

A STUDY ON ETHICAL COMMUNICATION IN BUSINESS

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Abstract: *In an increasingly competitive business environment, differentiation occurs through honest communication with stakeholders, which implies respecting ethical standards in business. Multinational corporations often apply socially responsible practices that comply with business codes of conduct. These companies play a considerable role when it comes to developing these business practices on a large-scale. Small businesses, on the other hand, play an important role in supporting local communities. The principles and methods of applying business ethics help to develop moral judgments and give the possibility to make correct managerial decisions. The entire organizational culture should support social responsibility and at the same time it should reward and strengthen ethical actions.*

The current study is conducted in the Romanian pharmaceutical field and concerns the perception of 100 clients regarding the ethical communication of companies when applying various forms of promotion. Customers' perception of the promotional messages intensity and content launched to obtain recognition and loyalty can lead to the cataloging in two clusters: manipulative or persuasive. For the study we used the free words association test, the confidence test, the attitude tests.

Keywords: *Business Ethics, Manipulation, Persuasion, Ethical Communication*

1. INTRODUCTION

The role of communication within an organization is to maintain its image to the standards proposed both to employees and to the external environment. An organization that has a high degree of adaptability to environmental trends will send its messages to stakeholders through various ways. According to Agheorghiesei – Corodeanu et. al., (2014) ethical issues must be approached in an integrated manner, emphasising the management of ethics, which entails a cause-effect relation.

The pharmaceutical industry consists of pharmaceutical manufacturers and networks that participate in the research, development, production and distribution of medicines to people. This industry contributes to maintaining and improving human health, as well as economic growth, becoming a strategic sector for the Romanian economy. To be successful in the market, pharmacy networks must invest in promoting their products and at the same time adopt strategies to keep their customers loyal to remain loyal to them. To what extent is their promotional communication ethical on a highly competitive Romanian market?

2. LITERATURE REVIEW

Agheorghiesei and Poroach (2013) show that it is essential to make managers aware of the importance and necessity of implementing an ethical management system. The field of health care needs more attention in terms of systemic vision and approach, ethical culture and leadership and programs. According to Bikard, (2011), Encouraging employees to engage in ethical behavior and effectively measuring ethical conduct are two of the most challenging aspects of building a strong compliance program.

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Sandu, A., & Caras (Frunză), A. (2014, pp: 846-854) differentiate the ethical values of an organization into constitutive ethical values around which the organization was formed and operates, and the operational values - around which are set the organization's good practices. Operational ethical values of the organization, understood as the source of its success, are: strengthening the relations with customers, suppliers and communities, perfect behaviour, honesty, respect for others, treating (others) with dignity. Habermans (1987) underlined the communicative techniques that comes to manages the factual sphere of economic, and to the strategic one, which is oriented towards the success in the social plan, that is seen as power and influence (Maxim, 2010, pp. 35-45). Credibility represents a constitutive value of the organization and is obtained through its communication with the external environment. To achieve this, it must be accompanied by the operational values of the organizational culture. We refer mainly to the honesty used in transmitting information. Also, loyalty is another value transposed in the action of promoting the organization and protecting certain significant stakeholders. In order for the organization to benefit from respect, it must first show its respect for the environment in which it operates. The way a client is exposed to the details of a requested medical product / service is essential. Its full description, its exposition in a convincing way accompanied by empathy will lead to a successful transaction. Employees in the pharmaceutical sector, through their communication with clients, in a highly competitive environment in Romania, strive to communicate the values of the company they work for, to differentiate it and to position it in their minds. The techniques to which they seek follow both empathy with them, as well as gaining their trust, respect and loyalty. Various communication techniques used can be persuasive or manipulative, transforming pharmaceutical organizations, in the perception of consumers, into ethical or less ethical. We will consider that these employees often use the principles of persuasion mentioned by Robert Cialdini (2019, pp.15-50; pp.118-275) that can become manipulative in the case of using deliberate errors of argumentation. The honesty of communication between the organization and its stakeholders can generate a long-term relationship, if persuasion is the basis. Any attempt to manipulate, depending on its intensity, leads to shortened cooperation between the two market players. Business ethics has become an important concept for organizations that respect each other and want a positive image, notoriety, trust, long-term partnerships. The manipulation exerted on the clients by the big pharmacies represents an escalation of the emotions starting with social pressures and determining the fear, insecurity, joy and promises that in the clients' view represent chances of adaptation to the environment. Through adaptability, due to the increasing number of sick people, customers are looking for solutions that make them feel safe and reduce the intensity of their needs. Pharmacies are the direct source that by their existence must meet these needs. Due to the customers' dependence on the products made available by the pharmacies, they take advantage of this opportunity and pursue their own interests.

