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Unethically keeping the change while demeaning the act

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Abstract

Purpose – In this research, the authors aim to identify a situation when a consumer's judgment of unethical behavior is not consistent with their intention to act ethically.

Design/methodology/approach – Across two studies, participants were asked to evaluate how ethical an actor's behavior was when the actor knowingly kept surplus change from a distracted cashier. The identity of the actor was manipulated to be of either high or low similarity to the participants. The business where the distracted cashier worked for was described as either locally owned or a chain. Participant's intended action in similar situation was assessed after their evaluation of how ethical/unethical the actor's behavior was.

Findings – While participants generally find the actor's behavior to be unethical, identity overlap between the participant and the actor is found to moderate how likely one is to emulate the actor's behavior in a similar situation. Identity overlap is found to positively predict one's likelihood to act like the actor in the scenarios. Whether the business was locally owned or a chain was not found to affect one's ethical judgment or ethical intention.

Research limitations/implications – Identity overlap is found to positively predict one's likelihood to act like the actor in the scenarios.

Practical implications – Whether the business was locally owned or a chain was not found to affect one's ethical judgment nor ethical intention. While participants in general do show that they judge the actor's behavior as unethical, identity overlap between the participant and the actor moderates how likely one is to act like the actor if put in the same scenario.

Social implications – The research suggests that consumers are more likely to act unethically when they identify with "similar" others, regardless of how unethical they consider that behavior to be.

Originality/value – This research suggests that even when consumers acknowledge that certain behavior against a business is unethical, their intention to engage in the unethical behavior may not be predicted by their judgment of how unethical the behavior is. Instead, consumers are likely to emulate unethical behavior of those whom they consider similar to themselves, regardless of how unethical they judge that behavior to be.

Keywords Consumer ethical intention, Consumer ethical judgment, Consumer ethics, Unethical consumer

Paper type Research paper

Introduction

Ethical consumer decision-making continues to be an important stream of research because of the many continued instances of consumer misconduct. Whether it is shoplifting, using expired coupons, check fraud or buying counterfeit goods, consumer "misbehavior" costs retailers billions of dollars every year. One such area ripe for deviant behavior is the simple handling of cash. The US Retail Fraud Survey provides an extensive review of retail fraud each year. The latest survey (Leinbach-Reyhle, 2015) showed cash theft and bookkeeping errors represented the second biggest area of retail store loss. According to James Harris of Volumatic, a cash-handling provider, "cash remains the cheapest, fastest, and most popular way for retailers to accept payment" (Volumatic, 2016). Thus, opportunities for theft and handling errors will continue by both employees and consumers. This research investigates how consumers react to cash handling mistakes and attempts to explain consumers' ethical judgments and intentions toward this common misbehavior in the retail environment.

Intuitively, one may contend that consumers' judgments should typically be consistent with behavioral intentions in ethical situations because when consumers believe a behavior to be bad, they should be less likely to engage in that behavior. The Hunt–Vitell (H-V) (1986) theory of ethics predicts there to be a strong positive relationship between ethical judgment and ethical intention, and this is supported by empirical work (i.e. Vitell and Hunt, 1990). Nevertheless, the H–V theory is primarily a cognitive one.

A more recent article by Vitell *et al.* (2013) adds an emotional component and predicts that ethical behavioral intentions will depend upon emotions as well as ethical judgments. Thus, one's decision to engage in ethical behavior or not does not only relate to how ethical/unethical one judges the behavior to be but also relate to how one feels at the moment of decision-making (Vitell *et al.*, 2013). The existence of emotions, whether incidental or task-related, may not only weaken the relationship between ethical judgments and behavioral intentions but also lead to situations in which

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ethical judgments and behavioral intentions are diametrically opposed.

In reality, certainly it is not uncommon for consumers to engage in unethical behavior even though they believe that particular behavior is wrong. Such behavior sometimes, but not always, leads to feelings of guilt. The H–V theory (Hunt and Vitell, 1986) allows for this possibility that the emotion of guilt may increases the likelihood of one's motivation to act ethically. Research by Steenhaut and Van Kenhove (2006) empirically tested this possibility. It was found that the feeling of guilt partially mediates consumer's ethical beliefs and their ethical intentions. When the feeling of guilt is absent, consumers are more likely to act unethically even when they believe the behavior to be questionable.

