# **Ethical Consideration In Marketing Of Agricultural Produce Globally**

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Abstract- The locally based or domiciled nature of some Agricultural produce suggests that to gain global acceptance, certain ethical considerations are required. Ethical compliance is the considerations of the stakeholders in terms of economical, social and ecological perspectives. Concentrating on how individual business executives and locally based firms can improve ethically in terms of production and marketing cannot in any way withstand the global competition. The quest for global product acceptance calls for institutional frameworks guiding product development and marketing within the global economy. For products to meet global standard or acceptance, it should not concentrate on single problem or question but to extend on safety and global environmental issues. The objectives of the study are; to examine whether ethical consideration in relation to product quality, price, culture and product safety has positive significant effects on Marketing of "Ebonyi Rice World" of, Ebonyi State, Nigeria, globally. Hypotheses were postulated in line with the above objectives. Farmers and exporters of "Ebonyi Rice World" constituted the respondents. Survey design method was applied, resulting to the use of questionnaire. Responses of the respondents were presented in tables and analyzed. The study hypotheses were tested using multiples linear regression. Findings revealed that ethical conduct on product quality, price, culture and food safety has positive significant effects on Marketing of Agricultural produce (Ebonyi Rice World) globally. The researchers concluded that ethical considerations across global economy is key to globalization. The researchers therefore recommended that ethical practice in relation to economical, social and environmental factors should be upheld by participants in global marketing and businesses.

**Key words;** Ethics, Agricultural produce, Quality, Price, Culture, Food safety, Marketing, Globalization.

#### Introduction

Globally every nation engages in one form of Agriculture or the other. Due to certain peculiarities or natural endowment, some countries are solely priviledged to produce certain crops or have comparative advantage in other forms of agricultural production which are in demand or consumed by other non-producing countries. For commercial benefits therefore, the producing country engage in exportation to the non-producing or demanding countries. It therefore behoove that certain ethical standard in this context be adhered to ensure smooth import-export transactions. Ethical marketing practices by a company affects the consumers consumption activity (Brunk, 2012). According to World Bank as cited by Todaro and Smith (2011) developing countries record fast growth in the value of Agricultural output of 2.6% per annum as compared to its developed economies counterparts of 0.9% per year.

In Nigeria, Ebonyi State is the hub producer of Rice (Nwali & Anyalor, 2019) Studies in the global marketing has been conducted, but to the best knowledge of the researchers, despite the role rice plays in economic development of Nigeria, none is on Marketing of Rice Globally,

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essentially to establish whether Nigerian Rice (Ebonyi World Rice) can favourably compete in global markets. Assessing this research gap in the extant literature, this study investigates the ethical consideration in Marketing Ebonyi Rice World of Ebonyi State Nigeria globally to fill the knowledge gap. The study objectives therefore are to;

- 1) Find out whether ethical consideration in Product quality significantly and positively effects Marketing of Agricultural Produce (Ebonyi Rice World) Globally
- 2) Establish if ethical consideration on Price of the produce significantly and positively effects Marketing of Agricultural Produce Globally.
- 3) Determine whether ethical consideration on the Product Cultural Value significantly and positively effects the Marketing of the Produce Globally
- 4) Ascertain if ethical consideration on Produce/Food Safety significantly and positively effects marketing of Agricultural Produce Globally.

The hypotheses for the study were postulated in line with the respective objectives above.

### **Review of Related Literature**

# Ethics and global marketing

In the words of Maarten and Dina (2003), ethics refers to adherence to community or cultural standard. Global marketing ethics according to Schlegelmilch (2016) refers to the standard of conduct and moral judgment applied to the field of global marketing. The interest in direct investment in foreign markets could arise to extend domestic operations, increase profit margins expand. Market share, to be globally competitive and comply to certain government regulations.

Studies have shown that demanding nations expect the produce to be imported to meet their standard and other peculiarities. This has always posed challenges to the firms engaged in global marketing. Supporting the above, Ozer and Cebeci (2018) stated that firms involved in global marketing are challenged by demanding regional and global customers. Such changes cannot be unconnected with differences in things like, standard, culture, etc which might require certain ethical approach. As reported by Dia, Rattso and Sokki (2006) Barliett and Ghoshal, (1997) product innovation for domestic market cannot be extrapolated to global markets. Organization involved in global marketing have to face up the realities of committing to appropriate political standard (Okoro 2012). Compliance to ethical standard smoothen marketing operations.

