# DOUBLE STANDARDS IN THE JUDGMENT OF CONSUMER VERSUS BUSINESS UNETHICAL BEHAVIOR

# DVOSTRUKI STANDARDI U PROCJENAMA NEETIČNOG PONAŠANJA POTROŠAČA I POSLOVNIH SUBJEKATA

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## SAŽETAK

Dvostruki standardi prema kojima pojedinci pokazuju veću razinu tolerancije prema etički upitnim postupcima potrošača nego prema sličnim postupcima u poslovnim svijetu istraživani su u nekoliko radova (npr. De Bock, Vermeir i Van Kenhove, 2013.; De Bock i Van Kenhove, 2011.; Vermeir i Van Kenhove,, 2008.; DePaulo, 1987.). No nepodudarnost percepcija o korporativnom etičkom ponašanju poduzeća i potrošača rijetko

## ABSTRACT

Double standards in terms of individuals being more tolerant of questionable consumer practices than of similar business practices have been researched in several studies (e.g., De Bock, Vermeir & Van Kenhove, 2013; De Bock & Van Kenhove, 2011; Vermeir & Van Kenhove, 2008; DePaulo, 1987). However, a mismatch between the perceptions of a company's corporate behavior and a consumer's ethical behavior has se procjenjivala iz perspektive individualnih razlika među potrošačima. Svrha ovog rada jest istražiti individualne razlike (optimistični u odnosu na pesimistične stavove o poslovanju) u etičkom prosuđivanju etički upitnog ponašanja poslovnih subjekata nasuprot takvom ponašanju potrošača. Drugim riječima, istražujemo jesu li potrošači pozitivnijeg stava prema poslovanju manje kritični prema neetičkim postupcima poduzeća u odnosu na takve, neetične postupke potrošača. U radu uspoređujemo razinu optimizma prema poslovanju sa stavovima prema poslovnoj etici (korištenjem ljestvice Percipirana uloga etike i društvene odgovornosti - PRESPOR čiji su autori Singhapakdi, Vitell, Rallapalli i Kraft,1996.), i stavove prema etici potrošača (korištenjem ljestvice Etike potrošača - CES autora Vittellija i Muncyja, 1992.). Rezultati istraživanja pokazuju da su pojedinci optimističnih stavova prema poslovanju manje skloni korištenju dvostrukih standarda po pitanju (ne)etičnog ponašanja potrošača u usporedbi s (ne)etičnim postupcima poduzeća. Navode se ograničenja istraživanja i preporuke za buduća istraživanja.

scarcely been assessed from the point of view of individual differences on the consumer side. The purpose of the current study is to explore individual differences (optimistic versus pessimistic attitude towards business) in the use of ethical judgments regarding questionable conduct of a business versus that of a consumer. In other words, we investigate if the consumers who are positively disposed towards business are less critical of unethical corporate than of consumer actions. In our study, we compared the level of optimism with regard to businesses with attitudes towards business ethics (using the Perceived Role of Ethics and Social Responsibility scale (PRESOR) created by Singhapakdi, Vitell, Rallapalli and Kraft (1996)), and the attitudes towards consumer ethics (using the Consumer Ethics Scale (CES) by Vitell and Muncy (1992)). Research results indicate that the individuals having optimistic attitudes towards business are less likely to use double standards when it comes to (un)ethical consumer behavior, compared to (un)ethical corporate actions. Limitations and suggestions for further research are presented.

# 1. INTRODUCTION

In recent decades, a number of research papers on ethics were published in the fields of marketing, consumer behavior, psychology and other disciplines. The majority of literature split into two streams of scientific interest: the business's perspective (business ethics) and the consumer's perspective (consumer ethics) (Vitell & Muncy, 1992; Rawwas, 1996; Van Kenhove, Vermeir & Verniers, 2001; etc.). Research on business ethics first emerged in the 1920's and has rapidly been developing up to the present time (Fukukawa, 2003). Whereas, consumer ethics have only received more attention relatively recently (Vitell, Lumpkin & Rawwas, 1991; Vitell & Muncy, 1992; Kraft & Jauch, 1992; Fullerton, Kerch & Dodge, 1996; Kleiser, Sivadas, Kellaris & Dahlstrom, 2003; Fukukawa, 2003; Tsalikis & Seaton, 2006).

