

**ETHICAL MARKETING AND CUSTOMER SATISFACTION IN  
TELECOMMUNICATIONS COMPANIES:  
A CASE STUDY OF MTN, UGANDA**

**BY**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS  
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## DECLARATION

I, **HAFSA HUSSEIN ALI** do declare that this dissertation is my original work and where the work of others has been incorporated, due acknowledgement has been made. The dissertation has never been submitted to any institution of higher learning for any academic award.

Sign.....

Date.....

**HAFSA HUSSEIN ALI**

## APPROVAL

This dissertation entitled “*Ethical Marketing and Customer Satisfaction in Telecommunications Companies: A Case of MTN, Uganda*” has been supervised and approved with by me in accordance with the research guidelines of Nkumba University.

Sign: .....

Date: .....

**Mr. BUKENYA PETER**

(Supervisor)

## **DEDICATION**

I dedicate this research to my mum, Ms Abshira Yusuf, my brothers. Said and Nejb.

## **ACKNOWLEDGEMENTS**

I wish to thank the Almighty Allah (God) for his providence and the gift of health and wisdom that has enabled me to come up with this research.

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## **ABSTRACT**

The study was about ethical marketing and customer satisfaction in the telecommunications industry in Uganda. It focused on MTN Uganda as a case study. The objectives of the study were to establish how ethical pricing has influenced customer satisfaction in MTN Uganda; to examine the relationship between the integrity of marketers and customer satisfaction in MTN Uganda; and to establish the extent to which ethical advertisement affects customer satisfaction in MTN Uganda. Using a case study research design involving both qualitative and quantitative approaches, data was collected from 110 respondents using self-administered questionnaires, interview guides and documentary reviews. The study found out that MTN Uganda Ltd in its marketing operations is usually challenged by ethical marketing practices. The company has allocated its marketing and sales departments with mandate to try and deal with the issue of ethical marketing. MTN Uganda Ltd has come to find out that to a great extent ethical marketing has a direct impact on the customer satisfaction. An increase in the ethical marketing practices like fair pricing, integrity of marketers, and applying ethical advertising will result in increased repeat business and hence customer satisfaction. A prudent organization which is able to manage its marketing practices ethically is able to effectively improve its customer satisfaction. The study recommends that MTN Uganda needs to gather data about their target market which will give them information on how much they are willing to pay for the company's products and services. The rest of the pricing strategy, in a simplified manner, should be based on overhead costs and supply and demand this will go a long way in creating an ethically accepted price that will create and sustain the company's satisfied customer base.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the study

This study was about ethical marketing and customer satisfaction in telecommunications companies using MTN Uganda as a case study. The application of ethics in marketing is a very complex area that involves some very tough questions about what is right or wrong. Marketing managers more specifically are being increasingly examined and disapproved by the people. They are quizzed on issues such as making false claims about products, manufacturing inferior products, charging the consumer more than the product is worth, using deceptive advertising practices and using irresponsible sales techniques (Hisrich and Peters, 2002). Ethical marketing involves activities that ensure that the products meet and exceed their needs. A company that uses ethical marketing will gain the respect and trust of the customers they target and interact with and will result in overall customer satisfaction over the long term as well as translate to greater benefits all round.

The study is important because it examined the effects of ethical marketing and customer satisfaction in telecommunications companies and ethical marketing as in any big company like MTN is important in marketing because marketing staff are the representatives of the organization in its dealing with buyers. Secondly, sound ethical code in dealing with buyer is essential to the creation of long term relationship and the establishment of customer goodwill and satisfaction as noted by Drucker, (1994). More so, marketing staff are probably more exposed to the temptation to act unethically than most other employees. Generally, many people cannot distinguish between temptation and opportunity. Many employees including marketers had misconstrued temptation to be opportunities, thereby involving themselves in sharp practices that denied them of their lucrative jobs.

The historical development of ethical marketing can be traced back to the early 20th century during which businesses in the developed world were faced with the antitrust and consumer protection concerns. Sharp and Fox (1937) in their work on business ethics based on the concept of “fair service” stated “it was possible to reduce their study of fair service to the principles of fair salesmanship”. They looked at commercial coercion, the limits of persuasion, fair pricing, and the ethics of bargaining. Within the academic history of marketing, one of the first articles that appeared in the Journal of Marketing was an article by Phillips C. F. (1939) entitled, “Some Theoretical Considerations Regarding Fair Trade Laws.” In this article, ethics was not directly addressed, but the impact of resale price maintenance on competition, especially channel members and customers, was addressed. Following these works, most academic publishing in the 1950s focused on issues such as fair trade, antitrust, advertising and pricing.

In the 1960’s, the Consumers’ Bill of Rights and 70’s that addressed the growing ecological problems, such as pollution and the waste disposal saw the rise of marketing ethics and the rise of consumerism and in 1962, President John F. Kennedy delivered a “Special Message on Protecting the Consumer Interest,” in which he outlined four basic consumer rights: the right to safety, the right to be informed, the right to choose, and the right to be heard in what is known as the Consumers’ Bill of Rights (Ferrell, Fraedrich, and Ferrell, 2005). In 1967, Bartels introduced the first comprehensive model for ethics in marketing. This model explained the variables that influence marketing ethics decision making and tried to determine the logical basis of ethical thinking and a scheme to analyze these variables thus providing a framework for social and personal ethics in marketing decisions.

Ferrell and Weaver (1978) provided insights into organizational relationships that influence marketing managers’ ethical beliefs and behavior. Empirical research in the 1970s set the stage for frameworks that describe ethical decision making within the context of a marketing organization. From 1980’s to 2000’s, Ferrell and Gresham (1985) emphasized the importance of organization culture, coworkers, and explained how ethical decisions are made, their model has been tested to provide a grounded understanding of ethical decision making. In following years, many models and frameworks for ethical decision making were developed. In the 1990s, Gundlach and Murphy (1993) built a normative framework for relational marketing exchanges based on the ethical exchange dimensions of trust, equality, responsibility, and commitment.

In addition, Gundlach and Murphy (1993) concluded that ethical marketing exchanges require a managerial emphasis on ethical corporate culture, ethics training programs, and on ethical audits. Using virtue-based theories of ethics, they point out that ethical marketing exchanges require a managerial emphasis on ethical corporate culture, ethics training programs, and on ethical audits. They note that virtue-based ethics focuses on the individual and the organization (i.e., relational partner) rather than just the decision-making process or the problem laden with contextual moral dilemmas and in so doing, customer satisfaction can be achieved. While trust and commitment are essential elements for ethical marketing, several ‘moral’ norms, values, and virtues, such as, integrity, fairness and justice, respect, empathy, and transparency can help facilitate customer-brand relationship.

Dunfee, Smith and Ross (1999) suggest the Integrative Social Contract Theory (ISCT) that links the decision-making process, multiple communities and ethical judgments based on the dominant legitimate norms. This framework can be used by marketers who frequently engage in difficult relationships and cross-cultural activities as it emphasizes the exchange relationship between the firm and its stakeholders, including the right to exist and even prosper in society. This theory can be used to bridge normative and descriptive research in marketing ethics (Dunfee, Smith and Ross, 1999) and when used effectively results in trust, repeated sales and hence customer satisfaction. In the 2000's, ethics in the world of business became a major issue with scandals associated with Enron, WorldCom, Tyco, Sunbeam, and Arthur Andersen. These activities resulted with Sarbanes-Oxley Act in 2002. After these scandals, the importance of the ethical issues and the importance of having a relationship based on trust with stakeholders is emphasized by many researchers (Murphy, Laczniak, Bowie and Klein, 2005).

According to the Ethics Resource Center of the United States (2016), ethical marketing is a set of activities that utilize principles and standards that define acceptable conduct in the marketplace. Marketing usually occurs in the context of an organization, and unethical activities usually develop from the pressure to meet performance objectives. Some obvious ethical issues in marketing involve clear-cut attempts to deceive or take advantage of a situation. Ethical marketing involves ensuring safety of products, ensuring a product satisfies a need it



promises to, or aids in providing a lifestyle it advertises, and any techniques to manipulate and hide facts and information customers need could harm a company. Murphy *et al.*, (2005) also define ethical marketing as a process through which companies generate customer interest in products/services, build strong customer interest/relationships, and create value for all stakeholders by incorporating social and environmental considerations in products and promotions.

Cowell (2004) defines customer satisfaction as a measure of how products or services supplied by a company meet customer expectations. It refers to the extent to which customers are happy with the products and services provided by a business. Gaining high levels of customer satisfaction is very important to a business because satisfied customers are likely to be loyal, make repeated orders and use a wide range of services offered by a business. Customer satisfaction has been studied in different directions, from measurement to its relationships with other business aspects. Some researchers have provided possible means of measuring customer satisfaction (Levy, 2009; NBRI, 2009). Meanwhile other authors like Wilson *et al.*, (2008) demonstrated some determinants of customer satisfaction to be product and service quality, price, personal and situational factors (Wilson et al., 2008) because customer satisfaction is also based upon the level of service quality provided by the service provider (Lee *et al.*, 2000) and service quality acts as a determinant of customer satisfaction.

Ethical code of conduct is an index of professionalism. In marketing of products by companies like MTN that are faced with stiff competition from other mobile operators, ethical dilemmas are likely to arise and these situations definitely call for an assessment of the morality involved in the decision. For marketers as for other decision makers, no single theory could ever provide the necessary pragmatic guidelines for ethical behavior. Rather, ethical dilemmas require a comprehensive review of all ethical issues involved in the decision, before the most satisfactory course of action can be determined. According to Thompson and Strickland (2004), a company's culture is manifested in the values and business principles that management preaches and practices, in official policies and procedures, in the attitudes and behavior of employees.

However, there is a considerable difference between saying the right things (having a well-articulated corporate value statement or code of ethics) and truly managing a company in an ethical and socially responsible way. According to Thompson *et al* (2004) companies that are

truly committed to the stated core values and to high ethical standards make ethical behavior a fundamental component of their corporate culture. They put a stake in the ground making it unequivocally clear that company personnel are expected to live up to the company's values and ethical standards. Values statements and codes of ethical conduct are used as benchmarks for judging the appropriateness of company policies and operating practices.

MTN Uganda is a subsidiary company of the South Africa's MTN Group Limited who is the main stakeholders of the company with 97.34 percent as put Forth by Isabel Goncalves. The Uganda mobile network services industry is faced with high competition with the main mobile networks operators being MTN, UTL, Airtel the former Zain that later merged with Warid. MTN Uganda records strong growth and has reached a significant milestone in the period by reaching the ten million-subscribers mark (including fixed-line subscribers).

MTN Uganda has remained among the most brands in Uganda affinity largely driven by functional attributes such as coverage, proximity of distribution outlets and sustainability initiatives. Its new slogan, " Everywhere you go" was launched in April 2005, adding a fresh look, feel and appeal to the market and security MTN Uganda an award for best execution and activation, ([www.mtn.co.ug](http://www.mtn.co.ug)). MTN Uganda offer mobile services which range from pay as you go service, internet service, fixed line service and a department that manages its subscribers" complaint (customers' services). MTN has been able to penetrate and ever expand on its share of its market through the use of its key promotional tools. It has gone further to lay strategy of giving back to the community through charitable funds and also being the highest tax payer in Uganda. This has seen the company's client and community want to associates with it and this has led to its growth in the market, MTN newsletter (2016).

It is the philosophy of marketing based on the above objectives that MTN used to win customer loyalty and reinforcing the positive values of the brand, creating a strong citizen brand that motivated this study. It creates new challenges for the marketer of the 21st century, in terms of invention and development of products to add long-term benefits without reducing the product's desirable qualities.

In serving its clientele and community, MTN-Uganda seeks to achieve this by pursuing key ethical marketing practices. This is embedded in the ethical policy objectives that were the focus of this study including:

- i. To provide products and services to the market at fair prices and standards of service
- ii. To build a sales force and marketing system with high degree of integrity
- iii. To provide green and ethical advertising that ensures environmental responsibility and customer satisfaction

It was based on the guide of marketing practices by these policy objectives that the study sought to examine how ethical marketing has impacted on customer satisfaction in MTN Uganda.

## **1.2 Statement of the Problem**

The existence of more than four companies in the Telecommunications industry in Uganda has brought about competition where each company wants to secure and protect its market share. This therefore has prompted them to use different marketing strategies tools in an attempt to increase sales revenue. These companies' continued reliance on different marketing strategies stem from the fact that while it is easier to assess the short term efforts of marketing. MTN Uganda like any other company has engaged in marketing strategies like applying fair pricing, promoting standard products and services, preaching honesty and integrity for example in mobile money where you do not have to pay money to the agent for depositing so as to remain successful in an ever increasing competitive business environment. Despite of heavy investment in marketing MTN has not achieved its targeted sales performance, for example the targeted sales of 2017 were 50 Billion and the actual sales was 44.87 Billion which indicated a deficiency in the actual sales (MTN Performance Report, 2017). This may be attributed to the company's marketers who have often been accused of certain vices such as employing dubious means to sell products that people do not need. They are also accused of embarking on misleading and untruthful advertising, exaggerating products benefits and promotional activities that have seen the company lose its market share among the public to Airtel the smart phone network. The loss of the market share may be attributed to customer dissatisfaction as well as the challenges of brand proliferation, brand obsolescence, sales of fake and inferior products since buyers are always selective in their choice of alternative expenditures. While no corporate organization and

individual marketer would accept these unethical behavior to be deliberate, it has cost the company lots of monies in lost sales. It is against this background that a study was necessary to examine the relationship between ethical marketing and customer satisfaction in the telecommunications industry of Uganda.

### **1.3 Purpose of the Study**

The purpose of the study was to examine the relationship between ethical marketing and customer satisfaction in the telecommunications industry in Uganda with focus on MTN Uganda.

### **1.4 Study Objectives**

The study was guided by the following objectives;

1. To establish how ethical pricing influences customer satisfaction in MTN Uganda.
2. To examine the relationship between the integrity of marketers and customer satisfaction in MTN Uganda.
3. To establish the extent to which ethical advertisement affects customer satisfaction in MTN Uganda.

### **1.5 Research Questions**

1. What is the influence of ethical pricing on customer satisfaction in MTN Uganda?
2. What is the relationship between the integrity of marketers and customer satisfaction in MTN Uganda?
3. To what extent has ethical advertisement affected customer satisfaction in MTN Uganda?

### **1.6 Hypotheses**

**H<sub>0</sub>1:** There is no significant relationship between ethical pricing and customer satisfaction in MTN Uganda.

**H<sub>1</sub>1:** There is a significant relationship between ethical pricing and customer satisfaction in MTN in Uganda.

**H<sub>0</sub>2:** There is no significant relationship between integrity of marketers and customer satisfaction in MTN Uganda.

**H<sub>12</sub>:** There is a significant relationship between integrity of marketers and customer satisfaction in MTN in Uganda.

**H<sub>03</sub>:** There is no significant relationship between ethical advertisement and customer satisfaction in MTN Uganda.

**H<sub>13</sub>:** There is a significant relationship between ethical advertisement and customer satisfaction in MTN in Uganda.

## **1.7 Scope of the Study**

The limits within which the study was conducted and defined by the subject matter, geographical, and the time scope. The following were identified by the researcher as the limits within which the study was confined.

### **1.7.1 Content Scope**

Principally, the study examined the effects of ethical marketing and customer satisfaction in telecommunications companies with specific focus on determining the impact of ethical pricing on customer satisfaction; examining the effect of the integrity of marketers on customer satisfaction; and determining the extent to which ethical advertisement affects customer satisfaction so as to find out whether product and service quality, price, personal and situational factors based upon the level of service quality provided by the service provider were met.

### **1.7.2 Geographical Scope**

The study covered the staff of MTN (U) and the customers in Kampala city. The study was done in MTN (U) Headquarters Office located on MTN Tower in Kampala and other randomly selected MTN outlets in Kampala city.

