

1
3 AN EYE FOR AN EYE:
5 INVESTIGATING THE IMPACT OF
7 CONSUMER PERCEPTION OF
9 CORPORATE UNFAIRNESS ON
11 ABERRANT CONSUMER
13 BEHAVIOR
15

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19
21 **ABSTRACT**

23 *This paper examines why ordinary people engage in aberrant consumer*
25 *behavior (ACB), and pays particular attention to the extent to which*
27 *consumer perceptions of corporate ‘unfairness’ lead to a response in kind.*
29 *The study examines five ethical scenarios including insurance claim ex-*
31 *aggeration and software piracy, using data from 344 UK consumers.*
33 *Ajzen’s theory of planned behavior (TPB) provides an initial analytical*
35 *framework. The study also adopts an additional variable, perceived un-*
fairness, referring to the extent to which an actor is motivated to redress
an imbalance perceived as unfair.

37 *In comparison to TPB, the study reveals different components of ACB.*
39 *Furthermore, analysis of variance indicates that consumer perceptions of*
unfairness by insurance companies provide a significant reason for claim

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37 **Insurance Ethics for a More Ethical World**
39 **Research in Ethical Issues in Organizations, Volume 7, 191–226**
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ISSN: 1529-2096/doi:10.1016/S1529-2096(06)07010-6

1 *exaggeration. This suggests that ACB is one form of market response to*
3 *unfair corporate performance. Thus it is argued that an examination of*
5 *ACB will not only help to understand which ethical aspects of corporate*
7 *performance might be perceived as unfair, but also to evaluate the extent*
9 *to which it contributes to a negative perception of particular industries*
11 *and corporations. The closing discussion considers how a consumer neg-*
13 *ative response to corporate performance might relate to pricing, product*
15 *attributes and customer relationships.*

11 INTRODUCTION

13 The current study examines why ordinary people engage in aberrant con-
15 sumer behavior (ACB). Fullerton and Punj (1993) define ACB as 'behavior
17 in exchange settings which violates the generally accepted norms of conduct
19 in such situations and which is therefore held in disrepute by marketers and
21 by most consumers' (p. 570). Retail fraud, insurance fraud and software
23 piracy are well known examples of the behavior in question. Krasnovsky
25 and Lane (1998, p. 228) suggest that aberrant behavior such as shoplifting
27 reaches its 'peak' during adolescence; the implication being that ordinary
29 adult consumers are said to have gone through moral development, so
leading them to deem consumer aberrance such as shoplifting as unaccept-
able (Babin & Griffin, 1995, p. 668). Nevertheless, Fullerton and Punj (1993)
argue that in fact 'misbehavers are representative of consumers overall, not
a group apart' (p. 570); and company losses relating to ACB perhaps bear
this out. Indeed, with an estimated cost to industries running over several
billions of pounds annually in the UK alone, a fuller understanding of ACB
is surely paramount to practitioners who engage in policy making and
marketing strategies.

31 Borna and Stearns (1998) have argued that, to some degree, a consumer's
33 unreasonable expectation and behavior toward markets can be alleviated,
35 even with existing knowledge of business and economics, by various forms
37 of intervention, including government intervention (e.g. cracking down on
counterfeiting businesses and tightening trading regulations). More broadly
Fullerton and Punj (2004) describe the various intervention strategies as
falling into two main categories namely education and enforced deterrence.
As is borne out by the literature reviewed here, these two categories of
intervention generally refer in a rather static way to the influence (or content)
of consumer beliefs and personality traits. What is less observed is a

1 more dynamic, complex process, i.e. how individual beliefs and dispositions,
3 social influence, situational specifics and institutional contexts each have
5 their significance and weighting as factors in the ethical decision-making
7 process. The current study examines whether consumers are willing or pre-
9 pared to engage in norm-breaking behavior as consequences of a perceived
11 unfair relationship with firms. The empirical study uses different ethical
scenarios to examine how consumers respond to a particular ethical situ-
ation. Following analysis of the findings, the study addresses the importance
of drawing firms' attention to the relationship between consumers and
businesses in terms of fairness, in order to identify practical implications of
ACB in the marketplace.

13

LITERATURE REVIEW

15

17 ACB has proved to be difficult to research in some respects, not least due to
19 the sensitive nature of the topic, but also because of its very diversity. For
example, the range of contexts can include shoplifting, retail borrowing,
insurance fraud, counterfeiting and software piracy, each of which are dis-
cussed in turn below.

21 *Shoplifting* as retail fraud, in the form of the illegal acquisition of goods, is
23 recognized to be a serious crime (Babin & Griffin, 1995). The British Retail
Consortium (2004) reports that customer theft in 2003 cost the sector £410
25 million. As mentioned above, shoplifting is often considered chiefly an ad-
27 olescent behavior, thus this type of research mainly focuses on a narrow set
of generational groupings (see, Babin & Griffin, 1995; Cox, Cox, & Moschis,
1990) and is concerned with factors such as peer group influences (Babin &
Griffin, 1995; Cox et al., 1990). The current study, however, focuses on
29 another form of shoplifting, so-called 'disposition of goods'. The disposition
of goods can be considered to include both intentional and unintentional
31 fraud, but for the purposes of this study refers particularly to cases of
consumers 'returning deliberately damaged merchandise after the product
33 was conventionally acquired and consumed' (Strutton, Vitell, & Pelton,
1994, p. 254). So, for example, one of the scenarios adopted refers to the
35 returning of a stained suit in order to obtain a refund, despite having pre-
viously used the item. The concept of 'retail borrowing' shares similar
37 characteristics with shoplifting in the form of disposition, but more specifi-
cally is defined as 'the purchase of an item with the [*prior*] intent to return
39 the same item for a refund once the item has been used, with satisfaction, for
a specific purpose' (Piron & Young, 2001, p. 121). Overall, examining

1 situations of both the fraudulent acquisition and the disposition of goods,
Strutton et al. (1994) argue that the ordinary (adult) consumer on occasions
3 will deem shoplifting as an inappropriate behavior, but at other times may
be able to justify their behavior.

5 *Insurance fraud* is another common form of ACB, and its annual esti-
mated loss to the UK insurance industry is a considerable £1–2 billion (Day,
7 2005) and in the US an even more sizable \$30 billion.¹ Based on such
statistics it might well be assumed that a large number of consumers appear
9 to find insurance fraud (i.e. inventing a fictitious claim and exaggerating a
claim) an acceptable form of behavior. It has been shown, for example, that
11 such dishonest behavior is frequently supported by a generalized view of
'everyone is doing it', 'no victim crime' and 'it is a way of getting money
13 back from insurance companies' (Litton, 1998). Such ways of justifying
engagement in insurance fraud appear to coincide with the reasoning behind
15 shoplifting as practiced by ordinary adult consumers noted above. However,
of further significance to this study in particular is that acceptability and
17 tolerance toward consumer insurance fraud increases particularly in a situ-
ation in which individuals have negative perceptions toward insurance
19 companies (Tennyson, 1997). Cummins and Tenneyson (1996), for example,
found that this accepting attitude toward fraudulent activities positively
21 influences the frequency of liability claims with respect to automobile in-
surance.

23 The estimated losses to the economy from *counterfeit goods* – some \$79
million worth worldwide in just one month, as reported in October 2004² –
25 has led to a large body of empirical study. Concerned here specifically with
the consumption (rather than the organized 'business') of counterfeited
27 goods, the major elements of research relate to attitude and intention to buy
or acquire such goods, as well as the influencing factors. Behavior with
29 respect to this form of consumption is likely to be motivated by product
traits (e.g. Cordell, Wongtada, & Kieschnick, 1996), price (e.g. Albers-
31 Miller, 1999), peer influence (e.g. Albers-Miller, 1999) and a perception of
fairness of business practice (Tom, Garibaldi, Zeng, & Pilcher, 1998). As will
33 become evident, the latter motivation of perceived (un)fairness is certainly
borne out by the current study. Additionally, consumer behavior related to
35 counterfeit goods is found to be moderated by a higher degree of risk per-
ception (i.e. getting caught and product faulty, Chakraborty, Allred, Sukh-
37 dial, & Bristol, 1997) and lawfulness attitude (Cordell et al., 1996). The
country of origin of counterfeit goods is also said to influence purchasing
39 decisions (Chakraborty et al., 1997) and studies have shown that consumers
who have previously purchased counterfeited goods have a more favorable

1 attitude toward buying counterfeits (Tom et al., 1998). The current study
3 makes an example of a specific form of counterfeiting, namely software
5 piracy. In this case the level of perceived risk is relatively low, due largely to
7 the behavior itself being a rather informal, private activity. In other words
9 interaction between customers and business is limited, so potentially leading
11 to the undermining of the exchange setting.

