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**Neutralization Techniques as a Moderating Mechanism: Ethically Questionable
Behavior in the Romanian Consumer Context**

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Neutralization Techniques as a Moderating Mechanism: Ethically Questionable Behavior in the Romanian Consumer Context

ABSTRACT

Based on an empirical investigation in the context of Romania, this paper identifies a moderating role of neutralization techniques within ethically questionable consumer behavior. The quantitative study is based upon a synthesized model of Theory of Planned Behavior incorporating the factor of perceived unfairness and neutralization techniques. Significantly, neutralization techniques are shown to have a negative, but definite impact on the action to behave unethically. This leads to their consideration as a process of thinking, rather than as static judgement. As such, neutralization techniques are conceptually distinctive to the other factors. The paper analyses the results specific to the Romanian context, but noting implications for an understanding of the morality of markets with similar historical, political and economic conditions. Overall, the findings offer a more nuanced reading of consumer behavior. The paper places moral flexibility in terms of a specific cultural context, but also reveals how neutralization techniques can moderate ethically questionable behaviors beyond matters of self-interest, which in turn has implications for how companies can consider their responsibilities in relation to their customers.

Keywords: ethically questionable behavior, Romanian consumer, theory of planned behavior, neutralization techniques

Introduction

Based on an empirical investigation in the context of Romania, this paper identifies the role of neutralization techniques within ethically questionable consumer behavior. The findings help relate to a wider, more nuanced reading of such behavior, so helping to place moral flexibility in terms of a specific cultural context. Of particular note, it is also revealed that neutralization techniques can moderate ethically questionable behaviors beyond matters of self-interest, which in turn has implications for how companies can consider their responsibilities in relation to consumer behavior.

Typically, consumers profess to exercise their ethical principles, but their stated morality becomes capricious when it comes to actual actions. In consequence, the so-called dark side of consumer behavior is often translated as an unpredictable, contradictory and unmanageable behavior (Gabriel & Lang, 2006). Arguably, then, in some cases the ethics of consumers can be seen to oscillate depending on context and opportunities that arise. A difference between what people claim to do and what they really do may be rationalized using convenient means of neutralization (Grove et al., 1989). For instance, one neutralization technique is referred to as ‘condemning the condemners’ and relates to situations in which it seems to an individual that everyone else is performing the action too. By drawing on the same actions as others it is seemingly easier to deny harm. An example in the current study reflects the belief that an individual is *not the only one* to be downloading or copying media without paying for it, and so seemingly doing ‘nothing wrong’. A typical statement, for example, is that ‘everybody else is doing it. Why focus on me?’. Shifting the blame to someone else (or indeed an undefined, anonymous collection of people) protects the individual from self-blame and from guilt (McGregor, 2008). The idea that an action might be morally justified in this way, but still counter to the law, causes ethical dilemmas for consumers (neutralization techniques and their significance for this study are outlined in more detail below in Theoretical Background).

Opportunistic consumer behavior can take several forms including inflated and fake insurance claims, intellectual property theft or cheating on service recovery (Wirtz & McColl-Kennedy, 2010). In this regard, researchers have studied ethically questionable behavior such as illegal downloading (e.g. Odou & Bonnin, 2014), customer insurance fraud (e.g. Tseng & Kuo, 2014) or shoplifting (e.g. Smith & Clarke, 2015). In the context of this study, shoplifting, as one of the most prevalent crimes in Romania, is defined as theft, so understood as both an unethical and illegal choice that a consumer makes in the retail environment (Tonglet, 2002). Thus, the study makes a clear delimitation between ‘unethical retail returning’ (e.g. where a customer returns an item in bad faith, perhaps having worn a garment at a party before then returning) and ‘shoplifting’ (i.e. stealing), which is classified as felonious behavior. Consumer insurance fraud is also considered unlawful behavior. It may occur at any stage in an exchange with an insurance company, from application stage (e.g., misstating annual auto mileage, failing to reveal pre-existing damage to a covered item), to claiming for exaggerated injuries, ‘invented accidents’, or conspiracy with network service providers (Lesch & Brinkmann, 2011). What is clear from the various actions, the determinants of ethically questionable behavior change their relevance depending on the type of the behavior, the context and opportunities that arise. As discussed, in the method section, this study uses five scenarios to offer a range of behaviors, three of which are clearly identified as illegal while a further two scenarios are ambiguous. Looking across such a range allows the study to consider the varying degree of impacts of neutralization techniques.

The impact of the various defined unethical behaviors on the marketplace is not insignificant. The BSA Global Software Survey 2016 (BSA The Software Alliance, 2016), for example, reports global trends in unlicensed software use. The study shows that 39% of the software installed on personal computers around the world in 2015 were not properly licensed and the commercial value of the unlicensed installations stood at \$52.2 billion

(<http://globalstudy.bsa>). In the specific context of Romania, the BSA survey found the trend accelerated significantly, with the rate of software piracy in 2015 at 60%. With regards to shoplifting, the 2014-2015 Global Retail Theft Barometer reports that this behavior was the main cause of total losses in Europe, accounting for 42% (\$17.17 billion)

(<http://netmap.com>). Inevitably, with such serious commercial implications, businesses increasingly acknowledge the need to consider and understand the underlying reasons for and nature of consumer ethically questionable behavior.

This paper examines an attitude-behavior gap in the context of Romanian consumers. The quantitative study empirically demonstrates the role of neutralization techniques when it comes to ethically questionable actions, which interestingly impact negatively in the decision-making process. This finding raises implications for how companies themselves might engage in consideration of neutralization techniques as a way of better understanding and relating to their customers. More specifically, the findings of the empirical study support a theoretical framework that integrates the additional dimension of neutralization techniques as a moderating factor to a modified theory of planned behavior (Ajzen, 1991). The paper concludes with an analysis of the results specific to the Romanian consumer context, which also has implications for how we consider the morality of markets with similar historical, political and economic conditions, so notably relating to the former socialist countries and developing European economies more broadly. Overall, the paper shows that consumer moral *flexibility* can be explained by the technique of neutralization. In doing so, it offers new insights into understanding consumer psychology and discusses important implications for consumer ethics research and business practices.

