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International Journal of Technology for Business (IJTB)



Importance of Compliance Technologies in Marketing

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Abstract

Every organization conducting business activities is familiar with the scientometric approach of the term “compliance”. As we all consider that human beings are made of blood and flesh, in such a way business enterprises are embedded with compliance and regulations. The concept of compliance strives to express that business enterprises make ceaseless endeavours to adhere to the local and foreign laws, rules and regulations pertaining to its activities, including corporate and internal policies, in order to achieve compliance competency as per international standards. For many years India witnessed enactment of various anti-corruption legislations, the concept of compliance has gained more significance in various industries and companies which are indulged in share trading, investment business, health care and financial services. However with the launching of various anti-corruption legal frameworks, industries were run in an uncompromisingly rigid manner and as such for any compliance and legal division there was a need for strict monitoring of the compliance programs by industrial enterprises which were required to confront with numerous laws and regulations. It is by means of compliance competency and regulations that business enterprise can prosper and go great guns, provided it is well-conditioned and nurtured by an ethical environment and proper governance. The paper will discuss how compliance technologies have impacted the marketing activities of business enterprises.

Keywords: Compliance, Competence, Technologies, Marketing, Enterprises

1. Introduction

Compliance is an endless process as well as an arduous task ensuring cohesive unity in any business conglomeration. It is established by any business entity for the sake of applying risk management strategies and avoiding corruption risks. Risk management is one of the vital tasks conducted by any business entity that believes

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in effectively carrying out the business activities. Elements of fraud, illegal monopolization, insider trading, infringement of intellectual properties, embezzlement, illegal enrichment, violation of corporate ethics etc. are the risks which are associated with non-compliances and corporate violators. Compliance involves the use of specific actions taken by a business entity to regulate its internal and external policies. The quality of any business activity determines the compliance and regulation standards and as such there is a direct impact of such standards on the entire stake-holders including customers and employees, which overall determines the potentiality of any business enterprise. Business transactions should be based on moral and ethical principles which will ultimately reflect that an organization is adhering the highest ethical principles in all types of activities. With the change in the business environment the stakeholders of the company are expecting more transparency and accountability than in past. It is due to globalization, technological and social changes that there is dynamism in business sectors (IBEI, 2016).

Compliance technologies are launched in the marketing pursuits of the commercial enterprises with the motive of constructing potent and advantageous equipment that will provide necessary assistance in checking fabrication and effective scrutinizing; especially unscrupulous deeds and practices, evaluating and supervising the risks in checking corruption, making room for all-encompassing protection from cataclysm threats, contravention of exclusive rights, corporate ethics. The efficacious application of the whole mechanism of compliances at Indian Industrial conglomeration unlocks new vistas of opportunities and fair chances for business expansion, terminating risk, enhancing the standards of corporate administration in general. The quest to erect highly productive enterprise management systems or a functionally impressive organization necessitates the hunt for permanent as well as path –breaking innovation in this field. Pharmaceuticals Industries in India is one of those industries where the role of compliance technologies was found to be significant. The companies engaged with Pharmaceutical Industries are under the spotlight of compliance technologies which helped the industries to make significant efforts in marketing and promotion.

In the realm of domestic enterprises, compliance is an entirely ‘avant-garde’ concept which is zealously being absorbed into all domains of activities of foreign companies as well as Indian enterprise. The surfacing of compliance in the field of marketing is a complex phenomenon and it is yet to be explored extensively by the academic theorists, however it has already been established as a purely practical value.

2. Compliance Technologies: Use and significance

The importance of compliance technologies in marketing has widely impacted the industries and some of the key benefits are laid down as follows (Kobieliava, Kocziszky & Veres, 2018):

- Minimizes risk and enhances operational efficiencies through automated, repeatable workflows
- Aids in multiple filings from a single platform
- Coalesces with multiple data sources
- Validates data at multiple stages
- Includes local vs. Private cloud installation options
- Proven solution used by a diverse range of firms

In order to implement these transmission procedures effectively in marketing, one can practicably employ multitudinous significant approaches. For any business association, compliance shall guarantee that all existing business operations in the organizations adhere to international policies and procedures that are evolved with due regard to national legislations and paramount international practices so that we can perfectly delineate the quiddity of communication mechanism of reputational compliance in the domain of marketing. It is suggested that the prototype of reputation system is implemented by organizations. This model or prototype, as assumed, illustrates the dynamism of active correspondence among segments of corporate culture, organizational structures, rules and guidelines as dictated and maneuvered by internal regulatory document, professional norms that mandate their compliances by all employees so as to support and perpetuate business repute and esteem in the target market of

the enterprises and professional climate. In the prospective structure, reputational compliance system embraces three conceptual components:

Professional component

Professional component cogitates about the obligatory professional duties which employ our expectation to fulfil in the domain of industrial enterprises.

