



RETAILERS' ETHICS: AN EMPIRICAL STUDY ON TRADITIONAL RETAIL SHOPS IN BANGLADESH

Muslima Zahan 

Assistant Professor, School of Business and Economics, North South University, Bangladesh
muslima.zahan@northsouth.edu

Hafiza Sultana

Research Associate, ReLight Research, Bangladesh
hsultanahasan@gmail.com

Frank Henry Wade

Assistant Professor, School of Business and Economics, North South University, Bangladesh
frank.wade@northsouth.edu

Abstract

The study analyzes the retailers' ethics in Bangladesh, a developing country in South Asia. It identified five factors to measure ethical retailing, namely, Quality, Quantity, Price, Packaging and Performance. The research is based on primary data collected from a survey of 438 traditional retail shops. Small retail shops in the economy are involved in unethical practices with the intention of profit maximization. From the findings the authors developed a 2Q3P model consisting of 25 variables. According to the quantitative analysis, all five factors are significant for measuring ethical retailing, Quantity, Performance and Quality are more significant. This is the first study to investigate retailing ethics in Bangladesh. The study is a significant contribution to research in retailing, business ethics, and small business in the backdrop of a developing nation. In addition, it offers theoretical and practical implications.

Keywords: Retailing ethics, ethical retailing, traditional retail shops, 2Q3P model, developing economy

INTRODUCTION

Retailing is one of the traditional businesses in Bangladesh. Like that in most developing economies, the fragmented retail sector is characterized by small independent grocery stores in rural areas, and small grocery shops in shop-lots and corner stores in neighborhoods in semi-urban and urban areas (Ali & Faroque, 2017). Fruits and vegetables shops are even more unorganized in temporary village bazars in rural areas, and semi-temporary shops in wet markets (kitchen markets) in urban areas (Ali & Faroque, 2017). Rahimafrooz opened Agora, the first superstore chain in Bangladesh, in 2001 (Arif, 2013). Currently a number of supermarkets, supershops and large grocery stores are operating in Dhaka, the capital city, for example, Agora, Meena Bazar, Prince Bazar, Nandan and Swapno (Sarker & Afroze, 2015). Nevertheless, they target the high and upper-middle income urban consumers particularly (Arif, 2016).

Although there are a few studies based on the retail sector and supermarket chains in Bangladesh (e.g., Ali & Faroque, 2017; Arif, 2013; Arif, 2016; Farid et al., 2018; Kashem, 2012; Rana, Osman, & Islam, 2014, etc.), none of them, however, has incorporated an ethical retailing perspective. The current study addresses the research gap and analyzes the retailing ethics in Bangladesh. To create a positive image in consumer's mind, retailers must pay greater attention to and properly manage the ethical aspects and principles (Dabija, Postelnicu, & Dinu, 2018). The involvement of many small retailers and the fragmented nature of the retail sector in developing countries intensifies the need for exploring the ethical practices of traditional retailers. Therefore, the objective of the empirical study is to explore the retailers' (un)ethical practices in the lens of five key factors, namely, Quantity, Quality, Price, Packaging and Performance (discussed in next section). The research is based on primary data collected from a survey of 438 small retail shops in Dhakacity. The analysis is mostly quantitative. The study is significant in a number of ways. First, the authors believe that this is the first research to investigate retailers' ethics in the context of Bangladesh. Second, the study aims to offer empirical insights to ethical retailing in the backdrop of a developing nation. It discusses managerial and policy implications which developing economies like Bangladesh might find useful.

The rest of the paper is organized as follows. The second section presents an overview of the retail sector in Bangladesh. Then, section 3 discusses literature review and hypotheses. Section 4 and 5 presents research methodology, and analysis & discussion, respectively. Section 6 summarizes the academic, managerial and policy implications of the study. Section 7 concludes the study with its limitations and the directions for future research.