### **1.7.3 Time Scope**

In respect of the study, the time scope focused on the period 2013 to 2017, which noted inadequacies in marketing operations and increased customer dissatisfaction by MTN Uganda. The research took a period of six months to complete that is from January 2017- July 2017.

## **1.8 Significance of the Study**

The study is a source of literature to other scholars who will be researching on a related topic.

### **MTN Uganda Ltd.**

In selecting this particular field of study, the research was influenced by interest and desire to study, identify, examine and analyze the issues with ethical marketing and problems of customer satisfaction in this competitive and global economy, the research benefits MTN Uganda by helping it to understand how ethical marketing strategies can aid it in improving sales and how it can have a positive impact on their brand and their company as a whole through increasing customer satisfaction.

### **Policy makers;**

This study of ethical marketing and problems of customer satisfaction in MTN provided ideas about ways and means through which such issues and problems could be handled appropriately.

### **Researchers**

The researcher hoped that those who will read this will make inputs in view of their experience, knowledge and skills in regards to their respective organizational settings to add their views maturely

### **MTN clients**

The study benefits the general public by helping them understand the ethical nature of MTN Uganda's promotional tools being so as to maintain a base of satisfied customers.

## **1.9 Setting of the study**

MTN headquarters are Located at 22 Hannington Road on Nakasero Hill in the Kampala Central Division, MTN Uganda is the largest telecom company in Uganda, with 11.2 million subscribers, accounting for 55 percent market share, as of 30 June 2017. MTN Uganda is a subsidiary of MTN Group, a multinational telecommunications group connecting approximately 232 million people in 22 countries across Africa and the Middle East. In 2009, MTN Uganda introduced its mobile telephone-based banking product known as Mobile Money. As of March 2015, MTN controlled 80 percent of the mobile money market in the country.

## **1.10 Organization of the research**

The study is arranged in eight chapters:

Chapter One; This chapter explains the introduction, general background to the study, statement of the problem, objectives of the research, research questions, scope and significance of the study.

Chapter Two; This presents the study literature that has been surveyed to justify the current study and literature that has been reviewed to design a model for the current study.

Chapter Three; This chapter shows the methodology that was employed to carry out the study including research designing population of the study, sampling methods and techniques, sample size data collection procedures and instruments, data processing, data analysis and ethical considerations.

Chapter Four; This chapter is the analysis and presentation of the field findings on the influence of ethical pricing and product standards on customer satisfaction.

Chapter Five; This chapter presents the analysis and presentation of the field findings on the relationship between the integrity of marketers and customer satisfaction.

Chapter Six; This chapter presents the analysis and presentation of the field findings on the extent to which ethical advertisement affects customer satisfaction

Chapter Seven; This chapter involves the harmonization and discussion of the findings on ethical marketing and customer satisfaction in MTN-Uganda.

Chapter Eight: This chapter presents the summary of the study, the conclusions drawn from the findings, recommendations and the areas for further research.



## **CHAPTER TWO**

### **STUDY LITERATURE**

#### **2.1 Introduction**

This chapter looks at literature survey and reviews the various literatures on ethical marketing. It specifically captures the impact of ethical pricing and product standards on customer satisfaction; the effect of the integrity of marketers on customer satisfaction; and the extent to which ethical advertisement affects customer satisfaction from authentic sources. The purpose of literature survey was to explore what others have covered on the same problem, gaps left and how the current study filled those gaps. The chapter also presents the conceptual framework that was conceptualized in this study.

#### **2.2 Literature Survey**

Kasirye (2012) explored corporate ethical values and organizational commitment in marketing, a case study of manufacturing companies in Uganda. The objectives of the study were to: examine the corporate ethical values employed by manufacturing companies, to establish the component of corporate culture in manufacturing firms; and to examine the relationship between corporate ethical values and organizational commitment in marketing. Using a cross-sectional survey design employing both qualitative and quantitative approaches, data was collected from management, marketers and randomly selected customers of Mukwano group of Industries using self-administered questionnaires and interviews. The study results provided strong evidence of a positive association between corporate ethical values and organizational commitment in marketing. The search for efficiency, productivity, and success constitutes a core dimension of the discipline of management in general and marketing management in particular. The research indicated that corporate ethical values may be a key ingredient for success. Companies that promote high ethical values in their organizations may find themselves richer in loyal talent than ones that ignore or abjure such values. This study did not address the effects ethical marketing in the telecommunications industry. This gap was therefore addressed by looking at ethical pricing and customer satisfaction at MTN Uganda.

Mutaawe (2010) researched on "Ethics in Marketing in Telecommunications companies: sex sells, but should it?") using a case study of Airtel Uganda. The author discussed the unethical use of sex appeals in Marketing Telecommunications. The study also examined (1) if sex actually sells and if so, when and where is it being used in advertising, (2) the use of men and women in ads of a sexual nature, and (3) the role that ethics plays in the use of sexual appeals in advertising. Using a case study design involving qualitative and quantitative methods of data collection, the study revealed the usage of sex appeal in advertising and its effectiveness in selling desired products. Sex does catch people's attention in advertisements, but usually without much brand recognition. Women have been the primary focus in sexual advertising in the past and present advertising, but men are starting to be used more often as the sex object in advertisements. Ethics was found to play a definite role. There is no clear view of what is ethical and what is unethical when it comes to advertising, but with careful consideration and planning, it is possible for advertisers to find a common ground and use sexual appeals without offending people in the process. Sex appeal does not always lead to brand remembrance, but rather using sexual appeals in social marketing, will prove to be a better fit and will work better to send a message. Sex is used everywhere in advertising including print ads, commercials, and on the Internet. Sexual advertisements are mainly targeted at younger groups that have a different, more open view of sex.

The role that ethics plays in using sexual appeals in advertising is that there is a fine line between what people think is acceptable and what they think is unacceptable. This study though looked at telecommunications companies did not bring out the effect of ethical advertising on customer satisfaction, little or no attention seems to be given to the natural law, to the people values and beliefs, mainly with the consumer market although it tries to explain the ethical issues that abound in the use of sexual advertisement in creating customer awareness which is a component of customer satisfaction that the current study sought to fill.

### **2.3 Theoretical review**

Several models investigating ethical sales behavior have tackled the issue from the perspective of the seller and the seller's company. These models are based on the theory of reasoned action

(TRA) and its later reincarnation, the theory of planned behavior (TPB) (Azjen, 1985; Azjen & Fishbein, 1980).

The expectancy disconfirmation model by Oliver (1980) model posits that customers approach a retail interaction with preformed expectations including definite ethical expectations, consisting of an implied moral standard for the behavior of service providers. That is, a customer will consider the behavior of a service provider as ethical if it meets or exceeds the moral/ethical norms that are expected by that customer relative to the particular retail environment in question. If the customer's ethical expectation is supported and reinforced, then it will positively affect the customer's overall satisfaction with the transaction. If not, the customer's overall satisfaction will likely be negative. This model points out that a customer is satisfied if performance exceeds expectations and dissatisfied if performance falls short of expectations (Oliver, 1980). This model if used by MTN Uganda can improve the customer satisfaction arising out of behavior of a service provider relative to the company's retail environment

The interpersonal equity theory by Cronin and Taylor (1994) examines perceptions of interpersonal equity and its impact on satisfaction. The theory shows that if customers believe that the seller treated them fairly and if expectations for the service encounter are met or exceeded, then customers will experience satisfaction. If, on the other hand, customers believe that the seller treated them unfairly and if expectations are not met, then they will be dissatisfied. If customer satisfaction is viewed as a judgment based on a specific service encounter, then service providers must meet or exceed expectations of ethical treatment. If customers perceive that they are treated unfairly, they are likely to be dissatisfied with the service encounter. Similarly, the arguments that have been applied to satisfaction may also be applied to ethical assessments. The customer's ethical assessment of the service provider will be positive if the service provider exceeds the customer's ethical expectations and will be negative if the service provider falls short of these same ethical expectations. From this, the following hypotheses regarding ethical cues are postulated. This theory looks at the individual encounters as well as exceeding of customers' ethical expectations which provide a level of which customer satisfaction can be measured by MTN Uganda to improve on its customers' satisfaction.

The Integrative Social Contract Theory (ISCT) by Dunfee, Smith and Ross (1999) links the decision-making process, multiple communities and ethical judgments based on the dominant legitimate norms. This framework can be used by marketers who frequently engage in difficult relationships and cross-cultural activities as it emphasizes the exchange relationship between the firm and its stakeholders, including the right to exist and even prosper in society. This theory can be used to bridge the gap between intended actions and source of trust in marketing ethics of MTN because it explores the individual, organizational and situational factors that lead people to behave ethically or unethically and that ethical sales behavior from the perspective of the customer is a relevant starting point and when used effectively results in trust, repeated sales and hence customer satisfaction.

## **2.4 Literature Review**

This section looks at literature review. According to Olitoquit (2008), literature review is the evaluation or examination of written works or published writings in a particular style on a particular subject. Literature review involved the examination of related works in order to establish the research gap.

### **2.4.1 The concept of Ethical Marketing**

Ethical marketing refers to the application of marketing ethics into the marketing process. It refers to the philosophical examination, from a moral standpoint, of particular marketing issues that are matters of moral judgment. Ethical marketing is intended to consider the philosophy of human conduct, with an emphasis on the determination of right and wrong in marketing by looking at rules (standards, principles) governing the conduct of organizational members and the consequences of marketing decisions (Ferrell, 2005). Therefore, ethical marketing from a normative perspective approach focuses on “practices that emphasize transparent, trustworthy, and responsible personal and organizational marketing policies and actions that exhibit integrity as well as fairness to consumers and other stakeholders” (Murphy, Laczniak, Bowie and Klein, 2005). Ethical marketing generally results in a more socially responsible and culturally sensitive business community. The establishment of marketing ethics has the potential to benefit society as a whole, both in the short- and long-term. Ethical marketing should be part of business ethics in the sense that marketing forms a significant part of any business model. Marketing ethics focuses on principles and standards that define acceptable marketing conduct but we must emphasize

that, today, marketing ethics goes beyond legal, regulatory and marketing issues which help build long-term marketing relationships.

Ethical Marketing should be considered from an individual and organizational perspective. From the individual perspective personal values and moral philosophies are the key to ethical decisions in marketing. Honesty, fairness, responsibility, and citizenship are assumed to be values that can guide complex marketing decisions in the context of an organization. From an organizational perspective, organizational value, codes, and training is necessary to provide consistent and shared approaches to making ethical decisions (Ferrell and Ferrell, 2005). Accordingly, in marketing exchanges the relationship between a customer and an organization exists because of mutual expectations built on trust, good faith, and fair dealing in their interaction (Ferrell, 2004). However, marketing ethics also requires avoiding the unintended consequences of marketing activities by taking to consideration the stakeholders and their relevant interests and the society (Fry and Polonsky, 2004).

Market orientation is one of the key variables in the implementation of marketing strategies (Homburg, Krohmer, and Workman, 2004). Unfortunately, the market orientation mostly elevates the interests of one stakeholder; the customer (Ferrell, 2004). But, a new direction should include all stakeholders. There is an evolving concern that organizations must also focus on the important communities and groups that hold the firm accountable for its actions. This approach is also captured in the new definition of marketing developed by the American Marketing Association (2013) stating that “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”. This definition emphasizes the importance of delivering value and the responsibility of marketers to be able to create meaningful relationships that provide benefits to the society at large. This multiple stakeholder approach takes in consideration the whole society. As a result, organizations are now under pressure to demonstrate initiatives that take a balanced perspective on stakeholder interests (Maignan, Ferrell, and Ferrell, 2005).

### **2.4.2 Ethical Pricing**

Agbonifoh, *et al.*, (2007) pointed out different areas in Product, Price, Promotion and Distribution in which there are perceived inadequacies in relation to ethical issues in marketing. The price of a product or service plays a large part in how well it sells. Producers and retailers practice ethical pricing strategies to earn profits without defrauding competitors or consumers. Despite that, competitor's prices, convenience, availability and other factors affect consumer impressions of fair pricing. Business laws protect competitors and consumers from many unethical pricing strategies that unscrupulous marketers may wish to attempt (Schiffman and Karun 2004). The unethical practice here among others include; profiteering, lack of credit sales, price discrimination, official recommended prices, prescribed and government controlled prices.

Producers sell products at wholesale costs that pay for the labor, materials and overhead to make the products with a reasonable margin of profit. Retailers commonly mark up the price to two or three times the wholesale cost to pay for employees and overhead with a considerable profit margin for the company and its shareholders. At times retailers cut prices to stimulate sales of particular products or to sell large quantities of popular products as noted by Fornell (1992). Here trade laws bind companies' advertising price comparisons. A car dealer who claims to sell for thousands less than competitors has to be able to produce documentation of that competitor's prices and their own to prove it. Advertisers publishing an inexpensive product when there is not much inventory of the product are often using the illegal bait-and-switch scheme with a large inventory of a similar product at a much higher price.

At times firms cut prices to sell off outdated stock or to make way for a new line of products. Some vendors set prices very low for new products to introduce them to the market and inspire customers to try them. These are both legal and ethical pricing strategies. A company uses unethical pricing cuts to squash the sales of competitors by selling the same products for lower prices. Federal laws protect competitors from undercutting. Also a monopoly exists when there is only one source of a particular product. For example, Federal antitrust laws protect competition in the marketplace by outlawing monopolies. The American Telephone and Telegraph Corporation (AT&T) was a communications monopoly (Brock, 1981). The government divided the company up in 1982, which gave rise to new competing phone companies. It is also illegal to

fix prices or divide markets among competitors to undermine competition. An assumed monopoly exists when one firm sets pricing for the whole market (Fombrun and Shanley, 1990).

Abbinandan and Ashok (2011) point out that the unethical practice by marketers emphasized here among others include brand proliferation, a situation whereby a single manufacturer may have multiple brands of the same product without any clear indication of the difference among them, beer, soft drinks, battery, toilet soap, drug and newspapers industries are victims of brand proliferation. Cowell (2004), notes that brand obsolescence is another aspect of product perceived inadequacies. This is a situation whereby new versions of products are introduced to replace existing products, thereby rendering earlier versions outmoded. This is to discourage repeat purchase. The point of criticism according to them is that it is a waste of the consumers and society scarce resources, particularly if new models are not superior to those which are intended to replace. The sale of fake, inferior and unsafe products is another area of unethical marketing practice. Distribution channels may be too lengthy and this unnecessarily increases the price which the consumer has to pay for goods. Since each middleman adds his mark up, the cumulative effect on the final price is often substantial.

### **2.4.3 Integrity of marketing personnel**

Graeme *et al.*, (2008) emphasized that there are a number of frameworks that the individuals could employ to help ensure that marketing decisions they are concerned with are ethical. This they referred to as the moral reasoning of the individual. According to them, there are three stages that an individual could possibly progress through in terms of their cognitive moral development that is the Pre-Conventional, Conventional, and the Post-Conventional Stage.

At this stage, an individual perceives rules to be external in nature and imposed by an external force. Decisions are therefore made in terms of the rewards or punishments that the individual may receive as a result. Within this stage, there are two sub-divisions: (1) Obedience and Punishment Orientation; At this level, an individual will abide by the normal standards of behaviour in order to avoid punishment. An individual at this level will therefore comply with management instructions without questions; (2) Instrumental Purpose and Exchange: An individual at this level will make decision based on rewards that might be in terms of potential increases in salary, promotion or other aspects of status (Fornell, 1992).