13 *Software piracy* is a relatively new form of consumer aberrant behavior.
15 However, its practice has grown rapidly among ‘ordinary people’ and be-
17 come a worldwide phenomenon – the financial significance of which cannot
19 be ignored. According to the British Software Alliance (BSA), piracy in the
21 UK alone costs the industry £1.6 billion annually. The International Data
23 Corporation (IDC) estimate that at a global level businesses and consumers
25 will spend over \$300 billion on PC software over the next five years. How-
27 ever, they also predict that over the same period almost \$200 billion worth
29 of software will be pirated. In light of these figures it is argued that lowering
31 piracy by just 10% over 4 years ‘would add more than one million new jobs
33 and \$400 billion in economic growth worldwide’ (Second Annual BSA and
35 IDC global Software Piracy Study, 2005, p. 4). Attitude toward software
37 piracy can differ among different social groups (Taylor & Shim, 1993) and
39 levels of activity can vary between national cultures (Husted, 2000). How-
ever, it has disseminated quickly as a common consumer practice and has
been found to be one of the most acceptable forms of aberrant behavior
(Vitell & Davis, 1990 cited in Taylor & Shim, 1993). While those consumers
who consider software piracy to be a form of an unethical behavior are
inclined to indicate an intention *not* to practice the behavior in question
(Wagner & Sanders, 2001), the fact that the behavior is indeed widespread
leads to the presumption that a large number of consumers may not even
perceive software piracy to be an ethical issue at all. What is clearer is that
acquisition of pirated software may be motivated by economic gain in re-
lation to the high cost of the original authorized product, the perception of
low impact on others (e.g. Grass & Wood, 1996), a high level of peer in-
fluence (Al-Jabri & Abdul-Gader, 1997), as well as low risk perception or
high opportunity to engage in the behavior in question (Chang, 1998). Many
of these factors are indeed borne out by the current study.

35 The proceeding review suggests various factors that are considered to
37 influence the decision-making process of ACB. Those commonly referred to
39 include economic gain, positive attitude, social and peer influence, risk per-
ception (cf. an existence of opportunity), the degree of consequences to
others and also the perception of fairness of business. With the exception of
perceived unfairness, Fullerton and Punj (1993) suggest each of these factors

1 can be categorized under the first of two broad headings: ‘consumer traits
and predisposition’. A significant question arises as to whether such factors
3 can then be considered generic in any way or are indeed situation specific. It
is a problem that cannot necessarily be resolved by referring to the liter-
5 atures discussed above since all are concerned with factors specific to single
contexts. The issue of perceived unfairness is not highlighted by these fac-
7 tors. Instead, it is necessary to refer to what Fullerton and Punj (1993) place
under a second broad heading of the ‘characteristics of exchange settings
9 and marketing institutions’. This area of interest has received relatively less
research interest, apart from limited studies again relating only to single
11 contexts (e.g. Tom et al., 1998).

The current study aims to integrate concerns that come under both these
13 two headings, in order to examine the varying impact and combination of
factors as they relate to different ethical scenarios. There are two significant
15 aspects to note: firstly, it can be understood that by using a range of sce-
narios (as will be detailed in the Method below) the study contextualizes
17 characteristics of different exchange settings with respect to ethical situa-
tions. In this respect a useful precedent is set by the Muncy and Vitell (1991)
19 study, which contextualized the characteristics of exchange settings across
27 different scenarios and found that consumer ethical belief does indeed
21 differ depending on the specificity of each context (for more on this type of
research a useful and extensive review can be found in Vitell, 2003). Sec-
23 ondly, using perceived unfairness, the study captures the underlining theme
of the characteristics of marketing institutions in order to explore a par-
25 ticular aspect of consumer motivation and sense of opportunity to engage in
ACB. Numerous institutional characteristics may offer possible explana-
27 tions for aberrant consumer practices as directed toward businesses; rang-
ing, for example, from perceptions of whole industries to the issues relating
29 to the size and reputation of firms, as well as more specific customer-bus-
ness relations.

31 *Types of industries* as a whole can present the consumer with certain
concerns of an ethical nature. As a result consumers’ ethical expectations
33 toward a single firm may in fact be an expectation held in common toward
all firms within the same sector. For instance, Roman and Ruiz (2005, p.
35 441) argue that consumers have a lower ethical expectation of salespeople’s
behavior when they have a more negative perception of that particular
37 industry. Equally, there may be a need to consider the *reputation of a firm*,
reflecting the fact that consumers take account of how a firm is performing
39 in the marketplace. This is consistent with common anecdotal descriptions
of ‘fat cat’ businesses; multinational companies, for example, are often

1 perceived as being overbearing profit makers and their associated marketing
activities and business practices are criticized as ‘unfair’ and ‘abusive’ (cf.
3 Cox et al., 1965 cited in Hunt & Chonko, 1984). As a response to such an
undesirable situation – and even to gain competitive advantage – multinational
5 companies have long been attempting to improve their image and
communicate ‘good practice’ to consumers by getting involved with social
7 concerns such as health projects, educational and recreational needs and
other such civic-based concerns (Porter & Kramer, 2002). In a similar vein,
9 the *size of firms* in relation to ethical situations may also influence consumers’
perception toward firms. For instance, consumers may be less concerned
11 about financial losses suffered by big firms than those of small local
businesses. That may be because consumers expect that big firms are making
13 enough profit to absorb losses and/or because consumers may become
acquaintances or even friends with people running small firms and so feel it
15 inappropriate to engage in exploitative behavior. An argument can be made
to the effect that as part of one’s ‘traits and predisposition’ a consumer may
17 be predisposed to bear a negative attitude toward ‘big business’ in general
(Fullerton & Punj, 1993, p. 572). This again highlights the importance of the
19 current study’s approach to consider how factors compound and differ
across scenarios, rather than to simply consider specific factors in a static,
21 targeted fashion.

In some instances the effects of combinations between factors can be
23 secondary to the effects of a single distinct influencing factor. However, in
other situations the effects of factor interaction can form the dominant
25 influence. In this respect, as Fullerton and Punj (1993, p. 573) note, the
customer–business relationship, i.e. consumer interactions with businesses
27 and indeed their employees, presents a more complex interaction of factors
which may determine how consumers behave. As the relationship marketing
29 literature suggests (e.g. Morgan & Hunt, 1994; Gronroos, 1997), if
businesses are concerned with establishing and developing successful exchanges
31 with consumers, ethical dimensions in the relationship require their
thorough attention. It is a point echoed by Mitchell and Chan (2002), following
33 their investigation into UK consumers’ attitude and behaviors toward a
wide range of ACB.

35 Above all, as Fullerton and Punj (1993, p. 570) point out, ‘the challenge
for researchers is to identify those factors or interactions of factors which
37 are likely to lead some consumers to misbehave some of the time’ (the very
same point is acknowledged in Babin & Griffin, 1995, p. 668). The current
39 study draws upon a similar interest in seeking to identify the common
factors noted above, as well as the characteristics of ethical contexts (i.e.

1 exchange setting) and of firms and industries (i.e. marketing institutions).
2 More specifically, the study aims to examine whether consumer perceptions
3 toward institutions, as well as behavioral beliefs, significantly influence ACB
4 across different ethical contexts. Furthermore, the study also explores how
5 the role and strength of these factors varies depending on the specificity of
6 the ethical context. It is believed that an examination of such specificity
7 helps explain and interrogate why ordinary people choose to misbehave
8 'some of the time'.
9

11 **DEVELOPING AN EMPIRICAL FRAMEWORK**

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13
14 As discussed in the foregoing review, several factors have been either dis-
15 cussed and/or examined by the previous studies in various contexts. Con-
16 sidering the factors that commonly emerged in the proceeding discussion,
17 the theory of planned behavior (TPB, Ajzen, 1991) appears to capture these
18 common factors and was thought to be an appropriate initial theoretical
19 framework to guide the current study. It is worth noting that the model not
20 only captures the various influencing factors of ACB, but also posits that
21 these factors influence intention to perform, which approximate the actual
22 occurrence of the behavior in question. TPB has been applied directly to
23 investigate various consumer ethical behaviors³ and some such studies have
24 also been significant for the development of ethical decision-making models
25 in specific contexts of consumption.⁴

26
27 However, while TPB provides an initial framework for the current study,
28 the model was enhanced based on previous relevant research as discussed in
29 the literature review and as informed by previous empirical investigation
30 that combines qualitative and quantitative analysis (Fukukawa, 2002). In
31 this earlier investigation, a list of factors believed to influence the decision-
32 making of ACB was generated based on an extensive literature review and
33 the findings of in-depth interviews and focus groups. This list of factors was
34 then mapped onto key constructs associated with TPB in order to empiri-
35 cally examine the influencing factors and their impact on intention. Con-
36 sequently, it was proposed that the construct of subjective norm should be
37 broadened into a social influence construct (i.e. to measure what people in
38 general and important referents thought an individual should do). This was
39 done in order to overcome the narrowness of the idea of subjective norm in
40 TPB (Miniard & Cohen, 1981); and can be justified on the basis of existing
41 empirical evidence (Klobas & Clydes, 2002; Bhattacharjee, 2000).

