

Ethical Marketing and Its Role on Export Development of Iran

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Abstract

Export is one of the strategies in international marketing which its development and growth will indeed lead the country promote its capabilities due to compete in international campaigns to stay save and alive as well as gain the positive privileges on international environments. Marketing is always one of the subjects that receives so many criticizes subject to unethical and unaccustomed behaviors which would be happened during marketing process. This study has been focused on Iran export and reviewed the principals of ethical marketing, finally provided some suggestions to blossom growth and development in both subjects, export and ethical marketing, simultaneously and in line with each other. Considering ethics in training programs and research, creating ethical codes, decision making through ethical marketing models, incorporating ethics into planning and strategy formulation processes are some solutions in the export context.

Keywords: Ethics, Marketing, Export, Iran

Introduction

Iranian export market has been descending during recent years and makes this country's situation dramatically challenging in terms of foreign currency income. Entering to export target markets and penetrating the reasonable high shares of these markets are the most important exporting goals in any countries (Institute for Trade Studies and Research). In addition, there would be no doubt that increasing export rate will play a considerable role in rising economic development, standard of living , social welfare , stability of the prices and etc. Iran is the sixtieth largest country located in the South West of Asian continent, one of the Middle East countries. Having great and abundant potential lands with perfect weather to produce several variety of basics in fields of agriculture and food industry. On the other side, Iran has the ideal strategic position in region; on the global transit route, extensive coastlines connected to free seas in Persian Gulf and Oman sea, massive and connective railway which creates a bound between northern countries and CIS to global trade ways .Thousand years culture demonstrated Iran's position as one of the world pioneers in trade and business that construct the principals of world trading.

The Islamic Republic of Iran Customs Administration report in the last Iranian fiscal year (ended March 20,2017) declared that Iran exported 129.648 million tons of non-oil commodities worth \$43.93 billion, registering 3.58% growth in total value of exports year-on-year. Gas condensate was the main exported commodity, making up for \$7.32 billion of the export value. It was followed by light oil, excluding gasoline (\$2.479 billion), liquefied natural gases (\$2.079 billion), liquefied propane (\$1.222 billion) and petroleum gases and liquefied hydrocarbons (\$1.204 billion).The first five receiving markets for Iranian export in 2015 reported as China, United Arab Emirate, Iraq, Turkey and South Korea respectively. Indeed, a very prominent way to show one country's reputation, self-confidence and success would be exported goods and services show off. Considering to the point that cultural and social values as well as economic needs would be clearly differ from one country to another so, indeed ,ethical activities and decisions of the marketing players are critical and important points in any countries export level. Among all business functions management, accounting and marketing have stronger relations with ethical issues and above all marketing department makes income and connects directly with consumers.

Also, it is considered as the most unethical practice among the other business functions (Ozbek et al,2013). Marketing would be the center of attention to be criticized due to lack of ethical practices especially in international business relations because of different culture's concepts in terms of ethical issues (Leonidou et al, 2013).

Since now several Asian countries including China, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, India, Pakistan, Bangladesh, Vietnam, Cambodia, Philippines and Indonesia showed much interests toward ethical marketing issue and started to work on that; however few studies have been done in Iran in this respect. Ethical behaviors is one of the most considerable factors in global marketing which supports export development, therefore in this article we are going to study more on the ethical marketing role in development of export in Iran. In the next section you will find the definitions and literature history of the ethical marketing and export to investigate and pursue their relations.

Literature review

Ethics are the embodiment of the values and belief one holds with regard to the standard which are used to determine what is right and what is wrong(Wisler,2016).The term marketing ethics has been defined as 'the systematic study of how moral standards are applied to marketing decisions, behaviors and intuitions' and embraces a wide variety of topics (Schlegelmilch and Oberseder, 2010).