In this research, authors are trying to understand situational factors that may lead to the disconnect between consumers' ethical judgments and intentions in a retail environment. That is, when might a consumer believe that another person's particular behavior is unethical, yet, at the same time, believe that is acceptable for oneself to act in an unethical manner?

Utilizing theory in consumer decision-making models and emotions, we contend that the identity similarity between the actors involved in the unethical situation and perceptions toward the retailer impact the relationship between ethical judgments and intentions. This research contributes to the literature in ethics and consumer behavior in several ways. First, this research contributes to the literature that examined when consumers may choose to act unethically against a business while they believe the behavior to be unethical. Second, this research answers the call for understanding the continued, if not increasing, ethical misconduct by consumers (Martinez and Jaeger, 2015). Finally, this research contributes to the growing body of knowledge on factors other than cognitive reasoning in ethical decision-making by empirically testing and demonstrating the difference between ethical judgments and intentions in the consumer context.

Conceptual background and hypothesis development

The motivation to engage in unethical behavior

Social psychologists who specialize in criminology studies assert that many people are contingently honest and intend to behave honestly most of the time (Cox *et al.*, 1990; Nettler, 1984, 1989). Cox *et al.* (1990) suggest that unethical consumer behavior takes place only under select circumstances:

- when an unethical behavior can help one obtain things that are highly desirable;
- when consumers are capable of rationalizing or denying the consequences of unethical behavior; and
- when the perceived risk of engaging in unethical behavior is low.

Consequently, one may be more tempted and feel more motivated to engage in unethical behavior when these factors are present.

Moral courage, the incentive to convert one's ethical judgment into intentions and then action (de Sousa, 2001), is vital for the consumer to act ethically in tempting situations. Without moral courage, one may know what the ethical action is and indeed express it but may be unable to act in accordance with that belief. A strong identification with someone who is unethical may make it difficult to act ethically or even to intend to act ethically. Hence, a consumer may rationalize or deny the consequences of unethical behavior they engage in (Cox *et al.*, 1990).

Ethical judgment and behavioral intention

Ethical judgments are the beliefs that a particular alternative is the most ethical decision under the circumstances, whereas behavioral intention is the course of action that the decision maker actually favors in a situation (Hunt and Vitell, 1986). Behavioral intentions tend to be the interim vehicles by which judgments will ultimately impact behavior. Research in ethics (Gaudine and Thorne, 2001; Hunt and Vitell, 2006) has shown that ethical judgments may occasionally vary from intentions. Gaudine and Thorne (2001) argue that emotions one experiences not only affect one's ethical sensitivity and ethical reasoning but also affect one's motivation to behave ethically. The Hunt and Vitell (1986, 2006) theory of ethics argues that cultural environment, professional environment, industry environment, organizational environment and individual's personal characteristics are all factors that can affect the final outcomes of ethical decision-making. The Vitell *et al.* model (2013) of the emotional aspect of ethical decision-making argues that the decision maker's ability to regulate impulses, emotions and desires will sometimes lead to intending to act in direct disagreement with one's ethical judgments. One's motivation to take moral action and one's degree of responsibility for taking moral action are also important factors in this process. Those less motivated and less responsible morally may demonstrate behavioral intentions that are in conflict with their own ethical judgments. Finally, the cognitive theory of emotions (Lazarus, 1991) states that one's decision-making and actions are often determined by interaction with one's environment; identification with someone who behaves questionably can lead to questionable behavior. Thus, we formally hypothesize that:

H1a. Consumer's intentions to behave ethically do not always correspond with their ethical judgment of the behavior.

H1b. Consumer's ethical intentions to behave ethically can be jointly determined by social and emotional factors in addition to their ethical judgment of the behavior.

Ethical judgments may differ from intentions because one's teleological evaluation also affects intentions *directly*. That is, upon examining the consequences and deontological norms of a particular alternative, a consumer might perceive it to be the most ethical. However, the consumer might still *intend* to adopt a different alternative because of some highly desirable consequences flowing from it. The discrepancy may also stem from emotional issues, cognitive issues or the imitation of a behavior exhibited by others. This discrepancy has been illustrated in marketing and business by the H–V general theory of marketing ethics (Hunt and Vitell, 1986). For instance, two consumers might arrive at the same judgment about the ethicality of a situation; yet, they will intend to act differently. This difference can be attributed to differences between the consumers and the actors based on both teleological and deontological rationales. This also leaves open the possibility that one consumer may identify the most "ethical" choice, yet act in an opposite manner for specific, personal reasons, often leading to guilt. Ethical judgments might differ somewhat from intentions because one's teleological evaluation also affects intentions *directly*. That is, one's analysis of the situation at hand may lead to a difference in terms of intentions. Thus, behavioral intentions may sometimes differ from ethical judgments.