Some researchers have confirmed that consumers are more likely to purchase products and services from organizations perceived as ethical and socially responsible (e.g. Friese, 2000). Vitell and Muncy (1992) discovered that consumers with a negative attitude towards business demonstrated lower support for consumer ethical issues. Other authors (e.g. Jamal, Dobie & Vitell, 1995; Rawwas, 1996, 2001) studied ethical preferences of different nations and regions: Australians, Chinese, Egyptian, Japanese, and Northern European versus Southern European, etc. Despite the growing number of studies on unethical corporate and consumer practices, research examining the double standard existing between what consumers perceive as acceptable corporate behavior and what they believe are acceptable consumer practices is still scarce (De Bock & Van Kenhove, 2011) and this ethics research stream has a number of interesting gaps.

When ethical double standards occur, a mismatch appears between consumer perceptions of a company's corporate behavior and of consumer's similar behavior. Vermeir and Van Kenhove (2008, p. 283) define double standard phenomena as the situations in which "one evaluates similar unethical behaviors differently based on the actor of the behavior". Various issues related to double standards have been researched by extant literature. In general, it has been found that consumers tend to be more critical of businesses engaging in unethical behavior than they are when evaluating consumers' engagement in unethical behavior (e.g., De Bock et al., 2013; De Bock & Van Kenhove, 2011; Vermeir & Van Kenhove, 2008; DePaulo, 1987).

However, a mismatch between the perceptions of a company's corporate behavior and a consumer's ethical behavior have scarcely been assessed from the point of view of individual differences on the consumer side. The purpose of the current study is to explore the interaction of individual differences (optimistic versus pessimistic attitude towards business) in the use of ethical judgments of questionable conduct of businesses against that of consumers. Accordingly, we investigate if the consumers who are positively disposed towards business are less critical of unethical corporate than of consumer actions.

This paper is structured as follows: First, we briefly review research on business and consumer ethics and, drawing from social identity theory, build a framework for the research of double standards in ethical behavior. Second, we develop and explore research hypotheses by empirically analyzing quantitative data from Lithuania (N=704) and using bivariate data factor and correlation analysis with the PASW/SPSS statistical package. Third, we provide a discussion and proposals regarding managerial implications and possible future research in the area.

Our intended contribution is twofold. Theoretically, we seek to provide evidence that a broader array of individual consumer characteristics and double standards has to be investigated by researchers. Consumer attitude towards business (optimistic versus pessimistic) may interact with perceived unethical behavior, resulting in a mismatch between a consumer's perceptions of a company's corporate behavior and of similar consumer behavior. Second, whereas extant research concentrated only on a limited number of scenarios featuring a matching behavior by consumers and businesses, the present study employs a different and a much broader approach by exploring double standards within the two mostly used scales for measuring business ethics (PRESOR scale, Singhapakdi et al., 1996), and consumer ethics (CES scale, Muncy & Vitel, 1992). Thus, the present study sheds additional light by taking into account the complexity of unethical behavior.

# 2. LITERATURE REVIEW

## 2.1. Business ethics, consumer ethics, and double standards

A number of researchers have called for more extensive studies in the field of consumer ethics (e.g. Vitell et al., 1991; Vitell & Muncy, 1992; Fullerton et al., 1996). The majority of early literature focused on business ethics (Erffmeyer, Keillor & LeClair, 1999). Vitell (2003), in review, concludes that only 5% of ethics-related studies concern consumers as a primary topic of investigation. Rawwas (1996) concludes that the very first attempts of studying consumer ethics were devoted to shoplifting. Since the seminal works of Muncy and Vitell (1992) and Vitell and Muncy (1992), a significant stream of literature has emerged around consumer ethics. Vitell and Muncy (1992) define consumer ethics as "moral rules, principles and standards that guide the behavior of an individual (or group) in the selection, purchase, use, or selling of a good or service." In their study, the researchers conclude that consumers' ethical provisions and judgments vary according to who – the company (seller) or consumer (buyers) – engages in unethical behavior. Consumer behavior in terms of its ethical implications could be categorized into "benefit at the expense of the seller" and "benefit at the expense of other consumers" (Chan, Wong & Leung, 1998). Cowe and Williams (2000) regard ethical consumers as people, who are influenced by environmental or ethical considerations when choosing products and services. Ethically-minded consumers feel a responsibility towards the environment and society, and seek to express their values through ethical consumption and purchasing (or boycotting) behavior (De Pelsmacker, Driesen & Rayp, 2005). Ethical standards derive from the culture and expectations of the parties involved (Bartels, 1967). While describing ethics, Fullerton et al. (1996) refer to a system of moral principles, values and rules recognized in a particular society. The researchers conclude that trade in the market place is impossible without interaction between businesses and consumers.

