

Business Ethics
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Lecture - 39
Ethical issues and competitors

Now, we are going to deal with the ethical issues and competitors. In the last discussion we found we were discussing about the ethical issues related with the suppliers, and there we found issues like there is a resource dependency based on the scarcity of resource and the utility of the resource, and its relevance both to the supplier and to the organization and to the relative power which gives to the buyers, and to the suppliers regarding who whether the suppliers are present in plenty and the organization can access the resources from anyone into the suppliers thing like the organizations present is important for its the resources given with organizations it is important for its smooth running of business.

These facts are important when you are discussing suppliers and also the question of loyalty, which means again entering into a long term relationship with the supplier. So, that actually and creating a partnership which may give you competitive edge while you are dealing with your competitors.

So, the bonding between the suppliers and the organization, the mutuality of the relationship how they take care of each other together they enter into a partnership that determines and in many cases. So, that it becomes like easily it cannot be co copied sort of partnership then it becomes competitive advantage for the firm, that you are discussing about.

Why we are discussing this again maybe in the context of ethical issues with respect to the competitors, because when we are looking at the network module of the industry, we are not looking into the only the competitors perceive; we are also trying to fix up our strategies of dealing with the competitors, and we are also trying to study who are the suppliers to the competitors, what are the strength of those suppliers what are the weakness of those suppliers. So, can we like we can competitors in some way by maybe you know like either steeling the suppliers from them or steeling the customers for from them. So, these type of questions tactics may arise which will be our part of discussion in the with relation to ethical issues and competitors.

Because we have to understand the purchasing environment is itself a very complex environment, because the based on again the preferential treatment given the bribes and gifts, and maybe the pressure sometimes given by the organization to make the best by possible in order to curve competitions, or these types of things are purchasing environment it is the organizations are functioning in a purchasing environment also that the suppliers organization and its competitors, all are present together and all are functioning together to see like maybe in to some extent like its own interest is getting served, not having a broad perspective of the mutuality of the interest and the and how it leads to the greater interest of the society at large. So, these type of and different techniques are taken in order to answer to this like the perspectives, that the firms are having which give rise to particular issues.

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So, the competition that the organization faces and its moves the steps taken by the organization to answer to that competition, could be like an overly aggressive and competitions or it could be like situations, which lead to like maybe when there is not such (Refer Time: 06:15) competitions will try to see first the problems of overly regressive competition. So, when we are talking of competition and dealing with the competitors, then our primary concern maybe is to understand whom we will take as our whom we recognize as our competitors, and why do we take why do we understand like their (Refer Time: 06:52) in competence that their competitors is want to know like what

they are thinking, what they will thinking next, what strategies they have taken to answer to the mar market demands.

What new products may be that they are looking into; are they trying to provide service in a different ways. So, there are so many questions with regarding to the hot processes going on in the competitors mind, and maybe the what firm wants to gather is intelligence gathering and information gathering from the other competitors organization. And to gather that information it may take up like very questionable tactics and like maybe stealing from the having making attacks in that the competitive organizations, head quarters, these types of things putting some people in terms of like spice within the other organization is going to share information of the that organization with the firm, bribing people from inside so that this type of things are called like techniques taken for gathering information about the other competitive organization.

So, this becomes questionable or questions were ethics where the tactic tics in is questionable, the information that you are trying to gather also is a private information about the organization. Any information that the competitor has not made public is of course, the private information for the organization and if you are having access to something publicly, then maybe do not need questionable tactics to be taken to access to those information.

So, something which are probably take confidential information or if you are trying to know about the intension is to know about the information about the other competitive organizations, and they want to either change your strategies based on that information or based on that secret information, that you may gather about the competitor, you try publicly for the deformation of the other organization or the competitor, then through playing some dirty tricks which are listed below.

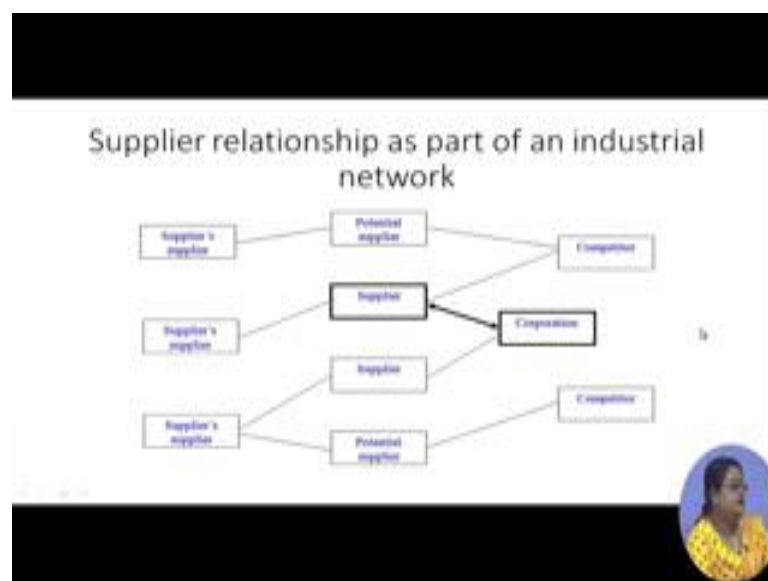
In this whole practice becomes questionable; when we are talking of dirty tricks it means negative advertising about the products or services of the competitive organization, it is like stealing away the customers by given something special benefits and so they it is not for your product or the quality of the product that you are giving better way than your competitors, but for the small gift special schemes attached to your product, which is that drawing attention of the customers and (Refer Time: 11:22) or services. You set you come to know about the inside information about what is the price set by your

competitive organization for a particular nature of a product, which may be the similar line product to service and they set up such (Refer Time: 11:41) price just to kill off the competitor like every buyer comes and tries to avail of your products or services.