1 To the above-modified TPB, the aspect concerning consumer perception
of unfairness about firms was added. This helps to address a particular
3 interest of the current study, namely the relationship between consumers
and business when explaining some incidents of ACB. As will become ev-
5 ident in what follows this construct is shown to be of significant value to our
overall understanding of ACB. Consumer perception of unfairness concern-
7 ing business clearly has an impact on consumer behavior. With regards
to business ethics, Seligman and Schwartz (1997, p. 581) points out that
9 'consumers might be willing to inconvenience themselves in order to punish
unfair firms'. This perception of fairness sometimes functions as a constraint
11 on firms' abilities to maximize profit (Pave et al., 1999). According to Equity
theory, 'if customers feel they are being treated unfairly in an exchange
13 relationships, perception of inequity will emerge. The inequity can be re-
solved with various actions' (Alexander, 2002, p. 226). In the context of the
15 current study, such resolution may indeed be in the form of ACB.

Tennyson (1997, p. 250) explains that attitude toward insurance fraud in
17 particular is related to consumer perceptions of insurance institutions; in-
deed a significant influence on consumer perceptions in her study is con-
19 sumer evaluation of the fairness of firms. When having negative perceptions
of insurance institutions, consumers tend to rationalize their fraudulent
21 claims as acceptable. This is because consumers tend to justify their own
questionable behavior in response to firms' unfairness, and so rest liability
23 upon the firms, rather than themselves. Furthermore, findings of some
studies (e.g. Seligman & Schwartz, 1997, p. 581; Tennyson, 1997) show that
25 consumer judgments of their own behavior are determined less strictly than
in relation to their judgments of firms. Hence, consumers tend to use eval-
27 uations of firms' unfairness to account for and moderate their own behavior,
reasoning that their aberrant behavior is in fact acceptable behavior; which
29 firms should expect as the negative consequence of their own 'unfair' busi-
ness practices. Similarly, consumers may excuse their aberrant behavior as
31 the consequence of a tradeoff with firms' unfair behavior: typically 'it's their
fault; if they had been fair with me, I would not have done it'; and 'It's a
33 joke they should find fault with me, after the ripoffs they have engineered'
(Strutton, Pelton, & Ferrell, 1997, p. 254).

35 Having discussed here the potential significance of the impact of corpo-
rate unfairness, the current study focuses on the concept of perceived fair-
37 ness of firms behavior in order to investigate its influence on decisions to
engage in ACB – in other words, as discussed in the Literature Review,
39 adopting this factor enables an examination of the characteristics of mar-
keting institutions as they impact on consumer perceptions of ethical issues.

1 In brief, in the current study of intention to engage in ACB is said to be
2 influenced by the following factors: attitude, social influence, perceived be-
3 havioral control and perceived unfairness.

5

METHOD

7

8 Given the potential sensitivities in investigating ACB, a self-completion
9 questionnaire was adopted based on scenarios adapted from Wilkes (1978,
10 p. 154) and Muncy and Vitell (1992). To examine the varying impact of
11 factors across a range of ACB, five diverse scenarios were created (1)
12 changing a price tag, (2) returning a stained suit, (3) exaggerating an in-
13 surance claim, (4) copying software from a friend and (5) taking a quality
14 towel away from a hotel. Each respondent was given a questionnaire con-
15 taining three of the five scenarios selected at random and then asked to
16 respond to a series of attitudinal questions for each. Clearly, the extent to
17 which scenarios represent actual behavior can be debated (Randall, 1989
18 cited in Randall & Gibson, 1991). However, their hypothetical nature makes
19 them more suited and less threatening when dealing with sensitive issues
20 (Gattiker & Kelley, 1999) and consequently, they have been widely used in
21 ethics research (Harrington, 1997; Singhapakdi, Vitell, & Kraft, 1996). A
22 full description of the scenarios is provided in Appendix 1.

23 Scale items drew partly on existing measurement instruments (i.e. Ajzen,
24 1985, 1991; Chang, 1998) and partly on items developed specifically for the
25 purpose, which were tested through exploratory work. In particular, per-
26 ceived unfairness was specified to capture unfairness in pricing, business
27 practice and retaliation based on the findings of the preliminary investiga-
28 tion (Fukukawa, 2002). The use of combined measures has been suggested
29 as a way of compensating the weaknesses of newly developed scales with the
30 strengths of established scales (Hinkin, Tracey, & Enz, 1997). This is the
31 approach adopted here. The descriptive scales used in the current question-
32 naire are provided in Appendix 2.

33 Finally, the questionnaire also included the BIDR impression manage-
34 ment scale (Paulhus, 1991) to examine the possible effect of socially desir-
35 ability responding and a variety of classification questions. Socially desirable
36 responding is calculated using the BIDR score. A higher score suggests that
37 an individual is more inclined to overstate his/her response. The BIDR score
38 mean for the current study was 7.8 and did not differ across the scenarios.
39 The BIDR score mean was slightly higher in comparison with the means
40 generated in the confirmatory study of BIDR by Paulhus (1991); where the

1 mean ranged from 5.3 to 6.7. This may reflect the fact that the current
 3 sample shows a slight bias toward an older population which tends to gener-
 5 ate a greater BIDR score (Paulhus, 1991).

7 A total of 1,250 questionnaires and self-addressed pre-paid envelopes
 9 were anonymously hand delivered to residents in a large metropolitan area
 11 in the United Kingdom. The target streets were selected systematically to
 13 ensure that a range of different residential environments was covered and
 15 questionnaires distributed where possible to every house in those streets.
 17 Out of 1,250, 344 (27.52%) usable responses were returned over a period of
 19 5 weeks (in June–July 2001) producing 1,030 scenario responses, which were
 21 used for subsequent analysis. The full demographic information is included
 23 in Appendix 3 and shows a good mix of gender and education, although, as
 25 noted, there is evidence of a slight bias toward older respondents.

FINDINGS

19 Intention to engage in ACB was measured by a 7-point scale (1 extremely
 21 likely, 7 extremely unlikely). The number of the respondents was unevenly
 23 distributed across the seven categories. Three groupings of the data were
 25 created. The first group was comprised of three categories indicating the
 27 respondent is unlikely to engage in ACB (1 extremely unlikely, 2 quite
 29 unlikely and 3 slightly unlikely) and so labeled as unlikely ($n = 828$). The
 31 second group was comprised of three categories of responses likely to en-
 33 gage in ACB (7 extremely likely, 6 quite likely and 5 slightly likely) and so
 35 labeled as likely ($n = 174$). The response ‘neither’ was categorized as the
 37 third group because the respondents’ intention was uncertain ($n = 28$). Ta-
 39 ble 1 shows the frequency of intention to engage in different kinds of ACB
 and highlights notable variations across the different ethical situations.

Table 1. Intention to Engage in Aberrant Consumer Behavior.

	Scenario 1: Changing a Price Tag	Scenario 2: Returning a Stained Suit	Scenario 3: Exaggerating an Insurance Claim	Scenario 4: Coping Software from a Friend	Scenario 5: Taking a Quality Towel away from a Hotel	Total
Unlikely	201	212	164	74	177	828
Likely	3	4	42	104	21	174
Neither	5	3	4	11	5	28
Total	209	219	210	189	203	1,030

1 Scenarios 1 and 2 are concerned with changing a price tag and returning a
2 stained suit; most respondents appeared to have no intention to engage in
3 these behaviors. Scenarios 3 and 5 are concerned with exaggerating an in-
4 surance claim and taking a quality towel from a hotel; a small but significant
5 number of respondents indicated that they were likely to engage in these
6 behaviors (20.4 and 10.6% of the total respectively). Scenario 4 is concerned
7 with copying software from a friend and here the greatest number of re-
8 spondents (58.4%) indicated intention to engage in this behavior.