THE RETAIL SECTOR IN BANGLADESH

Bangladesh, a developing country in South Asia, has a GDP worth US\$ 690.3 billion (Purchasing Power Parity) growing at 7.4 percent real rate (2017 estimate, The World Fact Book, 2019). With population of 159 million (estimate, July 2018, The World Fact Book, 2019), the labor-intensive country has achieved the World Bank's lower middle-income status in 2014 (The World Bank, 2017). Retailing, together with wholesaling, contributes a combined 14.3 percent to the GDP of Bangladesh (Farid et al., 2018). The retail sector grows at about 7 percent per year due to both economic growth and urbanization (Hussain & Leishman, 2013). Despite its significant impacts on the economy, recent information about the sector is scant.

Traditional stores, like the small roadside shops, account for 75 percent of the retail sector in Bangladesh (Sarwar & Ferdousi, 2004). Most shops are small, usually 30-100 sq. feet in size, and do not offer foreign or imported products. A few shops in urban or suburban areas offer higher quality goods from the neighboring countries, e.g., India and Myanmar. They are open for long hours and allow the consumers to bargain in order to reduce the asking prices. The second category, 20 percent of the retail sector, contains mini markets (Hussain & Ara, 2004). They are found in semi-urban and urban areas, and operated by the Municipal Corporation. The shops are generally arranged by product or service categories, such as, fish market, meat market, vegetable market, other groceries, etc. Most of them offer imported and quality products, though their demand is limited to middle and high income customers. The goods are supplied by both wholesalers and importers. Third, the convenience stores or department stores, that represent 5 percent of the sector, located in urban areas (Sarwar & Ferdousi, 2004). These larger stores offer high-quality domestic and imported items. The products are expensive, and, thus, preferred by the upper-middle or upper income class of Bangladeshis and residing foreigners. The stores acquire products from importers and distributors with adequate storage facilities, and, often, from local suppliers.

Last of all, the organized, developed and structured retail stores are present in major cities (Sarwar & Ferdousi, 2004). This segment is very young and offers highest quality imported products. The growth of relatively organized shopping complexes and kitchen markets started in 1960s and 1970s to meet the shopping needs of the fast growing urban population with increasing income (Ali & Faroque, 2017). The market share of organized retail sector, including the super shops, is still relatively small; not more than 2 percent of the total retail industry in Dhaka (Ali & Faroque, 2017). Modern organized food retailing constitutes about 8 percent of the estimated US\$ 16 billion food retailing sector in Bangladesh (Hussain & Ara, 2004).

LITERATURE REVIEW AND HYPOTHESES

Ethical behavior is consistent with widely recognized societal norms, for instance, fair play, honesty, full disclosure, and so forth (Robertson & Anderson, 1993). The term ethical retailing has become commonplace in recent years, though what constitutes ethical retailing is open to variations in interpretation. It may encompass the sales of products endorsing “just causes”, the development of ethical products manufactured in compliance with ethical rules, or the rollout of ethical sales practices with consumers (Whysall, 1998). Román and Ruiz (2005) defined unethical sales behavior as a short-run salespeople’s conduct that enables them to gain at the expense of the customer. On the same basis, the authors posit that, unethical retailing is retailers’ conduct that enables them to gain at the expense of their customers in short-term.

Considering the wider range groups and organizations with which a retailer might be simultaneously involved, a full evaluation of ethical retailing need to consider interactions with the managers, employees, local communities, competitors, public agencies and landlords, in addition to the product and service offerings (Whysall, 1998). Due to their social and economic embeddedness (Lähdesmäki & Suutari, 2012), small local retailers are often highly visible to individual customers and the local community, which increases the level of pressure for the owner/manager to become a responsible business citizen (Razalan et al., 2017). Numerous actions of retailers, i.e., social labels, eco-actions, communication campaigns, etc., demonstrate their current interest in ethics (Lavorata & Pontier, 2005). The rationale is simple: “Reinforcing ethical behavior is important for improving performance and achieving success in the marketplace” (Gundlach & Murphy, 1993). Furthermore, an ethical Return on Investment is measured by its contribution to a fairer and more humane world, but also by its contribution to firm growth (Lavorata & Pontier, 2005).