Forsyth (1980) highlighted four different ethical perspectives:

- *Situationism*. Considers contextual influences while making morally questionable judgments.
- *Absolutism*. Uses universal inviolable moral principles while making judgments. Deception is considered wrong in any case since it violates fundamental principles.
- *Subjectivism*. Claims that moral judgments are based on one's personal values.
- *Exceptionism*. States that exceptions to moral principles can sometimes be made, despite being dishonorable.

Vitell et al. (1991), Vitell and Muncy (1992) and Fullerton et al. (1996) called for further attempts to systemize the ethical beliefs and attitudes of consumers. According to Vitell et al. (1991) and later researchers, consumer ethics could be grouped into six major categories: "unethical" consumer behavior; "double standard" behavior; consumer rights and responsibilities; coping mechanisms in response to unethical consumer behaviors and abuse; examining consumers' attitudes to unethical behavioral practices; development of theoretical models.

Behavior that disrupts common moral norms is considered unethical behavior (Trevino et al., 2006). Kish-Gephart et al. (2010, p. 2) similarly claim that unethical behavior "violates widely accepted (societal) moral norms." Certainly, unethical behavior occurs in a variety of situations not limited to the relationships between buyers and sellers. For instance, unethical behavior in the field of education is considered academic cheating, breaking academic rules; in politics it includes cases of misuse of authority and power, lying etc. However, when it comes to the business-consumer interaction, Carter (2000, p. 192) suggests that unethical behavior is as a "specific set of actions taken within buyer-supplier relationships that are considered unethical." The existing dilemma for a business company here is the aim to seek profit maximization, while engaging in activities for the company's self-interest (Buckley et. al., 1998; Eckerd & Hill, 2012). When it comes to consumer behavior, Lui et al. (2012) claim that ethical issues might arise while acquiring, using or disposing of goods and services. The majority of unethical behaviors, as mentioned previously, concern financial aspects, due to profit and shareholder maximization (Chen & Tang, 2006). A variety of studies emphasize that the abuse of resources, theft, corruption and deception are the most common examples of unethical behavior (Chen & Tang, 2006; Tang et al. 2008; Kaynak & Sert, 2012). Consumers apply three rules in making a judgment on the performed behavior: the locus of the fault, the legality of the behavior and the degree of harm caused (Vitell et al., 1991).

Very little investigation has been performed to examine a possible double standard phenomenon when a clear mismatch appears between the perceptions of a company's corporate behavior against those of consumer practices. Vitell et al. (1991) and Vitell and Muncy (1992) proposed that consumers tend to rate corporate unethical behavior as less acceptable compared to similar misbehavior by consumers. Kleiser et al. (2003) state that each individual, while considering a judgment, refers to individual experiences, motivations and abilities when addressing ethical issues. Therefore, differences of judgments are inevitable, and individuals with different stages of cognitive moral development might make different judgments related to ethics. De Bock (2012) found that consumers, to some extent, have a tendency to justify some questionable deeds, including crimes of shoplifting, false warranty claims and others. Furthermore, De Bock et al. (2013) have concluded that the existence of double standard situations might prevail not just in consumer-business relationships, but in consumer-consumer or business-business relationships as well as. The authors claim that the phenomenon of harsher judgment towards business behavior might be explained by the suspicion that consumers may perceive businesses to be financially secure, with no need to receive additional revenue, profit or to financially benefit from unethical behavior by certain means. Rawwas et al. (1995) found that consumers tend to be more critical of businesses engaging in unethical behavior than while evaluating consumers' engagement in unethical behavior.