Customer vulnerability is another key factor used to increase pharmacy sales. This feeling is driven by the clients' inability to solve their own problems by looking for alternatives other than pharmacies.

The research objectives are:

1. Testing the degree of customer confidence regarding two leading and challenging pharmacies on the Romanian market, C and D.
2. Testing the degree of application, by the two pharmacies, of the principles of persuasion in communicating with clients, namely: reciprocity, commitment, authority, sympathy, rarity, social proof.

The research instrument is the questionnaire, through which quantitative and qualitative data were collected. It has been applied to 100 natural persons in Romania. The target group was selected based on the filter questions that determined those people who purchase products from the mentioned pharmacies. The questionnaire included 16 questions and used types of scales such as: nominal, ordinal, interval.

3. RESEARCH RESULTS

The importance of previous shopping experiences from the two pharmacies considered, the knowledge and reputation of pharmacies and information from the online environment, mass media and family, friends or strangers were taken into account to determine the extent to which these factors lead to a certain level of trust. to consumers. In order to obtain results on the scores of the scale from 1 (total disagreement) to 5 (total agreement), we have achieved an average of their values. In this sense, previous experiences in C take the value 2.8 which means that there is a neutral state compared to previous experiences, compared to D, where there is a positioning of 3.3 between indifference and partial agreement. For this reason, the customers follow the state of satisfaction offered at the end of the purchase process. From the point of view of pharmacy knowledge, there is a shift from partial disagreement to indifference, namely C = 2.42; D = 2.78.

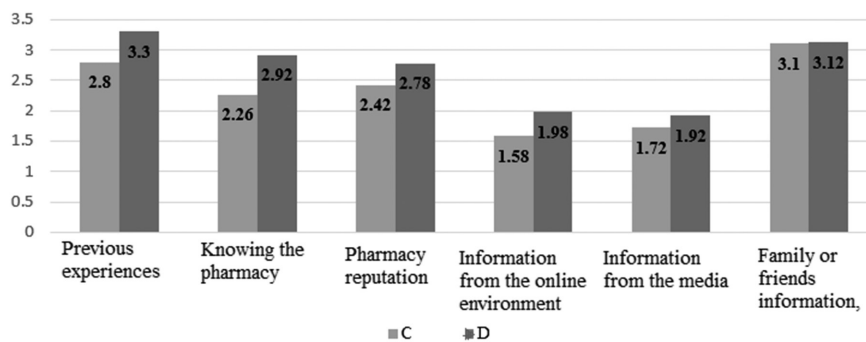


Figure 1. The average of the factors that determine the confidence in the 2 pharmacies

Testing the degree of customer confidence in the two pharmacies brought an average of about 3 units on a scale of 1 to 5.

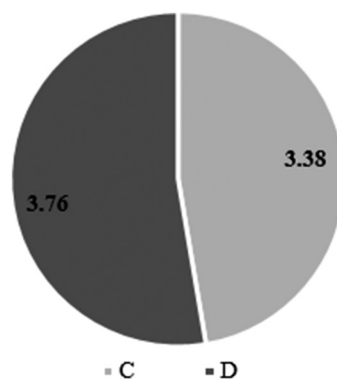


Figure 2. Average customer confidence in the two pharmacies

Based on these data, the fluctuation of customers can be interpreted, namely the neutral or indifferent position adopted by them shows that the manipulation is perceived at an average intensity that does not affect the decision to buy neither in a positive nor negative sense. Confidence in

pharmacies is an element that can be easily manipulated by the smiles of celebrities in the commercials, by happy children on posters, by old people excited about the use of pharmaceuticals. The clients of pharmacy C have a state of indifference towards partial agreement with the influence of these mentioned aspects, with the value of 3.38. In comparison, the clients of pharmacy D are more influential, and they have a higher confidence in the pharmacy with a value of 3.76.

The correlation between the elements specific to the principles of persuasion, used by pharmacies, and the degree to which they manage to determine the purchase decision can be seen in the following graph.