Previous research confirms a positive association between ethical sales behavior and long-term buyer seller relationship (Lagace, Dahlstrom, & Gassenheimer, 1991; Gundlach & Murphy, 1993), as well as between retailing ethics and customer loyalty (Arjoon & Rambocas 2011), customer satisfaction and trust (Elbeltagi & Agag, 2016; Kennedy, Ferrell, & LeClair, 2001; Román & Ruiz, 2005), and customer perceived value (Kurt & Hacıoglu, 2010). Though retailers are expected to be interested in protecting customer relationships by guarding against actions that might cause consumer dissatisfaction, they have an alternative goal of increasing profits, and many retailers consider these two goals in conflict (Takala & Uusitalo, 1995). Retail deals may be unfair in various aspects, for example, price, merchandise quality, fitness for described purpose, conditions attaching to sales, after-sales support and misrepresentation (Whysall, 2008). The 21st century consumers will sanction any retailer who conducts activities

contrary to the ethical principles and norms, cooperates with business partners that indulged in morally wrong or unsound practices, or pursue and implement actions contrary to sustainable consumption, by shifting their interest towards competitors that constantly apply ethical standards, making negative recommendations, ceasing to visit the retailer's store chains and purchasing fewer products from it (Dabija, Postelnicu, & Dinu, 2018).

Farouk (1987) analyzed the traditional retail stores in Dhaka city and found that, 88 percent shops were owned by sole-proprietors. Many (61 percent) did not know the business regulations or consumer rights, except for the pharmacies (Farouk, 1987). The authors observed that, small retailers often tend to make mistakes while measuring the quantity of goods and have consumers pay more than necessary. Some place the balance or weighing machine in such a position that it is not visible from distance. As a result, the customers cannot check the weight of the products before purchasing. Therefore, Hypothesis 1 propose that,

H1_o: Quantity is an avenue for retailers' unethical practices

H1_a: Quantity is not an avenue for retailers' unethical practices

According to Datta and Chakraborty (2009), most small retail shops in Bangladesh are unorganized, run as a family business, and do not have proper worker structure. The retailers operate with negligible real estate, underpaid labor costs, and no or little taxes. So they are able to offer local products in prices that are always less, though quality is not guaranteed (Datta & Chakraborty, 2009). Marketing of fresh fruits and vegetables, dairy products, fish, meat and poultry products is most inefficient and unreliable in Bangladesh. Consumer confidence on quality and safety for these products are in jeopardy due to indiscriminate use of harmful chemicals as preservative (Ali & Faroque, 2017). Azad and Bhuiyan (1992) identified quality fluctuation and adulteration, in addition to price fluctuation, as problems of grocery retailing in the country. Based on this discussion, the second hypothesis posits that,

H2_o: Quality is an avenue for retailers' unethical practices

H2_a: Quality is not an avenue for retailers' unethical practices

In addition, pricing is associated with ethical considerations. Determinations of prices that lead to excessive profits or take advantage of a customer's needs, and pricing below costs were identified as non-ethical pricing practices (Indounas, 2008). Incentives, such as competitions and special offers, may raise ethical questions (Whysall, 2000). Retailers often employ unfair pricing policies (Boal & Peery, 1985) with overpricing, difference in advertised and actual prices, inflating prices because of a monopoly market position, etc. (Wagner, Bicen, & Hall, 2008). Rahman et al. (2017) found that accuracy of bill and correct information about price and discount are important factors for retail customer satisfaction in Bangladesh.

Thus, hypothesis 3 proposes that,

H3_o: Pricing is an avenue for retailers' unethical practices

H3_a: Pricing is not an avenue for retailers' unethical practices

The major functions of packaging are right amount and size, volume and weight efficiency, convenience (*handleability*), communication (information flow), protection and promotion (Chan, Chan, & Choy, 2006). Nonetheless, many packaging designs are unsuitable for reuse or recycle at the receiver's end (Siversson & Jönson, 1998). Furthermore, retailers sometimes create extra weight of products with packaging and replace the original packaging to distract the buyers (Caruana, 2002). Hypothesis 4 analyzes if retailers' unethical conduct relates to product packaging.