## 2.2. Theoretical framework explaining attitudes towards business ethics and consumer ethics

The consumers' tendency to hold businesses to a higher standard than they themselves are willing to adopt may be explained by reference to social identity theory (SIT) (Tajfel, 1982; Tajfel & Turner, 1979). SIT asserts that people achieve a positive identity through in-group favoritism, that is, alignment with positively valued in-groups and differentiation from negatively valued out-groups. Common in-group/out-group distinction criteria are based on such characteristics as nationality and ethnicity (Tajfel, 1982). In other words, consumers tend to identify with consumer in-groups and regard businesses as other groups that are antithetical (out-group).

One of the SIT propositions is related to cognitive coherence; it posits that intergroup discrimination is motivated by desire to make the in-group positively distinctive and achieve positive self-esteem (Abrams & Hogg, 1988). People have a need for cognitive parsimony (Markus & Zajonc, 1985) and seek to preserve the integrity of their self-image (Tajfel, 1969). Cognitive coherence may be achieved by competing with other groups for resources that can enhance the self-definition and lead to a positive social identity (e.g. Oakes & Turner, 1980; Turner, 1981). Thus, consumers seek to enhance their self-esteem and this leads to holding double standards and perceiving unethical practices as less acceptable when these actions are performed by a business rather than when these actions are performed by a consumer. Moreover, harsher evaluation of unethical practices performed by consumers may derogate the individual self-image and cognitive coherence.

Another perspective for intergroup relations suggests that the nature of goal relations between groups determines group members and their behavior towards out-groups (Sherif, 1958). When it comes to the consumer-business relationship, groups believe they have "zero-sum" relationships, meaning that the more one group gets the more another group loses. Taking a brief look at the CES scale items, one can conclude that, for example, "Drinking a can of soda in a supermarket without paying for it" or "Getting too much change and not saying anything" would undoubtedly lead to a "zero-sum" relationship. Given that in the consumer-business relationship, consumers compete for resources (for instance, paying less money or getting extra-bonuses), this gives rise to intergroup conflict and a negative bias towards businesses as an out-group that competes for the same resources.

## 2.3. Hypotheses development

Double standards in ethical judgments have been addressed by several researchers (e.g. DePaulo, 1987; Vermeir & Van Kenhove, 2008; De Bock & Van Kenhove, 2011). Extant research has found that individuals judge the behavior of business more harshly than the similar behavior of consumers (e.g. De Bock & Van Kenhove, 2011; Vermeir & Van Kenhove, 2008). Even when consumers disapprove of engaging in unethical activities (such as shoplifting or false warranty claims), they tend to justify this behavior by using the argument that the business, rather than the consumer, is at fault (Wilkes, 1978). Consumers judge more critically the sellers who engage in potentially unethical behavior than the buyers who engage in the very same activities (DePaulo, 1987).

Different aspects of double standards have been studied by previous research. For example, De Bock and Van Kenhove (2011) examined whether the techniques of neutralization provide a meaningful way of approaching the double standard phenomenon and found a double standard for four out of five scenarios (based on five CES scale factors): "passively benefiting at the expense of others" (passive), "actively benefiting from questionable practices" (active/ legal), "no harm/no foul" (no harm) and "downloading copyrighted materials/buying counterfeit goods" (downloading). Research by Vermeir and Van Kenhove (2008) shows that females are less likely to use double standards when it comes to their own (un)ethical behavior compared to corporate (un)ethical actions, and gender differences in the use of double standards depend on the type of unethical behavior. Another study by De Bock, Vermeir and Van Kenhove (2013) extended the double standards concept applicability from consumer–business relations to business–business and consumer–consumer relations by demonstrating that consumers were not only harsher in their judgments of unethical business (vs. consumer) behavior, but also harsher in their judgments of unethical behavior by prosperous (vs. non-prosperous) consumers and prosperous (vs. non-prosperous) businesses. Furthermore, authors found that consumers are also less tolerant of unethical behavior by consumers (vs. one's best friend) and business companies with which they have a less than good (vs. a good) relationship. Studies by De Bock and Van Kenhove (2011) and DePaulo (1987) found that individuals tolerate unethical consumer behavior more than unethical business behavior because they feel a closer relationship with consumers compared to business companies.