Social distance and unethical behavior

While unethical behavior or the intention to behave unethically is highly correlated with how ethical or unethical one judges this behavior to be, we assert that consumers can be influenced without their knowledge to behave unethically. Research in psychology and sociology on differential association (Gilovich *et al.*, 2000) has shown that individuals are influenced in their decisions by people who are socially close to them. Behavioral contagion, a type of social influence, is the propensity for one person's behavior to be copied by others who are either in the vicinity or who have been exposed to media coverage of the original actor's behavior (Wheeler, 1966). More recently, Gino *et al.* (2009) found that consumers exposed to cheating behavior are more likely to cheat if they witnessed the cheating behavior from someone who shares similar social identity with them.

Human beings simulate the behavior of others by projecting themselves into a situation encountered by others, often by making decisions within a pretend context (Taylor *et al.*, 1994). Cognitive neuroscientists argue that perception and action share common cognitive and neural codes. One's perception of another consumer's behavior activates one's own representations of that behavior (Ruby and Decety, 2004; Pinz, 1997). Thus, a consumer can be influenced to intend to behave, and indeed behave, in a manner counter to one's own ethical beliefs by another's behavior in a similar situation.

Considering another's differing perspective requires both time and motivation (Epley *et al.*, 2004). When actors have little in common with each other in terms of their social identity, taking the perspective of another person can be a taxing process (Lin *et al.*, 2010). In contrast, when social distance between an actor and the agent is minimal, it is easier for one to imagine behaving the same way in a similar situation. This enables people to use shared knowledge, beliefs and attitudes to compare themselves with the actor. We maintain that people are more capable of correctly using knowledge about another who is socially close to them to predict their own behavior. Thus, we propose that:

H2a. The more one identifies with the person engaged in the unethical behavior, the more likely one intends to act unethically when being put in the same situation.

H2b. The less one identifies with the person engaged in the unethical behavior, the less likely one intends to act unethically when being put in the same situation.

Retail perceptions and unethical behavior

Research also suggests that the likelihood of unethical behavior has to do with how consumers perceive a particular business. Wilkes (1978) shows that one aspect of a consumer's rationale for unethical behavior toward a business is their belief that the business "deserves" to be cheated. When consumers perceive a business as unethical because of reputed deceptive business practices, defective products, ineffective warranties or unfair prices, they are more likely to take unethical advantage of the business. When a business is large, impersonal and profitable, consumers may consider their unethical behavior toward these businesses to be less consequential. Smigel (1970) shows that consumers are more likely to steal from, and be more approving of others' stealing from, large scale, impersonal businesses including big chain stores.

With this forgoing logic, consumers may feel less able to justify unethical behavior toward a reputedly small, local, personal and ethical business. Prior research shows that customers are more likely to identify with, and support, local business (Darby *et al.*, 2008; Steenkamp and de Jong, 2010). Because of the high identification, customers may be less likely to take unethical advantage of a local business. Instead, customers may take pride in enabling the success of local businesses (Aaker, 2004). The intimacy between consumers and local businesses may serve as a buffer that impedes unethical behavior toward the business.

Vitell (2015) states that consumers are more likely to "harm" a larger, more impersonal national business than a smaller, local one. Furthermore, research shows that social responsibility efforts are more successful when they are more locally targeted (Devinney *et al.*, 2012). This should lead in part to a support of local businesses that, in turn, are more likely to rely on other local services and products such as local attorneys, locally produced products, etc. Because of this support of local businesses, consumers may be less likely to behave unethically when engaged in marketing exchanges with local businesses than with a national chain. In short, they have a kind of "personal stake" in the local store which they do not have with the national one. Thus, we propose:

H3a. Consumers are less likely to intend to engage in unethical behavior against small, local businesses than big, national chain businesses.

H3b. Consumers are more likely to judge wrong unethical behavior against small, local businesses than big, national chain businesses.

Study 1

Participants and design

To test the proposed hypotheses and rule out possible artifacts such as prior attitudes toward existing businesses, we designed and used a fictitious business to test in our first study using a homogeneous consumer sample. Given that the time of the data collection was summer and that most of our participants in the subject pool were regular purchasers of athletic wear, we considered the usage of an athletic wear store to be highly relevant to the purpose of our study. In particular, female college students ranging from 18-30 years (M = 21.28; SD = 1.37) of age were considered to be the most suitable participants for the study because of their background homogeneity and the high relevance of their lifestyle with sports outfits.

