

ETHICS OF CONSUMER BEHAVIOR: A STUDY OF THE NON-COMMITTAL TRANSACTION BEHAVIOR OF FLOWER BOUQUET CONSUMERS IN BANDUNG REGENCY

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Abstract

This research explores the challenges faced by MSMEs in running an online business, particularly unilateral cancellations by customers. These cancellations are a serious problem, impacting operations and causing significant financial losses. Using a qualitative approach, this study involved in-depth interviews with flower bouquet sellers to uncover strategies to overcome cancellations and maintain good customer relationships. The results highlight the application of utilitarianism, deontology, and exchange principles as crucial for strengthening business ethics. These findings provide insights for other MSMEs facing similar challenges and guidance for better business practices.

Keyword: *Business Ethics, Online Business, Unilateral Cancellation, Deontology, Utilitarianism*

A. INTRODUCTION

The development of online businesses has brought tremendous convenience in the way people transact. Both sellers and buyers can now make transactions with just a few clicks, without the need to meet in person or be in the same location. The process is faster, easier, and accessible at any time. This convenience is one of the main reasons why online businesses, especially for MSMEs (Micro, Small, and Medium Enterprises), are increasingly popular. However, despite the many benefits offered, online businesses also face various challenges. One problem that often arises is unilateral cancellation from customers, where they place an order but do not continue the transaction by picking up the goods that have been ordered.

While unilateral cancellation may seem trivial to some, for sellers, especially MSMEs with limited capital, the impact can be huge. When a customer does not pick up an order that has been made, the seller not only loses potential profits, but also bears the production or preparation costs that have been incurred. In addition, the time and effort that has been invested in processing the order is wasted. In many cases, sellers may also find themselves with unsold stock, especially if the product is made to special order.

Not only is this a financial burden, but it can also affect the relationship between seller and customer. Frequent unilateral cancellations can undermine the trust that has been built between the two parties. Over time, this can damage the seller's reputation and reduce customer loyalty. Therefore, it is imperative for sellers to find effective ways to overcome this challenge, whether through stricter policies or better management of customer expectations.

In an increasingly competitive business world, where reputation and trust are precious, preventative measures like these are becoming increasingly important. Sellers must do more than just offer quality products; they also need to maintain strong relationships with customers and ensure transactions are smooth and fair. This is where the principles of business ethics become very important. By adhering to good ethical practices, sellers can act professionally and responsibly while still providing excellent customer service.

This ethical approach not only protects the interests of the seller, but also benefits the customer. For MSMEs with limited resources, every transaction is critical to maintaining business continuity. This study aims to examine the strategies implemented by flower bouquet sellers in the face of unilateral cancellation and explore how business ethics can help overcome the challenges that arise in online business. These strategies

are essential to keep the business running, while showing how ethical principles can offer solutions to common problems faced in everyday business.

B. LITERATURE REVIEW

Business Ethics in MSME Online Transactions

Online business has become a top choice for many MSMEs due to its convenience and flexibility, enabling businesses to reach a wider audience. While it offers numerous advantages, online transactions also present challenges, such as unilateral cancellations by consumers, which can disrupt MSME operations and finances. To address these issues, the integration of professional ethics into every aspect of business operations is essential (Ramadhan, Y., Sitompul, C., & Oktavia, D., 2020). By fostering trust and ensuring the sustainability of relationships between sellers and buyers, business ethics not only help maintain consumer confidence but also enhance a company's reputation and promote transparency in business-consumer interactions.

Deontological Ethical Theory in Decision Making

Deontological ethics emphasizes the importance of moral obligation in every action taken, regardless of the consequences. For MSMEs, this concept is seen when business owners implement policies that can reduce the risk of order cancellation by consumers to maintain the continuity of their business operations. As Surajiyo (2023) explains, applying a deontological approach to business decision-making encourages adherence to moral principles, although it does not always result in direct financial benefits. For example, rechecking orders from customers who frequently cancel, as a step to ensure that the transaction is fair and consistent, without harming the seller.

Utilitarianism Approach in Business Policy

Utilitarianism judges actions based on the overall benefits that result for all parties involved. In the context of MSME online transactions, where the cancellation of high-value orders can lead to significant financial losses, businesses often implement policies such as requiring down payments or collecting consumer identification as collateral. Rizkia (2023) revealed that these policies are in line with the principle of utilitarianism, as they provide the greatest benefit to all parties involved. The policy reduces financial risk for the seller and guarantees that serious customers will receive priority service.