9 Given the mix of established and new scale items, exploratory factor
10 analysis (EFA) was conducted across all units of analysis ($n = 1015$) to
11 identify distinctive dimensions explaining ACB. Both the KMO Measure of
12 Sampling and Bartlett's test of sphericity suggested that the data was suit-
13 able for EFA. A principal components extraction and orthogonal rotation
14 were used and a number of variables excluded because of low communalities.
15 None of the factors had factor loadings less than ± 0.5 , and so can be
16 considered to be 'practically significant' for the subsequent analysis. Table 2
17 shows the results of EFA.

18 Four factors, accounting for 71% of total variance, emerged as dimen-
19 sions of ACB. These factors differed from those proposed in the TPB-based
20 theoretical framework. The first factor, labeled as Evaluation, was com-
21 prised of items related to three components: attitude, social influence and
22 perceived behavioral control. Each of these was assumed to be distinct
23 components of ACB prior to the empirical investigation. The items were
24 loaded together to represent an individuals evaluation of their potential to
25 engage in the behavior, thus measuring whether it was good or other people
26 thought it good to engage in the behavior, as well as whether they felt they
27 were able to engage in the behavior. The second factor captured the per-
28 ception of unfairness relating to business practice and accounted for 11.3%
29 of the total variance. This factor measures the extent to which consumers are
30 motivated to perform aberrant behavior because of a perceived imbalance
31 between consumers and suppliers and so labeled as Perceived Unfairness.
32 The third factor was labeled as Social Participation and accounted for 8.2%
33 of the total variance. It captured external encouragement to behave in a
34 particular way because of the presence of others. The fourth factor captured
35 attitudes toward the consequences that are expected to result from consumer
36 aberrant behavior and accounted for 7.2% of the total variance. Labeled
37 Consequence, this factor measures the extent to which the outcomes of
38 aberrant behavior are seen as beneficial or harmful.

39 The factor structure which emerged from the current analysis does not
match with that originally proposed. In particular, the factor Evaluation

Table 2. Factor Loading.

Factors (% of Variance Explained)	Evaluation (43.6%)	Perceived Unfairness (11.3%)	Social Participation (8.2%)	Consequence (7.2%)
Cronbach Alpha	0.88 ^a	0.83	0.86	0.53
Attitude, evaluation good/bad	-0.584			
Attitude, evaluation risk	This variable was excluded due to the low communality (0.388)			
Attitude, evaluation foolish/wise	This variable was excluded due to the low communality (0.243)			
Attitude, outcome to an actor	This variable was excluded due to the low communality (0.309)			
Attitude, outcome to other consumers				0.819
Attitude, outcome to suppliers				0.711
Social influence, peer participation			0.940	
Social influence, societal participation			0.902	
Social influence, peer approval	0.764			
Social influence, societal approval	0.582			0.508
PBC, easy/difficult	0.757			
PBC, opportunity	0.768			
PBC, Control 1	0.786			
PBC, Control 2	-0.684			
PBC, Control 3	This variable was excluded due to the low communality (0.406)			
Perceived unfairness, pricing		0.820		
Perceived unfairness, retaliation		0.809		
Perceived unfairness, business performance		0.693		

Note: KMO Measure of Sampling Adequacy: 0.890, Bartlett's Test of Sphericity: Significant, Extraction Method: Principle Component Analysis, Rotation Method: Varimax with Kaiser Normalization. Total Variance Explained: 71.0%.

^aThe scores of items which load negative factor scores were reversed to calculate Cronbach alpha.

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QA :4

1 combines elements of attitude, social influence and perceived behavioral
 3 sought to abide by the need for a more dynamic understanding of ACB, and
 5 relationship between ethical beliefs, attitude and behavior (Mitchell & Chan,
 7 Unfairness, Social Participation and Consequence, were submitted to an
 analysis of variance (ANOVA) using the scenarios as factors.

9 The assumption of ANOVA is for homogeneity of variance. This was not
 11 ANOVA (Table 3) indicated that the means of the antecedents differ across
 the scenarios ($p < 0.05$). The significant differences among the means of the
 13 antecedents across the scenarios were examined based on Scheffe post-hoc
 tests. This test is considered to be the most conservative method (Hair,
 15 Anderson, Tatham, & Black, 1998) and is used for *unequal* sample sizes to
 test if pairs of the means are different (the sample sizes of the current study
 17 are between 186 and 214). In addition, Diagram 1 presents the means of the
 factor scores of the antecedents across the five different scenarios. It is
 19 provided to help the understanding of the roles of the antecedents in in-
 fluencing a specific ACB.

21 The varying means of the factor Evaluation across the scenarios can be
 interpreted as the difference of its role and significance in explaining differ-
 23 ent ACB. For scenario 1 (changing a price tag) and scenario 2 (returning a
 stained suit) there is a negative means of evaluation shown while scenario 4
 25 (copying a software from a friend) indicates a positive means of Evaluation.

27 **Table 3.** ANOVA: The Dimensions of ACB and Scenarios.

		Sum of Squares	df	Mean Square	F	Sig.
31 Evaluation	Between groups	340.479	4	85.120	127.644	0.000
	Within groups	673.521	1,010	0.667		
	Total	1014.000	1,014			
33 Perceived unfairness	Between groups	29.975	4	7.494	7.692	0.000
	Within groups	984.025	1,010	0.974		
	Total	1014.00	1,014			
35 Social participation	Between groups	12.920	4	3.230	3.259	0.011
	Within groups	1001.080	1,010	0.991		
	Total	1014.000	1,014			
37 Consequence	Between groups	20.717	4	5.179	5.266	0.000
	Within groups	993.283	1,010	0.983		
	Total	1014.000	1,014			

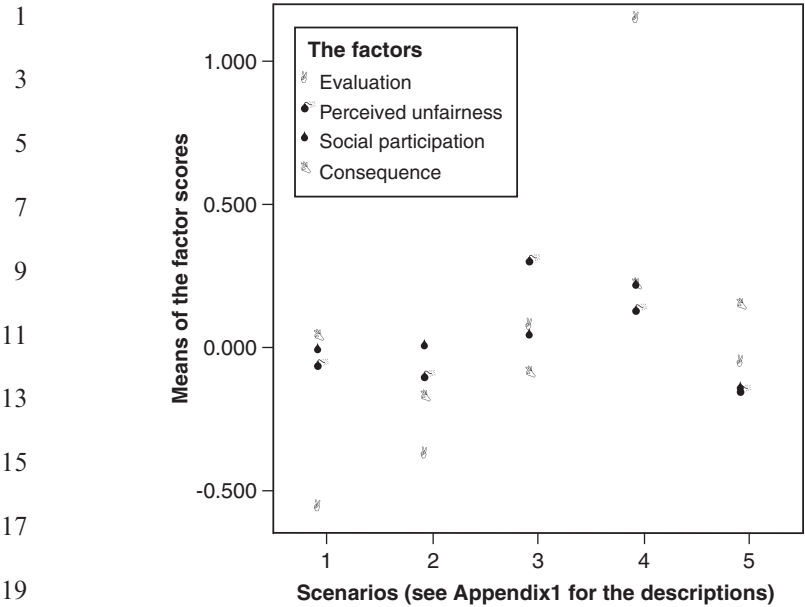


Diagram 1. Drop Chart-means of the Factor Scores across Scenarios.

The means of scenarios 3 (exaggerating an insurance claim) and 5 (taking a quality towel away from a hotel) turned out to be neutral, close to zero. The pattern of reported intention across the five scenarios corresponds to the pattern of the means of Evaluation (i.e. the number of those who reported intention to engage in ACB increased in ascending order of scenarios 1, 2, 5, 3 and 4, see Table 1).

Interestingly, in terms of Perceived Unfairness, the means for scenario 3 is 0.285, the highest absolute value among the 5 scenarios, and statistically, differs significantly from scenarios 1, 2 and 5. It can be said that Perceived Unfairness is dominant in characterizing an occurrence of the behavior described by scenario 3 (exaggerating an issuance claim). The factor Social Participation defined the difference between scenarios 4 and 5. Software piracy described by scenario 4 is a well-known example of ACB. The impact of Social Participation on this behavior is distinctive. Along with a positive Evaluation, this could confirm – with this behavior being widespread among ordinary consumers and as being a form of social sharing or exchange – that this phenomenon is considered *not* to be wrong. By contrast, scenario 5 (taking a towel away from a hotel) is an act done surreptitiously in the

1 privacy of one's own hotel room. In this case it is a lone act, which arguably
is less likely to be discussed publicly. With software piracy, on the other
3 hand, consumers are exposed to an environment where many other consumers
conduct software piracy and subsequently learn to follow others'
5 behavior in this respect.