## **Ethics and Product Quality in Global Markets.**

Product standard according to Ferro, Wilson and Otsuke, (2013), affects exporters decision to export to a given destination market. World trade in agricultural commodities has however become highly regulated due to safety consideration and quality stand point. (Dinrifo, 2015).

Maurizio and Domenico (2007) averred that the domestic and international marketing of quality food products generate significant import and export opportunities. Perceived product quality has a positive effect on customer satisfaction, commitment, and loyalty (Davis-Sramek, Droge, Mentzer & Myers, 2009, Falk, Hammerschmidth & Schepers, 2010, Lenka, Suar & Mohapatta 2010).

### **Product Pricing in Global Marketing**

Considering the environmental factors affecting price in global marketing, Zaribaf (2007) opined that marketers needed to deal with a number of environmental factors such as government controls, currency fluctuation, competitive behaviour etc before making primary decisions.

Odongo, Angneta and Orinda (2012) based on their study, established that there are globalization factors that play a role in determining prices for services rendered. In order to enjoy competitive edge the exporting countries could as a way of imbibing ethical behaviour succumb to certain asking price and gain price advantage. Such action agrees with the submission of Gabrielle and Akvile (2015) that competitive export price should be flexible and changes over time in line with both the internal and external environmental issues. Kehoe, (1985) Silham (2013) submit that price related ethics should be equal or proportional to the benefit derived by the customers or consumers. In line with this Gupta and Santhosh (2017) inferred that local marketing strategies may not be successful in global trade due to cultural differences.

Nevertheless, Gillespie, Jeanet and Hennssey (2010) view that whenever different taxes, trade margins and custom duties exist, it is very difficult to offer or pursue a uniform pricing strategy. Studies by Obadia and Stottinger, (2015) Dolgui and Proth (2010) Hinterhuber and Liozu (2014) revealed that price can be both the easiest and fastest means to have competitive edge.

# **Product Cultural Value and Global Marketing**

Studies reveal that it is necessary to understand the values and ethics of other cultures when engaged in global marketing for possible adaptation. The earlier work of Nill (2003) aligning with this, stated that as a result of globalization of markets and businesses, an over increasing number of marketers have to deal with ethical issues in cross cultural settings. This agrees with the view of Gerasimova (2016) that understanding customers and peers in other countries can bridge cultural gaps and result to improved competitive edge in global market place.

### Produce/Food Safety and Global Marketing

The fusion of ethical behaviour and food safety is also paramount in global marketing. The primary goal of any product policy geared towards protecting the consumer hinges on the regulation of safety of products (Salim et al 2017). Product safety is linked with the ability of product quality to satisfying consumers' needs and wants in terms of health perspectives. It is among the product related ethics which are linked to legal regulations (Lee & Jin, 2019). Product safety is designed to avert dangerous product from both the market and the user (Nnorom & Osibanjo, 2008), Eleonora (1999) however stated that firms engaged in offering products that meets a high standard of safety may encounter problems competing against firms that produce unsafe products at cheap prices. The above is evidenced where the buyers/users are not provided with necessary information or unable to interpret information relating to the problems of subquality standard in connection with the safety of the product.

This study is anchored on ethical relativism theory. The theory holds that morality is relative to the norms of one's culture. Implying that whether an action is acceptable or not, right or wrong, depends on the norms of the affected society. Going by the theory, parties involved in global marketing needed to inculcate ethical behaviour peculiar to the countries and products involved so as to be competitive in their transactions.

#### **Materials and Methods**

The respondents for the study were conveniently selected from the Farmers and Exporters of Ebonyi Rice World within major rice producing areas in Ebonyi State, (Ikwo, Afikpo south - Edda and Ohaozara Local Government Areas)

Survey design method was applied resulting to the use of questionnaire to elicit response from the respondents on whether product quality, price, product cultural value and produce/food safety respectively has significant and positive effects on Marketing of Agricultural Produce.

The responses to the questions were rated using a 5 points likerd ordinal scale. The reliability of the study instrument is 0.85 determined using combach's Alpha and was acceptable (Revelle & Zinbang, 2009).

A total of 89 questionnaires were distributed but only 70 among the returned were suitable and used. The sample size for the study therefore is 70. Responses from the respondents were presented in tables and analyzed. Hypotheses for the study were tested with linear regression and pearson product moments correlation. Special package for social sciences SPSS version 23 was used in the analysis.

### **Data Presentation and Analysis**

**Table 1**: Product quantity significantly and positively effects marketing of Agricultural Produce (Ebonyi Rice World) Globally.