Consumer ethically questionable behavior

As Vitell's (2015) literature review shows, consumer ethics has advanced considerably in recent years. Attitudes of consumers towards ethical consumption, for example, have become more positive than in the past. Nonetheless, expenditure patterns show that this shift in attitude does not appear to have been translated into consistent behavioral patterns (Carrigan et al., 2004; Uusitalo & Oksanen, 2004). One study reveals that while 30% of consumers said that they would purchase ethical products, only 3% of them actually do (Futerra Sustainability Communications, 2005, p.23). In the contexts of ethical consumerism (Chatzidakis et al., 2007; De Pelsmacker et al., 2005), consumers may claim to want to behave ethically, but in reality make other choices at the point of sale (Belk et al., 2005; Carrigan & Attalla, 2001). The issue of contemporary ethical consumption is increasingly labelled as a zone of 'contradictory consumption' (Littler, 2011). Consumers experience ambivalent identities, being careful in connecting an ontological perspective, a self-construction as ethical consumers and ethical consumption as a mode of practice (Shaw & Riach, 2011). These interactions are challenging and difficult because consumer behavior involves a constant negotiation between the ethical dimensions of one's self and the contextual variables that may encourage unethical behavior. Consumer behavior can be considered a result of a struggle between an impulsive and a reflective system (Hoffman et al., 2008), which means that consumer decisions may involve compromises and moral flexibility.

Research in relation to consumer ethically questionable behavior has typically been approached from two perspectives. The first stream of research is concerned with specific behaviors such as shoplifting (e.g. Smith & Clarke, 2015), digital piracy (e.g. Aleassa et al., 2011) or insurance fraud (e.g. Miyazaki, 2009; Tseng & Kuo, 2014). By examining attitude, intention and/or behavior in one specific context these studies can help understand the

complexity of cognitive decision-making mechanisms. In insurance industry studies, for example, customer perception of unfairness is shown to be important because ‘unfair treatment’ by an insurer appears to increase the likelihood of customer insurance fraud (Tseng & Kuo, 2014). The second stream of research engages in more holistic accounts, giving a wider picture of ethically questionable consumer behavior and *simultaneously* exploring different ethical situations. Studies of this nature, drawing upon the work of Muncy, Vitell and their colleagues, help to think across behaviors to consider a broader spectrum of ethical judgement, which in turn provides a way of thinking about the varying degrees, tolerances or moral flexibility of consumer behavior. In terms of measuring, such comprehensive studies have provided valid and reliable instruments. Muncy & Vitell (1992; Vitell & Muncy, 2005) devised and later updated the Consumer Ethics Scale. This offers a valuable typology of ethically questionable behavior, measuring the extent to which consumers perceive different behaviors as wrong. Its descriptive accounts of different behaviors influenced the scenario development in the study by Fukukawa & Ennew (2010); in turn the same theoretical approach has been adapted by the current study. The influence of this work continues to impact on new developments. More recently, for example, Sudbury-Riley & Kohlbacher (2016) have developed a new research instrument called the Ethically Minded Consumer Behavior (EMCB) scale, conceptualizing a variety of consumption choices, with proven validity across cultures, enabling researchers to measure the positive face of consumer ethics.

The second stream of research has taken reference from studies concerned with attitude-behavior gaps (Bray et al., 2011; Carrington et al., 2010; Caruana et al., 2016; Moraes et al., 2012), including, for example, studies of consumer guilt and moral choice in consumption (Chatzidakis, 2015). In this context, consumers appear to manage contradictions between attachment to a belief and their behavior, using a defense mechanism that justifies the wrong

actions (Odou & Bonnin, 2014). Similarly, Vitell (2003: 45) has noted previously how ‘even normally ethical consumers can easily rationalize unethical behaviors by appealing to the techniques of neutralization’. Such ‘techniques’, then, can potentially explain a great deal ‘as to why otherwise ethical consumers sometimes behave unethically’ (Vitell, 2003: 45). This study then applies neutralization techniques to explore such a mechanism as a means to explain inconsistencies between attitude and subsequent behavior.

Theoretical background

Attitude-behavior theories remain salient and TPB (Ajzen, 1985; 1991) – whether its original or extended form – provides an appropriate conceptual framework. Furthermore, Fukukawa & Ennew’s (2010) study, using TPB, offers an explanation of how attitudes and situational factors such as *perceived unfairness* interact to form ethical judgments and determine intention to engage in ethically questionable behavior. The focus on perceived unfairness is useful to the current investigation, helping to focus on a relational condition between buyers and sellers, and captures consumer perception about a consumer’s own relationship to certain business practices (which can include for example ideas about retaliation or subversion). Additionally, following the proposal of Chatzidakis et al. (2007) to integrate the construct of neutralization in order to explain the attitude-behavior discrepancies, this study demonstrates the importance of *neutralization techniques* as a moderating factor for ethically questionable behavior in the Romanian consumer context. Crucially, specific cultural and economic determinants give rise to particular findings. Nonetheless, the outcomes lead to broader consideration for studies in areas with similar socio-economic circumstances.