Similarly, we propose that consumers having optimistic attitudes towards businesses will likely have a closer relationship with a business than consumers having pessimistic attitudes towards business. Moreover, it is possible that the consumers who are positively disposed towards business will be less likely to see businesses as negatively valued out-groups or seek cognitive coherence by competing with business groups for resources. In the case of an optimistic attitude towards business by positively valenced consumers, the nature of goals will less likely be a "zero-sum" relationship, and, thus, will less likely lead to intergroup conflict. Taking into account what has been stated above, we hypothesize that:

Hypothesis 1: Consumers in general are less tolerant of questionable corporate practices than of similar questionable consumer practices.
Hypothesis 2: Respondents optimistic towards business (compared to pessimistic ones) are less likely to use double standards.
Hypothesis 3a: Respondents optimistic towards business will score lower on the PRESOR scale than pessimistic respondents.
Hypothesis 3b: Respondents optimistic towards business will score lower on the CES scale than pessimistic respondents.

# 3. RESEARCH METHODOLOGY

## 3.1. Sample and data collection

Data were collected using a convenience-based adult sample in Lithuania. A total of 704 questionnaires were included in the analysis; 51% of the sample were women, 48% were men (with one per cent of the respondents not indicating their gender). The highest numbers of respondents belonged to the group aged between 18 to 24 years, they accounted for 32%; 25% were in the 25 to 34 age group; 20% in the 45 to 54 age group; 19% in the 35 to 44 age group and 4% in the age group aged between 55 to 64. With regard to education, the majority of respondents indicated holding a higher degree or having incomplete higher education (87%). In terms of income, most respondents indicated higher income levels (42.3% – more than 2000 Lt for one household member per month, 20.3% – 1501-2000 Lt, 20.7% -1001-1500, 13.9 -500-1000 Lt and 2.9% – less than 500 Lt). Compared to Lithuania's general population, the sample consists of slightly younger respondents with a higher than average income (Lithuanian Department of Statistics, 2011).

## 3.2. Research measures

To operationalize the study constructs, we adapted the scales that had been validated in previous research. The business ethics perception was measured by a 22-item Perceived Role of Ethics and Social Responsibility scale (PRESOR) created by Singhapakdi et al. (1996), and attitudes towards consumer ethics were measured by employing a 13-item Consumer Ethics Scale (CES) created by Vitell and Muncy (1992).

PRESOR measures perceptions regarding ethics and social responsibility of business entities; it includes such items as "To remain competitive in a global environment, business firms will have to disregard ethics and social responsibility" or "If survival of a business enterprise is at stake, then you must forget about ethics and social responsibility." This scale items were measured on the 9-point Likert scale, where 1 meant "totally disagree" and 9 – "totally agree".

The Consumer Ethics Scale (CES) examines the ethical decision-making of consumers through buying, using and disposing of merchandise and services. The scale was adapted from Muncy and Vitel (1992) and perceptions of unethical behavior; it includes such items as "Reporting a lost item as 'stolen' to an insurance company in order to collect money" and "Break a jar of jam in the shop and walk away not informing anyone." The scale items were measured on a 5-point Likert scale, where 1 meant "I'm convinced that this is unethical" and 5 - "I'm convinced that this is ethical." As PRESOR scale items pointed in a positive direction and CES scale items pointed in a negative direction, for the sake of simplicity of results interpretation, we recoded PRESOR items (resulting in 1 meaning "totally agree" and 9 – "totally disagree"). For the purposes of analysis, the responses were summed for both the PRESOR and CES scales, and averaged by the number of scale numbers.

The consumers' general attitude towards business ethics (pessimistic and optimistic) was measured using a single item from the Business ethics index of Tsalikis and Seaton (2007): *"Based on your own experiences as a consumer in the past year, businesses you dealt with generally behaved…"*. The respondents were asked to evaluate the given statement using the 5-point scale, where 1 meant "Very unethically"; 2 meant "Somewhat unethically"; 3 meant "Neither unethically nor ethically"; 4 meant "Somewhat ethically"; and 5 meant "Very ethically." The respondents' mean for general attitude towards business ethics was 3.29 (median = 3.00) and the standard deviation 0.85. Hence, for analysis purposes, we termed those with an attitude of 3.29 or more as having an optimistic attitude, and the rest – as having a pessimistic attitude towards business.