Fry and Polonsky (2004) point out that at this stage an individual will act in accordance with the norms and expectation of society or particular social groups to which they belong. It is influenced by the immediate and social environment within which they find themselves. There are within this stage two sub-divisions: (1). Interpersonal Accord, Conformity, Mutual Expectation: Individuals at this level will act in accordance with the norms and expectations of these social groups close to them, such as family, friends or work colleagues. This is done in order to be socially accepted by the group not because they perceive the group norms and expectations as ethically correct. In this situation an individual may decide not to contradict managers in their organizations because they may lose the social approval of their superior and other colleagues; (2). Social Accord and System Maintenance: At this level the individual perspective takes into consideration wider society. Moral decisions are seen in terms of abiding by rules and regulation because this is of benefit to both themselves and the wider society. At an organizational level, individuals at this stage could follow the company's rules and procedures but they may also refer to their professional body's code of practice or the wider society's institutional laws and regulations.

Abbinandan and Ashok (2011) note that at this stage, individuals will reflect upon and question the moral principles to which they adhere. There are also two sub-divisions: (1). Social Contract and Individual Rights: At this level an individual while generally following the social rules and regulations of society, may begin to challenge aspects of them and consider whether laws should be changed to the benefit of everyone; (2). Within an Organisational Context: Individual at this level may begin to challenge and suggest changes to the company's policies and decisions.

At this level, the individual makes moral decision based on universal principles. They are likely to take a principled stand on an issue, mainly seen in terms of justice, where they feel an unethical decision has been made in the face of potentially adverse social consequences to them as an individual. From the above, it is clear that the social dynamic within an organisation can impinge on the ability of individuals to evaluate their integrity or ethics of a course of action. If the senior management of an organization does not consciously try and develop a company culture that encourages open ethical debate, then the majority of staff will go along with their decisions without challenging them (Solomon, 1993). If staff are given training in ethics then the



individuals concerned may just adhere to whatever is advocate stance by that training rather than being prepared to challenge any dominate perspective.

#### **2.4.4 Ethical Advertising**

Promotion of policies have got to do with misleading and untruthful advertising. Promotional activities appear to clash with public interest in cases where they protect our physical environment, corrupt our values. More so, benefits of some products and services in advert are exaggerated more than the actual. Some promotional activities also lead to moral decadence in our youths (Graeme *et al.*, 2008).

In Ferrell, *et al.*, (2013), the organizational environments and inter organizational network potentially influence the unethical and ethical behavior of advertising decision makers. Ethics is considered as a platform on which individuals and organizations make their daily decisions. So these "decisions" (variable) either ethical or unethical have impact on consumer lifestyles, quality of life and general public welfare. Mostly advertiser's success is determined by the decisions. So as the firm grows more complex and more decentralized, performance is measured quantitatively rather than qualitatively so a pressure is manifested not only within the organization but also in the inter-organizational relationships' between advertising agencies and their corporate clients. So most advertising for corporations are made by the advertising agency and therefore the advertising agency determines the content of advertising therefore the inter-organizational link between the advertising agencies and their corporate clients appears to be important in the development of ethical practices for both the corporation and the agency as corporations apply "commercial pressure" (variable) on these agencies, the advertising agency is placed between the public and corporate clients" demand for performance.

Shaver, (2003) conceptualizes advertising ethics theory based on a distinction between philosophical and occupational "ethical systems" and the assumption that the fundamental goal of occupational ethics is to address the imbalance of power between the practitioner group and the community or communities they serve through practices that cultivate a relationship of trust. In other words, companies advertise based on principles of ethical conduct and highlights rules and regulations regarding ethical decision making. So legal system ensures that the ethical codes

of advertising are followed or not and if the system is corrupt then obviously the advertising will be unethical.

Nairn (2003) explores personality segmentation, and presents empirical evidence to support the proposition that personality metrics are used to assign individuals to segments who in fact, are manipulatable by advertising executions themselves. Quite apart from the implications that this has for the business efficacy of the segmentation process, the ethical implications particularly as applied to children - are considerable. The advertisers due to lack of segment research fails to identify the correct target market for the advert to be presented therefore if an advert is presented to incorrect personality group may be considered as unethical and this variable in the same fashion effects the satisfaction of the customer.

#### **2.4.5 Customer satisfaction**

Those who buy the goods or services provided by companies are customers. In other words, a customer is a stakeholder of an organization who provides payment in exchange for the offer provided to him by the organization with the aim of fulfilling a need and to maximise satisfaction. Sometimes the term customer and consumer are confusing. A customer can be a consumer, but a consumer may not necessarily be a customer. Another author explained this difference. I.e. a customer is the person who does the buying of the products and the consumer is the person who ultimately consumes the product (Solomon, 2009).

When a consumer/customer is contented with either the product or services it is termed satisfaction. Satisfaction can also be a person's feelings of pleasure or disappointment that results from comparing a product's perceived performance or outcome with their expectations (Kotler & Keller, 2009). As a matter of fact, satisfaction could be the pleasure derived by someone from the consumption of goods or services offered by another person or group of people; or it can be the state of being happy with a situation. Satisfaction varies from one person to another because it is utility. "One man's meal is another man's poison," an old adage stated describing utility; thus highlighting the fact that it is sometimes very difficult to satisfy everybody or to determine satisfaction among group of individuals.

Client happiness, which is a sign of customer satisfaction, is and has always been the most essential thing for any organization. Customer satisfaction is defined by one author as “the consumer’s response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption” (Tse & Wilton, 1988) hence considering satisfaction as an overall post-purchase evaluation by the consumer” (Fornell, 1992). Some authors stated that there is no specific definition of customer satisfaction, and after their studies of several definitions they defined customer satisfaction as “customer satisfaction is identified by a response (cognitive or affective) that pertains to a particular focus (i.e. a purchase experience and/or the associated product) and occurs at a certain time (i.e. post-purchase, post-consumption)”, (Giese and Cote, 2000).

This definition by Giese and Cote (2000) is supported by some other authors, who think that consumer’s level of satisfaction is determined by his or her cumulative experience at the point of contact with the supplier (Sureshchander *et al.*, 2002, p. 364). It is factual that, there is no specific definition of customer satisfaction since as the years passes, different authors come up with different definitions. Customer satisfaction has also been defined by another author as the extent to which a product’s perceived performance matches a buyer’s expectations (Kotler *et al.*, 2002, p. 8). According to Schiffman & Karun (2004) Customer satisfaction is defined as “the individual’s perception of the performance of the products or services in relation to his or her expectations” (Schiffman & Karun 2004, p. 14). In a nutshell, customer satisfaction could be the pleasure obtained from consuming an offer.

Measuring customer satisfaction could be very difficult at times because it is an attempt to measure human feelings. It was for this reason that some existing researcher presented that the simplest way to know how customers feel, and what they want is to ask them, this applied to the informal measures (Levy, 2009; NBRI, 2009). Levy (2009) in his studies, suggested three ways of measuring customer satisfaction: A survey where customer feedback can be transformed into measurable quantitative data; Focus group or informal where discussions orchestrated by a trained moderator reveal what customers think; and informal measures like reading blocs, talking directly to customers. Asking each and every customer is advantageous in as much as the company will know everyone’s feelings, and disadvantageous because the company will have to collect this information from each customer (NBRI, 2009). The National Business Research

Institute (NBRI) suggested possible dimensions that one can use in measuring customer satisfaction, e.g.: quality of service; speed of service; pricing; complaints or problems; trust in your employees; the closeness of the relationship with contacts in your firm; other types of services needed; and one's positioning in clients' minds.

There exist two conceptualizations of customer satisfaction; transaction-specific and cumulative (Andreassen, 2000). Following the transaction-specific, customer satisfaction is viewed as a post-choice evaluation judgment of a specific purchase occasion (Oliver, 1980 ) until present date, researchers have developed a rich body of literature focusing on this antecedents and consequences of this type of customer satisfaction at the individual level (Yi, 1990). Cumulative customer satisfaction is an overall evaluation based on the total purchase and consumption experiences with a product or service over time. (Fornell, 1992, Johnson & Fornell, 1991) This is more fundamental and useful than transaction specificity customer satisfaction in predicting customer subsequent behavior and firm's past, present and future performances. It is the cumulative customer satisfaction that motivates a firm's investment in customer satisfaction.

#### **2.4.6 Ethical Marketing and Customer satisfaction**

The standards of correct behavior , often established by the owner of the business, that members of the organization are expected to maintain when dealing with each other, customers, vendors and the community as a whole contributes to customer satisfaction in a way that one of the benefits of maintaining high ethical standards is increased customer satisfaction which can lead to repeat business from the customer and valuable word-of-mouth endorsements of a company to other potential customers (Roberts and Dowling, 2002). Good ethics dictates that a salesperson should help customers find the most suitable product for their needs, not necessarily the one that results in the greatest revenue or highest profit margin for the company. Customers appreciate it when sales associates take the time to find out their specific needs to treat them as individuals. Precisely meeting customer needs translates into higher customer satisfaction (Jones & Little, 2000).

Customers look to a company's sales staff, its product literature and even its website to obtain the information they require to make an informed purchase decision. They need information that helps them compare the company's products or services with alternatives offered by competitors.

Ethical companies don't make exaggerated claims about the benefits of their products or services (Black, Carnes and Richardson, 2000) or make untrue statements about competitors and their products. Customers who find they can trust the company's staff to provide reliable information are likely to come back to the company for their future needs, the quality of information provided is part of a satisfying purchase experience for customers.

A poor ethical choice on the part of a salesperson is to sell the customer something she doesn't really need. A drain and sewer cleaning service professional, for example, could tell the customer she needs expensive diagnostics done to find out where the line is clogged, when in fact he can tell it is a minor clog that he can remove in minutes (Boulding, *et al.*, 1993). The customer doesn't have the experience to determine whether she is being told the truth. She may invite a second company in to do an estimate as well and find she was being misled by the first company, which ends up losing a customer to the more honest company.

When customers are dissatisfied with a purchase, they appreciate it if the company promptly addresses their concerns and takes action to bring about customer satisfaction. In this case, high ethical standards means standing by the promises that were made, spoken or implied, when the customer made a purchase (Vergin and Qoronfleh, 1998). A restaurant patron who believes his meal was not prepared properly can be converted to a satisfied customer if the restaurant owner gives him a coupon for a discount on his next meal. It may even be a case where the restaurant owner knows the meal was prepared as it should have been. He makes the decision that keeping the customer satisfied is more important than the cost of the coupon. He stands by his promise of providing the highest-quality dining experience.

Customer satisfaction is not only derived from the customer's purchase experience with the company, but from the customer's evaluation of the company's image. A company with a poor record for environmental stewardship, for example, may lose customers who make environmental awareness a priority in their own lives. Doing more than the minimum is part of establishing and maintaining the highest ethical standards. A small business doesn't have to support local charities, for example, but customers form a more positive opinion of those who do. Corporate reputation is an intangible asset firms use to create a competitive strategic advantage to distinguish themselves. Research on marketing ethics has identified antecedents and consequences of marketing ethics on corporate reputation, to better explain how a firm may

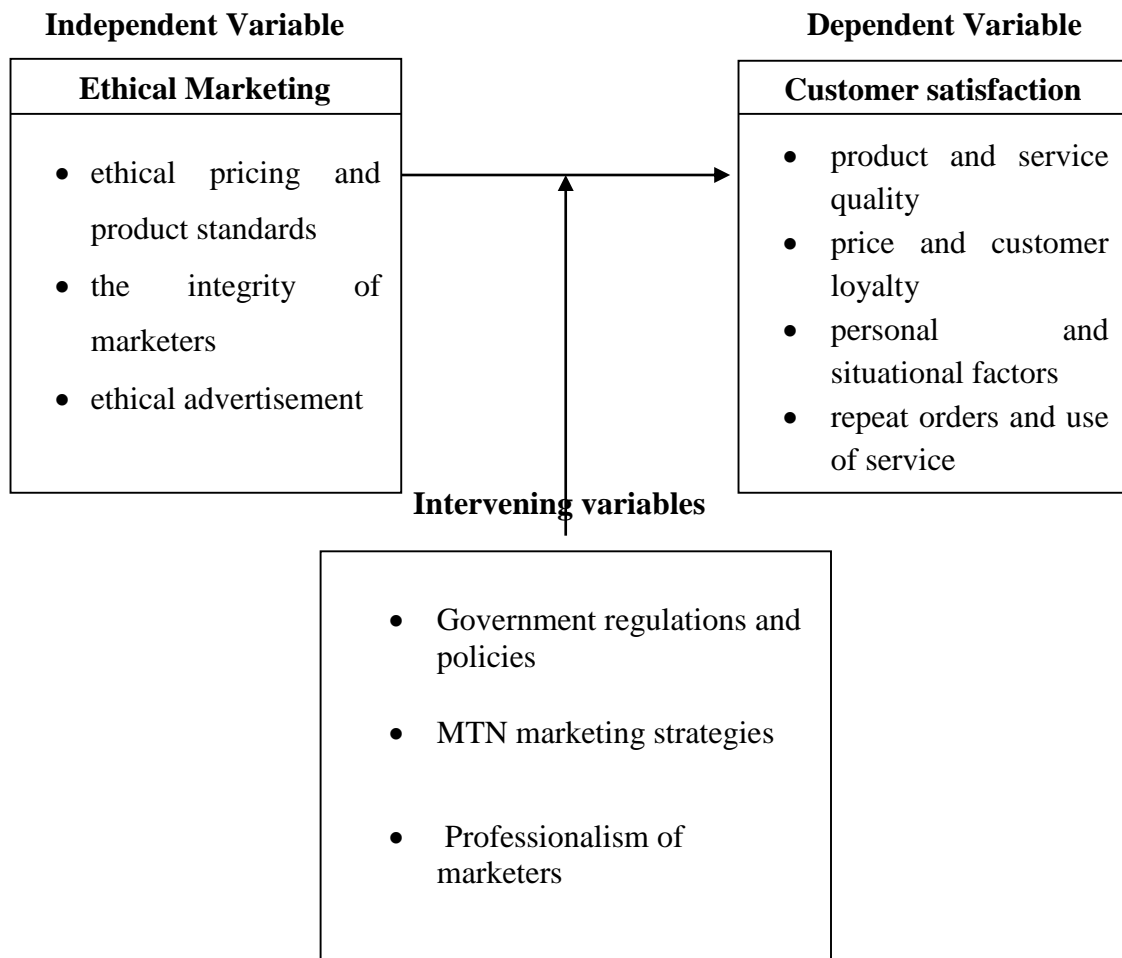
benefit (or be hindered) and best strategically position itself through its reputation. (Roberts and Dowling, 2002). The quest to identify key variables that predict reputation is important since without this knowledge, researchers cannot advise firms how they might enhance their reputation to achieve competitive advantage and increase their financial performance (Sylvia and Stanley, 2006).

Corporate reputation is a multidimensional constructs, where a firm's reputation emerges from multiple construct groups (e.g. customers, investors, employees, and the general public) and their interaction with each other (Fombrun and Stanley, 2006). These multiple constituent use various criteria, economic and non-economic to arrive at an overall general assessment and reputation of the firm of which ethical marketing is a critical variable.

In other words, ethical marketing practice is a predictor of company reputation. (Oliver and Ramamoorti, 2003). Kaplan and Norton (2004) confirmed that corporate reputation is an intangible assets when it meets the following conditions: It is valuable due to its ability to add financial value to the firm; It is rare (only some firms have it) ; It is imperfectly imitable by other organisations (Barney, 1991) ; and there are no substitutes. Firms that meet these four conditions create a sustainable competitive advantage that leads to higher long-terms financial performance. Empirical evidence confirms that favourable reputation leads to higher financial performance and a strategic advantage, such as reducing competitive rivalry and barriers to market entry. (Milgram and Robert, 1982), charging premium prices (Benjamin and Polodny, 1999) creating greater stability in stock prices (Vergin and Qoronfleh, 1998), reducing operating cost and attracting talent to a firm (Fombrun, 1996). Firms with good reputations are more likely to sustain a superior financial performance overtime (Roberts and Dowling, 2002).