Neutralization theory (Sykes & Matza, 1957) has been taken to provide a view of why consumers might fail to behave in accordance with their ethical judgements. The techniques

of neutralization explain that consumers may develop different coping strategies to deal with the internal dissonance that they experience (Chatzidakis et al., 2007). These strategies, however, are under-researched in ethical consumption contexts and especially have not been readily explored with respect to poorer economies (Hassan et al., 2013). Across a wide range of activities individuals can be said to rehearse a set of rationalizations, helping them to deal with guilty feelings. Originally, neutralization theory was introduced as an explanation for juvenile delinquency using five techniques: *denial of responsibility*, *denial of injury*, *denial of victim*, *condemning the condemners* and *appeal to higher loyalties* (Sykes & Matza, 1957, see Table1). The challenge then, as it still exists today, is to explain how people cope with psychological tensions that arise when they behave in ways that apparently seem to be in contradiction to their expressed ethical concerns (Chatzidakis et al., 2006; Cromwell & Thurman, 2003).

(Insert Table 1 about here)

The techniques of neutralization have been widely applied and frequently cited in various contexts, such as business ethics (e.g., unethical behavior of sales persons (Serviere-Munoz & Mallin, 2013)), and are well established in psychological studies and consumer ethics research. They have been employed to explain behaviors such as shoplifting (Cromwell & Thurman, 2003) or other forms of retail fraud (Rosenbaum et al., 2011), online software piracy (Hinduja, 2007) or music piracy (Higgins et al., 2008). These rationalizations may vary across different forms of misbehaviors (Harris & Daunt, 2011) and depend on the timing of neutralizations, which could be, pre- or post-behavior (Harris & Dumas, 2009). Chatzidakis et al. (2007) emphasize that, while these techniques may be read as coming after the fact of a specific unethical behavior, neutralization plays a role in redefining underlying

principles of (un)ethical behavior. When consumers justify their actions, they consciously relate to a normative system trying to make it more flexible. In other words, they do not reject social norms, but rather believe that these norms are not applicable in all circumstances (De Bock, 2012). Thus, consumers who perform a questionable behavior feel the need to explain the wrong behavior and the reasons that determine it. In a sense, the techniques of neutralization serve as a form of situational morality (Cromwell & Thurman, 2003). People are often in-between extremes. Sometimes, people subscribe to a *fixed mindset*, believing that morality, as a human trait, is relatively fixed (Murphy & Dweck, 2016), but at the same time, they manifest a moral flexibility. Human ethical principles become malleable when significant benefits of ethically questionable behavior or other contextual variables can shift consumers' mindsets at least temporarily. Thus, when consumer behavior involves trade-offs between personal ethical beliefs and situational decisions, compromises on ethics can become evident (Hassan et al., 2013).

Theoretical developments in neutralization place these techniques in several ethical decision-making models. In the context of consumer behavior, Chatzidakis et al. (2007) present evidence from an exploratory study that identified the types of neutralizing arguments that consumers use in the case of buying fair trade products, where price, for example, can be a barrier for some consumers. The study investigates the direct and moderating effects of neutralization in TPB (Ajzen, 1985; 1991). Respondents demonstrate how neutralization techniques are a way of legitimating the fact that they do not opt for fair trade items (e.g. condemning the condemners, suggesting that too much burden is placed upon consumers to make the right choice; or denying injury, explaining that the causes of unfair trade are systemic and so not solved by individual acts of consumption). Nonetheless, concerning the negative side of consumer behavior, there is a paucity of such quantitative studies dedicated to neutralization techniques, even though this concept is worthy of investigation, given its

potential to explain why people sometimes adopt unethical actions (Vitell, 2003). Odou and Bonnin (2014) recently complemented the theory of cognitive dissonance by suggesting several defensive techniques that enable people to carry out questionable actions, which in their case relates to a study of illegal downloading. They suggest for future research it would be useful to approach other deviant consumer practices. Barnes (2007) developed reliable and valid measures of techniques of neutralization theory in order to examine their moderation of compulsive consumption behavior and its relationship with social norm commitment and guilt. Barnes' study helps respond to methodological concerns in neutralization research (see Method). Despite growing importance, the concept of neutralization in the context of ethically questionable behavior and empirical data is still relatively sparse. It is in this area the paper makes a specific contribution. Overall, the following set of hypotheses is formulated to examine the relationship between five factors (attitude, social norm, perceived behavioral control, perceive unfairness, and neutralization techniques) and intention to engage in ethically questionable behavior.

The impact of attitude on ethically questionable behavior is mixed. When investigating specific behavior, attitude has been found to be the most important predictor of unethical behavior (e.g. Brinkmann (2005) on insurance fraud; and Phau and Ng (2010) on piracy). When investigating across a range of ethically questionable behaviors, attitude has been found to be less significant (Fukukawa & Ennew, 2010). In the context of the current study, it is assumed attitude will be more favorable when consumers perceive significant benefits from the behavior and less serious consequences. Thus, the first hypothesis is stated as:

***H1:** Favorable attitude toward performing an ethically questionable behavior is positively related to the behavioral intention.*

Consumer decision-making is influenced by the judgements of others (Wood & Hayes, 2012). Consumers' intention to adopt a negative behavior is likely to increase when they consider that persons important to them approve their behavior. Social norms, such as peer or family influence, will impact to different degrees depending on the situation (Aleassa et al., 2011; Phau & Ng, 2010; Tang & Farn, 2005). The current research expects that:

***H2:** Social norm associated with performing an ethically questionable behavior is positively related to consumers' behavioral intention.*

When consumers consider that certain behavior is within one's control, they are able to control it, they are more likely to engage in that behavior. Based on this argument, another construct of TPB, *perceived behavioral control* (PBC), will positively influence intention to behave unethically as far as a consumer feels capable to perform this behavior (Aleassa et al., 2011, Fukukawa & Ennew, 2010). Thus:

***H3:** Perceived behavioral control is positively related to consumers' intention concerning ethically questionable behavior in consumption.*

Fukukawa and Ennew (2010) highlight the importance of an additional factor, *perceived unfairness* toward business. Consumers are increasingly concerned with the fairness of transactions or relationships with companies. They care about being treated fairly (Aggarwal & Larrick, 2012), and information that a company has acted in an unethical way can have greater impact than information regarding ethical conduct (Folkes & Kamins, 1999). In this

context, perceived unfairness puts pressure on relationships and consumers may feel the need to redress an unfair imbalance with companies. Therefore,