Ethical marketing is simply more than economic goods and services it means acknowledgement of transparency, trustworthy and responsibility of the individuals and also organizational marketing policies focus on integrity and fairness toward customers and stakeholders as well (Yuan et al,2015). Business ethical problems reach back to antiquity; however ethical business concept widely popped as an issue since 1970s (Luetge,2015). So far no general consensus came out on ethical marketing , as there are various interpretations on what is consider as " good " and " ethical "(Javalgi & Russell,2015).

Nguyen et al in 2015 found a considerably difference between developed countries ethical marketing factors and developing countries; the factors such as ethical pricing, advertising and competitive strategies which are important in developed and western countries are substitute with bribery, piracy, corruption, sweatshop working condition and environmental damage in developing countries. Song and Kim in 2016 explored a critical difference between ethical marketing and humanistic marketing; the first focuses on process of applying moral rules to marketing decisions and the second on virtue of sustainable human well-being respectively. Marketing experts like other managers have to decide under pressure situations it means arising quick decisions without considering the decisions effects on the stakeholders and taking into account what is ethically right ,fair and what we ought to do or acceptable (Pearce et al,2015).

Jamnik (2011) defined a framework for ethical marketing consisting of (a) descriptive (b) analytical (c) normative studies and another two dimensional framework by Chakraborty in 2004 show different views of organizations and member ethic's (high or low) (Jha,2015). Empirical ethical decision making is an area of descriptive marketing ethics which received more attentions during last twenty years. There are factors which affect the ethical decision-making among exporters; the personal characteristics and environmental conditions. These two factors would critically affect the decision makers' attitude whether to consider the ethical matters or not. The most important individual characteristics are sex, nationality, education, religion, age, employment, personality, attitudes, values and the environmental factors are economic, political, social and cultural situations.

As stated by Chorus in 2015; moral dimensions of a decision are not always clear to be understood and be distinguished. Somehow decision makers feel that their decisions maybe more complicated to be strictly labeled as "right" or "wrong" or in between. Four factors of the decision making model proposed by Rest in 1986 are individual must recognize that an ethical issue exists, individual makes an ethical judgment, individual forms a behavioral intention, and finally, individual engages in behavior. Gresham in 1985 and Trevino in 1986 added other factors to Rest structure including social and cultural environment, individual differences and opportunity (Heyler et al., 2016).

In 1991 Jones enlarged the model of decision making considering an ethical problem and suggested that not all ethical problems are of the same moral magnitude and they should be evaluated based on the moral intensity or the situation (Zeni et al., 2016). As Nill and Schibrowsky stated in 2007, normative marketing tries to find answers for "what marketing organizations or individuals ought to do or what kinds of marketing systems a society ought to have" in terms of prescriptive .

Smith (2001) believes that normative approaches subject to ethics identifies basics of moral reasoning that justifies and judges between what is right or wrong. Gaski (1999, p. 316) defines marketing ethics as “standards of conduct and moral judgment applied to marketing practice.” which somehow describes normative marketing ethics. Deontology which implies a non-consequentialist approach that guides evaluations; teleology represents a consequentialist view of moral judgment are two normative ethical theories explored by Barnett et al (2005), Brunk (2012). Clement in 2006 explained Deontology includes the rules to lead actions which are right and which are wrong, however in Diallo & Lambey - Checchin’s research in 2015 teleology highlighted how much good or bad the results of an action seems to be. As stated by Schlegelmilch and Oberseder in 2010; most studies concentrated on description of managerial actions in ethical situations; however it hasn’t been clarified what moral standards are. Therefore, there would be no doubts that future searches should target normative marketing ethics and its guidelines. Although there would be rarely sense of "Analytical Marketing Ethics" among marketers, still critical points remain to be considered; whether marketing ethics differs from ordinary ethics and why the marketers must be worried about being moral (Frederick,1999). Business has a critical and important factor that influences the related decisions, behaviors, and outcomes at levels of analysis called "ETHICS"(McLeod et al,2016).