Procedure

Participants provided basic demographic information such as gender, age and ethnicity and then were randomly assigned to one of the four conditions in our study, where they read two descriptions of Sports Outfitters, one a fictitious local store, and the other a fictitious national chain store. To establish that one of the stores was locally owned, participants were asked to read the following:

> Sports Outfitters is an outdoor specialty retailer in town. Sports Outfitters is locally owned. It offers local and online customers with a wide selection of sports gear for biking, running, camping/backpacking, rock climbing, and team sports.

To manipulate the perception of the other business as a chain operation, participants read:

> Sports Outfitters is an outdoor specialty retailer in town. Sports Outfitters is a chain operated business and currently has about 30 store locations across the country. It offers local and online customers with a wide selection of sports gear for biking, running, camping/backpacking, rock climbing, and team sports.

Immediately after learning about Sports Outfitters, participants read one of two cashier mistake scenarios before evaluating how ethical they considered the actor in the scenarios. For both scenarios, participants read how the key actor, Jenny, was handling a cashier's change mistake when she was shopping at Sports Outfitters. The manipulation of identity overlap was achieved by describing Jenny either as a typical university student such as the participant (i.e. high identity overlap) or a typical employee of another business who currently works at a company in Los Angeles (i.e. low identity overlap). Specifically, participants in the high social overlap conditions read:

> Jenny is a university undergraduate student. Like most of the students trying to get ready for the summer, Jenny is shopping for some new sports outfits and gear for the incoming summer. Jenny decides to check out Sports Outfitters and see if she might be able to find anything. Luckily, she does find some nice gear and outfits that she likes. Sports Outfitters is very busy at that time. Jenny's order totals $89.60 and she gives the cashier a $100 bill. Due to the store being so busy, the cashier mistakenly returns $20.40 to her. Although Jenny realizes that the cashier has made a mistake, she was in a hurry, so she drives away.

To manipulate low-social identity overlap, those in the low-overlap conditions read:

> Jenny works at a company in Los Angeles (LA). Like most of the people working in companies at LA, Jenny is shopping for some new sports outfits and gear for the incoming summer. Jenny decides to check out Sports Outfitters and see if she might be able to find anything. Luckily, she does find some nice gear and outfits that she likes. Sports Outfitters is very busy at that time. Jenny's order totals $89.60 and she gives the cashier a $100 bill. Due to the store being so busy, the cashier mistakenly returns $20.40 to her. Although Jenny realizes that the cashier has made a mistake, she was in a hurry, so she drives away.

Dependent variables

Ethical judgment of the unethical behavior

To measure how ethical they considered Jenny's behavior, participants were asked to indicate on a seven-point scale how much they personally agreed or disagreed on two statements:

1. "I consider Jenny's action to be very ethical"; and
2. "Most people would consider Jenny's actions to be very ethical" (with "1" = "Strongly Disagree"; "4" = "Neither Agree or Disagree"; and "7" = "Strongly Agree") (r = 0.69, $p < 0.001$).

Ethical judgment was later formed by averaging the responses to these two items. Further, participants were asked to write down why they thought Jenny's action was wrong or not wrong in an open-ended question, giving us insight into the reasoning behind their judgments.

Behavior intention under the same scenario

To measure ethical intention, we asked participants to indicate how much they personally agreed or disagreed with the following statements:

- "I would be likely to act in the same way as Jenny did in this situation".
- "Most people would be likely to act in the same way as Jenny did in this situation" (with "1" = "Strongly Disagree"; "4" = "Neither Agree or Disagree"; and "7" = "Strongly Agree") (r = 0.38, $p < 0.05$).

We later formed an ethical intention index by averaging responses from these two items.