***H4:** The perception of unfairness in relation to business is positively related to consumers' intention concerning ethically questionable behavior in consumption.*

Consumer perception of unfairness may be understood as an instrument similar in role to neutralization (Fukukawa, 2002). Arguably, however, either from a direct perspective or an indirect one, neutralization provides us with greater clarity. Based on prior debates, this study proposed the incorporation of neutralization in the TPB model (in line, for example, with the approach taken by Chatzidakis et al. (2007) in examining the consumer Fair Trade context). The direct effect of neutralization was tested, originally supposing a positive relationship between neutralization techniques and intention to adopt an ethically questionable behavior. Moreover, it was supposed that the positive relationships between the constructs (*attitude, social norm, perceived behavioral control* and *perceived unfairness*) and *intention* were expected to be moderated after introducing *neutralization techniques*. Therefore,

***H5:** Neutralization techniques are positively related to consumers' intention concerning ethically questionable behavior in consumption,*

***H5a, b, c, and d:** Neutralization techniques moderate the relationship between a) attitude, b) social norm, c) perceived behavioral control and d) perceived unfairness and ethically questionable consumer intention.*

Method

Due to the sensitive nature of the topic, this study adopted an anonymized, self-administrated questionnaire applying indirect questioning as the main projective techniques, which allows participants to respond with greater honesty (Fisher & Tellis, 1998). Descriptive accounts as scenarios were adapted from a variety of ethically questionable behaviors identified by Muncy and Vitell (1992). Five scenarios were adapted to match the Romanian consumer context: (1) shoplifting; (2) insurance fraud; (3) digital piracy (4) keeping too much change; and (5) keeping an ashtray as a souvenir. Based on the Muncy and Vitell typology, shoplifting and insurance fraud are examples of ‘actively benefiting from an illegal action’; digital piracy is an example of ‘no harm, no foul’; and keeping too much change is an example of ‘passively benefiting from the expense of seller’. The scenario of keeping an ashtray as a souvenir was not attributed to any type proposed in the Muncy and Vitell study. Yet, Fukukawa (2002) found that 11% of respondents practiced such behavior in the past and 33% found it acceptable. The behavior may be seen as a form of stealing but less felonious than shoplifting and insurance fraud. Thus, this scenario was included to add to the range of ethically *questionable* behavior (full descriptions of the scenarios are found in Appendix 1).

Using a 7-point scale, each scenario was presented with the existing measurement for *intention, attitude, social norm, perceived behavioral control* and *perceived unfairness* (adapted from Fukukawa & Ennew, 2010) and *techniques of neutralization* (adapted from Barnes, 2007; Hinduja, 2007). The English version of the questionnaire was back-translated into Romanian independently by two researchers (full details of the measurement are found in Appendix 2).

The study used a non-probability sampling technique, quota sampling, allowing for the same proportions of individuals as the entire population based on two relevant characteristics:

age and gender. The questionnaire was delivered to residents in a large metropolitan area in the Romania, Cluj-Napoca, the largest city in Romania after its capital. Quota sampling achieved a proportionate mix of age and gender. The sample included the following percentages per age range (with true demographic percentages shown in brackets for comparison): 29.3% (27.07%) of consumers aged between 15-29; 28.3% (28.37%) between 30-44; 22.5% (24.03%) between 45-59; and 19.9% (20.52%) over 60. With regards to gender, 57.1% (53.8%) of the sample was female. Overall, 413 (62.19%) usable responses out of 675 were obtained over a period of 4 weeks, producing 2060 scenario responses used for analysis. Structural Equation Modelling (SEM, with AMOS 20.0) was used to verify the proposed model and to test the hypotheses.

Results

Similar to other studies (Fukukawa & Ennew, 2010; Valor, 2007), consumer intention to engage in ethically questionable behavior varies across different situations. Responses for intention was measured according to the 7 – point scale (Table 2). The response *neutral* (coded as 4) was not considered for this analysis due to the respondents’ unknown intention (Table 3). Following the responses to each of the five situations, it can be noted that, in general, consumers are reticent to follow the behavior described in the scenario. Nevertheless, if we analyze intention in each scenario individually, we can observe significant differences notably with regards digital piracy. Unlike other unethical behaviors, digital piracy (Scenario No. 3) is a prevalent behavior among consumers, with 52.78% of the respondents declaring intention to adopt such behavior.

(Insert Table 2 about here)

(Insert Table 3 about here)

The high rate of digital piracy fits with the relatively high rate of software piracy noted for the context of Romania in the BSA Global Software Survey (2016), a common behavior associated, for example, with teenagers (Cultural Consumption Barometer by National Institute for Cultural Research and Training, 2015). As mentioned, however, across the scenarios most of the respondents would be unlikely to engage in an ethically questionable behavior. In part, the low level of intention is explained by the sensitivity of the subject.

Given the main purpose of this study to explain a variety of ethically questionable behaviors, the five scenarios were analyzed simultaneously, with each of the 413 respondents answering specific questions on all situations (2065 answers). The hypotheses were tested following the two-stage process of structural equation modelling (Janssens et al., 2008) in order to predict the likelihood to engage in ethically questionable behavior. Some items that appeared to be problematic were removed from the model in order to satisfy internal consistency of the latent variables. The results showed an acceptable model fit (GFI= 0.969, RMSEA=0.054, CFI=0.980, AGFI=0.939, NFI=0.965, PCLOSE=0.319, CMIN/DF = 2.208). All values for composite reliability are higher than the typical 0.7 (Fornell & Larcker, 1981). The highly significant loadings (> 0,5) and the values for AVE that exceeded the suggested level (0.5) (Hair et al., 2010) provided evidence in terms of convergent validity. Discriminant validity was checked in order to emphasize the obvious difference between the constructs. Thus, correlations between the factors should be significantly lower than the square root of AVE (Fornell & Larcker, 1981), an aspect that is observed in the present research, except with the high correlation between *neutralization* and *perceived unfairness*. The finding has to be considered in some detail as it could be the sign of an overlapping theoretical component (see closing section).

