MARKETING PRACTICES AND THE DARK SIDE OF INEQUITY: A QUALITATIVE RESEARCH IN AFRICAN PRIVATE COMPANIES

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ABSTRACT

Business ethics is capital for both customer satisfaction and growth in a world where competition is a distinctive constituent for companies’ unrelenting existence. The purpose of this research is to examine how ethical and fair practices affect customer satisfaction of companies in very low income countries. The research is centered on a constructivist design model with a qualitative approach that is inspired by the researcher’s experience of the context. Data collection is implemented in two (2) private companies, using a digital recorder and some semi-structured interviews. One company in the field of professional training, and one in the field of IT and printing. The data is transcribed by hand, and then a content analysis is made. The results show that equity has some effects on customer satisfaction, and thus on the overall growth of companies. The recommendation is that companies in the context should offer nondiscriminatory products and reasonable services to upturn customer satisfaction.

Keywords: Business ethics, Equity, Customer satisfaction, Marketing, Burkina Faso.

INTRODUCTION

Some studies show the lack of consistent business ethical practices in both public and private institutions in the West African context, and how these practices affect its economy and its
development (Nacoulma, Akouwerabou & Nassè, 2020; Nassè, 2020; Akouwerabou & Bako, 2014). The present research is conducted in some private companies because in the context there are some challenges and major obstacles to conduct research in public companies. Many companies in the context build some strategies to meet customers’ needs and expectations in order to increase customers’ attraction and retention, but they neglect the right innovative strategies and the accurate know-how (Ouédraogo, 2006). Today, fair practices are very significant in such a business context, as customers need for fair exchanges grow day by day. While some authors demonstrate that fair price is important in customer’s perception (Kotler & Dubois, 2003; Morrisson, 2005), Urbain (1979), and Nassè (2019) show that there is some link between equity, and the perception of fair price. It could be noticed that previous studies mainly put a focus on equity and customer satisfaction, equity and fair price, or a focus on internal equity and performance in other contexts. Till now, the effects of internal equity on customer satisfaction especially in the West African context were mainly marginalised. An observation is that in the context of Burkina Faso, companies rarely meet customers’ expectation because of very poor management system, some unfair practices (Nassè, 2019; Nassè et al., 2021), and because of lack of transparency (Ouédraogo, 2003). Thus, to understand the business context, it is necessary to consider the following key question: What is the effect of equity on customer satisfaction?

The main objective of this paper is to determine the effect of equity on customer satisfaction.

LITERATURE REVIEW

Conceptual Framework

- **Internal Equity:** Morrisson (2005) ultimately defines internal equity as an internal dimension of equity as opposed to the external dimension of equity. Thus, internal equity refers to the perception that the customer has about the offer (product, or services) as compared to the investment, s/he has made (Nassè, 2019; Morrisson, 2005). Finally, Brewer and Selden (2000) construct a clear definition of internal equity as a dimension of performance.

- **Customer Satisfaction:** The concept of customer satisfaction refers to the perception of how happy, and pleased customers are with a given company's products or services (Ladhari, 2005; Nassè, 2019; Nassè, 2020). Customer satisfaction can be high or it can be very low, and the level of satisfaction may help companies to best improve or changes their products and services to address customer core needs and expectations.

Theoretical Framework

- **The theory of equity in business exchange**
  Homans (1961), Adams (1963), Zeithaml, Rust, and Lemon (2004), Peretti (2004), Morrison (2005), Olsen (2007), Nassè (2020) emphasize that equity results from the comparison between what an individual perceives in an exchange "output, profit, earnings, income" and the contribution s/he makes to the exchange "input, investment, expense, contribution ". Thus for these researchers equity influences both customer satisfaction and customer repurchases.

- **The theory of distributive justice**
  Sabadie (2000), Kotler and Dubois (2003), Peretti (2004), Juêt (2005), Akouwerabou and Bako (2014) support the concept of fair price to the extent that the concept of a fair price is perceived as the balance between the needs of customers and the interests of the company. Thus, the theory of distributive justice critically refers to an avoidance of unfair, inequitable, prejudiced, biased, discriminatory or illegal practices in setting prices.
The theory of satisfaction

Ladhari (2005), Vanhamme (2004), Gandhi (2011), Bashar Ahmad and Wasi (2012), Nassè (2012) show that customer satisfaction is an important factor in business. For these authors, equity and emotional reactions are likely related to customer satisfaction. In addition to that, fairness is an antecedent to satisfaction.