Even having a quick look on empirical literature show the existent of ethics in each and every part of marketing such as 4P, marketing research, process management, consumer, personnel, social marketing, marketing education , internet and green marketing and other areas of marketing. In general the ethical marketing consists of three main parts; a) Functional areas of marketing, b) Sub disciplines of marketing, c) Specific ethics-related topics (Nill & Schibrowsky,2007).

There is no doubt on the great positive impacts of exports including , not limited to, increasing and advancement of currency reserves, national prosperity, domestic industry, productivity and employment rate(Navarro-García,2015). Some of the positive privileges in export , as stated in several researches , are utilization rate of production capacity will be improved , superior management capabilities will be developed , product and process innovation will be enhanced and accordingly there will be strengthen of financial performance as a great achievement of the firm. On the other side because of globalization, activities such as exporting is a great important factor for survival, growth and long term viability of any organization (Birru, 2016).

Javier in 2014 concluded a research that showed exports are one of the important golden factors in developing countries to increase GNP. Most of large companies in developing countries definitely involved in exporting activities and experienced export markets as well. One of the variables showing GNP growth is export level and on the other side increasing export level will be ended to economic growth, so export has clearly much more positive relation than only raising GNP rate (Lam,2013).

The results of Atrkar Roshan studies in 2007 subject to "Export Linkage to Economic Growth" showed that export led developed of Iran during 1970 – 2001 and both real GDP growth and net-real GDP growth in Iran has a meaningful and positive relation with real export growth (Atrkar Roshan,2007).In many countries, Marketers stick to their own business with no concern about the unethical trades and exports .While, Environmental protection and public health should receive a desirable attention from global business interests. A golden key strategy of export is standardization of the marketing program; a profound knowledge to provide an equal product lines at the same price;then advertising, promotion and etc. in several different countries (Navarro-García et al,2015).

In the export market when marketing agents evolve in different institutional environments or the quality level of firms is not clear and measurable; customer’s discrimination against imports from certain countries or organization will show off more considerably (Pekovic and Rolland,2016). It would be clearly noticeable that Iran export can be developed and flourished by an ethical appropriate marketing system. The below table shows some exemplary exporters which were selected by Trade Promotion Organization of Iran.

Table 1. exemplary exporters

Company Name	Managing Director	Year of Established	Products	Website
Esfedan Saffron	Ali Salari	1998	Saffron	www.essaffron.com
Anata	Ali Salek nejad	1938	Biscuit, Toffee, Candy, Gum, Snack, Wafer, Cake Caramel, Chocolate, ...	www.anataco.com
Iran Electronics Industries (IEI)	Hossein Bagheri	1973	The fields of Avionics & Navigation, Cyber Security, Glasses, Simulator, Total solution, Video surveillance, Services, Security, Information technology, Communications, Medicals, Micro Electronics, Optics, Marine	www.ieicorp.ir
Farab	Mehran Lotfi	1994	Field of activities: Hydro Power Plants, Thermal Power Plants, Railway Industries, Wind Farm, Mineral Industries, Energy management	www.farab.com
Mobarakeh Steel Company	Bahram Sobhani	1993	Iron Making, Steel Making & Continuous Casting, Hot Rolling, Cold Rolling, Tin Plating, Galvanizing, Color Coating, Auxiliary Units	www.msc.ir
Shokooh Bonab	Mohammad Reza Tabibi	1992	All kinds of raisin	www.shokooh-bonab.com
Select Farm Dried Fruit Export Co	Mohammad Reza Habibi Tanha	1994	pistachio nuts, walnuts, hazel nuts, dried figs, apricot, sultana raisin, cumin seeds, coriander seeds and aniseeds	www.select-farm.com
Yata Express	Ezatolah Adelian Sedehi	1978	Light and heavy leather & sheep casing	www.yataexpressco.com
Iran Dairy Industries Co. (Pegah)	Ali Roumi	1954	Cheese, Cream, Yoghurt, plain & flavored milk, infant and industries milk powders, whey powders, Plain Juices and carbonated drinks	www.irandairy.ir
Asayesh Textile Company Of Kashan	Mohammad Taghi Rahmani	2001	Machine-Woven Carpets including: 1200, 1000 And 700 Reeds Carpets, Kid's Rugs, Frieze Carpet, Gabbeh, Kilim, And Jajim Kilim	www.asayeshcarpet.com
CinnaGen	Haleh Hamedifar	1994	CinnoVex, ReciGen, CinnaFact, Cinnal-F, CinnaPoietin	www.cinnagen.com
Razavi Yeast Company	Ali Golmohammadi	1997	Yeast	www.razaviyeast.com
Stratus International Contracting Company	Mohammad Sadr Hashemi Nejad	1978	Engineering services and performing massive projects	www.stratusgc.com
Taj Pottery	Mohammad Bashiri Jalal	1997	pottery and ceramics	www.taj-pottery.ir
Parand Aromati Plants	Ghassem Shakeri	2009	Herbs and medicinal plants and aromati extracts and essential oils	www.parand.de
Chauffagekar Industrial co	Alimardan Alaei	1971	Cast Iron Boiler, Combi-Boiler, Solid Fuel Boiler, Wall Hanged Combi-Boiler, Cast Iron Fire Place	www.Chauffagekar.com
Mojtaba Bonab	Mostafa Hadadi Bonab	2004	Apricots, Dates, Pistachio, Raisin	www.mojtababonab.ir
EEFA Ceram	Mehdi khosropoor Tehrani	2008	Glazed wall tiles, Glazed Floor ceramics and Third Firing Tiles	www.eefaceram.com

