process, warranty or after-sales service, etc.

Brand equity- refers to a value premium that a company generates from a product with a recognizable name when compared to a generic equivalent. Companies can create brand equity for their products by making them for its products, even though they could get the same thing from a competitor for less.

Price norms Price Norm indicates average prices of items in the market. This document is mandated to be used by procurement practitioners in public procurement to ensure that realistic prices are being offered and Government attains value for money.

Information norms information flow govern what type and how much personal information is relevant and appropriate to be shared with others by using 6 types of information Conceptual information, Procedural information, Policy information, Stimulatory information, Empirical information, Directive information.

Honesty norms honesty is a social norm - a rule of behavior enforced not only by laws, but also informally, by gossip, social sanctions or moral disapproval.

Integrity norms Integrity is about "moral" norms and values, those that refer to what is right or wrong, good or bad. The features also refer to a general consent with relevance for everyone in the same circumstances. That relates to "valid" moral values and norms.

## **1.9 BACKGROUND OF THE ORGANIZATION**

In general purpose people go to Private or government hospital when they have to get treatment or preventive care as per their choices. As per the latest group discussion with people living in Addis Ababa Ethiopia the topics of choice of the hospital. By asking the question which one would you prefer? The special treatments, effortlessness, cleanliness, and advanced facilities provided in private hospitals across the country make us rush to them in cases of simple or serious illness. We cannot deny that the level of comfort a patient and his caretakers receive in private hospitals is far advanced in comparison to what we find in government run hospitals. Some of the private hospitals have burn treatment unit but they are equipped with lesser facilities that makes them treat only patients with 50% burn. In serious cases, the patient has to be carried to the government hospital. That makes us

think whether it is private hospital or the government ones that are more reliable. Private hospitals are better:

1. Better equipped: Since private hospitals are aided by a group of people who would not risk their reputation in the business, they ensure better equipping of the hospital facilities. You never have to rush around in private hospitals for tests and reports since the staff takes care of these things. Good quality is ensured, making treatment easier and more advanced.

2. Individual care: In private hospitals, patients are individually taken care of in the most specialized way whereas in government hospitals, the kind of care allotted to patients is more generic. If you have ever visited the general ward in a government hospital, you will know that the condition of patients already suffering from an ailment is pathetic.

3. Hygiene: Cleanliness and hygiene is better maintained in private hospitals. It is highly important that hospitals need to be clean and regularly disinfected to prevent contagion to other patients and the visitors. This is one of the most lacking parts in government hospitals where even the patient's wards are in the same condition as the lavatory area of the hospital. This happens to be one of the major reasons why most people prefer private hospitals.

4. Vigilance: Private hospitals are more secure for individuals since patients are always under the observation of specialists. There are more security measures as well such as CCTV cameras and guards. The number of babies stolen or exchanged due to gender differences from the maternity wards of government hospitals is disturbingly high. Government hospitals are better:

1. Expenses: The cost of treatment in government hospitals is very low in comparison to the bills of a private hospital. The government hospitals are funded entirely by the government and hence there are even free treatment facilities to poor families. Apart from these aids, the government also provides monetary help to patients of poor families towards their good health through government hospitals.

2. Treatment to complex ailments: The government hospitals are better equipped to deal with serious and critical conditions like severely burnt cases. In these cases when the patients rush to private hospitals in order to get better individual care, they simply refuse to take the patient in and they have to be rushed to government hospitals immediately. Government hospitals have specialists to take care of most of the severe ailments. In general; Government aids hospitals to provide better care and cost effective treatment to patients who could not afford to pay the bills of private hospitals. But the poor conditions of government hospitals, the negligence of doctors there, lack of beds, lack of hygiene makes it worse and the patient's family is nearly afraid of admitting their patients in government hospitals. The government must take measures to ensure that the hospitals not only provide cost effective treatment but also provide better care and facilities to the ailing patients. In this study the researcher selects one private hospital in Ethiopia for the choice of the research title (MCM General Hospital

MCM general hospital is located in the southeastern part of Addis Ababa, the capital city of Ethiopia. The MCM compound consists of two wings; Shalom Wing with the capacity of 161-bed facility; (40) surgical, (25) medical, (20) pediatrics, (7) OBGs, (10) ER and (11) intensive care, and Grace Wing with the capacity of 67 beds, as well as a separate Medical College with a six-year curriculum including internship. MCM offers ophthalmologic, dental, plastic surgery, ENT, psychiatry, and hemodialysis services as part of community health programs, in addition to general medicine, pediatrics, and obstetrics & gynecology. Long-term expatriate staff includes one American Family Medicine Doctor, four Korean-American physicians (general surgeon, anesthesiology, radiology, and

pathology), one Norwegian plastic surgeon, and one Korean dentist. There are approximately 45 Ethiopian GPs and specialists on staff.

This study is organized under five chapters. Chapter one contains introduction and background of the study in addition to the statement of the problem, objectives of the study, significance, and scope of the study. Chapter two contains literature review. The methodology encompassing; study design, sampling and method of analysis is discussed in the third chapter. Chapter four contains result analysis and discussion. At last, chapter five presents conclusion and recommendation.

# **CHAPTER TWO**

## **REVIEW OF RELATED LITERATURES**

### **INTRODUCTION**

#### **MARKETING ETHICS**

This chapter reviews the literatures that are related to the subject of this study in order to gain an understanding of factors affecting customer relation in MCM hospital. Literature was reviewed in line with the stated study objectives. The review was relay greatly on data obtained from published reference materials such as books and journals.

### **2.1 THEORETICAL REVIEW**

#### **2.1.1 CONCEPT OF MARKETING**

Marketing is the process by which companies create value for customers and build strong customer relationship in order to capture value from customers in return (Kotler and Armstrong, 2005).

According to Chartered Institute of Marketing, Marketing is the management process for identifying, anticipating and satisfying customer requirements profitably. The American Marketing Association (AMA) proposed a slightly longer but conceptually similar definition of marketing, marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to build good customer relation and to create exchanges that satisfy individual and organizational objectives.

Marketing is a management process whereby the resources of the whole organization are utilized to satisfy the needs of selected customer groups in order to achieve the objectives of both parties. According to Drucker (1973), who put forward a definition of marketing orientation, marketing is so basic that it cannot be considered a separate function on a part with others such as manufacturing or personnel. It is first a central dimension of the entire business. It is the whole business seen from the point of view of its result, that is, from the customers' point of view.

A significant shift in emphasis since Drucker wrote this is to be found in the importance that is now attached to competitive position in a changing world. Thus, the marketing concept is that managerial orientation, which recognizes that success primarily, depends upon identifying changing customer wants and developing products and services, which match these better than those of competitors. It is concerned with the idea of satisfying a consumers' requirement by means of the product as well as by providing the customer with value satisfaction. A marketing oriented firm tries to create value-satisfying products and services, which the consumer will desire to purchase. By which the profitability of the organization^ activities is insured. Marketing is thus a view of the entire business, with profitability and consumer satisfaction (Davar, 1996).

Marketing is a process of planning and executing the conception, pricing, promotion and place/distribution of ideas, goods and services to create exchange that satisfy individual and

organizational objectives (Anderson and Vincze, 2000). The primary objective of a business is to create customer satisfaction with profit as a reward rather than an objective. In other words, when the customer is satisfied, every stakeholders of the company will benefit, based on the above explanation, we can understand that the goal of marketing is to attract new customers by promising superior value and keep the existing customers by delivering satisfaction, which ultimately will bring profit for the company.

Plentiful studies have been conducted on ethics in marketing, however the focus of these studies increasingly remained on the areas like advertising, ethics in general marketing issues, ethics in retailing etc., but there is a certain dearth of empirical research on the impact of ethical marketing on customer relations in Indian perspective. The initial articles on ethical issues in marketing appeared in the 1960s and most of them were philosophical essays (Murphy & Laczniak, 1981). The early empirical work dealing with the decision-making process tended to be lacking in a theoretical foundation. The research tradition in marketing ethics continued in the 1970s with modest work on the subject. A dyad approach in research in the early seventies focused on developing framework focusing marketing corporations emphasizing on ethical decision making. In *A General Theory of Marketing Ethics*, Hunt & Vitell (1986) presented a model explaining how ethical decision-making occurs in a professional corporation. In the following years, research studies helped in enriching the literature base in the field of marketing management to develop and test new models on ethical decision-making processes. Gundlach & Murphy (1993) developed normative Model for relational marketing interactions based on the ethical principles of reliance, parity, and promise. This helped them to develop basic understanding of the linkages between ethics and law in the marketing swap. Laczniak (1993) observed that the state of marketing ethics research at that time was increasingly characterizes as having broader coverage, greater academic visibility and a developing theoretical and empirical foundation. Since these reviews appear to have accurately captured the status of marketing ethics, the focus here is almost exclusively on research and practice in marketing over the last decade. T. Venkatesh (2007) in *Contemporary Food Marketing-Challenges and Ethical Issues*, argue that it is not only in the hands of the food companies or the Government or the interested groups at large to create a healthy society but a more patronage and sustaining is required from the consumers themselves to make the world a better place to lead a quality life. In *Ethical brand management: Customer relationships and ethical duties* John S. and Jeff Hess (2010) explained that buyers' actions toward a brand change as they become loyal to a particular brand. They shop less, consider fewer brands, and are willing to pay more. These changes violate assumptions of less stringent ethical frameworks. This puts extra responsibility on the marketers to practice ethics in their dealings as customer loyalty increases towards the brand. This research presents a new viewpoint on brands' marketing strategies from ethical perspective. Developing relationship with customers covers not only providing satisfaction and winning trust but also the real costs of complying with stringent ethical and legal norms issued by various concerned agencies. Considering ethical and legal responsibilities and using resources judiciously may warrant long-term success in developing and managing customer relationships. Sharma & Sharma (2011) in *Legal Provisions and Ethical Values in Retail Sector: Study of Convenience Goods* reveal that ethical values and legal norms being moderately followed by the retailers who deals in convenience goods.

### **2.1.2 ETHICAL MARKETING**

The following literature review is going to focus on marketing, ethics and marketing ethics. This project has as a goal to clarify these three concepts and highlight the importance of marketing ethics on a business and a societal standpoint. This project was done as a part of

a Marketing Principles assignment and will be solely based on journals ranked on the SJR system.

Marketing is defined by the American Marketing Association cited in (Gundlach & Wilkie, 2009) as: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

The goal of the marketer in an entrepreneurial perspective is the satisfaction of customers and profitability of their firm. On a societal point of view the objective of marketing is the achievement of the entrepreneurial goals while taking into the account the way of achieving them with the best interest of society (Bartels & Jenkins, 1977). The need for an ethics framework is particularly pressing in marketing for the achievement of this goals in a manner that is the most favorable possible.

In the following discussion I have made my best effort to analyze and understand the three concepts.

Marketing is an evolving discipline and practice. Each stage of progress focusing on different aspects of the marketing activity and aligning it with current trends and technological progress. For example, in between the years 1936-1945 the predominant themes of marketing thought and practice were aimed at illuminating marketing principles and concepts, concerned mainly with distribution (Kumar, 2015). Further in 1966-1975 the focus shifted into understanding buyer and organizational processes, seeing marketing through the lenses of behavioral science, concerned with understanding consumer behavior (Kumar, 2015). Only in 2013-present is marketing thought of as a vital part of an organization by the majority. Changes in media also created a new focus as the media usage patterns went from TV to social media (Kumar, 2015).

Many definitions were put forward that can shed some light on how the marketing concept evolved in the mind of managers and academics.

In the perspective of (McCarthy 1968,p.9) cited in (Gaski, 2013) defined marketing as: "The performance of business activities which direct the flow of goods and services from producer to consumer or user to satisfy customers and accomplish the company's objectives". As we can note, in this definition, there is an emphasis on distribution, specifically: "(...) direct the flow of goods and services from producer to consumer (...)".

A later definition made by the (AMA 2004) cited in (Gaski, 2013), was highly criticized: "An organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders". It was criticized for mainly focusing on marketing as a managerial activity focused, mainly, on the objectives of the firm, while not prioritizing customers (Gundlach & Wilkie, 2009).

The latest, and widely accepted definition since then was put forward by (AMA, 2007) cited in (Gaski, 2013) as: "The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, partners, and society at large". This definition encompasses value exchange, prioritizing customers and mentioning "society at large" as a part of the marketing exchange.

Indeed, we can see commonalities and variances between the definitions. In order to be close to what marketing is we need to be aware of the dynamic landscape of this discipline. As we become a more global market, new international challenges offer exciting new challenges for the marketing activity (Kumar, 2015).

Ethics is defined by (Symposium, 2017) as "the moral values of human behavior and the principles which govern these values". We can say, with this definition, it's the governing "angel" of our behavior. It's the way we align our values and beliefs.

Every profession is governed by a code of ethics. A set of rules and values that professionals should have in order to not use their knowledge in a way that creates harm (Symposium, 2017).

I might also note that ethics is a very subjective field as it deals not only with our rational brain, but also with our emotions. It is beautifully said by Valdemar W. Seltzer cited in (Symposium, 2017): "Ethics is not definable, it is not implementable, because it is not conscious; it involves not only our thinking, but also our feeling"

Inside ethics, and in order to further understand the marketing ethics concept, I think it is important to make a reference to the difference of positive and normative ethics. Positive ethics is concerned with (Lacznick & Murphy, 2019) as "what actually seems to occur in morally charged situations [often] based on observation or data" while normative ethics, in the same article, is referred to as "justifying why a particular ethical standard might apply to a given practice and articulating the reasons for upholding such an ideal". One could say normative ethics, based on the definitions, is the rational segment of ethics, where "in paper", so to say, one theorizes about an ethically charged situation. The rational part of normative ethics doesn't always align with the real-life situations. This is why the importance in stating the difference between the two.

The definition of marketing ethics is put forward by (Lacznick & Murphy, 1993) cited in (Lacznick & Murphy, 2019) "as the systematic study of how moral standards are applied to marketing decisions, behaviors and institutions". It draws on the two distinct fields: philosophy referring to the above description of normative ethics and social science mentioned as positive ethics above.

The concern with ethics in marketing is growing as "the public mistrust of modern business has been reported consistently almost since its inception". (Stevens 2004) cited in (Nill & Schibrowsky, 2007).