According to (Vergin and Qoronfleh, 1998), there are other research which shows that reputation has positive impact on capital gain. Reputation has positive impact on stock market (Jones and Little, 2000) and market value (Black, Carnes and Richardson, 2000). Roberts and Dowling (2002) stressed that corporate reputation contributes significantly towards firm profitability. They stressed further that corporate reputation is an important intangible resource that enhances a firm's ability to gain a competitive advantage and achieve higher financial performance.

**2.5 Conceptual Frame work for Ethical Marketing and Customer Satisfaction.**



**Figure 1 conceptual frame work**

**Source:** Model adapted from Ethics Resource Centre (2016) and Cowell (2004)

The conceptual frame work adopted in the study was developed basing on the rationale of not only the integrative social contract theory that looks at relationship between the component parts of ethical marketing that lead people to behave ethically or unethically and that ethical sales behavior from the perspective of the customer is perceived by the customers as ethical behavior resulting in trust, commitment, loyalty and thus customer satisfaction.

Ethical Marketing, the independent variable is conceptualized in this study involving ethical pricing and product standards, the integrity of marketers and ethical advertisement as its constructs. Customer satisfaction is considered as the dependent variable with product and

service quality; price and customer loyalty; personal and situational factors; and repeat orders and use of service as its inherent constructs. This model indicates that Customer satisfaction depends on Ethical Marketing. The model recognizes that there are moderating variables that intervene in the relationship between ethical marketing and customer satisfaction such as the presence of government regulations and Policies, MTN marketing strategies, professionalism of marketers and the clients of MTN.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This section provides the description of how the study was conducted. It brings out the research design, target population, sampling design and size, data collection instruments, data analysis and interpretation tools and limitations of the study.

#### **3.2 Research Design**

Research design is design is composed of the research approach, research strategy and classification. It shows the methods and tools that were used to achieve the objectives of the study.

##### **3.2.1 Research approach**

This study employed a phenomenological approach. The phenomenological approach refers to a method of inquiry into what people experience in regard to some phenomenon or other and how they interpret those experiences. In this study, the researcher attempted to understand MTN Uganda's staff's perceptions, perspectives and understandings of the nature of ethical marketing in MTN Uganda. By looking at multiple perspectives of the same situation, the researcher was able to make some generalisations of what ethical marketing is like as an experience from the 'MTN Uganda staffs' perspective.

##### **3.2.2 Research strategy**

A research strategy is the general plan of how the researcher is to go about answering the research questions. The study employed a case study strategy and was cross sectional in nature. The case study involved the researcher developing a detailed knowledge about MTN Uganda as a single case. This helped the researcher to gain a rich understanding of the issues involved in Ethical marketing and customer satisfaction in MTN Uganda. It was cross sectional because it drew information from different subjects across the organization in a single point in time.

### 3.2.3 Research Classification

This research study was classified as a mixed methods study. This is because it used both qualitative and quantitative methods to explain the accurate profile of how ethical pricing and product standards have influenced customer satisfaction, the relationship between the integrity of marketers and customer satisfaction, the extent to which ethical advertisement affects customer satisfaction in MTN Uganda. The explanatory approach was used to establish causal relationship between variables. It was longitudinal because some of the data is existing. It was analytical because it appraised the role of ethical marketing in customer satisfaction.

### 3.3 Study Population

The target population consisted of the entire staff of MTN Uganda Headquarters 190 staff according to (MTN Uganda, 2017) and 30 customers (MTN's retailers). The employees are stratified into five categories as indicated in the Table 3.1

**Table 3. 1: Composition of the study population**

<b>Management Level</b>	<b>Number</b>
Top Management	17
Marketing	66
Sales	82
Human Resource	25
Customers (MTN Retailers)	30
<b>Total</b>	<b>220</b>

*Source: MTN Uganda, Staff list (MTN, 2017)*

### 3.4 Sample Size

A sample is a fraction of a population having homogeneous characteristics considered for a study (Amin, 2005). The study used a sample because of the inability of the researcher to reach the whole population of MTN besides the constraint of time and resources available for the study.

The sample size representative of the MTN staff and this study is 140 it is determine based on the (KREJCIE AND MORGAN 1970 )

The study focused on a population of 200 employees who are located in the categories of lower to senior management level and are located at the MTN Headquarters and some staff from MTN outlets in Kampala because the researcher believed that they will provide a representative sample of the study.

The target population was the staff of MTN Uganda totaling to 200 from which 59% of the staff of MTN Uganda were considered for the study i.e.112. These were added to 28 customers to get a sample of 140 respondents.

**Table 3. 2: Sample size and selection**

Category	Population	Sample	Sampling Technique
Top Management	17	8	Purposive
Marketing	66	42	Simple Random
Sales	82	40	Simple Random
Human Resource	25	22	Simple Random
Customers	30	28	Simple Random
<b>Total</b>	<b>220</b>	<b>140</b>	

*Source: MTN Uganda, Staff list (MTN, 2017)*

### **3.5 Sampling procedures**

These refer to processes that were used in selecting the sample from which inferences about the population are to be drawn. The sampling method that was used was the purposive and random sampling (Amin, 2005).

#### **3.5.1 Sampling Methods**

The sampling methods included probability and non-probability sampling. Under the non-probability sampling methods, purposive sampling was carried out on top management.

Probability sampling involved the use of simple random sampling for persons from the Marketing sales, human resource, and customers.

#### **3.5.2 Sampling Techniques**

The sampling techniques included purposive sampling and random sampling techniques. Purposive sampling according to Amin (2005), refers to a non-random selection of participants on purpose. The variables to which the sample is drawn up are linked to the research question. The reasons for adopting purposive sampling technique for management are as follows: technique is used in cases that have required information with respect to the objectives of this study; the technique specifies the criteria for choosing the particular case of study i.e. a certain range of age range, religious sector or education level.

According to Amin (2005) random sampling is a random selection of participants with all having an equal chance of participating. Random sampling was carried out for other employees and receptionists because this provides the available respondents equal chance of being selected. The reasons for adopting random sampling technique for other employees and receptionists are as follows: Sample results are objective and inferences based on them are valid; the sampling error involved in the estimation of the population characteristics could be estimated and also controlled

### 3.6 Response rate

A total of 140 questionnaires were distributed and 110 Questionnaires were returned giving an overall response rate of 78.6 %, which is internationally acceptable since it's above the 50% rate (Mugenda and Mugenda, 1999).

**Table 3. 3: Response rate of the respondents**

<b>Response Rate</b>		<b>Percentage</b>
<b>Questionnaires returned</b>	110	78.6
<b>Questionnaires not returned</b>	30	21.4
<b>Total</b>	<b>140</b>	<b>100</b>

**Source:** Primary data, 2018

The results in table 3.3 show a good response rate because out of a sample size of 140 respondents selected for the study; above 50% completed the research instrument implying a response rate of 78.6%. This showed that the data was reliable since it was collected from a reasonable number of respondents in relation to the target population (Mugenda and Mugenda, 1999).

#### 3.6.1 Demographic characteristics of respondents

The demographic characteristics of the respondents included Age, Gender, level of education, and Length of service in MTN Uganda Limited. The computed demographics of respondents were assumed very vital by the researcher to the study because these characteristics for example age is important because its represents the experience of the respondents who have worked in various capacities. Education gives a picture of how knowledgeable the respondents were in regard to the study variables.

### 3.6.1.1 Age

Respondents were also asked to identify which age group they belonged to. Responses to this question are presented in table 3.4

**Table 3. 4: Age of the respondents**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid 20-30 years	32	29.1	29.1	29.1
31-40 years	41	37.3	37.3	66.4
41-50 years	21	19.1	19.1	85.5
Above 50 years	16	14.5	14.5	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 3.4, it is indicated that 37.3% were aged between 31-40 years and 29.1% were aged between 20-30 years. This can be interpreted to mean that this age is the most considered group which MTN Uganda Ltd employed in its operations and this age group had a bearing on the ethical marketing practices of the company because most people in this age group were busy starting up a family and were prone to act contrary to ethical marketing due to the responsibilities they had.

### 3.5.1.1 Gender of the respondents

Respondents were asked which gender they belonged to. Responses to this question are presented in table 3.5

**Table 3. 5: Gender**

		<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid	Male	64	58.2	58.2
	Female	46	41.8	100.0
	<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 3.5, results indicate that majority of the respondents that is 58.2% belonged to the male gender while the minority that is 41.8% belonged to the female gender. This can be interpreted to mean that most of marketing activities in MTN Uganda Ltd were performed by the males. Having males as the majority in marketing activities meant that men would take greater risks compared to women to carry out unethical marketing because they were faced with providing for their families.

### **3.5.1.3 Highest Level of education**

Respondents were asked to identify their highest levels of education. Responses to this question are presented in table 3.6

**Table 3. 6: Level of education**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Ordinary Level	0	0	0
Advanced Level	15	13.6	13.6
Undergraduate Diploma	19	17.3	30.9
First Degree	43	39.1	70.0
Masters Degree	29	26.4	96.4
Others, specify	4	3.6	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 3.6, it is indicated that majority of the respondents had degrees and masters represented by 39.1% and 26.4% respectively. This can be interpreted to mean that majority of the respondents at the company had degree qualifications in different academic fields. This also means that they have knowledge about the study variables.

### **3.6.1.6 Length of service in MTN Uganda Limited**

Respondents were also asked to identify the period which they had served in the company. Responses to this question are presented in table 3.7



**Table 3. 7:** Number of years served in MTN Uganda Limited

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Less than a year	21	19.1	19.1
1-4 years	38	34.5	53.6
Valid 5-7 years	42	38.2	91.8
Above 7 years	9	8.2	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 3.7, results indicate that 34.5% had served for a period between 1-4 years and 38.2% had served for a period between 5-7 years. This can be interpreted to mean that these individuals are presumed to have more working experience and knowledge about how ethical marketing can influence customer satisfaction and hence provide relevant and reliable information.

### **3.7 Types of data**

The study collected both primary and secondary data. Primary data was elicited directly from respondents using interviews, and from the questionnaires from the case study respectively. The questionnaires were administered to 140 respondents. The questionnaires were administered by the researcher to the respondents. The qualitative techniques for data collection were in the format of interviews and the quantitative methods were semi structured questionnaires that were administered to the respondents. Related literature from journals, records from publications, text books and internet formed major sources of secondary data. The researcher looked at the journals and publications in the different libraries having information on the variables in the study which were used to enrich the study

### **3.8 Data collection methods**

The researcher collected data from more than one data collection method which included interviews, survey and documentary reviews

### **3.8.1 Interview Method**

The interview is a face to face session with the respondent where questions are put to the respondents who are free to answer according to the way they perceive the questions (Burns, 2000). The researcher used interviews through individual discussions with the selected members to represent the organization because the interview allows for probing to get more detailed information

### **3.8.2 Survey Method**

The survey method involved the sampling of individual units from a population (Zygmunt, 2014). This method involved a survey data collection technique such as questionnaire and the researcher used procedures that asked one or more questions that were, or were not answered. Through the use of a semi-structured questionnaire, the survey method was used so as to produce both qualitative and quantitative information on ethical marketing and customer satisfaction.

### **3.8.3 Documentary review**

This refers to a critical study and referencing to already existing documented material on the variables of the study being conducted (Creswell, 1994). It is upon this very material that the researcher drew a threshold on the study variables and objectives to define the scope within which this study was limited.

## **3.9 Data collection instruments**

The study used a questionnaire, interview guide and documentary reviews for data collection.

### **3.9.1 Interview guide**

Interviews with the target respondents were conducted using the interview guide by meeting the marketers and asking them questions of which the researcher recorded all the responses by herself (Airat, 2014).

### **3.9.2 Self- Administered Questionnaire**

A uniform self-administered open and close-ended questionnaire encompassing background information was used. The questionnaire was scored on a Likert scale ranging from (5) for

strongly agree (4) for agree, (3) for not sure (2) for disagree (1) for strongly disagree (Ahuja, 2005). Scaled questionnaires ease the process of quantitative data analysis. This instrument was used to collect quantitative data from the respondents (management and staff).

### **3.9.3 Document review checklist**

The checklist guided the researcher to examine already collected secondary data. Literature concerning ethical marketing and customer satisfaction were reviewed from journals, text books and internet.

### **3.10 Reliability and Validity**

Reliability is the requirement that the application of a valid measuring instrument to different individuals and groups under different sets of circumstances resulted in the same conclusions (Mouton & Marais, 1990: pg 50).

#### **3.10.1 Content validity**

Pre-testing a research instrument is used to test for validity and reliability (Sekaran, 2001; Mugenda and Mugenda, 1999). Validity is the test which actually measures or is specifically related to the traits for which it was designed. It shows how adequately the instruments sample the universe of knowledge, skills, perceptions and attitudes that the respondents are expected to exhibit (Amin, 2005). In this study reliability and validity was tested through piloting and it started when the researcher drafted some questions and asked ten respondents who were excluded from the sample to comment and give suggestions. The researcher then scheduled a meeting for those interested and further looked at the questions. The questionnaire was finally pretested in the field. Validity of the instruments was determined by giving the instruments to three independent experts who evaluated the relevance of the instrument to the study objectives and rated the items on the scale of relevant (R) and irrelevant (IR). Validity was then determined by computing the Content Validity Index using the formulae below:

$$\text{CVI} = \frac{\text{Number of items regarded relevant by judges}}{\text{Total number of items}} = \frac{37}{46} = 80.4$$

This implies that the information that was collected through the questionnaire was valid to over 80%

### 3.10.2 Reliability

Reliability is the measure of the extent to which a research instrument is able to provide the same result upon being tested repeatedly (Mugenda and Mugenda, 1999). An instrument is reliable if it is repeatedly used to measure trait or concept from the same respondents even by other researchers. Here, Cronbach Alpha Coefficient of 0.8432 was computed to test the reliability of the instrument. Computation was done by the use of the statistical package for social scientists [SPSS] computer program.

**Table 3. 8: Cronbach's Alpha**

Item	Cronbach's Alpha	No. of Items
Demographic characteristics	.956	6
Section B	.872	10
Section C	.892	10
Section D	..824	10
Section E	.672	10
<b>Total</b>	<b>0.8432</b>	<b>46</b>

The Chronbach Alpha value was computed to test the reliability of the items in the questionnaire on both the independent and dependent variables and a value of 0.8432 for 46 items was generated as indicated in Table 3.7. Since the Alpha value was above the benchmark value of 0.6, it implies that the instrument was reliable at 84.3%.

### **3.11 Data collection procedure and ethical considerations**

The researcher first obtained a letter introducing her to the organization from the university which was presented to the management of MTN Uganda for approval and once this was done, the researcher arranged with the persons related to the study and printed out the questionnaire which was distributed to the respondents to fill and also carried out the interviews and recorded the responses. Ethical considerations were taken into consideration by first seeking authorization from the management of MTN Uganda. Questionnaires were structured in such a way that there was no mention of the Interviewee's name. A statement as to the strict confidentiality with which data was to be held was expressly stated in the questionnaire. Further, responding was considered optional, basically explaining the reason for replacing respondents who did not respond. Ethical considerations were also be taken care of by the researcher by briefing the respondents as to the purpose of the research, their relevance in the research process, and expectations from them.

### **3.12 Data processing and analysis**

Data from the field was edited, sorted, coded, and analyzed using Statistical Package for Social Sciences (SPSS). Particularly data was analyzed using percentages and frequency, as well looked at the relationships amongst study variables, correlation analysis was carried out. Regression analysis was carried out to establish the effect of the study variables (ethical marketing) on the dependent variable (customer satisfaction).