Results

Business: locally owned vs chain

Although prior literature suggests that consumers are more likely to not take unethical advantage from locally owned business (Cox *et al.*, 1990; Smigel, 1970), and our study shows evidence to support this literature (Tables I and II) we did not find business type (local vs chained) to significantly predict ethical judgment (β = 0.34, t = 0.84, p = 0.41 NS) or ethical intention (β = 0.554, t =1.257, p = 0.217 NS) (Tables V and VI). We argue that unfamiliarity with a business contributes to the psychological detachment one feels toward the business, regardless of its being locally owned or chain. The fictitious businesses in our study were described as having community locations in both the locally owned and the chain scenarios. Proximity is thus equal for both the locally owned and chain conditions. Because we found a null effect of business type (locally owned vs chain) in our study, our data

Table I Means for measures of ethical judgment study 1

	Study 1: Sports outfitters Identity overlap	
Business type	**High**	**Low**
Local	3.11	3.00
	0.43	*0.43*
Chain	3.56	4.10
	0.43	*0.58*

Note: Standard deviations are italic

Table II Means for measures of ethical intention study 1

	Study 1: Sports outfitters Identity overlap	
Business type	**High**	**Low**
Local	4.12	3.07
	0.35	*0.47*
Chain	4.72	3.81
	0.42	*0.44*

Note: Standard deviations are italic analysis focused on using social overlap as the key independent variable.

Ethical judgment

Although participants in the high social overlap conditions judged Jenny's behavior to be more ethical than those in the low social overlap conditions did (2.75 vs 2.77), this difference in judgment was not statistically significant [F (1, 35) = 0.002, p = 0.97 NS (Table I)]. Whether the business is locally owned or chain was not found to affect ethical judgment either [2.60 vs 2.94, F (1, 35) = 0.70, p = 0.41 NS (Table III)]. Overall, Jenny's behavior is considered very unethical by our participants (2.76 vs 4/midpoint of the scale; $t = -6.16$, $p < 0.001$). Open-ended responses from participants support these negative judgments: "Because she stole money from a store. Stealing is never good no matter if the store makes a lot of money or not"; "I believe that it isn't ethical that she didn't give the change back to get the right amount. But at the same time it was a busy day and they were in a rush so I could [sic] where she didn't stop to check. If she were go to back after realizing that there was to [sic] much change then it would be the right thing to do"; "I think it was wrong but I understand it's not a huge deal and she was in a hurry"; "Jenny shouldn't have kept the money because it's not really hers".

Behavior intention

Because participants in all conditions read about Jenny keeping the unintended change from a distracted cashier, we performed an omnibus test to examine how likely participants were to act like Jenny in the same situation. An omnibus test is an overall or a global F-test implemented on a general hypothesis in which a common independent variable across all conditions may or may not significantly affect a dependent variable. To examine if participants in general were more or less likely to keep the unintended change from the distracted cashier they read about, we performed an omnibus test on all responses we collected with no discrimination on which specific condition they were in. Consistent with our prediction, even though participants overall were not more or less likely to act the same way as Jenny did in the situation they read [4 vs 4/midpoint of the scale; F = 1 (Table II)], a closer probe into the data analysis reveals that people were significantly more likely to act like Jenny when identity overlap was high [4.36 vs 3.47; F (1, 35) = 4.50, p = 0.04 (Table IV)]. Thus, although participants across all conditions judge Jenny's behavior to be unethical, the more one identifies with Jenny, the more likely that person intends to act like Jenny even when they believe that her behavior is unethical.

Table III Regression models with ethical judgment as dependent variable study 1: Sports outfitters

Variables	β	t	p
Business type (local vs chain)	0.341	0.839	0.407
Identity overlap (low vs high)	0.017	0.04	0.968

Table IV Regression models with ethical intention as dependent variable Study 1: sports outfitters

Variables	β	t	p
Business type (local vs chain)	0.544	1.257	0.217
Identity overlap (low vs high)	−0.897	−2.12	0.041
Ethical judgment	0.566	3.66	0.001

Discussions

Study 1 provides support for our conceptualization that identity overlap between two individuals moderates one's reaction when estimating ethical intention in the same situation. While we did not find that the ownership type (locally owned vs chain) significantly affected ethical judgment and ethical intention, we argue that this may be attributed to the fact that the participant's knowledge of the business type was controlled for rather than being the result of a natural process involving one's assessment of the business. Most importantly, we demonstrate that in general, judgment of an unethical behavior may hold constant whether or not a person has high or low identity overlap with the actor engaging in the unethical behavior.

Study 2

While Study 1 provided evidence to support our hypotheses, it is important to examine whether our findings can be generalized to other types of businesses. To increase confidence of the generalizability, we replicated the study with a larger sample size and a different type of retail business. If the findings of our first study hold, we expect to see identity overlap moderate the estimate of ethical intention as well.

Subjects, design and procedure

In total, 280 undergraduate students (female = 153) from a major public university participated in the study in exchange for extra credit in one of their business courses. Participants' ages ranged from 19 to 38 years old (M = 21.19, SD = 1.76).