Marketing ethics can be furthered analyzed as Macro or Micro. Being that Macro, in the scope of normative ethics, is concerned with questions like: "What should be marketers' role in helping to solve societal problems?"; "What should be the role of consumer sovereignty?". While Macro in the scope of positive ethics focuses on answering questions such as: "What is the role of marketing ethics in nondemocratic societies and transitional societies?"; "What is the relationship between ethics and profits?". (Nill & Schibrowsky, 2007)

In the Micro view, through the lenses of normative ethics, the questions shift from societal issues to entrepreneurial and managerial issues. Questions analyzed are ones such as: "How should firms define their ethical responsibility?"; "How should a code of ethics be designed?"; "How should firms train marketing ethics?". While analyzing positive ethics from a Micro perspective the awareness is put on action: "What are common ethical dilemmas?"; "How are marketers coping with intrapersonal value conflicts?"; "How do firms implement marketing ethics?" (Nill & Schibrowsky, 2007).

In the study done by (Nill & Schibrowsky, 2007) the analyses goes further into functional areas of marketing ethics. Areas affected by ethical reasoning are mainly product related issues such as the sale of a harmful product, price related issues as referred to by (AMA 2006) cited in (Nill & Schibrowsky, 2007) as the fairness value of "we will not engage in price fixing, predatory pricing, price gouging or bait-and-switch tactics". Placement related issues such as "the problems that might arise in the relationship with middleman" (Nill & Schibrowsky, 2007) or as AMA's respect value: "we will make a special effort to understand suppliers, intermediaries, and distributors". Promotion related issues arise as "ethical challenges of advertising and promotion, such as manipulating consumers to buy what they don't need or can't afford (...)". Explained as the AMA's trust fostering norm in the marketing system: "it requires that marketing communication about goods and services are not intentionally deceptive and misleading" & AMA's fairness value: "this includes the avoidance of false misleading and deceptive promotion". (Nill & Schibrowsky, 2007)

Some of the marketing subdisciplines affected by marketing ethics are: sales related issues, consumer related issues, international related issues, marketing ethics education related issues, marketing research related issues, social marketing related issues, internet related issues and law & ethics related issues. (Nill & Schibrowsky, 2007)

All these areas inside marketing pose different ethical challenges and require different reasoning. For example, in the subdiscipline of sales the AMA's fairness value is pertinent: "we will reject manipulations and sales tactics that harm customer trust". (AMA 2006) cited in (Nill & Schibrowsky, 2007). Newer advances in technology and communication create different ethical issues. This is the case of internet related ethical challenges where "a plentitude of privacy issues" (Bartels & Jenkins, 1977) arise and need to be dealt with.

### 2.1.3 MARKETING ETHICS MODEL

“Marketing is the art of persuasion and some manipulation” says Kotler, Kartajaya & Setiawan (2010: p.31). In that case, all marketing activities may be considered as practices that involve some persuasive methods. There is no problem when the artists -in other words companies- perform this process in accordance with the rules. However, when it comes to convincing consumers in an increasingly competitive marketplace, companies may frequently approach some tricks via different tools related to the 4Ps of marketing and others. Ambition for more profit, to gain more market share, and to beat competitors may force managers/marketers, especially those who have Friedman’s perspective (Friedman, 1970), to practice in an unethical way. This orientation makes ethics insight and being socially responsible in marketing vital due to the reflection of its practices on the society directly (Singhapakdi, 1999). Furthermore, it is the key element for managers to enlarge the boundaries of the company’s market; because, consumers tend to trust companies that see them as humans to care, not as just people to sell to (Kotler et al., 2010). That’s why companies should turn their focus from sales to act ethically. This tendency puts the issues of “ethics” in marketing to the center. Actually, the issue of “ethics” in marketing is a concept that has been at the center for a long time. As Tosun (2020) asserted, what makes it more critical stems from the increasing level of unethical and deceptive marketing practices. The above-mentioned change can also be seen in the scopes of marketing ethics definitions. For instance, while marketing ethics were defined as “the judgment of marketing activities as morally right and wrong” (Smith & Murphy, 2012: p.2) from a narrow perspective, now it refers to “practices that emphasize transparent, trustworthy and responsible marketing policies and activities that embodies all the stakeholders” (Murphy, 2017: p.85). Starting from this crossroad, marketing ethics is not simply Turkish Journal of Business Ethics (TJBE) İş Ahlakı Dergisi 244 evaluating the business practices as right and wrong. Conversely, it is the compass that guides businesses’, consumers’, and other stakeholders’ behavior. Thus, marketing ethics becomes more important owing to the increased level of coverage today. The increased level of unethical business practices and the expanding coverage of marketing ethics field in recent years also attracted the attention of researchers. According to the research conducted by Eagle, Dahl, De Pelsmacker & Taylor (2020), based on Google Scholar data, the number of the published articles related to marketing ethics are increasing over the years. Although there were only 29 articles published before the 1970s, the number reached 1.100 up to 1999 over the ongoing years. From the beginning of the 2000s to the end of 2019, 11.300 published articles were reported, which means that marketing ethics is a potential field to research and will continue to be a promising field for researchers in the future as well. Despite this increase in the number of articles, the field has to be investigated deeply from the perspective of topics related to 4Ps of marketing to reveal the gaps and saturated points in the literature for researchers, including marketing managers and policymakers. Because this field involves many categories and sub-topics from the issues related to the product (e.g., counterfeit products, label misleading, deceptive packaging), price (e.g., misleading pricing, predatory pricing, price gouging), place (e.g., slotting fee, commercial bribery, grey market) and promotion (e.g., deceptive ads., women presentation in ads., fake news) (Kaufmann, Smith & Ortmeier, 1994; Chonko, 1995; Levy & Weitz, 2004; Parsons, 2008; Zwolinski, 2008; Yıldırım & Mert, 2020). To this end, a better understanding of the area via a comprehensive literature review of the marketing ethics field may guide researchers and companies on what to do or not. Literature reviews are highly valued studies in academia since they present the general view and orientation of a certain field (Bhimani, Mention & Barlatier, 2019). Hence, these studies are classified as publication and concept-oriented. In publication-oriented studies, assertions of a publication on a particular subject are evaluated, while in concept-oriented studies, the collective evaluation of publications categorized under certain fields is made (Webster & Watson, 2002). Especially in recent years, concept-oriented

studies have come to the fore as a natural result of the easy access to academic publications with online technologies and the presence of many new open-access resources. Table 1 delineates the literature reviews related to marketing ethics in the field. Considering the table, the research done by Tsalikis & Fritzdche (1989) is the Emre Yıldırım, Kazım Mert, Halil İbrahim Cebeci Comprehensive Review of the Marketing Ethics Literature: A Bibliometric Approach 245 most comprehensive publication-oriented review study in terms of both coverage in the marketing ethics field and the number of studies examined. They examined approximately 300 articles in terms of normative (ethical codes, normative ethical decision models, specific area of marketing and ethical abuses) and positive approaches (causes of unethical behavior, the ethics of future executives, the relationship between ethical behavior and profitability, social marketing ethics and cross-cultural studies).

#### **2.1.4 A NEW PARADIGM IN MARKETING**

A New Paradigm in Marketing Kotler (2005) coins the idea of “a new paradigm” in marketing emphasises that organisations need to practice “wrap-around marketing”, which encompasses both getting and retaining customers. Organisations should therefore build stronger relationships with their profitable customers. Grönroos (1994) strengthens Kotler's suggestions by arguing that trends in business and 11 modern research into industrial marketing, services marketing and customer relationship economics, demand a relationship-oriented approach to marketing. These views could be of relevance to service marketing. Pruden (1995) recently stated that retention marketing has yet to progress beyond the realm of articles and speeches. Customer service and long-term relationship building appear to be the primary focus of the additional 3Ps. An examination of previous editions of basic marketing texts such as Kotler (2005), Marx & Walt (1990), and Kotler & Armstrong (1990) reveals that authors previously focused on integrating the four basic marketing instruments through an acquisition focus. Kotler (2005) and McCarthy & Perreault (1995) have included chapters and sections on relationship marketing since the mid-1990s (retention focus). It consists of the various marketing program elements that must be considered in order to successfully implement the marketing strategy and positioning in the company's market. It is the important internal elements or ingredients that comprise a company's marketing program (Payne, 1993). Booms and Bitner (2019) changed and expanded the traditional marketing mix elements from 4Ps to 7Ps by including three new Ps: people, process, and physical evidence. These new marketing variables are critical marketing variables for any service company's success.

#### **2.1.5 SENSITIVITY OF PRICE VS SERVICE MARKETING**

environment for their goods or services provided (Philip et.al. (2005). The advent of Globalization, fast changing in technology, growth in Economy like industrialization, the spreads of many Digital Medias as well as many types of social Medias as era of information, and social and cultural interactions across the worlds and regional levels are the main causes to challenge the success Today's many Companies or Organizations are facing a fierce and fast-changing pricing of firms or organizations; when couldn't wisely manageable in accordance to affecting factors at existing situation. Therefore, in order to overcome such challenges both the business climate and Managers are better to give the first concern to the ways of developing the accurate pricing strategy through identifying all factors that contributed to pricing. With an increased transparency in the market as well as an increased competitive pressure, and with more sophisticated and well-informed consumers, retail businesses find it hard to navigate the pricing jungle. Additionally, in order to find solution to the problems from the grounding root not only pricing strategy is important. But, also needed to frame various strategic business models that are relevant with current pricing strategy

proposed and look into different integrated pricing techniques contextually to maintain a competitive edge in a cut throat business environment. Because, the use of the Strategic Business models and different methods when inaccurately assumed may impact businesses' prioritizing of resources or their overall business strategy. However, revenue optimization through pricing strategies which retains a loyal consumer base is not an easy task to execute (Victor et.al. 2019). Price is one of the most flexible elements of the marketing mix, which interferes directly and in a short term over the profitability and cost effectiveness of a company (Simon, Bilstein, & Luby, 2008 as discussed that in Deonir De Toni A et.al, 2016). It is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service. However, the impact of price is not only in short term, but also in long term it is difficult to predict in simple or it is a very complicated task (Michael et.al. 2016). Therefore, the organizations or companies are need to use a strategy to determine their prices not only based on intuition and the manager's market experience as explained by Simon, 1992; must also be proactively administrating their prices in order to create favorable conditions that lead to profits or return (Deonir De Toni A et.al, 2016). Even though, the Price is very crucial in the survival of the business, and if the price is not determined correctly, this could negatively impact on the product or service and the company's profitability (Michael et.al. 2016). Consumers tend to use the price of a product to evaluate the perceived quality of the product offering therefore much thought needs to be placed on the pricing strategy and how goods are priced. Thus, to achieve the success need the organization or companies are better to practice the efficient management of resources in minimizing their cost and offering a product or service at the right price for their potential return. Because, as a result of this mismanagement many companies are make costly mistakes when incorrectly attempting to price a product or service. Furthermore, setting a price for a product or service can be a challenge, as many variables factor considers into determination of a price. Pricing is the only elements of the marketing mix among the four 'P's (product, place, promotion, and price) that produces revenues for the firm, while all the others are related to expenses (Victor et.al. 2019). As it is understood from the above concepts, the price is the most flexible element of marketing strategy in that pricing decisions can be implemented proportionately quickly in comparison with the other elements of marketing strategy. Therefore, Pricing can be considered to be an important aspect that impacts on the success of an organizations or companies or firms (Michael et.al, 2016). According to Hinterhuber and Liozu (2014) that discussed in Ester et.al, (2019) pricing of goods and services determines the level of profitability and the general liquidity experienced by firms. In addition, Sije and Oloko (2013) argue that companies which do not manage their prices lose control over them, impairing their profitability due to fading willingness to pay a higher price. Ester et.al, (2019) also revealed that pricing is a powerful force in attracting attention and increasing sales, and that it can also have a major influence on customer loyalty which determines the ability of the firm to consistently generate revenues to boost profitability and liquidity in the long run. Thus, planning to practice Pricing Strategy is the crucial task in enhance the success of the organizations or Firms. According to Victor et.al, (2019) Pricing strategy plays a key role in maintaining a sustainable revenue management in any business arena. Strategic pricing is the proactive management of price to the market conditions. It is the coordination of interrelated marketing, competitive, and financial decisions to set prices profitably. For most companies, strategic pricing requires more than a change in attitude; it requires a change in when, how, and who makes pricing decisions. Before marketing and finance can attain this goal, however, they must discard the flawed thinking about pricing that leads them into conflict and that drives them to make unprofitable decisions. It is necessary to analyze these flawed paradigms and eliminate them once and for all. On the other hand, according to Wuollet (2013) as discussed in Ester et.al, (2019) different pricing strategies are acknowledged to be used as a problematic solution to different factors affecting at different situations or environments. Because, charging different prices is depending on individual customers and situations. Thus, adjusting the price has a profound impact on the Pricing strategy,

and depending on the price elasticity of the product, often; it will affect the demand and sales as well. The setting of a price should therefore complement the other elements of the marketing mix (Bempah1et.al, 2013). Similarly, one of the most common and successfully practiced revenue management techniques in the Electronic Commerce segment by many multinationals including Amazon, Walmart etc. is the dynamic pricing strategy in which the price of a product is determined in accordance with its corresponding market demand and supply (Victor et.al. 2019). Therefore, the organizations or companies would implement different types of pricing strategy contextually depend on the objective that the pricing strategy aims to achieve success based on Situations or Environments. Finally, the purpose of this seminar paper that based on systematic reviews was aimed to reviews the pricing strategies which available to find solution to the problem of price setting, the contributing factors and challenges during pricing and development of pricing strategies, type of pricing strategies, examine the methods or approaches used to general pricing, change in price and its strategic decisions, price adjustment strategies based on buyer/user and situational factors, and price reaction strategies. First, the introductory part of the issues concern would briefly have explained for the sake of a reader understanding, the seminar objectives, the Seminar questions, and data collection methods and analysis were discussed under chapter one. Next, the detail discussion of Literatures that are relevant to the above all concepts were discussed in chapter two of the Related Literature Reviews. Thirdly, the major finding of researches on the identified topics would analyze under chapter three (Discussion and Results), and while the Conclusion and its implications were given at the end respectively.