Concerning the causal relationships between constructs, the results (Table 4) indicate that all the factors in the context of ethically questionable behavior except *social norm* are significant. In the context of Romanian consumers, *attitude* was found to be the strongest antecedent of intention toward ethically questionable behavior. This result supported H1, being similar to previous studies (Miyazaki, 2009; Phau & Ng, 2010). The second strongest determinant was *perceived unfairness*, providing support for H4. This is consistent with the findings of further studies concerned with perceived unfairness (Fukukawa et al., 2007; Fukukawa & Ennew, 2010). *Perceived behavioral control* was also found to be an important determinant, suggesting that the less difficult consumers believe an action to be (having all the resources and abilities they need), the more they will tend to adopt that behavior. This supports H3. While, for the Romanian consumer, social norms appeared to have no impact on intention, therefore H2 was not supported, which is in line with the results of Cronan and Al-Rafee's (2008).

(Insert Table 4 about here)

Overall, neutralization is found to be a significant predictor of intention. However, this provides limited support for H5 because *neutralizations techniques* are negatively related to consumers' intention to adopt an ethically questionable behavior. Hence, although consumers are supposed to employ these techniques to convince themselves of the acceptability of their behavior (Hinduja, 2007), neutralization, as a direct influencing factor, seems to inhibit consumers to adopt ethically questionable actions. This finding raises questions regarding moral flexibility (see Discussion). Thus, a key finding of this research concerns *neutralization techniques* and their moderating effect on ethically questionable behavior. The findings show neutralization moderates the relationship between *perceived behavior control*

and *intention* (Figure 1), specifically reducing the impact of *perceived behavior control* upon *intention* ($PBC = .103$, $PBC \times N = .091$). As discussed below, the result prompts a need to reconsider how we understand the role of neutralization techniques, which typically are seen to go in ‘one direction’, to uphold unethical behavior. Yet, dissonance might arguably lead to different outcomes, including to *refrain* from certain behavior.

(Insert Figure 1 about here)

Discussion

The findings of this study capture the trade-off and/or the interaction that consumers make between their ethical principles or values and the context in which they make decisions, which in this case is specific to the consumer environment of Romania. Neutralization techniques help us to understand how consumers can manifest moral flexibility, revealed, for example, through a conflict of identities, or positions of ambiguity used by consumers to define themselves (Valor, 2007). Consumers may be inclined to be ethical and adhere to strong moral principles, but sometimes contextual factors influence their actual behavior. Thus, the role of a contextual variable is crucial for understanding ethically questionable behavior.

The study found that the following factors significantly influence intention to engage in ethically questionable behavior: *attitude* (.780, $p < .001$), *perceived behavior control* (.103, $p < .05$), *perceived unfairness* (.148, $p < .01$) and *neutralization techniques* (-.133, $p < .01$). *Attitude* is the strongest and positive determinant of intention. This finding is in keeping with Phau and Ng (2010) who emphasize the importance of attitude as a determinant of intention to use pirated software; and Brinkmann (2005) on insurance fraud.

Perceived behavioral control and *perceived unfairness* were also found to positively affect the occurrence of ethically questionable behavior. If consumers perceive a particular behavior can be performed effortlessly they are then more likely to adopt the behavior, a result that is similar to previous research (Aleassa et al., 2011; Fukukawa & Ennew, 2010). The implications of *perceived unfairness* as a determinant for ethically questionable behavior are of particular significance. It may vary depending on the relationship between the consumer and the company (Steenhaut & Van Kenhove, 2005), and a company's actions may directly influence acts of consumer deviance (Reynolds & Harris, 2006). Generally, individuals 'judge the behavior of business more harshly than similar behavior of individual consumers' (De Bock & Van Kenhove, 2011, p. 283), and in such cases this can lead consumers to be motivated to redress what they believe to be unfair by engaging in ethically questionable behavior. The positive reading of perceived unfairness is not necessarily surprising based on the nature of the consumer environment in Romania, which, as outlined in more detail below, suffers from inconsistencies and corruption. Arguably, then, the cultural context in this case raises the probability of consumer distrust, making this factor of particular interest. Perceived behavioral control, however, is perhaps less obviously related to a specific cultural context and is found to be a positive indicator in a wide range of studies. Nonetheless, a significant finding of this study is the interaction between perceived behavioral control and neutralization techniques, with the latter appearing to reduce the impact of the former. Again, this finding can bring us back to the importance of a culturally specific context, whereby a certain culturally-informed way of thinking is manifest through the process of neutralization techniques.

Neutralization techniques have a negative, but definite impact on the action to behave unethically. In other words, where neutralization techniques are involved the consumer is more likely to *refrain* from ethically questionable behavior. neutralization techniques could

be characterized as applying greater rationalization. We might suggest, for example, that the individual enters into a form of internal dialogue or reflection about the ethicality of a situation, which arguably increases critical distance (which may warrant further attention in future research). We could distinguish this from the other factors *attitude*, *social norm*, *perceived behavioral control*, and even *perceived unfairness*, which are more fixed categories – these are defined judgments (i.e. we think the company is unfair to us; we adhere to what we believe others to think; we judge there to be sufficient opportunity or control; or we simply hold certain beliefs). By contrast, we can characterize neutralization techniques as a *process* of thinking, leading to judgements. In this sense, neutralization techniques are conceptually distinctive to the other factors. This distinction is potentially significant in that an analysis of neutralization can help to understand a greater sense of moral flexibility, or the fact that actions change through the *process* of acting, and/or depending on contextual feedback. In the specific context of Romania, neutralization techniques can be viewed in just such a complex manner. Romanian consumers have been found to assert strong ethical principles (Al-Khatib et al., 2004), yet the environment presents significant challenges, which can undermine ethical behavior. Interestingly, where neutralization techniques are adopted this has the effect of *reflecting* on the situation, which we could argue brings an individual's principles back into dialogue with a considered action. The result, according to the current study's findings, is to temper one's engagement with ethically questionable behavior. So, for example, where *perceived behavioral control* interacts with *neutralization techniques*, we see the reduced impact of *perceived behavioral control*.