Communication component:

Communication component entails adherence to internal rules and regulations and demands obsequious reciprocity of all employees.

Controlling component

The component of controlling speculates about mending issues pertaining to infringements of or transgression of any code of conduct and detecting compliance risk prompting and verifying the required correspondences in the enactment and monitoring of commercial proceedings.

The professional component in nature, is industrial, technological, and highly specialized and is considered to be the nucleus of the model at all levels of governments. The communication component of reputational compliance coalesces alliances within the concomitant whole in the industrial chassis of corporate ethics, which finds expression in styles and conventions, validated by the intervention of the Codes of Corporate Culture and Codes of Professional Ethics and the cachet. Hence, in order to ensure the proper execution of adroitly planned objectives in the sphere of business sustainability, both at the strategic and operational level, the existence of a controlling system is imperative. This controlling system will succour in information and analytical support for dealing with business undertakings, approaching issues of financial flows with great subtlety and taking into consideration other proceedings and assets of the organizations. Controlling, indeed, plays a pivotal role in the whole apparatus of industrial framework built upon various contrivances- it is an economic entity imbued with the abilities of monitoring and superintending all business projects and assignments. A compliance system draws its vitality and durability from the firmness of a set of discourses that commands respect, ideal reciprocity and mutual obligations. Neither does it lead to inhibition or curtailment of opportunities for economic prosperity nor does it obliterate impediments creating obstacles, but on the contrary it gives confidence, perseverance and patience to confront and resolve obscure and puzzling situations that engender unnecessary doubts, bamboozlements and disconcertments. It is incumbent upon the compliance service to screen the company from risk that can stigmatize its reputations; hence this particular quality of providing indemnity against any laws, unlocks the door of additional opportunity for its development. Compliance technologies in marketing never resort to ambivalence rather they work on accurate terms with regard to compliance actions. This action can be treated in two ways. Firstly, on account of standardized and meticulous study of the ethical aspects of marketing procedures and approaches. Secondly, the utilization and compliance of compliance technologies in marketing, so to say, accepted measures and ethical codes in the marketing praxis.

It is an aforementioned fact that compliance technology in marketing critically examine and evaluate the ethical issues of marketers. The range of their reflections encloses ethical issues pertaining to the safety, unvarnished truth, conveyed through advertising reasonable pricing, impressive quality of competitiveness, prevalence of unscrupulous actions, essence of reverence and compliance with intellectual property rights etc. Compliance technologies are downright indispensable to the edifice of conceptual technologies in making marketing decisions in the organization or establishment. The compliance code of any establishment is quite likely to differ from the moral codes of its employees and managers. Hence in such a situation, there is supposed to exist less chances of dissensions and disharmony between the individual ambition of workers of respective professional groups and the universally ordained goals and objectives of the enterprise with respect to its target markets (Nagy & Pererva, 2018).

Marketing researcher Blythe proposes compliances technologies involved in the market pursuits of industrial organization and business expeditions to reflect and ponder upon issues of business ethics with a deeper insight (Blythe, Coventry and Little, 2015). Though such an assertion is devoid of any objective that should be considered essential yet it commands the need of a more sincere and error-free adherence to the specified guidelines and instructions related to the use of compliance technologies in the marketing ventures of the enterprise. The