## **2.1.6 CUSTOMERS ETHICAL DECISIONS**

Concerns about the environment, animal welfare, social justice and human rights have led consumers to increasingly turn to sustainable brands and 'green' products. According to Co-op (2019)<sup>1</sup>, ethical consumer spending in the UK has now hit record levels, rising almost fourfold in the past 20 years. As ethical consumption plays an important role in shopping habits, an understanding of the drivers of ethical consumption behavior is fundamental to marketing researchers and practitioners. In the field of ethical consumption and social marketing, research has shown that when consumers make ethical judgments in evaluating products or services, these influence their ethical behaviors (Andersch, Arnold, Seemann, & Lindenmeier, 2019; Chan, Wong, & Leung, 2008; Vitell, Singhapakdi, & Thomas, 2001). For instance, Chinese consumers who approved of the idea of bringing their own shopping bags when visiting a supermarket tended to adopt such behavior (Chan et al., 2008). Similarly, German consumers who negatively judged the use of poisonous chemicals in the fabrication of sportswear products by a company in the Third World tended to boycott the greenwashing company in question (Andersch et al., 2019). This relationship is well-established in the literature (see Pan & Sparks, 2012) and has been predicted in several theories and models (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Ferrell, Fraedrich, & Ferrell, 2002), which also suggest that personal characteristics can explain ethical behaviors (Lehnert, Park, & Singh, 2015). However, some personal characteristics that could account for divergences in the adoption of ethical consumption have been underexplored. The present study therefore examines two personal characteristics, namely, ethical sensitivity and internal locus of control (iLOC), with the aim of providing empirical answers to the following question: "Why do people make different ethical choices in similar situations?" (Sparks & Hunt, 1998; p.92). Among the personal characteristics studied in the ethical consumption literature (ethnocentrism: Arli, Septianto, & Chowdhury, 2020; machiavellianism: Arli & Anandya, 2018; materialism: Lu & Lu, 2010; moral intensity: Chen, Pan, & Pan, 2009; religiosity: Bakar, Lee, & Hashim, 2013), ethical sensitivity has drawn less attention (Toti

& Moulins, 2017). Both the Hunt-Vitell general theory of marketing ethics and the social marketing theory (Kotler & Zaltman, 1971) suggest that ethical sensitivity is an important factor in the ethical or pro-social decision-making process. However, this variable has often been ignored. Empirical research has tended to focus on other personal characteristics defined in the Hunt-Vitell general theory of marketing ethics: e.g., the influence of cognitive moral development (Chowdhury, 2019; Chung & Hsu, 2017); the role of religiosity (Mortimer, Fazal-e-Hasan, Grimmer, & Grimmer, 2020; Vitell, Paolillo, & Singh, 2006) or the importance of materialism (Ryoo, Sung, & Chechelnytska, 2020; Chowdhury & Fernando, 2013). To the best of our knowledge, no research has studied ethical sensitivity by exploring its relationship with both ethical judgment and ethical behavior via a consumer-based approach. The first aim of this paper is therefore to test the direct and indirect effects of ethical sensitivity on ethical consumption behavior. Another personal characteristic that has rarely been studied in the more general ethical consumption context to date is locus of control. Locus of control (LOC) frequently appears in ethical decision-making theories (e.g., Trevino, 1986). Also known as self-efficacy or perceived effectiveness (Higuera-Castillo, Liébana-Cabanillas, Muñoz-Leiva, & GarciaMaroto, 2019), it refers to individuals' beliefs about whether or not they control the outcomes of their lives (Rotter, 1966) and is an important factor in buyers' decision-making (Husser, Andre, & Lespinet-Najib, 2019). Concerning consumers' ethical behaviors (i.e., ethical consumption), past studies have shown that locus of control predicts pro-environmental behavior (Cleveland, Robertson, & Volk, 2020; Derdowski, Grahn, Hansen, & Skeiseid, 2020; Yang & Weber, 2019; Kalamas, Cleveland, & Laroche, 2014) and willingness to pay for environmentally-friendly products (Schwepker & Cornwell, 1991; Triveldi, Patel, & Savalia, 2015) (see Table 1). However, this research stream has only explored the notion of locus of control in specific areas such as work (Mulki & Lask, 2019), the economy (Furnham, 1986) or pro-environmental matters (Kalamas et al., 2014). In other words, no study has addressed this issue with a holistic approach of ethical consumption behaviors. Based on the literature, we suggest that iLOC may influence consumers' ethical consumption as it can increase willingness to adopt specific ethical (consumption) behavior. Consumers with a high iLOC believe they can change things through their own actions/behaviors, motivating them to act ethically. Furthermore, Table 1 shows that LOC has been used as a moderator to a relatively limited extent in previous consumer-focused studies<sup>2</sup>. It also shows that LOC is used to explain specific ethical behaviors. To date, the literature has mainly focused on pro-environmental behavior. However, ethical consumption behaviors are also linked to other ethical issues such as fair trade and the underlying social issues (Murphy, Laczniak, & Lusch, 1978). As a result, LOC has received considerable attention in the business ethics area (1) as an independent variable, rather than (2) in the more general context of ethical consumption behaviors. The present study addresses this shortcoming in the literature by taking a holistic approach of ethical behavior. Thus, the second objective of this study is to investigate how LOC affects consumers in their ethical decision-making process. More specifically, LOC is sometimes perceived as a moderating variable (e.g., between job satisfaction and organizational commitment – Chhabra, 2013) or as a mediating variable (e.g., between emotional stability and pro-environmental behavior – Chiang et al., 2019). Consequently, we tested a model in which LOC is included as both a moderating and a mediating variable. Our study provides empirical evidence of the status (mediator and/or moderator) of this psychological variable to explain consumers' ethical decision-making. This study makes three main contributions. First, it offers a new understanding of the Vitell-Hunt and Kotler-Zaltman theoretical models. As these theories predicted, and based on empirical studies, we show how two personal characteristics (i.e., ethical sensitivity and internal locus of control) drive ethical judgments and lead to ethical consumption behaviors. Understanding the interaction mechanisms between these two individual variables is important as marketers can capitalize on them to develop successful marketing strategies (e.g., promote an ethical product or service). Second, we examine the effect of ethical sensitivity on ethical consumption behavior and clarify how it can directly and indirectly affect the latter. Third, we demonstrate the role of internal locus of control in consumers' ethical decision-making processes as

both a mediator and a moderator. The paper is organized as follows. We first review the literature to develop our research hypothesis and justify our conceptual framework before moving on to the methodology. We then present and discuss the results using structural equation modeling and multi-group analysis. Finally, we conclude by presenting the theoretical contributions, managerial implications, and avenues for future research.

## **2.1.7 CUSTOMER RELATION**

As indicated by Lovelock (2004) many researchers conceptualize customer relation and satisfaction as an individual's feeling of pleasure (or disappointment) resulting from comparing the perceived performance or outcome in relation to the expectation.

The concept of customer relation and satisfaction has drawn the attention of practitioners and academics from last several years because customers are the primary source of Profit for most of the firms operating in the market (Tam, 2004).

### **2.1.7.1 FACTORS THAT AFFECT CUSTOMER RELATIONS**

The three major factors that affect modern customer satisfaction can be categorized as customer perceived quality, value, and service. By harnessing these factors, you are able to provide positive, consistent customer experiences and create true customer loyalty.

### **2.1.7.2 REASONS OF CUSTOMER HAVE NOT GOOD RELATIONS**

- There are wrong customers.
- You are not supporting employees.
- The customer is right being wrong for customer service.
- Not all customers are worth keeping.
- It's impossible to satisfy everyone.

Sometimes customers have not good relation, as indicated on [www.qualitygurus.com](http://www.qualitygurus.com) some of the reasons for this have not good relations are: -

Not knowing the Expectations Customer remains not have good relations unless the company knows what the customer actually expects out of their product.

Not Meeting the Expectations, a customer may have not good relations because the service does not live up to expectations. In addition to that as a result of the rapid improvement in the technology, customer may compare the services provided by a company with those of the competitors, which

may not have good relation and customers over expectations and their changing needs may lead them for having good relations.

### **2.1.7.3 THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER RELATION**

The relationship between customer relation with satisfaction and service quality has received a good deal of attention in the literature (Bolton and Drew; 1994). Parasuraman et al (1988) defined service quality and customer satisfaction, as service quality is a global judgment, or attitude,

The results showed and confirmed what previous studies have claimed, that service quality has a significant effect on both customer satisfaction and brand loyalty, where evidence was found that excellent service quality highly impacted the participants' satisfaction as well as their level of loyalty towards a brand.

## **2.2 EMPIRICAL REVIEW OF LITERATURE**

Empirically many research papers are computed and different researchers demonstrate different outcomes. The following are some of illustrations, which support such a statement.

Mohamed, I. & Ahmed, R. (2016) impact of marketing ethics on customer relation and satisfaction towards laptop industry. In the research 100 undergraduates from South Eastern University of Sri Lanka was taken as sample for the study. And the research concludes that, the correlation result shows ethics have customer relation and satisfaction with values are 0.490. This proves that marketing ethics explain 50% of the variation on customer relation and satisfaction.

Siti Rapidal et.al (2017) conducted a research study on Customer Relation and Satisfaction in the Retail Industry and the finding reveals that there is a positive relationship between marketing ethics and customer relation and satisfaction at a Hypermarket in Kuala Terengganu.

Zelalem, A. (2011) studied Assessment of Marketing ethics in Prompting Customer relation and Satisfaction (A case study on the National Alcohol and Liquors Factory).

## **2.3 HYPOTHESES**

Independent Variables: the four ethical concepts; price norms, information norms, honesty norms and integrity norms

Dependent variable: Relationship level with MCM hospital customers. It is taken as a proxy to represent customer's choice of private hospital as a dependent variable.

The following hypotheses will be tested:

1. Null hypothesis; there is no significant relationship between price norms and Relationship level with MCM hospital customers.

Customers are increasingly recognized and managed as assets to the firm (Hogan, Lemon, and Rust 2002). A customer base represents a source of future revenue, from repeat-purchases and cross-buying of other products offered by the provider. If the firm incurs set-up costs to attract or recruit new customers, it is financially desirable to retain current customers rather than constantly lose customers and incur the expense of replenishing the customer base. It is also recognized that current customers who buy more products are each more valuable to the firm than light or infrequent buyers. Therefore, building “share of wallet,” otherwise known as relationship breadth, is seen as an important goal in service industries (e.g., Bolton, Lemon, and Verhoef 2004). In turn, a broader relationship arguably benefits the firm by enhancing customer retention (Coyles and Gokey 2002; Kamakura, Kossar, and Wedel 2004). In the loyalty literature, retention means the number of customers who stay with the provider in the course of an established period,

Alternative hypothesis: There is a significant relationship between the price norms and Relationship level with MCM hospital customers.

2. Null hypothesis: There is no significant relationship between information norms and Relationship level with MCM hospital customers.

Relational information processes support and facilitate the collection and use of customer information in a systematic way so that an organization builds relationships effectively and avoids poor communication, information loss and overload, and information abuse. Researchers suggested that the relational information processes construct consists of five dimensions (Jayachandran et al. 2005): Information reciprocity, Information capture, Information integration, Information access, Information use, and Information reciprocity sets the foundation of effective communication, information capture and integration prevent information loss, information access limits information overload, and information use rules ensure that customer information is used appropriately with the needs of CRM for customer service.

Alternative hypothesis: There is a significant relationship between information norms and Relationship level with MCM hospital customers.

3. Null hypothesis: There is no significant relationship between honesty norms activities and Relationship level with MCM hospital customers.

Trust can be defined as a customer assessment of a company’s honesty and integrity. It deals with customers’ perceptions and beliefs that companies will not disappoint them and work hard to achieve their benefits (Roman and Ruiz, 2005). In addition to evaluating direct interactions with the seller, the customer also considers whether the seller’s performance is satisfactory (Chen and Mau, 2009). Trust is one of the critical factors in any long-term relationship (Sirdeshmukh et al., 2002; Watson et al., 2015). Trust is also defined as the belief that others maintain their expected commitment (Flavian et al., 2022; Luhmann, 2018). Therefore, trust is one of the most critical factors in building long-term relationships, such as customer loyalty (Reichheld and Schefter, 2000). If managers can strengthen trust and commitment to the community in the virtual and non-virtual realm, the success and survival of the community, in the long run, can be assured. (Casalo et al., 2008). Trust is the core and crucial part of creating a relationship between companies and consumers. Trust leads to greater organisational commitment and efficiency (Flavian et al., 2019) and has been proven as one of a factor that affects brand loyalty. Previous research shows that trust positively affects brand loyalty (Liu et al., 2019; Samadi and Arianti, 2018). In addition, trust augments customer loyalty, and in the long term, trusting customers will be more loyal (Idrees et al., 2015). El Naggari and Bandari’s (2017) findings also indicate that brand loyalty increases through a trustworthy relationship.

Alternative hypothesis: There is a significant relationship between honesty norms and Relationship level with MCM hospital customers.

4. Null hypothesis: There is no significant relationship between integrity norms of the hospital and Relationship level with MCM hospital customers.

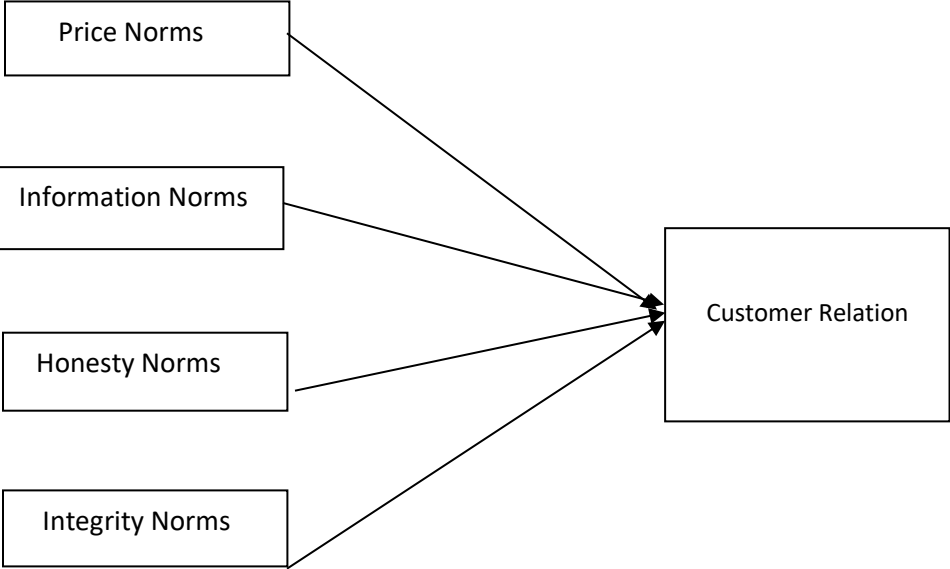
Customer loyalty Customer loyalty is defined as a deep commitment to repurchase a product in the future (Idrees et al., 2015; Cossío-Silva et al., 2016). Customer loyalty is important for an organisation as it increases profits, improves sales success and allows for sustainable growth (Bhat et al., 2022). Customer retention has recently attracted considerable attention because it shows a competitive advantage (Shafiee and Bazargan, 2018). A loyal customer will repeatedly make purchases from a brand and recommends the brand to others (Sirdeshmukh et al., 2002). Studies have shown that loyal customers are less price-sensitive (Shilbury et al., 2020) and are more likely to seek out their preferred brand, resulting in lower distribution, competition and marketing costs. Thus, customer loyalty is a valuable asset and a strategic priority (Junaid et al., 2019). For this reason, understanding customer loyalty has become crucial (Lapowski, 2014). Homborg and Gierinig (2001) have proposed different divisions of loyalty; it has two dimensions: attitudinal and behavioural. The attitudinal dimension of loyalty determines the customer's desire to choose the type of service to establish relationships with service providers. The behavioural dimension of loyalty indicates the repetition of customers' purchases and the passion for a particular brand, measured by the number of purchases. It is a purchase ratio, a buy recommendation or a combination of these criteria (Ghaffari and Shayesteh, 2020). Customer and brand loyalty in the sportswear industry has been investigated by many. For example, Dai and Chen (2017) examine the loyalty of university students in Hong Kong. Lu et al. (2017) explore the impact of customer loyalty in the context of two leading international sportswear companies operating in China. Saricam (2021), on the other hand, examines loyalty in the sportswear retail market in Turkey.

