AN INVESTIGATION OF CONSUMERS’ WILLINGNESS TO PUNISH IN THIRD-PARTY ETHICALLY QUESTIONABLE SITUATIONS

Presented by

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CERTIFICATE OF AUTHORSHIP

I hereby declare that this submission is my own work and to the best of my knowledge and belief, understand that it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at Charles Sturt University or any other educational institution, except where due acknowledgement is made in the thesis. Any contribution made to the research by colleagues with whom I have worked at Charles Sturt University or elsewhere during my candidature is fully acknowledged. I agree that this thesis be accessible for the purpose of study and research in accordance with normal conditions established by the Executive Director, Library Services, Charles Sturt University or nominee, for the care, loan and reproduction of thesis, subject to confidentiality provisions as approved by the University.

Name: Elizabeth Dunlop

Signature:

Date: July 2014
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2 October 2009

Ms Elizabeth Dunlop
c/- School of Business
Charles Sturt University
Wagga Wagga, NSW.

Dear Elizabeth,

The School of Business Ethics in Human Research Committee has approved your proposal “An investigation of the motivations and manifestations of ethical consumerism from a justice perspective” for a twelve month period from 2 October 2009.

The protocol number issued with respect to this project is 205/2009/9. Please be sure to quote this number when responding to any request made by the Committee.

You must notify the Committee immediately should your research differ in any way from that proposed.

You are also required to complete a Progress Report form, which can be downloaded from www.csu.edu.au/research/forms/ehrc_annrep.doc, and return it on completion of your research project or by 2 October 2010 if your research has not been completed by that date.

The Committee wishes you well in your research and please do not hesitate to contact Dr Kerry Tilbrook on telephone (02) 6338 4252 or email ktilbrook@csu.edu.au if you have any enquiries.

Yours sincerely

Dr Kerry Tilbrook
School of Business Ethics Committee
Direct Telephone: (02) 6338 4252
Email: ktilbrook@csu.edu.au

cc Dr PK Basu, School of Business, Bathurst
Prof Mark Farrell, Faculty of Arts, Wagga Wagga
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AGFI</td>
<td>Adjusted Goodness of Fit Index</td>
</tr>
<tr>
<td>AR</td>
<td>Attribution of Responsibility</td>
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<tr>
<td>AVE</td>
<td>Average Variance Extracted</td>
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<td>Behavioural Intention</td>
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<td>Degrees of Freedom</td>
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<td>Magnitude of Consequences</td>
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<td>Maximum Likelihood Estimation</td>
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<tr>
<td>MORALW</td>
<td>Moral Wrongfulness</td>
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<td>Online Research Unit</td>
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<td>Perceived Injustice</td>
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<td>PUNISH</td>
<td>Punishing intentions</td>
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<tr>
<td>RMSEA</td>
<td>Root Mean Square Error of Approximation</td>
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ABSTRACT

Consumer engagement in the marketplace is an area of sustained interest. The study investigated a proposed consumer punishment model in the context of third-party observed injustice situations. More specifically, the study provides an understanding of how the constructs of magnitude of consequences, attribution of responsibility, customer commitment, identification with victim, perceived injustice, and involvement in social issue, impact on behavioural intention, in the context of the consumer as the third-party observer to perceived injustice situations.

Groups of consumers are said to exist who take into consideration the impacts of production and consumption on others, in their decision making. This study considers situations from the perspective of consumers acting to punish in response to ethically questionable situations involving a level of perceived injustice. That is, the consumer is a third party who is neither the direct victim of an injustice nor the actor of the potentially harmful behaviour. A perceived injustice situation is considered in this study as a situation of mistreatment or ethically questionable behaviour. Determined on the basis of the individuals’ judgement of injustice, this study considers an expanse of situations including physical harm through employee deaths, economic harm through financial loss or reputational damage, and psychological harm through child labour and poor working conditions.

The study employed a positivist quantitative approach to test the research hypotheses and answer the research questions. A survey design using a scenario method was implemented. Eight scenarios were developed and used to elicit judgements from respondents regarding the key constructs. A pilot study was conducted with 32 respondents to refine question and scenario wording, and questionnaire design. The final survey was administered online over a 7 day period by the Online Research Unit, to a sample of Australian consumers aged over 18 years in both metropolitan and regional areas. The total sample size used in this study was 644 respondents. Each respondent was requested to address two
scenarios. Once data was cleaned in preparation for analysis, the final number of usable scenario responses was 1166.

Structural equation modelling (SEM) was employed as the primary technique of data analysis. Maximum Likelihood Estimation was used, and the model was assessed using a number of goodness-of-fit indices. Multiple group analysis was also applied to assess whether the model parameters varied across the samples of respondents for each of the eight scenarios. The data analysis uncovered a range of significant relationships between the constructs as hypothesised.

The modification of the type of harm and magnitude of consequences has been shown to impact on how consumers will attribute responsibility to a firm and perceive injustice in situations involving ethical content. However, even when an ethical issue is identified and responsibility has been attributed to the firm, the incidence of consumer punishment is low. The findings further suggest that although on average consumers are indifferent or not willing to punishing firms in most situations, there are a substantial portion of consumers that are willing to punish. As a third-party observer to ethically questionable or unjust situations, consumers were found to most likely to punish through reduced patronage or negative word-of-mouth.

The contributions of this study to both theory and knowledge are numerous. The study contributes to organisational justice literature by showing that consumers as third-parties can and will make judgements, and subsequently act to restore justice between other parties. Even when they are not the direct victim of the outcome, this study provides support to the idea that a consumer will punish a firm using various means, for actions they judge as an injustice. The study also makes contributions in the refinement and use of scales of consumer-company identification and attribution of responsibility, and in methods of data collection through the use of scenario-based approaches.
CHAPTER 1 – INTRODUCTION

1.1 Introduction

This study investigates a proposed consumer punishment model in the context of third-party observed injustice situations. The study was inspired by recent changes in the broad fields of ethical consumerism, organisational justice and consumer engagement in the marketplace. More specifically, the study provides an understanding of how the constructs of magnitude of consequences, attribution of responsibility customer commitment, perceived injustice, and involvement in social issue impact on behavioural intention, in the context of the consumer as the third-party observer to perceived injustice situations.

To date, much of the research dealing with ethically questionable issues has been from the perspective of the consumer as the victim, or from an organisational justice perspective. This study used the consumer as the third-party observer as they have been shown to engage in the marketplace to express their injustice concerns. For example, consumers have been shown to support ethical firms, and boycott those acting in conflict with their justice values.

This chapter sets the context for the study and discusses its importance to researchers as well as practitioners. It then presents the research problem, the associated research questions, theoretical gaps and objectives that are central to this thesis. This is followed by a brief overview of the research design. Finally, this chapter provides an outline of the thesis structure.

1.2 Background Literature and Context

Consumer involvement in the marketplace has evolved from a somewhat passive role of buying and consuming, to having the potential for increased engagement with firms and other consumers. The potential impact of consumers has become a greater consideration of firms, who recognise the potential for consumers to attempt to punish for ethically questionable business incidents. Significant displays of consumer punishment have involved a number of firms over recent
decades, including Nike, Shell, Nestlé, Proctor & Gamble, Apple and many others.

While traditional forms of punishment have involved calls for boycotts and protests, the prevalence of the internet and social media has created new ways for consumers to communicate and express their judgements regarding the behaviours of firms (Hennig-Thurau, Gwinner, Walsh & Gremler, 2004; Kozinets, 2002). Forms of social media such as Facebook and Twitter provide a fast and easy way for a consumer to express dissatisfaction about a firm, or attempt to share negative word-of-mouth.

Social causes on Facebook can have thousands of followers and create pressure for firms engaging in ethically questionable practices. The following are some examples of Facebook groups which have targeted specific firms or issues, and the number of ‘likes’ they have received: “Boycott BP” – 742,976 likes (Boycott BP, 2014), “fighting animal testing” – 55,625 likes (Fighting Animal Testing, 2014), “no child labour” – 21,281 likes (No Child Labour, 2014), “let’s stop child labour” – 9252 likes (Let’s Stop Child Labour, 2014), “nestlé boycott (INBC)” – 5884 likes (Nestlé Boycott (INBC), 2014), ‘boycott Apple’ – 4026 likes (Boycott Apple, 2014).

Dedicated websites can be found which seek to inform consumers about the ethical nature of business practices and provide avenues for consumers to take action. Some example websites include: ethicalconsumer.org, change.org, thepetitionsite.com and ethical.org.au. Some consumers have written blogs to express their views and spread negative word of mouth about firms.

The reason for this increased scope for involvement has come from a range of influences, originating predominantly from an increase in information and greater access to global markets (Devinney, et al., 2006). Consumers have greater impetus to seek information about the production processes in other countries, and put pressure on organisations to improve not only the range and innovativeness of their goods and services, but to consider broader impacts (Auger, et al., 2010). Consumers are said to consider a broader range of aspects when purchasing and consuming products, including the impact on the natural environment and larger
society (Carrigan & de Pelsmacker, 2009; Carrington, Neville & Whitwell, 2010; Racela, 2012). No longer are consumers viewed only as price and quality seekers.

Research into consumer behaviour has therefore branched into areas such as ethical consumerism, marketing ethics, socially responsible consumption and consumer ethics (Freestone & McGoldrick, 2008; Johnston, 2008; Schroeder, 2002). Researchers have attempted to tap into consumer preferences and concerns. However, findings have been limited by a gap between what consumers say is important to them and how they actually behave or act in the market (Auger & Devinney, 2007; Carrigan & Attalla, 2001; Creyer & Ross, 1997). Research has found that some consumers are willing to pay more for socially responsible goods, while others are more likely to boycott those they view as being unethical or irresponsible (Auger, et al., 2003).

This study takes the perspective of the consumer as a third-party observer in an ethically questionable situation. Of interest is how they will make judgements which will possibly lead to punishing behaviours. Considering theories of justice, which have focussed on organisational justice, this study considers justice decisions from consumers. The consumer perspective is interesting for a number of reasons, and will assist in our understanding of how consumers engage in the market. This research proposes and tests a new detailed model to explain why consumers as third-party observers will punish a firm for ethically questionable and/or unjust behaviours. The objectives and hypotheses informing this study are outlined in the following section.

1.3 Research Objectives and Conceptual Model

This study has a number of objectives that together will address the research problem. The study seeks to address the following objectives:

1) Improve our understanding of ethical consumerism and consumer engagement with firms, by understanding how and why consumers engage in negative forms of ethical consumerism (punishment).
2) Investigate the influence of type of harm, magnitude of consequences, and attribution of responsibility, on a consumer’s willingness to express ethical consumerism intentions through punitive action/punishment.

3) Develop a conceptual model that examines the relationships of situational variables in consumers’ intention to punish.

4) Examine empirical support for ethical consumerism and perceived third-party justice situations.

5) Determine which punishment behaviours are most likely adopted by consumers, and determine if these will vary based on the characteristics of the situation and type of harm.

1.3.1 Conceptual Model

In order to assist our understanding of consumer punishing intentions as third-party observers, this study proposes a conceptual model. The model is then tested using a positivist approach to determine the strength of hypothesised relationships between the constructs. Using different scenarios, the study manipulates the type of harm involved in each stimulus.

The conceptual model begins with the consumer identifying an ethically questionable situation, ‘ethical issue recognition’. The respondent will perceive a level of harm (magnitude of consequences), and seek to attribute responsibility. If the situation is considered an accident, responsibility will be not attributed to the firm. Attribution of responsibility is considered to be a multi-dimensional construct consisting of a judgement of causality, knowledge, intentionality and moral wrongfulness.

Attribution of responsibility to the firm is influenced by a consumer’s level of consumer-company identification. It is also influenced by the consumer’s perceived level of identification with the victim. A consumer will then make a judgement regarding the perceived level of injustice in the situation. Finally, influence of these antecedents on intention or willingness to punish is assessed. The model also includes consumer-company identification, identification with victim, and finally consumer involvement in issue.
The conceptual model is presented in Figure 1.1. The literature informing the development of the conceptual model and related hypotheses is discussed in detail in chapters 2 and 3.

![Diagram of conceptual model]

**Figure 1.1 Antecedents of consumer punishment in third-party injustice situations**

### 1.4 Summary of Research Design and Methodology

Briefly, the research design for this thesis consisted of a quantitative approach focussing on consumers sampled from an online panel, Online Research Unit. A single cross-sectional survey design was used to develop a survey instrument. Scenarios were used to elicit respondents’ perceptions and attitudes towards various ethically questionable situations. The scenario content was developed by the researcher based on publicly available information from the news and various media reports about company situations. The survey questionnaire underwent both pre-testing and pilot stages for refinement before the large-scale distribution took place. Chapter 4 provides full details of the research design, analysis processes and methodological issues. All measures are derived from those used in existing studies, but were modified for the purpose of this study. The survey included two...
scenarios of ethically questionable situations, from a pool of eight scenarios. A total of 1165 useable scenario responses were received from Australian consumers over the age of 18 years.

Structural Equation modelling (SEM) was used to analyse the data and assess the research model. SEM allows for the simultaneous examination of multiple variables. It was conducted in a two-step approach; validation of the measurement model, and estimation of structural relationships between the latent variables. SPSS v 20 and AMOS v 20.0 were used to facilitate data analysis.

1.5 Contributions of this Study

This thesis makes several important contributions to literature, and highlights some important considerations for practice. The following discussion provides details on the contributions of this study.

The theoretical contribution of this thesis lies primarily in the development and application of the integrative model as proposed in the conceptual model (Figure 1.1). A number of related conceptual models and propositions have been developed in the literature, which for various reasons have not been empirically tested. This study makes an important contribution to literature through the development and subsequent empirical testing of a model of third-party punishing behaviour in perceived injustice situations.

The research contributes to the organisational justice literature and ethical consumerism, consumer ethics literatures, through the consideration of a specific third-party observer, the consumer, capable of enacting punishment. Earlier studies focussing on third-party punishment in justice situations have not focussed on the consumer as the third-party observer. This study therefore also contributes to customer retaliation literature by extending the model of Gregoire and Fisher (2006), to situations in which the customer is the third-party observer, as opposed to the victim. The study has shown that as third-party observers, consumers can and will make judgements regarding justice situations, and subsequently act to restore justice.
The findings of this study contribute to theories of attribution of responsibility, in regards to how the importance of attribution of responsibility varies depending on the context of the situation. In situations involving more than one actor, the attribution of responsibility was not significantly impacted by the magnitude of consequences in a given situation. Furthermore, it appears from this study that there are particular incidents in which attributions of responsibility do not appear to influence the third party’s perception of injustice. For example, when considering the issue of animal testing or poor labour conditions, the injustice of the act is not affected by whether the consumer thinks the firm is responsible or not, as they are chosen business practices rather than something which happens by accident or without the knowledge of the firm. This finding is further linked to the relationship with consumer-company identification, in which certain ethically questionable business practices leave little room for biased information processing due to consumer relationships with the firm. This is an important theoretical contribution which applies to theories and literature regarding attribution of responsibility, consumer-company identification and perceptions of injustice.

Important contributions have been made through the research method utilised in this study. The use and validation of the consumer-company identity scale developed by Hildebrand et al., (2010), provides support for the use of this scale in future research examining consumer identification. The study also provided support and refinement to the conceptualisation of Attribution of Responsibility, as operationalised by Gailey and Falk (2008). The use of scenarios to collect data regarding consumer judgements in the survey, provided support to the use of surveys as an appropriate means of tapping into consumers’ judgements and decision making.

The research has highlighted that managers need to understand what information consumers are receiving about a company and its practices. Consumers seem willing to share negative information, and in some cases, a consumer will reduce spending if they feel a situation is unethical, unjust, and was the responsibility of the firm. Reduced spending was found to be the most likely form of punishment used by a consumer, which is also potentially the most difficult for the firm to identify. Although it appears that on average, consumers are indifferent to
punishing firms, it was found that consumers are more likely to punish firms for certain types of harm.

The study also highlighted that firms can be insulated from negative information by the degree to which a consumer identifies with the firm. A firm which has strongly identified consumers will be given favour in regards to their perceived responsibility in an unethical situation. However, when it is clear who is responsible, a strongly identified consumer is more likely to punish than a weakly identified consumer. Firms need to be aware that in less ambiguous situations, it is their strongly identified consumers who have the greater desire to punish them.

1.6 Outline of Thesis

This thesis is organised into six chapters.

Chapter 1 establishes the justification for taking the consumer punishment perspective for this study and sets the context of third-party observed injustice situations. It highlights the importance of this study, from both an academic and practitioner perspective. It outlines the research problem, its associated research questions, theoretical gaps and objectives that form this thesis, and provides a brief overview of the research design.

Chapter 2 expands on the context of this study and provides a synthesis and discussion of the relevant parent discipline literatures and key constructs that form the proposed model. This review and examination of extant literature not only provides a key part of the knowledge basis for this thesis, but also highlights and identifies weaknesses and gaps in the existing body of knowledge.

Chapter 3 presents and discusses the proposed conceptual model of the relationships between the dependent variable of behavioural intention and its antecedents. It includes the statement of the specific hypotheses linked to various paths identified in the model that flow from the research questions posed in Chapter 1, and supported by literature in Chapter 2.

Chapter 4 discusses the quantitative research methodologies used in this study. It offers an explanation and rationale for why these methodologies were chosen. An
overview and description of sampling issues, data-collection methods, questionnaire development and testing of the constructs is provided.

**Chapter 5** presents the results and summary statistics for the collected data. It covers associated issues such as validity, reliability, and non-response bias. The empirical results of the structural equation modelling analysis are provided.

**Chapter 6** The findings and conclusions about each of the proposed hypotheses (Chapter 3) and the research question (Chapter 1) are provided and discussed. The chapter also includes a discussion of the benefits and implications of the study’s findings for theory development. It also notes the limitations of this study and suggests possible directions for future research.

### 1.7 Limitations and Conclusion

As with all research, the findings of this study and generalisability are interpreted within the confines of associated limitations. The study aims to improve our understanding of consumer punishing behaviours. However, this is done through studying intended behaviours, not necessarily actual behaviours. The researcher is aware of the potential variance between intended and actual behaviours, however, it was deemed out of the scope of this study to the latter.

This study is based on a cross-sectional sample of Australian consumers over the age of 18 years. This design does not allow for the understanding of the relationships between the constructs over time. The results are also interpreted in the confines of the Australian demographic, and are not generalised to the broader global population. These minor limitations do not discredit the value of the findings uncovered in this study. The following chapter provides a foundation for the study through a discussion of the key theoretical frameworks and concepts.
CHAPTER 2 – LITERATURE REVIEW

2.1 Introduction

The central focus of this study is the development and testing of a conceptual model to explain how consumers may punish organisations engaged in ethically questionable behaviour. In particular, we are interested in consumers who although they may not have purchased goods and services from the organisation, may decide to undertake some form of punitive action towards the company.

This chapter begins with a review of the nature of consumer involvement in the marketplace, including the themes of ethical consumerism, and socially responsible consumption. The context of the study will be discussed in regards to individual consumer punishing intentions in third-party perceived injustice or unethical situations. Based on the review of literature, a number of factors were identified as being antecedents to consumer punishing behaviours. The body of this chapter discusses these key constructs which include behavioural intention, ethically questionable marketing situations, attributions of responsibility, perceived injustice and social identification. The specific relationships between these constructs will be discussed in detail in Chapter 3, alongside the development of a conceptual model and hypotheses.

2.2 The Nature of Consumer Involvement in the Marketplace

2.2.1 Consumer Behaviour and Decision Making
Research into marketing has developed into a strong discipline. Studies are undertaken into a vast range of aspects of marketing including, communications, business to business marketing, international marketing, relationship marketing, services marketing, strategic marketing, public sector and not-for-profit marketing, social marketing, innovation and entrepreneurship, corporate social responsibility and ethics, and consumer behaviour.

Consumer behaviour has long been an area of interest for marketing researchers and academics. The manner in which consumers interact with the marketplace and the process in which they make decisions has been of great interest. It has been
recognised that in addition to making decisions about purchase and consumption, an individual can also make decisions based on ethical considerations. A field of business research relates to understanding ethical decision making, both of consumers and also of other individuals within an organisation. The manner in which individuals make decisions has been examined from a number of perspectives, and is explained through some key decision making models. One model is that of Rest (1986), which has gained significant attention and formed the basis of many studies. Rest’s (1986) four-step model for ethical decision-making and behaviour considers that an individual will move through four steps when faced with an ethical decision: awareness, intent, judgment, and behaviour.

Research into ethics has been undertaken from a number of perspectives. Research into consumer ethics or ethical consumerism considers that a range of ethical concerns and competencies impacts upon each individual’s everyday consumption practices. Examining ethical consumption reveals the ‘competing priorities, paradoxical outcomes, and the nature of compromises reached in real decision processes’ (McDonald et al., 2006, p. 529). The following sections provide a discussion of ethical consumerism, and consumers’ social responsibility as an area of research.

2.2.2 Ethical Consumerism, Consumers’ Social Responsibility
Consumers consider more than just price and quality in their purchase decisions. In addition to being concerned with the satisfaction they obtain from a product, consumers also want to be satisfied with the way it is produced (Nantel & Weeks, 1996). Consumers are considering the impacts of their consumption on the environment and the impacts of the various processes in the production and supply chains. Ethical consumerism has been defined in a number of ways within the literature, and has been referred to by a number of apparently interchangeable terms. Devinney, Auger and Eckhardt (2010) discuss the notion of social consumerism, or what they have previously referred to as consumer social responsibility (Devinney, et al., 2006). Ethical consumerism has been defined as the ‘conscious and deliberate choice to make certain consumption choices due to personal and moral beliefs’ (Devinney, Auger & Eckhardt, 2010, p. 9).
Ethical consumer behaviour has been broadly defined as the ‘decision making, purchases and other consumption experiences that are affected by the consumer’s ethical concerns’ (Cooper-Martin & Holbrook, 1993, p. 113). From another perspective, ethical consumerism ‘implies that consumers have a significant role, through their daily purchase decisions, in promoting ethical corporate practices’ (Uusitalo & Oksanen, 2004, p. 215). That is, consumers are said to be involved in the broader process of influencing ethical business practices, and some are prepared to invest financially to acquire products and support retailers who act in an ethical and socially responsible manner (Nantel & Weeks, 1996).

Webster (1975, p. 188) proffered a succinct view of the socially responsible consumer, as ‘a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social changes’. This emphasis on the potential to bring about change through promoting social causes is reiterated by Roberts (1995, p. 98), who states that ‘the socially responsible consumer is one who purchases products and services which he or she perceives to have a positive (or less negative) impact on the environment and/or uses his/her purchasing power to express current social concerns’.

The concept of ethical consumerism and the socially responsible consumer has evolved over the past two decades from an almost restricted focus on environmental issues, to one that incorporates various issues that align with consumers’ personal values. This includes a range of issues such as animal testing and welfare, employment labour standards, human rights, use of child labour, health related issues and environmental issues (Carrigan & de Pelsmacker, 2009; Carrington, Neville & Whitwell, 2010; Crane, 2001; de Pelsmacker, Driesen & Rayp, 2005; Racela, 2012).

The academic literature has considered ethical consumerism and consumer social responsibility from a variety of perspectives. A number of attempts have sought to explain why consumers’ purchase behaviours do not always match their expressed ethical concerns (d’Astous & Legendre, 2009). Other streams of literature link ethical consumption to political motivations (Micheletti & Stolle, 2008), as a means for developing a self-concept and identity through consumption choices.
(Cherrier, 2007; Johnston, 2008), or as an avenue for consumers to engage with firms and try to change the nature of the marketplace (Shaw, Newholm & Dickinson, 2006). Others have considered the area from purely the purchase perspective, in regards to consumers paying more for ethical or socially responsible products, or boycotting (Auger, et al., 2003; Moosemayer, 2012; Paek & Nelson, 2009), and the emergence of and reasons for consumer boycotts (Belk, Devinney & Eckhardt, 2005).

In addition, some researchers have focused on consumer behaviour based on perceptions of corporate social responsibility (Brown & Dacin, 1997; Carrigan & Attalla, 2001; Klein, Smith & John, 2002; Sen & Bhattacharya, 2001; Sen, Gürhan-Canli & Morwitz, 2001; Webb & Mohr, 1998). In this approach, a socially responsible consumer avoids buying products from companies that harm society and actively seeks products from companies that help society (Mohr, Webb & Harris 2001).

Attention on the area of ethical consumerism has increased both in the media and in academic research (Crane & Matten, 2004). Consumers around the world are increasingly taking into account various issues, such as the use of child labour in developing countries or the global environmental impact of production (and consumption), when making their purchase and consumption decisions (Auger et al., 2003; Creyer & Ross, 1997). This apparent change in the focus and behaviour of consumers has important implications for managers. In response to the increased consumer focus, managers may need to reconsider a range of decisions, varying from the choice of location for production facilities, strategic alliances or use of certain contractors, the human resources policies of the organisation, the inputs into production, or the importance placed on their ethical business practices (Auger & Devinney, 2007).

Despite research indicating that some consumers do consider ethics in their consumption behaviour, the degree to which consumers care about ethics (Creyer & Ross, 1997), and which social and ethical issues really matter to consumers (Carrigan & Attalla, 2001) is still unclear. Considering that consumer engagement in ethical consumerism is often sporadic and inconsistent (Auger et
al., 2003; Carrigan & Attalla, 2001), gaining a clearer understanding of conditions surrounding engagement in ethical consumerism has implications for both theory and marketing practice.

2.2.3 Other Conceptions of Ethical Consumerism
Related to ethical consumerism and socially responsible consumption is the concept of the citizen-consumer. While consumerism maximises individual self-interest through commodity choice, the “citizen-consumer” ideal prioritises the collective good. Thus, individual self-interest and pleasure can be diminished in the interest of improving sustainability across all common areas, as the responsibility to ensure the survival and well being of others, both human and non-human, is emphasised (Johnston, 2008). The citizen-consumer is someone who acts beyond his or her own interests as a consumer and takes responsibility for wider concerns (Freestone & McGoldrick, 2008). Such consumers continue to focus on increased material utility i.e. receiving a product or service for their money rather than giving it to charity. However, they also want to either benefit a third-party or entity, or avoid harm to a third-party or entity in the process (Schroeder, 2002).

As discussed earlier, research into ethical consumerism has often been viewed through the lens of support for ethical goods. The type of ethical behaviour is largely researched in terms of ‘willingness to pay’, or ‘buycotting’ for cause-related products (Auger et al., 2003; Moosemayer, 2012; Paek & Nelson, 2009) and consumption of ethical goods. This study is positioned on the boundaries of ethical consumerism and socially responsible consumer research. Consideration is given to consumers acting beyond their own self interests and focuses on the punishing behaviours of consumers towards firms, for perceived injustices in ethically questionable situations. Given the expansive nature of this field of study, the scope is therefore limited. The scope of this study is outlined in the following section.
2.2.4 Scope of this Study

As indicated, consumers are increasingly placing greater interest in the impacts and behaviours of organisations and their own consumption. There are consumers who make decisions incorporating the impacts of production and consumption on others within society. This study considers these situations in the perspective of consumers acting in response to ethically questionable situations involving a level of perceived injustice. The consumer is viewed as a third-party observer to the perceived injustice. Furthermore, the study focuses on the negative behaviours of consumers, that is, punishing behaviours. The central focus of this study therefore, is the consideration of punishing behaviours of consumers as third-party observers to ethically questionable and justice situations. This also includes consumers who although they may not have purchased goods and services from the organisation, may decide to undertake some form of punitive action towards the company.

Research has demonstrated that individuals can become outraged and motivated to restore justice on behalf of others (Folger, 1998; 2001). Even when the individual is not the direct target of the mistreatment or ethically questionable behaviour, and even in situations in which they are not directly affected by the negative outcome, individuals have been known to react. In the scope of organisational research, reactions to injustice have traditionally been viewed from the harmed party’s, or victim’s, perspective. An emerging area within the justice literature has sought to explore why and how third parties react to injustices committed against others (e.g. Folger, 1998, 2001; Skarlicki & Kulik, 2005; Turillo, Folger, Lavelle, Umphress, & Gee, 2002).

Third parties are individuals who are neither the direct victim of an injustice nor the actor of the potentially harmful behaviour. They include members of the general public, investors, customers and consumers, government officials, colleagues, managers, and subordinates, or any party who observes or learns about an act of injustice occurring against another person or victim. Although third-parties might not observe the unjust situation firsthand, they can become aware of the situation through other sources, and become sufficiently motivated for the situation to trigger a response from them (O’Reilly & Aquino, 2011).
In the marketing discipline, the focus of research into justice and punishment/retaliation considers the consumer as the victim. As the victim, their response is likely to be personally motivated. However, as a third-party observer the consumer is not personally motivated to act and restore justice between two other parties. Furthermore, the manner in which they react, if they do, is likely to differ. As a third-party observer, the consumer is more likely to punish the transgressor than benefit/help the victim (O'Reilly & Aquino, 2011).

Justice is regularly enacted by a third-party. For example, in the most formal sense, courts have judges who make justice decisions and enforce sanctions on perpetrators every day. Norms and rules in society are enforced due to the expectation that violations of the behavioural standard will be punished (Fehr & Fischbacher, 2004). Third-party justice behaviour is also prevalent in informal interaction (Baker, 1974), such as when consumers alter consumption choices, or when a potential consumer spreads negative word of mouth intended to harm an organisation’s reputation.

This study focuses on the consideration of punishing behaviours of consumers as third-party observers to ethically questionable and justice situations. This study is interested in consumers who although they may not have purchased goods and services from the organisation, may decide to undertake some form of punitive action towards the company.

2.3 Ethically Questionable Marketing Situations

As indicated, consumers are increasingly placing greater interest on the impacts and behaviours of organisations. The increased emphasis given by consumers to the actions of firms is impacting a range of decisions regarding the way organisations market their products and services both locally and globally (Auger, et al., 2010). Strategic decisions regarding the location of production facilities, human resources policies, product inputs, and strategic alliances have the potential to be impacted by consumer interests (Auger & Devinney, 2007). This increased focus and pressure by consumers has a range of antecedents, one being the increased spread of information regarding the activities of firms in both domestic and foreign markets. Therefore, consumers are placing greater pressure on
organisations to take into consideration the environmental and social impact of the products they produce and market (Devinney, et al., 2006). There is greater pressure for an organisation to act ethically.

Various terms have been used throughout the ethical decision-making and ethical consumerism literatures to reflect a situation having ethical content. Common terms include ‘irresponsible corporate behaviour’, ‘poor corporate social responsibility’ (Williams and Zinkin 2008), ‘social and ethical issues’ (Auger, Devinney & Louviere, 2007), and ‘ethically questionable’ behaviours (Gegez, Inks & Avila, 2005; Gino, Shu & Bazerman, 2010; Ingram, Skinner & Taylor, 2005). Typical behaviours which consumers may judge as being ethically questionable include child labour and abuses of human rights, payment of below minimum wages and unsafe working conditions, environmental pollution and abuses of animal welfare such as animal testing of products (Auger, Devinney & Louviere, 2007; Belk, Devinney & Eckhardt, 2005; Shaw, Newholm & Dickinson, 2006).

While judgement of what is ethical is reserved, this discussion is restricted to the consideration of outcomes. The focus here is not on ‘how’ an individual determines what is and is not ethical, but on their actions or perceptions once that judgement has been made. To assist in this understanding, the study considers different types of ethically questionable situations and behaviours. This discussion is primarily focussed on various types of harms and resulting consequences.

2.4 Behavioural Intentions Regarding Ethically Questionable Situations

2.4.1 The Theory of Behavioural Intentions

The ability to anticipate an individual’s behaviour has been the focus of many studies in marketing and consumer behaviour. The theory of reasoned action by Ajzen and Fishbein (1980) has provided the framework for such studies investigating the relationship between attitudes and behaviours. The theory of reasoned action remains the most sustained explanation of the intention-behaviour relationship. The theory holds that an individual’s intention to perform a behaviour is the strongest antecedent to the performance of that behaviour (Ajzen
& Fishbein, 1980; Ajzen & Madden, 1986). That is, the stronger the intention to perform a behaviour, the more likely they will actually perform that behaviour.

Disconnect between consumers’ attitudes and behaviours as highlighted by previous researchers (e.g. Creyer & Ross, 1997; Fukukawa & Ennew, 2010), follows the explanation of Ajzen and Fishbein (1974) whereby behavioural intention is a better indicator of behaviour than attitudes. Furthermore, even when high behavioural intention is measured, there may be attenuating factors which reduce the actual behaviour (Ajzen & Fishbein, 1974). For instance, actual behaviour may differ from intention in situations where necessary resources are lacking, such as time, money, ability and cooperation with others (Ajzen & Madden, 1986). In response, the theory of planned behaviour was conceptualised to include the concept of behavioural control (Ajzen, 1985).

Behavioural intentions in ethical situations can be represented in a variety of responses from consumers, either positive or negative. Positive behaviours could include paying more for ethical products or engaging in positive word-of-mouth. Negative behaviours can be varied and include behaviours such as boycotting or negative word-of-mouth. Research has indicated that when a third-party perceives an injustice to have occurred, they may respond in a variety of ways (Greenberg, 2001). Some might try to raise awareness of the injustice and attempt to gain support in acting against the organisation. Others might attempt to punish the organisation on their own (e.g. Kahneman, Knetsch & Thaler, 1986; Turillo et al., 2002). Some consumers might attempt to help or support the victim. It is also possible that third parties will do nothing, even when they perceive that an injustice has occurred (O’Reilly & Aquino, 2011). For a variety of reasons, attitudes may not lead to behaviour.

The outcome, or behavioural intention, is often considered as the focus of many marketing studies. Exploring the antecedents of behavioural intention therefore, is the emphasis of such studies. The variables which influence behavioural intention and the nature of the relationships in the conceptual model are discussed in Chapter 3. As previously discussed, this study focuses on the negative or punishing behaviours of consumers towards firms. The following discussion focuses on these punishing behaviours in the third-party observer context.
2.4.2 Punishment and Punishing Behaviours

‘Punishment’ is defined in this study as ‘a negative sanction intentionally applied to someone [an individual or organisation] who is perceived to have violated a law, a rule, a norm, or an expectation’ (Lerner & Lerner, 1981, p. 146). It is ‘an action carried out in response to something else; it is a reaction, typically to behaviour we find blameworthy’ (Zaibert, 2004, p. 53). Similarly, retaliation is an action taken in response to an injury or offense.

Punishing behaviours should be broadly interpreted to include any behaviour that the individual considers to cause some form of harm or negative impact, with the intention to restore balance or justice. The importance is not on any actual harm caused to the firm, but on the intention to restore balance or justice. It may take the form of a deprivation or an unpleasant experience, either of which may be physical, social or psychological. Punishment, therefore, may include not only physical acts such as damage to property, violence, a fine, or enforced restitution, but also attempts at status degradation, such as reputational damage, ridicule, ostracism, or banishment from the social group (Lerner & Lerner, 1981). This includes punishment by consumers in the form of negative word-of-mouth, boycotts or lobbying, among a range of other behaviours (Nebenzahl, Jaffe & Kavak, 2001). This definition is robust enough to incorporate the dynamics involved in both legal punishment reactions and in those reactions evoked in most non-legal settings.

Acts of consumer retaliation and punishment are somewhat common. Retaliation and punishment occurs in response to a perceived injustice and is a way to restore a sense of justice between the actor and the victim. Consumer punishing behaviours can be damaging for an organisation, and in some cases may result in financial and material loss and damage, psychological or physical impacts to employees, or damage to a brand image and reputation, among others (Fullerton & Punj, 1997; Funches, Markley & Davis, 2009; Skarlicki, Folger & Tesluk, 1999).

Punishing behaviours can be varied in nature. Huefner and Hunt (2000) identify some behaviours as vandalism, trashing, stealing, negative word of mouth, and
personal attack. Boycotts have been a long held punishing behaviour and a pervasive tool to express consumer discontent and attempt to restore justice. Consumers are increasingly willing to withhold patronage, and encourage others to do the same, to control corporate abuses and/or heighten their sensitivity to economic, political, and social concerns (Sen, Gurhan-Canli & Morwitz, 2001). Other behaviours might include negative word-of-mouth and third-party complaining behaviours (Gregoire & Fisher, 2006).

Consumers are increasingly turning to computer-mediated communication for information to be used in their decision-making processes (Kozinets, 2002). The internet has also created more opportunities for consumers to connect with and punish firms. By definition, electronic word-of-mouth communication refers to any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the internet (Hennig-Thurau et al., 2004). Since the late 1980s, virtual communities have been used for online interactions between individuals (Kozinets, 1998; Muniz Jr & O’Guinn, 2001).

The internet has facilitated consumer punishing behaviours, particularly in terms of attempts to damage reputation or gather support through electronic media, such as online discussion forums, electronic bulletin board systems, newsgroups, blogs, review sites, and social networking sites (Goldsmith, 2006). Consumers now have a means of communication with a geographically dispersed group of people, who have experience with relevant products or services (Ratchford, Talukdar & Lee, 2001). With easy access and widespread communication, anti-brand communities have the ability to damage a firm’s brand name (Hollenbeck & Zinkhan, 2006).