H4_o: Packaging is an avenue for retailers' unethical practices

H4_a: Packaging is not an avenue for retailers' unethical practices

Only a few retailers in Bangladesh emphasize quick delivery, specialist service and customer trust (Farouk, 1987). The super shops offer attractive features over traditional retail stores, for instance, fixed price, offers and discounts, adequate refrigeration facility, convenient shopping, hygienic and clean shopping environment, products with reliable quality, wider product assortment, and superior services like online shopping (Arif, 2013; Rana, Osman, & Islam, 2014; Sarker & Afroze, 2015). This implies the significance of service performance in ethical retailing. On the other hand, examples of unethical sales behavior include lying or exaggerating about the benefits of a product, lying about availability, lying about the competition, giving answers when the answer is not really known, and implementing manipulative influence tactics or high-pressure selling techniques (Lagace, Dahlstrom, & Gassenheimer, 1991; Robertson & Anderson, 1993). Some products retail stores sell are produced in sweatshops, involving the use of child labor (Adams, 2002). The existence of inequalities in retail workforce was identified by prior research (Arjoon & Rambocas, 2011). Retailers are also criticized for their aggressive sales practices (Wagner, Bicen, & Hall, 2008); they attempt to sell products the customers do not need or cannot afford (Carter & Jennings, 2004). Due to their success in international markets, the leading fashion, footwear and sportswear brands of Asian retailers confront the increasing ethical challenge of brand counterfeiting and piracy (Dabija, Postelnicu, & Dinu, 2018). Therefore, the last hypothesis posit that,

H5_o: Performance is an avenue for retailers' unethical practices

H5_a: Performance is not an avenue for retailers' unethical practices

RESEARCH METHODOLOGY

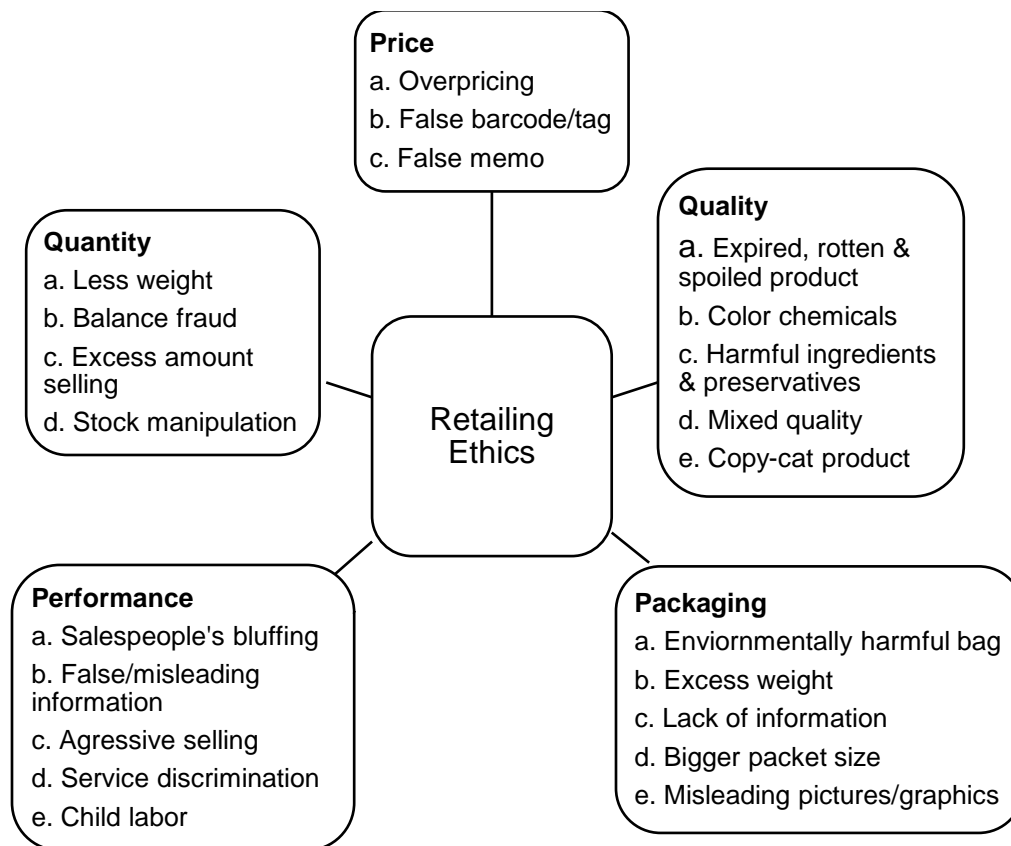
Quantitative research is more appropriate for collecting definitive data and analyzing the data with statistics (Bax, 2015). According to Malhotra and Dash (2007), quantitative survey method is useful for collecting data from a large pool of respondents. As the planned sample size was 500, the authors considered a survey with a semi-structured questionnaire as the most suitable method for primary data collection. In particular, the ethical behavior of small retail shops and kitchen markets was analyzed, as these retailers are more likely to violate retailing ethics. The sample was selected with a combination of snowball sampling and simple random basis. First, the authors made a list of the retailers from snowball sampling because there is no directory available for traditional retailers. Then they created a random order in Excel to select the samples. They also observed 5 percent of this sample before the survey to fine-tune the variables. Among the selected shops, 441 agreed to take part in the survey, whereas 438 (N=438) completed it without any missing values. The first section of the questionnaire asked some general questions. The second collected data about the retailers' ethical practices linked to Quantity, Quality, Price, Packaging and Performance. The response for each question was measured with a 5 point Likert scale. Traditional retailing is carried out in a small scale and the retailers do not go for media advertisement (Farouk, 1987). So the study did not include retailers' advertising practices as a factor for retailers' ethics. Since retailers' ethical actions are more visible in customer and supplier relations (Lavorata & Pontier, 2005), the analysis encompasses ethical retailing with consumers, the most important stakeholders for small retail shops. The questionnaire had originally been developed in English. It was translated into Bengali for the survey, so the respondents were able to understand the instructions and questions easily (Bax, 2015). Collected data was analyzed with descriptive statistics and hypothesis testing. The significance of the factors was analyzed with a correlation coefficient test. Finally, the authors developed a 2Q3P model to measure retailers' ethics. The five factors are further explained with 25 variables (presented in Figure 1).