The study is in a 2 (business: local vs chain) × 2 (identity overlap: low vs high) factorial design using Qualtrics survey engine. Participants were given a link to the study; thus, they were able to complete the study at any time when they had access to the internet.

Participants reported basic demographic information such as gender, age and ethnicity and then were randomly assigned to one of the four experimental conditions. To better examine the internal validity of the study, the design used a fictitious business (Tobi's Café) to control for possible artifacts associated with real businesses. In the study, participants learned about Tobi's as either being locally owned or a chain. They then proceeded to one of the two cashier mistake scenarios in which the subject was someone who shared either a high or a low social identity with them. After reading the scenarios, participants were asked to report how ethical they considered the actor in the scenario and how likely they were to act like the actor in the scenario if they were to be in the same situation.

To manipulate the perception of the business as being local versus a chain, participants read:

> Tobi's is a new restaurant located near the O. Loop (a local street name). "Tobi's is locally owned." OR "Tobi's is a chain restaurant with locations around the country." They offer a selection of salads and sandwiches that are made fresh daily and available for immediate pick-up. You can choose to dine in as well.

To manipulate identity overlap, participants in the high identity overlap conditions read:

> Jenny is a university undergraduate student. Like most other students, Jenny does not have much time for lunch when school is in session. Since Jenny does not have the time to cook, or sit down to eat in a restaurant, at lunch on Thursday, she decides to use the drive-through line at Tobi's Cafe. Tobi's Cafe is very busy at that time. Her order totals $8 and she gives the cashier a $10 bill. Due to the restaurant being so busy, the cashier mistakes Jenny's $10 bill for a $20 bill. Instead of returning $2 to her, the cashier mistakenly hands her $12. Although Jenny realizes that the cashier has made a mistake, she is in a hurry, so she drives away.

In contrast, participants in the low social overlap conditions read:

> Jenny works at a company in New York City (NYC). Like most of the people working in companies at NYC, Jenny does not have much time for lunch on workdays. Since Jenny does not have the time to cook, or sit down to eat in a restaurant, at lunch on Thursday, she decides to use the drive-through line at Tobi's cafe. Tobi's cafe is very busy at that time. Her order totals $8 and she gives the cashier a $10 bill. Due to the restaurant being so busy, the cashier mistakes Jenny's $10 bill for a $20 bill. Instead of returning $2 to her, the cashier mistakenly hands her $12. Although Jenny realizes that the cashier has made a mistake, she is in a hurry, so she drives away.

Dependent variables

Ethical judgment of the unethical behavior

To capture ethical judgment, participants were asked to indicate on a seven-point scale how much they personally agree or disagree with two statements:

1 "I consider Jenny's action to be very ethical"; and
2 "Most people would consider Jenny's actions to be very ethical" (with "1" = "Strongly Disagree"; "4" = "Neither Agree or Disagree"; and "7" = "Strongly Agree") (r = 0.71, $p < 0.001$).

Ethical judgment was later formed by averaging responses of these two items. Further, participants were asked to write down why they thought Jenny's action was wrong or not wrong in an open-ended question, giving us some insight to the reasoning behind their judgments.

Behavior intention in the same scenario

To measure ethical intention, we asked participants to indicate how much they personally agree or disagree with the following statements:

- "I would be likely to act in the same way as Jenny did in this situation"; and
- "Most people would be likely to act in the same way as Jenny did in this situation" (with "1" = "Strongly Disagree"; "4" = "Neither Agree or Disagree"; and "7" = "Strongly Agree") (r = 26, $p < 0.01$).

We later formed an ethical intention index by averaging responses from these two items.

Results

Business: locally owned vs chain

Identical to the finding in Study 1, our data in this study did not find that consumers reacted significantly differently to the behavior scenarios whether the business was described as locally owned or a chain (Tables V and VI). We believe this can be attributed to the "newness" of the café as it was described in all scenarios. Because we found a null effect of the business type (locally owned vs chain) on both ethical judgment ($\beta = -0.004$, $t = -0.023$, $p = 0.98$ NS) and ethical intention (β = 0.058, t = 0.416, p = 0.678 NS), our data analysis as followed focused on using social overlap as the key independent variable.