This study also examines the possibility that a consumer can punish a firm whilst still consuming their products or services. There are often reasons why a consumer is unable to end their relationship or consumption practices from a firm, such as there being no alternatives, or it being considered too costly to forego consumption or to switch to a competitor. In these cases, a consumer is considered to still be able to punish a firm through other behaviours.
While there has been some work on categorising punishing behaviours, little is known about the motivations or cognitive processing that customers use to choose a particular behaviour (Funches, Markley & Davis, 2009). The impetus for consumers to engage in punishing behaviours is based on a number of motivations. This study considers punishing behaviours as the outcome of a third-party observed injustice in an ethically questionable situation. The primary motivation for engagement in punishing behaviours is based on justice motivations, and responding to a perceived wrong.

2.5 Justice Conceptions

Research has considered third-party punishment by stakeholder groups such as investors and other financial stakeholders of a firm, such as when the share price is negatively impacted (Boulstridge & Carrigan, 2000). However, this study considers only non-institutional relationships, specifically the relationship between consumers, organisations and stakeholders. The third-party perspective of the consumer is important and distinct from these other stakeholder groups as the consumer is typically considered to be self-interested and motivated by personal gain. As a third-party observer who is not directly affected, why and when a consumer responds by punishing at a personal cost is unclear.

Organisational justice has been extensively investigated in the fields of management, applied psychology and organisational behaviour in the past 30 years (Blader & Tyler, 2003; Dolan, et al., 2007). Consumer behaviour research has in recent times benefitted from the application of justice theories, in extending the understanding of consumers’ reactions and responses to questionable firm behaviour. Most of this research has been in the context of service situations, namely service recovery, or with the consumer placed as the victim in the exchange situation.

According to Lerner and Lerner (1981), social analysts and scientists have, for the most part, been fairly comfortable with recognising that justice is a judgement with evaluative and emotional components. It is based on the recognition at some level of awareness that there is or is not an appropriate correspondence between a
person’s fate and that to which he or she is entitled – what is deserved. The sense of appropriateness derives from a judgement of the value, to the people affected, of their fate and the value of the fate to which they are entitled (Lerner & Miller, 1978; Solomon & Murphy, 1990). If there is a discrepancy on the evaluative dimension between the desirability of the person’s fate and that to which they are entitled, then an injustice has occurred. It can appear as a judgement that someone has received more or less than is deserved. There are degrees of injustice that correspond roughly to the magnitude of the perceived discrepancy. There is agreement in the literature that people do continually make these judgements concerning their own fate and the fates of all others in their environment. It also appears that most often this judgemental process occurs at a preconscious level and is revealed indirectly in the person’s reactions to a given event (Lerner & Lerner, 1981).

Justice and punishment are considered to be closely intertwined. As such, punishment is often regarded as constituting the cornerstone of the justice process (Vidmar & Miller, 1980). This is made apparent through assertions, such as by Miller and McCann (1979), in which people appear to consider the meting out of punishment as synonymous with the rendering of justice. Rawls (1971) supported this connection between the concepts when he proposed that the main idea inherent in theories of justice is that a set of principles exist to regulate the agreements and associations for the basic structure of society; and punishment is the natural behaviour to follow when those principles are contravened. Miller and Vidmar (1981, p. 146) asserted that ‘when individuals are given a choice between punishing the perpetrator of an injustice or compensating the victim of an injustice, they generally choose to punish’. This view has foundations in the legal system, where the administration of justice generally necessitates only the punishment of the perpetrator and not the compensation of the victim.

The concepts of punishment and justice have strong foundations emanating from the legal literature. Most discussions of punishment in general, deal overwhelmingly with only one type of punishment: criminal punishment carried out by the state. Rawls (1999, p. 26) is one such supporter of this view, explaining legal punishment in the following way: ‘A person is said to suffer punishment whenever he is legally deprived of some of the normal rights of a citizen on the
ground that he has violated a rule of law, the violation having been established by
trial according to the due process of law’.

While there is most certainly a place for institutional punishment of firms, as
previously mentioned there is also scope for punishment to be carried out in
private realms (Zaibert, 2004), by individual consumers. Intuitively, it is evident
that punishment exists beyond solely criminal punishment, such as when a parent
punishes a child for misbehaving, when friends or strangers punish one another
for indiscretions. While punishment might not be the only response in these
situations, it is an option which is available and frequently enacted.

Justice considerations bring about two distinct rationales or motivations for
punishment. The first of these, behaviour control orientation, is orientated toward
the present or the future; the second, retributive orientation, is backward-looking
(Miller & Vidmar, 1981). It has been argued that ‘punishment is a commonly used
strategy for discouraging unethical or objectionable behaviours, extracting
retribution, and establishing justice’ (Arvey & Jones, 1985 cited in Dunegan,
1996, p. 58). That is, punishment is a harm done intentionally to another because
he or she is judged to have done wrong. Punishment is often thought to be
justified on the grounds that it acts as a deterrent to persuade people not to commit
certain acts, or on retributive grounds to give offenders what they deserve
(Reiman, 1990).

Much research into justice and punishment/retaliation considers the consumer as
the victim. As the victim, their response is likely to be personally motivated.
However, as a third-party observer the consumer is not personally motivated to
act and restore justice between two other parties. And the manner in which they
react, if they do, is likely to differ. As a third-party observer, the consumer is
more likely to punish the transgressor than benefit or help the victim.

2.5.1 Justice Conceptions in Organisational and Consumer Behaviour
Research into justice in the fields of organisational and consumer behaviour has
been based on a number of foundations, and uses a number of components to
distinguish a justice situation. In a recent review by Zhu, Martens and Aquino
(2012), three models were identified that are frequently used in studies to explain why people care about justice. The first is an instrumental model (Tyler, 1987), the next is a relational model (Tyler & Lind, 1992), and the third is a deontic model (Cropanzano, Goldman & Folger, 2003; Folger, 1998; Folger & Skarlicki, 2008).

The instrumental model (Tyler, 1987) asserts that the desire for justice arises from people’s need for control over the favourability of desired outcomes. Therefore, justice is considered to be important because it allows people to get what they want or think they deserve. In comparison, the relational model (Tyler & Lind, 1992) argues that justice helps fulfil the human need for belongingness. In an organisational context, employees care about justice because it allows them to assess the degree to which organisations value them and see them as part of the organisation. More recently a third model of justice labelled the deontic model (Cropanzano, Goldman & Folger, 2003; Folger, 1998; Folger & Skarlicki, 2008), conceptualises justice as a moral imperative and proposes that people care about justice simply because it is the right thing to do (Folger, 2001). The difference between the deontic model and the instrumental and relational models is that the deontic model assumes justice concerns can arise even though a person is not even a member of the organisation and has no interest at stake in an outcome. Therefore, the deontic model has given some credence to explaining why third parties can experience strong emotional reactions to seeing others treated unjustly (O’Reilly & Aquino, 2011), and reacting on their behalf.

Organisational justice research traditionally distinguishes between distributive, procedural and interactional justice (Crawshaw, et al., 2013; Smith, Bolton & Wagner, 1999). Distributive justice refers to perceived fairness of outcome distributions. Procedural justice refers to the perceived justice of the process by which decisions are made. Interactional justice is the perceived fairness of the treatment an individual receives during the enactment of procedures. In other words, interactional justice includes the fairness of interpersonal treatment, including treating individuals with interpersonal sensitivity and providing an explanation (Bies & Moag, 1986).
Based on the above conceptualisation of interactional justice by Bies and Moag (1986), from this perspective, interactional justice involves an element of interpersonal justice and informational justice. As outlined by Blodgett, Hill and Tax (1997), previous studies have found a number of elements of interactional justice, including truthfulness, the provision of an explanation, sensitivity, honesty, and effort. Interactional justice has been found to have a significant impact on how a customer will react and/or punish when they are the victim of the perceived injustice (Blodgett, Hill & Tax, 1997). That is, the degree of interactional justice, such as being treated with courtesy and respect, can reduce the likelihood of a consumer punishing the firm for violations to distributional justice.

The observation that somebody’s entitlement has been violated is considered to be the basic element of perceptions of injustice (Lerner, 1991; Major, 1994). However, not every violation of entitlements is necessarily perceived as unjust. In judging a situation of injustice, Mikula (1993) distinguished three basic components in his attribution-of-blame model of judgement of injustice. The three components included the observation that somebody’s entitlement has been violated, the attribution of responsibility to some agent other than the person affected, and the attribution of blame to that agent. Therefore, in addition to a violation of entitlements, two further important elements are the identification of an agent who is responsible for the violation, and perceived lack of justification for the violation of entitlements (Folger, 1986, 1987; Mikula, 1993; Montada, 1991).

In perceiving a situation of injustice, an important element is therefore the identification of an agent who is responsible for the violation. If no agent is identified as responsible for a given violation of somebody’s entitlements and/or the violation is sufficiently justified, the state of affairs will not be regarded as unjust. Perceptions of injustice are thus based on the perception of entitlements being violated (as a result of an action or omission of some agent), the attribution of responsibility to an agent, and the perceived lack of justification for the violation of entitlement (Mikula, 1993).
Researchers, including Azar and Darvishi (2011), Cropanzano et al. (2001), Rupp and Cropanzano (2002), and Folger (1994, 2001) further suggest that when an individual, including third-parties, observe negative situations they make cognitive comparisons. They compare what actually happened to other possibilities, and assess whether these actions were preferable. As a result, they do not simply perceive the events and process the information in a mechanical way (Folger & Cropanzano, 1998). Furthermore, they add their own thoughts, past experiences and personal modes of thinking to create complex interpretations. They often evaluate and react to the present circumstances in terms of what should, could and would have occurred. If the observer believes that the actor/transgressor could and should have behaved differently, then there will be the perception of injustice. However, if the actor has no other possible courses of action, or the behaviour was unintentional, then injustice will not be ascertained (Cropanzano et al., 2001).

Justice conceptualisations indicate that a major consideration in perceived injustice is in the responsibility of an actor. Justice theories also indicate that punishment is a valid and commonly used means of reacting to perceived injustice. Victims and third-parties are able to make judgements of injustice and act to restore justice. The attribution of responsibility implies that the violation of entitlement has been caused by an action or omission of an agent who was able to foresee the consequences of his or her conduct, had control over his or her behaviour (i.e. could have acted otherwise), and behaved intentionally in the given way. Attributions of responsibility will be discussed in the following section.

2.6 Attributing Responsibility in Ethically Questionable Situations

‘Causal reasoning is fundamental to our ability to predict and control our physical and social environment’ (Lagnado & Channon, 2008, p. 754). As human beings search for order and meaning in their environment, they attempt to explain the causes of events they observe (Kelley, 1973). People are driven to seek causal explanations for how and why things happen, and this pursuit to know and understand occurrences is the focus of attribution theory.
In order for a consumer to consider punishing behaviours towards a firm for perceived injustice through ethically questionable behaviour, they must first distinguish the basis of attributions of responsibility (Mikula, 1993). An ‘attribution’ is a judgement about audience perceptions of why an act of wrongdoing occurred (Gailey & Lee, 2005). As such, attribution theory concerns the ‘process by which individuals assign causes to events’ (Kent & Martinko, 1995, p. 17). There are two main perspectives for viewing responsibility. Sociologists have generally examined the context of the situation surrounding a given act (Hamilton & Hagiwara, 1992). In contrast, social psychologists since Heider (1958) have tended to view responsibility largely as cognition – a judgement made by an individual about the self or others (Gailey & Lee, 2005; Kent & Martinko, 1995).

Research on attribution of responsibility has been approached from the main traditions of psychology and sociology. The psychological tradition has focussed on the areas of outcome severity, actor characteristics, respondent characteristics, and conceptions of responsibility (Gailey & Lee, 2005, p.343). Findings from studies in the psychological tradition are limited by the variations in the operationalisation of the dependent variable. Respondents have been asked to use different terms to evaluate responsibility, including blame, fault, cause, and responsible (Gailey & Lee, 2005).

The sociological tradition has devoted greater attention to the attribution of responsibility for wrongdoing in organisations. The task of assessing responsibility for wrongdoing in an organisation is difficult and complicated. Research has revealed that even judging one act of a single individual involves a rather complicated process of judgement and interpretation, implicating many social influences. One reason for the complexity in organisations is that responsibility may be attached to the organisation itself, as well as to the people who act as agents on the organisation’s behalf (Gailey & Lee, 2005).

Research into how responsibility is attributed began primarily with the work of Heider (1958) in the field of psychology. Two factors were considered to be theoretically central to determining responsibility; the extent to which the actor
intended or personally caused the effect, and the extent to which the effect was caused by environmental forces or pressures (Hamilton, 1978; Heider, 1958). Subsequently, Hart (1968) and Shaver (1975) contributed to the conceptualisation of attribution of responsibility by contending that the term responsibility refers simply to causality (Hamilton, 1978). The early challenges of conceptualising the construct may be a reason that current researchers continue to struggle in being consistent with the terms used.

Lagnado and Channon (2008) more recently identified a challenge of researching attributions of responsibility and blame by acknowledging the complexity involved in determining causes and responsibility. This is especially the case when considering situations from various perspectives and taking into account the numerous events or factors which may have caused an outcome. The ability to attribute responsibility in a situation which is likely to be caused by a number of factors is challenging (Lagnado & Channon, 2008).

A prominent model in attributions of responsibility or blame research is that of Shaver (1985). Building on the work of Heider (1958) and Kelley (1973), Shaver (1985) provided a comprehensive theory which has gained support in the literature. It appears from previous research that when individuals are asked to attribute responsibility for wrongdoing, there are a number of aspects considered. Shaver’s (1985) model incorporates this aspect of multiple dimensions by arguing that an individual will examine five elements together in order to ascertain the responsibility for an individual accused of wrongdoing.

The five elements of attribution of responsibility were identified by Shaver (1985) as causality, knowledge, intentionality, coercion and moral wrongfulness. Causality is conceptualised as a measure of whether the actor was a direct cause for the event. That is, the organisation’s causal contribution to the outcome or negative consequences. Knowledge relates to how aware the actor was of the likely consequences of a given action. This relates to whether an organisation should reasonably have known what was likely to happen as a result of their actions. Intentionality reflects whether the event was intentional or accidental, whether the organisation intended to bring about the event or outcome. Coercion relates to whether the actor was coerced into the action. Finally, moral
wrongfulness relates to a judgement of the overall moral capacity of the actor or moral views of the perceiver. That is, did the actor or organisation appreciate the moral wrongfulness of the action?

A criticism of Shaver’s model is that it is prescriptive in nature, rather than descriptive. The theory has since been supported through a few studies which have sought to test the model in various situations. One of these notable studies was that of Gailey and Falk (2008), whom sought to test the five-dimension model of Shaver (1985). Previous to this, Gailey and Lee (2005) presented an integrated model of attribution of responsibility. This integrated conceptual model also drew on the main elements of attributing responsibility outlined by Shaver (1985).

The study of Gailey and Falk (2008) tested Shaver’s (1985) five elements of attribution of responsibility in two investigations of undergraduate students. The study involved vignettes based on material gathered in relation to an investigation of Cold War human radiation experiments (Gailey & Falk, 2008). The analyses in the study used confirmatory factor analysis and structural equation modelling to test and find a theoretically meaningful and statistically acceptable model. The findings of Gailey and Falk (2008) provided support for the theoretical propositions outlined by Shaver (1985), that attribution of responsibility is in fact a multidimensional construct. The conception of attribution of responsibility that came out of the study by Gailey and Falk (2008) however, consisted of four elements, not five. Coercion was not found to be significant, and was not supported in the study.

The work of Shaver (1985) and Gailey and Falk (2008) provide insights into how individuals can and will attribute responsibility to an individual or organisation for wrongdoing. As previously mentioned, consumers are acting as third-party observers to acts of wrongdoing and injustice. Therefore, it is unlikely that they will make a judgement based on first hand information of a situation. While they can and do make judgements based on second-hand and incomplete information, these judgements are likely to be influenced by other factors. The degree to which a consumer identifies with an organisation and uses them as a personal reference
point, is thought to be an influencing factor. The next section discusses identification and how it relates to consumer decision making and behaviour.

2.7 Social Identity, Organisational Identification and Consumer-Company Identification

The degree to which a consumer identifies with a firm is considered to influence how they make judgements and subsequently act in situations of ethical questionability. Identity is defined as ‘a relation which embraces both our ability to recognise ourselves and the possibility of being recognised by others (Melucci, 1996, p. 30). A person’s sense of self is constructed in relation to others in terms of differences and similarities, without which people struggle to know who they are (Cherrier, 2007).

Identification with social entities plays an important role when it comes to the development of a person’s social identity, and individuals develop social identities by establishing cognitive links between themselves and social groups or organisations. Organisational identification has been described as the degree to which individuals feel a sense of connectedness to an organisation (Mael & Ashforth, 1992), and define themselves by the same attributes they believe define the organisation. If these beliefs about an organisation become self-referential or self-defining for a person, he or she is said to identify with the organisation (Pratt, 1998). Organisational identification is typically used to describe the relationship when the individual is a member of the organisation, such an employee (Mael & Ashforth, 1992). However, Bhattacharya and Sen (2003) argue that individuals’ identification with a company can be very powerful even without their formal membership.

Literature has discussed the connection between consumers and organisations in a variety of ways, including the term customer-commitment. According to Ingram, Skinner and Taylor (2005) and Kelley and Davis (1994), customer commitment is an attitudinal variable which involves an individual’s beliefs and acceptance of goals and values of the organisation, expression of genuine interest in the company’s welfare, expenditure of considerable effort on its behalf, and a desire to remain a consumer. Another construct which has been used to describe the
relationship between consumers and organisations is relationship quality (e.g. Gregoire & Fisher, 2006, 2008). Research into these relationships has typically occurred within the services literature and suggests that customers exhibiting strong relationships are more profitable because they shop more regularly (DeWulf et al., 2001), spend more per visit (DeWulf et al., 2001), and are willing to pay a premium on the products and services they buy (Dowling and Uncles, 1997).

2.7.1 Consumer-Company Identification

Research into the relationships between consumers and organisations has progressed through to the concept of consumer-company identification. Bhattacharya and Sen (2003, p. 76), defined consumer-company identification (C-C identification) as the ‘primary psychological substrate for the kind of deep, committed and meaningful relationships that marketers are increasingly trying to build with their customers’. Drawing on theories of social identity and organisational identification, Bhattacharya and Sen (2003) have provided a comprehensive and logical expression of both the conditions in which consumers are likely to identify, or feel a sense of belonging with a company and the bases of such identification. Bhattacharya and Sen (2003) conceptualise consumers’ identification with a company as an active, selective, and volitional act motivated by the satisfaction of one or more self-definitional needs.

Whereas commitment relates to a desire to maintain a good relationship, possibly relating in loyalty to a brand (e.g. Bergami & Bagozzi, 2000; Brown et al., 2005; Moorman, Zaltman & Deshpande, 1992), the construct of consumer-company identification is the extent to which aspects of an organisation’s identity overlap with consumers’ identities. As the actual or potential consumer gains a sense of self from the organisation and their values and activities, the consumer is likely to act in ways to maintain that relationship.

2.7.2 Consumer Identification and Motivated Reasoning

When an individual is processing information and making judgements, they can be motivated to either arrive at an accurate conclusion or to arrive at a particular desired conclusion. This is the basis of motivated reasoning, whereby there is the
tendency of people to conform assessments of information to some goal or end extrinsic to accuracy (Ditto, Pizarro & Tannenbaum, 2009; Kunda, 1990). It has been suggested that when there is a strong motivation to reach a particular conclusion, an individual’s evaluations of information can be significantly biased. In contrast, when the individual is motivated by accuracy and forming correct judgements, they will be less inclined to process information in a biased manner.

Identified consumers are motivated to maintain untainted associations with a company as a means of preserving the company as a source of positive identity and self-esteem. If the source of identification (i.e. the company) is attacked, the attack can affect the self-esteem of those who identify with it. Such an attack can result in a defensive reaction. When faced with negative information, identification can lead to attitudinal commitment as well as behaviours such as purchase and declarations of brand loyalty as defensive reactions. Thus, consistent with Brown et al. (2005), Einwiller, Fedorikhin, Johnson and Kamins (2006) argued that identification is a more primary representation of a consumer's relationship with a company or brand than commitment and that it is the more proximal cause of motivated reasoning.

Strong consumer-company identification should evoke the motivation to protect self-defining beliefs and the meaning derived from the relationship with a company. Strongly identified consumers should engage in defensive information processing with a bias in the direction of their preferred conclusions. However, when the individual is motivated by accuracy, the weight given to negative information is enhanced (Ahluwalia, 2002). Further to this, Kunda (1990) proposed that even if an individual is motivated to arrive at their desired conclusion, they can or will only do this if there is enough evidence available for them to support it. In situations when the available information is extremely negative, a strongly identified consumer may not be able to refute the available information, and will therefore arrive at a negative evaluation (Bhattacharya & Sen, 2003; Einwiller et al., 2006). Given this, it may also extend to situations in which it is unclear who is responsible for a negative outcome, allowing an identified consumer scope for biased information processing. However, when it is clear who is responsible, the consumer may not be able to refute the negative information, and therefore arrive at a more negative conclusion.
2.8 Consumer Engagement as Third-Party Observers to Ethically Questionable Situations

Despite years of research, the understanding of consumer behaviours in ethically questionable situations is still conflicting. The findings of consumer punishment are limited and oftentimes contradictory. On the one hand, there are indications that consumers would be more discriminating in their purchases if they were provided with more information about ethically and socially responsible activities (Auger et al., 2003). In contrast, Carrigan and Attalla (2001) discovered that consumers are unlikely to change their purchase decisions if the ethical issue related to a product they liked and regularly bought. Perhaps, as suggested by Carrigan and Attalla (2001), it is not that consumers do not care about ethics, but rather price, value and quality are more important to them unless they have a vested personal interest in the irresponsible behaviour, or the harm is deemed significantly high (Ingram, Skinner & Taylor, 2005).

What researchers do seem to agree on though, is that the extent to which business ethics are important to a consumer is influenced by a number of psychological, personal and social factors (Racela, 2012). Furthermore, consumers seem to prefer to follow a selective rather than totally ethical pattern of consumption. According to Uusitalo and Oksanen (2004) consumers may find it difficult to consider several ethical aspects simultaneously, and are therefore selective in the ethical injustices which they oppose. This was also found in the study by Auger, Devinney and Louviere (2010), where consumers placed different levels of importance on different social attributes. For example, an individual who values environmental issues does not necessarily value labour issues and vice versa. Further to this, even when a consumer has judged a situation as unjust, the manner in which they will respond or punish is not always clear.
2.9 Conclusion

The impetus for consumers to engage in punishing behaviours when they are third-party observers to situations of perceived injustice, is based on a number of motivations. Suggested in the literature is the ability of a consumer to attribute responsibility to a firm for the harm it has caused to another stakeholder. As a consumer, the perceptions and judgements towards a firm can also be impacted by the relationship and sense of identity they develop with the firm. The antecedents of punishing intentions form the basis of the conceptual model which is developed and tested in this study. The relationships between the key constructs are discussed and developed in the next chapter, Chapter 3. The key constructs considered in the next chapter are ethical issue recognition, magnitude of consequences, attribution of responsibility, perceived injustice, consumer company identification, identification with victim, and consumer involvement in issue. The relationships between these variables are outlined in the next chapter, together with the formulation of the conceptual model and research hypotheses.
CHAPTER 3 - CONCEPTUAL MODEL

3.1 Introduction

In the previous chapter it was argued that consumers may make judgements about the ethically questionable behaviours of organisations, and that as a third-party they may react to perceived injustice. Chapter 2 provided the scope of this study, and outlined the constructs identified as having an impact on consumers’ punishing behaviours. The behavioural intention to punish is considered to be influenced by the type of harm involved in a situation, an individual’s justice perceptions of a situation and how they attribute responsibility for the negative or harmful outcome. Social identity, particularly consumer-company identification and identification with victim, are considered to affect how a consumer attributes responsibility to a firm, and their willingness to engage in punishing behaviours. The level of consumer involvement in the social issue is considered to also affect willingness to engage in punishing behaviours, as the consumer is acting as a third-party not a victim.

An objective of this study is to extend the body of knowledge concerning consumer judgements and resulting behaviours as third-party observers to injustice situations. This is achieved by modelling and examining the impact of the key antecedents of magnitude of consequences, attribution of responsibility, consumer-company identification, identification with victim, perceived injustice, and involvement in social issue, on behavioural intention of consumers, in the context of being a third-party observer. In the proposed model, the inclusion or exclusion of constructs is driven by the research questions and the literature review (see Chapter 2).

The chapter begins with a discussion of previous conceptual models that have considered behavioural intentions to punish. The relationships among the constructs and hypothesis development are presented in the following discussions. Finally, a conceptual model is proposed.
3.2 Overview of Prior Related Models

An examination of existing related models allows for the identification of the core constructs commonly identified in the literature and their interrelationships. A number of constructs have been identified as indicators that consumers as third-party observers will seek to punish firms in perceived injustice situations. A key model of ethical decision making and behaviour is that of Rest (1986), which considers that individuals will pass through four phases. These include recognising the moral issue, making a moral judgment, resolving to place moral concerns ahead of other concerns, and acting on the moral concerns. These stages have been consolidated to the four stages of awareness, judgment, intent, and behaviour (Rest, 1986). This model has been used as the foundation to many models of ethical decision making, including Jones (1991), and others which show the individual moving through phases from awareness or recognition of an ethically questionable situation, through to judgements and behaviours.

This study examines and primarily draws on the models of Gregoire and Fisher (2006), O’Reilly and Aquino (2011), and Skarlicki and Kulik (2005) in developing a model for this study.

3.2.1 Gregoire and Fisher’s (2006) Model of the Effects of Relationship Quality on Desire for Retaliation

Gregoire and Fisher (2006) propose a customer retaliation model which identifies a firm’s controllability and relationship quality as antecedents to desire for retaliation (see Figure 3.1). They posited that when customers believe that a firm is responsible for a failure and that the firm could have prevented the negative consequences that result, the customers are likely to consider retaliation to be an appropriate response (Gregoire & Fisher, 2006, p. 34).
The findings of Gregoire and Fisher (2006) highlight the potential for customer retaliation. It was found that when low controllability over the negative consequences is inferred, customers with high relationship quality experience a very low desire for retaliation compared to low relationship quality customers. That is, when customers attribute a service failure to uncontrollable factors, they do not consider retaliation to be a reasonable response. The study focussed on the retaliation behaviours of negative word-of-mouth, complaining to a third-party and patronage reduction, and found that a desire for retaliation significantly predicts those behaviours (Gregoire & Fisher, 2006). Although this study was conducted in the context of service failures personally impacting the individual, it has important implications for the current study. It suggests that relationship quality has a negative effect on a desire for retaliation when customers infer that a firm did not have control over the failure. On the other hand, relationship quality has no significant effect when customers perceive that a failure can be attributed to controllable factors (Gregoire & Fisher, 2006). Our study seeks to extend this to situations in which the customer is an unaffected third-party observer. In these failure situations (justice failures) the strength of relationship a consumer has with a firm is posited to influence their behavioural intention/willingness to punish, and also how they perceive the attribution of responsibility to the firm at the outset.
3.2.2 O’Reilly and Aquino’s (2011) Theoretical Model of Third-Party Reactions to Injustice

O’Reilly and Aquino (2011) propose a model of third-party reactions to injustice, which examines justice cognitions and behavioural outcomes (see Figure 3.2). Set in the context of organisational justice, their conceptual model sought to address the broad questions of what goes through the minds of third parties when they are confronted with an act of injustice, and what motivates them to act in different ways (O’Reilly & Aquino, 2011). The model was proposed within the scope of third-parties’ moral identity, perceptions of power, and belief in an organisation’s justice system. The model includes the construct of justice cognitions, which ties together severity of harm, deservingness and blame attribution. The model supports the inclusion of the attribution of responsibility construct and the magnitude of consequences construct, as well as the relationships between these constructs in the proposed model.

![Figure 3.2 Theoretical Model of Third-Party Reactions to Injustice](source: O'Reilly and Aquino (2011, p. 528))

O’Reilly and Aquino (2011) emphasise that their model is not conclusive, and acknowledge that there are a multitude of other possible antecedents to third-party reactions in such injustice situations. This is further supported by the breadth of concepts discussed throughout the literature.

A criticism of this model is that limited attention is given to the characteristics of the third party. Consideration has not been given to the possible relationship between the third party and the actor or victim. Research (eg. Gregoire & Fisher, 2006; Skarlicki & Kulik, 2005) has suggested that judgements may be impacted
by the strength or nature of relationship between the third-party and the company and/or the victim. Such that, the relationship a consumer has with either the organisation or the victim, may lead to higher or lower levels of attributions of responsibility. It also does not consider other characteristics of the third-party such as age, gender or level of education.

As the model was developed for an organisational context, the construct of ‘belief in disciplinary system’ does not appear to be relevant to the consumer as third-party context in the same manner. O’Reilly and Aquino (2011, p. 537) argue that when third parties believe that the ‘organisation has mechanisms in place to respond to injustice and that these mechanisms are implemented fairly and consistently by authorities, they are likely to conclude that their own intervention is unnecessary and perhaps even counterproductive’. A consumer may actually feel that punishing the firm through complaining to a third-party institution may assist in implementing institutional justice. However, as consumers are receiving information about ethically questionable situations from second-hand sources, and the types of harm that are considered, it may indicate that the institutional justice system of the organisation was not sufficient. Although developed for an organisational context, the model provides good insights into the decision making of third-parties. Another model is that of Skarlicki and Kulik (2005) which is discussed in the next section.

### 3.2.3 Skarlicki and Kulik’s (2005) Model of Third-party Reactions to Employees (mis)treatment: A Justice Perspective

Skarlicki and Kulik (2005) developed a model that describes how third parties make fairness judgements about mistreatment, and distinguish factors that can predict whether third parties will act on their unfairness perceptions (see Figure 3.3). Although this model was proposed in an organisational context, it appears to be generally applicable to a number of other contexts. One of the weaknesses of the literature has been the limited consideration of theories and models which possibly transcend disciplines. Their model is applicable beyond the organisational context. To date, this model is yet to be empirically tested in its entirety.
The Skarlicki and Kulik (2005) model could be viewed as complex as it incorporates many variables, which may be one reason why it has not been empirically tested to date. The complexity may be illustrative of O’Reilly and Aquino’s (2011) admission that there are a multitude of variables which could be used to explain the phenomenon of third-party reactions to injustice situations. The model provides support for the use of the concepts of behaviour severity, attribution of responsibility, customer identification, perceptions of unfairness or injustice and the decision to act/behavioural intention.

Figure 3.3 Third-Party Reactions to Employees (mis)Treatment: A Justice Perspective  
Source: Skarlicki and Kulik (2005)

A criticism of the model by Skarlicki and Kulik (2005) is the inclusion of a large number of aspects for each of the moderating variables. Actor characteristics, third party characteristics, and cost-benefit analysis are each reflected by a range of aspects. Grouping them together in such a way would make it difficult to identify the influence of each of them. For instance, identification with victim and identification with organisation could be considered sufficiently different concepts from moral development and identity, and should be considered separately.
The model has the strength of following the broad stages of decision making and behaviour suggested by Rest (1986) from awareness, judgement to behaviour. However, the additional influencing factors have all been included as moderating factors. It could be questioned whether all of these influences are likely to have a moderating impact on the relationships between the main constructs, or if they may have a direct influence or relationship with the main constructs. The literature suggests that there is a good argument for direct relationships between a number of these variables, rather than a moderating relationship.

Although the model may be applicable beyond the organisational context, there are some variables which are not relevant for the context of the consumer as the third-party. For instance, the third-party’s role and training, protection against counter retaliation, and the organisation’s policies, procedures and climate. The applicability of this model to the current study is limited to the removal of the variables unrelated to the consumer context.

### 3.2.4 Summary of Prior Models

The three models outlined above provide important insights and contributions to the development of the conceptual model in this study. The models of O’Reilly and Aquino (2011) and Skarlicki and Kulik (2005) both focus on the reactions of third-parties, which is relevant to the current study. Although the model of Gregoire and Fisher (2006) focuses on the consumer as victim, it still provides important elements.

The common constructs among the three models relate to attributing responsibility, a perception of unfairness, and a behavioural outcome. The models of O’Reilly and Aquino (2011) and Skarlicki and Kulik (2005) both identify the seriousness of the outcome, severity of harm or behaviour severity. Not included in O’Reilly and Aquino’s (2011) model which is found in both Gregoire and Fisher’s (2006) and Skarlicki and Kulik’s (2005) models is the relationship element between the organisation and another party. In the model of Gregoire and Fisher (2006) the relationship is considered between the consumer as victim and the firm as transgressor, however, Skarlicki and Kulik (2005) consider the relationship between a third-party and the transgressing firm.
A difficulty in testing the O’Reilly and Aquino (2011) and Skarlicki and Kulik (2005) models is the existence of a recursive relationship. O’Reilly and Aquino (2011) consider that moral anger influences justice cognitions, and in return, justice cognitions influence moral anger. Skarlicki and Kulik (2005) propose that perceptions of unfairness influence decisions to act, but those decisions to act influence future perceptions of unfairness. Whilst these relationships have been explained conceptually by the researchers, they make problematic testing of the models.

Highlighted in the literature was the presence of behaviour severity, attributions of blame or responsibility, and deservingness or a perception of injustice. O’Reilly and Aquino (2011) group together severity of harm, deservingness and blame attribution, under the construct of justice cognitions. However, Skarlicki and Kulik (2005) separate behaviour severity, attribution of responsibility and perceptions of unfairness as independent constructs which influence one another. Based on the literature review in Chapter 2, this study supports the conceptualisation of Skarlicki and Kulik (2005) and identifies harm, attribution of responsibility and perceptions of injustice individually, but influencing one another. The development of the conceptual model and hypotheses is discussed in the following section, Section 3.3.

3.3 Hypothesis Development

The basic underlying structure of the proposed model in this study was conceptualised on critical concepts highlighted throughout the literature. In the following section we discuss the literature motivating the variables which comprise the conceptual model. The model draws on previously discussed models and literature, to develop hypotheses between the constructs. The constructs included in the model and discussed in the following sections are: magnitude of consequences, attribution of responsibility, perceived injustice, consumer-company identification, identification with victim, consumer involvement in issue, and behavioural intention to punish.
3.3.1 Dimensions of Magnitude of Consequences in Third-Party Punishing Situations

Magnitude of consequences is conceptualised as the ‘sum of harms (or benefits) done to victims (or beneficiaries) of the moral act in question’ (Jones, 1991). Harms can be characterised in a number of ways, and Collins (1989) was one of the first to outline a typology of harm proposing that harmful transactions are a function of three variables: (1) the nature of the harm, (2) the nature of the harmed, and (3) the stage at which harm occurs. Focussing specifically on the nature of harm, that is, the kind or type of harm, Collins (1989) proposed that it has a critical influence upon ethical decision making.

The type of harm involved in a situation is based on distinctions embodied in legal theory. Collins (1989) and Weber (1996) have provided comprehensive summaries of the nature of harm based on existing legal theory, specifically tort law. Focussing on assigning cash values to incidents and compensating victims, tort law provides a means to assess the severity of harm and its impact on victims. As displayed in Figure 3.4 and adapted from Stein and Ahmad (2009), harms can be classified as being physical, economic or psychological.

Physical harms encompass death, dismemberment or loss of limb or physical function, and all forms of physical injuries. Economic harms can include tangible outcomes or harms such as property damage as well as intangible or estimated factors such as diminished future earning power, such as through reputational damage. Psychological harms include mental distress, anxiety, loss of sleep, depression, and a range of other mental conditions that may interrupt ‘normal’ life (Ingram, Skinner & Taylor, 2005; Stein & Ahmad, 2009). These three categories are deemed to account for all incidents of harm or negative outcomes suffered by victims.
Figure 3.4 Types of Harm
Adapted from Stein and Ahmad (2009)

According to Collins (1989, p. 4), ‘... physical harms are the most serious and receive the highest condemnation from the justice system, followed by economic harms and psychological harms’. Physical harms are the easiest to recognise and to assign compensation to victims. It is easy to recognise death or loss of limbs and so on. Therefore, as more serious physical harms can be recognised by individuals, they will evoke higher levels of moral reasoning and judgement. Weber (1996) tested and found support for this proposition. Economic harms can be recognised and quantified with some degree of confidence as well, although the compensation received tends to be lower. Psychological harms are the most difficult to assess given their subjective nature and compensation tends to show high variance (Stein & Ahmad, 2009). Although the three categories are broad, they are independent of each other and provide a means to operationally define the notion of consequences.