Option	Frequency	Percent	Valid percent	Cumulative
				percent
Strongly Agree	50	72	72	72
Agree	15	21	21	93
Undecided	-	-	-	93
Disagree	2	3	3	96
Strongly disagree	3	4	4	100
Total	70	100		

Source: Survey Data, 2019.

The above reveals that 50 (72%) of the respondents strongly agree that product quality has significant and positive effect on marketing of Agricultural product globally, 15 (21%) agreed, 0% were undecided while 2 (3%) disagreed and 3 (4%) strongly disagreed.

**Table 2:** Price significantly and positively effects Marketing of Agricultural Produce Globally.

Options	Frequency	Percent	Valid percent	Cumulative percent
Strongly Agree	20	29	29	29
Agree	30	43	43	72
Undecided	5	7	7	79
Disagree	10	14	14	93
Strongly disagree	5	7	7	100
Total	70	100	100	

Source: Survey Data, 2019.

The above reveals that 20 (29%) of the respondents strongly agree that price significantly and positively effects marketing of Agricultural product globally, 30 (43%) respondents agreed, 5 (7%) were undecided while 10 (14%) disagreed and 5(7%)strongly disagreed.

**Table 3:** Product Cultural Value has significant and positive effects on Marketing of Agricultural Produce Globally.

Options	Frequency	Percent	Valid percent	Cumulative percent
Strongly Agree	20	29	29	29
Agree	35	50	50	79
Undecided	-	-	-	79
Disagree	10	14	14	93
Strongly disagree	5	7	7	100
Total	70	100	100	

Source: Survey Data, 2019.

The above information reveals that 20 (29%) of the respondents strongly agree that product cultural value has significant and positive effects on marketing of Agricultural product globally, 35 (50%) respondents agreed. (0%) were undecided, while 10 (14%) disagreed and 5(7%) strongly disagreed.

**Table 4:** Produce/Food Safety significantly and positively effects Marketing of Agricultural Produce Globally.

Options	Frequency	Percent	Valid percent	Cumulative percent
Strongly Agree	35	50	50	50
Agree	20	29	29	79
Undecided	5	7	7	86
Disagree	5	7	7	93
Strongly disagree	5	7	7	100
Total	70	100	100	

Source: Survey Data, 2019.

Table 4 reveals that 35 (50%) of the respondents strongly agree that Produce/Food Safety significantly and positively effects marketing of Agricultural produce globally, 20 (29%) agreed, 5 (57%) were undecided while 5 (7%) disagreed and remaining 5 (7%) strongly disagreed.

### **Test on Hypotheses**

The hypotheses for the study were tested using regression analysis and Pearson Product moment correlation. SPSS was used to analyze the various test.

# **Hypothesis One**

Ethical consideration on product quality significantly and positively effects Marketing of Agricultural Produce Globally.

Regression model:  $Y=a=\beta X-u....(\text{for all observations I}, =1, 2....n)$ 

Where Y = Global Marketing

X = Ethical consideration on product quality

u = error term of random variable

a = a constant amount

 $\beta$  = effect of X hypothesized to be positive.

Hence, the regression (predict) equation will be Y = 99.331+0.114X

**Table 4.1.1a: Model Summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.662	.817	.663	28.22119

a. Predictors (constant): Product quality

Table 4.1: 1b: ANOVA<sup>b</sup>

Model	Sum of square	Dr	Mean square	F	Sig
Regression	22166.221	1	22166.221	15.131	.003 <sup>a</sup>
Residual	4722.979	69	1464.954		
Total	26889.200	70			

a. Predictors (Constant) Product quality

b. Dependant Variable: Global marketing

Table 4.1.1c: Coefficient<sup>a</sup>

Model	Unstandardized Coefficient		Standardized coefficients	T	Sig
	В	Std. Error	Beta		
(constant)	69.331	44.811	.939	2.113	.005
Product quality	.114	336		3.552	.004

a. Dependant Variable: Global Marketing.

#### **Result & Decision**

Data for the test of hypothesis one was obtained from responses from the questionnaire. The regression analysis was used to test the validity of the effect of Product quality on global marketing. The Tables 4.1.1a b and c above revealed that regression result shows the existence of significant result on the variables ( $R^*$ calc =0.817 (81.7%) > at p< 0.05). The significant level was found to be 0.003, and due to this, we accept that product quality has a significant and positive effect on marketing of product Globally

# **Hypothesis Two**

Ethical consideration on price of product has significant and positive effect on marketing of agricultural produce Globally.