### **3.13 Limitations to the study**

Notwithstanding the researcher's proper preparation and well-equipment with the necessary skills, techniques and tools for a successful research study, there were some external limitations that affected the smooth flow during the study. Some of these limitations encountered during the study included the following.

The research was viewed as investigation on the procedures of an entity by many employees hence the fear that providing such information would implicate management, thus many held back the most important and reliable information. This was overcome by sharing the purpose of the research project, was open and treated the information provided with at most confidentiality and anonymity.

Subjectivity by respondents was another limitation that was faced by the researcher in this study. No matter how carefully written or tested, each survey is vulnerable to differing interpretations of the questions, thus this particular limitation was recognized in this particular study. As such, the researcher maintained objectivity and made sure data collected was not misrepresented and ensured that honesty was observed.

Some information was uncorrelated because the respondents thought it would be used for other purposes. Subject to the fear of apprehension of espionage or corporate piracy, most respondents to a certain degree lacked a free-will to discuss the topic at hand let alone giving their views and observations on the same, posing a risk of limited respondents' cooperation. However, the researcher used other methods to collect related information for the study.

## **CHAPTER FOUR**

### **ETHICAL PRICING AND CUSTOMER SATISFACTION**

#### **4.1 Introduction**

This chapter deals with the first objective of the study; to establish how ethical pricing has influenced customer satisfaction in MTN Uganda. It aimed at examining the situation at MTN Uganda Ltd with the intention of establishing whether management had endeavored to ethically price its products and services with a perspective of customer satisfaction.

It is important to note that pricing influences how customers buy its products and perceive the company's pricing in relation to other companies as ethical. The company carries out market research which lays out a road map to guide its product pricing efforts while considering the costs of production. It states a number of assumptions about the relationships and interaction among the economy, market dynamics, abilities of its sales force, its capacity to provide the proper quality and quantity of products demanded. An examination of the details of the prices and assumptions indicates that management expects the sales force to spend only so much in pursuit of the sales forecast. The details also reveal that management expects operations to produce the required amount of units within a certain cost range.

In an attempt to establish whether ethical pricing and product standards have influenced customer satisfaction in MTN Uganda, respondents were asked questions and responses are presented in the following tables.

#### **4.2 The role of price in ensuring customer satisfaction**

Respondents were asked whether the price of a product or service plays a large part in how well it sells to ensure MTN customers are satisfied. Responses to this question are presented in table 4.1

**Table 4. 1: The role of price in ensuring customer satisfaction**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Not sure	15	13.6	13.6	13.6
Agree	32	29.1	29.1	42.7
Valid Strongly agree	63	57.3	57.3	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 4.1, it is indicated that 57.3% strongly agreed and 29.1% agreed, since this is the majority it can be interpreted to mean that the price of a product or service plays a large part in how well it sells to ensure MTN customers are satisfied. Respondents stated that during the design coordination and implementation phase(s) of a product, all likely and incurred costs, from proposed to actual, are noted and the price is constructed to help ensure costs are controlled and kept in line with initial expectations. This means that under the pricing the company's products, the price of the MTN products enables the company sell more because it is a convenient price for most customers.

#### **4.3 Retailers of MTN's products and services practice ethical pricing**

Respondents were also asked whether the retailers of MTN's products and services practice ethical pricing strategies to earn profits. Responses to this question are presented in table 4.2



**Table 4. 2: Retailers of MTN’s products and services practice ethical pricing**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid Strongly disagree	18	16.4	16.4
Disagree	21	19.1	35.5
Not sure	12	10.9	46.4
Agree	36	32.7	79.1
Strongly agree	23	20.9	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 4.2, it is indicated that 53.6% agreed, since this is the majority response it can be interpreted to mean that retailers of MTN’s products and services practice ethical pricing strategies to earn profits. Respondents expressed that when ethical pricing is carried out, the company stands to gain from the quick turnover of its products and services, its value can be increased and also the company can manage associated risks of customer dissatisfaction because the customers always provide feedback to the company through the company’s market surveys. This was backed by qualitative analyses where respondents indicated that yfor prices to be made, the company involved most stake holders in the design of its pricing strategies. This means that management ensured that the pricing strategies influenced or drove customer satisfaction.

#### **4.4 MTN’s competitor's prices, convenience, availability and other factors affect the company’s consumer impressions of fair pricing**

Respondents were also asked whether MTN’s competitor's prices, convenience, availability and other factors affect the company’s consumer impressions of fair pricing. Responses are presented in table 4.3

**Table 4. 3: MTN’s competitor prices, convenience and availability**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	19	17.3	17.3
Disagree	22	20.0	37.3
Not sure	11	10.0	47.3
Agree	28	25.5	72.7
Strongly agree	30	27.3	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 4.3, it is indicated that 27.3% strongly agreed and 25.5% agreed, since this response was the majority it could be interpreted to mean that company has researched on the prices of its competitors and tried to price its products within the range the competitors sell their products and services. During the interview sessions, one respondent expressed that;

*“The pricing control system provides management with appropriate information mainly about the progress and problems associated with higher prices. The task of pricing control system is to give a fair indication of the existence and extent of customer problem with unfair pricing and through provision of appropriate and system oriented information, the company is able to fairly price its products”.*

It was concluded that MTN’s competitor's prices, convenience, availability and other factors affect the company’s consumer impressions of fair pricing

#### **4.5 MTN Retailers commonly increase the price**

Respondents were asked whether retailers in MTN commonly increase the price to two or three times the wholesale cost to earn a considerable profit margin for the company and its shareholders. Responses to this question are presented in table 4.4

**Table 4. 4: MTN Retailers commonly increase the price to stimulate sales**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid	Strongly disagree	17	15.5
	Disagree	20	33.6
	Not sure	9	41.8
	Agree	31	70.0
	Strongly agree	33	100.0
	<b>Total</b>	<b>110</b>	<b>100.0</b>

**Source:** Primary data, 2018

According to results in table 4.4, it is indicated that 30.0% strongly agreed and 28.2% agreed, since this is the majority it can be interpreted to mean that company’s prices catered for the considerable profit margin for the company and its shareholders. This was considered an unethical practice because, the customers felt the bite of the prices. This was justified by a customer who stated that “...*Look at the tax that mobile money is charging us, it is getting money from us three time, you have to pay when depositing money, withdrawing, tax for the company and being a foreign company, it does not have the heart of the local Ugandan...*”

The findings thus revealed that Retailers in MTN commonly increase the price to two or three times the wholesale cost so as to earn considerable profit margin for the company and its shareholders.

#### **4.6 MTN Retailers cut prices to stimulate sales**

Respondents were also asked whether at times retailers of MTN’s products and services cut prices to stimulate sales of particular products or popular products. Responses to this question are presented in table 4.5

**Table 4. 5: MTN retailers cut prices to stimulate sales**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	24	21.8	21.8
Disagree	21	19.1	40.9
Not sure	13	11.8	52.7
Agree	29	26.4	79.1
Strongly agree	23	20.9	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

Source: Primary data, 2018

As seen in table 4.5, it is indicated that 20.9% strongly agreed and 26.4% agreed, this response had a combined positive percentage of 47.3%, this can be interpreted to mean that at times retailers of MTN's products and services cut prices to stimulate sales of particular products or popular products. Respondents stated that at MTN Uganda Ltd., when products are about to become obsolete, we have to market them so as to reduce the costs of storage, and dispose them off. Considering that this was the action of retailers, it was not realistic to say that the organization was completely unethical. These measures were carried out by the company to control cost which ensures that the proceeds are put to good use.

#### **4.7 MTN sometimes cuts prices to sell off outdated stock**

Respondents were asked whether MTN sometimes cuts prices to sell off outdated stock or to make way for a new line of products so as to satisfy its customers. Responses to this question are presented in table 4.6

**Table 4. 6: MTN sometimes cuts prices to sell off outdated stock**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	31	28.2	28.2
Disagree	24	21.8	50.0
Not sure	10	9.1	59.1
Agree	22	20.0	79.1
Strongly agree	23	20.9	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 4.6, results indicate that 28.2% strongly disagreed and 21.8% disagreed, since this is the majority it can be interpreted to mean that MTN sometimes had price cuts to sell off outdated stock or to make way for a new line of products so as to satisfy its customers. During the interview sessions, one respondent expressed that;

*“ ...cutting the price off outdated stock is meant to recover monies put in buying the stock and also enabling those customers that did not have a chance to get the products to at least get the product, although this may not be good in practice but the customer holds the ace card in deciding what they want to purchase.. ”.*

This implies that if bringing in new products and services would satisfy most of the companies customers employing price cuts on outdated stock was done by the company to satisfy its customers.

#### **4.8 MTN’s market the same products and services under different brands**

Respondents were also asked whether designing and securing support for procedural aspects is ensured through budgets. Responses to this question are presented in table 4.7

**Table 4. 7: MTN’s markets the same products and services under different brands**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	8	7.3	7.3
Disagree	16	14.5	21.8
Not sure	14	12.7	34.5
Agree	27	24.5	59.1
Strongly agree	45	40.9	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 4.7, it is indicated that 40.9% strongly agreed and 24.5% agreed, since this is the majority it can be interpreted to mean that MTN’s marketers sometimes market the same products and services under different brands without any clear indication of the difference among them Respondents also stated that this is misleading advertisement although the company has to generate profits for its continued existence, it is an unethical practice that will produce dissatisfaction among the customers who get something different compared to their expectations. As a researcher, this untruthful marketing will result in loss of repeat purchase in the long run due to customer dissatisfaction.

#### **4.9 New versions of products are introduced to replace existing products**

Respondents were also asked whether new versions of products are introduced to replace existing products, with the aim of rendering earlier versions outmoded. Responses to this question are presented in table 4.8

**Table 4. 8: New versions of products are introduced to replace existing products**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	19	17.3	17.3
Disagree	22	20.0	37.3
Not sure	14	12.7	50.0
Agree	24	21.8	71.8
Strongly agree	31	28.2	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 4.8, results show that 28.2% strongly agreed and 21.8% agreed, since this is the majority response it can be interpreted to mean that the company brought in new versions of products to replace existing products, with the aim of rendering earlier versions outmoded. Respondents stated that since competition was also introducing newer products, the company had to stay ahead so as to gain a competitive edge and in so doing, this was viewed as unethical but it was still an innovative strategy. Using the principle of the most benefit for the most persons this action may be considered unethical by the minority but it worked for the company.

#### **4.10 Distribution channels of MTN are too far**

Respondents were also asked whether distribution channels of MTN are too far and this unnecessarily increases the price which the consumer has to pay for goods. Responses to this question are presented in table 4.9

**Table 4. 9: Distribution channels of MTN are too far**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	12	10.9	10.9
Disagree	18	16.4	27.3
Not sure	8	7.3	34.5
Agree	26	23.6	58.2
Strongly agree	46	41.8	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 4.9, it is indicated that 41.8% strongly agreed and 23.6% agreed, since this is the majority it can be interpreted to mean that distribution channels of MTN are too far and this unnecessarily increases the price which the consumer has to pay for goods. Respondents stated “...although the company had tried to penetrate the country, its service centres are few and its distribution centres far from the majority of its customers and this may sometimes create dissatisfaction among them.....of course this increases the cost of getting the products and services..”

It was concluded that this was unethical because through this, middlemen increase their mark up on the price

#### **4.11 In MTN, Advertisers publish inexpensive product brands**

Respondents were asked whether in MTN, Advertisers publish an inexpensive product when there is not much inventory of the product, waiting to present a large inventory of a similar product at a much higher price. Responses to this question are presented in table 4.10



**Table 4. 10: MTN Advertisers publish an inexpensive product brands**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	31	28.2	28.2
Disagree	24	21.8	50.0
Not sure	10	9.1	59.1
Agree	22	20.0	79.1
Strongly agree	23	20.9	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 4.10, results indicate that 28.2% strongly disagreed and 21.8% disagreed, since this is the majority it can be interpreted to mean that the company used advertisers to publish an inexpensive product when there was not much inventory of the product. This was an unethical practice that marketers used in the company to create an eagerness in customers so that some would be willing to pay a higher price for the few remaining pieces yet in stores, there would still be a large inventory of a similar product. During the interview sessions, one respondent expressed that;

*“The company has an ineffective marketing strategy because this makes customers dissatisfied, they are never sure whether the product is available or not ....., It is a common habit here for more than one department to have absolute power over decisions and assigned duties which reduces chances of co-operation in carrying out ethical marketing practices. As such, customers are faced with controversies in difference of what is true from management as it keeps on differing hence posing a challenge in customer satisfaction”.*

It was concluded that sometimes the company employed unethical practices of publishing an inexpensive product when there was not much inventory of the product.

#### 4.12 The influence of ethical pricing on customer satisfaction in MTN Uganda

Using Pearson’s correlation, ANOVA, the study was able to measure the influence of Ethical pricing on customer satisfaction in MTN Uganda and the findings are shown below:

**Table 4. 11: Correlations**

		Ethical pricing	Customer satisfaction
<b>Ethical pricing</b>	Pearson Correlation	1	.912**
	Sig. (2-tailed)		.000
	N	110	110
<b>Customer satisfaction</b>	Pearson Correlation	.912**	1
	Sig. (2-tailed)	.000	
	N	110	110

\*\* . Correlation is significant at the 0.01 level (2-tailed).

As seen in table 4.11 the correlation coefficient [ $r(110) = 0.912, P < 0.01$ ]. revealed that there was a positive significant relationship between ethical pricing and customer satisfaction in MTN Uganda. This implies that the more ethical pricing was implemented, the more customer satisfaction is attained. This means that for MTN Uganda Ltd to ensure that customers are satisfied, the company has to employ ethical pricing to its products and services.

**Table 4. 12: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.912 <sup>a</sup>	.832	.830	.57897

a. Predictors: (Constant), Ethical Pricing influences to enhance delivery of project

The model summary (Table 4.12) yielded an adjusted R squared of 0.830, which implied that ethical pricing had an 83.0% effect on customer satisfaction in MTN Uganda. The remaining

17% can be explained by other factors which were outside the current model and therefore not analysed

In order to analyse the variations between ethical pricing and customer satisfaction, an analysis of variance was taken by the researcher and the findings are presented in table 4.13:

**Table 4. 13: ANOVA<sup>a</sup>**

<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1 Regression	179.116	1	179.116	534.344	.000 <sup>b</sup>
Residual	36.202	108	.335		
Total	215.318	109			

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Ethical pricing

From the ANOVA test in table 4.13, the processed data which is the population parameters, had a significance level of 0.01 which indicates that the value of significance (p-value) is less than 0.05. This is an indication that MTN Uganda Ltd Ethical pricing significantly influences its customers' satisfaction.

## CHAPTER FIVE

### INTEGRITY OF MARKETERS AND CUSTOMER SATISFACTION

#### 5.1 Introduction

This chapter deals with the second objective of the study; the relationship between integrity of marketers and customer satisfaction in MTN Uganda Ltd. It aims at examining the situation at MTN Uganda Ltd with the intention of establishing whether marketers of MTN's products and services have integrity and how does this integrity influence or contribute to their customers' satisfaction.

Graeme *et al* (2008:97) observed that marketers could use a variety of networks to ensure that their marketing decisions are ethical and that these frameworks could ensure their integrity. Ethical marketing and integrity tell customers about an entity's activities. A company's ethical conduct provides the employees with a format designed to guide the marketers actions and provide an adequate ground for decision making in the activities they carry out.

In an attempt to establish the relationship between integrity of marketers and customer satisfaction in MTN Uganda Ltd, respondents were asked questions and responses are presented in the following tables.