As suggested by Ingram, Skinner and Taylor (2005), this study seeks to identify whether the level of harm or the type of harm has different influences on consumers’ perceptions and judgements. Based on this theoretical reasoning drawn from the literature, the following hypotheses are proposed:

**H1a:** Physical harms will be considered more serious than economic harms.
3.3.2 Relationships between Magnitude of Consequences, Attribution of Responsibility and Perceived Injustice

3.3.2.1 The Antecedent Role of Magnitude of Consequences with Attribution of Responsibility

As discussed in Section 2.6, individuals often seek to make judgements about the causes of events, and attribute responsibility for negative outcomes. Attributing responsibility is often a complicated process, especially when a situation is likely to be caused by a number of factors or actors (Lagnado & Channon, 2008). Central to attributing responsibility is determining the extent to which an actor intentionally or personally caused an effect, and the extent to which it was caused by environmental forces or pressures (Hamilton, 1978; Heider, 1958).

Consumers often make judgements about the responsibility of organisations in ethically questionable situations. These judgements become further complicated as the consumer as a third-party, is often making judgements based on second or third hand information. Most consumers learn about the behaviours of organisations from the media (Gailey & Falk, 2008), and are potentially biased by the information presented. Furthermore, assessing responsibility of an organisation becomes even more complex as it may encompass complex hierarchical organisations (Sanders & Hamilton, 1997), and may involve a number of actors or parties. One reason for this increase in complexity is that responsibility may be attached to the organisation itself, as well as to the people who act as agents on the organisation’s behalf (Gailey & Lee, 2005, p. 348). Otherwise, an organisation may be considered responsible by association. Overall it seems that individuals hold organisations to higher standards than they do individuals (Hans & Ermann, 1989). The most probable reason for this is that people believe organisations possess greater foresight and therefore are more reckless when they do cause harm.

An early literature review by Vidmar and Crinklaw (1974) on attribution of responsibility found that most of the research at that time was guided by the
‘defensive attribution hypothesis’, which originally was formulated by Walster (1966) and labelled by Shaver (1970). Based on this hypothesis, observers will seek to attribute more responsibility to an involved party in the case of a serious accident or outcome. Responsibility could be attributed to either the victim or the actor. This is done to allow the observer to protect themselves psychologically from accepting that it could happen to them. Fiske and Taylor (1991) provide a clear description of the impact of the perceived severity of outcomes on attributions of responsibility. ‘As the consequences of an action become more severe, they become more unpleasant, and the notion that they might be accidental becomes less tolerable. The fear that the same thing might involve the self becomes a realistic probability. Seeing the actions as avoidable and blaming a person for their occurrence makes the actions more predictable and hence avoidable by the self” (Fiske & Taylor, 1991, p. 85).

The link between magnitude of consequences and attribution of responsibility has generally been supported throughout the literature. Seminal work by Walster (1966) found that participants assigned more responsibility to the actor when there was a severe outcome compared to a less severe outcome. In line with the assertion of Fisk and Taylor (1991), Tennen and Affleck (1990) consider that there is greater need to explain events through attributing responsibility when there are more threatening or unusual outcomes. This relationship is further supported by researchers who assert that as situations involving low harm are said to occur more often than situations resulting in high levels of harm, observers of a situation are less likely to associate low severity outcomes with specific individuals. However, people attribute greater responsibility for the outcome of a negative event when the outcome is more severe compared to when the outcome is minor. That is, the observer is considered more likely to associate the situation and outcome with the specific characteristics and behaviour of the actor (DeJoy & Klippel, 1984; Robbennolt, 2000)

In the organisational context it has been proposed that organisational behaviours resulting in a physical harm receive greater condemnation than business behaviours that result in psychological harms, given the previous discussion that physical harms are considered to be more serious than psychological harms. That is, greater responsibility will be attributed to an organisation for physical harms
such as employee death or injury, than for a psychological harm such as employee depression (Collins, 1989). Based on this discussion, the following hypothesis is proposed:

\[ H2: \text{The higher the magnitude of consequences, the higher the perception of attribution of responsibility to the firm.} \]

3.3.2.2 The Antecedent Role Magnitude of Consequences with Perceived Injustice

Perceived injustice was introduced in Section 2.5, and is a construct used to explain how individuals make judgements about situations and come to a point of considering punishing behaviours. Mikula (1993) conceptualised the judgement of injustice as being composed of multiple elements: (1) the observation that somebody’s entitlement has been violated; (2) the attribution of responsibility for the violation to an actor who is not the victim; and (3) perceived lack of sufficient justification for the violation of entitlement.

Ingram, Skinner and Taylor (2005) sought to test the relationship between perceived magnitude of harm and perceived fairness, and found that higher levels of perceived magnitude of harm resulted in lower levels of perceived fairness. The greater degree of harm third parties perceive, the more likely they will judge the situation as an act of injustice and the more motivated they will be to respond (Bradfield & Aquino, 1999; O’Reilly & Aquino, 2011).

O’Reilly and Aquino (2011, p. 533) contend that a third party will arrive at a reasoned judgement that an injustice has occurred if they perceive that ‘(1) severe harm occurred, (2) the perpetrator was responsible for this harm, and (3) the victim did not deserve the harm’. The findings of Ingram, Skinner and Taylor (2005) regarding the impact of magnitude of harm on perceived fairness supports this argument that higher levels of perceived harm will result in a higher level of perceived injustice.

\[ H3: \text{The higher the magnitude of consequences, the higher the perception of injustice.} \]
3.3.2.3 The Antecedent Role of Attribution of Responsibility with Perceived Injustice

Montada (1991, p. 14) argued that ‘the very concept of justice implies that some agent or agency is responsible for experienced losses and hardships. The experience of injustice is associated with resentment toward an agent who’s freely chosen actions or omissions lead to ‘unjust’ consequences’. Folger and Cropanzano (1998; 2001) supported this view when they described fairness as identifying and holding someone accountable for effects on another’s physical, material or psychological wellbeing. Furthermore, in contending that a third party will arrive at a reasoned judgement of injustice when a perpetrator is responsible for harm, O’Reilly and Aquino (2001), also identify this connection between attributing responsibility and justice perceptions.

In an ethically questionable situation third parties will assess whether the perpetrator should be responsible for his or her actions (Gailey & Falk, 2008; Shaver, 1985). If third parties believe that a perpetrator could have acted differently toward the victim and in a way that would not have caused harm, they are likely to assign greater responsibility to the perpetrator for causing the harm.

As discussed in Chapter 2, this study views attributing responsibility as a multi-item construct consisting of causality, knowledge, intentionality and moral wrongfulness (Gailey & Falk, 2008; Shaver, 1985). Based on theories of justice, an intentional act of ethical wrongfulness can increase the perceived severity of the outcome. That is, when a third party attributes responsibility to an actor, it can demonstrate a sense of contempt for the victim and represent a blatant disregard for the values of society (Lerner & Miller, 1978; Solomon & Murphy, 1990).

When an organisation intentionally causes a negative or harmful outcome, they are attributed a higher level of responsibility, which in turn influences the level of perceived injustice in the situation. However, when a negative outcome is considered to be caused by outside or environmental factors, it will be considered less of an injustice.

**H4:** The higher the attribution of responsibility to the firm, the higher the perception of injustice.
3.3.3 Relationships between Consumer-Company Identification, Identification with Victim, and Attribution of Responsibility

3.3.3.1 The Antecedent Role of Consumer-Company Identification with Attribution of Responsibility

Attributions consumers make about an organisation’s responsibility for negative outcomes is expected to be influenced by the strength of the relationship between the consumer and organisation (Ingram, Skinner & Taylor, 2005). As discussed in Section 2.7, individuals can feel a sense of connectedness to an organisation (Mael & Ashforth, 1992), and define themselves by the same attributes they believe define the organisation. Customer commitment (Ingram, Skinner & Taylor, 2005; Kelley & Davis, 1994), relationship quality (Gregoire & Fisher, 2006, 2008), and consumer-company identification (Bhattacharya & Sen, 2003), are similar constructs which have been used by researchers to describe the relationship and sense of connectedness felt between a consumer and organisation.

At the heart of these relationships between the consumer and organisation is the sense of commitment and shared values, which lend themselves to ongoing interaction. The consumer feels that they can define themselves by the perceived sharing of values with the organisation (Ingram, Skinner & Taylor, 2005). Further to this is a desire to maintain the relationship into the future (Gregoire & Fisher, 2006). Consumer-company identification which is used in this study incorporates the extent to which aspects of an organisation’s identity overlaps with consumers’ identities (Bhattacharya & Sen, 2003).

As a consumer ascribing to high levels of consumer-company identification wishes to maintain their relationship with an organisation, as a means of preserving the organisation as a source of positive identity and self-esteem (Einwiller et al., 2006; Gregoire & Fisher, 2008; Ingram, Skinner & Taylor, 2005), the existence of negative information may have varying effects. Such that when strongly identified consumers’ positive beliefs about an organisation are challenged by negative information, they are likely to try to preserve their beliefs.
and maintain the positive association with the organisation (Bhattacharya & Sen, 2003; Dawar & Pillutla, 2000; Einwiller et al., 2006). In these situations the consumer is likely to dismiss or downplay the negative information as much as possible (Ahluwalia, Burnkrant & Unnava, 2000), or judge them less harshly.

Gregoire and Fisher (2006, 2008) proposed another element to this dynamic which they termed the ‘when love becomes hate’. This describes situations whereby the consumer’s strong relationship with the firm will turn negative in the instance of particularly negative information. They proposed that there is a point when a consumer will say enough is enough, and will turn from defending the firm to feeling negatively towards them. Gregoire and Fisher (2008) found in the service context, that consumers felt betrayed as the negative behaviours of the organisation violated the norms of their relationship.

This effect was proposed and found in other studies, whereby there came a point at which consumer-company identification was unable to protect or buffer an organisation from negative information. In situations where the information is extremely negative, a consumer is unable to maintain their positive view of the organisation (Ahluwalia, Burnkrant & Unnava, 2000; Bhattacharya & Sen, 2003; Einwiller et al., 2006; Gregoire & Fisher, 2006).

In comparison, weakly identified consumers who do not see a company as important to their senses of self and whose beliefs about the company are not as strongly self-defining, should be guided by the motivation to form accurate judgements. In this situation the weight given to negative information is enhanced (Ahluwalia, 2002), especially as the information they receive is from sources such as the media.

As previously mentioned, one of the complexities of attributing responsibility in ethically questionable situations is the existence of a number of involved parties and potential actors. Recent research has indicated that customers with higher commitment levels engage in biased processing of information such that they counter argue negative information (Ahluwalia, Burnkrant & Unnava 2000). Therefore, in situations of ambiguity the highly identified consumers will discount negative information (Dawar & Pillutla 2000). However, in situations where it is
clear who is responsible, the consumer may not be able to refute negative information.

Based on the discussion of section 3.3.3.1, it is argued that the relationship between consumer-company identification and attribution of responsibility can be either positive or negative.

\[ H5a: \text{Consumer-company identification will significantly impact attribution of responsibility to the firm.} \]

### 3.3.3.2 The Antecedent Role of Identification with Victim with Attribution of Responsibility

It has been argued that a third party may identify with a victim of mistreatment because of affect (e.g. liking the victim), personal similarities (e.g. similar traits or experiences), and group similarities (e.g. similar work roles) (Brockner & Greenberg, 1990). Research on defensive attribution (Burger & Rodman, 1983) has found that individuals tend to make more positive trait judgements about people who are highly similar vs. dissimilar to themselves. Perceptions that the victim possesses similar attributes to the third-party can arouse self-concern, particularly when similar attributes are thought to have played a role in the mistreatment. As a general rule, the greater the similarity between the victim and the third party, the more the third party will identify with the victim, and the more the third party will attribute responsibility for the mistreatment to the organisation or its agents (Skarlicki & Kulik, 2005).

\[ H6a: \text{The higher the identification with the victim, the higher the perception of attribution of responsibility to the firm.} \]

### 3.3.4 Relationships between Consumer-Company Identification, Identification with Victim, Perceived Injustice, Consumer Involvement in Issues and Behavioural Intention to Punish

As discussed in Section 2.4.2, punishing behaviours can take many forms. They can include boycotts, lobbying, negative word-of-mouth, vandalism, stealing, personal attacks, computer mediated communication with the firm or other current
or prospective consumers, complaining to third parties, and so on (Goldsmith, 2006; Hennig-Thurau et al., 2004; Huefner & Hunt, 2000; Lerner & Lerner, 1981; Nebenzahl, Jaffe & Kavak, 2001; O’Reilly & Aquino, 2011). Some academics have characterised punishing behaviours as being either direct or indirect. Direct punishment refers to actions taken by a third party to personally and visibly respond to the perpetrator, whereas indirect punishment occurs when a third party either covertly attempts to punish the perpetrator or tries to influence others with power to exact punishment (O’Reilly & Aquino, 2011). Gregoire and Fisher (2006) characterise the most common consumer behaviours as patronage reduction, negative word-of-mouth and third-party complaining. As can be seen, the punishing behaviours available to consumers are wide-ranging.

3.3.4.1 The Antecedent Role of Consumer-Company Identification with Behavioural Intention to Punish

Consumer-company identification is considered to impact not only attributions of responsibility, but also behavioural intentions to punish. Just as identification can insulate an organisation from negative information regarding responsibility, it is possible that it can insulate an organisation from punishment. In order to maintain the relationship with the organisation, the consumer may choose not to punish.

In contrast, following the logic of Gregoire and Fisher (2008) whereby a high relationship quality customer may feel more betrayed by an organisation’s negative behaviours, this greater sense of betrayal leads them to retaliate to a greater extent. Therefore, depending on the situation, consumer-company identification may actually protect the organisation from punishment, or result in the consumer punishing to a greater degree. A study by Brockner, Tyler and Cooper-Schneider (1992), similarly found that in the case of worker lay-offs, survivors of the lay-off who were previously highly committed to the firm, had more negative reactions when they viewed the situation as unfair. This study argues that the influence of consumer-company identification on behavioural intention to punish can be either positive or negative. These arguments lead to the following hypothesis:

\[ H5b: \text{Consumer-company identification will significantly impact behavioural intention to punish the firm.} \]
3.3.4.2 The Antecedent Role of Identification with Victim with Behavioural Intention to Punish

The degree to which a third-party observer identifies with the victim in a situation, is proposed to influence the likelihood of the third-party engaging in punishing behaviours. Perceptions that the victim possesses similar attributes to the third-party can arouse self-concern, particularly when similar attributes are thought to have played a role in the mistreatment. From the perspective of social identity, the third-party may feel a sense of affection for the victim (Brockner & Greenberg, 1990) and be motivated to punish on behalf of the victim. In contrast, if the third-party does not feel a sense of identification with the victim, they will not be likely to expend their own resources to punish the firm.

H6b: The higher the identification with the victim, the higher the behavioural intention to punish the firm.

3.3.4.3 The Antecedent Role of Perceived Injustice with Behavioural Intention to Punish

It is apparent that many different types of responses to injustice are possible, both behavioural and psychological. This has been acknowledged by justice theorists ranging from Adams (1965) to more recent researchers (e.g. Greenberg, 2001; O’Reilly & Aquino, 2011; Tyler et al., 1997). However, it still remains unclear which particular behavioural expressions of injustice will manifest and when they will do so. For example, although Tyler et al. (1997) described some of the conditions under which people will respond individually (e.g. by showing personal vengeance) or collectively (e.g. by engaging in riots), it remains difficult to predict exactly what form a response might take (Greenberg, 2001).

The perceptual and social nature of injustice makes it difficult to predict exactly how and when people will respond to apparent injustices. Responses to injustice are difficult to predict as many of these responses are done individually and in private. It is possible that an individual will do nothing regarding a perceived injustice. This may be because the costs of responding are believed to be too high, especially in the case of third-party observers. Inaction also may occur because the individual has worked out the injustice by distorting the facts
cognitively or by forgiving the source of the injustice for inflicting harm. Assuming that consumers as third-party observers even recognise injustices their willingness to take action and punish the organisation may be overshadowed by other concerns.

When an individual observes an injustice they are considered often to feel the intuitive-affective impulse to punish the offender (Carlsmitl & Darley, 2008; Feather, 1999; Vidmar, 2000). Even if they are aware that punishment will be costly (Fehr & Fischbacher, 2004; Fehr & Gachter, 2002) and has limited ability to prevent future offenses (Tyler, 2006), they may still feel the need to punish the offender (Carlsmitl, Darley & Robinson, 2002). As observers, seeing the offender get their ‘just deserts’ is considered to be psychologically satisfying. It facilitates the psychological need to symbolically reassert the rules of society (Vidmar, 2000), standards that are important for defining social bonds, maintaining a just world view, and reducing subjective uncertainty (Okimoto & Wenzel, 2011).

In an organisational context, O’Reilly & Aquino (2011, p. 537) suggest that third-party attempts to punish perpetrators can be conceptualised as a form of vigilante behaviour if the third parties decide to take the matter of achieving justice into their own hands rather than waiting on formal mechanisms to do so. Similarly, altruistic punishment refers to the theory that humans invest their own resources to redress norm violations without self-interest involved (Lotz et al., 2011).

This study proposes that even as a third-party observer, a consumer is likely to want to punish an organisation for an injustice against another stakeholder. Despite the disconnect between the consumer and the harmful consequences, the seemingly natural desire to restore justice will intercede. Such that, when the perceived injustice in a situation is high, the consumer will have a higher willingness or desire to punish the organisation.

\textit{H7: The higher the perception of injustice, the higher the behavioural intention to punish the firm.}
3.3.4.4 The Antecedent Role of Consumer Involvement in Issue with Behavioural Intention to Punish

Research has suggested that consumers will care more about some issues than others (Auger, Devinney & Louviere, 2010; Golob, Lah & Jancic, 2008). According to Uusitalo and Oksanen (2004), consumers may find it difficult to take a number of ethical concerns into consideration simultaneously and therefore become selective in the ethical judgements that they oppose. This was also found in the study by Auger, Devinney and Louviere (2010), where consumers placed different levels of importance on different social attributes. For instance, an individual who values environmental issues does not necessarily value labour issues and vice versa.

Involvement in the social issue is considered an antecedent to a consumer’s behavioural intention to punish a firm. As the consumer is a third-party observer, they are expending their own resources to punish the organisation. Involvement is defined as an individual’s predisposition to pay attention to and communicate about certain social issues. In psychological terms, involvement represents the degree to which an issue is relevant to an individual (Petty & Cacioppo, 1990). Highly involved individuals feel more connected to specific social issues and are more motivated to seek out information about specific issues and even take action with regards to those issues (Golob, Lah & Jancic, 2008).

This study proposes that a consumer that feels highly involved in a social issue will seek to punish the organisation for engaging in ethically questionable behaviours resulting in negative outcomes. A consumer that is not involved in an issue is not likely to use their own resources to punish the firm.

*H8: The higher the consumer involvement in the issue, the higher the behavioural intention to punish.*
3.4 The Conceptual Model

This section presents the conceptual model of this study and a summary of all the hypotheses proposed. The conceptual model proposed, as shown in Figure 3.5, builds on literature relating to third-party judgements of injustice resulting in punishment behaviours by consumers. The stages of decision making and behaviours in the proposed model loosely align with the stages of ethical decision making identified by Rest (1986), as discussed in Chapter 2. Rest’s (1986) four-step model considers that an individual will move through the stages of awareness, judgement, intent and behaviour, when faced with an ethical decision. The stages of proposed model loosely align with Rest’s (1986), as the consumer will first recognise an ethical issue, make a judgement of responsibility and injustice, decide whether to attempt to restore justice (intent), and then behave through punishment or inaction.

![Conceptual Model Diagram]

**Figure 3.5 Conceptual Model**

The model developed for this study includes a number of new aspects which are particular to this study of consumers as third-party observers. The first is the inclusion of the three types of harm (physical, economic and psychological) and their impact on magnitude of consequences. The next is the consideration of attribution of responsibility as a multidimensional construct. Another difference
from previous literature is the relationship identified not only between magnitude of consequences and attribution of responsibility, but also between magnitude of consequences and perceived injustice. Unlike the other models, this model further argues that consumer-company identification and identification with victim, impact on both attribution of responsibility and also punishing behavioural intention. An additional new relationship considered in this model is that between consumer involvement in issue and punishing behavioural intention. While drawing on previous models, this model identifies and seeks to test a number of distinct relationships between the constructs. The hypotheses developed in this study are informed by existing literature, and are summarised below.

3.4.1 Summary of Hypotheses

H1a: Physical harms will be considered more serious than economic harms.
H1b: Economic harms will be considered more serious than psychological harms.
H2: The higher the magnitude of consequences, the higher the perception of attribution of responsibility to the firm.
H3: The higher the magnitude of consequences, the higher the perception of injustice.
H4: The higher the perception of attribution of responsibility to the firm, the higher the perception of injustice.
H5a: Consumer-company identification will significantly impact attribution of responsibility to the firm.
H5b: Consumer-company identification will significantly impact behavioural intention to punish the firm.
H6a: The higher the identification with the victim, the higher the perception of attribution of responsibility to the firm.
H6b: The higher the identification with the victim, the higher the behavioural intention to punish the firm.
H7: The higher the perception of injustice, the higher the behavioural intention to punish the firm.
H8: The higher the consumer involvement in the issue, the higher the behavioural intention to punish the firm.
3.5 Summary and Conclusion

Based on the themes of ethical consumerism and punishment highlighted and discussed throughout the literature review, the research model was presented, and forms the basis for this study. Previous research has uncovered many important considerations and aspects of consumer behaviour. However, the conditions under which consumers are likely to punish, and how they are willing to punish, are unclear.

Examining the previous models of Gregoire and Fisher (2006), O’Reilly and Aquino (2011) and Skarlicki and Kulik (2005) provided support for the process beginning with ethical issue recognition, attribution of responsibility, justice judgements and ending with behavioural intentions. This chapter then discussed the relationships between the constructs of focus in this study and considered the influence of type of harm and magnitude of consequences, attributions of responsibility, perceived injustice, consumer-company identification, identification with victim, and consumer involvement in issue on punishment behavioural intentions.

Building on the discussions in Chapter 2 concerning the constructs, Chapter 3 has provided reasoning for the proposed theoretical model, showing the relationships between the constructs. From this proposed model, 11 hypotheses have been generated. Chapter 4 presents the discussion of methodologies used to empirically test the model and the associated hypotheses. In order to empirically test the conceptual model developed in Chapter 3, the details of the positivist research method involving a survey with scenarios are outlined in the next chapter.
CHAPTER 4 – RESEARCH METHODOLOGY AND DATA PREPARATION

4.1 Introduction

The previous chapters identified the research problems and undertook an extensive review of the current literature and theoretical frameworks. The methodology employed for testing the model and hypotheses proposed in Chapter 3 is presented in this chapter. This chapter adopts the following sequence, providing a discussion of the research design, treatment of variables, details of the sampling method, data collection and data analysis methods. This chapter concludes by highlighting the relevant ethical considerations of undertaking the research study.

Bickman, Rog and Hedrick (1998) suggest that all social science research activities fit into one of four stages. In the first stage the researcher must begin to understand the central problem and begin to identify and refine the research question. In the second stage, the researcher must choose a research design in an attempt to answer that question. Stage three involves the implementation of the research design. Stage four involves analysing and reporting findings. The purpose of this chapter is to explain the general methods and specific steps used in stages two and three of the research process.

In summary, the study employed a positivist quantitative approach to test the research hypotheses and answer the research question. A self-administered questionnaire was developed and distributed to a sample of consumers aged over 18 years. Respondents were asked to respond with their judgements of two provided scenarios from a pool of eight scenarios, which were developed by the researcher and contained different types of harm. The measures used in the study were developed from those found in the prevailing literature. A pilot-study was conducted to refine question and scenario wording, and questionnaire design after the initial draft had been constructed in consultation with a panel of experts. The final survey was administered online over a seven day period.
Structural Equation Modelling (SEM) was employed to analyse the data. Once data was inputted into SPSS, it was cleaned and prepared before analysis. This chapter further explains this research method, first beginning with a philosophical discussion of the methodology.

4.2 Research Philosophy

A paradigm can be broadly described as a system of beliefs concerning the nature of knowledge (Neuman, 2003), or ‘… a basic orientation to theory and research’ (Neuman, 2003, p. 70). As suggested by Kuhn (1979, p. 16), ‘no natural history can be interpreted in the absence of at least some implicit body of intertwined theoretical and methodological belief that permits selection, evaluation, and criticism’.

A paradigm enables the researcher to determine what problems should be explored and what methods are appropriate (Bryman, 1988; Deshpande, 1983). Each research paradigm is underpinned by a number of assumptions held by the researcher. These assumptions are the ontological and epistemological assumptions which relate to the nature of reality and knowledge (Burrell & Morgan, 1979). These ontological and epistemological positions then determine research design and execution (Burrell & Morgan, 1979; Denzin & Lincoln, 2003).

Ontology is concerned with the nature of the reality and the nature of the human being in the world (Burrell & Morgan, 1979; Denzin & Lincoln, 2003; Guba, 1990). The ontological assumption made in a study reflects a position on whether the reality under investigation is external to the individual or whether the reality is the product of the individual’s consciousness (Bryman, 2004).

Epistemology or ‘the theory of knowledge’ (Harré, 1985) raises questions about the relationship between the inquirer and the known, and asks how the individual understands the world and then communicates this knowledge to others. The epistemological assumption concerns whether knowledge can be acquired or whether knowledge has to be personally experienced (Burrell & Morgan, 1979; Denzin & Lincoln, 2003).
Within social sciences there has been a variety of accepted paradigms. Carson, Gilmore, Perry and Gronhaug (2001), Neuman (2003) and Cavana, Delahaye and Sekaran (2001) identify three paradigms (positivist research, interpretivist research, and critical research). Cameron and Price (2009) acknowledge four paradigms (positivism, realism, pragmatism, and constructionism). Each paradigm has different traditions and therefore implications for research design (Cameron & Price, 2009; Cavana et al., 2001).

As previously noted, the research paradigm enables the researcher to determine what problems should be explored and what methods are appropriate for addressing those problems. The two broad research approaches relevant to marketing research are positivism and interpretivism (Carson et al., 2001; Cavana et al., 2001; Neuman, 2006). Positivism is generally accepted to be an ‘organised method for combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity’ (Neuman, 2006, p. 82). The positivist perspective relies on an objective reality and the detachment of the researcher. Methodologies that align with positivism are quantitative, and include surveys, experiments and statistics. The main focus of positivist research is using a deductive approach to testing a theory that has been developed based on reviewing existing theory or research (Bryman, 2004). The theory then undergoes empirical measurement and evaluation. While positivism seeks to verify hypotheses, the more recently evolved perspective of post-positivism seeks to falsify hypotheses (Guba & Lincoln, 1998).

In contrast, interpretivism is an epistemological approach that focuses on understanding human behaviour by observation. This approach takes into account ‘multiple realities’ (Carson et al., 2001, p. 5), including the perspectives of different participants, the involvement of the researcher and the context in which the behaviour of interest occurs. Interpretivist researchers generally prefer qualitative methods such as observation in field research (Bryman, 2004). This type of research primarily focuses on an inductive approach by building a theory based on seeking out and understanding a phenomenon (Bryman, 2004).
It has been suggested that the two paradigms of positivism and interpretivism, represent two ends of a continuum of a range of philosophies. It has been emphasised that one perspective is not necessarily better than another is, but rather are different ways of ‘… telling a story about society or the social world…’ (Denzin & Lincoln, 1998, p. 10).

The current research study tends towards the positivist approach. The aim is to test a number of hypotheses that have been deduced from existing theory and research. Since this research investigates the impact of type of harm, magnitude of harm, and attribution of responsibility on punishment intention, an objective measurement of the impact is required. Given the desire for measurement and comparison of results, quantitative methods are employed in this study.

Interpretivism was not considered as an appropriate foundation for this study as it is incongruent with the researcher’s view on the basis of the acquisition of knowledge. This study seeks to test theory and generalise the results to the broader population. Using existing theories to generate hypotheses and develop a structured research study, in which the researcher is objective and external to the study. An interpretivist stance is incongruent with these aims, as it emphasises the building of theory through relatively unstructured research, in which the researcher is also involved in the study, and draws on personal evaluations in understanding and creating meaning. Therefore, a positivist stance provides the basis of this study. Details of the research approach adopted to undertake the study are appraised in the following sections.

4.3 Research Approach

Prior to discussing the details of the method applied to this research, it is necessary to consider the fundamental purpose of the research as well as the research approach appropriate to the study. Choosing the research approach is important as it effects how the data will be obtained. The primary goal of social research falls in one of three categories: exploration, description or explanation (Babbie, 2004; Neuman, 2003). Exploratory research is generally undertaken to develop a greater understanding of a particular issue of which little is known.
about. The focus is not to search for answers, but to gain a greater understanding so that more precise research questions can be formulated. More specifically, the exploratory research method is usually adopted for the following purposes: to formulate or define problems, identify alternatives, develop hypotheses, gain insight for developing an approach to the problem and establish priorities for future research (Malhotra et al., 2008). Exploratory research is flexible in nature and allows exploration of all available information, rather than following a structured path (Babbie, 2004). This form of research tends to use qualitative techniques in data collection.

Descriptive research commonly begins with a more focused issue than exploratory research. It is characterised by a clear statement of the problem, specific hypotheses, and detailed information needs (Malhotra et al., 2008). The research attempts to develop a detailed description of a particular phenomenon in order to generate a clearer understanding, also allowing for classification or categorisation. The ‘how’ and ‘who’ of the investigation tends to be more important than the ‘why’ (Neuman, 2003). Descriptive research is usually adopted for the following purposes: to describe characteristics of relevant groups, to estimate the number of cases in a specified population exhibiting certain behaviours, to determine perceptions, and to make specific predictions (Malhotra et al., 2008). Descriptive researchers may use a range of techniques in gathering data, including both qualitative and quantitative methods.

Explanatory, or causal research, on the other hand, tends to build on both exploratory and descriptive research and searches for the explanation, the ‘why’. Explanatory research looks for the cause or the reason a phenomenon occurs. The depth of investigation goes further than gaining a description of the phenomenon (Neuman, 2003). It is used to obtain evidence of cause-and-effect relationships, and is appropriate for the following purposes, as identified by Malhotra et al. (2008): to understand which variables are the causes and which variables are the effects of a phenomenon, and to determine the nature of the relationship between the causal variables and the effect to be predicted. This type of research requires the use of causal designs in which the causal or independent variables are manipulated, typically through experimentation.
The selection of a research approach depends on the research question (Churchill & Iacobucci, 2002). An exploratory research approach should be chosen when little is known and an in-depth clarification of the business phenomena is necessary. Descriptive research should be undertaken when the research question requires description of the phenomena. Finally, causal or explanatory research is appropriate when the research question involves causality between constructs to be researched. As has been discussed in Chapter 3 regarding the conceptual model and proposed hypotheses, this thesis examines the causal relationships among the constructs (ethical issue recognition, magnitude of consequences, attribution of responsibility, consumer-company identification, identification with victim, perceived injustice, consumer involvement in issue, and behavioural intention). Therefore, a causal research approach is an appropriate design for this study.

4.3.1 Research Design

The research design for this study was an important consideration. The design lays out the framework or blueprint for conducting the research, providing the appropriate procedures for answering the research questions and guiding the collection and analysis of the data (Churchill, 1995). The choice of research design reflects the type of research question and the researcher’s scientific philosophy (Nunnaly & Bernstein, 1994). As previously indicated, this research study tests hypotheses to investigate the causal relationship between the independent and dependent variables.

There is support in the research methods literature for the usefulness of combining both qualitative and quantitative research (Bergman, 2008). In particular, Bryman (1988) advocates that qualitative research can provide a strength for quantitative research by being a source of hypotheses, in the construction of scales or in the analysis of data. In addition, Deshpande (1983) suggests that qualitative fieldwork can assist quantitative surveys in the area of survey design, data collection and analysis. The concept of using more than ‘… one method of investigation, and therefore more than on type of data…’ is referred to as triangulation (Bryman, 1988, p. 131). The approach of triangulation has been encouraged in the literature as it provides a more thorough investigation of the research question. As Neuman
(2003, p. 139) states, ‘… the two methods or styles have complementary strengths… a study using both is fuller and more comprehensive’.

As previously discussed, the primary focus of this study is an explanatory study which therefore utilises quantitative methods of research. Quantitative research uses structured questions with predetermined responses for a large number of respondents to quantify the response to a particular research problem (Burns & Bush, 2003). This research quantifies consumer response to unethical firm behaviour as indicated by perceived injustice, attribution of responsibility and willingness to punish. This study utilises scenarios implemented through a survey, to collect the data. However, qualitative methods are integrated into the research in the form of a pilot test of the questionnaire to assist with elements of the research design.

This study seeks to examine the causal relationships between the constructs detailed in the conceptual model. Some consider that establishing a causal relationship is best achieved through the use of an experimental design (Hoyle et al., 2002; Tabachnick & Fidell, 2007). Three conditions or criteria for establishing causality should be met, and these are thought to be best met through experimental designs; that is, appropriate timing, association and no alternative explanations (Neuman, 2003; Patzer, 1996). Appropriate timing, or temporal order, refers to the requirement that the cause must come before the effect. The researcher in a typical experimental design can successfully manipulate this timing. Association refers to there being a relationship between two variables in that they ‘… occur together in a patterned way…’ (Neuman, 2003, p. 56). Finally, using experimental designs and subsequent data analysis techniques may assist in controlling the elimination of alternative explanations.

Cross-sectional research, such as this study, has been considered to be incapable of producing causal insights (Rindfleisch, Malter, Ganesan & Moorman, 2008). This study uses a cross-sectional approach to survey research as there are limitations of time and budget. However, research into causality has suggested temporal order is not necessarily enhanced by the collection of longitudinal data, and that temporal order is only one of three markers of causality (Rindfleisch et
al., 2008). The other important cues for causality include association and elimination of alternative explanation, which can be achieved through cross-sectional research. Furthermore, it is asserted that the strongest foundation for causality inference is the degree to which the results conform to theory (Einhorn & Hogarth, 1986; Goldthorpe, 2001; Granger, 1980; Marini & Singer, 1988), rather than the reliance of confirming causality through analytical techniques (Rindfleisch et al., 2008).

The use of scenarios in this cross-sectional study allows the conditions of inference of causality to be sufficiently met. The scenario content is able to be designed in a manner to eliminate alternative explanations, and to allow association between the variables. Discussion of scenario based research is outlined in the following section.

**4.3.2 Scenarios**

Research in the business and marketing ethics fields have previously employed a number of techniques to gain insights from a respondent about his or her beliefs, preferences, intentions, reasoning, judgement, or intended behaviour regarding ethical issues. Scenarios are one technique that has been frequently used by researchers. Scenarios have been used to measure ethical reasoning (Fritzsche & Becker, 1984; Weber, 1990), to assess ethical judgements or decision-making preferences (Akaah, 1989; Baumhart, 1961; Brenner & Molander, 1977; Fukukawa & Ennew, 2010; McMahon & Harvey, 2007; Ngyuen & Biderman, 2008; Stein & Ahmad, 2009), and to determine a respondent’s intention to behave in an ethical or unethical way (Laczniak & Inderrieden, 1987; Shang, Chen & Chen, 2008; Stead, Worrell, Spalding & Stead, 1987; Zinkham, Bisesi & Saxton, 1989). Business and marketing ethics research has greatly incorporated the use of scenarios (O’Fallon & Butterfield, 2005).

Scenarios, or sometimes called vignettes, are defined as ‘short descriptions of people or a social situation which contain precise references to what are thought to be the most important factors in the decision-making or judgement-making processes of respondents’ (Alexander & Becker, 1978, p. 94). Star (1955) was one of the first to use scenario based research in the social sciences, when she attempted to assess the general public’s recognition of mental disorders.
Baumhart’s (1961) study of business managers’ values and ethics was one of the earliest published uses of scenarios in business ethics research. Baumhart (1961) and his associates developed a series of scenarios containing ethical issues to draw out intended behavioural responses from corporate managers. Clark (1966) followed by constructing 17 scenarios representing ethical issues (Weber, 1992). The authors of a review of scenarios, Cavanagh and Fritzsche (1985), strongly supported the use of scenarios. They outline a number of advantages, including an important element that scenarios allow the researcher to frame the research question to incorporate complex, multi-dimensional issues reflecting decision making in the real world. In addition, scenarios can emphasise critical aspects that are of special interest to the researcher. Scenarios can be used in an experimental laboratory setting whereby multiple variables can be controlled. Cavanagh and Fritzsche (1985) also contend that construct validity is obtainable when using scenarios.

The evaluation as to the appropriate number of scenarios to be used in a study is highly dependent upon the purpose of the research and the length and content of the scenarios. Researchers should be cautious of having too few scenarios, as well as having too many. Too few scenarios could limit the ability of the researcher to manipulate important variables and could result in findings influenced by the few issues included in the scenarios presented. At the other extreme, too many scenarios could lead to information overload and fatigue for the respondent (Weber, 1992). As there is no ideal number of scenarios for each study, the research must make the judgement call as to how many should be included.