Table V Means for measures of ethical judgment study 2

	Study 2: Tobi's café Identity overlap	
Business type	**High**	**Low**
Local	3.18	2.75
	0.17	*0.17*
Chain	2.88	2.91
	0.16	*0.17*

Note: Standard deviations are italic

Table VI Means for measures of ethical intention study 2

	Study 2: Tobi's café Identity overlap	
Business type	**High**	**Low**
Local	3.92	3.68
	0.14	*0.14*
Chain	4.01	3.70
	0.13	*0.14*

Note: Standard deviations are italic

Ethical judgment

Although participants in the high identity overlap conditions judged Jenny's behavior to be more ethical than those in the low identity overlap conditions did (2.99 vs 2.76), this difference in judgment was not statistically significant (t = 1.38, p = 0.17 NS). As shown in Table V, whether the business is locally owned or a chain was not found to affect ethical judgment either ($\beta = -0.004$, $t = -0.02$, $p = 0.98$ NS). Overall, Jenny's behavior is considered very unethical by our participants (2.88 vs 4/midpoint of the scale; $t = -13.14$, $p < 0.001$). Participants across all four conditions did not differ in the ethical judgment of Jenny's behavior [3.18 vs 2.75 vs 2.88 vs 2.91. $Fs < 1$ (Table V)]. The extent of social overlap did not affect one's judgment of Jenny's behavior on whether it was more or less ethical [$\beta = -0.24$, $t = -1.38$, $p = 0.17$. NS (Tables V and VII)]. This is exemplified by the following comments from the four different scenarios: "She wasn't being honest; she could have gone back in to give back the proper change. It wouldn't have taken that long."; "I think her actions were wrong, but I would have done the same, and we're all broke college kids"; "I would consider that wrong. Even in a hurry you would let them know there was a mistake"; "It is wrong because Jenny basically took a free meal, and the business lost money on her purchase. It would have taken less than a minute to tell them that they handed her 10 dollars too much".

Table VII Regression models with ethical judgment as dependent variable Study 2: Tobi's café

Variables	β	t	p
Business type (local vs chain)	−0.004	−0.023	0.982
Identity overlap (low vs high)	−0.235	−1.379	0.169

Ethical intention
Corresponding to the ethical judgment report, we found that overall, participants were not likely to act the same way as Jenny did in the particular situation that they read (3.82 vs 4/midpoint of the scale; $t = -2.58$, $p < 0.01$). This result is not surprising (Table VIII) because ethical judgment is positively correlated with ethical intention ($r = 0.44$, $p < 0.01$).

A close look at the result reveals that people indicated a higher likelihood to act like Jenny in the scenarios in which Jenny has high social resemblance to the participant [3.96 vs 3.67; $\beta = -0.29$; $t = 2.11$, $p = 0.04$ (Table VI)]. Thus, although participants across all conditions judge Jenny's behavior to be unethical, and overall, ethical judgment significantly predicts ethical intention, in this case ($\beta = 0.36$, $t = 7.97$, $p < 0.001$), we found that the more socially identical one is to Jenny, the more one's intention will resemble hers (Table VIII).

General discussion

In this research, we investigated why consumers may choose to act unethically against a business even when they recognize that the behavior is unethical. Across two studies, we asked participants to judge an ethical scenario where the actor purposefully keeps the unintended surplus change from a busy and distracted cashier. Regardless of whether the incident was described as taking place in a large impersonal retail chain or a local business, participants all indicated that the actor's behavior was unethical and wrong. Whether the actor in the scenario was socially similar with participants did not make the respondents feel that her behavior is more or less unethical. However, participants indicated that they would be more likely to do the same thing as the actor if they perceived that the actor had a very similar social identity.

Theoretical implications

Our research contributes to the literature that studies how ethical judgment and ethical intention may or may not correspond closely with one another. When consumers make ethical judgments, their evaluation of the ethical behavior may not necessarily be consistent with their behavioral intention (Vitell *et al.*, 2013). Our findings provide additional evidence to the existing literature, showing that one's ethical judgment of a particular behavior does not always proxy one's intentions. Thus, we contribute to the ethics literature by examining the disconnect between ethical judgments and intentions.