The means of the factor Consequence were statistically different between
7 scenario 2 and scenarios 4 and 5. The negative means for scenario 2 (returning
a stained suit) can be interpreted as consumers recognizing possible
9 loss to retailers (e.g. losses of sales and possibly sellable products) and other
consumers (e.g. retailers may recover such losses by raising a price). However,
11 the positive means for scenarios 4 and 5 may be more complex. In fact, in line
with qualitative data from an exploratory investigation conducted as
13 part of the current study, there is a perception that such behaviors can result
in beneficial outcomes to both other consumers and suppliers. It is suggested,
15 for example, that software piracy can help encourage competition over price
as well as potentially discourage large multinational companies from operating
17 within monopolies. With respect to taking amenities from hotels and restaurants,
this behavior can be thought to function as a form of promotion, since hotels and
19 restaurants often mark their amenities.

Overall, the findings of the current study show that consumer intention of
21 aberrant behavior can be expected to differ according to situations. While
consumers present ethical concerns toward various issues in the form of
23 negative evaluation, more than a few consumers demonstrated their willingness
to engage in some forms of aberrant behavior. Clearly, consumers are not simply
25 accepting something static as 'unethical' and their behaviors are not even
restricted to isolated benefits provided by the illegitimacy of some of the
27 behaviors. In a similar fashion, Carrigan and Attalla (2001) record changeable
and fluid consumer ethics within their study on consumer attitudes toward
29 ethical marketing. Despite Nike's 'ethically questionable' engagement with
child labor in developing countries, their respondents appeared to continue
31 buying its products. In Carrigan and Attalla's study one of their respondents
remarks: 'it is exploitation, but without companies such as Nike, they wouldn't
33 have a job at all' (Carrigan & Attalla, 2001, p. 568). Consumers are
proposing-in some cases proactively different standards of ethics and social
35 responsibility and indeed the ethics of consumers can be dramatically changed,
depending on the perspectives of individual consumers. Inevitably, with such
37 fluidity in ethical values and behaviors, it is difficult to reach any definitive
categorization of the decision-making process of
39 ACB. However, one factor of specific interest to the current study is Perceived
Unfairness, which as will be considered in the closing discussion, may

1 provide at least some more tangible insight or talking point against which
 2 some practical measures may be taken by individual firms or industries.

3 The current analysis – following ANOVA – has focused on how factors
 4 play distinctive roles across the scenarios. However, in addition to this
 5 analysis, t-test was conducted for scenarios 3 and 4 (scenarios 1, 2 and 5
 6 were left out of this test due to the small number of respondents who re-
 7 ported their intention to engage in these behaviors). The purpose of the t-
 8 test, which compared those likely to engage in the behavior with those who
 9 considered that they were unlikely to engage in the behavior, is that it
 10 enables the focus to be placed on a single scenario and examine the extent to
 11 which each of the four factors differ across the two groups of respondents
 12 (specific to the particular scenario). The result of t-test showed the follow-
 13 ing: In the case of exaggerating an insurance claim (i.e. scenario 3: Table 4)
 14 Evaluation was significantly higher for those intending to engage in the
 15 behavior, while Perceived Unfairness demonstrated even greater signifi-
 16 cance. For this scenario, the means of Perceived Unfairness of the intention
 17 group is 1.20 and significantly differed from the non-intention group (the
 18 means, 0.06, $p < 0.001$). In addition, Consequence was significantly different
 19 between the two groups. Finally, it can be noted Social Participation did not
 20 appear to differ across the two groups. In the case of software piracy (i.e.
 21 scenario 4: Table 5) positive Evaluation related to an increase in intention to
 22 engage in the behavior. It was also apparent that a positive weighting of
 23 Social Participation and Perceived Unfairness added significantly to the
 24 justification to perform this act. For this scenario, the means of Perceived
 25 Unfairness of the intention group is 0.40 and again significantly differed
 26 from the non-intention group (the means = -0.35 , $p < 0.001$).

27 As noted in the literature review, previous studies have forwarded the idea
 28 that ‘consumer traits and disposition’ such as positive attitude and social
 29 influence (Fullerton & Punj, 1993) do have impact on the occurrence of

31 **Table 4.** Mean Factor Score of Intention to Engage versus Non-
 32 Intention to Engage.

Scenario 3: Exaggerating an Insurance Claim	Intent to Engage in EQB ($n = 42$)	Non-intent to Engage EQB ($n = 163$)	T-statistics	Sig.
Evaluation	1.07	-0.20	-10.21	$p < 0.001$
Perceived unfairness	1.20	0.06	-7.06	$p < 0.001$
Social participation	0.18	-0.01	-1.12	ns.
Consequence	0.25	-0.20	-2.72	$p < 0.001$

39 *Note:* Equal variances not assumed; ns. = not significant.

Table 5. Mean Factor Score of Intention to Engage versus Non-Intention to Engage.

Scenario 4: Coping a Software from a Friend	Intent to Engage in EQB (<i>n</i> = 101)	Non-intent to Engage EQB (<i>n</i> = 71)	<i>T</i> -statistics	Sig.
Evaluation	1.78	0.31	-11.98	<i>p</i> < 0.001
Perceived unfairness	0.40	-0.35	-4.47	<i>p</i> < 0.001
Social participation	0.43	-0.14	-3.77	<i>p</i> < 0.001
Consequence	0.27	0.04	-1.62	ns.

Note: Equal variances not assumed; ns. = not significant.

ACB and our findings are certainly concurrent with such previous studies (i.e. highlighting the strength of importance of Evaluation and Consequence in insurance fraud; and Evaluation, Social Participation and Consequence in software piracy). However, the current study also draws specific attention to the factor Perceived Unfairness which generally has attracted relatively less research interest. The results of *t*-test suggest that the manner in which respondents are perceived to be related to and treated by businesses (i.e. Perceived Unfairness) also significantly influences whether or not respondents are inclined to engage in the aberrant behavior in question. In other words, this is to say that the relationship between consumers and businesses – at least in specific contexts – should be recognized as playing a distinctive role in forming intention to engage in ACB. While individual perceptions concerning specific ethical issues and ideals may be difficult for firms to understand or indeed influence, the findings concerning Perceived Unfairness is encouraging in that this is something that can be dealt with or examined further by firms themselves, so helping themselves to tackle the negative impact of ACB. Potentially, then, firms' direct channels keeping them in touch with consumers through their marketing activities are highly significant in how the problems of ACB can be addressed. The later part of the following discussion will focus on this specific matter and consider some key practical possibilities for firms.

DISCUSSION

The current study is exploratory in nature and therefore is to be understood as an initial stage in a longer process of theoretical development. It is also important to note that the current sample only relates to UK consumers. In light of which, further research is necessary, only then might it be

1 appropriate to generalize the findings in order to provide practical guide-
lines for business practitioners and policy makers. However, it is useful at
3 this stage to discuss some more specific issues for those who deal with the
impact of ACB on a daily basis.

5 Fullerton and Punj (2004) suggest that there are two common approaches
to tackle ACB: education and deterrence. As has been shown, the current
7 study found that Evaluation toward ethical issues has a significant impact
on consumer intention to engage in aberrant behavior. In such circum-
9 stance, education may indeed have an impact in raising consumer intoler-
ance toward these types of behavior, as for example represented in this study
11 by scenario 1 (changing a price tag) and scenario 2 (returning a stained suit).
Furthermore, where there are already signs of a negative evaluation to en-
13 gage in ACB, education is likely to help reinforce and/or deepen such a view.
However, even if consumers negatively evaluate a situation, where the cur-
15 rent study has observed the importance of Consequence (i.e. with scenario 5,
taking a towel from a hotel), the more spontaneous, opportunistic kinds of
17 engagement in ACB are less likely to be prohibited by education. In this
case, then, deterrence is more likely to be an effective approach. More spe-
19 cifically, in the case of towels being 'taken away' from a hotel, one tactic is
to make a clear statement to the effect that the item can be *purchased* as a
21 souvenir, thus, as a form of reverse psychology, highlighting the fact that the
item is known by the hotel to be of value to the consumer. In other words,
23 offering a price for the item establishes more clearly that 'taking' it away
from the hotel does indeed constitute stealing it.