#### 5.2 MTN marketers make their decisions in terms of the rewards

Respondents were also asked whether MTN marketers make their decisions in terms of the rewards they may receive as a result. Responses to this question are presented in table 5.1

**Table 5. 1: MTN marketers make their decisions in terms of the rewards**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid Strongly disagree	17	15.5	15.5
Disagree	16	14.5	30.0
Not sure	11	10.0	40.0
Agree	28	25.5	65.5
Strongly agree	38	34.5	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 5.1, it is indicated that 34.5% strongly agreed and 25.5% agreed, since this is the majority it can be interpreted to mean that MTN marketers make their decisions in terms of the rewards they may receive as a result. An interviewee was quoted saying “.... *some companies employ marketers based on how they perform in terms of sales and this makes them take decisions that may be unethical but still get the market for the products in the short run...*”

This means that they are in position to make decisions that they deem fit to generate revenue for the company while also increasing their potentials for rewards on performance.

### **5.3 MTN marketers make their decisions by complying with management instructions without questions.**

Respondents were asked whether MTN marketers make their decisions by complying with management instructions without questions. Responses to this question are presented in table 5.2

**Table 5. 2: MTN marketers make their decisions by complying with management.**

	Frequency	Percent	Cumulative Percent
Strongly disagree	18	16.4	16.4
Disagree	19	17.3	33.6
Not sure	12	10.9	44.5
Agree	28	25.5	70.0
Strongly agree	33	30.0	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 5.2, results indicate that 30.0% strongly agreed and 25.5% agreed, this response was the majority and it was interpreted to mean that MTN marketers make their decisions by complying with management instructions without questions.

An interviewee added that:

*“...although this may be the case, in the field it is something different and a marketer can decide to make their own decision to fit the target market, marketing is not playing book...it is about being flexible and able to foresee some changes that have to be made in order to market the products or services efficiently.....”*

This statement indicates that sometimes you do not have to toe the line as long as the most good for the most people is achieved implying that sometimes the marketers did not look at the long term effects of their marketing strategies in terms of customer satisfaction knowing that they would later on bring some other products that would still entice the customers. Indeed when money enters the picture, people’s more ethical impulses often fall by the wayside.

#### **5.4 MTN marketers make their marketing decisions based on promotion**

Respondents were also asked whether MTN marketers make their marketing decisions based on promotion, potential increases in salary, or other aspects of status. Responses to this question are presented in table 5.3

**Table 5. 3: MTN marketers make their marketing decisions based on promotion**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	21	19.1	19.1
Disagree	20	18.2	37.3
Not sure	9	8.2	45.5
Agree	29	26.4	71.8
Strongly agree	31	28.2	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 5.3, it is indicated that 28.2% strongly agreed and 26.4% agreed, since this is the majority it can be interpreted to mean that MTN marketers make their marketing decisions based on promotion, potential increases in salary, or other aspects of status. It was also stated that management endeavors to make sure that all necessary aspects are implemented correctly so as to enhance decision making.

### **5.5 MTN marketers make their marketing decisions in accordance with the norms**

Respondents were also asked whether MTN marketers make their marketing decisions in accordance with the norms and expectation of society or particular social groups to which they belong. Responses to this question are presented in table 5.4

**Table 5. 4: MTN marketers make their marketing decisions in accordance with the norms**

	Frequency	Percent	Cumulative Percent
Valid Strongly disagree	17	15.5	15.5
Disagree	23	20.9	36.4
Not sure	5	4.5	40.9
Agree	27	24.5	65.5
Strongly agree	38	34.5	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 5.4, it is indicated that 34.5% strongly agreed and 24.5% agreed, this response had a combined positive percentage of 59.0% and since it is the majority it can be interpreted to mean that MTN marketers make their marketing decisions in accordance with the norms and expectation of society. During one of the interview sessions, one respondent expressed that;

*“Managers need rapid access to information about the norms and expectation of society to make decisions about strategic, financial, marketing and operational issues and the ethics concerned with the decisions their marketing officers or staff will take while marketing the company’s products and services....., the information at MTN Uganda Ltd is held in separate departmental database which is a bit of an issue that though information is available, it can be a bit difficult to access data quickly by individual marketing staff who are the field people..”*

The marketers therefore have to make their marketing decisions in accordance with the norms and expectation of society as emphasized by management but the actual decision is left to the marketer him/herself implying that although the company may be considering the societal norms and expectations, the ethical inclination of the marketer will be the cause of customer satisfaction or dissatisfaction.



## 5.6 MTN marketers make their decisions are seen in terms of abiding by rules

Respondents were also asked whether decision making is done to ensure deadlines are met. Responses to this question are presented in table 5.5

**Table 5. 5: MTN marketers make their decisions are seen in terms of abiding by rules**

	Frequency	Percent	Cumulative Percent
Strongly disagree	29	26.4	26.4
Disagree	31	28.2	54.5
Not sure	6	5.5	60.0
Agree	20	18.2	78.2
Strongly agree	24	21.8	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 5.5, it is indicated that 28.2% disagreed and 26.4% strongly disagreed, since this is a majority response it can be interpreted that MTN marketers make their decisions are seen in terms of abiding by rules and regulation for the benefit of both themselves and the wider society. This was an aspect of ethical marketing and respondents stated that since there is benefit to all parties, then customer satisfaction could be attained. Unlike traditional marketing focus, which was cost reduction and profit increase, abiding by rules and regulation for the benefit of both themselves and the wider society provides a focus for marketers who are more focused on providing goods and services consumers want, gaining feedback for improvement and giving back to the communities that helped them become who they are.

### 5.7 MTN marketers generally follow the social rules and regulations of society

Respondents were also whether in marketing MTN products and services, the company's marketers generally follow the social rules and regulations of society and sometimes consider whether laws should be changed to benefit everyone. Responses to this question are presented in table 5.6

**Table 5. 6: MTN marketers generally follow the social rules and regulations of society**

	Frequency	Percent	Cumulative Percent
Strongly disagree	12	10.9	10.9
Disagree	16	14.5	25.5
Valid Not sure	8	7.3	32.7
Agree	32	29.1	61.8
Strongly agree	42	38.2	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 5.6, it is indicated that 38.2% strongly agreed and 29.1% agreed, since this is the majority response it can be interpreted to mean that MTN marketers generally follow the social rules and regulations of society. An interviewee was quoted saying “.....*social rules and regulations of society provide us with an expected idea of how to behave in a particular social group or culture. ... And as the individual moves from one group to another, their behavior changes accordingly, regulations provide order in the society we are marketing our products and services. This will ensure trust in the company and bring on board more customers...*”

It can be concluded that MTN marketers generally follow the social rules and regulations of society in marketing MTN products and services and that they sometimes consider whether laws should be changed to benefit everyone. The marketing system should always be of service to people. To make this happen, ethically concerned marketers should seek to fully comprehend their societal influence and to insure their marketing operations create a perceived and real

benefit. People should never be treated merely as cogs in the marketing system, whether they are customers, employees, suppliers, distributors or some other stakeholder. This was thus an ethical marketing practice by the company that created trust in the company and increased its customers' satisfaction.

However, marketers, who ignore critical public opinion, the articulated attitudes of the populous, or whose practices overtly or covertly damage society, place their firms in substantial ethical and financial jeopardy. MTN marketing managers therefore ought to begin their deliberations about the ethical impact of marketing activities on society with this fundamental motto of "people first" as their guide if they hope to prosper in the long run.

### 5.8 MTN marketers make moral decision based on universal principles

Respondents were asked whether decisions made through cost control ensures accountability. Responses to this question are presented in table 5.7

**Table 5. 7: MTN marketers make moral decision based on universal principles**

	Frequency	Percent	Cumulative Percent
Strongly disagree	13	11.8	11.8
Disagree	17	15.5	27.3
Not sure	11	10.0	37.3
Agree	30	27.3	64.5
Strongly agree	39	35.5	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 5.7, it is indicated that 35.5% strongly agreed and 27.3% agreed, since this is the majority it can be interpreted to mean that MTN marketers make moral decision based on universal principles without debate with management. Respondents stated that making moral decisions based on universal principles plays an enormous role in keeping the name that the company has made, it contributes to effectively and efficiently ensuring that activities carried out

by the company's staff focus their attention to better planning, implementation and control techniques when marketing products and services where the company is held accountable. This practice over time builds trust and customer confidence in your brand's integrity and therefore leads to loyalty, customer and employee retention, greet public relations and increase in business from customers spreading the word.

### 5.9 Marketing decisions that potentially have a positive effect on its customers

Respondents were also asked whether MTN marketers make marketing decisions that potentially have a positive effect on its customers. Responses are presented in table 5.8

**Table 5. 8: Marketing decisions that potentially have a positive effect on its customers**

	Frequency	Percent	Cumulative Percent
Strongly disagree	14	12.7	12.7
Disagree	23	20.9	33.6
Not sure	4	3.6	37.3
Agree	26	23.6	60.9
Strongly agree	43	39.1	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 5.8, it is revealed that 23.6% agreed and 39.1% strongly agreed, since this is the majority it can be interpreted to mean that marketers in MTN make marketing decisions that potentially have a positive effect on its customers. The focus of the company on its customers reveals that the company values its customers and involving ethical marketing practices with regards to the customers' feelings, needs, translates to increased loyalty, repeat purchasing and increased customer satisfaction.

### 5.10 Marketing decisions based on their individual customer segments

Respondents were also asked whether MTN marketers make marketing decisions based on their individual customer segments. Responses to this question are presented in table 5.9



**Table 5. 9: Marketing decisions based on their individual customer segments**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	29	26.4	26.4	26.4
Disagree	31	28.2	28.2	54.5
Not sure	6	5.5	5.5	60.0
Agree	20	18.2	18.2	78.2
Strongly agree	24	21.8	21.8	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 5.9, it is indicated that 28.2% disagreed and 26.4% strongly disagreed, since this is a majority response it can be interpreted that MTN marketers make marketing decisions based on their individual customer segments. This is justified by an interviewee who stated that

*“...of course different customer segments demand different marketing arrangements and therefore the differences in various factors among the segments calls for decisions to cater for these different segments differently...”*

The findings mean that on a casual level, that marketers should serve people which is seems a straightforward observation intuitively consistent with the revered marketing concept. This is in line with Keith (1960); Levitt (1960; 1975). Most marketing managers properly believe that the market is well served when business operations are structured to cater to the customer (Drucker 1954; McKitterick 1957).

### **5.11 MTN marketers market MTN products with integrity.**

Respondents were asked whether MTN marketers market MTN products with integrity. Responses to this question are presented in table 5.10

**Table 5. 10: MTN marketers market MTN products with integrity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	18	16.4	16.4	16.4
Disagree	19	17.3	17.3	33.6
Valid Not sure	12	10.9	10.9	44.5
Agree	28	25.5	25.5	70.0
Strongly agree	33	30.0	30.0	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	<b>100.0</b>	

Source: Primary data, 2018

As seen in table 5.10, results indicate that 30.0% strongly agreed and 25.5% agreed, this response was the majority and it was interpreted to mean that MTN marketers market MTN products with integrity. So many people have a miss-understanding of marketing because it includes advertising, events and product promotion but if done correctly it encompasses so much more than just getting the product or service off the shelf. *If MTN marketers market products with integrity, then they are promoting products that they really believe in, and they are doing it in a way that's based on ethical marketing principles which seek to promote honesty, fairness, and responsibility in all advertising. ...”*

From the findings, the study revealed that if a product lives up to the claims made in its advertising, it reflects positively on MTN Uganda's customer satisfaction.

### **5.12 The relationship between integrity of marketers and customer satisfaction in MTN Uganda Ltd**

Using Pearson’s correlation, the relationship between integrity of marketers and customer satisfaction revealed the following:

### Correlation Results for integrity of marketers and customer satisfaction

		Integrity of marketers	Customer satisfaction
customer satisfaction	Pearson Correlation	1	.971**
	Sig. (2-tailed)	.	.000
	N	110	110
customer satisfaction	Pearson Correlation	.971**	1
	Sig. (2-tailed)	.000	.
	N	110	110
**. Correlation is significant at the 0.05 level (2-tailed).			

**Source:** SPSS Data

As seen in table 4.11 the correlation coefficient [ $r(110) = 0.971, P < 0.01$ ] revealed that there was a positive significant relationship between Integrity of marketers and customer satisfaction in MTN Uganda. This implies that the more Integrity of marketers was implemented, the more customer satisfaction is attained.



**Table 5. 11: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.971 <sup>a</sup>	.942	.942	.37276

a. Predictors: (Constant), Integrity of marketers

The model summary (Table 5.11) yielded an adjusted R squared of 0 .942, which implied that Integrity of marketers had a 94.2% effect on customer satisfaction in MTN Uganda. The remaining 5% can be explained by other factors which were outside the current model and therefore not analyzed. In order to analyses the variations between Integrity of marketers and customer satisfaction, an analysis of variance was taken by the researcher and the findings are presented in table 5.12:

**Table 5. 12: ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	243.985	1	243.985	1755.949	.000 <sup>b</sup>
	Residual	15.006	108	.139		
	Total	258.991	109			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Marketing with integrity

Table 5.12 indicates that the p-value of the regression model of customer satisfaction through marketing with integrity is equal to 0.01, this means that the model is statistically significant at 0.05 level of significance.

**Table 5. 13: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.211	.089		70.081	.000
1 MTN marketers market products with Integrity	1.014	.024	.971	41.904	.000

a. Dependent Variable: Customer satisfaction

Based on table 5.13, it can be stated that  $Beta = 0.971$   $P < 0.01$ , the null hypothesis is rejected and the alternative hypothesis supported. It was therefore concluded that there is a significant relationship between integrity of marketers and customer satisfaction in MTN Uganda

## CHAPTER SIX

### ETHICAL ADVERTISEMENT AND CUSTOMER SATISFACTION

#### 6.1 Introduction

This chapter deals with the third objective of the study; the extent to which ethical advertisement affects customer satisfaction in MTN Uganda. It aims at establishing the extent to which ethical advertisement at MTN Uganda affects the company's customer satisfaction whether management has endeavored to advertise their products and services with regards to the customers' satisfaction.

Therefore in an attempt to establish the extent to which ethical advertisement affects customer satisfaction in MTN Uganda, respondents were asked the following questions and responses are presented in tables that follow.

#### 6.2 Promotional activities clash with public interest in most cases

Respondents were asked whether in marketing of MTN products and services, Promotional activities clash with public interest in most cases. Responses to this question are presented in table 6.1

**Table 6. 1: Promotional activities clash with public interest in most cases**

	Frequency	Percent	Cumulative Percent
Not sure	5	4.5	4.5
Agree	41	37.3	41.8
Valid Strongly agree	64	58.2	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 6.1, it is indicated that 95% agreed, since this is the majority it can be interpreted to mean that in marketing of MTN products and services, Promotional activities

clash with public interest in most cases. Respondents interviewed added that “.....considering that there are many telecommunications’ companies in Uganda, one would say that...”

It was concluded that in marketing of MTN products and services, Promotional activities clash with public interest in most cases. Here public interest could be taken to mean other societal problems that the people were faced with and demanded solutions as compared to promotions by a company that was making a profit.

### 6.3 The benefits of some products and services in adverts are exaggerated

Respondents were asked whether in marketing of MTN products and services, the benefits of some products and services in advert are exaggerated more than the actual. Responses to this question are presented in table 6.2

**Table 6. 2: The benefits of some products and services in advert are exaggerated**

	Frequency	Percent	Cumulative Percent
Strongly disagree	25	22.7	22.7
Disagree	32	29.1	51.8
Not sure	15	13.6	65.5
Agree	18	16.4	81.8
Strongly agree	20	18.2	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 6.2, it is revealed that 29.1% disagreed and 22.7% strongly disagreed, since this response was the majority it can be interpreted to mean that in marketing of MTN products and services, the benefits of some products and services in advert are exaggerated more than the actual. During one of the interview session, one respondent expressed that;

*“The company more than often faces a problem of inaccuracy in documenting the benefits of some products and services and when this happens, it is taken to be that the company markets the benefits of some products and services when they are exaggerated more than the actual....”*

It was however concluded that in marketing of MTN products and services, the benefits of some products and services in adverts were more exaggerated more than the actual. There was thus a need for MTN to act with honesty by ensuring that a product satisfies a need it promises to, or aids in providing a lifestyle it advertises. The Company’s advertising ought to be transparent about possible side effects, so clients come to respect the honesty of your advertising. Any techniques to manipulate and hide facts and information customers need could harm the company.