More specifically, our study contributes to several aspects of the role of emotion in ethical situations. First, we contribute to research on moral courage. As stated earlier, moral courage is the incentive to convert one's ethical judgments into intentions and then eventually action (de Sousa, 2001). Because we found that social distance moderates the relationship between ethical judgment and intentions, it follows that this construct may be a contributing factor to the lack of moral courage. Further evidence is provided by several of the qualitative open-ended responses from our respondents. For example, one respondent mentioned: "I think her actions were wrong, but I would have done the same, and we're all broke college kids". This statement reveals a strong identification with the actor in the scenario, which provides evidence that such similarity may hinder one's moral courage. Additionally, our results contribute to Cox *et al.*'s (1990) circumstantial requirements for ethical behavior by demonstrating that a consumer may rationalize or deny the consequences of unethical behavior (Cox *et al.*, 1990).

Second, our results lend credence to work examining culturally created emotions and moral judgments (Haidt *et al.*, 1993). According to Haidt (2003, p. 276), moral emotions are "those emotions that are linked to the interests or welfare either of society as a whole or at least of persons other than the judge or agent". Such emotions can motivate people to think of others rather than themselves. Given our homogenous sample of college students, the ethical culture of such a group can offer potential explanation of the practice of knowing an act is unethical yet acting unethically.

Third, we contribute to the research on the nature of emotion and ethical decision-making that shows that one's decisions and actions are determined by the interaction with the environment (Lazarus, 1991). As our results show, respondents judged the mishandling of change by the actor in the scenario as unethical, yet they would have done the same thing. Thus, their moral judgment and intention are diametrically opposed to each other because of the emotion in the situation. Here, emotion via social distance, rather than cognition, may explain the respondent's ultimate decision (Tenbrunsel and Smith-Crowe, 2008).

Finally, we did not find that perceptions of the type of retailer affected the results significantly. This result may be because of unfamiliarity with the fictitious business described in our scenario. Thus, the psychological detachment from the business may have confounded the results. Future research should investigate this phenomenon using real-world retail franchises at the national and local levels.

Table VIII Regression models with ethical intention as dependent variable Study 2: Tobi's café

Variables	β	t	p
Business type (local vs chain)	0.058	0.416	0.678
Identity overlap (low vs high)	−0.291	−2.112	0.036
Ethical judgment	0.36	7.969	0.001

Practical implications

As mentioned in our introduction, cash handling in the retail environment will continue to be an integral part of retail transactions. Mistakes and theft happen and contribute to billions of dollars in losses for retailers (c.f., Volumatic, 2016). Understanding why consumers in the immediate surroundings do not come forward to identify such misconduct may help retailers in training employees and in designing safeguards to prevent such behavior. In fact, the cash handling industry offers a plethora of software and "intelligent cash handling systems" to prevent theft and offer more efficiency. For example, automated registers and counting systems actually remove human beings from the process (cf., www.cashguard.com).

On the consumer side, misbehavior in the marketplace continues to be on the rise. Consumer misbehavior has been chronicled as widespread and pervasive. Many consumers have shoplifted or vandalized. Others have abused or taken advantage of frontline employees (Fullerton and Punj, 2004 for a review). In our study, the simple act of watching someone else keep the incorrect amount of change may reveal insight to such pervasive problems in the marketplace.

Limitations and future research

In current research, consumer's ethical intention was examined in scenarios where surplus change was received from a distracted cashier. Future research is needed to investigate consumer misbehavior in other types of scenarios. For example, how would consumers react to observing someone shoplift or switch price tags? In addition, studying different groups of consumers and their ethical judgments and intentions is needed. Different age groups and cultures may react to such scenarios differently based on their moral courage.

Another limitation of current research lies in the fact that participants in the studies were primarily college students. Although the homogeneity of participants in the studies offers confidence to the internal validity of the design and results, future research that replicates current studies with different objects, different scenarios and different consumers are still highly valued. Across our studies, whether a business is perceived as locally owned or chain does not seem to affect one's ethical judgment or ethical intention. Prior research argues that it will be easier to rationalize unethical behavior when it targets large, impersonal organizations (Cox *et al.*, 1990). While our data do not support prior conceptualization suggesting that customers are more likely to "take advantage" of chain vs locally owned business because they do not consider it as "wrong" to do so (Smigel, 1970), our results suggests that the perceived "newness" of a business may have acted as the moderator. In all our study scenarios, the focal business is described as "new" to the market. When evaluating an unethical behavior that takes place in a new business, the "newness" may activate a belief that the business is not yet making much money. This perception of "newness" can moderate one's belief that "it is less wrong to take advantage of a chain business", especially when the concept of a chain business is associated with concepts such as "established", "profitable". For future research, it would be interesting to directly examine the moderating role of business "newness" on the perceived consequence if other types of unethical behavior take place in a chain vs a local business.

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