Regression model:  $Y=a=\beta X+a...(\text{for all observation I}, = 1,2....n)$ 

Where Y = Global Marketing

X = Product Price

u = error term of random variable

a = a constant amount

 $\beta$  = effect of X hypothesized to be positive

Hence, the regression (predict) equation will be Y = 116.031-1.964X

**Table 4.2.1.a: Model summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.918a	.891	.842	30.46883

a. Predictors (constant): Product price

Table 4.2.2.b: ANOVA<sup>b</sup>

Model	Sum of square	Dr	Mean square	F	Sig
Regression	20670.151	1	20670.151	21.265	.002 <sup>a</sup>
Residual	2785.049	69	928.350		
Total	23455.200	70			

a. Predictors (constant). Product Price

b. Dependant Variable: Global Marketing.

Table 4.2.2c: Coefficient<sup>a</sup>

Model	Unstandardized Coefficient		Standardized coefficients	T	Sig
	В	Std. Error	Beta		
1 (constant)	116.031	47.849		2.215	.003
Product price	1.964	.416	.939	4.619	.008

a. Dependant Variable: Global Marketing.

### **Result and Decision**

The tables 4.2.2a, b &c revealed that the regression result shows the existence of significant and positive result on the variable ( $R^*$ calc =0.817 (81.7%) > at p< 0.05). The significant level was found to be 0.002 and due to this, we affirm that produce price has significant and positive effects on Marketing of Agricultural Produce Globally.

### **Hypothesis Three**

Product Cultural Value has significant and positive effects on Marketing of Agricultural Produce Globally.

**Table 4.3.1a: One Statistics** 

	N	Mean	Std. Deviation	Std. Error mean
Product cultural value and global marketing	70	11.2200	14.14103	2.61121

**Table 4.3.1b: One Sample Test** 

	Test Value = 0					
	Z	Df	Sig.(2-tailed)	Mean Difference	95% confi Interval of difference	fthe
					Lower	Upper
Product cultural value and global marketing	17.11	617	.003	11.2200	11.2200	22.4400

### **Result and Decision**

From the analyzed data (tables 4.3.1a and b) using one-sample z-test to ascertain the effect of product cultural value on global marketing, it was revealed that the z-test result shows positive and significant result on the variable (z=17.11>at p<0.05). The significant level was found to be 0.03 and therefore product cultural value significantly and positively effects the Marketing of Agricultural Produce Globally.

### **Hypothesis Four**

Ethical Consideration on Produce/Food Safety significantly and positively effects Marketing of Agricultural Produce Globally.

**Table 4.4.1a: One Sample Statistics** 

	N	Mean	Std. Deviation	Std. Error mean
Produce/food safety and global marketing	70	39.5000	10.84103	3.96621

**Table 4.4.1b: One Sample Test** 

	Test Value = 0								
	Z	Df	Sig.(2-tailed)	Mean Difference	95% confidence Interval of the difference				
					Lower	Upper			
Produce/food safety and global marketing	9.16	70	.002	39.60000	31.4100	47.4900			

Source: SPSS analysis. Survey Data, 2019.

The data from the questionnaire using one-sample z-test to ascertain if produce/food safety significantly and positively effects marketing of agricultural produce globally. The analyzed data in tables 4.4.1a &b revealed that z-test shows the existence of significant result on the variables (z=9.16>at p<0.05). The significant level was found to be 0.02 and provided support that produce/food safety significantly and positively effects Marketing of Agricultural Produce Globally.

# Implications and Limitations of the Study

The implications of the study are that global marketers, importers and exporters should accept and tolerate differences between its nationals and other countries. Also adhere to global standard and reinforce ethical marketing practice from time to time to achieve corporate brand loyalty globally.

In respect of limitations, importers of Agricultural produce (rice) were not covered. Also the researchers did not take into account the fact that the outcome associated with each marketing ethics through the relationship between the mediating variables and dependent variables vary considerably with type of product or business and other characteristics. It is therefore difficult to generalize the result of this study. The sample size is also not large to make the study robust and enhance generalization.

### **Conclusion and Recommendation**

The study, ethical consideration of Marketing of Agricultural produce globally with Ebonyi Rice World as a pointer, was conducted at major areas producing Rice in Ebonyi State. Rice farmers and exporters within the area under study formed the respondents.

Findings revealed that ethical conduct on product quality, price, culture and food safety has significant and positive effects on Marketing of Agricultural Produce Globally. The act of

exhibiting proper moral and conducts (ethics) when engaged in marketing of goods and services, is therefore key to competitive advantage in global marketing. In line with this, it is recommended that ethical practice in relation to economic, social and environmental factors be upheld by the stakeholders in global marketing and businesses.

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