**6.4 The advertising agency determines the content of advertising**

Respondents were asked whether the advertising agency determines the content of advertising of MTN products and services. Responses to this question are shown in table 6.3

**Table 6. 3: The advertising agency determines the content of advertising**

	Frequency	Percent	Cumulative Percent
Valid Strongly disagree	46	41.8	41.8
Disagree	28	25.5	67.3
Not sure	9	8.2	75.5
Agree	12	10.9	86.4
Strongly agree	15	13.6	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 6.3, it is indicated that 41.8% strongly disagreed and 25.5% disagreed, since this was the majority response it can be interpreted to mean that in marketing of MTN products and services, the advertising agency did not determine the content of advertising. This implies that the company is the one that dictated what was to be advertised, however how it was advertised is one that created the misrepresentation probably.

It was concluded that MTN Uganda ltd determined the content of what would be in the adverts. This was ethical because all faults would hold MTN Uganda accountable.

## 6.5 MTN advertises through practices that cultivate a relationship of trust

Respondents were also asked whether the MTN advertises its products and services to the community or communities they serve through practices that cultivate a relationship of trust. Responses to this question are presented in table 6.4

**Table 6. 4: MTN advertises through practices that cultivate a relationship of trust**

	Frequency	Percent	Cumulative Percent
Strongly disagree	16	14.5	14.5
Disagree	12	10.9	25.5
Not sure	2	1.8	27.3
Agree	31	28.2	55.5
Strongly agree	49	44.5	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 6.4, results indicate that 72.7% agreed, since this was the majority it can be interpreted to mean that MTN advertises its products and services to the community or communities they serve through practices that cultivate a relationship of trust. Respondents interviewed indicated thus

*“....it is the responsibility of the company to carry out some activities in an ethical manner because this improves the trust the people get about the company.....”*

It was concluded that MTN advertises its products and services to the community or communities they serve through practices that cultivate a relationship of trust. This trust creates a situation where the company can be referenced by its customers to other customers who will in turn get satisfaction and continue with the trail.

## 6.6 Personality metrics are used by MTN to assign individuals to segments

Respondents were also asked whether personality metrics are used by MTN to assign individuals to segments that are manipulatable by advertisers themselves. Responses to this question are presented in table 6.5

**Table 6. 5: Personality metrics are used by MTN to assign individuals to segments**

	Frequency	Percent	Cumulative Percent
Strongly disagree	14	12.7	12.7
Disagree	16	14.5	27.3
Valid Not sure	5	4.5	31.8
Agree	30	27.3	59.1
Strongly agree	45	40.9	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 6.5, results indicate that 78.2% agreed, since response was the majority and it can be interpreted to mean that personality metrics are used by MTN to assign individuals to segments that are manipulatable by advertisers themselves. This reflects how the MTN marketers implemented the information he or she processed in making marketing decisions and how they would stick to the marketing strategies as conveyed to them by the marketing managers. The marketers ability to organize all the marketing activities and, as a rule, sticks to those plans was an ethical practice by the company to limit their inclination to improvise and explore alternative options.

## 6.7 MTN advertising follows the ethical codes of advertising

Respondents were also asked whether in advertising its products and services, MTN follows the legal system that ensures that the ethical codes of advertising are followed. Responses to this question are presented in table 6.6

**Table 6. 6: MTN advertising follows the ethical codes of advertising**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	18	16.4	16.4
Disagree	25	22.7	39.1
Not sure	10	9.1	48.2
Agree	27	24.5	72.7
Strongly agree	30	27.3	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 6.6, it is indicated that results revealed that 51.8% agreed, since this response was the majority it can be interpreted to mean that in advertising its products and services, MTN followed the legal system that ensures that the ethical codes of advertising are followed. Respondents stated that the law forbids unethical advertising and therefore before the start of business, MTN a foreign company in Uganda had to adhere to socially responsible activities in carrying out its business which without, would affect its operations in the country. However, 39.1% disagreed and this may be that they lacked knowledge of what ethical codes of advertising were.

### **6.8 The Reputation of the company has created satisfied customers**

Respondents were also asked whether the Reputation of the company has created satisfied customers. Responses to this question are presented in table 6.7



**Table 6. 7: The Reputation of the company has created satisfied customers**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	31	28.2	28.2
Disagree	23	20.9	49.1
Not sure	12	10.9	60.0
Agree	18	16.4	76.4
Strongly agree	26	23.6	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 6.7, results indicate that 49.1% disagreed. Since this negative response was the majority it can be interpreted to mean that the reputation of the company has not created satisfied customers. During one of the interview sessions, one respondent expressed that;

*“MTN Uganda Ltd has built a reputation which has earned it more customers because it is everywhere you go.....and this alone makes it a dependable network thus creating satisfied customers.....”*

It was concluded that the reputation of the company has not created satisfied customers.

## **6.9 Customers find it easy to do business with MTN Uganda**

Respondents were asked whether Customers find it easy to do business with MTN Uganda. Responses to this question are shown in table 6.8

**Table 6. 8: Customers find it easy to do business with MTN Uganda**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid Strongly disagree	15	13.6	13.6
Disagree	20	18.2	31.8
Not sure	7	6.4	38.2
Agree	26	23.6	61.8
Strongly agree	42	38.2	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

As seen in table 6.8, it was indicated that 61.8% agreed, since this is the majority it can be interpreted to mean that customers find it easy to do business with MTN Uganda. Respondents also stated that the company is accessible all over Uganda and this makes it easy to carry out business whether online or offline , the company is everywhere. It was concluded that it was easy for the customers to do business with MTN

#### **6.10 MTN Uganda marketers' integrity is kept through monitoring and evaluation their performance against customer's satisfaction**

Respondents were also asked whether MTN Uganda marketers' integrity is kept through monitoring and evaluation their performance against customer's satisfaction. Responses to this question are presented in table 6.9

**Table 6. 9: MTN Uganda marketers’ integrity is kept through monitoring and evaluation**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	12	10.9	10.9
Disagree	18	16.4	27.3
Not sure	8	7.3	34.5
Agree	26	23.6	58.2
Strongly agree	46	41.8	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

**Source:** Primary data, 2018

According to results in table 6.9, it is indicated that 65.4% agreed, since this is the majority it can be interpreted to mean that MTN Uganda marketers’ integrity is kept through monitoring and evaluation their performance against customer’s satisfaction. Respondents stated activities for each person were a responsibility that the management had to keep in check so as to act ethically. Each of the small goals is meant for better achievement of a marketing staff. Evaluation of marketers' integrity kept the company in line with the regulations and societal expectations.

#### **6.11 MTN markets products after carefully assessment**

Respondents were asked whether MTN marketers market MTN products after carefully assessment of the resulting effect on customers. Responses to this question are presented in table 6.10

**Table 6. 10: MTN markets products after carefully assessment**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid			
Strongly disagree	31	28.2	28.2
Disagree	24	21.8	50.0
Not sure	10	9.1	59.1
Agree	22	20.0	79.1
Strongly agree	23	20.9	100.0
<b>Total</b>	<b>110</b>	<b>100.0</b>	

Source: Primary data, 2018

As seen in table 6.10, results indicate that 50.1% disagreed, since this is the majority it can be interpreted to mean that MTN marketers do not market MTN products after carefully assessment of the resulting effect on customers. This was an ethical practice that marketers used in the company to create a positive image of the company to the customers so that some would build trust in the company's products and services. However, 40.9 % agreed implying some times MTN marketers market MTN products after carefully assessment

### **6.12 The extent to which ethical advertisement affects customer satisfaction in MTN Uganda**

Using Pearson's correlation, the correlations between ethical advertisement and customer satisfaction revealed this:

**Correlation Results for ethical advertisement and customer satisfaction**

		<b>Ethical advertisement</b>	<b>Customer satisfaction</b>
<b>Ethical advertisement</b>	Pearson Correlation	1	.864**
	Sig. (2-tailed)		.000
	N	110	110
<b>Customer satisfaction</b>	Pearson Correlation	.864**	1
	Sig. (2-tailed)	.000	
	N	110	110

\*\* . Correlation is significant at the 0.05 level (2-tailed).

**Source:** SPSS Data

Results from the correlation analysis above revealed; Pearson correlation ( $r .864^{**}$ ), sig value  $p > 0.05$ , (.000) at 95% confidence level,  $N=110$ . Results show a strong positive and statistically significant relationship between ethical advertisement and customer satisfaction. This meant that the relationship was positive between the two variables implying that as MTN carried out ethical advertising, customer satisfaction was affected positively by 84.6%.

The study was able to measure the extent to which ethical advertisement affects customer satisfaction in MTN Uganda using ANOVA and the findings are shown in Table 6.11:

**Table 6. 11: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.864 <sup>a</sup>	.746	.743	.72744

a. Predictors: (Constant), Ethical advertising

As seen in table 6.11, results indicate that R is .864 which shows how much the variable varies with the independent variable. The R square and the Adjusted R square is .746 and .743 respectively. This means that ethical advertising explains 74.3% of the changes that do occur in customer satisfaction. This kind of relation was positive in that an increase in ethical advertising

will positively have an impact on customer satisfaction. This therefore leads to a conclusion that ethical marketing through its influence on advertising affects customer satisfaction.

**Table 6. 12:ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	167.613	1	167.613	316.749	.000 <sup>b</sup>
	Residual	57.150	108	.529		
	Total	224.764	109			

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Ethical advertising

Results in table 6.12 indicate that the p-value of the regression model of ethical advertising equals 0.01, this means that the model is statistically significant at 0.05 level of significance.

**Table 6. 13: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.391	.544		22.763	.000
	Ethical advertising	2.118	.119	.864	17.797	.000

a. Dependent Variable: Customer satisfaction

From the data in the table 6.13, the yielded regression equation was  $Y=12.391+2.118X_1$ . From the above regression equation it was revealed that holding company's ethical advertising at a constant zero, customer satisfaction would be 2.118. This means that a unit increase in company's ethical advertising would lead to an increase in customer satisfaction by a factor of 2.118. In addition, as seen in table above,

In conclusion, it can be stated that MTN Uganda Ltd.'s ethical advertising significantly affects its customers' satisfaction.

## **CHAPTER SEVEN**

### **HARMONISATION OF ETHICAL MARKETING AND CUSTOMER SATISFACTION IN MTN UGANDA**

#### **7.1 Introduction**

This chapter sets out to link study findings to the literature review by discussing the findings in relationship with literature review,.

#### **7.2 How ethical pricing has influenced customer satisfaction in MTN Uganda**

On the question of how ethical pricing has influenced customer satisfaction in MTN Uganda, the study found out that the price of an product or service plays a large part in how well it sells to ensure MTN customers are satisfied (86.4%), retailers of MTN's products and services practice ethical pricing strategies to earn profits (53.6%), MTN's competitor's prices, convenience, availability and other factors affect the company's consumer impressions of fair pricing (52.8%), Retailers in MTN commonly increase the price to two or three times the wholesale cost to earn a considerable profit margin for the company and its shareholders. (58.2%). The findings also showed that at times retailers of MTN's products and services cut prices to stimulate sales of particular products or popular products. (47.3%) but considering that this was the action of retailers, it was not realistic to say that the organization was completely unethical. These measures were carried out by the company to control cost which ensures that the proceeds are put to good use. MTN sometimes cuts prices to sell off outdated stock or to make way for a new line of products so as to satisfy its customers (50%). This is in line with Fornell (1992).

MTN's marketers sometimes market the same products and services under different brands without any clear indication of the difference among them (65.3%). As a researcher, this untruthful marketing will result in loss of repeat purchase in the long run due to customer dissatisfaction. However, new versions of products were introduced by MTN to replace existing products, with the aim of rendering earlier versions outmoded (50%). Using the principle of the most benefit for the most persons this action may be considered unethical by the minority but it worked for the company. The distribution channels of MTN were too far and this unnecessarily increases the price which the consumer has to pay for goods (65.4%) but this only increased the

middleman's mark-up price. Lastly in MTN, advertisers published an inexpensive product when there was not much inventory of the product, waiting to present a large inventory of a similar product at a much higher price. (50%). This finding is contrary to Agbonifoh, *et al.*, (2007) who points out that producers and retailers practice ethical pricing strategies to earn profits without defrauding competitors or consumers. However, competitor's prices, convenience, availability and other factors affect consumer impressions of fair pricing. Still the findings reveal some unethical practices that have influenced the price of products in MTN.

It is important to note that pricing influences how customers buy its products and perceive the company's pricing in relation to other companies as ethical. The company carries out market research which lays out a road map to guide its product pricing efforts while considering the costs of production. It states a number of assumptions about the relationships and interaction among the economy, market dynamics, abilities of its sales force, its capacity to provide the proper quality and quantity of products demanded. An examination of the details of the prices and assumptions indicates that management expects the sales force to spend only so much in pursuit of the sales forecast. The details also reveal that management expects operations to produce the required amount of units within a certain cost range.



### **7.3 The relationship between the integrity of marketers and customer satisfaction in MTN Uganda**

On the examination of the relationship between the integrity of marketers and customer satisfaction in MTN Uganda, the study found out that MTN marketers make their decisions in terms of the rewards they may receive as a result (60%). This implies they are in position to make decisions that they deem fit to generate revenue for the company while also increasing their potentials for rewards on performance. MTN marketers make their decisions by complying with management instructions without questions (55.5%)

Marketers have to toe the line as long and look at the long term effects of their marketing strategies in terms of customer satisfaction so that they would later on bring on board the customers' needs. The study also found out that MTN marketers make their marketing decisions based on promotion, potential increases in salary, or other aspects of status (54.6%)

MTN marketers make their decisions in terms of the rewards they may receive as a result (60%). This implies they are in position to make decisions that they deem fit to generate revenue for the company while also increasing their potentials for rewards on performance. MTN marketers make their decisions by complying with management instructions without questions (55.5%). The study found out that MTN marketers make their marketing decisions in accordance with the norms and expectation of society or particular social groups to which they belong. (59%) as well as making their decisions seen in terms of abiding by rules and regulation for the benefit of both themselves and the wider society

Graeme *et al* (2008:97) observed that marketers could use a variety of networks to ensure that their marketing decisions are ethical and that these frameworks could ensure their integrity. Ethical marketing and integrity tell customers about an entity's activities. A company's ethical conduct provides the employees with a format designed to guide the marketers actions and provide an adequate ground for decision making in the activities they carry out.

#### **7.4 The extent to which ethical advertisement affects customer satisfaction in MTN Uganda**

On the extent to which ethical advertisement affects customer satisfaction in MTN Uganda, the study found out, In marketing of MTN products and services, Promotional activities clash with public interest in most cases (95.5%), marketing of MTN products and services, the benefits of some products and services in advert are exaggerated more than the actual.

In marketing of MTN products and services, the advertising agency determines the content of advertising and MTN advertises its products and services to the community or communities they serve through practices that cultivate a relationship of trust. The study found out that personality metrics were used by MTN to assign individuals to segments that are manipulatable by advertisers themselves (68.1%)

In advertising its products and services, MTN follows the legal system that ensures that the ethical codes of advertising are followed and the reputation of the company has created satisfied customers; and customers find it easy to do business with MTN Uganda since the company is accessible all over Uganda and this makes it easy to carry out business whether online or offline, the company is everywhere. It was concluded that it was easy for the customers to do business with MTN. MTN Uganda marketers' integrity was found to be kept through monitoring and evaluation their performance against customer's satisfaction and lastly MTN marketers market MTN products after carefully assessment of the resulting effect on customers.