concerned scheme or strategy gives weightage to the following marketing activities. Firstly, there should be unalloyed transparency and honesty in the production of the goods and their advertising. It has often been witnessed that encumbered by commercial influences, enterprises often resort to the unethical act of using cheaper and substandard raw materials or introducing supplements to impart additional qualities to the product to make it seem profitable and beneficial in the eyes of the consumers. If the consumers are not made intelligible by the marketing services of these trade tactics then, the repercussions of such malpractice or cunning design in the commercial domain will give rise to a mistrustful environment and a sense of dubiety in the minds of the consumers towards the enterprise and its products. Secondly, to ensure and facilitate a vigorous flow in the promotion of marketing, marketing services often gets tempted by fraudulent ways in advertising; ways that are seemingly alluring and quite inviting, for instance, they use advertising messages that deceive consumers with their ambiguity and fallacious nature. Also they employ trickery and several manipulative tactics of sales and even palm-greasing to befool the consumers just to gain profit. Unjust, discriminative behaviour on the part of the enterprises can be accepted to a certain amount, but uttering a known lie or using ambivalent and abstruse wording is highly impermissible. Third, it has been observed that the employees of the marketing services, marketers, sellers often engage in compliance disputes, for instance, there are inevitable moments of indecisiveness faced by the employees as, whether to prevent a buyer from making the error of buying a defective product and lose the golden opportunity to sell the buyer that product or cleverly persuade him to blindly trust the quality of that product, totally ignorant of its real worth. Thus an employee is torn between two choices- whether to act like a philanthropist or simply act as a money minded profit maker. Once a seller sells the goods to the buyer by means of treachery, he/she shall never be able to tell the consumer the truth. Hence when the buyer will someday eventually realize his folly in falling for appearance and lacking the sense of good judgment that could have enabled the consumer to see through the reality, will be utterly disappointed and as a result the consumer will be lost forever (Pererva, Nagy & Maslak, 2018). So to say once the foundation of trust and reliance is disrupted, every hope of reconciliation gets thwarted forever. Fourthly, as far as compliance pricing is concerned there are endless impediments that hinder the smooth functioning of enterprise activities- problems mainly germinate in areas as price collusion, dumping prices, hiding the real worth of a product to assimilate competitors to bankruptcy. For instances, there are numerous shops selling optics on the streets in the cities which try not to mention to the people that these prices only applied to frames and the purchase of lenses requires surplus amount. The self-imposed silence observed by the buyers simply intends to lure and dupe ignorant people who are yet to be enlightened with the knowledge of science and technology. Last but not the least, perplexities arise out of issues pertaining to mishandling of power and exploitation of other resources in the name of management of distribution channels. Much aggravation is caused due to the non-payment of goods in a timely manner. For instance, some stores get recourse to a contract which affirm and intimate the buyers of specific terms and conditions under which they are bestowed with an unconditional right to return goods with a definite time period. In regard to this matter and in order to pay reverence to the terms and conditions of the contract, the manufacturers are bound to accept the returned goods. However, these actions are not much prevalent in small producers for they treat such actions as wrong and unprincipled (Pererva et al., 2012).

3. Consequences of compliance technologies in marketing

Consequences of the introduction and employment of compliance technologies in marketing includes:

- Dispensation and reduction of financial losses, bankruptcy and sanctions for industrial conglomeration by national and foreign directors and managers.
- A well-built and enduring industrial set up for discerning and minimizing chances of immoral and unethical practices, deceit and damaging activities inimical to business ethics.
- Conservation and the expansion of business cachet of the enterprise (augmentation of the brand value of the enterprise and its products)
- Enhancing the quality and efficacy of projects, boosting the combating spirit, investment magnetism and commercial value.

- Establishing and fortifying the foundation of consumer fidelity and allegiance to enterprises products.
- Multiplying the atoms of improvement and enhancing the fighting spirit and militancy of an enterprise, accessibility of prerequisites for enlargement and proliferation of the markets in the enterprise.
- The probability of the implementation of coercive law sanctions to the enterprise.
- The value for the discourses or negotiations and encroachment of activities in the examinations and inspection of malignant, virulent schemes.
- The prevalence of reputation risk that has a heavy bearing on the total or partial laws of emulous spirit of the business association.
- The decline in the capitalization of opportunities, exacerbation of financial production and conduct, enterprise bankruptcy is not eliminated,
- Evolving consumer's wariness and doubt about company's compliance with the truth and principles of business, morals and standards.
- Emergence of convolutions with the conservation and maintenance of the market shares in the target market of the enterprise.