Exchange Theory and Customer Loyalty

Exchange theory focuses on a mutually beneficial relationship between sellers and consumers, which prioritizes fair profits for both parties. In business, building loyalty and trust is key to establishing stable and profitable relationships. Kotler and Keller (2021) point out that MSMEs can create customer loyalty by ensuring transparency, providing accurate information, maintaining consumer data, and responding quickly to inquiries. A positive service experience enhances a company's reputation and encourages customers to return, which in turn supports long-term success for the business.

Factors Affecting Consumer Behavior in Online Transactions

Consumer behavior in online shopping is influenced by various factors, both internal and external, including cultural, social, attitudes, needs, and emotions (Solomon, 2018). Cultural factors, for example, influence how consumers perceive certain products, such as flowers, which are often considered symbols of affection or appreciation in certain cultures. Understanding local culture allows MSMEs to align products with consumer preferences, increasing the chances of a successful transaction. More broadly, culture includes knowledge, beliefs, customs, and habits that shape the behavior patterns of individuals in society (Handayani, 2021). Therefore, understanding cultural elements not only helps businesses customize strategies, but also strengthens the emotional connection between consumers and the products offered.

C. METHOD

This research was conducted in Bojongloa Village, Rancaekek Subdistrict, Bandung Regency, which is known for its many MSMEs, especially those engaged in flower bouquet making. The research subjects consisted of owners of MSMEs such as "Various Buckets" and "Jasminesthetic," who had experience in managing online orders and faced the problem of unilateral cancellation.

Data was collected through online interviews using the WhatsApp application, which allows flexible communication with MSME owners. In addition, documentation in the form of screenshots of conversations was also used to support the data obtained, providing concrete evidence related to the policies and strategies implemented by the sellers.

D. RESULT AND DISCUSSION

Flower bouquet sellers in Bandung Regency are facing significant challenges due to unilateral order cancellations by customers, which severely impact their operations and finances. One business owner mentioned that this "ghosting" phenomenon not only leads to financial losses but also wastes the time and energy spent on processing orders. "If a customer cancels an order, we have to bear the cost of raw materials that can no longer be used," said one respondent, highlighting the severity of the loss. Additionally, overstocking is a problem. When pre-arranged flowers go unsold, they often cannot be reused due to the limited shelf life of fresh flowers. This issue is further complicated when canceled orders involve custom arrangements designed specifically to the customer's specifications. Businesses are often faced with the dilemma of whether to continue offering high-quality products that may not sell or to reduce stock and risk losing customers. In this context, financial capital, encompassing the effective management of costs, inventory, and raw materials, is crucial in shaping the performance of MSMEs (Renaldo, N., Sudarno, Marice, B. H., Junaedi, A., & Suhardjo., 2021).

In addition to financial losses, order cancellations also put psychological pressure on sellers. Some business owners admitted that repeated order cancellations caused stress and frustration. "We feel we have provided the best service, but in the end, the order is canceled," said one respondent. This shows that the challenges of online business are not only limited to the physical aspects but also affect the mental health of business owners. This emotional stress affects a seller's motivation and enthusiasm for their work. When sellers feel unappreciated or ignored by customers, their drive to provide exceptional service may decrease. Therefore, understanding these emotional impacts is crucial to designing strategies that not only mitigate financial risks but also support the mental well-being of business owners.

To reduce the impact of unilateral cancellations, sellers have implemented several prevention strategies. One of them is a down payment policy, especially for high-value orders or custom bouquets. By asking for a down payment, the seller ensures that the customer is committed to the purchase. "This policy gives us a sense of security, because at least there is a fee that can cover the loss if the order is canceled," said one business owner. This approach follows the principle of utilitarianism, which aims to maximize benefits for all parties involved (Rizkia, 2023). However, this policy also comes with flexibility for low-value orders, where sellers generally do not ask for down payments in order to attract more customers. Although potential losses remain, this strategy allows sellers to remain competitive in the market. In addition, sellers also reconfirm with customers before starting the production process. "We always try to contact the customer several times to make sure they still want to proceed with the order," explained one respondent. This step not only helps reduce the risk of loss but also demonstrates the seller's commitment to responsible service.