Scenario research has been criticised for presenting the respondent with a task framed by unrealistic circumstances, making a generalisation to actual decision making or behaviour difficult. A detailed methodology for developing realistic scenarios is presented by Fredrickson (1986). By emphasising realism in developing the context, problem, described actions, and terminology of the scenarios, Fredrickson argues that ‘the scenario generates interest, and therefore ‘involvement’ by the respondent’ (1986, p. 481). This ‘involvement’ of the respondent is said to enable the researcher to elicit more realistic responses as the situations are more closely aligned to real world conditions. Therefore, allowing a
degree of generalisation from scenario responses to actual decision making or behaviour.

Scenarios methods tend to utilise a few types of response options, including; Likert-scales, dichotomous (yes/no, agree/disagree) options, and multiple choice selection. Most previous studies according to Weber (1992) provided the subject with limited, closed-ended response options. Closed-ended responses have some advantages and may be appropriate in some cases. Closed-ended responses allow the researcher to collect large amounts of data without requiring respondents to give substantial amounts of time or effort. Most responses can also be easily coded and recorded for later use in data analysis. However, researchers should be aware of the potential for bias to arise as the use of closed-ended response options limits the respondents’ freedom in reacting to the scenarios (O’Fallon & Butterfield, 2005).

Although a seven-point Likert-scale response provides more freedom for the respondent than the dichotomous option, closed-ended responses generally force subjects into a ‘black-or-white’ decision or behaviour. This type of decision making is disparate to the real world, as noted by Cavanagh and Fritzscbe (1985), whereby decisions are rarely so clear. To address this, researchers may need to incorporate the possibility of multidimensional decision making and provide unrestricted response options in their research design. This would typically require the use of open-ended responses. However, open-ended responses can be difficult to code for data analysis and the researcher’s subjectivity in the coding of an open-ended response may have an undesirable influence. While closed-ended response options provide for greater ease in collecting, coding, and analysing the data, there are limitations, as there are with open-ended responses. Therefore, the researcher should consider the limitations which exist when using these types of data collection methods (Weber, 1992).

Lower response rates appear to be relatively common in business ethics research. The sensitive nature of business ethics issues may be a cause for these frequently low response rates. As business ethics research typically involves content of a sensitive nature, a critical issue which arises is the social desirability bias that may be contained in subjects’ responses. An investigation of the influence of social
desirability was conducted by Armacost, Hosseini, Morris and Rehbein (1991). These authors tested a number of response techniques and found scenarios to be less susceptible to a social desirability bias than other possible techniques, such as the use of direction or leading questions in a survey. However, the issue of social desirability has not been eliminated from business ethics research. Future researchers using scenarios should attempt to control for this factor in their data collection and report the potential for social desirability bias in their findings.

Attempts at measuring ethically questionable behaviour has been considered a difficult task, as issues exist such as social desirability bias, the relative infrequency in which unethical behaviour occurs, and the tendency of individuals to conceal information (e.g., Trevino, 1992). Despite this, scenarios remain the most widely used method of assessing constructs in business ethics research. Of the 174 studies included in a review by O’Fallon and Butterfield (2005, p. 403-404), 95 (55%) used scenarios or a variation of scenarios in their methodological approach. Most researchers justify this with a statement such as ‘scenarios are widely used in business ethics research’ or ‘several researchers have used the scenario approach successfully’. Alexander and Becker (1978, p. 103) stated that the use of scenarios ‘helps to standardize the social stimulus across respondents and at the same time makes the decision-making situation more real’. The use of scenarios also has the advantage of allowing the researcher to manipulate the variables of under investigation while controlling for environmental factors. However, as noted by Marshall and Dewe (1997), when a scenario is used, there are two implied assumptions: the situation described in the scenario actually presents an ethical dilemma for the respondent, and the context surrounding the situation is the same across all respondents.

The main way that scenarios have been used is by asking the respondent to put themselves in the position of a character portrayed in a hypothetical scenario. Participants are then asked what they would do in this particular situation. Although this method has advantages, a potential weakness is that it may be unclear whether behaviour is actually being measured, or some other construct, such as intent. To address this potential weakness, some researchers have begun using other approaches such as (1) asking respondents to think of an ethical
dilemma that they have previously encountered (Gregoire & Fisher, 2006, 2008; Marshall & Dewe, 1997); (2) asking the respondents to answer the questions from other peoples’ perspectives (Kim & Chun, 2003); (3) asking the subjects to rate their own behaviour (McCabe, Trevino & Butterfield, 1996); and (4) asking respondents to respond based on other peoples’ unethical behaviour which they have observed (e.g., Trevino, Butterfield & McCabe, 1998; Vardi, 2001; Weaver & Trevino, 1999). While there are disadvantages of each of these approaches, they contribute to the difficult task of measuring unethical behaviour and attempts to tap difficult constructs.

This study uses real life situations documented in the media to form the content of the scenarios. Respondents are required to respond to the scenarios and provide opinions and judgements based on their own perspective. Using the personal perspective could be impacted by social desirability bias, or over-reporting of social desirable behaviour. However, the nature of the study which ensured respondents total anonymity, and placing the respondent as the third-party observer, was considered sufficient to reduce these biases. Development of the scenarios used in this study is discussed in section 4.4.1.

4.3.3 Data-Collection Instruments and Procedures

Neuman (1997) suggests that self-reported beliefs and behaviours are best measured through a survey instrument that questions the respondents. Figure 4.1 shows the variety of available surveying methods, including telephone, personal, mail, and electronic surveys.

![Figure 4.1 A Classification of Survey-Interviewing Methods](image-url)
Choosing the appropriate survey collection method is contingent on the nature of
the survey interaction and mode of administration (Malhotra et al., 2002), as each
survey method has its own particular strengths and limitations. To illustrate this
point, surveys are primarily classified as person-administered, telephone-
administered and self-administered (Aaker et al., 2007; Hair et al., 2006; Lukas,
2004). Additionally, self-administered surveys can be further categorised in terms
of how they are administered, for example, via traditional mail, or online to
include emails and internet surveys (Zikmund, 2003). Although person-
administered surveys are advantageous because of their ability to offer feedback,
build respondent rapport and having high response rates, they are also prone to the
limitations of being relatively slow and expensive to administer, as well as
suffering from potential social desirability bias (Burns & Bush, 2003; Kumar et
al., 2002). In comparison, telephone administered survey methods have the
advantage of offering respondent anonymity and being less expensive than face to
face techniques (Hair et al., 2006). However, they have associated limitations,
which include difficulty in collecting detailed state of mind data and people’s
negative perceptions associated with telemarketing (Hair et al., 2006).

Self-administered surveys are a data collection method where the respondent
reads and completes the survey without the presence of a trained interviewer
(Burns & Bush, 2003; Aaker et al., 2007). This method has the potential for
respondent error as there is no opportunity for the interviewer to interact and
monitor the respondent (Burns & Bush, 2003). However, despite this limitation,
eliminating the need for an interviewer delivers significant advantages such as
less interviewer bias, reduced costs, greater respondent control and reducing
respondent anxiety (Burns & Bush, 2003; Hair et al., 2006). Self-administered
surveys are commonly referred to as ‘paper and pencil’ because the respondent
reads and responds to the instrument typically when and where it suits them
(Burns & Bush, 2003). In recent times, self-administered surveys have evolved
from the traditional ‘paper and pencil’ method to now include online surveys
(McDaniel & Gates, 2005).

The growth of internet usage and supporting technological infrastructure has led
to the emergence of the online survey method (Aaker et al., 2007). Internet
surveys have their own unique advantages and disadvantages. For example, critics cite the main disadvantages of this method are the problems with self-selection, difficulties in determining the response rate, and that online respondents are not representative of the general population (Babbie, 2004; McDaniel & Gates, 2005). However, it has been argued that individuals responding to internet surveys are more self-aware and thoughtful and, therefore, may be more likely to reveal deeper thoughts (Hanna, Weinberg, Dant & Berger, 2005). In addition, internet surveys also have many other advantages over traditional survey methods, such as rapid deployment, reduced costs, access to diverse populations, fast turnaround and computer data file results (Babbie, 2004; Burns & Bush, 2003; McDaniel & Gates, 2005).

One of the other major advantages of using an online self-administered survey is the anonymity afforded to respondents, and the ability of the respondents to complete the survey at their own pace and without the influence of an interviewer (Burns & Bush, 2003). This provides a means for reducing potential social desirability response bias (Nancarrow, Brace & Wright, 2001), as respondents do not need to be concerned with how an interviewer would consider their responses. This is a major consideration for studies into attitudes of ethical behaviour.

From a technical perspective, one of the most advantageous aspects of utilising an online self-administrated method, in comparison to the traditional self-administration survey method, is that software programs can implement ‘branching’ and ‘go to’ questions electronically, are able to ensure there are no non-responses and the data is directly entered into storage, therefore, minimising data entry errors (Aaker et al., 2007; Zikmund, 2003).

Having considered the advantages and disadvantages of the various survey methods, a self-administered online survey was deemed most appropriate for this study. Face-to-face and telephone interviews were discounted for a number of reasons. Given the nature of the questions, the need for probing or clarification was not anticipated to be an issue. The nature of the questions, including the use of scenarios, was deemed too complex for respondents to answer via telephone. Most significantly, there was a desire to minimise any potential social desirability bias. Social desirability bias was likely to significantly infiltrate the results if an
interviewer was present at the time of data collection. Therefore, a self-administered questionnaire distributed via the internet was chosen.

The justification for choosing this survey method was on account of the advantages of reduced social-desirability response bias, design flexibility, and the production of computer data file results. Furthermore, the ability to accommodate large samples at relatively low costs and ease of administration was deemed advantageous for this study. Using the online self-administered method allowed for over 600 responses to be received over a seven-day time frame. The respondents were able to remain completely anonymous, which should eliminate much social desirability response bias. The disadvantages of utilising this method were considered to be in relation to representativeness of the total population, as there was the potential for self-selection, and those actively engaged with an online research panel potentially having characteristics different from the general population without internet access. These disadvantages are considered in the limitations section of the thesis in Chapter 6.

4.4 Research Strategy

The selection of appropriate research strategies comes after the stage of identifying suitable data collection methods. These strategies will enable the testing of the hypotheses and conceptual model which was outlined in Chapter 3. The research strategy covers: scenario development, construct development and operationalisation, pre-testing, questionnaire design, determining the scaling and response format, designing a sampling plan, and identifying anticipated statistical analysis. The literature review provided a foundation for the construct development and measurement. This was subjected to a pre-test procedure, which resulted in refinement of the constructs measurement and questionnaire design.

4.4.1 Scenario Development
As discussed in the research design in section 4.3.3, this study utilised scenarios to elicit responses of attitudes and judgements of research participants towards ethically questionable firm behaviours. The scenarios used in this study were developed specifically for this study. Despite the suggestion in the literature to use
vignettes and scenarios that already exist and have been used successfully in earlier studies (Schoenberg & Ravdal, 2000; Weber, 1992), Gronhoj and Bech-Larsen (2010) acknowledge that in some cases existing scenarios may not be appropriate as they have been constructed for an alternate purpose, and they may not adequately tap the particular situation under investigation. In this study there were no existing scenarios deemed suitable to be reused in this study, and therefore the scenarios were created specifically for use in this study.

In developing scenarios, the methodology suggested by Fredrickson (1986) was loosely followed. First, scenario issues and content were sought, then the actual scenarios were developed using appropriate terminology and with sufficient detail, and finally a pilot test was conducted to ensure that the scenarios and accompanying questions were understandable and tapped the relevant issues and constructs.

In determining scenario issues and content, a review by Wason, Polonsky and Hyman (2002) identified three main sources, being author-only inspired, adapted from previous studies, or from ideas provided by people like the ultimate respondents, or the ultimate respondents themselves. Gregoire and Fisher (2006, 2008) used a retrospective experience method in which respondents recall a situation they have been involved in to be the basis of responding to the researchers questions. The limitations of this however, being the difficulty in respondents accurately recalling a particular situation, the increased load put on respondents, and the difficulty in analysis as each respondent is referring to different scenarios, which may not even tap the relevant constructs. Fredrickson (1986) suggested structured interviews to elicit relevant issues to be included in the scenarios. This method is also laborious for both the researcher and potential respondents. In this study the scenarios were written by the researcher based on situations which had been reported in mainstream media. It was very important that the scenarios had a sense of realism (Randall & Gibson, 1990), and included real firms that consumers could feel a sense of connection to. For ethical and legal reasons the scenarios also needed to be based on publicly available information, rather than being hypothetical scenarios about real firms. Therefore, the content and issues included in each of the scenarios was based on publicly available information about real situations.
To begin, the researcher searched through news media for stories relating to ethically questionable firm behaviour. A pool of options was gathered for consideration. From these possible options, the final eight scenario issues were selected. In selecting the content for the scenarios, attention was given to the organisation and the type of ethically questionable situation. It was important to select organisations which respondents could feel a sense of identification with, in order to measure the influence of consumer-company identification. As the study was also considering the impact of different types of harm, it was important to find situations which fitted with the three major types of harm as identified in the literature (e.g. Jones, 1991; Stein & Ahmed, 2009), as displayed in Figure 4.2. It was also important be able to manipulate the intensity of each type of harm, therefore having a ‘high’ and ‘low’ scenario for each type of harm. The literature indicated that consumers will judge different types of harm as having different magnitudes of consequences, and also an indication that the severity of a type of harm will also impact a consumer’s judgement and willingness to react. For example, differing degrees of physical harm i.e., injury versus death, will play an important role on a consumer’s judgement and response.

![Figure 4.2 Components of Magnitude of Consequences](image)

**Figure 4.2 Components of Magnitude of Consequences**
Adapted from Stein and Ahmad (2009, p. 395).

The final selection of scenarios resulted in examining physical harm (high and low), financial loss (high and low), damage to reputation (high and low), and emotional distress (high and low), which equated to eight scenarios in total. This
reflected two scenarios for physical harm, four scenarios for economic harm, and two scenarios for psychological harm. This was considered an acceptable number of scenarios for the purpose of this study as they adequately covered the varying degrees of types of harm and related constructs of the conceptual model. Gronhøj and Bech-Larsen (2010, p. 454) contend that ‘there should be an adequate number of vignettes to vary the content in connection with the relevant ‘variables’, but the risk that the interviewees may get tired of reflecting on them should be reduced’. Weber (1992) further advocates that the proper number of scenarios for a study is highly dependent on the research purpose and the length and content of the scenarios.

Outlined in Table 4.1 are the types of harm and organisations chosen to form the basis of the scenarios. For physical harm, injury was considered low magnitude, while death was the high magnitude. L’Oreal and British Petroleum (BP1) were used for these respectively, whereby L’Oreal reflected low physical harm through animal testing and BP1 reflected high physical harm through employee deaths. For economic harm, financial loss was represented by Pacific Brands and BP2, and damage to reputation was represented by Apple1 and Qantas. Psychological harm was characterised by emotional distress and was reflected in the cases of Nestlé and Apple2.

<table>
<thead>
<tr>
<th>Type of Harm</th>
<th>Physical</th>
<th>Economic</th>
<th>Psychological</th>
</tr>
</thead>
<tbody>
<tr>
<td>Injury</td>
<td>Financial Loss</td>
<td>Damage to reputation</td>
<td>Emotional Distress</td>
</tr>
<tr>
<td>L’Oreal (Low)</td>
<td>- Pacific Brands (Low)</td>
<td>- Apple1 (Low)</td>
<td>- Nestlé (Low)</td>
</tr>
<tr>
<td>Scenario A</td>
<td>- Scenario C</td>
<td>- Scenario E</td>
<td>- Scenario G</td>
</tr>
<tr>
<td>BP1 (High)</td>
<td>- BP2 (High)</td>
<td>- Qantas (High)</td>
<td>- Apple2 (High)</td>
</tr>
<tr>
<td>Scenario B</td>
<td>- Scenario D</td>
<td>- Scenario F</td>
<td>- Scenario H</td>
</tr>
</tbody>
</table>

Once the issues and content of the scenarios was decided, the scenarios were written by the researcher using publicly available information reported in the media. Consideration was given to the length of the scenarios and the depth of detail incorporated. According to the literature, vignettes should be sufficiently detailed to control as much as possible for respondents’ personal interpretations, but not so detailed that they over burden respondents (Cavanagh & Fritzsche,
1985). It was also considered important to consider the wording of the scenarios, as framing of scenarios can influence a respondent’s answers (Wason, Polonsky & Hyman, 2002) and how they interpret the situation. It was important to present the situations in a manner which did not include potential biases of the researcher.

Each scenario was written following the same basic format: 1. identification of firm and situation, 2. the issue – identify the type of harm and ethically questionable behaviour, and 3. firm’s response/any actions taken. Each of the eight scenarios which were used in the final survey is detailed below.

**Physical - Injury: L’Oreal animal testing on products. Scenario A, L’Oreal**

- It is illegal to test consumer products on animals in Australia. It is not illegal for companies to test consumer products on animals overseas and then sell those products in Australia.
- L’Oréal is one of a few companies which has tested products on animals, and used ingredients which have been tested on animals by other companies. These tests are mainly used to test the degree of harmfulness of products and their ingredients.
- Despite advancements in testing practices which do not involve the use of animals, L’Oréal continues to test products on animals, such as dogs, cats, and rabbits.

**Physical – Death: British Petroleum (BP) Oil Spill in the Gulf of Mexico. Scenario B, BP1**

- On the evening of April 20, 2010, there was an explosion on an oil rig leased by British Petroleum (BP) in the Gulf of Mexico, causing the oil rig to sink, and crude oil to flow into the ocean for 87 days.
- In its final report on the causes of the largest offshore oil spill in US history, The Bureau of Ocean Energy Management, Regulation and Enforcement stated that BP and its partners on the Macondo well had lacked a system to ensure their actions were safe.
- The report found that BP failed to protect health, safety, property, and the environment. BP did not: (1) perform all operations in a safe and
workmanlike manner; or (2) maintain all equipment and work areas in a safe condition.

• BP, Transocean, and Halliburton failed to take necessary precautions to keep the well under control at all times.
• This disaster killed 11 people and injured 17 others and led to the death of over 6,000 birds, 600 marine turtles and over 100 sea mammals.

Economic – Financial Loss: Pacific Brands shuts Australian factories to move manufacturing to Asia. Scenario C, Pacific Brands

• Pacific Brands is an Australian firm which manages a variety of brands including Bonds, KingGee, Berlei, Jockey, Hush Puppies, Sheridan, Hestia, Rio, and Slazenger.
• The headquarters of Pacific Brands is in Melbourne, and it also has operations in Australia, New Zealand, United Kingdom, Malaysia, China and Indonesia.
• In 2009 Pacific Brands announced that due to increased competition and high costs of labour it was closing its factories in Australia and moving its manufacturing to Asia.
• This decision resulted in approximately 2000 Pacific Brands employees losing their jobs in Australia.

Economic – Financial loss: BP oil spill in Gulf of Mexico. Scenario D, BP2

• On the evening of April 20, 2010, there was an explosion on an oil rig leased by British Petroleum (BP) in the Gulf of Mexico, causing the oil rig to sink, and crude oil to flow into the ocean for 87 days, causing significant impacts on the environment and businesses in the area.
• In its final report on the causes of the largest offshore oil spill in US history, the Bureau of Ocean Energy Management, Regulation and Enforcement report stated that BP and its partners on the Macondo well had lacked a system to ensure their actions were safe.
• The report found that BP failed to protect health, safety, property, and the environment. BP, Transocean, and Halliburton failed to take necessary precautions to keep the well under control at all times.
• To date, businesses of all types and individuals have been paid more than $4 billion in economic damages from BP directly and the Gulf Coast
Claims Facility. BP has paid $713 million for lost tax revenues in advance to the State governments that were affected by the oil spill.

• The local fishing industry suffered greatly from the oil spill, reportedly losing over $172 million in commercial fish landings in 2010.
• It has also been estimated that the Gulf tourism industry will lose $7 - $23 billion over the next three years.

Economic – Damage to Reputation: Apple – Potential damage to reputation.

Scenario E, Apple1

• Apple designs its products in the USA and contracts with a manufacturer in China called Foxconn, to make the products for Apple.
• Apple has come under international scrutiny in the past few years for high suicide rates at its partner Foxconn’s Chinese factories. The Foxconn factories that produce iPads and iPhones employ hundreds of thousands of people, but they’ve also suffered a number of very public, very damaging suicides over the past few years. The media has reported serious concerns about the working conditions for employees at Foxconn, including ‘inhumane working conditions’.
• After several years of damaging press, Apple joined the Fair Labor Association (FLA) in February 2012. The FLA investigated not only Foxconn’s Chinese factories but any companies’ part of Apple’s supply chain.
• After pledging to improve working conditions, Apple and Foxconn do appear to have significantly changed working conditions at these factories. However, there is more to be done. What Foxconn doesn’t fix in the specified time period may provide continuing damage to Apple’s reputation.

Economic - Damage to reputation: Qantas – Potential damage to reputation.

Scenario F, Qantas.

• Rolls-Royce is the maker of the jet engines used in the Qantas A380.
• Following an explosion of a Rolls-Royce engine on a Qantas A380, Qantas grounded its entire A380 fleet in November 2010.
• It was speculated that Rolls-Royce was aware of a faulty weld on an oil pipe in one of its engines a year before the explosion happened.
• Qantas initially sought damages for the engineering costs, impact on schedules, loss of ticket revenue and the negative impact on its reputation.
• Qantas received a one-off $95 million payment from Rolls-Royce for the damage to the A380, the subsequent grounding of the Qantas fleet of super-jumbos, and the damage to Qantas’ reputation.

Scenario G, Nestlé
• Global food giant Nestlé says it has taken a major step to end child labour on cocoa farms supplying its factories. Nestlé, one of the world's largest chocolate producers, says it is going to work with the Fair Labor Association (FLA) on tackling the problem.
• Despite the use of forced and illegal child labour in the Ivory Coast, Nestlé continues to buy its cocoa from this country.
• In a statement in 2011, Nestlé stated that the "cocoa supply chain is long and complex" - making it "difficult for food companies to establish exactly where their cocoa comes from and under what conditions it was harvested".

Psychological – Emotional Distress: Apple, Concerns over treatment of workers at Foxconn, supplier to Apple. Scenario H, Apple2
• Apple designs its products in the USA and contracts with a manufacturer in China called Foxconn, to make the products for Apple. Apple has extremely high quality control standards for its products.
• In 2010, it was reported that 14 Foxconn employees committed suicide at the factory. A number of other Foxconn employees have also been seriously injured at work.
• Employees and labour organisations have suggested that the harsh working conditions of Apple’s supplier, and staff having to work six or seven days per week, has led to the injuries and deaths.
• These incidents have been widely reported in the media, leading Apple to engage the Fair Labor Association to conduct independent audits of several of the Foxconn factories in China.
The scenarios all underwent pretesting and modification before being used in the final survey. They were checked and modified in consultation with two professors, and were also included in the pre-test of the entire survey, as is discussed in a later section. Once the scenarios were developed, the focus moved to the operationalisation of the constructs to be used in conjunction with the scenarios. The following sections detail the development and operationalisation of the constructs.

4.4.2 Construct Development and Operationalisation

Some of the constructs in this model are latent variables and cannot be directly observed; they can only be approximated and inferred from a group of indicators (Hair et al., 2006). This study uses both single-item and multiple-item measures for the constructs. Although academics prefer to use multiple-item measures in marketing research, encouraged by Churchill (1979, p. 66) when he stated that ‘in sum, marketers are much better served with multi-item than single-item measures of their constructs, and they should take the time to develop them’, there are arguments that support the appropriate use of single-item measures (Bergkvist & Rossiter, 2007).

One common argument as to why multiple-item measures are better than single-item measures is that they are inherently more reliable. This is because they enable computations of correlations between items, which can indicate internal consistency (Peter, 1979). Another argument is that a multiple-item measure captures more information, and ‘is more likely to tap all facets of the construct of interest’ (Baumgartner & Homburg, 1996, p. 143).

However, there are counter-arguments that contend that in some cases a single-item measure can be equally valid and reliable to be used in place of a multiple-item measure. That is, multiple-items are unnecessary (not valid) if the construct consists of one object that is easily and uniformly imagined, and the attribute of the construct is easily and uniformly imagined (Rossiter, 2002). Further to this, additional items run the risk of tapping into another predictive attribute (Bergkvist & Rossiter, 2007). According to Rossiter (2002), this is likely if the items are
attempted synonyms of the original attribute. Such that this attempt at capturing more information may remove content validity.

This study followed the pre-test and pilot surveys procedure. For most constructs, a pool of measurement items was derived from the literature. Before measures were considered for inclusion in the overall scale, their validity, reliability and widespread validation were checked. Some items were slightly modified to suit the context in which they were being used. The revised pool of measures was reviewed by two academic professors who considered their reliability and validity, and applicability to the study, before being included in the pre-test. Scales which did not tap into the chosen definition of the construct were eliminated, as were redundant/repetitive items. Based on the advice of the group reviewing the measures, some items were reworded or omitted. For some constructs, a complete set of measures could not be found to adequately cover all aspects of interest (for example, identification with victim). Some new measurement items were therefore developed to form a new measurement scale.

The following sections outline the selection of items used to measure each of the constructs being tested by the hypotheses and outlined in the conceptual model. The chosen items and scales were selected based on consideration of their reliability and validity properties. These constructs include ethical issue recognition, magnitude of consequences, attribution of responsibility, consumer-company identification, identification with victim, perceived injustice, involvement in social issues, and behavioural intention/punishment behaviours.

**4.4.2.1 Ethical Issue Recognition**

In the majority of studies addressing ethical issues through the use of the scenario technique, respondents are asked to indicate whether or not they consider the scenario includes an ethical situation. According to Hunt and Vitell (1986, p. 7), “it is extremely important that any situations or scenarios used to test the model empirically be perceived by respondents as having ethical content”. That is, in order to measure ethical perceptions, attitudes or behavioural intention of respondents to a scenario, it is first important to ensure that the respondent views the scenario as having ethical content. After respondents read each scenario, they are asked to indicate whether they view the scenario as having ethical content.
Ethical issue recognition is most commonly measured using a single-item. The wording of the item has varied slightly between studies, including: ‘Do you believe that the depicted situation involves and ethical issue or problem?’ (Barnett & Valentine, 2004), ‘The act is morally wrong’ (Carlson, Kaemar & Wadsworth, 2002), ‘The scenario presented an ethical dilemma’ (May & Pauli, 2002), ‘The situations above [in the scenarios] involve an ethical problem’ (Marta, Singhapakdi, Attia & Vitell, 2004; Singhapakdi, Vitell & Kraft, 1996; Singhapakdi & Vitell, 1990).

The item used to measure ethical issue recognition in this study, shown in Table 4.2 and identified as EIR1, was ‘I believe that this situation involves an ethical issue’. The use of this measure is consistent with the literature, including Singhapakdi and Vitell (1990). As the construct consists of a single attribute which is easily and uniformly imagined (Rossiter, 2002), it is appropriate to use a single item measure, rather than multiple items for the measurement of the ethical issue recognition construct.

<table>
<thead>
<tr>
<th>Table 4.2 Ethical Issue Recognition Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical issue recognition</td>
</tr>
<tr>
<td>I believe that this situation involves an ethical issue</td>
</tr>
</tbody>
</table>

Source: Singhapakdi & Vitell (1990)

4.4.2.2 Magnitude of Consequences

Like ethical issue recognition, magnitude of consequences has been operationalised by using a single-item measure in a number of studies throughout the literature. Magnitude of consequences is defined in this study as “the degree of harm an individual believes will result from a given action”. This is the definition used by Barnett and Valentine (2004), which is also consistent with Jones’ (1991) definition. However, the original definition by Jones (1991, p. 374) includes both the positive and negative impacts of a course of action on various stakeholders, i.e. “… the sum of the harms (or benefits) done to victims (or beneficiaries)…”

The definition used in this study focuses only on the severity of negative consequences. As discussed in the Literature Review in chapter 2, some actions have trivial or small consequences, while others involve serious physical,
economic or psychological consequences. For example, an act that causes death is of more intensity than an act that causes minor injury (Jones, 1991; McMahon & Harvey, 2006).

Magnitude of consequences, magnitude of harm and seriousness of consequences has been measured in many business ethics studies using scenarios. As previously mentioned, a number of studies opt for a single-item measure, including Barnett (2001), Barnett and Valentine (2004), Ingram, Skinner and Taylor (2005), Paolillo and Vitell (2002), and Singhapakdi, Vitell and Kraft (1996). The item-wordings that have been used throughout marketing ethics research only vary slightly and include statements such as “The overall harm (if any) done as a result of the action would be very small” (Singhapakdi, Vitell & Kraft, 1996), or ‘do you believe any harm resulting from the action depicted will be…’ “minor – severe” “insignificant – significant”, “slight – great” (Barnette & Valentine, 2004). In contrast, a multi-item scale was used in a study by May and Pauli (2002) which included four items referring to the impact of a manager’s decision on others. Although the coefficient alphas for this multi-item scale were acceptable (scenario 1: $\alpha = 0.71$; scenario 2: $\alpha = 0.81$), the items appear repetitive and unnecessary. Furthermore, as the use of a single-item measure has been successfully used in a range of previous studies, it was deemed most appropriate for this study.

The single-item measure chosen for the construct of magnitude of consequences in this study, shown in Table 4.3 as MC1, was ‘The overall harm (if any) done as a result of (company name) actions would be very small’. This is closely consistent with the measure used by Ingram, Skinner and Taylor (2005), Paolillo and Vitell (2002), and Singhapakdi, Vitell and Kraft (1996), and clearly captures the construct, which demonstrates content validity. Similar to ethical issue recognition, magnitude of consequences is an easily and uniformly imagined construct which can obtain adequate reliability and validity through a single item (Rossiter, 2002).

<table>
<thead>
<tr>
<th>Table 4.3 Magnitude of Consequences Item</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Magnitude of Consequences</strong></td>
</tr>
<tr>
<td>The overall harm (if any) done as a result of [company] actions would be very small *</td>
</tr>
</tbody>
</table>

*Reverse coded items

**Source:** Singhapakdi, Vitell & Kraft (1996); Ingram, Skinner & Taylor (2005)
4.4.2.3 Attribution of Responsibility

As discussed in the review of literature, a limitation in the field is the lack of consistency in the construct ‘attribution of responsibility’. Respondents have been asked to use different terms to evaluate responsibility, including blame, fault, cause and responsible (Gailey & Lee, 2005; Robbennolt, 2000). Gregoire and Fisher (2006) for example, term the construct ‘controllability’, and include three items, one asking the extent the firm was ‘responsible’, the next about the extent of the organisation’s ‘fault’, and the final regarding extent of ‘blame’. Gregoire and Fisher (2008) in a subsequent study used very similar items, yet termed the construct ‘Firm’s blame’. Griffin, Babin and Attaway (1996) in their study use constructs of ‘attribution of blame’ and ‘anticipated negative consequences’. Although a dated study, Critchlow (1985) found only moderate correlations between the terms blame, responsibility and causal role, and argued that they are not necessarily measuring the same concept.

When individuals are asked to attribute responsibility for wrongdoing, Shaver (1985) argues for five dimensions of responsibility to be examined together. The findings of Gailey and Falk (2008) provide support for attribution of responsibility as a multi-dimensional construct. From the studies it appears that when a person is asked to attribute responsibility for wrongdoing in a situation, they consider four elements: the cause, prior knowledge, intentions of the actor, and whether the actor appreciated the moral wrongfulness of the act (Gailey & Falk, 2008). In support of this, confirmatory factor analysis (CFA) has revealed that four dimensions of attribution of responsibility are identifiable; causality, knowledge, intentionality and moral wrongfulness. The results of the path model of Gailey and Falk (2008, p. 673) shows good fit (Goodness of Fit Index (GFI) = 0.95, Adjusted Goodness of Fit Index (AGFI) = 0.93, Comparative Fit Index (CFI) 0.90), and low inter-dimensional correlations. These findings provide support for the use of this model in the measurement of attribution of responsibility. Therefore, this study will use the revised measures of Shaver (1985) developed by Gaily and Falk (2008), shown in Table 4.4.
### Table 4.4 Attribution of Responsibility Items

<table>
<thead>
<tr>
<th>Attribution of Responsibility</th>
<th>AR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Causality</strong></td>
<td></td>
</tr>
<tr>
<td>[company] is responsible for what happens in the situation</td>
<td>CAUSE</td>
</tr>
<tr>
<td>[company] is at fault for what may happen as a result of its [action]</td>
<td>CAUSE1</td>
</tr>
<tr>
<td>[company] could avoid the [action]</td>
<td>CAUSE2</td>
</tr>
<tr>
<td>Something could prevent what happens as a result of [company] actions</td>
<td>CAUSE3</td>
</tr>
<tr>
<td><strong>Knowledge</strong></td>
<td>KNOW</td>
</tr>
<tr>
<td>[company] is aware of the potential consequences of its actions</td>
<td>KNOW1</td>
</tr>
<tr>
<td>[company] can reasonably foresee the [action]</td>
<td>KNOW2</td>
</tr>
<tr>
<td>[company] can recognise the potential seriousness of the situation</td>
<td>KNOW3</td>
</tr>
<tr>
<td><strong>Intentionality</strong></td>
<td>INTENT</td>
</tr>
<tr>
<td>[company] intends to [action]</td>
<td>INTENT1</td>
</tr>
<tr>
<td>The [action] could have been considered an accident *</td>
<td>INTENT2</td>
</tr>
<tr>
<td>[company] plans the [action] in advance</td>
<td>INTENT3</td>
</tr>
<tr>
<td><strong>Moral wrongfulness</strong></td>
<td>MORALW</td>
</tr>
<tr>
<td>It is wrong for [company] to [action]</td>
<td>MORALW1</td>
</tr>
<tr>
<td>[company] is acting morally when they [action] *</td>
<td>MORALW2</td>
</tr>
<tr>
<td>[company] is justified when they [action] *</td>
<td>MORALW3</td>
</tr>
</tbody>
</table>

*Reverse coded items

**Source:** Gailey and Falk (2008)

### 4.4.2.4 Consumer-Company Identification

Consumer-Company identification is a ‘cognitive state of self-categorisation’ which exists between a consumer and an organisation (Bhattacharya & Sen, 2003, p77) that encompasses: (1) feelings of solidarity in relation to the organisation and support for the organisation, (2) a perceived sharing of characteristics with the organisation, and (3) a perceived sharing of characteristics with other consumers of the organisation (Hildebrand, Fernandes, Veloso & Slongo, 2010).

The scale selected for this study was that developed and validated by Hildebrand Fernandes, Veloso and Slongo (2010). Although a new scale, it is based on the work of Bhattacharya and Sen (2003), and achieved suitable validity and reliability when initially tested. Unlike many of the validation scales that are found throughout the literature focussing on organisational identitification (Mael & Ashforth, 1992; Marin, Ruiz & Rubio, 2009), or relationship quality (Gregoire & Fisher, 2006; Bhattacharya, Rao & Glynn, 1995), this scale appears better suited to unofficial memberships such as the relationship between the consumer and organisation.
The measurement scale of Hildebrand et al. (2010) is focussed particularly on the consumer relationship and identification with an organisation. Items refer to shared characteristics with other consumers, solidarity, self-concept, and shared characteristics with the company. The individual items are shown in Table 4.5 as CCI1.1 to CCI1.7. The reliability of the dimensions revealed in the analysis of Hildebrand et al. (2010) is satisfactory. The Cronbach’s alpha for each of the factors are as follows: shared characteristics consumer = 0.60, solidarity = 0.84, self-concept = 0.81, shared characteristics with firm = 0.65. The composite reliability for the same factors respectively: 0.72, 0.89, 0.91, and 0.78. Although the Cronbach’s alpha is low (less than 0.7) for two of the factors, the scale is considered to have high content validity, and therefore suitable for this study.

The convergent validity was confirmed by Hildebrand et al. (2010) by using the test of the statistical significance of standardized factorial loads for each one of their manifest variables, based on their respective t-values. In order to assess discriminant validity, a procedure was carried out that consisted of comparing the extracted variance and the shared variances of the dimension (the squared correlation of the coefficient) with the other dimensions. The results obtained by Hildebrand et al. (2010) provided evidence of discriminant validity, in that all of the dimensions appear to differentiate themselves, as all of them had greater extracted than shared variances.