4. Indian Scenario

With the objective of creating value and enhance reputation, organizations are subjected to the confrontation of dynamic laws and ever-changing technology. Likewise, the pharma sector in India has witnessed a surge in its expenditure for indulging itself in this digitalization network and is expected to reach nearly 50% in the next two years to touch Rupees 220 crore as reported by the Economic Times Bureau. Indian pharma companies are now abandoning the old traditional method of marketing compliances and is now approaching the current digital era as reported by a survey of 20 drug makers in the country found. The compliance technology has impacted this pharma industry to the extent of using scientometric- technology approach detailing to the doctors the insights of patient compliances. Compliance technology in these industries has also gained significance through the mechanisms of mobile applications and social media which created a robust change in the economic-global market. The vice president of Indegene incorporation Gaurav Kapoor opined that "Indian pharma market will soon touch the technology savvy competitive markets". With reference to the health care industries, the emerging digital media has generated new ethical and regulatory compliances. Compliance technology has impacted the health care industries through online consultations, workshops including training workshop and all other innovative resources and ideas. Agencies like "Ethtech" has provided a transparent platform for the use of compliance technologies through consultation, training and educating the industries associated with health care and safety. The use of compliance technologies has widely impacted other industries and government agencies through the platform of webinars, seminars and other resources. Apart from the pharma companies, enterprises engaged in carrying manufacturing activities are also highly impacted with the automated labour compliances, the automated labour law compliance software is now acting as important tool for monitoring real time labour law compliances with recurring activities, evidence management, scores and email alerts. The important features of this automated labour law compliance software are using of cloud plug and play compliance software, free access to E-library to know the latest rules and regulations, tracking of evidence and real-time management, option to customize internal checklist as per the compliance and participating with other stakeholders (Simpliance, 2019).

As it is a universal truth that, "prevention is better than cure" in such a way organizations have to comply with the laws and regulations for better protection and smooth functioning and now they have to place their compliance functions on digital platforms which will promote automated administration, drive self-service, enhancing productivity and transparency and expand the business to a larger extent. The importance of whistle blowing mechanism in corporate transactions has also been widely impacted by the launching of these compliance technology. In regard to financial sectors, regulatory technologies or Regtech solutions are providing the best technologically advanced solutions to the ever increasing demand for compliance which includes risk management control, regulatory reporting, compliance and transaction monitoring . "Profitbooks" is an emerging cloud accounting software which is widely used by more than six thousand plus companies in India. The use of

the software will offer a variety of compliances including recording business expenses, tracking of records, calculating taxes, monitoring of compliance transactions and many more. It has been witnessed that enterprises with technology start-ups and E-commerce are promoting the use of the platform "Profitbooks" which itself is an example of compliance technologies. The PricewaterhouseCoopers commonly known as the PWC is a leading consultant in providing services to different segments of financial sector, such as banking, capital markets, insurance, tax and other assets management, which made the use of compliance technologies in all regulatory and compliance aspects and thus helping the organizations to formulate strategies to plan for an effective compliance and regulatory management (PWC, 2020 and Deloitte, 2020).

5. Conclusions

It can be clearly deduced from the above observations that though the installation and operation of compliance technologies in the marketing undertakings of enterprises and industrial conglomeration is an intricate phenomenon, yet it can't be denied that it is equally vital, reasonably convenient and advantageously functional in the mechanism of a corporate organization. The outcomes of the extensively conducted onerous research permit us to emphatically aver that the existence of a potent and burgeoning business is preposterous and inconceivable without addressing the numerous complexities emanating in enterprises appertaining to the issues of compliance and internal control. Compliance technologies are immensely fecund and fruitful and hence they are quite fundamental in efficient handling of marketing projects undertaken and executed in enterprises and organizations. The dexterous maneuvering of compliance technologies in marketing provides greater leeway to enterprises to avail benefits and opportunities in enormity, the quintessence of which can be penned down in the following manner:

- A notable and remarkable growth can be perceived in the magnitude of the emulous spirit of the enterprises and its products.
- Attempting to refine and ameliorate the prominent and status of the enterprise in the target market, the cost, the standing and dominance of the company's trademark in the market milieu.
- Alliance with partners (suppliers, buyers, business contender, sub-contractor etc.), the level of screening business from deceit and embezzlement and other possible grounds of infringement of business ethics increases.
- Sincere endeavors, unwavering patience and diligence can effectively create, circulate, diffuse, initiate and use compliance technologies in every arena of commercial undertaking of enterprises and associations, to make business transparent and unambiguous and conceptually unclouded. Business ethics must incorporate virtues of uprightness integrity and incorruptibility as indispensable elements of an enterprise in order to magnify the rate of development of domestic business, ameliorate the conditions for it and facilitate the promotion of advance standards of business.

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