And in; so that is called a predatory pricing. So, when it comes to like sabotage, where you try not to share certain information. So, sabotage can take many forms, but it they are what you do you please people within the such organizations, who tries to block the smooth flow of the competitors like activities through creating, maybe employ (Refer Time: 12:39) or slow down process, and withdrawing competitors attention to some maybe very small issues, which becomes morally framed into bigger issues and that is where the person is not able to conclude so concentrate into its main business issues. So, these type of things are called sabotage practices, and which is which are called dirty tricks to make the competitor like have a negative reputation in the mind of the stake holders at large.

So, these types of things are called dirty tricks. So, when you are talking of anti competitive behavior, this is where you try to look into this we can look into factors like where the large, it influences the may be the one of the it influence your other suppliers to not to provide their resources to the competitors, and you can like you can see in the where we have seen in because they there is a connection between the suppliers and the corporation.

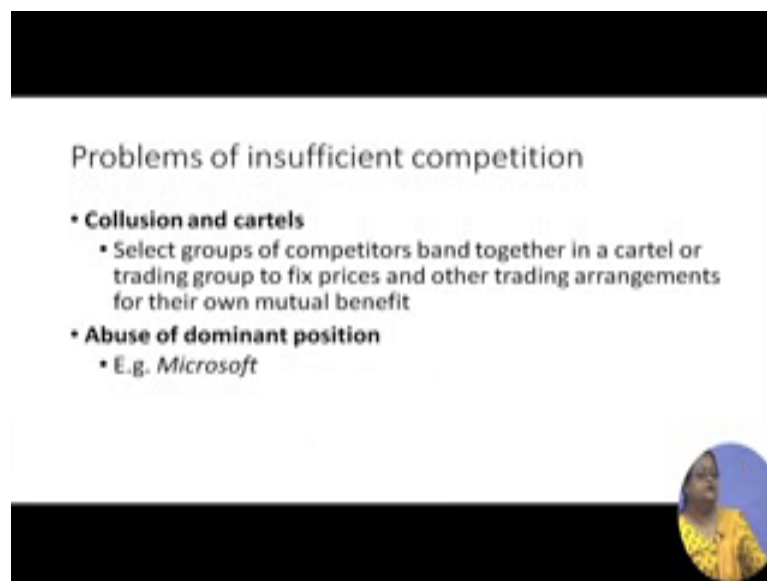
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And the supplier can be the supplier to your competitor also. So, when we are talking of anti competitive behavior, because we are not able to stand in equal footing with competitors. So, what we the firm may try to do is to there is an influence on the supplier to like stop giving its services to the competitor.

So, that the strength of the competitor weakens, and maybe the corporation is not directly fighting with the competitor, but it is taking this route where it is influencing supplier because there is a strong relationship between the corporation and the supplier through the mutuality of the business interest; like it is influencing supplier not to supply anymore to the competitor or so this competitor becomes weak, and is not having any because again this competitor, there is resource dependence with the supplier the competitor becomes weak and is not able to stand to the competition given by the corporation.

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So, these are called anti competitive behavior from the corporation. So, next we will deal with the problems of insufficient competitions where there are insufficient competitions in the sense, select group of competitors come together in a cartel or trading groups fix prices and other trading arrangements. So, for their own mutual benefit, where new entrants or organizations which have not been a part of that cartel are not able to compete with that like; collective strength formed by the competitors, and also it does not give a fair market view to the customers, because they do not understand like this cartel has

been formed between the different you know select groups of competitors. So, they understand like they are buying from the; they are making the best possible choice by analyzing the different choices available to them.

But it may so happen what appears to choices to them are pre fixed and predetermined and by the formation of this. Collusion of these cartels and the choice is to consumers to choose from with already very limited. So, in order to unsettle the competition of one of the organization or two of the organizations. So, other select group of organizations may come together to fix prices, and other trading arrangements which is for their mutual benefit, and the thus makes it is the insufficient competition, because though they are competitors they are actually not competing with each other and buyers become deprived of the get selecting the (Refer Time: 18:34) on the affordable price that is being paid for it.

Abuse of dominant position; if it is like one of the organization is having a major power in the market may be reputation and power in the market, it may abuse its position to the entry of other organization. So, survival of the other organizations by exercising its power in the market by exercising its dominance position or dominance in the market, and it may try to weaken up like when you are talking of mergers and acquisitions, it may try to acquire so many other small organizations, which may be following some (Refer Time: 19:34) techniques or pressure techniques also. So, that it appears to be good and becomes self sufficient it becomes as if answering to any of the customer's name.

But in the process it tries to block the survival of small small companies, who have maybe producing some unique products or services. So, using its abuse of its dominant position in the market, it is trying to as if engulf every other small entity around to itself become more powerful and prominent so that is called abuse of dominant position.

Next we are going to discuss the globalization suppliers and the competitors in the next module.

Thank you.