ANALYSIS AND DISCUSSION

The descriptive statistics show that (Table A1 in Appendix), 65.7 percent of the retailers have a license to do business, whereas the rest either do not require a license or do not have one. The markets are owned by the bazar owners (38.8 percent), shop owners' association (26.5 percent), and business owners' association (20.8 percent). The age of the retail shops ranges from 1 to 20 years: 39.5 and 28.8 percent are doing business for 5 to 10 years, and less than 5 years, respectively; while only 9.8 percent is family business. Almost 59 percent retailers invested between BDT (Taka, the official currency of Bangladesh) 1 lac and 10 lac to start the

business. The size of the traditional shops is small: 48.9 percent have less than 5 workers, and none has a structured employee structure. Nonetheless, the number of customers they handle every day is large, from 100 to 200 (33.6 percent), and from 50 to 100 (30.6 percent). Almost 46 percent retailers are concerned about customer trust and relationship, but only after their priority for increasing sales and profit. In addition, 22.4 percent retailers said that they receive customer complaints, and 40.4 percent reported receiving this often. Though 37.2 percent claimed that they do not receive any customer complaints, this response could be subject to a social desirability bias. Furthermore, some retailers (38.5 percent) are not concerned about consumer's unwillingness to return to their shops if they are dissatisfied with the product and service offerings or performance. One reason behind the poor performance of traditional retailers is lack of monitoring, i.e., the government agency Bangladesh Standard and Testing Institution (BSTI) rarely monitors them (47.7 percent).

