

# Ethical situations in business

[Business](#), [Company](#)



EST1 – Ethical Situations in Business A small local grocery stores disadvantages in a metropolitan areas EST1 Task 1 Being a small, local grocery store chain in a major metropolitan area does not come without its challenges. National and regional chains are frequently forcing small and locally owned stores to close their doors.

For this reason, as well as the huge obligations to the social responsibilities required by their communities and customers alike pushes both the small business owner as well as the larger corporations to be able to adjust their organizations goals and objectives to balance not only their goal to be profit driven but to also be socially and ethically perceptive with the way they conduct business and operate their stores. Recently Company Q has chosen to close two store locations that operated in areas where crime rates were statistically higher within the city.

The store closures are being driven by consistent losses the stores experienced year over year. If the stores have consistently lost money year over year, we need to analyze the reasons as to why. To take the social responsible approach at analyzing this question; we would first need to understand our customer demographic for each of the geographical locations. For example, if one of our stores is located in a highly populated Hipic neighborhood and we are promoting Ethnic Asian foods, we could not expect these foods to sell at the same rate as we would handmade corn tortillas.

Taking an ethical and cultural marketing approach to sell foods that are Hipic-centric strongly supports the business and ethical approach that would

be needed for our store to successfully show a profit. When we stop to understand our customer demographics and their communities in which they live, we then can recognize what is needed for our business to prosper within the community. After many years of customer requests Company Q, began offering a limited selection of health conscience and organic products in their stores.

Offering organic and environmentally friendly products in response to our customers' requests is a large step in forming a social contract with our customers instead of merely offering them what we feel they need. Soliciting feedback from our customers provides us with the means to understand what they want and what they need. Offering a high end products to our customers that neither have the financial ability to afford the high costs that accompany high end products, nor do they have the desire to purchase these products to help Company Q's bottom line.

In fact it will actually drive our results in the opposite direction. Our product choices must be targets to the consumer within our communities. Ethnic foods must be customary to the neighborhoods in which they are being offered. The marketing of our stores in cultural or racially specific communities must be stocked with the products that meet the needs of our customers in those communities. It takes very minimal effort to understand our customers, but that minimal effort makes the difference between a store being successful or failing.

There are multiple sources that can be used to help us understand our customer's cultural and social desires. To gain a simple understanding of the

cultural needs for a Hispanic – centric neighborhood can begin with a simple Google search on Hispanic Market Research. For example when performing the following Google search we learned. “ Market Research Hispanics” “ According to the U. S. Census Bureau, the terms Hispanic (and Latino) refer to people “ whose origins are from Spain, the Spanish-speaking countries of Central or South America, the Caribbean, or those identifying themselves generally as Spanish, Spanish-American, etc.

Origin can be viewed as ancestry, nationality, or country of birth of the person or person’s parents or ancestors prior to their arrival in the United States. ” Hispanics can be of any race. There are more than 48 million Hispanics in the United States. Latinos now account for 16% of the American population. The 32 million Latinos of Mexican origin account for around 66% of the Hispanic population. Hispanics accounted for more than half of all of the growth in the U. S. population that occurred between 2000 and 2009.

Latinos also are expected to be responsible for more than half of the growth in the U. S. population between 2010 and 2015. With an estimated buying power of \$616 billion, Latinos of Mexican heritage represent the single most influential segment of the Hispanic market. Mexicans in the United States account for 59% of all Hispanic buying power. On a per capita basis, however, Cubans are the most affluent of the major Hispanic population segments. Their per capita buying power is substantially higher than that of Mexicans (\$32, 724 vs. \$19, 426).

The vast majority (92%) of Hispanics under 18 were born in the United States as were about 47% of those 18 and over. Mexicans are most likely to be U. S. -

born. More education leads to higher-paying jobs and increasing affluence among high-acculturation Latinos. High-acculturation Hispanics are more likely than their low-acculturation counterparts to work as managers and professionals (19% vs. 6%). They are twice as likely to have a household income of \$75,000 or more (37% vs. 19%) and are much more likely to own their home (62% vs. 40%) (Census Bureau, 2012 [www. marketresearch. om](http://www.marketresearch.com) ). ” Performing a simple marketing search on the Hispanic cultural give us insight as to how we can begin to market and set ourselves apart in the marketplace. How we can currently target and begin to build a marketing strategy that will ensure the future growth and the economic sustainability of our stores within a Hispanic – centric neighborhood. Currently Company Q operates under the policy of disposing of day-old products, this a perfect example where our management team is missing out on a great public relations and corporate social responsibility opportunity.

When approach by the area’s foodbank to donate day-old products that would otherwise been thrown away, our management team declined. Management being more focused on the possible loss of revenue due to the potential increase in fraud and stealing that could be done its employees who could claim that that they were donating the food. One thing that we need to understand it the actual cost associated with and or the actual / perceived benefits. Our company will write –off any product that needs to be disposed of due to the shelf life expiration date.

The products are disposed if in a dumpster and therefore currently ends the usefulness of the product from the company’s perspective. If we are paying

for the products by weight or volume, we will incur a greater disposal rates from the waste removal company for the disposal of those unsellable products instead of donating them to a local food bank. This concern of a possible increase in expenses does not begin to look at the tax benefits that could be received by the donating of the product to a local food bank as well as other possible economic impacts that this policy can have on the economy of our community.

Another concern that we need to be aware of is the impact that our policy to throw away on day-old products will have on employees moral. If we've communicated to our employees that we will not be socially contentious to our local communities, then what is the message that we are delivering to our employees since they are part of our communities. How will they relate that to how valued they feel as an employee for Company Q? In our technology and media driven society it would be foolish not to expect a socially aware employee or customer to film the disposal of the food that we may have not been able to sell, but it could easily be donated to our local food banks to help those in need. The potential of the negative publicity and feedback from such an event would be devastating to a small chain stores such as ours. The above mention concerns addressed not only some of the potential financial impacts but also the possible social capital losses that we could face in our current position.

Thankfully, we do not need to pay out much financially or in employee efforts to make a substantial difference in our stores and neighborhood communities. One delivery van can be used at the end of each day to deliver

the products that would have otherwise been thrown away to our local food bank. The food can be unloaded by the food bank staff while the food bank manager shares with the Manager or Supervisor of our company the impacts that this donation will have on the community. This same information can be taken back and share with the store employees.

The minimal time spent delivering and unloading the products daily at the local food banks in a minor change in the daily operations for the store, but will have an overall impact to the community that will consistently strengthen our relationship within in the local communities, our relationships with our employees as well as enhancing our brand across our chain of stores. References \* Census Bureau (2012). Hipic Market: market research reports. Marketresearch. com. Retrieved from [http://www. marketresearch. com/Marketing-Market-Research-c70/Demographics-c81/Hipic-Market-c1692/](http://www.marketresearch.com/Marketing-Market-Research-c70/Demographics-c81/Hipic-Market-c1692/)