Alternative hypothesis: There is a significant relationship between integrity norms of the hospital and relationship level with MCM hospital customers.

## **2.4 CONCEPTUAL FRAMEWORK**

Jabareen (2009) explain Conceptual framework as a network or a plane of interlinked concepts that together provide a comprehensive understanding of a phenomenon or phenomena. Conceptual framework provides the link between the research title, the objectives, the study methodology and the literature review. The major variables of this study were the four ethical concepts (independent variable) and customer relationship (dependent variable). Thus, the research includes all major ethical marketing concepts in terms of pricing norms, information norms, honesty norms and integrity norms.

As a result, a conceptual framework was developed to illustrate the key variables and their relationship with customer relations.



# CHAPTER THREE

## OBJECTIVE AND RESEARCH METHODOLOGY

### INTRODUCTION

Research methodology defines the systematic and scientific procedures used to arrive at the results and findings for a study against which claims for knowledge are evaluated (Nachamias et al., 1996). The perspective the researcher chooses to approach the study therefore shapes a methodology. This section of the research assesses the procedures used in conducting the research under study. It discusses the research design, population, sample and sampling technique, data collection tools, and data analysis procedure.

### 3.1 RESEARCH APPROACH

When conducting a research, there are different ways of approaching the problem. According to Creswell (2009), there are three approaches of research; quantitative, qualitative and mixed. The following discussions briefly presents the basic features of these research approaches. Quantitative research is a means for testing objective theories by examining the relationship among variables. On the other hand, qualitative research approach is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem with intent of developing a theory or pattern inductively. Finally, Quantitative research is an approach in which the researchers emphasize the research problem and use all approaches available to understand the problem (Creswell, 2009).

Hence, based on the above discussions of the three research approaches and by considering the research problem and objective, this study used Quantitative research approach.

Because the researcher prefer this approach by using this reasons guide introduces the difference between quantitative and qualitative data, and explains what they are each suitable for. It is intended to help you interpret what you read in journal articles in order to make critical evaluation easier. It will also be useful if you are thinking about collecting your own data for a dissertation or other research based project to make sure that you design your project well from the beginning.

Quantitative data is numbers and statistics. The advantage here is that you can collect and analyze much more information. With good design, that means you can make general statements about what is likely to be true overall. A drawback can be a lack of depth (e.g. reasons why, context, emotions or feelings). Also, it requires mathematical and/or statistical knowledge to be able to analyze the data effectively. Descriptive statistics (bar graphs, pie charts, etc.) are useful to present the data and inform the reader, but are not usually adequate analytical methods. These only describe your sample. Inferential statistics are used to explain or demonstrate hypotheses in the overall population. Your research design needs to consider what statistical analyses will be performed from the beginning. You need to know at the outset what type of data you will be collecting. For example, if you are collecting data on sickness at work, you could collect this as a 'yes/no' type question (e.g. have you been off sick in the last month) or as a scale (e.g. how many days have you been off sick). So the data

that you need affects the questions that you ask. When reading articles which use quantitative data, examine the methodology section to see how they have identified their population and sample. Also examine this section to see whether or not their approach supports their conclusion. For example, studies may identify a similarity between two variables (e.g. ice cream sales and murders committed) and conclude that there is a link (although it may be coincidental) or it could be due to a third variable (e.g. heat - murders go up in summer and so do ice cream sales). So always look for alternative explanations for the link or explanation the author is proposing.

Qualitative data includes words, opinions, thoughts, feelings and behaviors. The advantage is that you get lots of detail about specific cases, people or group. The disadvantages are that you can't make general statements, and that analysis is time-consuming. Some would argue that the analysis is also very subjective, but this depends on your approach.

When reading a piece of qualitative research, look for the level of detail and clarity in the methodology and particularly how they analyzed the data. For example, you will often see 'thematic analyses referred to, but the author should give details about how the themes were identified and on what basis where certain themes kept and others ignored. Also, be alert to what generalizations are made on the basis of very small samples or case studies. A good qualitative research article will have a solid basis in previous research and will compare their results to other studies. It will also include lots of rich detail, usually in the form of quotes or examples, to illustrate their interpretations. So read the results sections carefully, and see whether or not you agree with how they have analyzed the data.

## **3.2 RESEARCH DESIGN**

A research design provides a framework for the collection and analysis of data. A choice of research design reflects decisions about the priority being given to a range of dimensions of the research process (Bryman and Bell, 2007).

In this study the researcher used descriptive and explanatory research design to enable the researcher accomplish the objectives of the study. According to Mugenda and Mugenda (2003), descriptive research is used to obtain information concerning the current status of the phenomena to describe what exists, with respect to variables or conditions in a situation. Descriptive study design enables the researcher to collect data easily and timely by way of interviews, and administering of questionnaires to the selected sample. Explanatory studies are studies with the emphasis to study a situation or problem in order to explain the cause and effect relationship between given variables. Explanatory research is mostly used within areas where extensive research has already been done (Saunders et al., 2003).

Hence to addresses the five research questions or to identify and measure the effect of ethical marketing on customer relations, the study applied both descriptive and explanatory research approach.

### **3.3 TARGET POPULATION**

A population is defined as the set of individuals, objects, or data from where a statistical sample can be drawn (Saunders et al., 2014). Population is the entire group of individuals, events or objects having a common observable characteristic (Copper & Schindler, 2014). Cooper and Schindler further add that a population is the total sum of collected units from which the researcher draws conclusions of the study.

The target populations for this study are inpatient and outpatient customers of MCM Hospital. The sample frame is a set of items from which the sample is drawn.

### **3.4 SAMPLING METHODS AND SAMPLE SIZE**

#### **3.4.1 SAMPLING METHODS**

Sampling is the systematic selection of research participants or individuals that the research wants to take part in the study. Sampling technique is the methods used in drawing samples from a population was driven by the objectives of a given research activity (Creswell, 2004).

The current study depends on non-probability sampling; namely, convenience sampling. Non probability sampling is a sampling technique in which some parts of the population have zero chance of selection or where the probability of selection cannot be accurately determined (Bhattacharjee, 2012). According to Kothari (2004) when the population element was selected for inclusion in the sample based on the easiest of access, it can be called convenience sampling. This is a technique in which a sample is drawn from that part of the population that is close to hand, readily available, or convenient (Bhattacharjee, 2012).

#### **3.4.2 SAMPLE SIZE**

The research population was inpatient and outpatient customers of MCM Hospital. As per data obtained from the ticket offices, there is no clear figure that shows the total number of customers, because once the customers are used the service they may not come again.

Determining a sample size for this study is very crucial, because the researcher cannot cover the entire population. Although using large sample size is better, if the researcher uses very large as large as the entire population, it could have led him to wastage of time, resources and money. Therefore, the researcher decided to use the Cochran (1963, 1975) sample size determination formula to determine the sample size of the target population.

The population was sampled in to a sample size of 400 respondents using the equation developed by Cochran (1963, 1975) to yield a representative sample for population of large sample size.  $N = z^2 t^* (1-t) / e^2$

Z-standardization value indicating a confidence level

E-acceptable magnitude of error

T-sample standard deviation or an estimate of the population

N-sample size

$N = 1.962 \times 0.5 \times 0.5 / 0.052$

N=384

## **3.5 DATA SOURCE AND TYPES**

Data was collected from both primary and secondary sources. Primary data is a type of data, which is collected and accumulated specifically for the research project at hand. It was collected from sources such as questionnaire. Secondary data involves the collection of information from studies that other researchers have conducted on a given issues or phenomenon (Creswell, 2009).

Therefore, to achieve the objectives of this study, primary sources of data will be gathered from inpatient and outpatient customers of MCM Hospital.

## **3.6 DATA COLLECTION PROCEDURE**

The procedure for the data collection was as follows. First, the respondents communicated to get their consent. Once their consent was known, the researcher to each participant distributed the questionnaire by appreciating their participation and devoting their precious time for the research. The researcher gave the respondents the option of filling the questionnaires at their convenient time and collected after two days for analysis. The questionnaire was collected by checking the completeness of the data.

## **3.7 VALIDITY & RELIABILITY**

### **3.7.1 RELIABILITY ANALYSIS**

Reliability tells about stability of the results that is how accurately the study or measuring has been carried out. It refers to whether a measurement instrument is able to yield consistent results each time it was applied. It is also the property of measurement device that causes it yield similar outcomes for similar inputs. In this study, Chronbachs alpha value used to measure internal consistency of the mean of the items at the time of administration of the questionnaire. Cronbachs Alpha is a reliability coefficient that indicates how well the items in a set are positively related to one another (Shuttleworth, 2015). To test the internal reliability, most researchers use Cronbachs alpha, which calculates the average of all split-half reliability coefficients. This proposal used the Cronbachs alpha for calculating whether or not the hypotheses will be accepted or rejected, and, by using this data analysis method, it will try to strengthen the internal reliability of the findings in this thesis. According to the standard set by George and Mallery (2003) the reliability test will be acceptable if it is greater than the cut-off limit of 0.70. In this study, the value of Cronbachs alpha is above the base line, which is greater than the standard value, 0.7. Thus it can be concluded that the measures used in this study are valuable and highly reliable.

### **3.7.2 VALIDITY ANALYSIS**

Validity means the validity of the results that is how well the questions measure the matters chosen to be studied. Pilot test will be conducted with a small group in which the feedback to check validity will be used to redefine it (Korb, 2012). Its primary purpose is to increase the accuracy and usefulness of findings by eliminating or controlling as many confounding variables as possible, which allows for greater confidence in the findings of a given study. There are four distinct types of validity: internal validity, external validity, construct validity, and statistical conclusion validity, that interact to control for and minimize the impact of a wide variety of extraneous factors that can confound a study and reduce the accuracy of its conclusions (Marczyk et.al., 2005).

### **3.8 METHODS OF DATA ANALYSIS**

The data was analyzed with the combination of both descriptive statistics like mean, frequency, cross tabulation and standard deviation of the variables and inferential statistics like correlation analysis to examine direction and significance of the correlation of the variables considered under this study. Regression analysis used to examine the relationship between the dependent variable (i.e. brand equity) and the four independent variables (i.e. brand loyalty, brand awareness, brand associations, and perceived quality) with multiple regression techniques. All the above was performed with SPSS version 20 software.

### **3.9 ETHICAL CONSIDERATION**

A letter written from the university taken to the respective bodies to undertake a pre survey and to assure that the study is meant to be used for academic purpose. Confidentiality and anonymity of the respondents will be ensured throughout the execution of the study for participants were not expected to disclose their personal information. The purpose and the benefit of the study and the voluntary nature of participation were discussed with each study participants, and informed verbal consent obtained. The right of the respondents to refuse to answer for few or all questions was respected.

# **CHAPTER FOUR**

## **RESULTS AND DISCUSSIONS**

### **INTRODUCTION**

As explained in the earlier chapters, this study aimed at investigating the effect of ethical marketing on customer relation in private hospitals, analysis of data and research findings have been interpreted in relation to the objectives of the study and with respect to the research questions developed to guide the study. The data collected through questionnaire, were analyzed and interpreted by using the SPSS software. This section also discusses the demographic characteristics of respondents, descriptive analysis of ethical marketing using mean and standard deviation of the items within these ethical marketing tools. Moreover, it shows the Multicolinearity and hypothesis testing. Finally, it presents the correlation and regression analysis to know the level of association and the explanatory power of ethical marketing tools on the customers relation.

#### **4.1 RATES OF RESPONSE**

Respondents response rate refers to the proportion of questionnaires that were returned and filled during the study in relation to total number of questionnaires expected to be filled. In this study, the research required administration of questionnaires to 384 respondents who were MCM general hospital customers. Out of 384 distributed questionnaires, 371 questionnaires were administered and filled. Hence, the return rate was calculated as 96.61 %, which are enough for further analysis of the data.

<b>Sample Size</b>	<b>384</b>
<b>Completed and Returned Questionnaires</b>	<b>371</b>
<b>Response Rate</b>	<b>96.61%</b>

#### **4.2 GENERAL INFORMATION ABOUT THE RESPONDENTS**

The study participants on survey questionnaire have different personal information; besides these differences, they introduce different responses towards company's product, and its effect on customer relation and customers' satisfaction. This part of the questionnaire requested a limited amount of information related to personal characteristics of respondents. Accordingly, the following variables about the respondents were summarized and described in the subsequent tables. These variables includes: gender, age, educational level, and occupation.

## 4.2.1 BACKGROUND OF THE RESPONDENT

Demography	Measurement scale	N=371	100 %
<b>Age</b>	<b>18 - 35 years</b>	<b>93</b>	<b>25</b>
	<b>36-45 years</b>	<b>167</b>	<b>45</b>
	<b>46 - 60 years</b>	<b>63</b>	<b>17</b>
	<b>Over 60 years</b>	<b>48</b>	<b>13</b>
<b>Gender</b>	<b>Male</b>	<b>215</b>	<b>58</b>
	<b>Female</b>	<b>156</b>	<b>42</b>
<b>Educational level</b>	<b>Below high school</b>	<b>59</b>	<b>16</b>
	<b>Diploma</b>	<b>145</b>	<b>39</b>
	<b>BA/BSC</b>	<b>85</b>	<b>23</b>
	<b>MA/MSC</b>	<b>82</b>	<b>22</b>
<b>Occupation</b>	<b>Student</b>	<b>33</b>	<b>9</b>
	<b>Unemployed</b>	<b>74</b>	<b>20</b>
	<b>Employed</b>	<b>141</b>	<b>38</b>
	<b>Business man/women</b>	<b>123</b>	<b>33</b>

Table 4.2.1 background of the respondent

### 4.2.1.1 CLASSIFICATION OF AGE

The age distribution of the participants shows, 25% of respondents were 18 to 35 age category, 45% of respondents were between 36 and 45, 17% of respondents were between 46 and 60, and 13% of respondents were 60 and above. The figure shows that many numbers of customers are under

the age of 36 and 45. The result indicated that most of the customers matured and from the age level of 36-45.