It is important to relate the study's findings to the political and economic context of Romania. Following the collapse of communism across Eastern Europe in 1989, the Romanian economy experienced instability and decline over a period of a decade as it underwent major capitalist-led reforms and restructuring. Stability was restored by 2000, and

the country subsequently had a period of sustained growth, high employment and low inflation, which led up to Romania's accession to the European Union (EU). Nonetheless, in comparison to other countries in the EU, Romania remains relatively poor, with one of the lowest net average monthly wages. Arguably, due to the developing nature of the economy, Romanians have been found to be concerned with a high level of materialism (Belk et al., 2005). Corruption also remains an issue. Despite significant improvements in laws and regulations, adequate enforcement has been problematic. The *Corruption Perceptions Index 2015* ranked Romania the fourth most corrupt country in the EU, after Bulgaria and Italy, and equal to Greece (Transparency International, 2015). However, as Al-Khatib et al. (2004) show, while faced with significant moral situations (relating to issues of wealth disparity and corruption etc.), Romanian consumers exhibit low levels of Machiavellianism and high levels of idealism. Thus, *despite* the corruption rate, which tends to favor a Machiavellianism attitude (Bageac et al., 2011), Romanian consumers declare an overall negative intention to engage in unethical behavior. Nonetheless, overall, the Romanian context presents some serious challenges for both consumers and companies, indeed a complex picture emerges of a consumer culture that is an amalgam of past and the present conditions.

As the overall findings suggest, it is not always easy to be ethical and consumers appeal to strategic tactics that help explain the attitude-behavior gap. However, behavior need not always go in the direction of being unethical, indeed such behavior can seemingly be tempered as suggested by the interaction of neutralization techniques. This finding opens up some interesting prospects for how companies might themselves attempt to think as their customers do, with a view to similarly benefiting from the potential mitigating effects of neutralization techniques. If companies seek to better engage with their customers with respect to such techniques – to be proactive, to ‘clear the air’ about specific issues and complaints – they may well reduce the impact of ethically questionable behavior. A study on

insurance claims, for example, noted that the number of insurance claims actually halved when companies proactively helped customers file their claims (Smith, 2004). Engagements of this kind may function similarly to neutralization techniques, enabling consumers to stop and think, acting as a form of reverse psychology helping to discourage wrong-doing (and indeed allowing consumers to uphold their ethical principles despite any difficulties and temptations that the environment might present). Given the contextual nature of behavior and consumer culture, companies need to know the profile of their consumers, to understand their perceptions and expectations. As is generally argued, consumers are more likely to follow the 'rules' if they know what the rules are (Fisk et al., 2010). Therefore, companies should seek to clearly communicate their expectations in terms of fairness. Moreover, according to the findings of this study, companies should also seek to clearly communicate an understanding of their consumers' expectations of fairness. The need for such engagement, or indeed empathy with consumers is perhaps particularly pertinent to the Romanian context, which has witnessed dramatic and difficult political and economic changes over a short period of time, wherein, according to Cherrier & Murray (2007), its population continue to struggle, define, and enact 'a mode of being', instead of the 'mode of having'; to uphold a way of thinking in an 'ethical language', molding their character and lifestyle by ethical rules step by step, in order to construct new identities.

Contributions and Future Directions

The results of this study have both theoretical and practical implications. The paper draws upon three conceptual frameworks developed in the area of consumer ethics, to present a synthesized model. TPB provides the underlying framework, around which the model incorporates the factor of *perceived unfairness* and *neutralization techniques*. *Perceived unfairness* captures the dynamic relationship between buyers and sellers (in a specific

context), while *neutralization techniques* capture different coping strategies applied by consumers to redress dissonance between ethical belief and potential actions. Importantly, the study is one of just a few to have investigated the moderating effects of *neutralization techniques* on TPB relationships in the context of ethically questionable behavior. It offers, then, a conceptual framework that refines and deepens previous research on neutralization theory, and in this specific case helps to explain Romanian consumer decision making vis-à-vis ethically questionable behavior. If, as has been discussed above, we understand neutralization to engender an internal dialogue or instance of deliberation, it can be suggested that uncertainty arises, which in turn can prompt withdrawal from acting out an unethical behavior. It can be observed that uncertainty more broadly defined – where consumers experience ‘knowledge, evaluation and choice uncertainties in decision-making processes’ – results in delayed purchases, compromised beliefs and unsettled emotions (Hassan et al., 2013). Such circumstance is relevant to the case of Romania, which, as previously noted, has undergone significant economic and political change and disruption over a short period. It is important to pay careful attention to the specificities of a distinct cultural context when examining and interpreting influencing factors. Nonetheless, findings in this case may bear fruitful comparison with other associated contexts, to include, for example, other accession countries to the EU (notably former communist countries) as well as other EU countries suffering economic instability (particularly where issues of corruption or market failures are a feature, e.g., Italy, Greece).