The findings are in line with In Ferrell, *et al.*, (2013) who notes that the organizational environments and inter organizational network potentially influence the unethical and ethical behavior of advertising decision makers. Ethics in MTN should be considered as a platform on which individuals and the company makes its daily decisions. So these "decisions" (variable) either ethical or unethical have impact on consumer lifestyles, quality of life and general public welfare.

The company's advertiser's success will be determined by the decisions. The findings are also in line with Shaver, (2003) who assumes that the fundamental goal of occupational ethics is to address the imbalance of power between the practitioner group and the community or communities they serve through practices that cultivate a relationship of trust.

Customer satisfaction relies on various factors such as truthful advertising where the product or services marketed meet the stated functions, quality and do what they are said to do by the marketers of the company. All attributes of the products and services as stated by the advertiser meet these conditions and the customer can rely on the marketer's word to make a purchase of good or service. When the customer finds that the products and services meet their expectations against the word of the marketer, then the marketer is acting ethically and there is increased trust in the products and services of the company that generates satisfaction in the user of the product or service of the company.

However, ethical advertising, of course, relies on the other factors such as socio-economic factors, target market and perception of the user and it is therefore not automatic that the behavior of the marketer will be considered as ethical even though the product or service does what is said it does in the face of competition which may have the similar product but decides to price it lower than what this company is offering. Their prices may be viewed as unethical.

## **CHAPTER EIGHT**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **8.1 Introduction**

This chapter comprises of summary of findings, conclusion recommendations to the study according to the study objectives. The conclusions are on a basis of the findings and relates to the situation of ethical marketing and customer satisfaction in MTN Uganda.

#### **8.2 Summary of the findings**

The study was guided by the following objectives;

1. To establish how ethical pricing has influenced customer satisfaction in MTN Uganda.
2. To examine the relationship between the integrity of marketers and customer satisfaction in MTN Uganda.
3. To establish the extent to which ethical advertisement affects customer satisfaction in MTN Uganda.

##### **8.2.1 Ethical pricing and customer satisfaction**

Findings revealed that price of a product or service plays a large part in how well it sells to ensure MTN customers are satisfied. Customer satisfaction depended on how the retailers of MTN's products and services practice ethical pricing strategies to earn profits. However, this was affected by MTN's competitor's prices, convenience, availability and other factors such as the company's consumer impressions of fair pricing by retailers so that the company would earn a considerable profit margin for the company and its shareholders. The findings showed that price cuts were done to stimulate sales of particular products or popular products. The marketing practices like branding are what made some marketing practices of the company unethical. MTN distribution channels were found to be too far which unnecessarily increased the price which the consumer has to pay for goods but to the advantage of the middleman. These findings reveal that some unethical practices that have influenced the price of products in MTN.

### **8.2.2 The relationship between the integrity of marketers and customer satisfaction in MTN Uganda**

The findings reveal that MTN marketers made their decisions in terms of the rewards they may receive as a result which were sometimes done with the backing of management implying they were sometimes not independent. The integrity of MTN marketers was affected by promotion, potential increases in salary, or other aspects of status which guided their decision making during marketing of the company's products and services but there was a slight consideration of the norms and expectation of society or particular social groups during the making of marketing decisions because they abided by rules and regulation for the benefit of both themselves and the wider society

### **8.2.3 The extent to which ethical advertisement affects customer satisfaction in MTN Uganda**

The study found out that promotional activities of MTN Uganda clash with public interest in most cases and the benefits of some products and services in advert are exaggerated more than the actual. This was further complicated by the fact that the advertising agency determined the content of advertising though the company advertised its products and services to the community or communities through practices that cultivate a relationship of trust. The advertising by the company was found to follow the legal system that ensures that the ethical codes of advertising were charted. However, the reputation of the company had created satisfied customers who found it easy to do business with the company

## **8.3 Conclusion**

MTN Uganda Ltd in its marketing operations is usually challenged by ethical marketing practices. The company has allocated its marketing and sales departments with mandate to try and deal with the issue of ethical marketing. MTN Uganda Ltd has come to find out that to a great extent ethical marketing has a direct impact on the customer satisfaction. An increase in the ethical marketing practices like fair pricing, integrity of marketers, and applying ethical advertising will result in increased repeat business and hence customer satisfaction. A prudent organization which is able to manage its marketing practices ethically is able to effectively improve its customer satisfaction.

## **8.4 Recommendations**

The following recommendations are suggested by the researcher:

### **8.4.1 Ethical pricing and customer satisfaction**

The study recommends that MTN Uganda Ltd should base policies and operations on a consumer perspective. Not only will the marketer discover the customers' needs, they will also, look at their plans as if they were the users.

Also the company needs to gather data about their target market which will give them information on how much they are willing to pay for the company's products and services. The rest of the pricing strategy, in a simplified manner, should be based on overhead costs and supply and demand this will go a long way in creating an ethically accepted price that will create and sustain the company's satisfied customer base.

### **8.4.2 The relationship between the integrity of marketers and customer satisfaction in MTN Uganda**

The study suggests that MTN marketing managers need rapid access to information about the norms and expectation of society to make decisions about strategic, financial, marketing and operational issues and the ethics concerned with the decisions their marketing officers or staff will take while marketing the company's products and services

The researcher also suggests that in order to be ethical in marketing attempts, MTN Uganda should make honest claims, and excel at satisfying the needs of its customers. This practice over time builds trust and customer confidence in the company's integrity and therefore leads to loyalty, customer satisfaction and employee retention, greet public relations and increase in business from customers spreading the word.

### **8.4.3 The extent to which ethical advertisement affects customer satisfaction in MTN Uganda**

In improving on the ethic of advertising, it is recommended that MTN needs to act with honesty by ensuring that a product satisfies a need it promises to, or aids in providing a lifestyle it advertises. The Company's advertising ought to be transparent about possible side effects, so

clients come to respect the honesty of your advertising. Any techniques to manipulate and hide facts and information customers need could harm the company.

Also the study suggests that there should be strategic control and monitoring of the content that is to be advertised so as not to allow negative impact of other strategic variables, such as falsification of product information to affect sales revenue, customer satisfaction and later profitability;

Above all marketers should be taught the ethical code of conduct in marketing activities so as to collectively and individual work for the long term gain of the company by carrying out activities that are socially beneficial to all parties

## **8.5 Areas of further research**

The study suggest that further studies can be carried out in the following areas:

- Uniformity in marketing codes of conduct in different telecommunications companies and how they contribute to their performance
- A study concerning ethical marketing should be carried out in more similar companies in more districts in Uganda.

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**APPENDIX I: KREJCIE AND MORGAN TABLE FOR SAMPLE SIZE DETERMINATION**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384
<i>Note: N is Population Size; S is Sample Size</i>					<i>Source: Krejcie &amp; Morgan, 1970</i>				

## **APPENDIX II – Questionnaire for Management and staff of MTN Uganda.**

**Dear respondent,**

I am HAFSA HUSSEIN ALI, undertaking a research on ethical marketing and customer satisfaction in telecommunications companies: a case of MTN, Uganda. as a requirement for a Master's degree in Business Administration of Nkumba University. Please help me answer the questions below. I humbly request you, to participate in this study by filling in this questionnaire. All the answers that you will provide shall be treated with the confidentiality they deserve, and will only be used for academic purposes

### **SECTION A: BASIC DEMOGRAPHIC DATA (PLEASE TICK WHERE APPROPRIATE)**

**1. How old are you? (Years)**

- a) 20-30                    ( )
- b) 31-40                   ( )
- c) 41-50                   ( )
- d) Above 50 years      ( )

**2. Sex**

- a) Male                    ( )
- b) Female                 ( )

**3. Highest level of Education**

- a) Ordinary Level ( )
- b) Advanced Level ( )
- c) Undergraduate Diploma ( )
- d) First Degree ( )
- e) Masters Degree ( )
- f) Other (please specify)

.....  
.....

**4. Department of work**

- Top Management ( )    Marketing ( )    Sales ( )    Human Resource
- Customer ( )

**5. Length of service**

- Less than 1 year ( )
- 1-4 years ( )
- 5-7 years ( )
- Above 7 years ( )

**6. Marital Status**

- Single ( )    Married ( )    Separated ( )    Divorced    Widower ( )

**SECTION B: ETHICAL PRICING, PRODUCT STANDARDS AND CUSTOMER SATISFACTION**

**Tick the selected alternatives and tick as to where you strongly Agree (Sa), Agree (A), Not Sure (N), Disagree (D) Or Strongly Disagree (SD) with the statement/question.**

**Instructions:**

Answer the following questions by ticking in the box that best suits your opinion

Statement		SD	D	N	A	SA
1	The price of an product or service plays a large part in how well it sells to ensure MTN customers are satisfied					
2	In MTN, the retailers of its products and services practice ethical pricing strategies to earn profits without defrauding competitors or consumers					
3	MTN's competitor's prices, convenience, availability and other factors affect the company's consumer impressions of fair pricing.					
4	Retailers in MTN commonly increase the price to two or three times the wholesale cost to earn a considerable profit margin for the company and its shareholders					
5	At times retailers of MTN's products and services cut prices to stimulate sales of particular products or popular products					
6	MTN sometimes cuts prices to sell off outdated stock or to make way for a new line of products so as to satisfy its customers.					
7	MTN's marketers sometimes the same products and services under different brands without any clear indication of the difference among them					
8	New versions of products are introduced to replace existing products, with the aim of rendering earlier versions outmoded.					
9	Distribution channels of MTN are too far and this unnecessarily increases the price which the consumer has to pay for goods					
10	In MTN, Advertisers publish an inexpensive product when there is not much inventory of the product, waiting to present a large inventory of a similar product at a much higher price.					

**Any other comment on the influence of ethical pricing and product standards on customer satisfaction (Please specify)**

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.....

.....

**SECTION C: INTEGRITY OF MARKETERS AND CUSTOMER SATISFACTION**

**Instructions:**

Answer the following questions by ticking in the box that best suits your opinion

Statement		SD	D	N	A	SA
1	MTN marketers make their decisions in terms of the rewards they may receive as a result					
2	MTN marketers make their decisions by complying with management instructions without questions.					
3	MTN marketers make their marketing decisions based on promotion, potential increases in salary, or other aspects of status					
4	MTN marketers make their marketing decisions in accordance with the norms and expectation of society or particular social groups to which they belong					
5	MTN marketers make their decisions are seen in terms of abiding by rules and regulation for the benefit of both themselves and the wider society					
6	In marketing MTN products and services, the company’s marketers generally follow the social rules and regulations of society and sometimes consider whether laws should be changed to benefit everyone					
7	MTN marketers make moral decision based on universal principles without debate with management					
8	MTN marketers make marketing decisions that potentially have a positive effect on its customers					

9	MTN marketers make marketing decisions based on their individual customer segments					
10	MTN marketers market MTN products with integrity					

**Any other comment on the relationship between the integrity of marketers and customer satisfaction in MTN Uganda, Please specify**

.....

.....

.....

.....

**SECTION D: ETHICAL ADVERTISEMENT AND CUSTOMER SATISFACTION**

**Instructions:**

Answer the following questions by ticking in the box that best suits your opinion

Statement		SD	D	N	A	SA
1	In marketing of MTN products and services, Promotional activities clash with public interest in most cases					
2	In marketing of MTN products and services, the benefits of some products and services in advert are exaggerated more than the actual.					
3	In marketing of MTN products and services, the advertising agency determines the content of advertising					
4	MTN advertises its products and services to the community or communities they serve through practices that cultivate a relationship of trust					
5	Personality metrics are used by MTN to assign individuals to segments that are manipulatable by advertisers themselves					
6	In advertising its products and services, MTN follows the legal system that ensures that the ethical codes of advertising are followed					
7	In advertising its products and services, MTN's corporate clients appear to be considered more important than other customers.					
8	MTN marketers follow ethical codes of conduct in execution of their tasks					



9	MTN Uganda marketers integrity is kept through monitoring and evaluation their performance against customer's satisfaction					
10	MTN marketers market MTN products after carefully assessment of the resulting effect on customers					

**Any other comment on the extent to which ethical advertisement affects customer satisfaction in MTN Uganda, please specify**

.....  
.....  
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**SECTION E: CUSTOMER SATISFACTION IN MTN UGANDA**

Statement		SD	D	N	A	SA
1	Customers are satisfied with length of life of the MTN products					
2	Customers are satisfied with design of MTN products, consistency of quality and range of products					
3	Customers are satisfied with Delivery of MTN products and services on time and the speed of delivery					
4	Customers are satisfied with courtesy from MTN sales staff, sales representative's availability, representative's knowledge, and reliability of returning calls					
5	Customers are satisfied with Friendliness of MTN sales staff, complaint resolution, and responsiveness to enquiries					
6	MTN's customers are satisfied with MTN after sales service and their technical service					
7	The Reputation of the company has created satisfied customers					
8	Customers find it easy to do business with MTN Uganda					
9	The Market price of MTN Uganda's products and services is customer responsive and the total cost of use satisfactory					

10	MTN Uganda' s customers get value for money products and services					
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**Any other comment on the customer satisfaction in MTN Uganda, please specify**

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**Thank you**

**APPENDIX III: INTERVIEW GUIDE**

**ETHICAL PRICING, PRODUCT STANDARDS AND CUSTOMER SATISFACTION**

**1 What role does the price of MTN’s product or service play to ensure MTN customers are satisfied?**

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**2 How do MTN Uganda’s retailers of its products and services price their products and services without defrauding competitors or consumers?**

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**3 What factors affect MTN’s competitor's prices, convenience, availability and consumer impressions of fair pricing?**

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**4 How does MTN Uganda stimulate its products and services to stimulate sales of particular products or popular products?**

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**5 How does MTN Uganda sell off outdated stock or make way for a new line of products so as to satisfy its customers?**

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**7 How does MTN Uganda differentiate its similar products and services under different brands showing clear difference among them?**

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**INTEGRITY OF MARKETERS AND CUSTOMER SATISFACTION**

**1 How do MTN marketers make their decisions in relation to their rewards**

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**2 How do MTN marketers comply with management instructions on marketing decisions?**

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**3 How do MTN marketers make their marketing decisions in the face of norms and expectation of society?**

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**4. How do MTN marketers abide by rules and regulation in their marketing operations?**

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**5 How does marketing of MTN products and services, follow the social rules and regulations of society?**

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**ETHICAL ADVERTISEMENT AND CUSTOMER SATISFACTION**

**1 How does marketing of MTN products and services avoid clash with public interest in most cases?**

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**2 How does MTN Uganda ensure that the benefits of some products and services in advert are not exaggerated more than the actual?**

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**3 How does MTN Uganda guide the advertising agency in terms of their content of advertising?**

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**4 How does MTN advertise its products and services to the community or communities to cultivate a relationship of trust?**

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**5 How does MTN Uganda follow the legal system to ensures that the ethical codes of advertising are followed?**

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**CUSTOMER SATISFACTION IN MTN UGANDA**

**1 How does MTN Uganda ensure its Customers are satisfied with its products and services?**

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**How can MTN Uganda improve on its marketing so as to increase on its customer satisfaction**

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**Thank you**



#### APPENDIX IV: DOCUMENTARY REVIEW CHECKLIST

<b>DOCUMENT</b>	<b>SEEN</b>	<b>NOT SEEN</b>	<b>REMARK</b>
<b>Mtn sales reports</b>			
<b>Mtn Uganda marketing report</b>			
<b>Journals on customer satisfaction and ethical marketing</b>			
<b>Previous research on customer satisfaction and ethical marketing</b>			