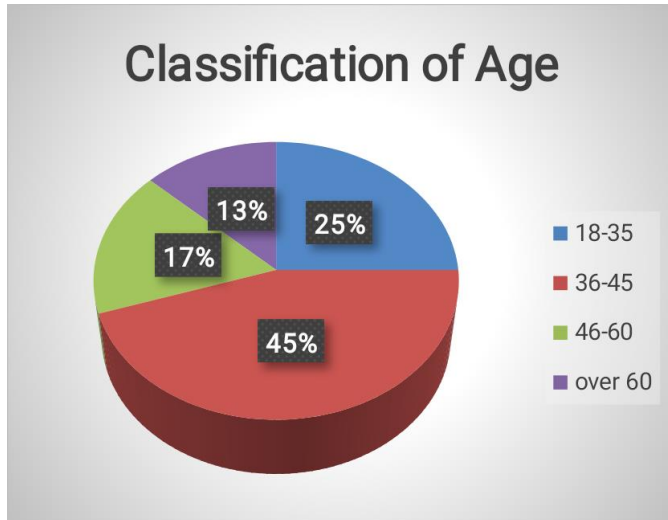


Figure 4.2.1.2 Classification of age

#### 4.2.1.2 CLASSIFICATION OF GENDER

From the data presented in table 4.2.1, the majorities (58%) of the respondents were male and the remaining (42%) of the respondents were female. This specified that out of 371 respondents, around 215 were male and the remaining 156 were female. Therefore, the study comprises both male and female customers of MCM general hospital.

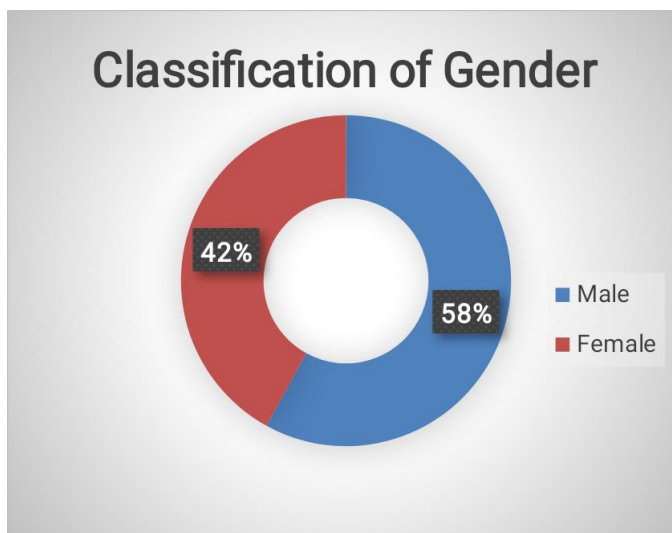


Figure 4.2.1.2 Classification of Gender

### 4.2.1.3 CLASSIFICATION OF EDUCATIONAL LEVEL

According to the above table, 16% of the respondents were below high school, 39% of the respondents were Diploma holders, 23% of the respondents were BA/BSC holders while the rest 22% of the respondents were graduate of Masters. The result indicated that most of the respondents are academically qualified.

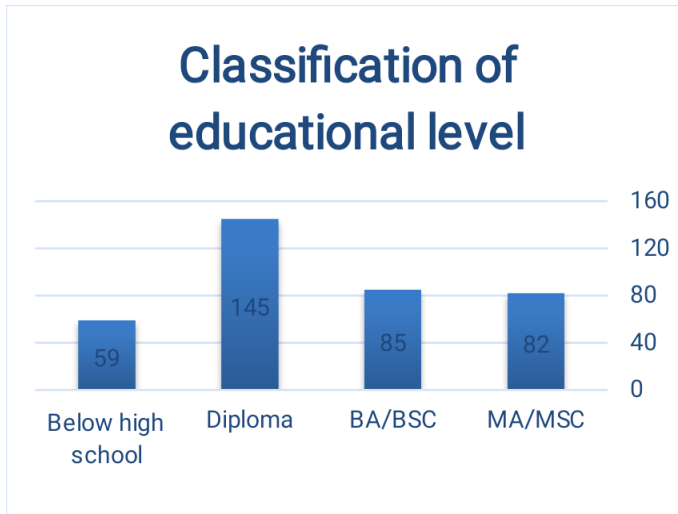


Figure 4.2.1.3 Classification of educational level

### 4.2.1.4 CLASSIFICATION OF OCCUPATION

On the other hand, related to the occupation of the customers 9% of respondents were student, 20% of respondent customers were unemployed, 38% of the respondents were salaried and the remaining 33% of the respondents were business man/woman. The research include from all group of respondents.

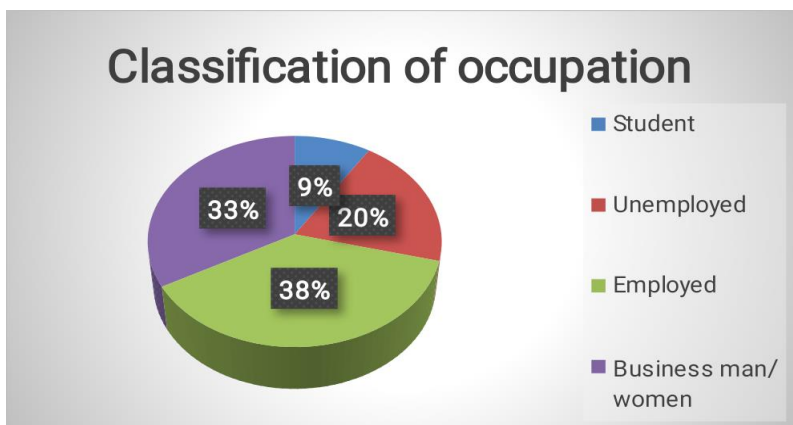


Figure 4.2.1.4 Classification of occupation

### 4.3 DESCRIPTIVE STATISTICS

Marketing ethics is one of the major concepts in modern marketing, it is defined as the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. It consists everything the firm can do to influence the demand for its product. The main possibilities can be grouped into four variables known as price norms, information norms, honesty norms and integrity norms.

The data collected are tabulated in which it shows the frequency/percentage of respondents and the mean and standard deviation from the total 371 respondents. The measurement instrument used to calculate price norms, information norms, honesty norms and integrity norms and customer relation are scaled from 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4=Agree and 5= strongly Agree. To make easy interpretation, the following ranges of values were reassigned to each scale: Less than 2.8 = Disagree, 2.9-3.2 = Neutral, above 3.2 = Agree

#### 4.3.1 PRICE NORMS DIMENSION

Marketing ethics is an area of applied ethics, which deals with the moral principles behind the operation, and regulation of marketing. Some areas of marketing ethics (ethics of advertising and promotion) overlap with media and public relations ethics.

Price Norms- Unlike customer loyalty, which is money-based (prices and discounts), price norms is perception-based (image and experience). Price norms customers believe that a certain brand represents both higher quality and better service than any competitor—and the price does not matter. The respondents were asked six questions to measure the level of the hospital price norms dimension. The questionnaires were designed to collect the respondents’ attitude towards how the hospital price norms to fulfilled their demand & preference.

SN	Price Norms dimension		SD	D	N	A	SA	MS	SDV
1	Quality of MCM general hospital keeps always its own standard and health treatment pricing is quite low.	N=371	-	-	155.82	178.08	37.1	3.6	0.6
		P=100	-	-	42	48	10		
2	As compared to others general hospital, MCM is more favorable price norms than the others or health treatment price of MCM General Hospital is	N=371	-	-	85.33	189.21	94.61	4.0	0.7
		P=100	-	-	23	51	25.5		

	<b>competitive to others hospital</b>								
<b>3</b>	<b>In MCM general hospital, Price becomes a comparing agent when respondent have health treatment.</b>	<b>N=371</b>			<b>77.91</b>	<b>185.5</b>	<b>108.7</b>	<b>4.0</b>	<b>0.7</b>
		<b>P=100</b>	-	-	<b>21</b>	<b>50</b>	<b>29.3</b>		
<b>4</b>	<b>MCM general hospital spacious and comfortable health treatment and pricing is reachable to the customers.</b>	<b>N=371</b>			<b>40.81</b>	<b>180.68</b>	<b>150.26</b>	<b>4.3</b>	<b>0.6</b>
		<b>P=100</b>	-	-	<b>11</b>	<b>48.7</b>	<b>40.5</b>		
<b>5</b>	<b>MCM general hospital offers a variety of service and offered price is fits in the hospital's facilities.</b>	<b>N=371</b>			<b>0</b>	<b>120.95</b>	<b>250.05</b>	<b>4.6</b>	<b>0.4</b>
		<b>P=100</b>	-	-	-	<b>32.6</b>	<b>67.4</b>		
<b>6</b>	<b>The overall quality of the MCM general hospital is good with price and benefit are fits each other.</b>				<b>0</b>	<b>120.95</b>	<b>250.05</b>	<b>4.18</b>	<b>0.58</b>
		<b>P=100</b>	-	-	<b>3</b>	<b>28.468.6</b>			
<b>7</b>	<b>Valid N</b>							<b>4.18</b>	<b>0.58</b>

Table 4.3.1 Customer Perception related to price norms dimension

As one of the marketing strategy, respondents were asked questions in relation with ethical marketing strategy dimension issues. Regarding the first question, which was: Ethics of MCM general hospital keeps always their own standards, about 10% and 48% of the respondent strongly agree and agree respectively and the remaining 42% customers are stay neutral about the ethical marketing. Overall, the respondent customers had a good intension regarding to the standards of the ethical marketing.

As can be informed a high agreement for items in the consistence in the ethical situation of MCM general hospital, which is the major, factors which affect the relation and satisfaction of its customer.

Respondents perceived that the hospital have more space and comfortable; the service quality is high; there is more safety for customers and the hospital offer different services. This all indicates good signs and shows that the hospital management is exerting more effort to provide competitive price norms to their customers.

Based on the survey of regarding the overall quality of services with fare price norms the respondent customer answered that: 28% and 68% of the respondent customers agree and strongly agree about

the overall quality of the price norms. Therefore, the survey showed that majority of the customers admits the goodness and fairness of the price and overall quality of MCM general hospital.

Price norms dimension in this study comprises six items that intended to measure the degree of price norms dimension to understand the customer relation. Of those items, satisfied with the overall quality of the MCM general hospital is good, hospital offers a fair price that meet the demand of the customers and MCM general hospital is spacious and comfortable are scored the high mean value of 4.6, 4.6 and 4.3 respectively. Thus, the price norms dimension including all the six items has scored grand mean of 4.18 which fall in the range of Above 3.2, it is considered as agreed. Therefore, it is possible to conclude that, customers of MCM general hospital are satisfied with the line of price norms that the hospital is providing.

### 4.3.2 INFORMATION NORMS DIMENSION

The basic principle in information norm is that the relationship between the brand information of a price norm and the value it gives to customers has to be fair and proper. In addition, the brand information decision of a hospital must be coordinated with price norm design, honesty norm and integrity norms decisions to form a consistent and effective ethical marketing program.

SN	Information Norms Dimension		SD	D	N	A	SA	MS	SDV
1	The current information norms of MCM General hospital are fair and reasonable	N=371		219.632	108.703	40.81		2.5	0.6
		P=100	-	59.2	29.3	11	-		
2	The MCM General hospital has convenient and well suited brand information methods	N=371	-	231.875	129.85	9.646		2.4	0.5
		P=100		62.5	35	2.6	-		
3	The MCM General hospital provides different methods to inform the brand to attract new customers and retain the existing one	N=371	3.71	235.956	123.914	7.791	-	2.3	0.5
		P=100	1	63.6	33.4	2.1	-		
4	IN your perception about the value of MCM general hospital price norms as compared to its	N=371		172.886	168.805	29.68	-	2.6	0.6
		P=100	-	46.6	45.5	8	-		

	<b>brand informations are equivalent</b>								
<b>5</b>	<b>The hospital offers competitive brand information in comparison with other competitor</b>	<b>N=371</b>		<b>172.886</b>	<b>174.37</b>	<b>24.115</b>		<b>2.6</b>	<b>0.6</b>
		<b>P=100</b>	-	<b>46.6</b>	<b>47</b>	<b>6.5</b>	-		
<b>6</b>	<b>Valid N</b>							<b>2.48</b>	<b>0.56</b>

Table 4.3.2 Customer Perception related to information norms dimension

According to item number 1, customers were inquired to suggest if the brand information for the hospital service is reasonable. As can be seen from the above table, about 59% of the respondents said the brand information style was not good. From the response given above, we can infer that many customers are unsatisfied with regard to the brand information for the price norms.

The second question stated that: The hospital has convenient and well suited brand information method and the customers respond that, 62% disagree on the idea the hospital has convenient and well suited brand information method, in the contrary 35% and 2% of the respondents' customers were neutral and agree respectively about the convenient and well suited brand information method. Generally, most of the customers decide that MCM general hospital had incompatible brand information method for the customers.

Based on the survey, providing different ways of brand information method to attract new customers and to retain the existing one the customer answered that: 63% of the respondent customers disagree about the brand information to attract new customers and to retain the existing one.

The respondents were asked the hospital offers brand information in comparison with other competitors about 46% and 47% of the respondents selected disagree and neutral respectively. They responded having a scored mean value of 2.5 this shows that the respondents were disagreed. It is found that MCM general hospital not fairly offer brand information when compared with other competitor, and doesn't have incompatible brand information method.

**4.3.3 INTEGRITY NORMS DIMENSION**

Integrity norm is an ethical marketing term that describes the degree of consumer recognition of a product by its name. Creating brand information norm is a key step in promoting a new product or reviving an older brand. Ideally, information of the brand may include the qualities that distinguish the product from its competition.

Integrity Norms for the establishment of hospitals are very important. It should give conveniences and comfort to the customers. In assessing customer perception related to brand information norms dimension, various related issues were presented for the reflection of the respondents.