The study is relevant for practitioners (companies, NGOs, and policy-makers) because it provides insights into consumer behavior and culture in a developing country within Eastern Europe (and the neighboring areas), a context where trade-offs, uncertainty and moral flexibility are arguably pronounced in terms of ethical consumption. Such a context can be a significant source of conflict between consumers and businesses, whereby companies may

need to promote more awareness of their understanding of a given conflict and/or to adequately and transparently establish a clear set of ethical rules and institutional values. The aim of which should be to provide a more consistent set of values that can be shared between producer and consumer. This may help consumers strengthen their ethical obligation, lessen cases of perceived unfairness and remove impediments for change (Valor, 2007). Given Romania's developing economy the implications need to be considered in the context of international business.

In terms of the limitations and future research, there are three major points to take into account. Firstly, the scenarios have been limited to only five situations and selected as familiar to the Romanian consumers. Future research may consider other behaviors, for example, depicted in the Vitell and Muncy's modified Consumer Ethics Scale (2005). Studies beyond the Romanian context would be beneficial, as well as comparative studies *across* different cultures, which could should shed further light on the complex nature of consumer moral flexibility in terms of both local culture determinates and more globalized patterns of behavior.

Secondly this study examined the impact of *neutralization techniques* in a broad context and found that *neutralization techniques* are likely to influence intention negatively. This is rather an unexpected result as previous studies found significant influence of *neutralization techniques* when studying a single specific behavior (e.g., digital piracy, Hinduja 2007; retail fraud, Rosenbaum et al., 2011). Rather than explore neutralization techniques as purely the means to rationalize *unethical* behavior, it can be explored to have a more oscillating effect, helping to address questions of malleable morality. However, in turn, this would also suggest a benefit to independently testing the five arrays of neutralization techniques, as these each engage with different dimensions of ethicality.

Thirdly, a higher correlation between *perceived unfairness* and *neutralization techniques* was found to suggest a conceptual overlap and requires further attention in terms of scale development. The overlap may be found in the items that relate specifically to relations between buyers and sellers. The items of perceived unfairness capture the relationship between buyers and sellers in a given business context. Part of the neutralization items capture the relationship between a decision-maker and those involved in the context in the process of neutralization.

It is a truism that all consumer ethics studies seek to elaborate on the *complex* nature of decision-making and behavior. However, equally, in order to validate specific components of the decision-making process it is generally necessary to limit the scope of an empirical investigation, not least because participants can be expected to respond to only so much detail in any given questionnaire. Nonetheless, the evidence all too frequently points to the ambiguities and flexibilities of consumer behavior. Taking account of the above discussion and limitations, contextual and cultural specificity appear to significantly impact upon how consumers engage in any given ethical moment. Investigating consumer ethics in the Romanian context presents various challenges. While consumers seek to behave according to their ethical beliefs, contextual circumstances can make this difficult. In turn, this raises questions about the responsibility of companies to offer support to consumers and to provide leadership in managing the business environment. Based on the findings of this paper, of key import is the need for closer understanding of key factors such as perceived unfairness and the role of neutralization techniques, which it is argued prompt both the need and opportunity to build new trustworthy relationships between consumers and companies.

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Table 1: Techniques of neutralization (Sykes & Matza, 1957; adopted from Chatzidakis et al., 2007, p.90)

Denial of responsibility	Is when a person takes no responsibility for her/his actions; on the contrary she/he blames factors outside of her/his control (e.g. It is not my fault, I had no other choices).
Denial of injury	Is when a person claims that no one got hurt by her/his behavior and she/he claims that she/he did not cause any harm. This technique also includes the attitude that her/his behavior will not make a difference or create an impact (e.g. What's the big deal, nobody will miss it).
Denial of victim	Is when a person justifies her/his behavior by claiming that it is a right thing to do considering the circumstance (e.g. It is their fault; if they had been fair with me, I would not have done it).
Condemning the condemners	Is when a person places blame on the people condemning her/him instead of on her/himself (e.g. it is a joke they should find fault with me, after the rip-offs they have engineered).
Appeal to higher loyalties	Is when a person is caught in a circumstance that needs to be resolved by behavior that violates the norms (e.g. to some what I did may appear wrong, but I did it for my family).

Table 2: *Consumer's Intention to Engage in an Ethically Questionable Behavior*

	Scenario 1 <i>(Shoplifting)</i>	Scenario 2 <i>(Insurance fraud)</i>	Scenario 3 <i>(Digital piracy)</i>	Scenario 4 <i>(Keeping too much change)</i>	Scenario 5 <i>(“Keeping” an ashtray as a “souvenir”)</i>	Total
1. Extremely Unlikely	372 (90.51%)	284 (68.93%)	65 (15.74%)	298 (72.51%)	342 (82.81%)	1361
2. Very Unlikely	23 (5.60%)	77 (18.69%)	53 (12.83%)	52 (12.65%)	36 (8.72%)	241
3. Unlikely	4 (0.97%)	21 (5.09%)	36 (8.72%)	20 (4.87%)	11 (2.66%)	92
4. Neutral	2 (0.49%)	11 (2.70%)	41 (9.93%)	14 (3.41%)	10 (2.42%)	78
5. Likely	4 (0.97%)	10 (2.42%)	45 (10.90%)	10 (2.43%)	9 (2.18%)	78
6. Very Likely	3 (0.73%)	3 (0.72%)	68 (16.46%)	7 (1.70%)	1 (0.24%)	82
7. Extremely Likely	3 (0.73%)	6 (1.45%)	105 (25.42%)	10 (2.43%)	4 (0.97%)	128
Total	411	412	413	411	413	2060

Table 3: *Positive and Negative Intention to Engage in an Ethically Questionable Behavior*

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
<i>Negative Intention</i>	97.08%	92.72%	37.29%	90.02%	94.18%
<i>Positive Intention</i>	2.43%	4.61%	52.78%	6.57%	3.39%