Figure 1. 2Q3P Model of Retailers' Ethics



Source: Authors' compilation

All the hypotheses are supported (Table A2 in Appendix). First, Quality (rotten, spoiled and expired products, color chemicals, harmful ingredients and preservatives, and mixed quality, i.e., fresh and rotten or old products), is a significant avenue for unethical retailing. Second, the retailers depend on Quantity to make unethical profit by giving less weight, doing fraud with balance or weighing, selling excess amount, and manipulating stocks (to increase price). Third, retailers' violation of Pricing ethics is evident in overpricing, false barcode or price tag, and false memo. For Packaging, they use environmentally-harmful bags (e.g., plastic and polythene), and offer little recycling and product related information. They also put excess weight in packaging, make bigger packet size, and use misleading pictures or graphics. Furthermore, unethical retailers' Performance relates to salespeople's bluffing, false or misleading information, service discrimination on the basis of a consumer's appearance, aggressive selling, and employment of child labor. The violation of ethics, especially by the small retailers, can be explained by the retailers' low education level, poverty and lack of knowledge of consumer rights, as well as the loosely implemented rules and regulations. Like the retail stores in India (Sarma, 2007), a neighboring country of Bangladesh, traditional retail stops do not have any ethical code of practice. They rely on certain norms that may not guarantee actual ethical behavior. Based on the analysis, the authors developed the 2Q3P model of retailers' ethics (presented in Figure 1).

Table 1. Significance of 2Q3P Model

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|-------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 2Q3P | (Constant) | 2.994 | .373 | | 8.025 | .000 |
| | Quantity | .340 | .138 | .359 | 3.049 | .002 |
| | Performance | .249 | .129 | .285 | 3.769 | .000 |
| | Quality | .156 | .141 | .185 | 3.831 | .000 |
| | Price | -.054 | .127 | -.056 | -1.147 | .013 |
| | Packaging | -.217 | .105 | -.217 | -2.185 | .029 |

According to Table 1, while all five factors are significant to measure retailing ethics, three are more significant, Quantity ($\beta=0.359$, $p<0.005$), Performance ($\beta=0.285$, $p<0.001$), and Quality ($\beta=0.185$, $p<0.001$). Therefore, it can be concluded that, the 2Q3P factors are significant avenues for small retailers' unethical conduct. The findings also concur with prior research that small retail stores and *kaacha* bazars (wet markets) in Bangladesh are engaged in unethical

practices (e.g., Ali & Faroque, 2017; Azad & Bhuiyan, 1992; Caruana, 2002; Datta & Chakraborty, 2009; Farouk, 1987; Wagner, Bicen, & Hall, 2008).

ACADEMIC, MANAGERIAL AND POLICY IMPLICATIONS

Retailers need to revise their business concepts to regain public trust. Nonetheless, developing economies in South Asia, Middle East and Africa are under-represented in existing literature for retailing ethics. Considering the involvement of many small retailers and the fragmented nature of the retail sector in developing countries, further research that analyzes ethical retailing in the backdrop of these nations is necessary. This study theoretically established and empirically found that, traditional retailers' (un)ethical practices can be linked to Quality, Quantity, Price, Packaging and Performance factors. Therefore, the research contributes to the retailing, business ethics and small business literature.

Due to the fragmented nature of the retail sector in a developing economy like Bangladesh, applying retailing ethics may require a different approach. The legal framework needs to confirm that the scales or weighing machines are placed in a location to offer easy and convenient visibility to the consumers. The machines must be checked or calibrated frequently to ensure their accuracy. The public agencies responsible for retail monitoring need to check the product and service offerings, as well as performance of retail shops more frequently, and with surprise visits. Although child labor is illegal, the retail sector often employs minor workers. So the public and private institutes can join hand to increase awareness against child labor. In addition, they need to make the consumers aware of their rights. An efficient system to handle customer complaints is necessary to improve ethical retailing. The association for shop owners and business owners must be accountable for performance of the retail shops within their authority. Despite being banned by law, environmentally harmful packaging are used by both retailers and consumers. Thus, the country needs to introduce environmental-friendly and cost-effective alternatives, like bags made of jute.