25 Of course, in most cases, education and deterrence will be applied in
combination. This is likely to be necessary, for example, where Social Par-
27 ticipation is shown to be of significance to an intention to engage in ACB. In
the current study software piracy (represented in scenario 4, copying a
29 software from a friend) not only showed signs of positive evaluation toward
the behavior, but also was found to be influenced by blatant opportunism in
31 combination with a clear sense of social participation (i.e. 'everyone is doing
it'). Thus, in this case, neither education nor deterrence on their own are
33 likely to be effective. Instead a combined approach is necessary. Widespread
education needs to be achieved in order particularly to raise awareness
35 about intellectual property and the harm that results in piracy, not only to
firms and individual (author) copyright holders, but also to the consumers
37 themselves (e.g. jeopardizing the opportunity to benefit from future devel-
opment of desired goods, and the potential for inflated prices to cover
39 losses). Ultimately there is a need, from such education, to develop a greater
sense of ethical belief. In parallel, deterrence is needed not only in a

1 straightforward sense to police behavior, but also to provide a constant
2 reminder (and so reinforce the education) that software piracy is unethical
3 and indeed illegal. Such a combined method may eventually break the
4 ‘friendly’ and informal economy of software piracy. The recent high-profile
5 cases in which ‘ordinary’ individual consumers have been prosecuted by the
6 large music companies, after allegedly having illegally download music from
7 the internet, makes for an interesting new trend in measures to curb piracy.⁶

8 However, a more particular argument that can be made following this
9 current study is that an effective approach to tackle behavior influenced by
10 Perceived Unfairness is likely to need to go beyond the approaches of either
11 education or deterrence, or even their combination. Instead there is a defi-
12 nite need to integrate ethical concern with specific corporate strategy. What
13 is clear from the findings of the current study is that some respondents have
14 negative perceptions about particular industries, in this case the insurance
15 industry, as represented by scenario 3 (i.e. insurance claim exaggeration).
16 While it is not necessarily discernable whether consumer perception here are
17 based on personal experiences or on hearsay and/or stories of victims of
18 common ‘aggressive’ marketing tactics, it is certainly the case that this sce-
19 nario prompted a very different set of results to any of the other four
20 projected scenarios. What is apparent with responses to exaggerating an
21 insurance claim is that this behavior is clearly motivated by perception of
22 unfair business practice. Furthermore, if assuming the interrelation of a
23 negative reading for the factor Consequence, respondents in this case are
24 clearly aware that such behavior would result in harm to companies (and,
25 interestingly, other consumers too). Although tentative at this stage, it is
26 suggestible that the potential to redress a perceived unfairness is directly
27 related to retaliatory or ACB. This is a good example of where it is im-
28 portant to understand the interrelationship between factors (in this case
29 between Consequence and Perceived Unfairness) in order to make sense of
30 the behavior in question. In fact, it might even be said that it is the inter-
31 action of factors that constitutes the behavior. Again, it should be noted
32 that it is difficult to determine on what basis consumers and potential con-
33 sumers adjudge their perceptions of companies and whole industries (cer-
34 tainly this is an area ripe for further research). However, what would seem
35 paramount is to take a more strategic view of the problem of perceived
36 unfairness. Outlined below are three main themes through which this might
37 be considered: strategic communication, marketing tactics and customer-
38 business relations. In each case, the point is to reduce the number of op-
39 portunities for customers to develop negative perceptions of companies or

1 industries, whether that is through personal experiences or other vicarious
means.

3 For all firms strategic communication is important in tackling perceptions
of unfairness held by consumers. However, for large size firms and indeed
5 specific industries as a whole it is perhaps most crucial (it is also a notable
concern for those firms which explicitly position themselves as being ‘ethical’
7 businesses). Where some industries such as insurance and software indus-
tries appear to be more prone to the effects of ACB, these companies may
9 seek to co-operate to improve consumer perception of the industry as a
whole. Such an approach can, in part, be seen to have existed for many years
11 with the music recording industry, particularly due to the ubiquity of home-
recording. Early industry-led campaigns sought to educate its market, high-
13 lighting not only that piracy (even on a domestic level) was illegal, but that it
had a direct impact on the development of products – messages such as
15 ‘Home recording kills ...’ became a standard industry label. Of course, in
our present digital and highly synergized environment, such a campaign is
17 now largely out of date. Nonetheless, fundamentally, the problems which
beset firms in this industry remain much the same. Companies are likely to
19 need to continue to send out the message that prices may be forced to rise if
a minority choose to abuse the process by illegally acquiring software for
21 example. However, such a strategy, which seeks to encourage consumers to
be responsible for their own practices, can really only work if the companies
23 themselves can demonstrate their own sense of responsibility. One particular
problem in the music industry is that, as Chiou, Huang, and Lee (2005, p.
25 170) note, ‘[e]xcessive publicity regarding the exorbitant income of pop
singers can only direct consumers to think that the company and the mus-
27 cians enjoy unreasonable profits and that minor infringement of copyright
is acceptable to this wealthy group’. Thus, in these circumstances, it may be
29 ever more important to offer greater transparency to its customers, relating,
in this case, the costs and incurring costs of developing and ‘manufacturing’
31 software.

Businesses within certain sectors of the economy need to maintain aware-
33 ness of how consumers perceive the image of the industry as a whole. One
concern is that consumers might rarely assess the fairness of the company
35 based on detailed information, but on the vague image of the company or
business. Thus, as well as approaching the question of how fairly the com-
37 pany is actually performing, it may be equally important to understand how
and to what extent consumer decision-making is influenced by the image
and reputation of a company (and not least whether a positive image has
39 greater impact than that of a negative image, or vice versa). As the current

1 findings might suggest, large companies are still frequently perceived as
faceless global enterprises for which many consumers have little sympathy.
3 Furthermore, the companies' efforts to try and stop negative perceptions of
business have been received cynically by consumers; something which has
5 generally been reinforced with the notable rise in and general acceptance of
an anti-globalization protest discourse (cf. Klein, 2000; also more recently
7 with the high-profile 'Make Poverty History' campaign).

Thus, the emergence and managerial use of corporate citizenship and
9 social responsibility as a means for firms promoting both business and
consumer ethics may not be entirely effective, or desirable. Skeptical con-
11 sumers are likely to view such ethical rhetoric as only paying lip service to
genuine ethical concerns. In other words, many consumers are unlikely to be
13 receptive to firms' orientations to what is right or wrong when in the first
instance they perceive those firms to be not acting fairly. However, rather
15 than simply view this phenomenon pessimistically, it might best be taken as
an opportunity to (re-)visit and examine the fairness of corporate conduct.
17 If the relationship between businesses and consumers are causing consumer
aberrant behavior, it is perhaps worth examining the nature of the rela-
19 tionship in terms of its communications. In general practical terms, com-
panies can certainly be seen to counter problems by establishing more direct
21 lines of communication with consumers; for instance, providing the means
and using technologies (e.g. the Internet) to give customers more oppor-
23 tunity to give feedback. Alternatively, several companies may work together
to develop an effective network with sales agents to ensure a sophisticated
25 and dedicated level of customer care and feedback channels. In this way,
companies are perhaps able to moderate the impact of being only 'faceless'
27 enterprises. However, in a more complex way, it has to be noted that a
corporation's identity is never a single unitary thing, but rather like an
29 individual's subjectivity, is multiple and layered. Balmer and Greyser (2002)
identify at least five key types or instances of corporate identity (these differ,
31 for example, depending on whether they are internally or externally man-
ifest, and whether actual, communicated, ideal or predicted); where these
33 identities misalign or fall short the possibilities for consumers to develop
misconstrued perceptions toward a corporation increase, which in turn may
35 be the cause of negative perceptions since consumers may feel let down by
the company (their expectations no longer meet with their experiences).

37 At a more fundamental level still there are perhaps serious questions to be
asked about the very purpose and mission of a company and its practice.
39 Interestingly, the recent growth in what are termed 'authentic businesses'
(Croft, 2005), in which the purpose of a firm is to go beyond simply making

1 profit and instead seek more profound (social and environmental) goals,
2 have shown clear signs not only of communicating well with their customer
3 base, but also of achieving well in financial terms. Finally, however, it is
4 worth noting that where companies assert an increase in commitment to
5 high levels of ethical conduct it generally leads to those companies having
6 'high expectations of themselves and, by extension, expectations of other
7 firms' (McAlister & Ferrell, 2002, p. 695). Inevitably, then, businesses are
8 ever more concerned with developing successful exchanges with their cus-
9 tomers, which in turn, means that ethical dimensions in the business-cus-
10 tomer relationship require ever greater attention.

11 Marketing tactics can also be thought to play a significant role in reducing
12 the propensity of ACB; and this may be as straightforward as examining
13 and revising product offerings and pricing structures. Hotels and restau-
14 rants, for example, in order to reduce low-level theft may distinguish the
15 amenities that can be retained by their customers from those which cannot.
16 A simple sign such as 'please take if you like' or 'help yourself' on certain
17 items may be helpful in at least two ways: Not only do customers become
18 aware of goods that are not deemed to be free, but they are also offered
19 other possible souvenirs which may please them. Such a promotional tactic
20 is not just about providing extra benefit to the customer, but equally es-
21 tablishes a tangible or even material means of maintaining the customer-
22 business relationship.