The study also included an additional single-item measure for the consumer-company identification construct, which was later deleted from the study. This item was from Sen, Bhattacharya and Korschun (2006) is displayed in Table 4.5 as CCI2. This single item was considered to have high content validity and was suitable for the study.
Table 4.5 Consumer-Company Identification Items

<table>
<thead>
<tr>
<th>Consumer-Company Identification</th>
<th>CCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>I act like a typical consumer of [company], to a great extent</td>
<td>CCI1.1</td>
</tr>
<tr>
<td>When someone praises [company], it feels like a personal compliment</td>
<td>CCI1.2</td>
</tr>
<tr>
<td>I’m very interested in what others think about [company]</td>
<td>CCI1.3</td>
</tr>
<tr>
<td>I believe that the products/services of [company] help me define who I am</td>
<td>CCI1.4</td>
</tr>
<tr>
<td>I believe that consuming the products/services of [company] leads others to view me in the manner that I wish</td>
<td>CCI1.5</td>
</tr>
<tr>
<td>Consuming the products/services of [company] highlights my personal characteristics</td>
<td>CCI1.6</td>
</tr>
<tr>
<td>I believe that [company] cultivates the values that I hold in esteem</td>
<td>CCI1.7</td>
</tr>
<tr>
<td>My sense of who I am (i.e. my personal identity) overlaps with my sense of what [company] represents</td>
<td>CCI2</td>
</tr>
</tbody>
</table>


4.4.2.5 Identification with Victim

The items used for identification with victim were based on the description by Brockner and Greenberg (1990), and again fleshed out in the conceptual paper of Skarlicki and Kulik (2005) and the study by Skarlicki, Brown and Bennels (2012). The present study included two individual scales, as shown in Table 4.6, both comprised of two measures, to capture the construct. The first two items, IV1.1 and IV1.2, were ‘I have similar traits or experiences as the [victim]’, and ‘I have had similar work roles to the [victim]’ Skarlicki and Kulik (2005). The second scale is modified from one used by Skarlicki, Brown and Bennels (2012), and includes the following two items, I-VICTIM1 and I-VICTIM2: ‘I can relate with the [victim] in the situation’, and ‘in the situation I can relate to the [victim’s] predicament’. As these scales were developed for the purpose of this study, and based on the concepts identified in the literature, they were considered to espouse sufficient content validity.

Table 4.6 Identification with Victim Items

<table>
<thead>
<tr>
<th>Identification with Victim</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have similar traits or experiences of [victim]</td>
<td>IV1.1</td>
</tr>
<tr>
<td>I have had similar work roles to [victim]</td>
<td>IV1.2</td>
</tr>
<tr>
<td>I can relate with the [victim] in the situation</td>
<td>I-VICTIM1</td>
</tr>
<tr>
<td>In the situation I can relate to the [victim’s] predicament</td>
<td>I-VICTIM2</td>
</tr>
</tbody>
</table>

Source: Skarlicki & Kulik (2005), Skarlicki, Brown & Bennels (2012)
4.4.2.6 Perceived Injustice

Throughout the literature, the scales used for fairness and justice predominantly related to personal situations, or situations in which the respondent had sufficient information regarding the situation, for example Ingram, Skinner and Taylor (2005) and May and Pauli (2002). In this study which focuses on third-party judgements, it was deemed that respondents would have limited information about the details of a situation, and could therefore only make general judgements. For this reason, it was considered that a number of scales regarding perceived injustice, while reliable, did not remain valid for this study, and were therefore not utilised.

Like consumer-company identification, two scales were used to capture the construct of perceived injustice, as shown in Table 4.7. Based on the conceptual explanation given by O’Reilly and Aquino (2011), in which a third-party’s reasoned judgement of injustice is based on three characteristics, that (1) severe harm occurred, (2) the perpetrator was responsible for this harm, and (3) the victim did not deserve the harm, the following items included in Table 4.7 as PINJUST1.1-1.3 were used: ‘severe harm occurred in the situation’, ‘[company] was responsible for this harm’, and ‘the [victim] did not deserve the harm’. Although included in the final survey, this scale was not included in the final data analysis as it did not show adequate reliability and validity.

An additional single-item measure was included to capture the perceived injustice construct, shown in Table 4.7 as PINJUST2.1. Mikula, Athenstaedt, Heschgl and Heimgartner (1998) used the single item ‘In your opinion, how unjust was it what has happened? ’ and in a following study utilised `How unjust did you regard the incident?’ This was reworded to be ‘I regard this situation to be unjust’, in the current study. This single item was considered to espouse sufficient content validity as it is easily and uniformly imagined, as suggested by Rossiter (2002).
Table 4.7 Perceived Injustice Items

<table>
<thead>
<tr>
<th>Perceived Injustice</th>
<th>PINJUST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe harm occurred in the situation</td>
<td>PINJUST1.1</td>
</tr>
<tr>
<td>[Company] was responsible for this harm</td>
<td>PINJUST1.2</td>
</tr>
<tr>
<td>The animals did not deserve the harm</td>
<td>PINJUST1.3</td>
</tr>
<tr>
<td>I regard this situation to be unjust</td>
<td>PINJUST2.1</td>
</tr>
</tbody>
</table>


4.4.2.7 Involvement in Social Issues

As discussed in the Literature Review, consumers are becoming increasingly concerned and involved in various ethical issues. Auger, Devinney and Louviere (2007, 2010), and Auger, Burke Devinney and Louviere (2003) for example, found growing awareness and expectations in regards to environmental degradation, climate change, and the power of multinational organisations. What is also clear from the literature is that not all consumers care equally about all issues. A consumer’s level of involvement concerning a social issue can be defined as the extent to which individuals connect themselves to those issues or situations (Grunig, 1979). This means that when an issue is important to a person, a person is going to be more willing and active in searching for information about that issue, and being involved in that issue (Heath & Douglas, 1990).

The scale of Freestone and McGoldrick (2008), motivations of ethical behavioural, which taps into a consumer’s level of involvement in an issue, while very comprehensive, was deemed too arduous for respondents to complete in this study. It contained 18 items which looked at personal positives, social positives, personal negatives, social negatives and money issues. The expansiveness of the scale was also deemed to tap into constructs which were beyond the scope of this study.

For measuring involvement in social issues, this study adapted the scale used by Golob, Lah and Janic (2008), which was initially adapted from the original scale by Grunig (1979). The instrument measured the variable with the single item ‘I find the issue of [action] to be very important’, as shown in Table 4.8 as ISI1. For example, ‘I find the issue of product testing on animals to be very important’. The
single item demonstrates content validity and is therefore suitable for measuring the construct in this study.

Table 4.8 Involvement in Social Issues Items

<table>
<thead>
<tr>
<th>Involvement in Social Issues</th>
<th>ISI</th>
</tr>
</thead>
<tbody>
<tr>
<td>I find the issue of [action] to be very important</td>
<td>ISI1</td>
</tr>
</tbody>
</table>

Source: Golob, Lah & Janic (2008)

4.4.2.8 Behavioural Intention/Punishment Behaviours

An individual’s behavioural intention in a decision-making context, is considered to be the expressed likelihood that he or she will partake in a particular action (Hunt & Vitell, 1986). Previous studies in the field have attempted to measure a number of constructs including willingness to punish (Creyer & Ross, 1997) and desire for retaliation (Gregoire & Fisher, 2006). This construct was measured with two scales; one measuring behavioural intention (B-INTENT1 - B-INTENT4), and the other measuring punishment behaviours (PUNISH1– PUNISH11), as shown in Table 4.9.

The first scale (B-INTENT) which attempted to measure behavioural intention was from O’Reilly and Aquino (2011), and included the following items: ‘I have/would want to punish [company] directly’, ‘I have/would want to punish [company] indirectly’, ‘I have/would want to aid the [victim]’, and ‘I have/would do nothing in this situation’. This was developed for this study eminating from the literature, and therefore was considered to espouse content validity.

The second scale (PUNISH) was used to measure the likelihood of a respondent choosing different punishment behaviours. Differing punishment behaviours can be classified as being patronage reduction, negative word-of-mouth, and third party complaining (Gregoire & Fisher, 2006). The primary aim of negative-word-of-mouth is an attempt at reputation damage. Third-party complaining is a type of punishing behaviour that also aims to damage the firm’s reputation by sharing with a wider audience, but also hopes that the inclusion of other parties will force restitution. Customers can also retaliate by not purchasing from the company anymore. No longer buying from a company can be a direct means for a consumer to feel as though they are punishing an organisation.
Each of these scales which make up PUNISH achieved high Cronbach’s alpha when measured by Gregoire and Fisher (2006) (patronage reduction $\alpha = 0.93$, negative word-of-mouth $\alpha = 0.91$, third-party complaining $\alpha = 0.86$). Therefore, these items of Gregoire and Fisher (2006) were adapted to be utilised in this study. Gregoire and Fisher (2006) assessed discriminant validity of the construct was in two ways. First, an examination of the cross-loadings showed that no item loaded more highly on another construct than it did on the construct it was intended to measure. Second, Gregoire and Fisher (2006) compared the square root of the average variance extracted from each construct with its correlations with the other constructs. All values representing the square root of average variance extracted were found to be substantially greater than all the other correlations, demonstrating discriminant validity.

### Table 4.9 Behavioural Intention Items

<table>
<thead>
<tr>
<th>Behavioural Intention</th>
<th>Item Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have/would want to punish [company] directly</td>
<td>B-INTENT1</td>
</tr>
<tr>
<td>I have/would want to punish [company] indirectly</td>
<td>B-INTENT2</td>
</tr>
<tr>
<td>I have/would want to aid the [victim]</td>
<td>B-INTENT3</td>
</tr>
<tr>
<td>I have/would do nothing in this situation *</td>
<td>B-INTENT4</td>
</tr>
<tr>
<td>I have/would spend less money at [company]</td>
<td>PUNISH1</td>
</tr>
<tr>
<td>I have/would stop doing business with [company]</td>
<td>PUNISH2</td>
</tr>
<tr>
<td>I have/would reduce the frequency of interaction with [company]</td>
<td>PUNISH3</td>
</tr>
<tr>
<td>I have/would bring a significant part of my business to a competitor</td>
<td>PUNISH4</td>
</tr>
<tr>
<td>I have/would spread negative word-of-mouth about [company]</td>
<td>PUNISH5</td>
</tr>
<tr>
<td>I have/would denigrate [company] to my friends</td>
<td>PUNISH6</td>
</tr>
<tr>
<td>When my friends were looking for a similar product or service, I have/would tell them not to buy from [company]</td>
<td>PUNISH7</td>
</tr>
<tr>
<td>I have/would take legal action against [company]</td>
<td>PUNISH8</td>
</tr>
<tr>
<td>I have/would report the behaviours of [company] to a consumer or governmental agency</td>
<td>PUNISH9</td>
</tr>
<tr>
<td>I have/would contact the media to denounce the behaviours of [company]</td>
<td>PUNISH10</td>
</tr>
<tr>
<td>I have/would punish in other ways</td>
<td>PUNISH11</td>
</tr>
</tbody>
</table>

**Source:** O’Reilly & Aquino (2011), Gregoire & Fisher (2006)

*Reverse coded item
4.4.2.9 General Information

General information was collected at the beginning of the survey and was designed to gather data on respondents’ details such as gender, age, level of education and geographic location. These questions were not specifically designed to answer the research questions or hypotheses, but they were used as control variables in the structural analysis in order to provide further insights in understanding the proposed conceptual model. Previous literature has suggested mixed influences of demographic characteristics on consumers’ ethical decision making and ethical consumerism bahaviours. This demographic data was included in the analysis of the structural model as control variables; gender, age, level of education and geographic location.

An open-ended question was included at the end of the questionnaire to gain qualitative responses regarding additional punishing behaviours considered by respondents. The open question stated: ‘As a consumer, what other ways have/would you punish the firm? Some examples of consumer punishments include; joining Facebook groups, forwarding emails, posting on company websites, posting on anti-firm forums, shop lifting/stealing from the firm, boycotting, lobbying, taking part in protests and any other behaviours you consider to be a form of punishment to the firm’. This question was only available to respondents who indicated 5 or higher on the previous question of ‘I have/would punish in other ways’, allowing them to express the other ways they might punish a firm.

4.4.2.10 Summary of Items

Overall, to test the hypotheses proposed from the conceptual model, eight main constructs (ethical issue recognition, magnitude of consequences, attribution of responsibility, consumer-company identification, identification with victim, perceived injustice, consumer involvement in issue, and behavioural intention) were employed. A copy of the questionnaire is provided in Appendix 1, 2 and 3.

4.4.3 Development of the Questionnaire

The purpose of a survey instrument is to collect the information required to address the overall research question and hypotheses. In designing the survey, a
set of questions must be developed to capture this information as well as to encourage respondent involvement and minimise response error (Malhotra, 2008). The development of the survey questionnaire followed the procedures suggested by Churchill and Iacobucci (2002). The early stage of questionnaire development included a review of the proposed model and associated hypotheses to ensure that the data gathered would address all the issues. The next step was to determine what to include in individual questions and how to ask the questions to gain the desired information. Malhotra (2008) points out that a self-administered questionnaire must include simple questions and detailed instructions.

The research instrument utilised in this study was a self-administered questionnaire. It was comprised of questions derived from the relevant marketing and consumer behaviour literature. The measures used in the study were developed from those found in prevailing literature relating to consumer behaviour, ethical consumerism, and consumer retaliation. Commonalities between the context in which the original measure was used, and the context of this study were particularly sought when selecting measures. The questionnaire began by asking non-threatening, neutral questions to collect demographic data. The principal reason for gathering demographic data was to build a sound picture of the sample population to understand any anomalies that may result from data analysis. These items, that are included in the structural model as control variables, were drawn from ethical consumerism literature.

Respondents were advised at the beginning that only their attitudes and behaviours were being sought and that there were no right or wrong responses, attitudes or behaviours. All statements required respondents to mark a circle on a scale from 1 (strongly disagree) to 7 (strongly agree).

Measurement-item wording is an important and critical issue because if an item is worded poorly, respondents may refuse to answer it (non-response bias) or may answer it incorrectly (response error). Unless the respondents and researcher assign exactly the same meaning to the item, the result will be biased (Malhotra, 2008). The phrasing of questions needs to consider the characteristics of the respondent group particularly in terms of education level. Where possible, existing measures from the literature were used for the measurement items for
constructs; however, for some constructs, existing measures were slightly modified to suit the context or new measures were developed. For the new items, care was taken with the wording and an attempt was made to avoid comprehension problems by using ordinary words, terms, acronyms and language that matched the vocabulary level of the respondents (Malhotra, 2008).

Question order was also considered to reduce any potential biasing effect. Researchers need to be aware that answers to some questions may have implications for subsequent questions in terms of providing a context, either intended or unintended, in which they will be answered. Researchers should be aware that survey validity may suffer from fatigue effects when respondents are required to address long lists of items or questions. In general, surveys should commence with the easiest questions and progress to those that may require more thought (Bourque and Fielder, 2003). As such, respondents in this study are first presented with questions regarding their gender, age, level of education and their location. Similarly, questions should also be presented in a logical order with general questions preceding specific ones. Another factor taken into consideration was the ordering of the questionnaire (Malhotra et al., 2008). After pre-testing, it was decided that the questions regarding consumer-company identification should precede the scenario content. It was considered a possibility that responses to consumer-company identification items could be biased by the information contained in the scenario. Therefore, the survey was ordered such that respondents were asked about their identification with the firm in the scenario, before they were presented with the scenario content regarding the ethically questionable behaviours.

4.4.3.1 Online Survey Development Process

As previously discussed a self-administered online survey was chosen as the most appropriate survey method for this study because of the advantages of rapid deployment, reduced cost, design flexibility and computer data file results (Aaker et al., 2007; Burns & Bush, 2003; McDaniel & Gates, 2005; Zikmund, 2003). Notwithstanding these advantages, the unique factors relating to technical and design issues of online surveys needed to be considered. For example, as noted by Dillman (2000), responding to an electronic questionnaire is not the same as
responding to a paper questionnaire as the former requires computer logic as well as questionnaire logic and, therefore, both of these factors should be considered in the construction, design, and administration of online surveys.

Taking this into account, the design of the questionnaire was adapted by following the principles for constructing web surveys as advocated in the literature (Burns & Bush, 2003; Dillman, 2000; Dillman & Bowker, 2001). According to Dillman (2000) it is important to design online surveys that are respondent-friendly, hence, there are a number of technical criteria to address when designing surveys for the online environment. For example, factors relating to computer equipment, browser and/or transmission limitations; the variation in respondents’ computer operating and software skills need to be considered. In addition, issues relating to the actual questionnaire were also addressed. These factors included online design considerations such as a motivational welcome screen, clear instructions that emphasise ease of responding, screen configurations, background colour, as well as format and placement of questions and response boxes (Dillman, 2000; Porter & Whitcomb, 2003).

Respondents were invited to take part in the survey through an initial welcome screen, which included details of the study and highlighted it as being commissioned from Charles Sturt University. Once agreeing to take part in the survey, respondents were given basic instructions on how to navigate the questionnaire. Respondents were then presented with the general demographic questions to ease them into the questionnaire. Next, the respondents were given instructions on how to approach the questionnaire. After this, the items relating to consumer-company identification were presented, followed by the scenario, remaining items and the open-ended question.

Care was taken with the format of the items to ensure respondents did not perceive the survey as too cluttered and a chore to answer. Attention was given to the number of items on each screen shot, so that respondents did not have to scroll down, and each page was not completely full of items which may overwhelm the respondent. On average, each screen shot included 5-10 items. The number of screen shots a respondent would see was also considered. Each scenario required four screen shots, and each respondent was required to address two scenarios.
Effort was made to ensure that the questionnaire engaged the respondent and stimulated their interest in providing complete and accurate responses. To assist in this, a progress indicator was included so that respondents could see how far they had progressed through the survey. Respondents also had the option to quit the survey at any point, with a ‘quit’ and ‘next’ button on each screen. The final questionnaire design was improved through the pre-testing stage, which is discussed in the next section.

4.4.4 Pre-Test of Questionnaire and Pilot Survey

The initial questionnaire was pretested on a sample of 32 respondents, to identify and eliminate potential problems and to see how well it performed. These pilot-test respondents were drawn from the same population as the final survey. This phase took place in the form of an online survey, a direct replication of the situation and circumstances in which the final questionnaire would be conducted. At the end of the questionnaire, there were a number of open-ended questions posed to respondents, asking about their understanding, readability and comprehension of the questionnaire. This allowed respondents to provide feedback on all aspects of the questionnaire.

Some changes were made to reflect the feedback collected during the pilot test process. The wording of some items was changed to make them clearer or more specific, and some changes were made to the order of items. The items for consumer-company identification were moved so that they were addressed before the scenarios were sighted, as it appeared that the scenario information was influencing responses to this construct.

Once the survey was altered based on recommendations stemming from the pilot study, the final survey was sent to the Online Research Unit (ORU) for administering to the online research participants. Details regarding the execution of the final survey are discussed in the following section.

4.4.5 Sampling Design and Plan

The objective of most marketing research is to obtain information about the characteristics or parameters of a population. Information about population
parameters can be obtained either by taking a census (the whole population) or examining a sample (a subgroup) of the population for participation (Malhotra, 1999). The sampling design process includes five steps: (1) define the population, (2) determine the sampling frame, (3) select sample technique(s), (4) determine the sample size and (5) execute the sampling process.

4.4.5.1 Define and Identify the Target Population
As a means of advancing academic knowledge about attitudes, influences and behaviours with respect to consumer attitudes and punishment behaviours, obtaining a response from a sample of the Australian population is important. The unit of analysis for this study is consumers aged 18 years and over in metropolitan, and regional areas of Australia. The lower age of 18 years was selected as it denotes an entry into adulthood, and therefore potentially more personal engagement in the marketplace. Furthermore, it satisfies ethical considerations for undertaking the study.

4.4.5.2 Define and Identify the Sampling Frame
A sampling frame represents the elements of the target population; for example, the telephone book listing for an area, and industry association directory or a mailing list from a commercial organisation (Malhotra, 1999). The sampling frame consisted of Australians over the age of 18 who are registered with the Online Research Unit (ORU). This approach resulted in a sample frame of around 300,000 respondents.

The Online Research Unit (ORU) is Australia’s leading online market research panel company, which has been building panels in Australia and New Zealand for over 13 years. The ORU owns and manages the largest 'research-only' online consumer and business panels in Australia. The ORU attempts to deliver best-practice online research by focusing on quality processes at every step from panel recruitment, panel management, survey execution, sampling and data delivery. The ORU were the first online research company to have achieved the QSOAP (Quality Standard for Online Access Panels) 'Gold Standard' level of accreditation. The ORU also holds ISO 20252 and ISO 26362 certification.
All ORU Panels are recruited primarily offline and on an 'invitation-only' basis ensuring a representative sample not only measured by demographics but also behavioural, attitudinal and lifestyle criteria. Employing an offline and 'Invitation-only' recruitment strategy reduces the number of professional respondents and avoids many of the other pitfalls of relying on online recruitment methods.

4.4.5.3 Select a Sampling Technique
The first important sampling technique decision is whether to use non-probability or probability sampling. The more common probability sampling techniques include simple random, systematic, stratified and cluster sampling. Probability sampling techniques vary in terms of sampling efficiency – the trade-off between sampling cost and precision (Malhotra, 1999). According to Cooper and Schindler (2014), most populations can be segregated into several mutually exclusive subpopulations, or strata. Stratified random sampling is the process by which the sample is constrained to include elements from each of the segments. After dividing the population into the appropriate strata, a simple random sample can be taken within each stratum. Stratification is usually more efficient statistically than simple random sampling. With the ideal stratification, each stratum is homogenous internally and heterogeneous with other strata.

This study employed the use random stratified sampling based on age, gender and location. The sample is pulled randomly from the strata in the ORU panels, and is therefore broadly representative of the ORU panel sampling frame.

4.4.5.4 Determine Sample Size
Deciding on the sample size was largely determined by understanding the number of cases required for effective statistical analysis of the data, and also the cost of obtaining the data. A number of researchers have investigated and reported on the issue of 'how big a sample needs to be' to get stable estimates and fit statistics for an SEM application (Iacobucci, 2010; Jackson, 2003; Tanaka, 1987). SEM in general requires a larger sample relative to other multivariate approaches. Sample size, as in any other statistical method, provides the basis for the estimation of sampling error (Hair et al., 2010). Hair et al. (2010, p. 740) outline five considerations affecting the required sample size for SEM. These include: (1)
multivariate normality of the data, (2) estimation technique, (3) model complexity, (4) amount of missing data, and (5) amount of average error variance among the reflective indicators.

The most common SEM estimation procedure is maximum likelihood estimation (MLE). It has been found to provide valid results with sample sizes as small as 50. However, there is general consensus among SEM researchers that analysis should not be performed with fewer than 100 observations and that a sample size of 200 should provide more than adequate results (Hair et al., 2010; Nunnally & Bernstein, 1994). MLE is an iterative approach that relies upon asymptotic assumptions that makes small sample sizes more likely to produce invalid results. It should be noted that as the sample size becomes large (>400), the method becomes more sensitive and almost any model mis-specification is detected, making goodness-of-fit measures suggest poor fit (Tanaka, 1993).

The initial target sample size must be larger than the net final sample size. This is because typically less than 100 percent of distributed questionnaires are properly completed and returned (Chen, 1996; Malhotra, 2008). The issue of limited resources is also a factor. This study was constrained in some extent by limited funding and time available, as well as facing the common difficulty of low cooperation rates from respondents. This is why a market research firm was employed to undertake the data collection process by making a panel of respondents available. It was deemed that a sample of 150 responses per scenario would be necessary in order to undertake analysis for this study.

4.4.5.5 Execution of the Sampling Process
The total number of respondents used in this study was 644, which resulted in 1288 individual responses, or between 151 and 170 responses per scenario, as shown in Table 4.10. Each respondent was requested to respond to two scenarios. Once missing data and outliers were deleted, as discussed in sections 4.4.6.1 and 4.4.6.3, the final number of responses was 1165.
Table 4.10 Initial Number of Responses Obtained for Each Scenario

<table>
<thead>
<tr>
<th>Scenario</th>
<th>A L’Oreal</th>
<th>B BP1</th>
<th>C Pac Brands</th>
<th>D BP2</th>
<th>E Apple1</th>
<th>F Qantas</th>
<th>G Nestle</th>
<th>H Apple2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial sample size</td>
<td>152</td>
<td>162</td>
<td>162</td>
<td>153</td>
<td>151</td>
<td>169</td>
<td>170</td>
<td>169</td>
</tr>
</tbody>
</table>

Based on the length of the scenarios and anticipated time taken to complete the questionnaire, it was decided that each respondent would receive two scenarios to respond to. Two scenarios per respondent was considered optimal, as more would likely to result in boredom or disinterest on the part of the respondent due to the repetitive nature of the questions for each scenario. As there were two scenarios each relating to the companies of Apple and BP, a rule was made that respondents could not receive two scenarios from the same company. That is, a respondent could only receive one scenario featuring Apple, and one scenario featuring BP.

The final survey was hosted and administered by the ORU to the panel of respondents which met the selection criteria. A stratified sampling method was used, as mentioned previously. The survey was made available to respondents over a 7 day period to include weekdays and weekends. Respondents that were invited to participate in the study were not informed of the subject matter of the survey before they began, to reduce the risk of self-selection biases. In order to gain a representative sample, ORU controls how they send the sample and factor in response rate behaviour across key demographics in the sampling process. For example they know that younger males are less frequent to respond than older females, and so this was addressed in the initial sampling.

The ORU have an incentive system that is in line with ISO 26362 & industry requirements. They use a mix of incentives based on project specifications including survey length, the type of respondents required and the type of research. The types of incentives offered to research participants include: bi-monthly $5000 cash prize draw, bi-monthly $2000 voucher prize draw, vouchers, direct incentives (respondents paid cash for survey participation), charitable donations and the sharing of results with respondents. The researcher acknowledges the potential bias of respondents receiving incentives for participation, but this was
not considered a concern. The ORU, as part of quality control, tries to make the incentive for participation as neutral as possible in terms of the research project and the target group, to ensure that the type and scope of the incentives do not lead to response bias.

An introduction page was included at the beginning of the survey featuring the Charles Sturt University (CSU) coloured logo, which was aimed at providing a friendly and credible introduction to the study and requesting support. Details of the information page can be found in Appendix 1, together with the final survey. Once the survey had been live for a period of seven days, and had gained the desired sample size, the data was entered into SPSS by ORU. This data was then cleaned and prepared for analysis by the researcher.

4.4.6 Final Survey Data Cleaning and Preparation
The final data from ORU was checked a number of ways to establish data-entry accuracy and consistency (Malhotra, 1999). First, the data for each construct was checked using SPSS to examine the dispersion of the data (the mean, standard deviation, maximum and the minimum). The dispersion measures of maximum and minimum give a useful check of keystroke errors, as they quickly identify any numbers outside of the range of values allowed. This process also quickly identifies any unexpected data outliers.

One of the initial steps in the analytical process is to review the distribution of the data for the variable of interest. Univariate and multivariate normality of data are often an assumption for many inferential statistical techniques. This can be checked using SPSS in a number of ways: for example, graphically using histograms, stem-and-leaf plots, box plots, normal probability plots; or by applying normality statistic tests using the Kolmogorov-Smirnov statistic, with a Lilliefors significance level (should be greater than or equal to 0.05 for normality), skewness and kurtosis tests. It has been suggested (Hair et al., 2010; Tabachnick & Fidell, 1996) that data rarely conforms to a classical normal distribution. At times the distribution is often skewed and displaying varying degrees of kurtosis. This is discussed further in Section 4.4.6.2.
Failure to undertake adequate screening of the raw data is a common mistake in applying SEM (Malhotra, 2008). The use of incorrect data can call into doubt or seriously compromise both the statistical procedure and the results (Baumgartner & Homburg, 1996). The following sections outline the issues considered in this study and the approaches and actions taken to ensure that ‘clean’ data was used for the analysis and that the researcher got a good overall ‘feel’ for the data.

**4.4.6.1 Missing Data**

Addressing the incidence of missing data is an important step in the initial examination of the data. According the Hair et al. (2006), missing data can become problematic if the missing data are in a nonrandom pattern or more than 10 percent of the data items are missing for each case or observation. The anticipated incidence was missing data was addressed in the development of the questionnaire. First, ‘forced answering software’ was used, meaning that respondents were unable to skip questions or move on to the next section without completing that current section. Therefore, only compliant respondents attempted the questionnaire.

Despite the above strategy, the inclusion of a ‘don’t know’ response allowed respondents to effectively avoid answering questions, or providing meaningful responses. In some cases ‘don’t know’ is a valid response, however, the overuse of this response provided effectively missing data. On assessment of the dataset, it was determined that some cases had a high proportion of missing data, or ‘don’t know’ responses. As respondents were gaining an incentive from the market research firm for completion of the survey, it would appear that some respondents chose the ‘don’t know’ option as a means of moving through the survey to completion. The incentive policy of ORU which is also discussed in section 4.4.7.5 includes incentives such as cash prize draws, vouchers, charitable donations, and sharing of results with respondents.

The seriousness of missing data depends on the pattern of missing data, how much is missing and why it is missing (Tabachnick & Fidell, 1996). The pattern of missing data is more important than the amount of missing data, as it may have implications for generalisability. Missing data scattered randomly is less of a
concern then non-random missing values. There does not appear yet to be any firm guidelines for how much missing data can be tolerated for a sample of a given size.

Tabachnick and Fidell (1996, p. 60) affirm that the decision about how to handle missing data is important. There are a number of ways to address the issue of missing data, including ignoring cases, different methods of imputation, or deletion of cases (Hair et al., 2006). Deletion is considered an efficient method of dealing with missing data in situations where the missing data is concentrated in a small subset of cases and/or variables. No firm guidelines exist for the necessary level of exclusion, but the researcher must compromise between the gains from deleting cases with missing data versus the reduction in sample size (Hair et al., 2006).

A second option is to estimate (impute) missing values and then use the estimates during data analysis. There are three main ways of doing this, which include using prior knowledge, inserting mean values, and using regression. A third option involves analysis of a missing data correlation matrix. In this option, all available pairs of values are used to calculate each of the correlations in R. The fourth option is to treat missing data as data. It is possible that the fact that a value is missing is itself a very good predictor of the variable of interest in the research. If a dummy variable is created where cases with complete data are assigned 0 and cases with missing data 1, the liability of missing data could become an asset. The mean is inserted for missing values so that all cases are analysed, and the dummy variable is used as simply another variable in analysis (Tabachnick & Fidell, 1996, p. 65).

Based on the loosely defined rules outlined in Hair et al. (2006, p. 56), cases with more than 30 percent missing data were deleted from the data set. The benefits of deleting missing cases were deemed large enough to justify deleting the missing cases. As shown in Table 4.11, 113 cases were deleted due to missing data. This however, led to a limitation of sample size for each scenario group, as discussed in the limitations and conclusion chapter. Although this resulted in four of the scenarios having less than 150 responses, which was considered the optimal level
for use of SEM analysis, it was considered that the outcome of having less cases was more beneficial than having more missing data (Hair et al., 2006).

**Table 4.11 Number of Deleted Missing Cases**

<table>
<thead>
<tr>
<th>Scenario</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td># Deleted</td>
<td>15</td>
<td>6</td>
<td>11</td>
<td>12</td>
<td>14</td>
<td>17</td>
<td>13</td>
<td>25</td>
</tr>
</tbody>
</table>

The deletion of cases with more than 30 percent missing values reduced the amount of missing data left in the sample. It did not however, eliminate all missing data from the final dataset. The remaining missing data was dealt with in AMOS using full information maximum likelihood (FIML) estimation. This is one of the techniques available for addressing remaining missing data, and was employed instead of some other alternatives including mean imputation, listwise deletion, and pairwise deletion.

The FIML approach which is available with the AMOS software package was originally outlined by Finkbeiner (1979) for use with factor analysis. Amos's FIML estimation uses all information of the observed data. The likelihood is computed for the observed portion of each case's data and then accumulated and maximized. FIML assumes multivariate normality, and maximizes the likelihood of the model given the observed data (Wothke, 2000). FIML estimate uses all the information of the observed data, including information about the mean and variance of missing data of a variable, given the observed data of other variables (Wothke, 2000).

Research comparing the relative performance of the above methods has indicated that ‘FIML might be a superior method for dealing with missing data in structural equation models’ (Enders & Bandalos, 2001, p. 455). Given the existence of some missing data after the initial deletion of cases, FIML is employed to deal with the missing cases in the estimation of models.

**4.4.6.2 Normality**

Normality refers to the shape of the data distribution for an individual metric variable and its correspondence to the normal distribution, the benchmark for
statistical methods. Tests for normality were conducted in AMOS. A simple test is based on skewness and kurtosis values. The most commonly used critical values are ±2.58 (0.01 significance level) and ±1.96, which corresponds to a 0.05 error level (Hair et al., 2010). The results indicated that the distributions were only slightly non-normal, with some of the constructs falling into normality in terms of skewness and kurtosis. Remedies for nonnormality were considered but not performed as the maximum likelihood estimation method of SEM is sufficiently robust to deal with slight non-normality (Hair et al., 2010).

4.4.6.3 Outliers

Addressing the incidence of outliers is another important step in the initial examination of the data. Outliers can have a considerable effect on any type of empirical analysis and should be evaluated for their representativeness of the population. Outliers are defined as ‘observations with a unique combination of characteristics identifiable as distinctly different from the other observations’ (Hair et al., 2010, p. 64). Identification of outliers is the initial phase before the decision to either retain or delete individual outliers.

Using the Mahalanobis distance statistic, which represents the squared distance from the centroid of a data set (Hair et al., 2010), outliers were indentified. As part of the “$normalitycheck” command, AMOS produces a listing of the top one hundred observations, ranked in order of their Mahalanobis distances. Additionally, AMOS presents two additional statistics, p1 and p2. The p1 column shows the probability of any observation exceeding the squared Mahalanobis distance of that observation. The p2 column shows the probability that the largest squared distance of any observation would exceed the Mahalanobis distance computed. To interpret this, Byrne (2001) indicates that small numbers in the p1 column are expected, but small numbers in the p2 column indicate observations that are far from the centroid of normality. These identified outliers can then be deleted to the point of reaching the desired level. One advantage of deleting outliers over transforming the data to achieve normality is that it retains the assumption of linearity. The disadvantage of deleting outliers is that it results in a loss of observations, and therefore information and model power (Gao, Mokhtarian & Johnston, 2008).
To improve the measurement model fit there were 10 outliers in total which were considered to be causing issues and therefore deleted, shown in Table 4.12. These outliers were identified using the Mahalanobis distance statistics, p1 and p2, and the final number of outliers deleted was determined on a trial and error basis regarding influence on measurement model fit.

Table 4.12 Deleted Outliers per Scenario, and Remaining Cases for Final Analysis

<table>
<thead>
<tr>
<th>Scenario A L’Oreal</th>
<th>Scenario B BP1</th>
<th>Scenario C Pac Brands</th>
<th>Scenario D BP2</th>
<th>Scenario E Apple1</th>
<th>Scenario F Qantas</th>
<th>Scenario G Nestle</th>
<th>Scenario H Apple2</th>
</tr>
</thead>
<tbody>
<tr>
<td># deleted</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>#Remaining cases</td>
<td>137</td>
<td>156</td>
<td>150</td>
<td>141</td>
<td>136</td>
<td>149</td>
<td>157</td>
</tr>
</tbody>
</table>

4.4.6.4 Reverse coding

Some measurement items in the survey questionnaire were worded in a negative sense to avoid response bias, and thus needed to be reverse-coded. These items were re-coded to form new variables that had a similar variable number as before, except with an ‘r’ (to denote reverse code) appended to the variable name (for example Q111#L became Q111#Lr). The scale for these items was a seven-point Likert scale with a response format of 1= strongly disagree, 7= strongly agree, 8 = don’t know. The recoding was done using the SPSS ‘transform and recode into different variable’ procedure: i.e. the old data values were transformed into the new values (1-7, 2-6, 3-5, 4-4, 5-3, 6-2, 7-1, 8-8). The reverse coded measurement items are denoted in each of the item tables earlier in the chapter.

4.4.7 Reliability and Validity

Quantitative research studies are exposed to issues of reliability and validity which can undermine their credibility. A variety of techniques are available to assess the reliability and validity of measures used in a study. The measurement scales employed in this study were selected based on evidence of their reliability and validity generally displayed in previous studies. The discussion of previous evidence of reliability and validity of the individual measurement scales can be found in Section 4.4.2. The following discussion of reliability and validity centres on methods considered and employed in this study.
4.4.7.1 Reliability

The reliability of a measurement scale concerns the extent to which it is repeatable (Churchill, Ford & Walker, 1974), or otherwise, its consistency (Bollen, 1989). In other words, the extent to which the findings would be the same if the research was repeated at another time or with a different sample of subjects (Veal, 2005). Reliability may be thought of as an indicator for the amount of random measurement error inherent in the measurement scale (Churchill, Ford & Walker, 1974; Malhotra, 1999). Conversely, ‘reliability is that part of a measure that is free of purely random error’ (Bollen, 1989, p. 207).

Traditionally, reliability is assessed based on the internal consistency of the set of items forming the scale, where each item measures some aspect of the latent construct measured by the entire scale. The most popular approach is to use coefficient alpha, commonly referred to as Cronbach’s coefficient alpha of reliability (Cronbach, 1951; Malhotra, 1999), which can be viewed as a generalised measure depicting the degree to which the construct measurement items indicate the latent construct of interest (Peter, 1979).