Finally, the role of an individual retailer is vital. The public agencies need to work with the retail associations in order to offer training in legal and ethical practices. First, salespeople need to be trained to serve every customer in an ethical and professional manner. Second, retail stores need to tailor their product and service offerings to meet the different needs and demand of the consumers. They need to offer full disclosure and honest information about products and services, so the consumers are able to choose the most appropriate ones to serve their needs. Furthermore, traditional retailers must understand the value of consumer trust and long-term relationship.

CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

Regardless of the society, culture, subject and organization, the principles of ethics must be applied (Dabija, Postelnicu, & Dinu, 2018). Taking into account the necessity of retailing ethics in developing economies, the study analyzes retailers' ethics in small retail shops in Bangladesh. The quantitative analysis demonstrated that, traditional retailers are involved in unethical practices in terms of quality, quantity, pricing, packaging and performance. The research offers valuable academic insight to retailers' ethics in the context of a developing country. It also proposes policy and managerial implications to apply ethical retailing. Despite its contribution, the study is not without limitations. First, the research is based on a single country, and, thus, caution is required to generalize its findings. Future researchers could analyze the ethical practices of small and traditional retailers with a multi-cultural background. They might replicate the 2Q3P model in other developing nations. Second, the empirical research incorporated hypothesis testing and a correlation coefficient test. Future studies could incorporate advanced statistical techniques like multiple regression to expand the 2Q3P model for retailers' ethics.

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APPENDIX

Table A1. Descriptive Statistics of Surveyed Retailers

| Questions | | Frequency | Percent | Valid Percent |
|---|------------------------------|-----------|---------|---------------|
| Do you need any license to do business here? Do you have the license? | No, No | 101 | 23 | 23 |
| | Yes, Yes | 288 | 65.7 | 65.7 |
| | Yes, No | 49 | 11.2 | 11.2 |
| | Total | 438 | 100.0 | 100.0 |
| Who is the authority of this bazaar? | Municipality | 61 | 13.9 | 13.9 |
| | Owner of this bazaar | 170 | 38.8 | 38.8 |
| | Shop owners' association | 116 | 26.5 | 26.5 |
| | Business owners' association | 91 | 20.8 | 20.8 |
| | Total | 438 | 100.0 | 100.0 |
| How long have you been doing this business? | Below 5 | 126 | 28.8 | 28.8 |
| | 5-10 year | 173 | 39.5 | 39.5 |
| | 10-20 | 96 | 21.9 | 21.9 |
| | Family business | 43 | 9.8 | 9.8 |
| | Total | 438 | 100.0 | 100.0 |
| What was your investment to start the | Below BDT 5 lac | 114 | 26.0 | 26.0 |
| | BDT 5-10 lac | 146 | 33.3 | 33.3 |

| | | | | |
|--|--|-----|-------|-------|
| business? | BDT 10-20 lac | 99 | 22.6 | 22.6 |
| | Above BDT 20 lac | 79 | 18.0 | 18.0 |
| | Total | 438 | 100.0 | 100.0 |
| How many employees work in your shop? | Below 5 | 214 | 48.9 | 48.9 |
| | 5-10 | 130 | 29.7 | 29.7 |
| | 10-15 | 62 | 14.2 | 14.2 |
| | 20 plus | 32 | 7.3 | 7.3 |
| | Total | 438 | 100.0 | 100.0 |
| What is the number of customers you serve a day? | 1-50 | 117 | 26.7 | 26.7 |
| | 50-100 | 134 | 30.6 | 30.6 |
| | 100-200 | 147 | 33.6 | 33.6 |
| | 200 plus | 40 | 9.1 | 9.1 |
| | Total | 438 | 100.0 | 100.0 |
| After sales and profit, which goal is more important to you? | Customer relation | 200 | 45.7 | 45.7 |
| | Customer relation and competition | 2 | .5 | .5 |
| | Customer relation and business extension | 2 | .4 | .4 |
| | Business principles | 29 | 6.6 | 6.6 |
| | Competition | 72 | 16.4 | 16.4 |
| | Competition and business extension | 4 | .9 | .9 |
| | Business extension | 129 | 29.5 | 29.5 |
| | Total | 438 | 100.0 | 100.0 |
| Do customers complain about their bad experience? | Yes | 98 | 22.4 | 22.4 |
| | No | 118 | 27.0 | 27.0 |
| | Sometimes | 177 | 40.4 | 40.4 |
| | Never | 45 | 10.2 | 10.2 |
| | Total | 438 | 100.0 | 100.0 |
| Are you concerned that customer might stop coming to your shop if they are dissatisfied? | Yes | 270 | 61.5 | 61.5 |
| | No | 168 | 38.5 | 38.5 |
| | Total | 438 | 100.0 | 100.0 |
| How frequently does BSTI authority visit your shop? | Daily | 6 | 1.3 | 1.3 |
| | Weekly | 8 | 1.8 | 1.8 |
| | Monthly | 43 | 9.8 | 9.8 |
| | Sometimes | 163 | 37.2 | 37.2 |