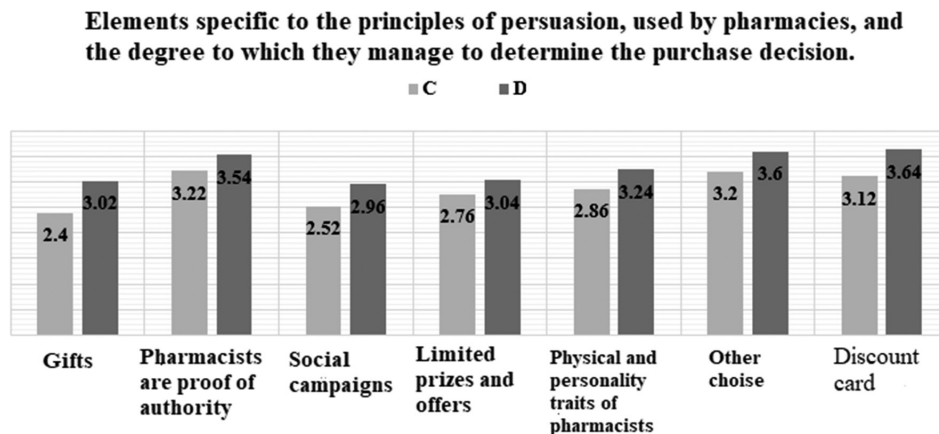


Figure 3. Persuasive factors and influencing the purchase decision

This list of elements is based on the principles of persuasion / manipulation. The discount card is a factor that implies the rarity, which acts differently depending on the type of the discount card and gives the feeling of a significant reduction in the price to the customers, and what follows after the welcome greeting at both pharmacies is the question, „a discount card” you have”? The appearance of reductions involves manipulating customer behavior to the point where they automatically offer the discount card. Alternatives in most cases are offered to customers in situations such as: out of stock or the need to sell a product no matter what the customer wants. The alternatives determine the customers to be consistent in their decision and for this reason the principle of commitment and consistency triggers the affirmative answer of purchase. The alternatives are presented immediately after the clients answer yes to the techniques „yes..but”; „if..then”.

The principle of sympathy is found at the staff level. On average, C customers appreciate the pharmacy staff in the interval of total disagreement and indifference with the value of 2.86. This means that the physical characteristics and personality of the pharmacists are not relevant to the clients at the time of purchase. In the case of D clients, the average value of 3.24 is between the limits of indifference and agreement and at the time of purchase they are more determined to buy when pharmacists have pleasant physical traits and trustworthy personality.

The principle of rarity can be found in the form of limited offers, promotions, prizes. The results obtained express both in the case of pharmacy C and in the case of pharmacy D the clients’ indifference when it comes to these types of discounts, having an average value of 2.76 and 3.04, respectively. For this reason, the rarity is not the main reason for the customers and depending on the situation they will want or not to get limited prizes and offers. However, gifts for clients D take the value of 3.02 neither agree nor disagree. In this situation, it is possible to determine a customer to buy a particular product in order to receive a certain gift.

Social campaigns are a form of social proof and the values are for both pharmacies between total disagreement and indifference with an average of 2.52 and 2.96 respectively. Through these values, customers refuse to participate in social campaigns. For this reason, the pharmacy’s attempt to involve clients in such actions will not generate profits.

Pharmacists by their presence represent to the clients the proof of authority. Because the level of trust in pharmacies is high, respect for pharmacists increases in the same way. The principle of authority is applied by offering the status of authority to pharmacists. Thus, they impose themselves in front of the clients, the recommendations offered by them are the best ones.

The degree of fidelity is tested according to the proxemics, but also according to the form of communication approached by the pharmacies.