Cronbach’s alpha is the average of all possible split-half coefficients resulting from different ways of splitting the instrument items (Cronbach, 1951). The Cronbach’s alpha will produce a figure between 0 and 1. Low scores indicate that the items used to measure the construct are inconsistent, whereas high scores indicate that items are closely associated. A low score is typically considered to be that below 0.70, although 0.60 has been considered adequate in exploratory research. Ideally, the alpha score should be above 0.70 (Hair et al., 2010), with above 0.80 being preferred.

As is common practice, items were individually assessed, with items being dropped to improve the overall Cronbach’s alpha if necessary. Details of items which were dropped to improve scale reliability are included in Chapter 5. One of the limitations of using Cronbach’s alpha is the inability to calculate it for single-item measures. In these situations particularly, an assessment of validity is important.
4.4.7.2 Validity

Validity refers to the extent to which the data collected truly reflects the phenomena being studied (Hair et al., 2006). In other words, validity tests the way that the constructs were operationalised by demonstrating that they measure what they were intended to measure (Cooper & Schindler, 2014). The validity of a measure or construct also depends on the reliability of the measure or construct. In general terms a measurement instrument is valid if it truly measures the latent construct it is intended to measure (Nunnally, 1978). More specifically, for scale validity, this concerns ‘the extent to which differences in observed scale scores reflect true differences among objects on the characteristics being measured, rather than systematic or random errors’ (Malhotra, 1999, p. 283). There are three major types of validity that exist. These include content validity, convergent validity and discriminant validity.

Content validity is ‘the assessment of the correspondence of the variables to be included in a summated scale and its conceptual definition’ (Hair et al., 2010, p. 125). This form of validity, also known as face validity, typically involves consulting with a group of experts in the field and/or a group of target respondents to assess whether individual items correspond with the theoretical construct. One way of maximising content validity is to use existing measurement scales which have already gone through the process of establishing content validity (Bolton, 1993; Rossiter, 2002).

This study derived most measures from previous studies. The research instrument was also developed through consultation with two academic professors as well as through the pre-testing of the research instrument with a group of the target respondents. After these steps were completed, it was determined that the research instrument demonstrated sufficient content validity.

Convergent validity exists when indicators of a specific construct converge or show a high proportion of variance in common (Hair et al., 2010). Confirmatory Factor Analysis (CFA) was used to assess the interrelatedness of the indicators used to measure each construct. Convergent validity can be assessed by examining the factor loadings on each construct to see whether items in a
construct converge or load together on a single construct in the measurement model (Cooper & Schindler, 2014). At a minimum, all factor loadings should be statistically significant, and standardised loading estimates should ideally be above 0.70 (Hair et al., 2010). Through examining this test, convergent validity was considered to exist for each construct utilised in this study.

Discriminant validity is ‘the extent to which a construct is truly distinct from other constructs’ (Hair et al., 2010, p. 710). Establishing discriminant validity is essential to understanding whether the measures used in a study actually measure separate constructs, or whether they are the same. The approach used to determine discriminant validity in this study was to compare the average variance extracted (AVE) values to the square correlations (Fornell & Larcker, 1981; Hair et al., 2010). When comparing AVE with the correlation coefficient we actually want to see if the items of the construct explain more variance than do the items of the other constructs. To establish adequate discriminant validity properties, the variance-extracted estimates should be greater than the squared correlation estimate.

4.5 Data Analysis Strategy

In Chapter 3 a theoretical structural model was proposed based on the findings of the literature review in Chapter 2 and the exploratory qualitative phases of this study. This latent construct structural model was represented by a path diagram, which diagrammatically showed the relationships between the independent and dependent variables. A set of hypotheses that were related to the model were also proposed. A major purpose of this study was the statistically test the model, using the survey data collected for this particular context. The plausibility of the proposed measurement and structural models, as well as that of the associated hypotheses, was tested in a confirmatory manner; that is, the a priori developed conceptual models were tested, only after theory development, not as a ‘fishing expedition’ where models are developed to fit the data (Byrne, 2001; Kline, 1998).
The data analysis strategy for the quantitative study consisted of two main stages: 1) factor analysis (FA), and 2) structural equation modelling (SEM). An overview of the FA and SEM analysis strategies is discussed next.

4.5.1 Factor Analysis
Factor analysis is a statistical technique which has the purposes of summarising patterns of correlations among observed variables, reducing a large number of observed variables into a smaller number of factors, or to test a theory about the nature of underlying processes (Tabachnick & Fidell, 1996). Factor analysis is used to describe and summarise data by grouping together variables that are correlated. Factor analysis will be supported by the calculation of a coefficient alpha, which indicates a level of reliability of the construct. Factor and reliability analysis was used to identify inadequate measurement items.

4.5.2 Structural Equation Modelling (SEM)
SEM overcomes the limitations of traditional techniques, such as being unable to address more than one independent relationship at a time (Hair et al., 2006), and unable to account for measurement error (Bentler, 1992). SEM is the most appropriate technique for this study, as it enables the simultaneous testing of all interactions of the latent constructs shown in the proposed model and the associated hypotheses (Anderson & Gerbing, 1998). That is, SEM can provide a higher level of explanatory ability and appropriate evidence to support (or otherwise) the model and the associated hypotheses (Holmes-Smith, 2001). The ability of SEM techniques to provide theory validation has made them valuable and popular research tools in marketing and management, as well as a number of other disciplines (Hair et al., 2006).

4.5.2.1 SEM Procedure
The SEM procedure can be broken down into a number of steps. Various SEM researchers/authors have suggested a number of slightly differing approaches, with the number of steps ranging from five to eight. Tabachnick and Fidell (1996) outline five basic steps, as illustrated in Figure 4.3.
As indicated earlier, SEM as applied in this study is based on the a priori specification of the proposed model. This approach takes heed of the cautions offered by a number of SEM researchers (e.g. Kline (2005) and Byrne (2001)) concerning the abuse of SEM, especially that of altering the theory to suit the collected data; i.e. it avoids the issue of post-hoc identification of models (Hair et al., 2006). Such that, a model should not be developed without underlying theory.

A conventional model in SEM terminology consists of two models. The measurement model (representing how measured variables come together to represent constructs) and the structural model (showing how constructs are associated with each other).

A confirmatory approach was used for the two types of models in this study; the measurement model and the structural model. A number of measurement models need to be conceptualised, operationalised and tested before the final structure model is ready for analysis. By definition, latent constructs cannot be measured directly, so there is a need for a specific conceptual measurement model to test each construct. The refined models were used in the final structural modelling stage, which investigated the relationships between the constructs.

The development of a path diagram is the next step after conceptualisation of the model (Hair et al., 2006), and the precursor to model specification. Path diagrams are pictorial representations of the interrelationships between the various components of the model, and are used to name the observed and latent variables.
error terms and residuals (Hair et al., 2006). The AMOS SEM software used in this research makes constructing path diagrams a fairly straightforward process. It involves drawing the model using a graphical user interface that allows the operator to represent the elements of most models, and to add labels and generate structural equations. The final path diagrams for this study are outlined in Chapter 5.

4.5.2.2 Model Estimation

The stage of specifying the measurement model requires the assignment of measurement indicator values (items) to latent constructs. The process of specifying a model for a given data set through a software program and obtaining estimates of the parameter values is called model estimation. Once the model is specified, researchers must choose the estimation method. Several different estimation methods have been developed and applied to path analyses, including maximum likelihood estimation (MLE), Bayesian estimation, partial least squares (PLS), and generalized structured component analysis (GSCA). This study uses Maximum Likelihood Estimation (MLE).

Maximum Likelihood Estimation describes the statistical principle that underlies the derivation of parameter estimates: ‘the estimates are the ones that maximize the likelihood (the continuous generalization) that the data (observed covariances) were drawn from this population’ (Kline, 2005, p. 112). MLE maximises the likelihood of a sample that is actually observed (Winer, Brown & Michaels, 1991). That is, it seeks to maximise the likelihood that the observed data come from a population consistent with the implied model. An advantage of ML is that it is a full-information method, which means that all of a model's parameter estimates are calculated simultaneously. MLE uses an iterative process of estimating parameter values until the fit function is optimised (Kline, 2005). MLE has proven to be fairly robust to violations of the normality assumption. Compared with other techniques such as ordinary least squares, weighted least squares and generalized least squares, MLE has produced reliable results under many circumstances (Hair et al., 2006).
4.5.2.3 Assessing the Fit of the Model

Once the measurement model has been specified, the most important element in SEM testing is addressed: ascertaining measurement model validity (Bollen, 1989). Measurement model validity depends on (1) establishing acceptable levels of goodness-of-fit for the measurement model, and (2) finding specific evidence of construct validity (Hair et al., 2006).

Goodness-of-fit indicates how well the specified model reproduces the observed covariance matrix among the indicator items. Goodness-of-fit measures are classed into three general groups: absolute measures, incremental measures and parsimony fit measures (Hair et al., 2010). The fit of the measurement and structural models examined in this study were based on multiple indices. Typically, using three to four fit indices provides adequate evidence of model fit. The indices that were used to test the goodness-of-fit were Chi-square, comparative fit index (CFI), and root mean square error of approximation (RMSEA) (Hair et al., 2006).

Chi-square ($\chi^2$) is an absolute measure which forms the basis of many goodness-of-fit measures. It is a statistical measure of difference used to compare the observed and estimated covariance matrices. Incremental Fit Indices differ from absolute fit indices in that they assess how well the estimated model fits relative to some alternative baseline model. The most common baseline model is referred to as a null model, one that assumes all observed variables are uncorrelated. It implies that no model specification could possibly improve the model because it contains no multi-item factors or relationships between them. This class of fit indices represents the improvement in fit by the specification of related multi-item constructs. This study used comparative fit index (CFI), which is a measure of how much better the proposed model is compared to another version (or the baseline) version of the model. The CFI is constrained so that values range between 0 and 1, with higher values indicating better fit. In general, a CFI of about 0.90 or above is associated with a model that provides a reasonable approximation of the data (Hair et al., 2010).

Root Mean Square Error of Approximation (RMSEA) is said to better represent how well a model fits a population, not just a sample used for estimation. It
explicitly tries to correct for both model complexity and sample size by including each in its computation. Lower RMSEA values indicate better fit, with values less than 0.05 indicating that a model has produced a reasonable approximation of the data (Byrne, 2001). Hair et al. (2010) indicate that a cut-off value of 0.08 is also acceptable.

4.5.2.4 Model Evaluation and Modification

In addition to evaluating goodness-of-fit statistics, the model was also checked for ways to improve the model. This included checking path estimates, standardised residuals, and modification indices. Model respecification was based on strong theoretical and empirical support. The details of the data analysis are outlined in Chapter 5.

4.5.2.5 Model Identification

In SEM, a model is specified, parameters for the model are estimated using sample data, and the parameters are used to produce the estimated population covariance matrix (Tabachnick & Fidell, 2007). In order for the model to be estimated, it needs to be identified (Tabachnick & Fidell, 2007). A model is said to be identified if there is a unique numerical solution for each of the parameters in the model. There are two basic requirements for the identification of any kind of structural equation model: (1) there must be at least as many observations as free model parameters, and (2) every unobserved (latent) variable must be assigned a scale (metric) (Kline, 2005, p. 105). Model identification is addressed at three levels in this study; full model, second-order factor, and single-item factors.

The hypothesised model is considered to be recursive, as its error disturbances are independent and no variable is both a cause and effect of another variable, directly or indirectly (Bollen, 1989; Kline, 2005). The assumptions of a recursive model are that all causal effects are unidirectional and that the disturbances are independent when there are direct effects among the endogenous variables. Therefore, the model does not have any feedback loops. According to Bollen (1989) the recursive rule is a sufficient condition for model identification.
In order for a CFA model with a second-order factor to be identified, there must be at least three first order factors (Kline, 2005). This is the case for this study, in which attribution of responsibility is conceptualised as having four first-order factors. Identification of a second-order factor requires a constraint to be placed on the higher order structure. This can be addressed by placing equality constraints on error variances that are approximately equal (Byrne, 2001). That is, the error variances will be estimated for two of the three first-order factors, with the same value being held constant for two of the factors.

It is recommended to use a minimum of three or four items per factor when employing SEM techniques for data analysis (Hair et al., 2006). However, as discussed in section 4.4.2 this study utilises a number of single-item, and two-item constructs. This leads to an issue of a model being unidentified. To overcome this issue and make the model to be identified, Hair et al. (2006) suggests that the error variances be fixed to a known or specified value. In this study, for single-item and two-item measures, the error variances will be fixed to a specified value calculated by (1-reliability)*variance of V1. Applying these constraints will satisfy the conditions for model identification.

4.6 Ethical Considerations

The importance of adhering to the Charles Sturt University ethical code has been noted, and details of the study and the data collection procedures have been provided to Charles Sturt University’s ethics committee. This includes details of how the research study addresses the required ethical procedures before and during the data collection, as well as in the subsequent reporting of the research findings and the data storage.

To ensure the quality of research, informed consent was sought from research participants. The self-administered questionnaire was accompanied by an information letter detailing the nature of the study, and informing participants of their rights to refuse or withdraw from the study at any point they wish. The letter was on university letterhead, and provided contact details of the principal researcher, principal supervisor, and research centre at Charles Sturt University.
The nature of the web-based questionnaire allowed the researcher to ensure anonymity and confidentiality of participants. In no way will the individual responses be identifiable with individual participants. Furthermore, completed questionnaires are stored in the principal researcher’s computer, and not accessible by persons outside the research team.

Ethics approval has been attained from Charles Sturt University for this study.

**4.7 Chapter Summary**

The chapter examined the research methodology and design that was implemented to gather data for this study. A positivist approach using scenarios was used to collect the primary data. This allows for the specific relationships between the constructs to be quantified to determine which of the research hypotheses were supported and which were not supported.

Taking into account the data requirements for this study, the most appropriate methodology to collect the quantitative data was an online survey with 644 Australians aged 18 years and older. An online consumer panel was chosen as the sampling frame for this research, as it allowed for the collection of a large amount of data from a generally representative sample. The large sample was required for the statistical analysis of the data, which included SEM. The study has been framed according to the code of ethics of Charles Sturt University, including respecting the individual’s right to privacy in all aspects of the research. This was considered when choosing the sample, as well as the actual administration of the questionnaire. To improve reliability and validity of the study, the questionnaire was pretested at a number of levels before the final data was collected.

The first section of the questionnaire obtained demographic details of the sample, including gender, age, level of education, and location in Australia. The next section measured the theoretical construct of Consumer-Company Identification. This was followed by the individual scenarios containing potential ethical issues. The final questions measured the theoretical constructs of ethical issue recognition, magnitude of consequences, attribution of responsibility, perception
of injustice, identification with victim, consumer involvement in issue, and behavioural intention.

The next chapter provides the analysis related to the research questions and hypotheses. Included in the analysis is an outline of the demographic characteristics of the sample involved in the study, an analysis of reliability and validity of the survey instruments, and the results of the analysis using structural equation modelling. The results are then related to theory and discussed in further detail in Chapter 6.
CHAPTER 5 - DATA ANALYSIS

5.1 Introduction

A discussion of the methodology employed in this study was undertaken in the previous chapter. The study used a quantitative methodology employing scenarios and a survey to collect data. This chapter presents the analysis and results of the quantitative research study, including the examination of the proposed structural model using structural equation modeling (SEM). A discussion of the findings for the hypotheses and limitations of the study is presented in Chapter 6.

To give a background into the nature of the sample, the chapter begins with a demographic profile of the survey respondents (Section 5.2). Importantly, this chapter then gives an assessment of both the reliability and validity of the measures used in the study (see sections 5.3 and 5.4.3). A variety of techniques were used to assess these characteristics. After establishing the reliability and validity of each construct, the full model was assessed and the hypotheses were tested using SEM. A two-step procedure was used in the SEM analysis, which first involved estimating and refining the measurement model, and then estimating the structural model. Results of the structural path estimates, and an analysis of the punishing behaviours including z-tests and responses to the ‘open-ended’ question regarding punishing behaviours are presented, and briefly discussed. The chapter concludes with a summary of the research hypotheses.

5.2 Descriptive Characteristics of the Sample

5.2.1 Demographic Profile of Respondents
Data was collected from 644 respondents, which generated 1288 individual scenario responses, as each respondent was requested to address two scenarios in the survey. However some respondents only addressed one scenario. The final sample included 1165 cases after deletion of missing/incomplete cases and outliers (see Table 5.1). The final 1165 cases were generated from 612 respondents. The deletion of some cases due to missing data and outliers, meant that for some respondents both scenarios were included in the analysis while for
others only data from one scenario was included. The final number of responses to be used in the analysis for each scenario range from 136 to 157 cases, as displayed in Table 5.1.

**Table 5.1 Number of Cases by Scenario**

<table>
<thead>
<tr>
<th>Scenario</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>L’Oreal</td>
<td>152</td>
<td>162</td>
<td>162</td>
<td>153</td>
<td>151</td>
<td>169</td>
<td>170</td>
<td>169</td>
<td>1288</td>
</tr>
<tr>
<td>BP1</td>
<td>15</td>
<td>6</td>
<td>11</td>
<td>12</td>
<td>14</td>
<td>17</td>
<td>13</td>
<td>25</td>
<td>113</td>
</tr>
<tr>
<td>Pac. Brands</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Initial cases</td>
<td>137</td>
<td>156</td>
<td>150</td>
<td>141</td>
<td>136</td>
<td>149</td>
<td>157</td>
<td>139</td>
<td>1165</td>
</tr>
<tr>
<td># Missing</td>
<td>15</td>
<td>6</td>
<td>11</td>
<td>12</td>
<td>14</td>
<td>17</td>
<td>13</td>
<td>25</td>
<td>113</td>
</tr>
<tr>
<td># Outliers</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td># Final</td>
<td>137</td>
<td>156</td>
<td>150</td>
<td>141</td>
<td>136</td>
<td>149</td>
<td>157</td>
<td>139</td>
<td>1165</td>
</tr>
</tbody>
</table>

### 5.2.1.1 Gender

The final number of respondents included in the data set was 612. The number of respondents was relatively even in regards to gender, with 46.9% male and 53.1% female, as shown in Table 5.2. Responses to this item were coded as 1 = male, 2 = female.

**Table 5.2 Survey Respondents by Gender**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>287</td>
<td>46.9</td>
</tr>
<tr>
<td>Female</td>
<td>325</td>
<td>53.1</td>
</tr>
<tr>
<td>Total</td>
<td>612</td>
<td>100</td>
</tr>
</tbody>
</table>

### 5.2.1.2 Age

The participants varied in age from between 18 years to over 75 years, as shown in Table 5.3. These responses were coded in increasing values from 1 = under 18 years, to 14 = 75 years and over.

**Table 5.3 Survey Respondents by Age**

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage (%)</th>
<th>Age</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 to 19 years</td>
<td>4</td>
<td>0.7</td>
<td>50 to 54 years</td>
<td>60</td>
<td>9.8</td>
</tr>
<tr>
<td>20 to 24 years</td>
<td>31</td>
<td>5.1</td>
<td>55 to 59 years</td>
<td>59</td>
<td>9.6</td>
</tr>
<tr>
<td>25 to 29 years</td>
<td>60</td>
<td>9.8</td>
<td>60 to 64 years</td>
<td>50</td>
<td>8.2</td>
</tr>
<tr>
<td>30 to 34 years</td>
<td>66</td>
<td>10.8</td>
<td>65 to 69 years</td>
<td>43</td>
<td>7.0</td>
</tr>
<tr>
<td>35 to 39 years</td>
<td>65</td>
<td>10.6</td>
<td>70 to 74 years</td>
<td>18</td>
<td>2.9</td>
</tr>
<tr>
<td>40 to 44 years</td>
<td>72</td>
<td>11.8</td>
<td>75 years and over</td>
<td>14</td>
<td>2.3</td>
</tr>
<tr>
<td>45 to 49 years</td>
<td>70</td>
<td>11.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>612</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.2.1.3 Location

Respondents were asked to identify where they lived, either capital city or ‘other’ in the state, as shown in Table 5.4. The majority of respondents were from within New South Wales (30.5%), Victoria (25.4%), and Queensland (20.6%). This information was then aggregated into ‘Metro’ and ‘Regional’. Capital cities were coded as Metro (coded as 1), and ‘other’ was coded as Regional (coded as 2). As shown in Table 5.5, respondents were relatively evenly spread between ‘Metro’ (59.5%) and ‘Regional’ (40.5%) localities.

<table>
<thead>
<tr>
<th>State</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>111</td>
<td>18.1</td>
</tr>
<tr>
<td>Other NSW</td>
<td>76</td>
<td>12.4</td>
</tr>
<tr>
<td>Melbourne</td>
<td>116</td>
<td>19.0</td>
</tr>
<tr>
<td>Other VIC</td>
<td>39</td>
<td>6.4</td>
</tr>
<tr>
<td>Brisbane</td>
<td>63</td>
<td>10.3</td>
</tr>
<tr>
<td>Other QLD</td>
<td>63</td>
<td>10.3</td>
</tr>
<tr>
<td>Adelaide</td>
<td>34</td>
<td>5.6</td>
</tr>
<tr>
<td>Other SA</td>
<td>16</td>
<td>2.6</td>
</tr>
<tr>
<td>Perth</td>
<td>40</td>
<td>6.5</td>
</tr>
<tr>
<td>Other WA</td>
<td>16</td>
<td>2.6</td>
</tr>
<tr>
<td>Other (NT, ACT &amp; TAS)</td>
<td>38</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>612</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

5.2.1.4 Education

Respondents were asked to indicate the highest level of education they have achieved. Based on Table 5.6, 26.5% of respondents have a TAFE qualification, while 43.7% have an undergraduate university degree (27%), or higher (16.7%). Education was coded with increasing values from 1 = primary to 6 = postgraduate, and 8 = missing/prefer not to say.

<table>
<thead>
<tr>
<th>Level of education</th>
<th>Frequency</th>
<th>Percentage (%)</th>
<th>Level of education</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>5</td>
<td>0.8</td>
<td>Undergraduate</td>
<td>165</td>
<td>27.0</td>
</tr>
<tr>
<td>Year 10</td>
<td>73</td>
<td>11.9</td>
<td>Post-graduate</td>
<td>102</td>
<td>16.7</td>
</tr>
<tr>
<td>Year 12</td>
<td>80</td>
<td>13.1</td>
<td>Missing</td>
<td>25</td>
<td>4.1</td>
</tr>
<tr>
<td>TAFE</td>
<td>162</td>
<td>26.5</td>
<td>Total</td>
<td>612</td>
<td>100</td>
</tr>
</tbody>
</table>
5.2.1.5 Descriptive Statistics by Scenario

It was considered important that the sample characteristics were also representative across each individual scenario. Table 5.7 shows that respondents were generally representative of the total respondents across each scenario in terms of gender, age, locality, and level of education.

Table 5.7 Respondent Demographics by Scenario, Percentages

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Scenario</th>
<th>Scenario</th>
<th>Scenario</th>
<th>Scenario</th>
<th>Scenario</th>
<th>Scenario</th>
<th>Scenario</th>
<th>Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>A L’Oreal</td>
<td>B BP1</td>
<td>C Pac. Brands</td>
<td>D BP2</td>
<td>E Apple1</td>
<td>F Qantas</td>
<td>G Nestle</td>
<td>H Apple2</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>42.4</td>
<td>43.6</td>
<td>48.0</td>
<td>55.3</td>
<td>49.3</td>
<td>45.0</td>
<td>47.5</td>
<td>45.9</td>
</tr>
<tr>
<td>Female</td>
<td>57.6</td>
<td>56.4</td>
<td>52.0</td>
<td>44.7</td>
<td>50.7</td>
<td>55.0</td>
<td>52.5</td>
<td>54.1</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 to 19 years</td>
<td>0.8</td>
<td>1.3</td>
<td>0.0</td>
<td>0.7</td>
<td>0.0</td>
<td>0.7</td>
<td>1.4</td>
<td>0.6</td>
</tr>
<tr>
<td>20 to 24 years</td>
<td>5.1</td>
<td>3.8</td>
<td>8.0</td>
<td>2.1</td>
<td>5.1</td>
<td>4.7</td>
<td>5.0</td>
<td>6.4</td>
</tr>
<tr>
<td>25 to 29 years</td>
<td>8.8</td>
<td>10.3</td>
<td>12.0</td>
<td>9.2</td>
<td>9.6</td>
<td>11.4</td>
<td>6.5</td>
<td>10.8</td>
</tr>
<tr>
<td>30 to 34 years</td>
<td>16.1</td>
<td>11.5</td>
<td>9.3</td>
<td>10.6</td>
<td>4.4</td>
<td>8.1</td>
<td>12.9</td>
<td>10.8</td>
</tr>
<tr>
<td>35 to 39 years</td>
<td>8.8</td>
<td>7.7</td>
<td>11.3</td>
<td>12.1</td>
<td>12.5</td>
<td>12.8</td>
<td>10.1</td>
<td>11.5</td>
</tr>
<tr>
<td>40 to 44 years</td>
<td>10.9</td>
<td>10.9</td>
<td>8.7</td>
<td>11.3</td>
<td>11.8</td>
<td>11.4</td>
<td>12.9</td>
<td>16.6</td>
</tr>
<tr>
<td>45 to 49 years</td>
<td>13.1</td>
<td>12.2</td>
<td>15.3</td>
<td>13.5</td>
<td>8.8</td>
<td>9.4</td>
<td>12.2</td>
<td>6.4</td>
</tr>
<tr>
<td>50 to 54 years</td>
<td>5.1</td>
<td>10.3</td>
<td>11.3</td>
<td>9.2</td>
<td>12.5</td>
<td>13.4</td>
<td>9.4</td>
<td>8.3</td>
</tr>
<tr>
<td>55 to 59 years</td>
<td>13.9</td>
<td>10.9</td>
<td>9.3</td>
<td>10.6</td>
<td>10.3</td>
<td>4.7</td>
<td>11.5</td>
<td>7.6</td>
</tr>
<tr>
<td>60 to 64 years</td>
<td>5.8</td>
<td>9.0</td>
<td>7.3</td>
<td>6.4</td>
<td>8.1</td>
<td>9.4</td>
<td>6.5</td>
<td>10.2</td>
</tr>
<tr>
<td>65 to 69 years</td>
<td>5.8</td>
<td>8.3</td>
<td>4.7</td>
<td>6.4</td>
<td>8.8</td>
<td>10.1</td>
<td>6.5</td>
<td>5.7</td>
</tr>
<tr>
<td>70 to 74 years</td>
<td>2.9</td>
<td>1.3</td>
<td>2.0</td>
<td>5.0</td>
<td>3.7</td>
<td>1.3</td>
<td>3.6</td>
<td>3.8</td>
</tr>
<tr>
<td>75 years and over</td>
<td>2.9</td>
<td>2.6</td>
<td>0.7</td>
<td>2.8</td>
<td>4.4</td>
<td>2.7</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Location</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metro</td>
<td>60.6</td>
<td>59.0</td>
<td>62.7</td>
<td>60.3</td>
<td>64.7</td>
<td>61.7</td>
<td>55.4</td>
<td>56.1</td>
</tr>
<tr>
<td>Regional</td>
<td>39.4</td>
<td>41.0</td>
<td>37.3</td>
<td>39.7</td>
<td>35.3</td>
<td>38.3</td>
<td>44.6</td>
<td>43.9</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>0.8</td>
<td>0.6</td>
<td>0.0</td>
<td>1.4</td>
<td>2.2</td>
<td>1.3</td>
<td>0.0</td>
<td>0.6</td>
</tr>
<tr>
<td>year 10</td>
<td>10.9</td>
<td>14.1</td>
<td>10.7</td>
<td>7.8</td>
<td>13.2</td>
<td>9.4</td>
<td>12.2</td>
<td>15.3</td>
</tr>
<tr>
<td>year 12</td>
<td>9.5</td>
<td>14.7</td>
<td>14.0</td>
<td>7.1</td>
<td>19.9</td>
<td>15.4</td>
<td>12.9</td>
<td>12.7</td>
</tr>
<tr>
<td>TAFE</td>
<td>30.7</td>
<td>22.4</td>
<td>28.0</td>
<td>29.8</td>
<td>27.2</td>
<td>24.8</td>
<td>25.9</td>
<td>22.3</td>
</tr>
<tr>
<td>Undergrad</td>
<td>27.0</td>
<td>29.5</td>
<td>22.7</td>
<td>30.5</td>
<td>25.0</td>
<td>28.2</td>
<td>25.9</td>
<td>27.4</td>
</tr>
<tr>
<td>Post-grad</td>
<td>18.2</td>
<td>13.5</td>
<td>19.3</td>
<td>18.4</td>
<td>11.0</td>
<td>16.8</td>
<td>20.9</td>
<td>16.6</td>
</tr>
<tr>
<td>Missing</td>
<td>2.9</td>
<td>5.1</td>
<td>5.3</td>
<td>5.0</td>
<td>1.5</td>
<td>4.0</td>
<td>2.2</td>
<td>3.8</td>
</tr>
<tr>
<td>Total number</td>
<td>137</td>
<td>156</td>
<td>150</td>
<td>141</td>
<td>136</td>
<td>149</td>
<td>157</td>
<td>139</td>
</tr>
</tbody>
</table>

5.2.1.6 Validity of Scenario Content

To check that the scenarios were valid and contained ethical content as required, the mean and standard deviation of ethical issue recognition (EIR) was calculated for each scenario. These indicate that on average, each of the scenarios was considered by respondents to contain ethical content. Using a t-test the difference...
is significant from 4 for each of the scenarios, as shown in Table 5.8. The mean values were compared to 4, as on the 7-point scale 4 indicates the level of ‘neither agree nor disagree’, or otherwise a level of indifference. As the t-values are all significantly higher than 4, this indicates that the respondents reported the scenarios as having ethical content.

Table 5.8 Test Statistic of EIR Compared to Median Value of Four

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Mean</th>
<th>Std dev</th>
<th>t-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>A L’Oreal</td>
<td>5.50</td>
<td>1.44</td>
<td>35.14</td>
</tr>
<tr>
<td>B BP1</td>
<td>5.61</td>
<td>1.64</td>
<td>11.48</td>
</tr>
<tr>
<td>C Pac Brands</td>
<td>5.86</td>
<td>1.37</td>
<td>16.83</td>
</tr>
<tr>
<td>D BP2</td>
<td>4.97</td>
<td>1.56</td>
<td>7.57</td>
</tr>
<tr>
<td>E Apple1</td>
<td>5.62</td>
<td>1.51</td>
<td>12.64</td>
</tr>
<tr>
<td>F Qantas</td>
<td>5.49</td>
<td>1.31</td>
<td>13.14</td>
</tr>
<tr>
<td>G Nestle</td>
<td>4.90</td>
<td>1.24</td>
<td>8.82</td>
</tr>
<tr>
<td>H Apple2</td>
<td>5.90</td>
<td>1.31</td>
<td>18.08</td>
</tr>
</tbody>
</table>

5.2.2 Descriptive Statistics of Main Variables

The means, standard deviations and indicators of distribution were computed and assessed for each of the main variables in the full data set. This is shown in Table 5.9. Skewness and kurtosis were used as measures to check for the normality of the distribution. Skewness is a measure of the symmetry of a distribution, while kurtosis is a measure of the flatness or peakedness of a distribution when it is compared to a normal distribution. In testing for normality the z value is calculated for both skewness and kurtosis. If either calculated z values exceeds the specified critical value, then the distribution is nonnormal in terms of that characteristic. The most commonly used critical values are ±2.58 (0.01 significance level) and ±1.96 (0.05 error level) (Hair et al., 2006, p. 82).

As is common in social research, the assumption of normality was not met (Punch, 1998). For the skewness and kurtosis measures, there were 10 variables (67%) which failed at the 0.01 significance level. This problem can normally be addressed through some form of data transformation, or by using an estimation approach which is sufficiently robust to departures in normality. The second approach was used in this study, as Maximum Likelihood Estimation is considered sufficiently robust to violations of the normality assumption (Hair et al., 2006). Further to this, research has indicated that violations of normality can have varying impacts on results depending on a range of factors including sample size and degree of nonnormality. For example, it has been found that larger
sample sizes tend to produce more precise parameters estimates than smaller sample sizes under non-normal conditions (Finch, West & MacKinnon, 1997). Lei and Lomax (2005), conclude that SEM parameter estimates can be interpreted as usual even under severe non-normality conditions. This is because the worst effect of bias is generally noticeably less than 10 percent. Therefore, despite the evidence of non-normality within the full data set, this was considered acceptable for the data analysis techniques used.

Table 5.9 Descriptive Statistics of Main Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std Deviation</th>
<th>Skewness</th>
<th>Z Skewness</th>
<th>Kurtosis</th>
<th>Z Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIR</td>
<td>5.499</td>
<td>1.443</td>
<td>-0.859</td>
<td>-11.931</td>
<td>0.339</td>
<td>2.371</td>
</tr>
<tr>
<td>MC</td>
<td>4.901</td>
<td>1.614</td>
<td>-0.378</td>
<td>-5.250</td>
<td>-0.599</td>
<td>-4.189</td>
</tr>
<tr>
<td>CAUSE</td>
<td>5.210</td>
<td>1.309</td>
<td>-0.409</td>
<td>-5.527</td>
<td>-0.329</td>
<td>-2.223</td>
</tr>
<tr>
<td>KNOW</td>
<td>5.225</td>
<td>1.295</td>
<td>-0.365</td>
<td>-5.069</td>
<td>-0.419</td>
<td>-2.930</td>
</tr>
<tr>
<td>INTENT</td>
<td>4.772</td>
<td>1.164</td>
<td>0.096</td>
<td>1.315</td>
<td>-0.095</td>
<td>-0.651</td>
</tr>
<tr>
<td>MORALW</td>
<td>4.862</td>
<td>1.497</td>
<td>-0.084</td>
<td>-1.120</td>
<td>-0.747</td>
<td>-5.013</td>
</tr>
<tr>
<td>CCI1</td>
<td>2.918</td>
<td>1.419</td>
<td>0.440</td>
<td>5.946</td>
<td>-0.534</td>
<td>-3.584</td>
</tr>
<tr>
<td>CCI2</td>
<td>2.570</td>
<td>1.597</td>
<td>0.624</td>
<td>8.548</td>
<td>-0.596</td>
<td>-4.082</td>
</tr>
<tr>
<td>IVI</td>
<td>2.759</td>
<td>1.444</td>
<td>0.400</td>
<td>5.555</td>
<td>-0.490</td>
<td>-3.427</td>
</tr>
<tr>
<td>I-VICTIM</td>
<td>3.774</td>
<td>1.743</td>
<td>-0.073</td>
<td>-0.986</td>
<td>-0.763</td>
<td>-5.155</td>
</tr>
<tr>
<td>PINJUST1</td>
<td>5.275</td>
<td>1.244</td>
<td>-0.224</td>
<td>-3.253</td>
<td>-0.500</td>
<td>-3.333</td>
</tr>
<tr>
<td>PINJUST2</td>
<td>5.103</td>
<td>1.505</td>
<td>-0.435</td>
<td>-6.042</td>
<td>-0.271</td>
<td>-1.895</td>
</tr>
<tr>
<td>ISI</td>
<td>5.552</td>
<td>1.426</td>
<td>-0.948</td>
<td>-13.167</td>
<td>0.621</td>
<td>4.343</td>
</tr>
<tr>
<td>B-INTENT</td>
<td>4.356</td>
<td>1.302</td>
<td>0.024</td>
<td>0.324</td>
<td>-0.136</td>
<td>-0.919</td>
</tr>
<tr>
<td>PUNISH</td>
<td>3.723</td>
<td>1.517</td>
<td>0.098</td>
<td>1.342</td>
<td>-0.465</td>
<td>-3.185</td>
</tr>
</tbody>
</table>

5.3 Reliability Analysis and Scale Refinement

An analysis of reliability of the measures used in the study was conducted. Factor analysis and coefficient alpha was used for this purpose. As discussed in Chapter 4 section 4.4.7, reliability is traditionally assessed based on the internal consistency of the set of items forming the scale, where each item measures some aspect of the latent construct measured by the entire scale. The most popular approach is to use coefficient alpha, commonly referred to as Cronbach’s coefficient alpha of reliability (Cronbach, 1951; Malhotra, 1999). Coefficient alpha can be viewed as a generalised measure depicting the degree to which the construct measurement items indicate the latent construct of interest (Peter, 1979).
The following section contains the assessment of the Cronbach’s alpha for the multiple-item constructs used in this study relating to the conceptual model outlined in Chapter 3. It shows the final assessment after items with low factor loadings are deleted. It should be noted that this assessment was based on the full data set of 1165 cases. The items are listed in Sections 5.3.1 to 5.3.5, and included in a summary in Section 5.3.6.

5.3.1 Reliability of Attribution of Responsibility

Attribution of responsibility was conceptualized as being made up of four dimensions: causality, knowledge, intentionality and moral wrongfulness. Each of these was assessed individually for reliability.