SN	integrity Norms Dimension		SD	D	N	A	SA	MS	SDV
1	MCM general hospital are being challenged to use data to improve patient care quality as well as for reimbursement.	N=371			33.761	168.805	168.805	4.3	0.6
		P=100	-	-	9.1	45.5	45.5		
2	Does MCM General Hospital use to gather the Information through Electronic Health Records (EHRs) is the primary source of data, the foundation of data integrity?	N=371			118.72	155.82	95.718	3.9	0.7
		P=100	-	-	32	42	25.8		
3	MCM general hospital has a comfortable hospital layout to crating good customer brand integrity and dose customer get an integrated data about the service that are given by MCM General Hospital.	N=371			92.75	174.37	103.88	4.0	0.7
		P=100	-		25	47	28		
4	MCM general hospital has good physical facilities to crate well customer brand integrity by using EHRs and updates the service regularly,	N=371		10.759	102.396	152.11	106.477	3.9	0.8
		P=100	-	2.9	27.6	41	28.7		
5	The hospital has security and safety requirements to crate brand integrity and also MCM General Hospital worry about people health solution in general.	N=371			14.84	192.9	162.24	4.4	0.5
		P=100			4	52	44		
	Valid N							4.1	0.66

Table 4.3.3 Customer Perception related to integrity norms dimension

Customers' opinion about customer perception related to brand integrity norms dimension. About 90% of the respondents agree that the hospital is use data to improve patient care quality as well as for reimbursement to crate brand integrity norms. This indicates that the hospital use data to improve patient care quality as well as for reimbursement is convenient to customers. As shown in item 2, the majority (68%) of the respondent agree that use to gather the Information through

Electronic Health Records (EHRs) is easily to get the customers information and to crate brand integrity norms. Regarding to the hospital layout respondents replied that MCM general hospital has a comfortable hospital layout for crating good brand integration norms.

About the hospital safety and security requirements for crating well brand integration norms, 52% and 44% of the respondents' customers agree and strongly agree respectively. Generally, most of the customers decide that the hospital has security and safety requirements.

As it can be observed from the above table, respondents have generally developed positive perception regarding the brand integrity norms dimension of ethical marketing elements in MCM general hospital. It indicating that grand mean value is 4.1 which is above the cut-off point 3.2.

#### **4.3.4 HONESTY NORMS DIMENSION**

Information norms the quality of a product or service according to the customer's perception. It is a subjective criterion and does not have to coincide with the actual or objective quality, which is based on tangible data such as raw materials, manufacturing process, warranty or after-sales service, etc.

When implementing a good marketing strategy, we must bear in mind that, although real quality is more easily valued by the producer and has relevance in B2B relationships, information norm is what leads to the purchase. For this reason, and because of how this parameter aects the brand image of a company, it is necessary to work constantly to achieve a perceived high quality in each of the products or services with which we work.

SN	Honesty Norms Dimension		SD	D	N	A	SA	MS	SDV
1	MCM General Hospital use the most pre-disposed values to being truthful with respect for the customer to make a good relationship decision.	N=371		234.843	136.157	-		2.3	0.4
		P=100	-	63.3	36.7	-	-		
2	Do believe that MCM general hospital has a strict duty to tell the truth to the customer, even if it might be harmful.	N=371		191.436	162.127	17.437		2.5	0.5
		P=100	-	51.6	43.7	4.7	-		
3	The promotion of MCM general hospital gives the customer good awareness to the brand and the value that got the physical and psychological benefits getting from MCM General Hospital telling the truth	N=371		127.253	177.338	66.409		2.8	0.7
		P=100	-	34.3	47.8	17.9	-		
4	MCM general hospital could serve honestly and also helps to protect the customer by giving overtreatment, which is neither kind nor beneficial	N=371		185.871	173.999	10.759		2.5	0.5
		P=100	-	50.1	46.9	2.9	-		
5	I can get rich information and data about the hospital brand quality from the Internet and including honestly served the customer as well.	N=371		192.92	59.36	3.71		1.8	0.6
		P=100	31	52	16	1	-		
	Valid N							2.38	0.54

Table 4.3.4 Customer Perception related to honesty norms dimension

Regarding the first question which was: MCM General Hospital use the most pre-disposed values to being truthful with respect for the customer to make a good relationship decision. 63% and 36% of the respondent customers disagree and neutral on a strict duty to tell the truth to the customer, even if it might be harmful.

Activity respectively to perceive the quality of the brand. Overall the survey result showed that company use of a strict duty to tell the truth to the customer, even if it might be harmful is not attractive.

The above table shows the promotion and the value that got the physical and psychological benefits getting from MCM general hospital makes the customers perceived brand quality to convince and gets good awareness to come to the hospital. About 34% disagree on the idea that promotion and the value that got the physical and psychological benefits getting from of MCM general hospital perceived quality does not convince and gets good awareness about the hospital brand awareness. On the other hand, close to 47% and 17% neutral and agree to the above idea.

The above table shows MCM general hospital follow periodical advertisement and the value that got the physical and psychological benefits not making the customers satisfy. About 50% of the respondents selected disagree. About 46% and 3% of the respondents were asked to indicate their levels of agreement.

As it can be observed from the above table, respondents have generally developed negative perception regarding promotion the value that got the physical and psychological benefits style to honesty norms dimension of the ethical marketing elements in MCM general hospital. It indicating that grand mean value is 2.38 this shows that the respondents were disagreed. Therefore, it is possible to conclude that, customers of MCM general hospital are unsatisfied with the perceived quality strategy that the hospital is using honestly. The findings are presented above in the table 4.3.4.

#### **4.3.5 CUSTOMER RELATIONS DIMENSION**

Customer relation refers to a value premium that a company generates from a product with a recognizable name when compared to a generic equivalent. Companies can create customer relation for their products by making them for its products, even though they could get the same thing from a competitor for less.

As indicated by Lovelock (2004) customer relation and satisfaction as an individual's feeling of pleasure (or disappointment) resulting from comparing the perceived performance or outcome in relation to the expectation. Table 4.3.5 below illustrates the reflection of the respondents regarding the customer satisfaction.

SN	Customer Relations Dimension		SD	D	N	A	SA	MS	SDV
1	I'm satisfied by the customer handling service of the hospital to keeping customer relation.	N=371		17.437	73.829	174.37	102.396	4.0	0.8
		P=100	-	4.7	19.9	47	27.6		
2	If I have any defect on the brand information of the MCM general hospital response with its customer relation.	N=371	-	6.678	48.972	189.21	123.914	4.0	0.7
		P=100	-	1.8	13.2	51	33.4		
3	The MCM general hospital always meets my expectations with keeping its customer relation	N=371	-	19.663	71.974	159.53	117.607	4.0	0.8
		P=100	-	5.3	19.4	43	31.7		
4	I will continue using MCM general hospital in the future due to fairly using its customer relation	N=371	-	18.55	48.23	181.79	118.72	3.9	0.8
		P=100	-	5	13	49	32		
5	Ways of objection or complain handling by the MCM general hospital is satisfactory to keeping brand equity and crate good customer relation	N=371	-	14.84	44.52	178.08	126.14	4.1	0.7
		P=100	-	4	12	48	34		
	Valid N							4.0	0.76

Table 4.3.5 Customer respondents with Ethical Marketing Norms and Customer Relations

In the above presents the results of customers' opinion about customer handling service of the company. About 27% and 47% of the respondent strongly agree and agree respectively. This indicates that customers are satisfied by the customer handling with ethical marketing service of the company.

If I have any defect on the ethical marketing service, the MCM general hospital response is instant. The mean value is 4.0 being explained high. This indicates that the result of instant response to complain may create good and long lasting relationship with the customers. Because satisfied

customers inform more to the others. Regarding MCM general hospital meets the customer expectations; the majority of respondents (74%) replied that hospital always meets customer expectations by using its customer relation.

Based on the survey of the fifth question stated that: ways of objection or complain handling the respondent customer answered that: 34% and 48% of the respondent strongly agree and agree respectively.

From this result the study conclude that, majority of the respondents were satisfied from the result of customer satisfaction parameter. And accordingly the mean scores of between 3.9 and imply that MCM general hospital had, at the good extent to satisfy the customers.

## **4.4 INFERENCE ANALYSIS**

The inferential analysis section includes correlation and regression analysis to examine the relationship between the ethical marketing dimensions and customer relation that is mean 4.00 and SD 0.76 show on table 4.3.5 above.

### **4.4.1 CORRELATION ANALYSIS**

To figure out the relationship between customer relation or satisfaction, price norms, information norms, honesty norms and integrity norms a Pearson (Karl Pearson, 1980) correlation analysis is conducted. Correlation is a number between -1 and +1 that measures the degree of association between two variables. Here if the correlation coefficient is greater than 0.5 then the association between these variables could be considered as strong. The correlation between dependent and independent variables along with the causal effect was analyzed using Statistical Package for Social Science (SPSS). The below correlation matrix shows correlation between variables in the questionnaire with a Pearson Correlation coefficient to show the strength of relationship among the variables considered in the questionnaire.

### CORRELATION TABEL

Correlation		Price Norms	Information Norms	Honesty Norms	Integrity Norms	Customer Relation
Price Norms	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	371				
Information Norms	Pearson Correlation	.452"	1			
	Sig. (2-tailed)	.000				
	N	371	371			
Honesty Norms	Pearson Correlation	1.000"	.452"	1		
	Sig. (2-tailed)	.000	.000			
	N	371	371	371		
Integrity Norms	Pearson Correlation	.733"	.358"	.733"	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	371	371	371	371	
Customer Relation	Pearson Correlation	.330"	.767"	.330"	.382"	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	371	371	371	371	371

Table 4.4.1 Relationship between the four ethical marketing Dimensions and Customer Relation

Correlation is significant at the 0.01 level (1-tailed).

Source: SPSS Correlation output

The result shows in the Table 4.4.1 indicating that independent variables are statically significant with the p-value of 0.000 at 0.01 significant levels. As can be seen from the above table, relationship formed the highest Pearson correlation analysis with  $r = 0.767$  indicating that price norms has positive and high correlation with marked relationship toward customer relation. Besides, brand information norms ( $r = 0.330$ ) also interpreted to have positive and medium correlation with marked relationship toward customer relation. The result also indicated that brand information norms and honesty norms have positive and medium correlation with marked relationship with customer relation with the value of  $r = 0.382$  and  $0.330$ . Based on the finding, the result indicates that all the variables (Price norms, Information norms, Integrity norms and Honesty norms) have positive correlation with customer Relation respectively when referred to the strength of association. Thus, the findings confirm the four hypotheses formulated for this study show that there is a significant relationship between Price norms, Information norms, Integrity norms and honesty norms with customer relation at MCM general hospital and as a result we reject the null hypothesis for four of them.

#### **4.4.2 HYPOTHESIS TESTING**

Hypotheses # 1 H10: There is no significant relationship between Information Norms and customer Relation level with MCM hospital customers. H1A: There is a significant relationship between the Information Norms and customer Relation level with MCM hospital customers. As indicated on table 4.4.1, the correlation ( $r$ ) of information norms that is mean 2.48 and SD 0.56 is  $0.330^{**}$  and the p-value is .000 which is less than .01. From this one can understand that there is medium positive relationship between Information Norms and customer Relation. Therefore, the null hypostasis is rejected.

Hypotheses # 2 H20: There is no significant relationship between Price Norms and customer Relation level with MCM hospital customers. H2A: There is a significant relationship between Price Norms and customer relation level with MCM general hospital customers. As indicated on table 4.4.1 the correlation ( $r$ ) for Price Norms that is mean 4.18 and SD 0.58 is  $.767$  and the p-value is .000 which is less than the significant level .01. This positive correlation coefficient ( $.767$ ) indicates that there is a strong positive correlation between Price Norms and customer Relation. Thus the null hypothesis is rejected.

Hypotheses # 3 H30: There is no significant relationship between Honesty Norms activities and customer relation level with MCM hospital customers. H3A: There is a significant relationship between Honesty Norms and relation level with MCM hospital customers. As stated on above table the correlation ( $r$ ) of honesty norms that is mean 2.38 and SD 0.54 is  $.330^{**}$  and p-value is .000, which is less than .01. This implies that there is a medium positive relationship between Honesty Norms and customer relation. This means if the MCM general hospital increase the Honesty Norms dimension of the ethical marketing they can also increases their customer's relation. Thus the null hypothesis is rejected.

Hypotheses # 4 H40: There is no significant relationship between Integrity Norms of the hospital and customer relation level with MCM hospital customers. H4A: There is a significant relationship between Integrity Norms of the hospital and customer relation level with MCM hospital customers. The above table shows that the correlation ( $r$ ) of integrity norms that is mean 4.1 and SD 0.66 is  $.382^{**}$  at .01 significant level. The result indicated that the p-value is .000, which is less than the significant level. This indicted that there is medium positive relationship between Integrity Norms and customer's relation. As a result, we reject the null hypothesis.

### 4.4.3 NORMALITY TEST

Normality test is used to determine whether the error term is normally distributed. According to Brooks, (2014), if the residuals are normally distributed, the histogram should be bell-shaped and the Bera–Jarque statistic would not be significant. This means that the p-value given at the bottom of the normality test screen should be bigger than 0.05 to not reject the null of normality at the 5% level. Theoretically, if the test is not significant, then the data are normal, so any value above 0.05 indicates normality. On the other hand, if the test is less than 0.05 which proves significance, then the data are non-normal. As shown in the histogram below in the figure 4.4.2 the distribution of the panel observation is symmetric about its mean.

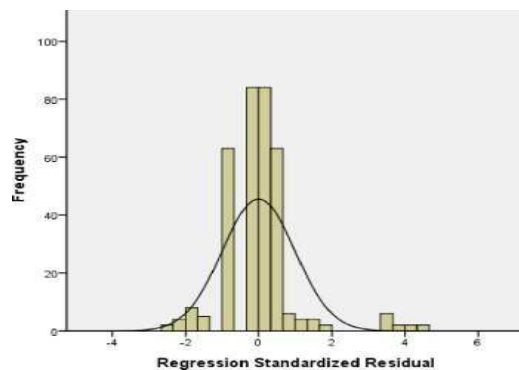


Figure 4.4.3 Normality Test for Residuals

### 4.4.4 LINEARITY TEST

Since general linear model assume linearity, it is necessary testing for non-linearity. In this regard as Garson (2012) pointed out, simple inspection of scatter plots is a common method for determining if nonlinearity exists in a relationship. Consequently, the researcher run simple scatter plot to see if there is a linear relationship exists between the variables

**Normal P-P Plot of Regression Standardized Residual**

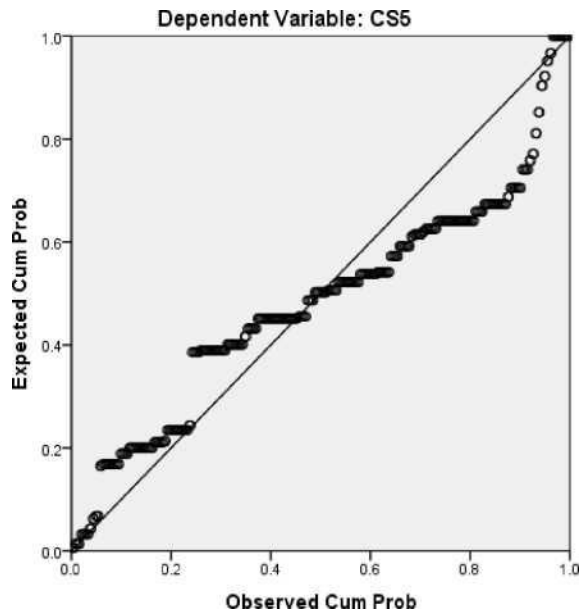


FIGURE 4.4.3 Linearity TEST FOR RESIDUALS

Source: SPSS output (2020)

The normal probability plot also shows up deviations from normality. The straight line in this plot represents a normal distribution, and the points represent the observed residuals. Therefore, in a perfectly normally distributed data set, all points will lie on the line (Field, 2009). Likewise, as we seen in the above figure (figure 4.4.3), the dots are closely plotted to the straight line, which indicate a small or no deviation from normality and there are no extreme cases observed. Therefore, the assumptions of simple linear regression have been met and we can possibly assume that the model is accurate and can probably generalize to the population.