We assessed the measures of reliability (Table 1) by using Cronbach's alpha coefficient. Both study constructs displayed reasonable levels of internal consistency: 22 items of the CES scale produced Cronbach's alpha of 0.914 and 13 items of the PRESOR scale produced Cronbach's alpha of 0.826. In addition, we measured inter-construct correlations (Table 2).

**Table 1:** Cronbach's alpha estimates

| Scales and their sub-dimensions reliabilities | Cronbach's Alpha | N of Items |
|---|---|---|
| **PRESOR** | .826 | 13 |
| Social responsibility and profitability (PRESOR) | .557 | 4 |
| Long-term gains (PRESOR) | .821 | 6 |
| Short-term gains (PRESOR) | .740 | 3 |
| **CES** | .914 | 22 |
| Actively benefiting from illegal action (CES) | .786 | 7 |
| Passively benefiting (CES) | .792 | 5 |
| Actively benefiting from questionable action (CES) | .795 | 5 |
| No harm, no foul (CES) | .795 | 5 |

**Table 2:** Inter-construct correlations

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| 1. Social responsibility and profitability (PRESOR) | **1.000** | | | | | | |
| 2. Long-term gains (PRESOR) | **.445**** | **1.000** | | | | | |
| 3. Short-term gains (PRESOR) | **.553**** | **.308**** | **1.000** | | | | |
| 4. Actively benefiting from illegal action (CES) | **.331**** | **.334**** | **.339**** | **1.000** | | | |
| 5. Passively benefiting (CES) | **.310**** | **.287**** | **.311**** | **.712**** | **1.000** | | |
| 6. Actively benefiting from questionable action (CES) | **.288**** | **.338**** | **.228**** | **.673**** | **.714**** | **1.000** | |
| 7. No harm, no foul (CES) | **.127**** | **.185**** | **.105**** | **.422**** | **.455**** | **.653**** | **1.000** |

** Correlation is significant at the 0.01 level (2-tailed)

# 4. RESEARCH RESULTS

To test the first hypothesis, we performed a paired sample t-test. Results indicate that PRESOR scores (M PRESOR=3.61, SD=1.25) are higher than CES scores (M CES=2.23, SD=0.72), with the paired difference test providing support that differences are statistically significant (M PRESOR-CES=1.37, SD=1.16, t=30.443, df=6, p<0.001). Thus, consumers are less tolerant of questionable corporate practices than they are of similar questionable consumer practices, so H1 is supported.

The effect of a pessimistic versus optimistic business perception on PRESOR and CES were tested using a multivariate analysis of variance (MANOVA). Before proceeding with the hypotheses, we tested the multicollinearity among dependent variables, homogeneity of covariance across groups, and equality of error variances. The overall multivariate effect of the nature of the perception on the PRESOR and CES was significant (Pillai's Trace = 0.45, F(2,659)=15.401, p<0.001). Univariate results (Table 3) indicated that pessimistic individuals perceived businesses (PRESOR) (Mpessimist=3.86, Moptimist=3.34, F(1,660)=29.993, p<0.05) to be more unethical than consumers (CES) (Mpessimist=2.31, Moptimist=2.15, F(1,660)=8.925, p<0.05), thereby supporting H2 and H3a and H3b. Thus, there are significant differences among pessimist and optimist groups on a linear combination of the two dependent variables of PRESOR and CES, and subjects optimistic towards business (compared to those who are pessimistic) are less likely to use double standards.

# 5. CONCLUSIONS AND DISCUSSION

Our research offers some evidence and extends prior research by demonstrating that individual consumer differences (optimistic versus pessimistic) interact with the judgment of the questionable behavior of businesses and that of consumers. The study confirmed previous research findings that consumers are less tolerant of questionable corporate practices than they are of similar questionable consumer practices, and consumers to some extent are prone to justify consumers for their unethical behavior, while condemning businesses for similar behavior (e.g. DePaulo, 1987; Vermeir & Van Kenhove, 2008; De Bock & Van Kenhove, 2011). Moreover, those with optimistic attitudes towards business (compared to pessimistic) are less likely to use double standards. Consumers with optimistic attitudes towards business score lower on both the PRESOR and CES scales than do pessimistic respondents, meaning that their evaluations of unethical business versus consumer behavior are less harsh. This is in line with social identity theory and consumers tend to identify with consumer in-groups and regard businesses as an antithetical group (out-group). However, this effect is softer for optimistic-towards-business consumers, compared to pessimistic consumers.