Causality was conceptualised as a four item scale, and provided an initial alpha of 0.857, which is considered high. Despite this, CAUSE4 was deleted to improve the overall scale reliability. Although CAUSE4 loaded acceptably (0.716), it was lower than the preferred factor loading 0.80 cutoff. Examining the initial four items (see Table 4.4 for individual items), CAUSE4 is worded differently from the others in that it is not worded directly in terms of the company’s influence in the scenario. The final three-item scale used in the analysis provided an alpha of 0.873, and explained 79.171 percent of the variance, as shown in Table 5.10.

Table 5.10 Reliability of Causality Dimension of Attribution of Responsibility

<table>
<thead>
<tr>
<th>Sample n = 1079 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAUSE1</td>
<td>0.895</td>
</tr>
<tr>
<td>CAUSE2</td>
<td>0.935</td>
</tr>
<tr>
<td>CAUSE3</td>
<td>0.846</td>
</tr>
<tr>
<td><strong>Eigenvalue</strong></td>
<td><strong>2.392</strong></td>
</tr>
<tr>
<td><strong>Percentage Variance Explained</strong></td>
<td><strong>79.171</strong></td>
</tr>
<tr>
<td><strong>Alpha</strong></td>
<td><strong>0.873</strong></td>
</tr>
</tbody>
</table>

The knowledge dimension of attribution of responsibility showed adequate internal consistency with a Cronbach’s alpha of 0.862, as shown in Table 5.11. Therefore, all three items of this scale were retained for final analysis.
The intentionality dimension of attribution of responsibility initially showed an unacceptably low Cronbach’s alpha (0.586), when all three items were included. Item INTENT2 was deleted due to a low factor loading (0.386) and the two item scale for intentionality demonstrated adequate internal consistency. The deletion of items resulting in two item factors is discouraged; however, it was evident that this one item was not suitable to be included in further analysis. Examining the item INTENT2 (see Table 4.4 for individual items), it was a negatively worded item in the questionnaire. It also does not refer to the company, which is inconsistent with the other two items. While this should not have been an issue, it appears that the item is not consistent with the remaining two items. The alpha improved from 0.586 to 0.794 on its removal, as shown in Table 5.12. The limitation of a two item factor and its subsequent treatment is addressed in the development of the measurement model.

Table 5.11 Reliability of Knowledge Dimension of Attribution of Responsibility

<table>
<thead>
<tr>
<th>Sample n = 1014 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>KNOW1</td>
<td>0.914</td>
</tr>
<tr>
<td>KNOW2</td>
<td>0.919</td>
</tr>
<tr>
<td>KNOW3</td>
<td>0.819</td>
</tr>
</tbody>
</table>

Eigenvalue 2.350
Percentage Variance Explained 78.335
Alpha 0.862

The moral wrongfulness dimension of attribution of responsibility displayed an acceptable level of internal consistency at 0.831, as shown in Table 5.13. The three item solution was considered suitable for use in the final analysis.

Table 5.12 Reliability of Intentionality Dimension of Attribution of Responsibility

<table>
<thead>
<tr>
<th>Sample n = 969 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTENT1</td>
<td>0.912</td>
</tr>
<tr>
<td>INTENT3</td>
<td>0.912</td>
</tr>
</tbody>
</table>

Eigenvalue 1.663
Percentage Variance Explained 83.157
Alpha 0.794

The intentionality dimension of attribution of responsibility initially showed an unacceptably low Cronbach’s alpha (0.586), when all three items were included. Item INTENT2 was deleted due to a low factor loading (0.386) and the two item scale for intentionality demonstrated adequate internal consistency. The deletion of items resulting in two item factors is discouraged; however, it was evident that this one item was not suitable to be included in further analysis. Examining the item INTENT2 (see Table 4.4 for individual items), it was a negatively worded item in the questionnaire. It also does not refer to the company, which is inconsistent with the other two items. While this should not have been an issue, it appears that the item is not consistent with the remaining two items. The alpha improved from 0.586 to 0.794 on its removal, as shown in Table 5.12. The limitation of a two item factor and its subsequent treatment is addressed in the development of the measurement model.

Table 5.11 Reliability of Knowledge Dimension of Attribution of Responsibility

<table>
<thead>
<tr>
<th>Sample n = 1014 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>KNOW1</td>
<td>0.914</td>
</tr>
<tr>
<td>KNOW2</td>
<td>0.919</td>
</tr>
<tr>
<td>KNOW3</td>
<td>0.819</td>
</tr>
</tbody>
</table>

Eigenvalue 2.350
Percentage Variance Explained 78.335
Alpha 0.862

The moral wrongfulness dimension of attribution of responsibility displayed an acceptable level of internal consistency at 0.831, as shown in Table 5.13. The three item solution was considered suitable for use in the final analysis.

Table 5.12 Reliability of Intentionality Dimension of Attribution of Responsibility

<table>
<thead>
<tr>
<th>Sample n = 969 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTENT1</td>
<td>0.912</td>
</tr>
<tr>
<td>INTENT3</td>
<td>0.912</td>
</tr>
</tbody>
</table>

Eigenvalue 1.663
Percentage Variance Explained 83.157
Alpha 0.794

The moral wrongfulness dimension of attribution of responsibility displayed an acceptable level of internal consistency at 0.831, as shown in Table 5.13. The three item solution was considered suitable for use in the final analysis.
Table 5.13 Reliability of Moral Wrongfulness Dimension of Attribution of Responsibility

<table>
<thead>
<tr>
<th></th>
<th>Sample n = 1069 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORALW1</td>
<td></td>
<td>0.826</td>
</tr>
<tr>
<td>MORALW2</td>
<td></td>
<td>0.847</td>
</tr>
<tr>
<td>MORALW3</td>
<td></td>
<td>0.920</td>
</tr>
<tr>
<td>Eigenvalue</td>
<td></td>
<td>2.244</td>
</tr>
<tr>
<td>Percentage Variance Explained</td>
<td></td>
<td>74.816</td>
</tr>
<tr>
<td>Alpha</td>
<td></td>
<td>0.831</td>
</tr>
</tbody>
</table>

In summary, the results of the reliability analysis supported the internal consistency of the attribution of responsibility scales. The alpha values for the scales were $\alpha = 0.873$ for Causality, $\alpha = 0.862$ for Knowledge, $\alpha = 0.794$ for Intentionality, and $\alpha = 0.831$ for Moral Wrongfulness.

5.3.2 Reliability of Consumer-Company Identification

Reliability analysis of the Consumer-Company identification scale resulted in the deletion of one item (CCI1.1) due to a low factor score (0.601). The deleted item was ‘I act like a typical consumer of [company], to a great extent’ (see Table 4.5 for individual items). It is possible that the similarity to other consumers’ behaviors is less of a consideration in consumer identification with a firm. The remaining items appear to focus on how others view the consumer and the company, not the consumer and other consumers. After deleting this item, the results show that this factor accounted for 82.59 percent of the variance and had a Cronbach’s alpha value of $\alpha = 0.957$. As shown in Table 5.14, this indicates good support for the internal consistency of this scale.

Table 5.14 Reliability of Consumer-Company Identification

<table>
<thead>
<tr>
<th></th>
<th>Sample n = 1081 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCI1.2</td>
<td></td>
<td>0.890</td>
</tr>
<tr>
<td>CCI1.3</td>
<td></td>
<td>0.828</td>
</tr>
<tr>
<td>CCI1.4</td>
<td></td>
<td>0.947</td>
</tr>
<tr>
<td>CCI1.5</td>
<td></td>
<td>0.948</td>
</tr>
<tr>
<td>CCI1.6</td>
<td></td>
<td>0.939</td>
</tr>
<tr>
<td>CCI1.7</td>
<td></td>
<td>0.895</td>
</tr>
<tr>
<td>Eigenvalue</td>
<td></td>
<td>4.955</td>
</tr>
<tr>
<td>Percentage Variance Explained</td>
<td></td>
<td>82.586</td>
</tr>
<tr>
<td>Alpha</td>
<td></td>
<td>0.957</td>
</tr>
</tbody>
</table>
**5.3.3 Reliability of Identification with Victim**

In operationalising Identification with Victim, two scales were included in the questionnaire and underwent analysis. Only one was used in the final model. The one retained for use in the structural model was I-VICTIM. As can be seen in Table 5.15, I-VICTIM displayed a higher level of internal consistency than IVI, 0.916 and 0.803 respectively. This indicates that the identification with victim construct has a high level of reliability. The IVI scale focused on similarities between the consumer and the victim; similar traits or experiences, and similar work roles. I-VICTIM was focused on the ability of the respondent to ‘relate’ with the victim and the victim’s situation. It is possible that for IVI, the respondent could score highly on one measure and not the other. Whereas for I-VICTIM, if a respondent can relate to the victim, they are also likely to relate to the victim’s situation.

<table>
<thead>
<tr>
<th>Sample n = 1165 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV1.1</td>
<td>0.914</td>
</tr>
<tr>
<td>IV1.2</td>
<td>0.914</td>
</tr>
<tr>
<td>Eigenvalue</td>
<td>1.670</td>
</tr>
<tr>
<td>Percentage Variance Explained</td>
<td>83.523</td>
</tr>
<tr>
<td>Alpha</td>
<td>0.803</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sample n = 1095 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-VICTIM1</td>
<td>0.961</td>
</tr>
<tr>
<td>I-VICTIM2</td>
<td>0.961</td>
</tr>
<tr>
<td>Eigenvalue</td>
<td>1.846</td>
</tr>
<tr>
<td>Percentage Variance Explained</td>
<td>92.289</td>
</tr>
<tr>
<td>Alpha</td>
<td>0.916</td>
</tr>
</tbody>
</table>

**5.3.4 Reliability of Perceived Injustice**

Perceived injustice was measured using two scales in the questionnaire. After analysis, it was determined that the single item measure (PINJUST2.1) was more reliable and valid than the three-item scale (PINJUST1). A two item solution was tested for internal consistency for PINJUST1, by deleting PINJUST1.3, which only had a loading of 0.633. This resulted in an alpha of 0.780, which while acceptable, is below the desired cut-off of 0.800, as shown in Table 5.16. As a result, the single-item measure stated in Chapter 4 was used in the final analysis. Treatment of the single-item factor is discussed in the measurement model section.
Table 5.16 Reliability of Perceived Injustice

<table>
<thead>
<tr>
<th></th>
<th>Sample n = 1072 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>PINJUST1.1</td>
<td></td>
<td>0.906</td>
</tr>
<tr>
<td>PINJUST1.2</td>
<td></td>
<td>0.906</td>
</tr>
<tr>
<td>Eigenvalue</td>
<td></td>
<td>1.643</td>
</tr>
<tr>
<td>Percentage</td>
<td></td>
<td>82.164</td>
</tr>
<tr>
<td>Variance Explained</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alpha</td>
<td></td>
<td>0.780</td>
</tr>
</tbody>
</table>

5.3.5 Reliability of Behavioural Intention and Punishment

Behavioural Intention was operationalised in the survey by the use of two scales, behavioural intention and punishment. B-INTENT was analysed and had two items deleted due to low factor loadings (B-INTENT3 and B-INTENT4), resulting in an alpha of 0.897. This scale was considered to have high levels of internal consistency and therefore reliability, as shown in Table 5.17. The scale was included in the initial measurement model, but was later deleted to improve measurement model fit.

Table 5.17 Reliability of Behavioural Intention

<table>
<thead>
<tr>
<th></th>
<th>Sample n = 1132 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-INTENT1</td>
<td></td>
<td>0.952</td>
</tr>
<tr>
<td>B-INTENT2</td>
<td></td>
<td>0.952</td>
</tr>
<tr>
<td>Eigenvalue</td>
<td></td>
<td>1.814</td>
</tr>
<tr>
<td>Percentage</td>
<td></td>
<td>90.713</td>
</tr>
<tr>
<td>Variance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explained</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alpha</td>
<td></td>
<td>0.897</td>
</tr>
</tbody>
</table>

Analysis of the Punish scale resulted in the deletion of one item (PUNISH8). As shown in Table 5.18, this resulted in a high Cronbach’s alpha of 0.961, and all items had adequate individual item loadings onto the punish construct. PUNISH8 referred to an individual taking legal action again the company. Compared to the other behaviours, this requires a higher degree of personal investment from the consumer.
Table 5.18 Reliability of Punishment

<table>
<thead>
<tr>
<th>Sample n = 1040 valid</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUNISH1</td>
<td>0.822</td>
</tr>
<tr>
<td>PUNISH2</td>
<td>0.903</td>
</tr>
<tr>
<td>PUNISH3</td>
<td>0.911</td>
</tr>
<tr>
<td>PUNISH4</td>
<td>0.915</td>
</tr>
<tr>
<td>PUNISH5</td>
<td>0.909</td>
</tr>
<tr>
<td>PUNISH6</td>
<td>0.909</td>
</tr>
<tr>
<td>PUNISH7</td>
<td>0.919</td>
</tr>
<tr>
<td>PUNISH9</td>
<td>0.747</td>
</tr>
<tr>
<td>PUNISH10</td>
<td>0.768</td>
</tr>
<tr>
<td>PUNISH11</td>
<td>0.805</td>
</tr>
</tbody>
</table>

Eigenvalue 7.452
Percentage Variance Explained 74.518
Alpha 0.961

5.3.6 Summary of Reliability Analysis of Multiple-item Constructs

Table 5.19 contains the Cronbach’s alpha scores for the modified multiple-item constructs used in the measurement model estimation. As previously mentioned, Cronbach’s alpha is not appropriate for single-item measures, and they are therefore not included in the below table. Each of the multiple-item constructs used in the study display adequate levels of internal consistency and reliability, ranging from 0.780 to 0.961.

Table 5.19 Summary of Cronbach’s Alpha for Revised Multiple-Item Constructs

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Number of items per variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causality</td>
<td>0.873</td>
<td>3</td>
</tr>
<tr>
<td>Knowledge</td>
<td>0.862</td>
<td>3</td>
</tr>
<tr>
<td>Intentionality</td>
<td>0.794</td>
<td>2</td>
</tr>
<tr>
<td>Moral wrongfulness</td>
<td>0.831</td>
<td>3</td>
</tr>
<tr>
<td>Consumer-company identification</td>
<td>0.957</td>
<td>6</td>
</tr>
<tr>
<td>Identification with Victim (I-VICTIM)</td>
<td>0.916</td>
<td>2</td>
</tr>
<tr>
<td>Identification with Victim (IVI)</td>
<td>0.803</td>
<td>2</td>
</tr>
<tr>
<td>Perceived injustice</td>
<td>0.780</td>
<td>2</td>
</tr>
<tr>
<td>Behavioural intention</td>
<td>0.897</td>
<td>2</td>
</tr>
<tr>
<td>Punishment</td>
<td>0.961</td>
<td>10</td>
</tr>
</tbody>
</table>
5.4 Structural Equation Modeling

Structural equation modeling (SEM) was performed to assess the research model. The guidelines for the SEM methods and procedures were adopted from Byrne (2001) and Hair et al. (2006) using AMOS version 20 software. The SEM analysis was conducted in a two-step approach. The first step was to validate the measurement model using Confirmatory Factor Analysis, and the second step was to estimate the structural relationships between the latent variables (Anderson & Gerbing, 1988).

In the first step, confirmatory factor analysis was performed to test for convergent validity and discriminant validity. The second step tested the theoretical model through estimating the structural relationships. The following section reports on the model estimation and evaluation process, including issues of model identification. The assessment of the measurement model is reported, followed by validation of the constructs. The results of the structural model analysis and research hypotheses are then examined.

5.4.1 Model Identification

Once a model is specified, the researcher must assess whether or not the model is identified and address any identification problems. Hair et al. (2006) have indicated that over-identification is the desired state for CFA and SEM models in general. As SEM models become more complex, ensuring that a model is identified can be problematic. Moreover, identification problems can have many different effects on SEM results. The causes of identification problems can arise from a number of sources.

Model identification is addressed at three levels in this study; full structural model, second-order factors, and single-item factors, as discussed in Chapter 4. The remedies discussed in Section 4.5.2.5 have been implemented here. In applying a fixed error variance for the single and two-item constructs, the value was calculated by \((1 - \text{reliability}) \times \text{variance of item}\). We have used an estimated reliability value of 0.8, which is broadly consistent with the reliabilities for the
multiple-item scales in this study (refer to Table 5.17). Applying these constraints will satisfy the conditions for model identification.

As displayed in Table 5.20, the error variances for the single-item and two-item measures were set based on the full data set, and also for the individual scenarios. The single-item measures used in this study were ethical issue recognition (EIR), magnitude of consequences (MC), perceived injustice (Pinjust), and involvement in social issues (ISI). For the constructs which were represented by only two items, the error variances were set for one of the items of each scale. This was done for the constructs of intentionality (INTENT), identification with victim (I-VICTIM1), and behavioural intention (BINTENT). As discussed in the following section, BINTENT was removed to improve measurement model fit, and is therefore not included in Table 5.20.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Full</th>
<th>L’Oreal A</th>
<th>BP1 B</th>
<th>Pac Brands C</th>
<th>BP2 D</th>
<th>Apple1 E</th>
<th>Qantas F</th>
<th>Nestle G</th>
<th>Apple2 H</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIR</td>
<td>0.42</td>
<td>0.54</td>
<td>0.38</td>
<td>0.49</td>
<td>0.44</td>
<td>0.34</td>
<td>0.31</td>
<td>0.34</td>
<td>0.33</td>
</tr>
<tr>
<td>MC</td>
<td>0.52</td>
<td>0.57</td>
<td>0.36</td>
<td>0.39</td>
<td>0.53</td>
<td>0.49</td>
<td>0.44</td>
<td>0.61</td>
<td>0.40</td>
</tr>
<tr>
<td>Pinjust</td>
<td>0.45</td>
<td>0.52</td>
<td>0.29</td>
<td>0.47</td>
<td>0.44</td>
<td>0.42</td>
<td>0.26</td>
<td>0.46</td>
<td>0.36</td>
</tr>
<tr>
<td>ISI</td>
<td>0.41</td>
<td>0.52</td>
<td>0.23</td>
<td>0.44</td>
<td>0.28</td>
<td>0.42</td>
<td>0.42</td>
<td>0.33</td>
<td>0.33</td>
</tr>
<tr>
<td>INTENT1</td>
<td>0.40</td>
<td>0.37</td>
<td>0.54</td>
<td>0.32</td>
<td>0.52</td>
<td>0.20</td>
<td>0.32</td>
<td>0.40</td>
<td>0.29</td>
</tr>
<tr>
<td>I-VICTIM1</td>
<td>0.65</td>
<td>0.81</td>
<td>0.63</td>
<td>0.61</td>
<td>0.63</td>
<td>0.50</td>
<td>0.46</td>
<td>0.80</td>
<td>0.59</td>
</tr>
</tbody>
</table>

5.4.2 Measurement Model and Confirmatory Factor Analysis

This section presents the results of the procedures undertaken to examine and refine the measurement model. Analysis was undertaken using the full data set of 1165 cases, and also on each of the data sets for the individual scenarios. The following sections report on the findings of the full model and also the eight individual scenarios.

5.4.2.1 Measurement Model Fit and Refinement

The initial measurement model was developed using all of the constructs and their alternative measures. It included 39 scale items, which represented the constructs; ethical issue recognition, magnitude of consequences, consumer-company identification (two scales), attribution of responsibility (causality, knowledge, intentionality, and moral wrongfulness), identification with victim (two scales), perceived injustice (two scales), consumer involvement in issue, and behavioural
intention (two scales). At this stage, all of the latent variables are allowed to freely correlate, and no unidirectional paths are specified.

Analysis of the measurement model, including all constructs, was first undertaken to assess model fit and to assess the ability of indicators to serve as measures of their respective construct (Joreskog, 1993). Fit was assessed using CMIN/DF < 2.00, CFI > 0.90, and RMSEA < 0.08. As shown in Table 5.21, the initial model did not show adequate fit for either the full model or individual scenarios. In five of the eight scenarios the CMIN/DF was higher than 2, in seven of the eight scenarios the CFI was less than 0.90, and in six of the eight scenarios the RMSEA was greater than 0.08.

**Table 5.21 Initial Measurement Model**

<table>
<thead>
<tr>
<th>Fit indices</th>
<th>Full</th>
<th>L’Oreal A</th>
<th>BP1 B</th>
<th>Pac Brands C</th>
<th>BP2 D</th>
<th>Apple1 E</th>
<th>Qantas F</th>
<th>Nestle G</th>
<th>Apple2 H</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>5.227</td>
<td>2.054</td>
<td>1.850</td>
<td>2.017</td>
<td>1.920</td>
<td>2.133</td>
<td>2.089</td>
<td>1.593</td>
<td>2.342</td>
</tr>
<tr>
<td>CFI</td>
<td>0.936</td>
<td>0.877</td>
<td>0.891</td>
<td>0.886</td>
<td>0.882</td>
<td>0.855</td>
<td>0.862</td>
<td>0.935</td>
<td>0.810</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.060</td>
<td>0.088</td>
<td>0.074</td>
<td>0.083</td>
<td>0.081</td>
<td>0.092</td>
<td>0.086</td>
<td>0.062</td>
<td>0.099</td>
</tr>
<tr>
<td>Chi-square</td>
<td>3371</td>
<td>1319</td>
<td>1200</td>
<td>1308</td>
<td>1246</td>
<td>1386</td>
<td>1356</td>
<td>1033</td>
<td>1520</td>
</tr>
<tr>
<td>DF</td>
<td>650</td>
<td>650</td>
<td>650</td>
<td>650</td>
<td>650</td>
<td>650</td>
<td>650</td>
<td>650</td>
<td>650</td>
</tr>
</tbody>
</table>

To assess measurement model fit and look for avenues of improvement, the standardized factor loadings were assessed. In the initial full measurement model, MORALW loaded very highly onto attribution of responsibility (0.914), but INTENT had a very low loading (0.236), as shown in Table 5.22. When the measurement model was estimated for the individual scenarios, the interaction of MORALW and INTENT indicated an unpredictable impact. Shown below in Table 5.22 are the factor loadings for MORALW and INTENT. As can be seen in the table, the items for INTENT perform more consistently between each scenario than for MORALW. Furthermore, often high item loadings for the individual measure have resulted in low lower loadings for the entire construct. This indicates that MORALW and INTENT cannot both be used together.
Table 5.22 Comparison on Loadings for Moral Wrongfulness and Intentionality for Attribution of Responsibility

<table>
<thead>
<tr>
<th>Estimate</th>
<th>Full</th>
<th>L’Oreal A</th>
<th>BP1 B</th>
<th>Pac Brands C</th>
<th>BP2 D</th>
<th>Apple1 E</th>
<th>Qantas F</th>
<th>Nestle G</th>
<th>Apple2 H</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORALW</td>
<td>0.914</td>
<td>0.854</td>
<td>0.903</td>
<td>0.907</td>
<td>0.778</td>
<td>0.871</td>
<td>0.821</td>
<td>0.878</td>
<td>0.764</td>
</tr>
<tr>
<td>MORALW1</td>
<td>0.874</td>
<td>0.875</td>
<td>0.751</td>
<td>0.844</td>
<td>0.891</td>
<td>0.810</td>
<td>0.932</td>
<td>0.924</td>
<td>0.725</td>
</tr>
<tr>
<td>MORALW2</td>
<td>0.527</td>
<td>0.721</td>
<td>0.224</td>
<td>0.531</td>
<td>0.256</td>
<td>0.507</td>
<td>0.198</td>
<td>0.430</td>
<td>0.329</td>
</tr>
<tr>
<td>MORALW3</td>
<td>0.705</td>
<td>0.825</td>
<td>0.414</td>
<td>0.791</td>
<td>0.463</td>
<td>0.641</td>
<td>0.505</td>
<td>0.663</td>
<td>0.453</td>
</tr>
<tr>
<td>INTENT</td>
<td>0.236</td>
<td>0.550</td>
<td>0.060</td>
<td>0.689</td>
<td>0.338</td>
<td>0.772</td>
<td>-0.121</td>
<td>0.666</td>
<td>0.558</td>
</tr>
<tr>
<td>INTENT1</td>
<td>0.708</td>
<td>0.905</td>
<td>0.708</td>
<td>0.884</td>
<td>0.443</td>
<td>0.689</td>
<td>0.901</td>
<td>0.688</td>
<td>0.306</td>
</tr>
<tr>
<td>INTENT3</td>
<td>0.963</td>
<td>0.887</td>
<td>0.893</td>
<td>0.884</td>
<td>0.891</td>
<td>0.902</td>
<td>0.877</td>
<td>0.885</td>
<td>0.889</td>
</tr>
</tbody>
</table>

From a theoretical basis, it would seem that intentionality (INTENT) is more important than moral wrongfulness (MORALW) in the conceptualisation of attribution of responsibility. Whether an action is intentional seems to be more related to responsibility then if the action is morally wrong. In order to preserve construct validity, moral wrongfulness was deleted, and intentionality was retained for final analysis.

An assessment of measurement model fit provides further support for the selection of intentionality over moral wrongfulness in explaining the data. Tables 5.23 and 5.24 show measurement model fit for the full data set and also the individual scenarios. With MORALW deleted, the full model has a fit of: CMIN/DF 5.213, CFI 0.942, and RMSEA 0.060. This is marginally better than the model which has INTENT deleted: CMIN/DF 5.295, CFI 0.941, and RMSEA 0.061. In comparing the model fit for the individual scenarios, the model without moral wrongfulness performed marginally better than the model without intentionality on each of the indices. Without MORALW there were three scenarios where CMIN/DF was greater than 2, compared to four in without INTENT. Without MORALW there were four scenarios where CFI was less than 0.90, compared to six in without INTENT. Without MORALW there were four scenarios with RMSEA greater than 0.08, compared to five scenarios in without INTENT. On this basis, it is evident that there is better individual scenario model fit when MORALW is excluded; compared to when INTENT is excluded. Furthermore, the deletion of MORALW led to a slightly improved loading of INTENT onto AR (0.317).
### Table 5.23 Measurement Model Fit Without Moral Wrongfulness

<table>
<thead>
<tr>
<th>Fit indices</th>
<th>Full</th>
<th>L’Oreal A</th>
<th>BP1 B</th>
<th>Pac Brands C</th>
<th>BP2 D</th>
<th>Apple1 E</th>
<th>Qantas F</th>
<th>Nestle G</th>
<th>Apple2 H</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>5.213</td>
<td>1.921</td>
<td>1.798</td>
<td>1.913</td>
<td>1.890</td>
<td>2.075</td>
<td>2.202</td>
<td>1.512</td>
<td>2.396</td>
</tr>
<tr>
<td>CFI</td>
<td>0.942</td>
<td>0.901</td>
<td>0.910</td>
<td>0.908</td>
<td>0.899</td>
<td>0.878</td>
<td>0.865</td>
<td>0.949</td>
<td>0.828</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.060</td>
<td>0.082</td>
<td>0.072</td>
<td>0.078</td>
<td>0.080</td>
<td>0.089</td>
<td>0.090</td>
<td>0.057</td>
<td>0.101</td>
</tr>
<tr>
<td>Chi-square</td>
<td>2825</td>
<td>1039</td>
<td>972</td>
<td>1035</td>
<td>1022</td>
<td>1122</td>
<td>1191</td>
<td>817</td>
<td>1296</td>
</tr>
<tr>
<td>DF</td>
<td>541</td>
<td>541</td>
<td>541</td>
<td>541</td>
<td>541</td>
<td>541</td>
<td>541</td>
<td>541</td>
<td>541</td>
</tr>
<tr>
<td>Probability level</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

### Table 5.24 Measurement Model Fit Without Intentionality

<table>
<thead>
<tr>
<th>Fit indices</th>
<th>Full</th>
<th>L’Oreal A</th>
<th>BP1 B</th>
<th>Pac Brands C</th>
<th>BP2 D</th>
<th>Apple1 E</th>
<th>Qantas F</th>
<th>Nestle G</th>
<th>Apple2 H</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>5.295</td>
<td>2.040</td>
<td>1.779</td>
<td>1.981</td>
<td>1.907</td>
<td>2.039</td>
<td>2.050</td>
<td>1.622</td>
<td>2.295</td>
</tr>
<tr>
<td>CFI</td>
<td>0.941</td>
<td>0.888</td>
<td>0.909</td>
<td>0.897</td>
<td>0.895</td>
<td>0.877</td>
<td>0.877</td>
<td>0.938</td>
<td>0.832</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.061</td>
<td>0.087</td>
<td>0.071</td>
<td>0.081</td>
<td>0.080</td>
<td>0.088</td>
<td>0.084</td>
<td>0.063</td>
<td>0.097</td>
</tr>
<tr>
<td>Chi-square</td>
<td>3033</td>
<td>1169</td>
<td>1019</td>
<td>1135</td>
<td>1092</td>
<td>1168</td>
<td>1174</td>
<td>929</td>
<td>1315</td>
</tr>
<tr>
<td>DF</td>
<td>573</td>
<td>573</td>
<td>573</td>
<td>573</td>
<td>573</td>
<td>573</td>
<td>573</td>
<td>573</td>
<td>573</td>
</tr>
<tr>
<td>Probability level</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

#### 5.4.2.2 Refined Measurement Model

The refined measurement model indicated good levels of fit for both the full data set and also the individual scenarios. Unlike the initial model, only the preferred alternative measures were included. The final model comprised of ethical issue recognition (EIR), magnitude of consequences (MC), attribution of responsibility (AR) as a second order factor having causality, knowledge and intentionality and the respective first order factors, consumer-company identification (CCI1), identification with victim (I-VICTIM1), perceived injustice (PINJUST2), involvement in social issue (ISI), and punishment behaviours (PUNISH). The fit of the measurement models is shown in Table 5.25. With the exception of the full model and Apple2, the CMIN/DF for each model was below 2. The CFI for all models was above 0.900, except for Apple1 and Apple2. The RMSEA was below 0.08 for all models with the exception of L’Oreal (0.082), Apple1 (0.085) and Apple2 (0.098). The fit of the full model was impacted by the large sample size of 1165, which has inflated the CMIN/DF.
Table 5.25 Fit Indices for Final Measurement Models

<table>
<thead>
<tr>
<th>Fit indices</th>
<th>Full</th>
<th>L’Oreal</th>
<th>BP1</th>
<th>Pac Brands</th>
<th>BP2</th>
<th>Apple1</th>
<th>Qantas</th>
<th>Nestlé</th>
<th>Apple2</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>4.563</td>
<td>1.915</td>
<td>1.783</td>
<td>1.957</td>
<td>1.805</td>
<td>1.969</td>
<td>1.941</td>
<td>1.416</td>
<td>2.322</td>
</tr>
<tr>
<td>CFI</td>
<td>0.957</td>
<td>0.910</td>
<td>0.922</td>
<td>0.909</td>
<td>0.918</td>
<td>0.899</td>
<td>0.903</td>
<td>0.962</td>
<td>0.851</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.055</td>
<td>0.082</td>
<td>0.071</td>
<td>0.080</td>
<td>0.076</td>
<td>0.085</td>
<td>0.080</td>
<td>0.052</td>
<td>0.098</td>
</tr>
<tr>
<td>Chi-square</td>
<td>1952</td>
<td>819</td>
<td>763</td>
<td>837</td>
<td>772</td>
<td>842</td>
<td>830</td>
<td>606</td>
<td>933</td>
</tr>
<tr>
<td>DF</td>
<td>428</td>
<td>428</td>
<td>428</td>
<td>428</td>
<td>428</td>
<td>428</td>
<td>428</td>
<td>428</td>
<td>428</td>
</tr>
<tr>
<td>Probability</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Analysis of the parameter estimates (factor loadings) and critical ratios for all constructs provided further support to the final measurement model. As shown in Table 5.26, with a few exceptions, all of the parameter estimates exceed the criterion values of 0.50. All critical ratio values were significant (p<0.05) and were well above the acceptable value of ±1.96. These values, together with the modification indices and squared multiple correlations collectively indicate good model fit.

As previously mentioned, there were a few exceptions to the adequacy of parameter estimates which occurred within individual scenarios. The most noted anomaly was the extremely low loading of intentionality (INTENT) onto attribution of responsibility (AR) for the Qantas scenario. This was caused by the interaction of the low loading of KNOW3 onto KNOW. When individually assessed, it appeared that the knowledge scale had very poor levels of reliability for the Qantas scenario only. This is considered to be due in part to the small sample size used in this analysis, in which only 129 valid cases were included. It was also considered that the wording of the item KNOW3 may have been unclear in this particular scenario which involved two parties. When the distribution of KNOW for Qantas is compared to the full sample, it is also quite different. Qantas skewness for KNOW is 0.311, z = 1.433, kurtosis is 0.174, z = 0.405. These are largely different to the full data set, (see table 5.8), in which skewness is -0.365, z = -5.069, and kurtosis is -0.419, z = -2.930.

The items PUNISH9, 10 and 11 also show low loadings in the BP1 scenario, however, these are adequate in the full model and the other scenarios. Furthermore, despite their low loadings they are retained to provide content validity through an encompassing measure of punishment behaviours.
In summary, the results of the confirmatory factor analysis provide good support for the measures used in this study. Before the application of the measures in the full structural model, they are assessed for properties of validity. The assessment of convergent validity and discriminant validity is discussed in the next section.