Mehr Asl Manufacturing Corporatin	Reza Moghimi Asl	1990	Absorptin Chillers, Fan Coils, Air Washer , Heat Exchanger, Packaged Units, Split Units, Copper Tubes, Insulatin Material, Insulated Copper Tubes & Copper Fittis	www.mehrasl.ir
Sadid Industrial Group	Hamdollah Mohammadnezhad Ghareh lou	1963	Large diameter pipes 56” for oil and gas transmission, Wind turbine, Pumps	www.sadid.ir

Conclusion

During last decade Iran has significantly succeeded in increasing non-oil exporting, however most of importers were neighboring countries. Iran is a country with much potential to take into effect and develop all aspects of export. This country owns many and many natural resources, industries and mines which are all considered as golden paths to growth and develop. It is a proven fact that nowadays export is not only a need but also a great global competition toward approaching brilliant positive changes in trading culture. The critical goals of export would consist of continuous economic growth, increasing the quality of life and public welfare emerging from a society with almost full employment rate, relatively stable prices and value of national currency. On the other side researches showed that ethical marketing would have several positive effects on export growth in each and every countries. So far several and various models of ethical marketing have been developed by marketing academics to make as clear as possible that any decision making by professionals would be more efficient and effective by considering ethical points.

The field of ethics is notoriously abstract. What is right to a country may be wrong to another country. Understanding consumer culture and their perceptions of marketing ethics motivates marketing managers to establish codes of ethics based on consumer evaluations. Also marketers should learn integrate ethics into planning and strategy formulation processes. It would be greatly considerable that the productive marketing process is to meet and suit customers, suppliers and business partners requirements clearly and precisely which of course wouldn't be achieved without considering and qualifying by the ethical factors. The more attention to the ethical issues the more penetration in new markets and consequently develops the export rates which is the most important matter and the final goal to achieve. Taking these critical points into account would be definitely cause distinguishable growth and developments on export level.

Although just a few searches have been done in Iran, therefore any more studies regarding ethical marketing would indeed have positive improvement on export growth rate theoretically and practically as well. Hopefully this and other researches in this field will be helpful for future studies to find new and practical ways to achieve export growth and to meet ethical issues simultaneously to get privileges of both.

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