Several managerial implications may be proposed in the light of findings of the current study. First, these research results suggest that marketing pro-

**Table 3:** Means, standard deviations and F values

| Perception of unethical behavior | Individual differences | | |
|---|---|---|---|
| | **Pessimists (n=331)** | **Optimists (n=331)** | ***F* value** |
| Business ethics unethical behavior (PRESOR) | 3.86 (1.39) | 3.34 (1.03) | 29.993* |
| Consumer ethics unethical behavior (CES) | 2.31 (0.74) | 2.15 (0.67) | 8.925* |

** p<0.05*
*Standard deviations are given in brackets, n – number of respondents per condition*

fessionals need to strengthen their image-building efforts and segment consumers based on their level of optimism towards businesses. De Bock and Van Kenhove (2011) have concluded that if a business does not evaluate the difference in consumer ethical perceptions, this may result in false or ineffective communication campaigns. Therefore, managers have to proactively identify and segment consumers according to their levels of ethical beliefs and adopt appropriate response strategies. Pessimistic-towards-business consumers hold higher expectations for the ethical behavior of marketers; thus, marketers should strive to be more ethical and satisfy consumer expectations in those situations where consumers are more critical of business (for example, by granting more warranties to complaining consumers or targeting specific advertising messages at them).

Second, companies should seek to diminish consumer-business relationships as a "zero-sum" game perception and educate consumers on the mutual benefits of cooperation. The absence of a goal conflict would lead to lesser levels of negative bias towards business as an out-group that competes for the same resources. Managers should involve consumers through educational campaigns that emphasize the consequences of their unethical behavior, and highlight the advantages of mutual cooperation among consumers and industry representatives.

Third, our study findings may as well provide some policy implications on the importance of designing and conducting educational programs about the importance of socially responsible standards of both businesses and consumers. The results indicate that governments need to promote and, in some cases, even enforce ethical behavior practices.

## 6. LIMITATIONS AND FUTURE RESEARCH

Several limitations of our paper must be outlined. First, the current study should be replicated in other settings and countries in order to assess the generalizability of our findings under different conditions. Cross-cultural studies may ensure validation of the present study against cultural biases; for example, it would be interesting to explore how the current study findings would differ using Hofstede's (2001) dimensions of the national culture: Power Distance, Uncertainty Avoidance, Individualism versus Collectivism, and Masculinity versus Femininity.

Second, despite the fact that we had a large adult sample, our sample more thoroughly represents younger and wealthier consumers, and this may bias the study results. Third, using laboratory experimental research designs would allow making more rigorous conclusions about the causal nature of relationships, having more control over the environment and, thus, diminishing the number of external variables that may affect the outcome.

This study has only concentrated on a perception of unethical practices and double standards. Therefore, researchers could examine the impact of double standards on outcome variables and consumer behavior, e.g. an intention to buy from unethical companies. Brand image, price, consumer loyalty, consumer involvement and other variables may act as mediators or moderators, so they warrant attention for the purpose of future research.

Another possible direction for research is the exploration in greater detail of the characteristics of those who hold a higher bias against businesses. For example, what are the differences in demographic characteristics and shopping behaviors of the consumers who have a higher double standard? This could be useful for business managers to identify and segment different types of consumers and predict their behavior.

Future studies should explore other related variables, for instance, individual traits such as inner-other directedness (social preference) (Kassarjian, 1965) or self-schema separateness-connectedness (Wang & Mowen, 1997). Inner-directed persons turn to their own inner values and standards for guidance in their behavior, while other-directed persons depend upon the people around them to give direction to their actions (Kassarjian, 1962), whereas Wang and Mowen (1997) determined that self-schema separateness-connectedness reflects an individual's self-perception in relation to others. A "separated" person has a sense of independence and perceives him/herself as an individual who is distinct from others ("I am me"). A "connected" person has a sense of interdependence and sees him/herself as a continuation of others ("I am a part of others"), has greater empathy toward others and views important others as "part" of the self. The interplay of these individual and social identities would be interesting in a combination of consumer-ethical versus business-ethical behavioral judgment to bring new insights into double standards research.

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