Table 4: *Structural model*

Causal relation	Std. Coefficients	P
A ---> EQB	.780	***
PBC ---> EQB	.103	.012*
N_X_PBC ---> EQB	.091	.016*
N ---> EQB	-.133	.007**
PU ---> EQB	.148	.008**
N_X_PU ---> EQB	.010	.731
N_X_A ---> EQB	-.004	.955
SN ---> EQB	-.068	.246
N_X_NS ---> EQB	-.017	.751

Notes: p < 0,05*; p < 0,01**; p < 0,001*** ; **A** = Attitude; **SN** = Social Norm; **PBC** = Perceived Behavioral Control; **PU** = Perceived Unfairness; **N** = Neutralization; **EQB** = Ethically Questionable Behavior

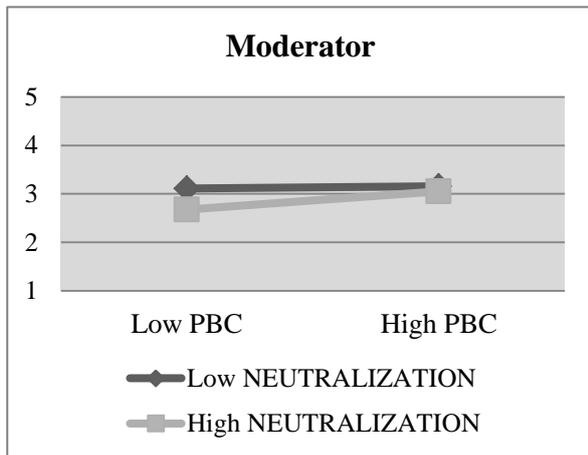


Figure 1: Neutralization techniques – as a moderator factor between *Perceived Behavioral Control* and *Ethically Questionable Behavior*

Appendix 1: Descriptions of Scenarios

Scenario	Description
1 - shoplifting	<i>Mike has taken a bar of chocolate from a shelf in a supermarket and has eaten it. On his way to the cash register, Mike has left the chocolate bar package in order to avoid paying for it.</i>
2 - insurance fraud	<i>Marcel has intentionally offered to the insurance company false information related to his insured car (a damage of 4500 lei). Willing to fraudulently receive the insurance value of the car, the person has faked his own car theft (the real repairs cost was 1800 lei).</i>
3 - digital piracy	<i>Mike/ Christine does not use to buy original music/ movies/ games. He/ She would rather download such files from internet or copy them from other persons.</i>
4 - keeping too much change	<i>Mary buys food from the supermarket. Her shopping bill is 129 lei and she offers 150 lei to the cashier. By mistake, the cashier gives her back too much change, namely 71 lei. Mary keeps the change and leaves the supermarket failing to say anything to the cashier.</i>
5 – “keeping” an ashtray as a “souvenir”	<i>John goes out with friends one evening. The ashtrays on the tables looks very interesting to him. Hence, when leaving the terrace, he decides “to keep” one as a “souvenir”.</i>

Appendix 2: Description of Measurement

VARIABLE	SCALE	REFERENCES
INTENTION	<i>In this situation I would do the same</i> extremely unlikely – extremely likely	Fukukawa & Ennew, 2010
ATTITUDE	<i>Doing this would be</i> extremely good – extremely bad <i>Doing this would be</i> extremely low risk – extremely high risk <i>Doing this would be</i> extremely foolish – extremely wise <i>If I did the same, I would be</i> extremely harmed – extremely benefited <i>If I did the same, other shoppers would be</i> extremely harmed – extremely benefited <i>If I did the same, the company would be</i> extremely harmed – extremely benefited	Fukukawa & Ennew, 2010
SOCIAL NORM	<i>If I did this, my friends would</i> strongly disapprove – strongly approve <i>If I did this, other shoppers would</i> strongly disapprove – strongly approve <i>If I was faced with this situation, I would</i> <i>do what I think my friends would do</i> strongly disagree – strongly agree <i>If I was faced with this situation, I would</i> <i>do what I think other shoppers would do</i> strongly disagree – strongly agree	Fukukawa & Ennew, 2010
PERCEIVED BEHAVIORAL CONTROL	<i>For me to do the same would be</i> extremely difficult – extremely easy <i>For me this situation would be too good an</i> <i>opportunity to miss</i> strongly disagree – strongly agree <i>I could imagine times when I might do the</i> <i>same even if I hadn't planned to</i> strongly disagree – strongly agree <i>Even if I have a pressing need, I couldn't</i> <i>bring myself to do this</i> strongly disagree – strongly agree <i>I have control over whether or not I would</i> <i>do the same</i> strongly disagree – strongly agree	Fukukawa & Ennew, 2010
PERCEIVED UNFAIRNESS	<i>Such behavior would compensate for the</i> <i>company's overcharging</i> strongly disagree – strongly agree <i>The company would deserve such behavior</i> strongly disagree – strongly agree <i>It is OK for shoppers to benefit of the</i> <i>company's expense</i> strongly disagree – strongly agree	Fukukawa & Ennew, 2010
NEUTRALIZATION TECHNIQUES	<i>Mike/ Marcel/ Christine/ Mary/ John</i> <i>would have avoided this behavior if the</i>	Barnes, 2007; Hinduja, 2007

	<p><i>supermarket had had a stricter policy</i> strongly disagree – strongly agree</p> <p><i>Incorrect practices of shops make us sometimes behave like Mike/ Marcel/ Christine/ Mary/ John</i> strongly disagree – strongly agree</p> <p><i>It's just a chocolate bar- nobody will notice and it is worth too little to cause great loss to the company</i> strongly disagree – strongly agree</p> <p><i>If Mike/ Marcel/ Christine/ Mary/ John had stolen the chocolate to give it to his little brother, his behavior would have been acceptable</i> strongly disagree – strongly agree</p> <p><i>Mike/ Marcel/ Christine/ Mary/ John is not the only one that behaves in the way described (eating chocolate without paying) - so, there is nothing wrong in this</i> strongly disagree – strongly agree</p>	
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