#### 4.4.5 MULTICOLLINEARITY TEST

This refers to the relationship among the independent variables. Multicollinearity exist when the independent variables are highly correlated (Pallant, 2007). We have perfect Multicollinearity if the correlation between two independent variables is equal to 1 or -1. In practice, we rarely face perfect Multicollinearity in a data set. More commonly, the issue of Multicollinearity arises when there is an approximate linear relationship among two or more independent variables. Tolerance is the percentage of the variance in a given predictor that cannot be explained by the other predictors. When the tolerances are close to 0, there is high Multicollinearity and the standard error of the regression coefficients will be inflated. The Multicollinearity problem arises because there is insufficient information to get an accurate estimation of model parameters (Meyers, Gamst&Guarino, 2006). To avoid this, it is important that the results from collinearity diagnostics should have tolerance value above 0.10 and variance inflation factor (VIF) value less than 10, which indicates less correlation of the variables (Pallant, 2010). Small degree of multicollinearity is Tolerance value and VIF value are above 0.10 and below 10 respectively. In our model the maximum VIF value was 2.370. So multicollinearity does not exist for the independent variables.

Model	linearity Statistics	
	Tolerance	VIF
Price norms	.454	2.204
Information norms	.794	1.259
Integrity norms	.320	2.163
Honesty norms	.250	2.370

Table 4.4.5: Multicollinearity Test Coefficientsa

Source: SPSS output (2020)

## 4.5 CORRELATIONS

Most of the literature so far on the subject has focused primarily on the ethical issues in marketing, ethical and legal issues in advertising, retailing and business in general. Thus keeping in mind the above studies, the objective of the present paper is to find out the impact of ethical marketing in building customer relations.

The data for the present study were collected using questionnaire. To know the perception of consumers about the ethical practices followed by the marketers, 384 respondents from MCM General Hospital were contacted out of which 371 responded. Random sampling

### 4.5.1 STATISTICAL TOOLS USED

For analyzing data, Exploratory Factor Analysis was used. The exploratory factor analysis was used for data reduction and data purification. It was carried out by using Statistical Package for Social Sciences (SPSS, 18.0 Version) with Principal Component Analysis along with varimax rotation for summarization of total data of three dimensions into minimum factors. The statements having factor loadings less than 0.5 and Eigen value less than 1 were ignored for further analysis.

### 4.5.2 RESPONDENTS PROFILE

To know the perception of consumers about the marketing practices followed by the marketers and their impact in developing trust and respect for them, 384 respondents from MCM General Hospital were contacted out of which 371 responded. The profile of consumers has been explained as a reference.

(a) Age: Age-wise analysis revealed that majority of the respondents belonging to the age group 36-45 years constituted 45% of the total respondents. Respondents belonging to 18-35 years of age represented 25% of the total population. Respondents belonging to 46-60 years of age represented

17% of the total population. Respondents who were above 60 years of age contributed 13% of the total respondents.

(b) Gender: Most of the respondents under study were males (58%) as compared to their female counterparts (42%).

(c) Qualification: Study revealed that majority of the consumers were diploma holder contributing (39%) of the total respondent followed by graduates contributing (23%) of the total respondents followed by post-graduates (22%). And, whereas (16%) were under high school.

(d) Occupation: About (38%) of the total respondents were engaged in employed followed by their own business those working in the service sector (33%). About (20%) of the respondents did unemployed (16%) follow by students.

## 4.6 ANALYSIS AND RESEARCH

### 4.6.1 REGRESSION ANALYSIS

Multiple regression is a flexible method of data analysis that may be appropriate whenever a quantitative variable (the dependent or criterion variable) is to be examined in relationship to any other factors (expressed as independent or predictor variables). Regression analysis was conducted to know by how much the independent variable explains the dependent variable. It is also used to understand by how much each independent variable explains the dependent variable that is customer satisfaction.

#### 4.6.1.1 MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.757 <sup>a</sup>	.573	.564	.2051

Table 4.6.1.1 Model Summary

R - Indicates the value of the multiple correlation coefficient between the predictors and the outcome, with a range from 0 to 1, a larger value indicating a larger correlation and representing an equation that perfectly predict the observed value (Pedhazur, 1982). From the model summary (R = 0.757) indicates that the linear combination of the four independent variables strongly predict the dependent variable (Customer satisfaction). The model summary table 4.5.1 states that the four independent variables that constitute the customer satisfaction of coefficient of determination R square is 0.573, which implies that there is quite significant explanatory power and also 57.3% variation on dependent variable is caused by independent variables and the remaining 42.7% is because of other unknown variables.

## ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	11.785	4	2.946	70.018	.000 <sup>b</sup>
Residual	8.794	209	.042		
Total	20.579	213			

Table 4.6.1.2: Analysis of Variance

The overall/ model test of goodness using F-test shows that the model is statically significant at .000 level of significance. This implies that the independent variables in fact have an impact on the dependent variable.

From the ANOVA table it has been determined that  $F = 70$  and Sig. is .000 which confirms that marketing ethics have significant impact on customer relation. Hence the result depicted that the alternative hypothesis marketing ethics has a significant impact on customer relation is accepted.

Model	Coefficients <sup>3</sup>			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	.800	.176		4.552	.000
PRO	.178	.044	.222	4.080	.000
PRI	.714	.035	.768	20.363	.000
PROMO	.250	.063	.206	3.988	.000

Table 4.6.1.3 Regression Coefficients

a. Dependent Variable: Customer relation

Source: SPSS Version 20 output (2020) In the multiple regression, this standardized regression coefficient Bate ( $\beta$ ) is useful, because it allows you to compare the relative strength of each independent variable's relationship with the dependent variable (Pedhazur, 1982). The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The coefficient table for marketing ethics dimensions indicates the beta values of the independent variables. From this the regression equation is derived as:

$$Y = a + bX_1 + bX_2 + bX_3 + bX_4 \dots$$

$$CR = 0.800 + 0.178PRO + 0.714PRI + 0.320PLA + 0.250PRO$$

Where, CS = Customer relation PN = Price Norms IN = Information Norms HN= Honesty Norms IN = Integrity Norms. From this the regression equation is derived as: The result of this study indicates that, four of the marketing ethics dimension has a positive and significant effect on customer relation.

The findings of his study also indicated that brand loyalty is the most important factor to have a positive and significant effect on customer relation.

## **4.6.2 DISCUSSION OF RESULTS**

This section discusses the findings of the statistical analysis: -

### **4.6.2.1 INFORMATION NORMS**

Is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. From the regression analysis we can see that here is a positive that might satisfy a want or need. From the regression analysis we can see that here is a positive

Statistical relationship between Information Norms (the independent variable) and customer relation (the dependent variable). As the table above presents the coefficient of determination (R-squared) indicates the proportionate amount of variation in the response variable (customer relation) explained by the independent variable (Information Norms) in the linear regression model. Thus a unit increase in Information Norms leads to .178 increases in customer relation other things being constant. Therefore the more the MCM general hospital invests on its physical facilities equipment, technology and appearance of its personnel the more it related its customers.

### **4.6.2.2 PRICE NORMS**

Price Norms is the amount of money charged for a brand awareness or the total values that consumers exchange for the benefits of having or using the information norms. From the regression analysis we can see that there is a positive statistical relationship between Price Norms (the independent variable) and customer relation (the dependent variable). Thus a unit increase Price Norms leads to .714 decrease in customer relation other things being constant. MCM general hospital should invest to enhance its ability to perform the promised service dependably and accurately so that the relation level of its customers' increases.

### **4.6.2.3 INTEGRITY NORMS**

Integrity Norms is an activity of a business that involves decisions concerning the distribution channels to be used and their management, the locations of outlets, methods of transportation and inventory levels to be held. From the regression analysis we can see that there is a positive and statistically significant relationship between Integrity Norms (the independent variable) and customer relation (the dependent variable). Thus a unit increase in Integrity Norms leads to .320 increases in customer relation other things being constant.

### **4.6.2.4 HONESTY NORMS**

Honesty Norms is an institution ability to communicate its customers. It includes sales Honesty Norms advertising, personal selling, public relations and direct marketing. From the regression analysis we can see that here is a positive statistical relationship between Honesty Norms (the independent variable) and customer relation (the dependent variable). Thus a unit increase in Honesty Norms leads to .250 increases in customer relation other things being constant. Therefore the more the MCM general hospital invests on Honesty Norms activities the more the customers are related.

## **4.6.3 FINDINGS**

The analysis was carried out to study the consumers' perception about the practices followed by the marketers and their impact on developing customer relationships was carried out by considering

dimensions and applying them to Factor Analysis i.e. Pricing Norms, Information Norms, General Honesty, and Integrity Norms. These dimensions are explained as under:

#### **4.6.4 PRICING NORMS**

This dimension has covered two factors namely Price Discrimination and Pricing Policy.

F1) - Price Discrimination: This factor encompassed two items viz. manipulating the availability for Exploitation and Charge hidden Costs. About 60% of the respondents felt that marketers didn't manipulate the availability of products for exploiting consumers (M= 2.76) and half of the consumers thought that they charged hidden costs which in turn tremble their trust (3.28).

F2) -Pricing Policy: This factor has covered Pricing the Product reasonably and Charge Printed Price. Majority of the consumers (94%) found that marketer' didn't price the product reasonably (1.88) and 85% of them believed that they made price discrimination (2.12) in dealing with the consumers

#### **4.6.5 INFORMATION NORMS**

This dimension comprised two factors viz.Practicing Code of Ethics and Risk Information.

F1) - Practicing Code of Ethics: This factor considers three items namely Conceal limitations of the Products, Provide information about the Products and Practice professional Code of Ethics. Majority of the consumers (92%) believed that marketers concealed limitations of the products for more profits which create mistrust and acrimony (1.86) and 88% of them felt that they don't practice professional code of ethics (2.02) whereas 90% of the respondents thought that they avoided providing accurate information about the products for making more profits. (1.94).

F2)- Risk Information: This factor has covered four statements namely Information regarding risk associated with Products, Issues Bills, Meet obligations mentioned in the Bills and Access to all varieties of Products. Half of the respondents felt that the marketer's concealed information concerning the risks associated with the products (2.36). About 60% of the consumers found that marketers avoided issuing bills for tax evasion (2.67) and half of respondents felt that they shunned away from the obligations mentioned in the bills. (2.86).

#### **4.6.6 GENERAL HONESTY AND INTEGRITY NORMS**

This dimension has covered three factors viz. Ethical Norms, Customers' Needs and Respect Social Values.

F1) - Honesty: This factor has three statements, namely, Sell products well before the Expiry date, Treat all customers equally, and Ethical practices develop confidence in Consumer. Majority of the respondents found that marketers sold products well before the expiry date (3.77). Almost 90% of the respondents sensed that marketers didn't treat all the consumers equally (1.95) but the majority of them believed that ethical practices boosted their confidence and they prefer ethical marketers for future buying decisions. (4.07).

F2)- Customers' Needs: This factor has covered two items viz. Honest in serving Consumers and Priorities to customer needs Most of the respondents felt that marketers were not very honest in serving customers (1.65) and 90% of them felt that marketers didn't give priority to the customer's needs. (1.98).

F3) - Social Values: This factor has two statements, namely, Offer products with nutritive Value and Respect social and cultural Values. Most of the consumers found that the marketers offered products having nutritive value (3.89) while 90% of the respondents felt that they respected their social and cultural values (3.92).

# **CHAPTER FIVE**

## **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMENADCTIONS**

This chapter consists of three sections which include summary of the findings, conclusion and recommendations.

This paper has sought to take a fresh look as to how consumers perceive about the practices being followed by the marketers in their dealing with consumers and its impact in building customer relationship. It has been found that consumers prefer products having quality, after sales services, companies respecting social and cultural values and companies following ethical marketing practices. With increasing income levels and awareness level, demand for quality and ethically produced products has undergone significant change. The study reveals that most of the marketers indulge in adulteration and conceal limitations of the product for profit maximization. Thus there is an urgent need to have a regular and effective vigilance over the marketers' unethical practices and provide for punitive action against those who indulge into it. An appropriate public and legal mechanism need to be instituted creating awareness among the consumers about their rights and how to lodge a complaint and seek

Compensation in case they suffer on account of unethical practices. State government and central govt. agencies must evolve a comprehensive public awareness campaign for informing general public about the redressed mechanism and institutions available at district, state and national level which address to the scourge of unethical practices. Customer goodwill, loyalty and the resultant captive market share coupled ethical practices can be strengthened by developing a code of conduct for sellers which they adhere to religiously. It would help to avoid legal and punitive actions and can create credible public image and enhanced goodwill in the market. This would be in lines with American Marketing Association. Marketers eventually have to be honest and truthful in their transactions as it would institute sense of fair play and restore confidence among the consumers which will lead in developing customer relation

### **5.1 SUMMARY OF FINDINGS**

This study is focused on identifying the determining factors that influence customer's relation and satisfaction and thereby allowing them to set as criterion for their preference of MCM general hospital. The survey population comprises customers MCM general hospital. Since it is challenging to cover all population through survey, this study has used sampling techniques to arrive at representative sample. Thus, sample of 384 respondents were randomly sampled for the survey. From that 371 of the self-administered questionnaire were filled and returned to the researcher. Data for this study was gathered through self-administered questionnaires.

## **5.2 CONCLUSIONS**

The overall objective of the study was to examine the effect of ethical marketing as a tool on customer relation and satisfaction in private hospitals: a case study of MCM general hospital.

## **5.3 RECOMMENDATIONS**

From the above findings and conclusion we can understand that Ethical Marketing strategy have linear relationship with operational as well as customer relation and satisfaction of the MCM general hospital. As many literature revealed today's firms competitiveness depends on their ethical marketing and marketing norms strategy.

## **5.4 SUGGESTIONS FOR FURTHER RESEARCH**

This study had included only five factors and future researches, therefore, may consider more factors of ethical marketing and marketing norms. Hence, other customer characteristic like customer loyalty, customer retention was not included. Therefore, further researchers recommended focusing on the effect of ethical marketing and marketing norms on customer retention. Furthermore, the study was done only from customer perspective. The researcher strongly recommends future researchers to include from the organization and management perspective of the hospital.