23 Price is another important issue relating to a consumer's perception of
24 fairness. The relationship between price and product/service attributes (in-
25 cluding how price adequately and meaningfully reflects what is on offer) will
26 affect a consumer's willingness to pay for a good. Furthermore, as Ajzen,
27 Brown, and Rosenthal (1996) have shown, willingness to pay for a good can
28 be directly influenced by information given that makes a strong case for the
29 value of that good. Where this flow of information breaks down it is reason-
30 able to suggest there arises greater potential for increased perception of
31 unfairness. As Campbell's (1999) study has argued, where price increases
32 occur, consumer evaluation of price unfairness can be negatively influenced
33 by an inferred and/or misconstrued motive for a price increase; where, for
34 example, the price increase is thought simply to be maximizing firms' profits.
35 Furthermore, as Campbell goes on to explain, the bad reputation of firms
36 can indirectly lead such negative perception. What is apparent from the
37 respondents' remarks in Campbell's study is how consumers are undoubt-
38 edly conscious about pricing and profits. Thus, it is reasonable to surmise
39 that consumers may evaluate not only the price of products but also past
40 performance of firms when considering fair pricing. In other words, whether

1 consumers accept a price as fair this might not simply depend on the market
2 offering, but equally be influenced by an overall evaluation of the firm's
3 ethical standing and conduct in the marketplace. One particular problem for
4 the insurance industry, specifically with regards to motor insurance, is that
5 'honest' customers who pay out for their insurance cover year on year, can
6 hold the view that prices (and price increases) are set in order to subsidize
7 deviant consumers (or even non-policy holders) who otherwise cost the in-
8 dustry hugely. In this case, in order to maintain trust, companies need to
9 consider how they can make pricing structures fair and transparent to their
10 customers. Interestingly, in the UK, the insurance firm Direct Line have run
11 a television advertising campaign which as good as makes a virtue out of
12 this problem. As part of their product offering Direct Line have put great
13 emphasis upon the fact ('unlike many other insurers') that even if you are
14 involved in an accident with a vehicle that is not covered by an insurance
15 policy (i.e. an illegally driven vehicle), they will still uphold the claim in full.
16 The advertisement does not put an emphasis on actual price premiums, but
17 arguably the promotion of a 'fair' product (what you pay for is what you
18 get), is likely to have a positive impact on prospective customers.

19 Of course, where there are less 'tangible' value aspects to a product or
20 service, consumers have less they can grasp when attempting to evaluate the
21 fairness of price. This can have a great impact on insurance firms for ex-
22 ample, since their product is difficult to put a value upon, especially given
23 that theirs is a product that customers generally hope they never actually
24 have to use or 'claim'. Interestingly a recent high-profile advertising cam-
25 paign by a UK insurance firm, Norwich Union, has centered around the
26 slogan 'Quote me Happy' – the idea being that if you approach the company
27 for their product you will be very happy to find you get a cheaper quote than
28 if you had gone elsewhere. The advertisement also connotes a clear sense of
29 service satisfaction, with prospective customers being shown telephoning for
30 a 'happy quote' in a very relaxed, informal and, as one version of the
31 advertisement puts it, 'over-excited' manner (comparison might well be
32 made with the kinds of advertisements run from time to time by fast food
33 outlets where customers are invited to go up to cashiers in-store and ask for
34 their product in a humorous fashion in order to benefit from a promotion of
35 some kind). The Norwich Union advertising effectively embeds an emo-
36 tional element to the packaging of their product offering, which combines
37 with a specific message about low price. This is likely to be an effective
38 means of linking a consumer's sense of value for a product with a perception
39 of fairness – indeed, in this case, customers are not only being treated well,
they are being 'quoted happy'! However, this tactic is arguably quite risky,

1 since should there be any downfall in the level of the price and/or the quality
2 of its service delivery there is likely to accrue a high level of dissatisfaction
3 and sense of injustice. Reflecting on this point, it is interesting to note a
4 study by Homburg, Koschate, and Hoyer (2005), in which it is demon-
5 strated that longer-term cumulative satisfaction is more strongly related to a
6 willingness to pay than transaction-specific satisfaction. Central to this
7 study is really a point about equity theory, the idea that cumulative satis-
8 faction is a genuine means for exchanging parties to perceive the quality of
9 equitable treatment, i.e. it is only over a period of time and as a result of
10 *more than one* instance of exchange that the ratio of outcome to inputs can
11 be assessed to fair, or just distributed. The implication is that – in terms of
12 maintaining positive perceptions of fairness – it is more important to main-
13 tain customer-business relations, than simply trade on ethical concerns.

14 Relationship management poses certain difficulties with respect to ethical
15 issues, and this perhaps particularly the case for larger firms or where the
16 balance between customer and business is seen to be out of kilter. As Fitch-
17 hett and McDonagh (2000, p. 218) put it, the discourse of relationship
18 management ‘does not travel well into situations where the relative re-
19 sources, power bases and interests of both parties vary considerably’. Tak-
20 ing this point on board, O’Malley and Prothero (2004) highlight how
21 consumers are often cynical of relational strategies, taking the view that the
22 representation of individuals is not necessarily improved and/or that strat-
23 egies are really only designed to aid a company’s pursuit of profits. Fur-
24 thermore, larger companies are frequently distrusted in this respect. A
25 common sentiment expressed, for example, is that ‘[w]hen anything goes
26 wrong all these bigger organizations get very impersonal ... if ever you have
27 a problem nobody wants to know’ (Stafford cited in O’Malley & Prothero,
28 2004, p. 1291). Furthermore, findings by Hagner, Randall, and Geoghegan
29 (1996) support the assertion that consumer evaluations of ethical scenarios
30 are influenced by personal preferences and so differ according to the subject
31 being evaluated. Thus, with respect to the retail setting, indications are that
32 consumer evaluations are not always rational but influenced by consumer
33 preferences for or against the people they are dealing with in the shop.
34 Extending from this line of argument, it might well be expected that con-
35 sumer evaluations of fairness of market performance can also vary accord-
36 ing to preferences.

37 As a practical measure, retailers must surely seek to further emphasize
38 (and in cases re-orientate) the training of front-line staff. Misleading infor-
39 mation and lack of knowledge of in-store staff can cost customers time and
40 effort, and certainly does not aid customer relations, which in turn does

1 make for a particularly positive image of the businesses overall. In some
3 cases the effects of poorly trained staff may not simply be perceived as
5 unhelpful and inadequate, but even as being unfair (McIntyre, Thomas, &
7 Gilbert, 1999). Thus, the improvement in the performance of in-store staff
9 may not just positively aid the building of good relations between staff and
11 customers, but also work toward a more *reliable* partnership between con-
13 sumer and producer/retailer, i.e. helping naturally discourage customer be-
15 havior that might be deceptive and damaging. The literature on service
17 marketing often labels customers who misbehave as ‘jaycustomers’ (mean-
19 ing those customers who deviate from acceptable, legal patterns in con-
21 sumption). Yet, when one considers what might be causing such behavior, it
23 may more often turn out to relate to the behavior of ill-trained staff or poor
25 practices (as it were, ‘jay-business’!), in other words due to the failure of
27 marketing implementation (see, for example, Lovelock and Wirtz’s (2004, p.
29 253) note on the ‘belligerent’ consumer). One study (Smith, 2004, p. 57) of a
UK insurance firm reports that when the firm reviewed its claim process, the
number of claims were halved after dedicated support was provided to
claimants (a theoretical proposition echoing this finding is asserted by Full-
erton & Punj, 1993, p. 572). Furthermore, this new practice was imple-
mented without decrease in the firm’s customer satisfaction rate. Customers,
then, may just want help from firms! Evidently, employees’ lack of knowl-
edge and impersonal procedures were just not helping. This particular
course of remedial action by a UK insurance firm – which no doubt involved
both additional training and staffing costs – may initially sound labor in-
tensive and prohibitively expensive. Nevertheless, with the estimated 1–2
billion loss of potential revenue annually to the UK insurance industry, one
must wonder which is more profitable, ignoring insurance claim fraud or
training front staff.

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CONCLUDING REMARKS

33 Of course many of the above observations noted for dealing with ACB, in
35 terms which can go beyond simply education and deterrence, can already
37 seen to be in operation in various exchange settings. However, what an
39 enquiry such as this can at least do is refocus our attention on the under-
standing that lies behind such strategies and principles and so help make
further sense of how business ethics in the marketplace translates in terms of
marketing practice and in particular with respect to the different qualities
the different exchange settings bring about.