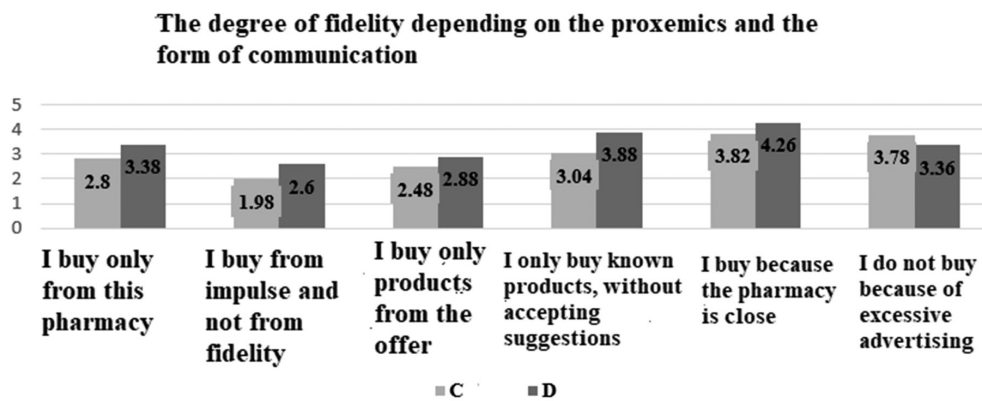


Figure 4. Degree of fidelity depending on proxemics and form of communication

According to the graphical representation, the fidelity and the stability to buy only from a certain pharmacy are between partial disagreement and indifference for C clients with 2.8; partial agreement from the point of view of D customers with 3.38. The difference between the two values can be determined by the physical characteristics and the personality or the attitude of the staff. The impulse purchase represents for consumers the transition from total disagreement to partial disagreement or indifference, which means that according to the power of belief of pharmacists, customers do not completely refuse to purchase a substitute or a particular product. The situations in which the power of conviction increases are: the situations in which the clients do not have the time or do not know exactly what they want. However, most of the customers know what they want so the values are 3.04, respectively 3.88 are in the indifference and partial agreement interval. The location of the pharmacy is an aspect that counts for the clients in choosing the pharmacy with an average value of 3.82 and 4.26 respectively. These values support the strong point encountered at both C and D and the optimal geographical positioning, with one location in each area where the fluctuation of people is high. Another aspect is the excessive publicity of the two pharmacies. Clients show a high degree of annoyance when mentioning excessive advertising, the values are above the degree of indifference in the case of both pharmacies.

4. CONCLUSION

Managers are the ones who take on the role of scapegoats in the employer-employee relationship, because they are the ones who convey the values of the organization to their staff and determine them to adopt different behaviors in different situations.

Both pharmacies use the subtlety of manipulation in the process of influencing the purchase, obtaining the commitment and consistency from the customers. The main ways of influencing are offering tips and gifts or discounts. An unknown product sold to a customer as a result of their commitment, authority and sympathy is a manipulation action because the pharmacist sells what he wants and not necessarily what the customer asks for. The degree of customer confidence is in the neutral range and partial agreement. This result denotes the impact of pharmacy handling methods on customer behavior.

By applying the principles of manipulation, both pharmacies use specific elements such as: the description of personal experiences regarding certain medicines determines reciprocity and consists in the purchase by the customer of that product because it has confidence. Loyalty is a manipulative element because it offers false discounts to the customers, but from the customers perspective any price reduction becomes an individual gain. Depending on the frequency of purchase, the visits made and the amounts spent, pharmacists can differentiate between customers by the size of discounts. The exercise of authority by pharmacists causes the clients to adopt an obedient behavior towards them because the differences in education provide validity to the information presented by the latter. This information may be wrong, but the false authority attributed to the staff of the two pharmacies gives them a much more important status than the doctors. By associating with doctors, pharmacists consider that they can exert pressure on the decision to buy clients.

Through social proof, pharmacies can use special offers when purchasing certain products, and the effect is to determine the customers present to order those products. Customers adopt a behavior similar to the rest of the customers, provided that the added value of such a reaction is beyond their expectations. Media campaigns are part of the social evidence sphere. Excessive advertising used by C bothers customers

From the personnel point of view, the principle of sympathy is the one that acts on the purchasing decisions of the customers. Therefore, they can use the push technique of products that can replace a product requested by customers in certain situations, as a smile attracts attention and changes the purpose of the customers. The affective elements that the pharmacists managed to convey to its customers are empathy and positivity, with a degree of indifference towards total agreement in case D, which results in the importance that the clients attach to these elements. Through these environments, pharmacy D staff impose their authority and exert pressure on their clients. Also, the respondents are in a state of uncertainty regarding the meaning of the manipulation being associated with persuasion. This aspect arises from the responses of the respondents regarding the negative and positive aspects introduced in the questionnaire. Thus, on the one hand the customers feel attacked by the excessive publicity, but the professionalism of the staff influences to them the decision of purchase. At the same time, customers perceive manipulation to a small degree, resulting in the subtlety of pharmacies in applying the manipulation techniques. Previous experiences, as well as recommendations received from family or friends contribute to the adoption and maintenance of purchasing behavior. Pharmacy C uses the method of persuading social proof more often, compared to the D pharmacy, which uses the sympathy combined with the authority in relation to their clients.

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