## REFERENCE

- Awan, H. M., Bukhari, K. S. & Iqbal, A. (2011). "Service quality and customer satisfaction in the banking sector: A comparative study of conventional and Islamic banks in Pakistan", *Journal of Islamic Marketing*, 2(3), 203-224.
- Anderson, E., Fornell, C. and Lehmann, D. (1994). Customer satisfaction, market share, and profitability: findings from Sweden, *The Journal of Marketing*, 58(3), p. 5366.
- Anderson and Vince, (2000). *Principles of marketing*, 1st Ed, Oxford University press New York.
- Buttle. (1996). SERVQUAL Review. *Journal of marketing*.
- Bhattacharjee, A., (2012). *Social science research: principles, methods, and practices*, 2nd ed., Global Text Project, United States of America.
- Bolton, R., & Drew, J. (1994). Linking customer satisfaction to service operation and outcome. *Journal of European marketing implication*.
- Creswell J, (2003). *Research Design; Qualitative Quantitative and Mixed Methods Approaches*. London.
- Creswell J, (2014), *Research Design; Qualitative, Quantitative, and Mixed Methods Approaches*, California, Sage
- Cochran W.G., (1963). *Sampling Techniques*, Second Edition, New York, Wiley
- Haruna isa mohammad, (2015). 7ps marketing mix and retail bank customer satisfaction in northeast Nigeria department of management technology, modibbo adamawa university of technology, yola, adamawa state, Nigeria, *British Journal of Marketing Studies* Vol.3, No.3, pp.71-88, June 2015
- Iacobucci, R., (1995). Identifying the Critical Determinant of Service Quality in Retail Banking: Importance & Effect. *International Journal of Bank Marketing*, Vol. 15(4).
- Isa, H. M. (2015). The 7P's marketing mix and retail bank customer satisfaction in North East Nigeria: *British Journal of Marketing Studies* Vol.3, No.3, 71-88.
- John L. Adams, Hafiz T.A. Khan, Robert R., David W. (2008). *Research Methods for Graduate Business and Social science Students*. 2nd Edition. Sage Publication Inc. California, USA. (Joan L. & Joseph A. 2002)
- Jain, A. and Choudhary, V. (2019), *The Impact of Marketing Mix Strategy on Hospitals Performance Measured by Patients Satisfaction (An Empirical Study on Santokba Durlabhji Memorial Hospital, Jaipur)*.
- Kotler, P. and Keller, K., (2009). *Marketing management*, 14th edition, England Prentice Hall.
- Kotler P. and Keller K.L. (2006). *Marketing Management*, 12th ed. Upper Saddle River, NJ: Prentice Hall.
- Kotler, P. and Armstrong G, (2006). *Principles of Marketing; 11th edition* Publisher Prentice\_Hall Inc. New Delhi Kotler and Keller (2015)

Kotler and Armstrong, (1996). —Principle of Marketing 7th ed. Prentice-hall of India

Keegan and Moriarty Ducinan, (1992). —Marketing Management 1st ed, Houghton Mifflin Co.

Keegan and Moriarty Ducinan, (1992). —Marketing Management 1st ed, Houghton Mifflin Co.

Kothari C.R. (2004),Research methodology: Method and Thechniques21st edition, New age international publishers, New delhi

Kumar. (2009). Measuring service quality using SERVQUAL model. Journal of Total quality managment and Business Excellence .

Leaon, G. and Lesile (2007).Consumer behavior(19thed).Prentice hall

Lovelok, C.H.& Wright, L. (2004). Principle of Service Marketing & Management: Prentice Hall (Second Edition), Northwestern University PP. 6, 8, 24, 29, 31

Mc Graw.Hillconcise Encyclopedia of engineering, 2004, Product Quality, Available at [http://www.en.wikipedia.org/wiki/customer\\_satisfaction](http://www.en.wikipedia.org/wiki/customer_satisfaction) accessed on march21, 2011.

Matzler, K. (2002). Dimensions of Price Satisfaction. Review of quality measurement.

matino, M. & tegegn, T. (2016). Marketing Mix Strategies and Hospital Performance-In Case of Wolaita Sodo University, Otona Teaching & Referral Hospital. Global Journal of Management and Business Research: E Marketing Volume 16 Issue 3 Version

Mohamed, I. &Ahmed, R. (2016) .Impact of marketing mix on customer satisfaction towards laptop industry.

Mugenda, O.M., &MugendaA.G. (2003), Research Methods: Quantitative and Qualitative Approaches, African Centre Of Technology Studies, Nairobi.

Naik. (2010). Service quality and its effect on customer satisfaction. Journal on retaining.

Parasuraman,A., Zeithaml, Valarie A. and Berry, Leonard L. (1985).A Conceptual Model of Service Quality and its Implication for Future Research .Journal of marketing,49, 41-50.

Parasuraman, A., Zeithaml, Valarie A. and Berry, Leonard L. (1988). SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality. Journal of Retailing, 64, 12-40.

Peterson, R.A. and Wilson, W.R. (1992) Measuring customer satisfaction: fact and artifact, Journal of the Academy of Marketing Science, 20(1), p. 61-71.

Shuttleworth M. (2015). Internal Consistency Reliability.

Saunders, M., Lewis, P., & Thornhill, A. (2014). Research Methods for Business Students (5th ed.). Harlow, England: Pearson Education Limited.

Siddiqi, K. O. (2011). Interrelations between Service Qualities Attributes, Customer Satisfaction and Customer Loyalty in the Retail Banking Sector in Bangladesh, International Journal of Business and Management, 6 (3), 12-36

Tam, J. L. M. (2004) Customer Satisfaction, Service Quality and Perceived Value: An Integrative Model, *Journal of Marketing Management*, 20(7-8), p. 897-917.

Wilmschurst John, (1995). –Fundamentals and practice of Marketing –Heinemann, London.

Zelalem, A. (2011) studied Assessment of Marketing Mix in Prompting Customer Satisfaction (A case study on the National Alcohol and Liquors Factory).Ethiopia.

Huzingh, K.R.E, and Zengerink. (2001). Modeling the Marketing Strategy-Performance Relationship: towards a hierarchical marketing performance framework.

Judd, J. (2001). "A new higher education marketing mix: the 7Ps for MBA marketing". *International Journal of Educational Management*, 22 (4): 288–299.

Kazem, A., and Heijden, B. (2006).„Exporting firms“ strategic choices: the case of Egyptian SMEs in the food industry“.SAM Advanced Management Journal, 71(3), pp.21-33.

Keaveney, S.A (2017). "The Evolution of the Marketing Concepts: Theoretically Different Roads Leading to Practically the Same Destination!" in *Global Conference on Business and Finance Proceedings*, Volume 7, Number 1

Khan, M. and Indumathi, P. (2016) Marketing-controlling in the service sector; *Proceedings of FIKUSZ "12 Symposium for Young Researchers*, 111-122.

Kotler, P. & Armstrong, G. (2010).Principles of marketing; Pearson Prentice Hall, 13th Ed. New Jersey.

Kotler, P. & Armstrong, G. (2012).Principles of Marketing, 14thed. New York: Pearson Education, Limited.

Kotler, P. (1984). *Marketing Management: Analysis, Planning and Control* (5th ed.). New Jersey: Prentice-Hall.

Kotler, P. (1994) *Marketing Management*, 10thedn. New Jersey: Prentice Hall.

Kotler, P. (2000). *Marketing Management*, (Millennium Edition), Custom Edition for University of Phoenix, Prentice Hall

Kotler, P. (2005). Reinventing Marketing to Manage the Environmental Imperative.*Journal of Marketing*, 75(4): 132-135.

Kotler, P. and Armstrong, G. (2011).Principles of Marketing, 14th edition.Pearson Prentice Hall.

Kotler, P., & Keller, K. L. (2005).*Marketing Management*. New Jersey: Pearson Education, Inc.

Kotler, P., & Keller, K. L. (2012).*Marketing Management*. 2nded. New Jersey: Pearson Education, Inc.

v

Kotler, P., Armstrong, G., Saunders, J., and Wong.(1999). *Principles of Marketing*.Second European Edition. London: Prentice Hall.

Kumar, K., Subramanian, R., Yauger, C. (1998). Examining the Market Orientation-Performance Relationship: A Context-Specific Study,*Journal of Management*, 24 (2), pp. 201 233

- Lamb, M. & Hair, J. (2011). *Marketing Management*. 11th ed. Prentice Hall International Edition.
- Leon, S. & Leslie, M. (2010). Marketing mix (7P) and performance assessment of fast-food industry in Taiwan: An application by associating DEMATEL and ANP; *African Journal of Business Management* Vol. 5(26), 10634-10644
- Liswood, A. (1987). Does relationship marketing improve customer relationship satisfaction and loyalty? *International Journal of Bank marketing*, 24(4), 232-251
- Lovelock & Wright (2001). *Principles of Service Marketing and Management*: Prentice Hall.
- Lovelock H. (2001). *Principles of Service Marketing and Management*, Pearson College Div.
- Lovelock, C., (2011). *Services Marketing: People, Technology, Strategy* (Pearson Global Edition). Retrieved from <http://www.amazon.co.uk/Services-MarketingChristopher-Lovelock/dp>
- M Ebrahimi, P Roghanian (2013). The Effect of Channel Function Performance on Relationship Quality with Organizational Buyers: *International Journal of Fundamental Psychology and Social Sciences*, pp. 42-47.
- Mahmood, W. (2014). The Concept of the Marketing mix: *Marketing manager,s handbook: The Dartnell Corporation, Chicago*, pp. 39–43.
- Mahmood. A. & Khan, J. (2014). *Basic marketing: A managerial Approach*, Second Edition, Richard D., Irwin, Inc, Homewood, Illinois.
- Mamoun N. Akroush (2011). The 7Ps Classification of the Service Marketing Mix, *Journal of Business Administration*, Volume 7, pp.117
- Mandil, E. (2008). *Managerial marketing: Perspectives and viewpoints*: Richard D. Irwin Inc, Homewood, Illinois.
- Marczyk, G., DeMatteo, D., & Festinger, D. (2005). *Essentials of behavioral science series. Essentials of research design and methodology*. John Wiley & Sons Inc.

# APPENDIX A: QUESTIONNAIRE

ADDIS ABABA UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MARKETING MANAGEMENT

Questionnaire for the effect of ethical marketing on customer relation in private hospitals: a case study of MCM general hospital.

Dear respondent,

Thank you for agreeing to take part in this important survey to investigate the effect of ethical marketing on customer relation in private hospitals: a case study of MCM general hospital. And the collected data will be applied for the study conducted as a partial fulfillment of MA degree in Marketing Management. This survey should only take 4-5 minutes to complete. The information you provide in this questionnaire will be kept confidential and will be utilized only for the purpose of this study. Your genuine response is highly valuable for the achievement of the objectives of this research. If you have any comment or suggestions do not hesitate to contact me via my email tewodrosk9@gmail.com.

Thank You

Tewodros Degefu Kedeme

## PART ONE: - GENERAL INFORMATION /DEMOGRAPHIC QUESTIONS

1.1 Choose the suitable answer and tick in the box given for each question

### 1, Gender

A, Male

B, Female

### 2, Age category

A, 18-35

B, 36-45

C, 46-60

D, Above 60

### 3, Educational level

A, Below high school

B, College diploma

C, First degree

D, Masters or PHD

**4, Occupation**

A, Unemployed

B, Student

C, Employed

D, Business man/woman

**PART TWO: - INSTRUMENTS FOR THE EFFECT OF ETHICAL MARKETING ON CUSTOMER RELATION RELATED QUESTION**

Please, indicate your opinion by marking the appropriate box on the five point scale where:

1=Strongly Disagree 2= Disagree 3=neutral 4=Agree 5=Strongly Agree

NO	Dimensions	1	2	3	4	5
<b>Price Norm Dimensions</b>						
1	Quality of MCM general hospital keeps always its own standard and health treatment pricing is quite low.					
2	As compared to others general hospital, MCM is more favorable price norms than the others or health treatment					
3	In MCM general hospital, Price becomes a comparing agent when respondent have health treatment.					
4	MCM general hospital spacious and comfortable health treatment and pricing is reachable to the customers.					
5	MCM general hospital offers a variety of service and offered price is fits in the hospital's facilities.					
6	The overall quality of the MCM general hospital is good with price and benefit are fits each other.					

<b>Information Norms Dimension</b>					
1	The current information norms of MCM General hospital are fair and reasonable				
2	The MCM General hospital has convenient and well suited brand information methods Method.				
3	The MCM General hospital provides different methods to inform the brand to attract new customers and retain the existing one one.				
4	IN your perception about the value of MCM general hospital price norms as compared to its brand informations are equivalent				
5	The hospital offers competitive brand information in comparison with other competitor				
<b>Integrity Norms Dimension</b>					
1	MCM general hospital are being challenged to use data to improve patient care quality as well as for reimbursement.				
2	Does MCM General Hospital use to gather the Information through Electronic Health Records (EHRs) is the primary source of data, the foundation of data integrity?				
3	MCM general hospital has a comfortable hospital layout to crating good customer brand integrity and dose customer get an integrated data about the service that are given by MCM General Hospital.				
4	MCM general hospital has good physical facilities to crate well customer brand integrity by using EHRs and updates the service regularly,				
5	The hospital has security and safety requirements to crate brand integrity and also MCM General Hospital worry about people health solution in general.				
<b>Honesty Norms Dimension</b>					
1	MCM General Hospital use the most pre-disposed values to being truthful with respect for the customer to make a good relationship decision.				
2	Do believe that MCM general hospital has a strict duty to tell the truth to the customer, even if it might be harmful.				
3	The promotion of MCM general hospital gives the customer good awareness to the brand and the value that got the physical and psychological benefits getting from MCM General Hospital telling the truth				
4	MCM general hospital could serve honestly and also helps to protect the customer by giving overtreatment, which is neither kind nor beneficial				

5	I can get rich information and data about the hospital brand quality from the Internet and including honestly served the customer as well.					
---	--	--	--	--	--	--

Customer Relations Dimension						
1	I'm satisfied by the customer handling service of the hospital to keeping customer relation.					
2	If I have any defect on the brand information of the MCM general hospital response with its customer relation.					
3	The MCM general hospital always meets my expectations with keeping its customer relation					
4	I will continue using MCM general hospital in the future due to fairly using its customer relation					
5	Ways of objection or complain handling by the MCM general hospital is satisfactory to keeping brand equity and crate good customer relation.					

**Thank you for scarifying your precious time in advance!**