1 As with any such study there is much that can continue to be explored.
2 The growing importance of a number of nascent research interests have been
3 suggested or at least inferred by much that has been discussed above. Key
4 areas of interest include, for example, relationship management and the
5 connection between corporate social responsibility and corporate identity. In
6 seeking to pursue further theoretical advancement in these areas it is surely
7 necessary that consumers be taken account of more fully with respect to
8 their importance as stakeholders. Of course, as it stands, the current study
9 obviously bears more specific or technical limitations which could be tackled
10 in further research. The sample is restricted to UK consumers and the data-
11 set did display some biases, most notably toward the older age groups.
12 Although the sample was carefully selected to obtain a wide range of con-
13 sumers, further validation and development with groupings making up an
14 accurate representation of the population of consumers would be desirable.
15 A further limitation might be noted here with respect to the scales for
16 measuring ACB. Ultimately, in order – as is the interest here – to capture the
17 multidimensionality of attributes, it is likely that there is a need to re-visit
18 measurement issues for improved accuracy in future studies.

19 As a final remark, it is worth stressing that when considering ethical issues
20 in the marketplace, there is evidently a danger in placing too much attention
21 upon only the ethicality of business, or as it were the business of ethics. At
22 best, this can mean missing the importance of the consumer and their in-
23 teraction with businesses. At worst, this can lead to the myth and precept of
24 a reified consumer: the pervasive doctrine of the consumer as always being
25 right (i.e. ‘ethical’). Instead, incorporating more fully a consumer ethics
26 within business ethics can help develop a more balanced and dynamic view
27 of the ‘practice’ of ethics in the marketplace. Thus, acknowledging how
28 exchange settings are in fact constituted and supported by consumers, busi-
29 nesses and other parties of a society is then important in wanting to un-
30 derstand more fully not only how one action (from these different
31 participants) impacts on the other, but also what effects these interactions
32 have either increasing or decreasing ethical standards in the marketplace.

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39 Business Software Alliance (2005); Klobas & Clyde (2000); Pava, Pava, &
40 Hochman (1999); Randall & Gibson (1990).

NOTES

1. Source: National Insurance Crime Bureau, *Materials and Publications*, available online <http://www.nicb.org/public/publications/index.cfm>, accessed on 5/09/05.

2. Source: Pressbox.co.uk, ‘\$79 Million Counterfeited Worldwide in October!’ (2004), available online <http://www.pressbox.co.uk/Detailed/20154.html>, accessed on 12/08/05.

3. Consumer environmental behavior, Pelletier et al. (1999) and Harland et al. (1999); Wastepaper recycling, Cheung et al. (1999); Software piracy, Chang (1998); Cheating and lying, Beck and Ajzen (1991); Medical profession, Randall and Gibson (1991); Ethical Consumers – Shaw and Clarke (1999) and Shaw et al. (2000).

4. The model of Consumer Ethical Dilemmas (Marks & Mayo, 1991) is based on the general theory of marketing ethics (Hunt & Vitell, 1986); the latter based on TRA (which is subsequently extended as TPB).

5. It should be assumed that the size of the groups analyzed is approximately equal. The largest group size divided by the smallest ought to be less than 1.5 (Hair et al., 1998, p. 348). In the current study, it is 1.18.

6. See: *Guardian*, ‘Parents count the cost of free music’ (25/06/05), available online http://www.guardian.co.uk/uk_news/story/0,,1514148,00.html, accessed on 6/09/05; and *Guardian*, ‘Music industry cheered by sinking of pirates’ (20/06/05), available online <http://www.guardian.co.uk/business/story/0,,1510057,00.html>, accessed on 6/09/05.

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APPENDIX 1. SCENARIOS

Scenario Label	Description
Scenario 1: changing a price tag	A customer notices that certain prices have been lowered in a retail store by crossing out the old price and writing the new price in red ink. The customer has a red pen, so simply crosses out the old price and makes reductions on a few of products she/he wishes to buy. She/he then pays the lower price
Scenario 2: returning the stained suit	A person buys a new suit on Friday to wear for an important party on Saturday. At the party, the suit gets stained with traces of food and perspiration. On Monday, the person returns the suit to the retail store and demands a refund, claiming the suit was not suitable after all
Scenario 3: exaggerating an insurance claim	While on holiday, Sam accidentally dropped a camera worth £100 down a cliff. On return, Sam makes an insurance claim, but gives the value of the lost camera as £200
Scenario 4: coping software from a friend	Chris buys a new computer but chooses not to purchase extra game software priced £50 from the computer shop. Chris then copies the game software from a friend
Scenario 5: taking a quality towel away from a hotel	Sarah/Simon goes on a trip and stays in a hotel. She/he finds a quality towel in her/his room, and thinks it would make nice souvenir. When checking out, she/he takes the towel away with her/him

APPENDIX 2. MEASUREMENTS FOR CONSUMER ABERRANT BEHAVIOR

Antecedents	Variable	Scale (a 7-point scale)
Intention	Intention to perform CAB	In this situation, I would do the same. Extremely unlikely – extremely likely
Attitude	Consequence to others	If I did the same, other shoppers would be: extremely harmed – extremely benefited
	Consequence to suppliers	If I did the same, the retailer/the insurer/the software company/the hotel would be: extremely harmed – extremely benefited
	Consequence to an actor	If I did the same, I would be: extremely harmed – extremely benefited
	Evaluation, good/bad ^a	Doing this would be: extremely good – extremely bad
	Evaluation, low risk/high risk	Doing this would be: extremely low risk – extremely high risk
	Evaluation, foolish/wise ^a	Doing this would be: extremely foolish – extremely wise
	Social influence	Peer approval
Societal approval		If I did this, other shoppers/other policy holders/ other users/ other guests would strongly disapprove – strongly approve

1		Peer pressure	If I was faced with this situation, I would do
3			what I think my friends would do.
5			Strongly disagree – strongly agree
7		Societal pressure	If I was faced with this situation, I would do
9			what I think other shoppers/other policy
11			holders/ other users/ other guests would do.
13			Strongly disagree – strongly agree
15	Perceived behavioral control	PBC, easy/difficult ^b	For me to do the same would be: extremely
17			difficult-extremely easy
19		PBC, opportunity	For me this situation would be too good an
21			opportunity to miss.
23			Strongly disagree – strongly agree
25		PBC 1 ^b	I could imagine times when I might do the
27		same even if I had not planned to. Strongly	
29		disagree – strongly agree	
31		PBC 2 ^b	Even if I had a pressing need, I could not bring
33			myself to do this.
35			Strongly disagree – strongly agree
37		PBC 3 ^b	I have control over whether or not I would
39			do the same. Strongly disagree – strongly agree

1	Perceived unfairness	Pricing	Such behavior would
3			compensate for the
5			retailer's/the insurer's/
7			the software
			company's/the hotel's
			overcharging. Strongly
			disagree – strongly
			agree
9		Retaliation	The retailer/the insurer/
11			the software company/
13			the hotel would
			deserve such behavior.
			Strongly disagree –
			strongly agree
15		Business performance	It is OK for shoppers/
17			policy holders/users/
19			guests to benefit at the
21			retailer's/the insurer's/
23			the software
			company's/the hotel's
			expense. Strongly
			disagree – strongly
			agree

25 ^aAdapted from Ajzen and Fishbein (1980).

^bAdapted from Chang (1998).

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APPENDIX 3. DEMOGRAPHIC INFORMATION

3	Demographic Categories/No. of the Respondents (Valid Percent)					
	Missing					
5	Gender	Male	154 (45.0%)	Female	188 (55.0%)	2
	Age	Under 20			9 (2.7%)	7
7		21–30			28 (8.3%)	
		31–40			70 (20.8%)	
9		41–50			72 (21.4%)	
		51–60			67 (19.9%)	
11		61–70			49 (14.5%)	
		Over 70			42 (12.5%)	
13	Marital status	Married			243 (71.5%)	4
		and living				
15		with				
		spouse				
17		Other			97 (28.5%)	
	Children	Yes	261 (75.9%)	No	76 (22.1%)	7
19	Education	O-level/GCSE/school leaving			92 (27.4%)	8
		A-level/university entrance			53 (15.8%)	
21		First degree (BA, BSc, etc.)			87 (25.9%)	
		Second degree (MA, PhD, etc.)			34 (10.1%)	
23		Other			70 (20.8%)	
	Occupation	Self-employed			21 (6.2%)	6
25		Senior managerial/professional			24 (7.1%)	
		Middle managerial/professional			80 (23.7%)	
27		Junior managerial/professional			56 (17.2%)	
		Skilled/unskilled manual worker			25 (7.4%)	
29		Retired			91 (26.9%)	
		Full-time student			12 (3.6%)	
31		Housewife			27 (8.0%)	
		Unemployed			0 (0%)	


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