| | | | | |
|--|-----------|-----|-------|-------|
| | Rarely | 209 | 47.7 | 47.7 |
| | Not known | 9 | 2.1 | 2.1 |
| | Total | 438 | 100.0 | 100.0 |

Source: Authors' calculation from the survey

Table A2. Descriptive Statistics of 2Q3P Factors

| Variables | Items | Description | Mean | Significance level |
|-----------|--|--|------|--------------------|
| Quality | Expired, rotten and spoiled products | Typically present in bakery, vegetables, fish, beverage and medicine products | 2.88 | 0.001 |
| | Color chemicals | Retailers use it in vegetables, fruits, fish, cosmetics and bakery items | 2.65 | 0.006 |
| | Use of harmful ingredients and preservatives | Typically present in fruits, fish, vegetables and medicine products | 2.94 | 0.001 |
| | Mixed quality (fresh and rotten or old products) | Typically exists in fruits and bakery | 3.47 | 0.000 |
| | Copy-cat products | Look alike products for popular brands like Fair & Lovely | 3.24 | 0.015 |
| Quantity | Less weight | Given while making any measurement | 2.97 | 0.000 |
| | Balance fraud | Manipulation of the machine, so it will show more weight than actual | 2.85 | 0.000 |
| | Excess amount selling | E.g., a customer ordered for 5kg rice, but the salesman provides 10kg rice and bills for 10kg | 2.89 | 0.000 |
| | Stock manipulation | Manipulating the stock of products | 2.85 | 0.000 |
| Price | Overpricing | Asking for a higher price than the previous purchase; adding new tag/sticker over the previous one | 3.59 | 0.000 |
| | Syndicate pricing | Illegal storage of goods for making higher profit, e.g., rice, | 3.21 | 0.016 |

| | | | | |
|-------------|-------------------------------|---|------|-------|
| | | onion, etc. | | |
| | VAT fraud | Charging VAT in addition to marked price; however, not paying the VAT | 2.48 | 0.018 |
| | False barcode/tag | Using same barcode for different products | 2.44 | 0.014 |
| | False memo | Writing memos for which no data is recorded | 2.53 | 0.000 |
| Packaging | Environmentally harmful bag | Using polythene/plastic bags | 2.95 | 0.000 |
| | Excess weight in packaging | Adding extra weight in the bag by using excess glue or heavy materials | 2.82 | 0.000 |
| | Lack of information | Offering no ingredient list, recycling information, and description of products | 2.88 | 0.005 |
| | Bigger packet size | Making packet size big, whereas product quantity is actually less | 2.80 | 0.006 |
| | Misleading pictures/ graphics | Product picture on packaging and the product inside is not same | 2.70 | 0.000 |
| Performance | False/misleading information | Offering false claim about freshness of products | 3.36 | 0.001 |
| | Salespeople's bluffing | Lying that a product offers the best deal for a customer | 3.45 | 0.000 |
| | Service discrimination | Salespeople's behavior differs based on the customers' appearance | 3.19 | 0.006 |
| | Aggressive selling | Salespeople forces customers to buy products from the store | 2.97 | 0.000 |
| | Child labor | With the intention of paying lesser wage, employing children in sales | 2.61 | 0.003 |

Source: Authors' calculation from the survey