Research proposition

- Proposition: Internal equity influences customer satisfaction.

RESEARCH METHODOLOGY

Research Design: This study is exploratory for the fact that in the context, the subject has not yet been considered. Thus, some semi-structured interviews are conducted with customers of two private companies in Burkina Faso, one in the sector of professional training, one in the sector of printing. Some face to face semi-structured interviews are conducted. According to Roche (2003, p. 47) "The purpose of qualitative research is to understand the needs of the interviewees, but also - and even more importantly, their motivations, their attitudes, their behavior, their expectations or their language". To better the knowledge and the understanding of the studied topic, the epistemological posture adopted is constructivist. The researcher has experienced the context for some years, and thus the phenomenological research design is also applied to understand marketing practices and customer satisfaction in the context (Creswell, 2013).

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

Research Instrument: This is an interview guide that has five themes. The research instrument has been pre-tested, and some corrections have been imputed before collecting the final data (Nassè, 2018). The interview guide is validated by three lecturers. Post-validation of data is also made and the respondents reiterated the same views.

Data Collection and Data Analysis: The entire sample is composed of 37 respondents (23 interviews from the first company that is in the sector of professional training, and 14 interviews from the second company that is in the sector of printing). The criterion of "saturation" is used to stop the collection of data, because usually, the last interview does not provide more information. The technique that is used to analyze the data is a content analysis.

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

RESEARCH RESULTS

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

Table 1
Number of Research Participants

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

Source: Fieldwork (2014-2015)
After, the verbatim content is partitioned into different themes, thus a categorical thematic content analysis is made; a commonly used analysis (Zarrad & Debabi, 2012) is used to check the assumption and provide answers to the initial question. The present study demonstrates that internal equity has effects on customer satisfaction.

When customers perceive that offer of a company equivalent to their investments, so they can be satisfied with the transaction or purchase. In the first company or the training center, it is found that most customers are satisfied. Here are the words of some customers:

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

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

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

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

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

**DISCUSSION OF THE RESULTS**

The results obtained through the qualitative research confirm the above research assumption. The results bring out several significant elements and they demonstrate the influence of internal equity on customer satisfaction. Some authors have shown the influence of company fair practices on growth (Perreti, 2004; Hondeghem & Perry, 2009; Nassè, 2012), and profitability (Nassè, 2019). Other authors such as Tarigan et al. (2020) emphasize the link between customer satisfaction and shareholders’ value, while Abbasi et al. (2019) bring out the relationship between service quality, customer satisfaction and loyalty, Nassè et al. (2020) emphasize the relationships between equity and customer satisfaction in relation to product quality through a quantitative analysis. The present research rather shows the effects of internal equity on customer satisfaction in the context of developing countries. The perception of fairness leads the customer to satisfaction which is expressed by positive emotions (joy, happiness, cheerfulness, optimism). The perception of unfair practices leads the customer to dissatisfaction that is expressed by negative emotions such as anger, sorrowfulness, regret, frustration and deception. The type and size of company can explain the reasons why that company is both creative and innovative to meet customer needs and expectations in terms of fair offer than the other (Ouédraogo, 2006; Nassè, 2019). Moreover, data on forms of hybridization observed...
(Table 2 below) help to justify why fair practices affect customer satisfaction. However, it is also shown that adaptation to the African context, efficiency and strategic positioning are some key factors for companies success (Carbonell, Nassè, & Nanêma, 2021). Finally, companies’ success in the context can also be achieved through the application of the economic intelligence approach (Ouédraogo & Nassè, 2020).

Table 2

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

Source: Adapted from Shamba and Livian (2014)

CONCLUSION

This research has shown that internal equity affects customer satisfaction in the context of West Africa. Customer behaviors and attitudes are also portrayed, when customers receive fair and impartial offers. Thus, equity and the best management practices are some specific factors of success in the context. The research enriches the concept of equity, and the concept of customer satisfaction. Besides, this is the place to acknowledge theoretical assumptions on fair practices and customer satisfaction within the context of West Africa.

- **Recommendations for companies**: Circumventing inequitable practices can enhance customer satisfaction, and thus increase profitability. However, poor management practices in the African context lead to corporate failures (Abdulai, Salakpi, & Nassè, 2021; Nassè et al., 2020).

- **Future research**: It would be useful to extend this research to very big companies.

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