In addition to various risk management strategies, the principle of deontology can be an ethical foundation for sellers in the face of unilateral cancellation. The principle of deontology emphasizes the importance of acting in accordance with moral obligations, regardless of the consequences (Surajiyo, 2023). In this context, the

flower bouquet seller's practice of reconfirming with the customer before starting production shows a responsible and transparent attitude in communication. By adhering to this principle, the seller maintains professional ethics, despite facing financial risks due to order cancellation.

Flower bouquet sellers also emphasize the importance of maintaining customer trust through good business ethics. Trust is not only built on product quality but also through openness and honesty in communication. "We always try to be open with customers, especially regarding payment terms and pick-up times," said one business owner. This transparency ensures that customers understand what to expect, and if something goes wrong, they are more likely to forgive or understand. Exchange theory is particularly relevant here, where the relationship between seller and customer is built on fair reciprocity (Kotler & Keller, 2021). By providing good and honest service, sellers seek to earn customer loyalty and positive recommendations. "Satisfied customers often recommend us to their friends or family," said one respondent. This shows that mutually beneficial relationships are key to sustaining business.

However, maintaining trust is not always easy. Sometimes, customers are dissatisfied, and in these situations, sellers must be prepared to deal with complaints in a professional and polite manner. "We have to be able to hold back our emotions and still provide good service, even if the customer is angry," said one salesperson. Managing customer relationships effectively, especially in difficult situations, helps strengthen a business's reputation in a competitive market.

The interviews also revealed that consumer behavior is influenced by cultural and social factors. In certain cultures, giving flowers is seen as a symbol of affection and care, leading to an increase in flower orders during special occasions such as Valentine's Day or other major celebrations. However, some customers order without a strong commitment, often driven by social influences or momentary impulses. "Some customers order just because their friends suggest it, but end up canceling because they don't actually need it," said one source. Understanding the social factors that influence customer behavior can help businesses adjust their marketing strategies. For example, sellers can offer special promotions during holidays or customize bouquet collections with local trends to attract more customers. By understanding customer backgrounds and motivations, sellers can more effectively manage expectations and reduce order cancellations.

Consistent application of business ethics not only has a positive impact on customer relationships but also contributes to the long-term sustainability of the business. By prioritizing values such as honesty, transparency, and responsibility, bouquet sellers in Bandung Regency have managed to build a strong reputation. "We want our customers to feel safe and trust that we are always ready to deliver the best," said one business owner. This reputation is a valuable asset, as satisfied customers are more likely to return and even recommend the service to others. In addition, maintaining business ethics encourages businesses to continuously innovate and adapt to market changes. In a competitive business environment, the ability to maintain high ethical standards can differentiate one business from another. MSME players who successfully balance customer needs with business ethics principles show strong potential to survive and thrive in the digital era. In fact, a business will not be able to survive long or be successful if it is not based on sound business ethics (Nurananda, A. A., Anwar, A., Haeruddin, I. W., Akbar, A., & Musa, M. I., 2023).

E. CONCLUSION

This study aims to explore the challenges faced by MSME players, especially flower bouquet sellers in Bandung Regency, in dealing with the problem of unilateral cancellation by customers in online business. Unilateral cancellation not only causes financial losses for the seller, but can also damage the relationship between the seller and the customer, and disrupt the business reputation.

Based on the research findings, the application of business ethics principles is essential to overcome this problem. The deontological approach emphasizes the moral obligation of sellers to maintain integrity and

provide transparent services to customers, thereby reducing the possibility of unilateral cancellation. Meanwhile, the utilitarianism approach encourages policies that provide the greatest benefit to all parties, such as the application of down payments for high-value orders, to protect sellers from losses. Exchange theory highlights the importance of building customer trust and loyalty through clear communication and consistent service, which can reduce cancellations and enhance long-term relationships.

The strategies implemented by MSME owners such as "Various Buckets" and "Jasminesthetic" show that fair and transparent policies, as well as good communication with customers, can help minimize the negative impact of unilateral cancellation. Thus, well-implemented business ethics not only protect the interests of sellers, but also create a healthier and mutually beneficial business ecosystem.

Overall, this study underscores the importance of implementing business ethics in facing the challenges of online business, especially for MSMEs. Through ethical and transparent policies, MSMEs can overcome the problem of unilateral cancellation, improve customer relations, and ensure their business continuity.

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