### Table 5.26 Parameter Estimates and Critical Ratio Values of Measurement Model

<table>
<thead>
<tr>
<th>Composite indicators and latent constructs</th>
<th>CFA model</th>
<th>Full</th>
<th>L’Oreal</th>
<th>BP1</th>
<th>BP2</th>
<th>Pac Brands</th>
<th>C</th>
<th>Apple1</th>
<th>Qantas</th>
<th>Nestle</th>
<th>Apple2</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAUSE1-AR</td>
<td>(N/A)</td>
<td>0.857</td>
<td>0.847</td>
<td>0.956</td>
<td>0.839</td>
<td>0.899</td>
<td></td>
<td>0.869</td>
<td>0.926</td>
<td>0.911</td>
<td>0.688</td>
</tr>
<tr>
<td>KNOW-AR</td>
<td>(N/A)</td>
<td>0.915</td>
<td>0.809</td>
<td>0.949</td>
<td>0.808</td>
<td>0.951</td>
<td></td>
<td>0.879</td>
<td>0.924</td>
<td>0.899</td>
<td>0.949</td>
</tr>
<tr>
<td>INTENT-AR</td>
<td>(23.677)</td>
<td>0.317</td>
<td>0.607</td>
<td>0.083</td>
<td>0.803</td>
<td>0.376</td>
<td></td>
<td>0.862</td>
<td>0.020</td>
<td>0.738</td>
<td>0.563</td>
</tr>
<tr>
<td>MC1-AR</td>
<td>(8.989)</td>
<td>0.142</td>
<td>0.537</td>
<td>0.083</td>
<td>0.803</td>
<td>0.376</td>
<td></td>
<td>0.862</td>
<td>0.020</td>
<td>0.738</td>
<td>0.563</td>
</tr>
<tr>
<td>CCI1.2-CCI</td>
<td>(36.617)</td>
<td>0.142</td>
<td>0.537</td>
<td>0.083</td>
<td>0.803</td>
<td>0.376</td>
<td></td>
<td>0.862</td>
<td>0.020</td>
<td>0.738</td>
<td>0.563</td>
</tr>
<tr>
<td>CCI1.3-CCI</td>
<td>(31.794)</td>
<td>0.142</td>
<td>0.537</td>
<td>0.083</td>
<td>0.803</td>
<td>0.376</td>
<td></td>
<td>0.862</td>
<td>0.020</td>
<td>0.738</td>
<td>0.563</td>
</tr>
<tr>
<td>CCI1.4-CCI</td>
<td>(46.521)</td>
<td>0.142</td>
<td>0.537</td>
<td>0.083</td>
<td>0.803</td>
<td>0.376</td>
<td></td>
<td>0.862</td>
<td>0.020</td>
<td>0.738</td>
<td>0.563</td>
</tr>
<tr>
<td>CCI1.5-CCI</td>
<td>(46.422)</td>
<td>0.142</td>
<td>0.537</td>
<td>0.083</td>
<td>0.803</td>
<td>0.376</td>
<td></td>
<td>0.862</td>
<td>0.020</td>
<td>0.738</td>
<td>0.563</td>
</tr>
<tr>
<td>CCI1.6-CCI</td>
<td>(46.422)</td>
<td>0.142</td>
<td>0.537</td>
<td>0.083</td>
<td>0.803</td>
<td>0.376</td>
<td></td>
<td>0.862</td>
<td>0.020</td>
<td>0.738</td>
<td>0.563</td>
</tr>
<tr>
<td>CAUSE1-CAUSE</td>
<td>(N/A)</td>
<td>0.758</td>
<td>0.789</td>
<td>0.776</td>
<td>0.838</td>
<td>0.792</td>
<td></td>
<td>0.680</td>
<td>0.695</td>
<td>0.757</td>
<td>0.379</td>
</tr>
<tr>
<td>CAUSE2-CAUSE</td>
<td>(N/A)</td>
<td>0.931</td>
<td>0.840</td>
<td>0.865</td>
<td>0.940</td>
<td>0.892</td>
<td></td>
<td>0.925</td>
<td>0.932</td>
<td>0.916</td>
<td>0.968</td>
</tr>
<tr>
<td>CAUSE3-CAUSE</td>
<td>(33.645)</td>
<td>0.849</td>
<td>0.726</td>
<td>0.692</td>
<td>0.863</td>
<td>0.739</td>
<td></td>
<td>0.893</td>
<td>0.822</td>
<td>0.780</td>
<td>0.767</td>
</tr>
<tr>
<td>KNOW1-KNOW</td>
<td>(43.214)</td>
<td>0.921</td>
<td>0.669</td>
<td>0.861</td>
<td>0.909</td>
<td>0.926</td>
<td></td>
<td>0.829</td>
<td>0.857</td>
<td>0.865</td>
<td>0.963</td>
</tr>
<tr>
<td>KNOW2-KNOW</td>
<td>(30.943)</td>
<td>0.663</td>
<td>0.9047</td>
<td>0.7204</td>
<td>0.647</td>
<td>0.773</td>
<td></td>
<td>0.854</td>
<td>0.878</td>
<td>0.815</td>
<td>0.647</td>
</tr>
<tr>
<td>KNOW3-KNOW</td>
<td>(25.927)</td>
<td>0.772</td>
<td>0.901</td>
<td>0.707</td>
<td>0.884</td>
<td>0.438</td>
<td></td>
<td>0.699</td>
<td>0.898</td>
<td>0.691</td>
<td>0.314</td>
</tr>
<tr>
<td>INTENT1-INTENT</td>
<td>(30.333)</td>
<td>0.860</td>
<td>0.811</td>
<td>0.957</td>
<td>0.736</td>
<td>0.851</td>
<td></td>
<td>0.762</td>
<td>0.757</td>
<td>0.913</td>
<td>0.901</td>
</tr>
<tr>
<td>INTENT2-INTENT</td>
<td>(48.812)</td>
<td>0.945</td>
<td>0.964</td>
<td>0.980</td>
<td>0.943</td>
<td>0.965</td>
<td></td>
<td>0.956</td>
<td>0.943</td>
<td>0.956</td>
<td>0.943</td>
</tr>
<tr>
<td>PUNISH1-PUNISH</td>
<td>(51.138)</td>
<td>0.943</td>
<td>0.922</td>
<td>0.885</td>
<td>0.926</td>
<td>0.952</td>
<td></td>
<td>0.981</td>
<td>0.907</td>
<td>0.936</td>
<td>0.947</td>
</tr>
<tr>
<td>PUNISH2-PUNISH</td>
<td>(48.606)</td>
<td>0.845</td>
<td>0.832</td>
<td>0.699</td>
<td>0.888</td>
<td>0.856</td>
<td></td>
<td>0.837</td>
<td>0.826</td>
<td>0.842</td>
<td>0.818</td>
</tr>
<tr>
<td>PUNISH3-PUNISH</td>
<td>(38.786)</td>
<td>0.853</td>
<td>0.854</td>
<td>0.700</td>
<td>0.853</td>
<td>0.814</td>
<td></td>
<td>0.832</td>
<td>0.837</td>
<td>0.870</td>
<td>0.884</td>
</tr>
<tr>
<td>PUNISH4-PUNISH</td>
<td>(39.405)</td>
<td>0.883</td>
<td>0.890</td>
<td>0.807</td>
<td>0.912</td>
<td>0.879</td>
<td></td>
<td>0.877</td>
<td>0.877</td>
<td>0.923</td>
<td>0.844</td>
</tr>
<tr>
<td>PUNISH5-PUNISH</td>
<td>(42.198)</td>
<td>0.587</td>
<td>0.609</td>
<td>0.302</td>
<td>0.613</td>
<td>0.633</td>
<td></td>
<td>0.654</td>
<td>0.734</td>
<td>0.602</td>
<td>0.516</td>
</tr>
<tr>
<td>PUNISH6-PUNISH</td>
<td>(22.428)</td>
<td>0.604</td>
<td>0.565</td>
<td>0.357</td>
<td>0.635</td>
<td>0.663</td>
<td></td>
<td>0.607</td>
<td>0.761</td>
<td>0.585</td>
<td>0.617</td>
</tr>
<tr>
<td>PUNISH7-PUNISH</td>
<td>(23.250)</td>
<td>0.670</td>
<td>0.641</td>
<td>0.320</td>
<td>0.740</td>
<td>0.682</td>
<td></td>
<td>0.600</td>
<td>0.775</td>
<td>0.694</td>
<td>0.750</td>
</tr>
<tr>
<td>PUNISH8-PUNISH</td>
<td>(26.766)</td>
<td>0.670</td>
<td>0.641</td>
<td>0.320</td>
<td>0.740</td>
<td>0.682</td>
<td></td>
<td>0.600</td>
<td>0.775</td>
<td>0.694</td>
<td>0.750</td>
</tr>
</tbody>
</table>
Validity is a general term used to describe the capacity of a given instrument to measure the phenomenon that it is intended to measure (Kline, 1998). As discussed in section 4.4.7.2, validity was checked in regards to content validity, convergent validity and discriminant validity. The outcome of the convergent and discriminant validity tests indicated sufficient levels of validity, as discussed below.

5.4.3.1 Convergent Validity

Confirmatory factor analysis was used to establish convergent validity by assessing the interrelatedness of the indicators used to measure each construct. This was done by examining the factor loadings on each construct to see whether items in a construct load together or converge on a single construct in the measurement model (Cooper & Schindler, 2014). The Critical Ratio values for each of the items are also used for this purpose, with values greater than 1.96 suggesting convergent validity. Table 5.26 above illustrates that both item loadings and Critical Ratio values sufficiently indicate convergent validity. Convergent validity can also be demonstrated when the average variance extracted (AVE) is higher the 0.50. As shown in Table 5.27, the AVE for all of the constructs range from 0.567 to 0.833, indicating adequate convergence.

5.4.3.2 Discriminant Validity

The approach used in this study to establish discriminant validity was to compare the average variance extracted (AVE) values to the square correlations (Fornell & Larcker, 1981; Hair et al., 2010). These figures appear in Table 5.27. To assess
discriminant validity, the AVE is then compared to the square of the inter-correlation between the two constructs. If this figure is less than the AVE, then discriminant validity has been established. The inter-construct correlations used in the calculations for establishing discriminant validity are shown in Table 5.27. Through calculating these figures, discriminant validity is deemed to exist for all constructs used in the study.

Table 5.27 Construct Correlations and Results of AVE

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
<th>(9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) MC</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) CCI</td>
<td>-0.314</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) I-VICTIM</td>
<td>0.035</td>
<td>0.223</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) PUNISH</td>
<td>0.346</td>
<td>-0.090</td>
<td>0.167</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) PINJUST2</td>
<td>0.491</td>
<td>-0.148</td>
<td>0.147</td>
<td>0.532</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) AR</td>
<td>0.465</td>
<td>-0.248</td>
<td>0.082</td>
<td>0.622</td>
<td>0.600</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7) ISI</td>
<td>0.389</td>
<td>-0.099</td>
<td>0.167</td>
<td>0.322</td>
<td>0.557</td>
<td>0.495</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8) EIR</td>
<td>0.412</td>
<td>-0.181</td>
<td>0.102</td>
<td>0.436</td>
<td>0.660</td>
<td>0.581</td>
<td>0.722</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>(9) IVI</td>
<td>-0.220</td>
<td>0.448</td>
<td>0.541</td>
<td>0.115</td>
<td>-0.087</td>
<td>-0.110</td>
<td>-0.117</td>
<td>-0.179</td>
<td>1.000</td>
</tr>
<tr>
<td>AVE</td>
<td>0.804</td>
<td>0.786</td>
<td>0.833</td>
<td>0.679</td>
<td>0.805</td>
<td>0.567</td>
<td>0.799</td>
<td>0.800</td>
<td>0.688</td>
</tr>
<tr>
<td>Mean</td>
<td>4.901</td>
<td>2.729</td>
<td>3.774</td>
<td>3.823</td>
<td>5.103</td>
<td>5.068</td>
<td>5.552</td>
<td>5.499</td>
<td>2.759</td>
</tr>
<tr>
<td>Std deviation</td>
<td>1.615</td>
<td>1.463</td>
<td>1.743</td>
<td>1.560</td>
<td>1.504</td>
<td>1.092</td>
<td>1.426</td>
<td>1.443</td>
<td>1.444</td>
</tr>
</tbody>
</table>

5.4.3.3 Face Validity

Additional face validity of the items can be inferred through the subsequent responses provided at the end of the questionnaire. These indicated a level of interest in this research area and the comments reflect consumer sentiments regarding the actions of the companies depicted in the scenarios. Many of the comments are negative in nature and refer to punishing behaviours. Some examples include: “Withdraw my business. I don’t think Apple are the primary cause of the deaths, but by contracting to a company in a country known for employee abuse in an attempt to increase corporate profits, I believe they can be considered guilty of moral indifference”. Another responded wrote: “Just as all companies these days use slave labour to make huge profits because they can get away with it, well NESTLE are just one of those demonic companies and as far as I am concerned they can go to hell. I will be sending out mass emails around the world for people to Boycott this brand, or they are just as guilty for supporting the NESTLE slave labour agenda.”
Further consideration of these comments will be included in the discussion of Chapter 6. As reliability and validity of the constructs has been established, the measurement model is lastly subjected to multiple group analysis before the structural model is estimated.

5.4.4 Multiple Group Analysis for Measurement Model

The models were also estimated using multiple group analysis to allow cross validation in replicating the results of the model across samples and also to allow the comparing of groups (Hair et al., 2006). The multiple group models tests a general null hypothesis that the data from each of the groups is from the same population (Tabachnick & Fidell, 2007). Multiple group analysis begins by developing good fitting models in separate runs for each group. The models are then tested in one run with none of the parameters constrained to be equal across the models. This unconstrained multiple group model serves as the baseline against which to judge more restricted models. Following the estimation of the baseline model, more stringent constraints are progressively specified by constraining various parameters across all of the groups (Tabachnick & Fidell, 2007).

Tabachnick and Fidell (2007, p. 731) identify some cautions regarding the use of multiple group modeling. Critical to estimating a multiple group model with a good fit are single group models that fit well. It is extremely unlikely that a multiple group model will fit better than the individual group models.

The multiple group analysis of the measurement model indicates that the unconstrained model has the best fit. As shown in Table 5.28, the unconstrained model performs better than the alternatives in terms of CMIN/DF (2.305), CFI (0.855), and RMSEA (0.034). The chi-square ($\chi^2$) difference statistic ($\Delta\chi^2$) test also shows statistical significance at $p = 0.000$, further indicating that the unconstrained model has the best fit.
Table 5.28 Multiple Group Analysis for Measurement Model

<table>
<thead>
<tr>
<th>Model</th>
<th>CMIN</th>
<th>DF</th>
<th>CMIN/DF</th>
<th>CFI</th>
<th>RMSEA</th>
<th>DF</th>
<th>ACFMIN</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconstrained</td>
<td>8729</td>
<td>3788</td>
<td>2.305</td>
<td>.855</td>
<td>.034</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measurement weights</td>
<td>9043</td>
<td>3879</td>
<td>2.331</td>
<td>.849</td>
<td>.034</td>
<td>91</td>
<td>313</td>
<td>.000</td>
</tr>
<tr>
<td>Measurement intercepts</td>
<td>9847</td>
<td>3991</td>
<td>2.468</td>
<td>.829</td>
<td>.036</td>
<td>203</td>
<td>1117</td>
<td>.000</td>
</tr>
<tr>
<td>Structural weights</td>
<td>10150</td>
<td>4019</td>
<td>2.526</td>
<td>.821</td>
<td>.036</td>
<td>231</td>
<td>1420</td>
<td>.000</td>
</tr>
<tr>
<td>Structural intercepts</td>
<td>10268</td>
<td>4033</td>
<td>2.546</td>
<td>.818</td>
<td>.037</td>
<td>245</td>
<td>1538</td>
<td>.000</td>
</tr>
<tr>
<td>Structural covariances</td>
<td>10619</td>
<td>4194</td>
<td>2.532</td>
<td>.812</td>
<td>.036</td>
<td>406</td>
<td>1889</td>
<td>.000</td>
</tr>
<tr>
<td>Structural residuals</td>
<td>10795</td>
<td>4236</td>
<td>2.549</td>
<td>.808</td>
<td>.037</td>
<td>448</td>
<td>2065</td>
<td>.000</td>
</tr>
<tr>
<td>Measurement residuals</td>
<td>11510</td>
<td>4348</td>
<td>2.647</td>
<td>.790</td>
<td>.038</td>
<td>560</td>
<td>2780</td>
<td>.000</td>
</tr>
</tbody>
</table>

5.5 Developing a Structural Model

After establishing reliability and validity, the research hypotheses articulated in Chapter 3 were tested using SEM. Specifying the structural model is done by assigning relationships from one construct to another based on the proposed theoretical model (Hair et al., 2010). These relationships were outlined in Figure 3.5.

The structural model also included the control variables which were collected from the questionnaire. These control variables are gender, age, location and education, and relationships were assigned to each of the dependent variables. The ‘type of harm’ variables (physical, economic and psychological) were further included in the structural model of the full data set. They were specified to have a relationship with magnitude of consequences.

The fit statistics for the research models are presented in Table 5.29. Again, the statistics are shown for the full model (n = 1165) and the individual scenarios. Examination of the CMIN/DF (<2.00), CFI (>0.900) and RMSEA (<0.08) indicate an acceptable fit of the data. In the case of the full model, the CMIN/DF is sensitive to the large sample size and is therefore ignored in assessing model fit. Given the large number of constructs and parameters estimated, the indices indicated that the full model fitted the data adequately (CFI = 0.920, RMSEA = 0.066). In regards to the individual scenarios, the CMIN/DF was <2.00 for all scenarios except Apple2. The CFI for Nestlé was high at 0.941, low for Apple1 at 0.881 and Apple2 at 0.837, but very close to the acceptable 0.900 level for
L’Oreal, BP1, Pacific Brands, BP2 and Qantas. RMSEA was below 0.08 for five of the eight scenarios. Apple2 was the only scenario to show poor fit.

Table 5.29 Fit Statistics for the Research Model

<table>
<thead>
<tr>
<th>Fit indices</th>
<th>Full</th>
<th>L’Oreal</th>
<th>BP1</th>
<th>Pac Brands</th>
<th>BP2</th>
<th>Apple1</th>
<th>Qantas</th>
<th>Nestle</th>
<th>Apple2</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>6.013</td>
<td>1.917</td>
<td>1.932</td>
<td>1.944</td>
<td>1.858</td>
<td>1.996</td>
<td>1.824</td>
<td>1.569</td>
<td>2.259</td>
</tr>
<tr>
<td>CFI</td>
<td>0.920</td>
<td>0.899</td>
<td>0.896</td>
<td>0.898</td>
<td>0.898</td>
<td>0.881</td>
<td>0.900</td>
<td>0.941</td>
<td>0.837</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.066</td>
<td>0.082</td>
<td>0.078</td>
<td>0.080</td>
<td>0.078</td>
<td>0.086</td>
<td>0.075</td>
<td>0.060</td>
<td>0.096</td>
</tr>
<tr>
<td>Chi-square</td>
<td>3312</td>
<td>912</td>
<td>919</td>
<td>925</td>
<td>884</td>
<td>950</td>
<td>867</td>
<td>747</td>
<td>1075</td>
</tr>
<tr>
<td>DF</td>
<td>551</td>
<td>476</td>
<td>476</td>
<td>476</td>
<td>476</td>
<td>476</td>
<td>476</td>
<td>476</td>
<td>476</td>
</tr>
<tr>
<td>Probability level</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

Multiple group analysis was again conducted on the structural model. Similar to the measurement model, the results in Table 5.30 indicate that the unconstrained model showed the best fit. The CMIN/DF, CFI and RMSEA are all better for the unconstrained model, and the chi-square ($\chi^2$) difference statistic ($\Delta\chi^2$) test also shows statistical significance at $p = 0.000$, further indicating that the unconstrained model has the best fit. Having established acceptable model fit, the structural path estimates of the model were examined.

Table 5.30 Multiple Group Analysis for Structural Model

<table>
<thead>
<tr>
<th>Model</th>
<th>CMIN</th>
<th>DF</th>
<th>CMIN/DF</th>
<th>CFI</th>
<th>RMSEA</th>
<th>$\Delta$CMIN</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconstrained</td>
<td>8035</td>
<td>3941</td>
<td>2.039</td>
<td>.876</td>
<td>.030</td>
<td>395</td>
<td>.000</td>
</tr>
<tr>
<td>Measurement weights</td>
<td>8430</td>
<td>4067</td>
<td>2.073</td>
<td>.868</td>
<td>.030</td>
<td>395</td>
<td>.000</td>
</tr>
<tr>
<td>Measurement intercepts</td>
<td>9136</td>
<td>4228</td>
<td>2.161</td>
<td>.852</td>
<td>.032</td>
<td>1101</td>
<td>.000</td>
</tr>
<tr>
<td>Structural weights</td>
<td>10516</td>
<td>4417</td>
<td>2.381</td>
<td>.816</td>
<td>.035</td>
<td>2481</td>
<td>.000</td>
</tr>
<tr>
<td>Structural means</td>
<td>10558</td>
<td>4445</td>
<td>2.375</td>
<td>.816</td>
<td>.034</td>
<td>2523</td>
<td>.000</td>
</tr>
<tr>
<td>Structural covariances</td>
<td>10947</td>
<td>4683</td>
<td>2.338</td>
<td>.811</td>
<td>.034</td>
<td>2912</td>
<td>.000</td>
</tr>
<tr>
<td>Structural residuals</td>
<td>11118</td>
<td>4711</td>
<td>2.360</td>
<td>.807</td>
<td>.034</td>
<td>3083</td>
<td>.000</td>
</tr>
<tr>
<td>Measurement residuals</td>
<td>12263</td>
<td>4879</td>
<td>2.514</td>
<td>.777</td>
<td>.036</td>
<td>4228</td>
<td>.000</td>
</tr>
</tbody>
</table>

5.5.1 Results of Structural Path Estimates

Outlined in Chapter 3 were the hypothesised relationships between the constructs illustrated in the conceptual model. These hypothesised relationships were tested using the single structural model, for the full data set and the individual scenarios. The relationships in the individual scenarios were analysed to highlight differences between the impact of scenario content, and therefore type of harm, on the construct relationships. The results presented in Table 5.31 identify all the beta coefficients and $p$ values between the dependent and independent variables, and
also includes the relationships with the control variables. As can be seen, there are a large number of significant relationships.
<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Full Estimate</th>
<th>L’Oreal Estimate</th>
<th>BP1 Estimate</th>
<th>Pacific Brands Estimate</th>
<th>BP2 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MC</td>
<td>Physical</td>
<td>0.255</td>
<td>0.873</td>
<td>0.541</td>
<td>0.652</td>
<td>0.531</td>
</tr>
<tr>
<td>MC</td>
<td>Economic</td>
<td>0.066</td>
<td>0.020</td>
<td>-0.075</td>
<td>0.083</td>
<td>-0.114</td>
</tr>
<tr>
<td>MC</td>
<td>Psychological</td>
<td>-0.016</td>
<td>0.137</td>
<td>0.162</td>
<td>0.067</td>
<td>0.083</td>
</tr>
<tr>
<td>MC</td>
<td>EIR</td>
<td>0.509</td>
<td>0.158</td>
<td>-0.033</td>
<td>0.161</td>
<td>0.162</td>
</tr>
<tr>
<td>MC</td>
<td>Age</td>
<td>-0.067</td>
<td>0.066</td>
<td>0.060</td>
<td>0.162</td>
<td>0.069</td>
</tr>
<tr>
<td>MC</td>
<td>Location</td>
<td>0.064</td>
<td>0.066</td>
<td>0.060</td>
<td>0.162</td>
<td>0.069</td>
</tr>
<tr>
<td>MC</td>
<td>Education</td>
<td>0.016</td>
<td>0.116</td>
<td>0.177</td>
<td>0.237</td>
<td>0.007</td>
</tr>
<tr>
<td>AR</td>
<td>MC</td>
<td>0.489</td>
<td>0.884</td>
<td>0.349</td>
<td>0.569</td>
<td>0.618</td>
</tr>
<tr>
<td>AR</td>
<td>Gender</td>
<td>0.011</td>
<td>-0.055</td>
<td>0.066</td>
<td>0.237</td>
<td>0.007</td>
</tr>
<tr>
<td>AR</td>
<td>Age</td>
<td>-0.076</td>
<td>-0.072</td>
<td>-0.081</td>
<td>-0.081</td>
<td>-0.247</td>
</tr>
<tr>
<td>AR</td>
<td>Location</td>
<td>-0.072</td>
<td>0.016</td>
<td>0.005</td>
<td>-0.051</td>
<td>-0.029</td>
</tr>
<tr>
<td>AR</td>
<td>Education</td>
<td>-0.051</td>
<td>0.116</td>
<td>-0.177</td>
<td>-0.062</td>
<td>-0.029</td>
</tr>
<tr>
<td>AR</td>
<td>CCI</td>
<td>-0.167</td>
<td>0.106</td>
<td>0.106</td>
<td>0.162</td>
<td>0.162</td>
</tr>
<tr>
<td>AR</td>
<td>IVICT</td>
<td>0.144</td>
<td>-0.075</td>
<td>0.283</td>
<td>0.162</td>
<td>0.287</td>
</tr>
<tr>
<td>PINJUST2</td>
<td>AR</td>
<td>0.485</td>
<td>0.188</td>
<td>0.740</td>
<td>0.425</td>
<td>0.708</td>
</tr>
<tr>
<td>PINJUST2</td>
<td>MC</td>
<td>0.308</td>
<td>0.669</td>
<td>0.585</td>
<td>0.049</td>
<td>0.691</td>
</tr>
<tr>
<td>PINJUST2</td>
<td>Gender</td>
<td>0.079</td>
<td>0.106</td>
<td>0.096</td>
<td>0.058</td>
<td>0.011</td>
</tr>
<tr>
<td>CAUSE</td>
<td>AR</td>
<td>0.878</td>
<td>0.850</td>
<td>0.953</td>
<td>0.839</td>
<td>0.899</td>
</tr>
<tr>
<td>KNOW</td>
<td>AR</td>
<td>0.913</td>
<td>0.828</td>
<td>0.943</td>
<td>0.796</td>
<td>0.952</td>
</tr>
<tr>
<td>PUNISH</td>
<td>PINJUST2</td>
<td>0.527</td>
<td>0.602</td>
<td>0.379</td>
<td>0.719</td>
<td>0.420</td>
</tr>
<tr>
<td>PUNISH</td>
<td>ISI</td>
<td>0.066</td>
<td>0.300</td>
<td>-0.011</td>
<td>0.027</td>
<td>0.184</td>
</tr>
<tr>
<td>INTENT</td>
<td>AR</td>
<td>0.289</td>
<td>0.674</td>
<td>0.091</td>
<td>0.789</td>
<td>0.371</td>
</tr>
<tr>
<td>PUNISH</td>
<td>IVICT</td>
<td>0.124</td>
<td>0.091</td>
<td>0.110</td>
<td>0.089</td>
<td>0.128</td>
</tr>
<tr>
<td>PUNISH</td>
<td>CCI</td>
<td>-0.039</td>
<td>-0.035</td>
<td>0.007</td>
<td>0.141</td>
<td>0.073</td>
</tr>
<tr>
<td>PUNISH</td>
<td>Age</td>
<td>-0.046</td>
<td>-0.017</td>
<td>-0.083</td>
<td>0.043</td>
<td>0.042</td>
</tr>
<tr>
<td>PUNISH</td>
<td>Education</td>
<td>-0.074</td>
<td>-0.094</td>
<td>-0.032</td>
<td>-0.074</td>
<td>0.018</td>
</tr>
</tbody>
</table>

(****significant at p=0.000, *** significant at p<0.01, ** significant at p<0.05, * significant at p<0.1)
Table 5.31 Standardised Path Estimates of Structural Model (continued)

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Full Estimate</th>
<th>Apple1 E Estimate</th>
<th>Qantas F Estimate</th>
<th>Nestle G Estimate</th>
<th>Apple2 H Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MC</td>
<td>Physical</td>
<td>0.255 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MC</td>
<td>Economic</td>
<td>0.066 0.192</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MC</td>
<td>Psychological</td>
<td>-0.016 0.730</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MC</td>
<td>EIR</td>
<td>0.509 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MC</td>
<td>Age</td>
<td>-0.067 0.037**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MC</td>
<td>Location</td>
<td>0.064 0.032**</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>MC</td>
<td>Education</td>
<td>0.016 0.592</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AR</td>
<td>MC</td>
<td>0.489 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AR</td>
<td>Gender</td>
<td>0.011 0.708</td>
<td></td>
<td></td>
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<tr>
<td>AR</td>
<td>Age</td>
<td>-0.076 0.017**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AR</td>
<td>Location</td>
<td>-0.072 0.015**</td>
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<td></td>
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</tr>
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<td>AR</td>
<td>Education</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>AR</td>
<td>CCI</td>
<td>-0.167 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PINJUST2</td>
<td>AR</td>
<td>0.485 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PINJUST2</td>
<td>MC</td>
<td>0.308 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PINJUST2</td>
<td>Gender</td>
<td>0.079 0.006***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAUSE</td>
<td>AR</td>
<td>0.878 0.872</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KNOW</td>
<td>AR</td>
<td>0.913 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUNISH</td>
<td>PINJUST2</td>
<td>0.527 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUNISH</td>
<td>ISI</td>
<td>0.066 0.029**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTENT</td>
<td>AR</td>
<td>0.289 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUNISH</td>
<td>IVICT</td>
<td>0.124 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUNISH</td>
<td>CCI</td>
<td>-0.039 0.162</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUNISH</td>
<td>Age</td>
<td>-0.046 0.110</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUNISH</td>
<td>Education</td>
<td>-0.074 0.007**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(**** significant at p=0.000, *** significant at p<0.01, ** significant at p<0.05, * significant at p<0.1)
5.6 Summary of Research Hypotheses

The 11 research hypotheses analysed in this study are summarized in Table 5.32, and shown using significant beta coefficients for the full data set in Figure 5.1. The results show varied support for the hypotheses based on the various scenarios. Strong significant support is found for Hypothesis 1a, that is, physical harms are considered to be the most serious type of harm and leads to greater negative consequences. Hypothesis 1b was not supported, as the relationships between economic harms and psychological harms with magnitude of consequences were not significant.

Figure 5.1 Final Model Used in the Study, Significant Relationships from Full Data Set
(Significant at p<0.05)

Varied support is shown for hypotheses H2 to H8 within the eight scenarios and full data set. The significant positive relationship between magnitude of consequences and attribution of responsibility (H2) is established in five of the eight scenarios, including the full set. H3 is supported in four of the scenarios, while H4 is supported by five of the eight scenarios. H5a and H5b are supported by four and five scenarios respectively. H6a is supported in four of the scenarios, while H6b is supported by the least number of scenarios, with support found in only two scenarios. H7 is supported in five of the scenarios, and H8 was
supported in three of the eight scenarios. Discussion surrounding the findings of these results and the implications for both theory and practice is provided in Chapter 6.

Table 5.32 Summary of Hypothesis Findings

<table>
<thead>
<tr>
<th>Research Hypotheses</th>
<th>Supported</th>
<th>Not Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a Physical harms will be considered more serious than economic harms</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>H1b Economic harms will be considered more serious than psychological harms</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>H2 Magnitude of consequences $\rightarrow$ (+) attribution of responsibility</td>
<td>Full, L’Oreal, BP1, Pacific Brands, BP2, Nestlé</td>
<td>Apple1, Qantas, Apple2</td>
</tr>
<tr>
<td>H3 Magnitude of consequences $\rightarrow$ (+) perception of injustice</td>
<td>Full, L’Oreal, Pacific Brands, Nestlé, Apple2</td>
<td>BP1, BP2, Apple1, Qantas</td>
</tr>
<tr>
<td>H4 Attribution of responsibility to the firm $\rightarrow$ (+) perception of injustice</td>
<td>Full, BP1, Pacific Brands, BP2, Apple1, Nestlé</td>
<td>L’Oreal, Qantas, Apple2</td>
</tr>
<tr>
<td>H5a Consumer-company identification $\rightarrow$ Attribution of responsibility to the firm</td>
<td>Full, BP1, Pacific Brands, Apple1, Qantas</td>
<td>L’Oreal, BP2, Nestlé, Apple2</td>
</tr>
<tr>
<td>H5b Consumer-company identification $\rightarrow$ behavioural intention to punish the firm</td>
<td>Pacific Brands, Apple1, Nestlé, Qantas, Apple2</td>
<td>Full, L’Oreal, BP1, BP2</td>
</tr>
<tr>
<td>H6a Identification with victim $\rightarrow$ (+) Attribution of responsibility to the firm</td>
<td>Full, BP1, Pacific Brands, BP2, Apple2</td>
<td>L’Oreal, Apple1, Qantas, Nestlé</td>
</tr>
<tr>
<td>H6b Identification with victim $\rightarrow$ (+) behavioural intention to punish the firm</td>
<td>Full, Nestlé, Apple2</td>
<td>L’Oreal, BP1, Pacific Brands, BP2, Apple1, Qantas</td>
</tr>
<tr>
<td>H7 Perception of injustice $\rightarrow$ (+) behavioural intention to punish the firm.</td>
<td>Full, L’Oreal, BP1, Pacific Brands, BP2, Nestlé</td>
<td>Apple1, Qantas, Apple2</td>
</tr>
<tr>
<td>H8 Consumer involvement in issue $\rightarrow$ (+) behavioural intention to punish the firm.</td>
<td>Full, L’Oreal, BP2, Apple1</td>
<td>BP1, Pacific Brands, Qantas, Nestlé, Apple2</td>
</tr>
</tbody>
</table>

The inclusion of the control variables (gender, age, location and education) indicated some significant relationships in some of the scenarios (see Table 5.33). Age was found to negatively influence magnitude of consequences, attribution of responsibility and also punish behaviours in a number of the scenarios. Location (1 = metro, 2 = regional) positively influenced magnitude of consequences in two scenarios, and negatively influenced attribution of responsibility in two scenarios. Education was found to positively influence magnitude of consequences in two scenarios, and negatively influence attribution of responsibility in two scenarios. Gender (1 = male, 2 = female) was found to have both a positive and negative
influence on attribution of responsibility, and also perceived injustice, but this was only significant in two scenarios. Further discussion of the influences of the control variables is included in Chapter 6.

Table 5.33 Summary of Relationships of Control Variables

<table>
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<tr>
<th>Control variable significant relationships</th>
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<th>Negative</th>
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</thead>
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<tr>
<td>Age → Magnitude of consequences</td>
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</tr>
<tr>
<td>Location → Magnitude of consequences</td>
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<td>Full, L’Oreal, BP1</td>
</tr>
<tr>
<td>Education → Magnitude of consequences</td>
<td>Pacific Brands, BP2</td>
<td>L’Oreal</td>
</tr>
<tr>
<td>Gender → Attribution of responsibility</td>
<td>Pacific Brands</td>
<td>Apple1</td>
</tr>
<tr>
<td>Age → Attribution of responsibility</td>
<td></td>
<td>Full, Qantas</td>
</tr>
<tr>
<td>Location → Attribution of responsibility</td>
<td></td>
<td>Full, BP2, Apple1</td>
</tr>
<tr>
<td>Education → Attribution of responsibility</td>
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<td>Full, BP1, Apple2</td>
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<tr>
<td>Gender → Perceived injustice</td>
<td></td>
<td>Full, Apple1</td>
</tr>
<tr>
<td>Age → Punish</td>
<td></td>
<td>Full, Apple1</td>
</tr>
</tbody>
</table>

5.7 Analysis of Punishing Behaviours

In order to determine which punishing behaviours consumers were more likely to engage in, z-tests were conducted to test for significance of the results from the means of the data (Table 5.34). Various z-tests were conducted: $z^\wedge$ test statistic between item score and average score of all items, $z~$ test statistic between scenario and full sample for each item, and $z#$ test statistic between mean and median value of four (4 indicates a ‘neither agree or disagree’/’indifferent’ response on the 7-point scale). This was done for each of the punishment behaviours to see the difference across the scenarios, and also within the scenarios. The presence of measurement error can lead to over-estimation of the standard deviation (Hunter & Schmidt, 2004) used in the analysis, but this was not accounted for in this study, as it was considered to have a minimal impact given the high reliability of the measure. The z-tests found a number of significant results at the 0.05 level. The findings of this analysis are interpreted in light of them being based on averages for each scenario and punishing behaviour. These are displayed in Table 5.34.

The results of the z-test statistic between item score and average score of all items, shown in Table 5.34 as $z^\wedge$, indicates that in each scenario the use of particular
punishing behaviours are more favoured than others. For instance, compared to the average of all punishing behaviours in the L’Oreal scenario, PUNISH1, PUNISH2, PUNISH3 and PUNISH4 were significantly higher than the average of all punishing behaviours for L’Oreal. PUNISH9, PUNISH10 and PUNISH11 were significantly lower than the average, indicating that these punish behaviours would not be used. In the BP1 and Nestlé scenarios, PUNISH1, PUNISH3 and PUNISH4, were significantly higher than the average of all punishing behaviours. The Pacific Brands scenario had similar results, with PUNISH1, PUNISH2, PUNISH3 and PUNISH4 being higher than the average. BP2 only had PUNISH1 as significantly higher than the average off all other punishing behaviours for BP2. These results indicate that compared to the average score for all of the punishing behaviours for each scenario, PUNISH1, PUNISH2, PUNISH3 and PUNISH4 were more preferred.

The results of the z-test statistics between scenario and full sample for each item (Table 5.34, z~), shows that the punishing behaviours preferred differs between scenarios. For instance, the selection of PUNISH1 was significantly above the average of the full data set, for the scenarios of L’Oreal and BP1. PUNISH1 was significantly lower than the average of the full data set for Apple1, Qantas and Apple2. This means that ‘I have/would spend less money at [company]’ was selected significantly more in L’Oreal and BP1 compared to the other scenarios. PUNISH1 to PUNISH7 were significantly higher for the scenario of L’Oreal than the average for each scenario. All of the punishing behaviours were significantly lower than the average for the Qantas scenario. That is, compared to the other scenarios none of the punishing behaviours would be selected for Qantas.

The results of the z-test statistics between the averages and the median value of four (Table 5.34, z#) indicates that the use of punishing behaviours differs between the scenarios. Based on the full data set, the punishing behaviours which were above the median value of four, and provided significant results based on a z#-test, were PUNISH1, PUNISH3, and PUNISH4. These reflected ‘I have/would spend less money at [company], ‘I have/would reduce the frequency of interaction with [company]’, and ‘I have/would bring a significant part of my business to a competitor’. The results of the L’Oreal scenario signify that a consumer would punish using PUNISH1 to PUNISH7, but they would not punish or are indifferent
to punishing using PUNISH9 to PUNISH11. In the BP2 scenario, respondents are on average indifferent to punishing using each of the behaviours, but indicated that they would not punish using PUNISH10 or PUNISH11. The results of Qantas show that on average, respondents will not use any of the punishing behaviours. BP1 and Nestlé will on average, punish using PUNISH1, PUNISH3 and PUNISH4.

Examining the averages for each scenario, it is evident that respondents would punish in the L’Oreal scenario. Respondents are indifferent to punishing in the BP1, BP2 and Nestlé scenarios, and they would not punish in the Pacific Brands, Apple1, Qantas or Apple2 scenarios. While this does not appear positive for the argument of consumers punishing, it must be highlighted that these results are based on averages and that a number of individual respondents are willing to punish.
Table 5.34 Significance of Punishing Behaviours from Average, Across Scenarios and Within Scenarios

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<th>BP2</th>
<th>Pac Brands</th>
<th>C</th>
<th>Apple1</th>
<th>E</th>
<th>Qantas</th>
<th>F</th>
<th>Nestle</th>
<th>G</th>
<th>Apple2</th>
<th>H</th>
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<td></td>
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<td></td>
<td></td>
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<tr>
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<td>2.84*</td>
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<tr>
<td>PUNISH3 I have/would reduce the frequency of interaction with [company]</td>
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<td>PUNISH4 I have/would bring a significant part of my business to a competitor</td>
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<td>PUNISH5 I have/would spread negative word-of-mouth about [company]</td>
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<tr>
<td>PUNISH6 I have/would denigrate [company] to my friends</td>
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<tr>
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<td>1.72</td>
<td>-1.07</td>
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<tr>
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<td>-3.24*</td>
<td>-2.45*</td>
<td>-3.19*</td>
<td>-11.82*</td>
<td>0.08</td>
<td>-4.16*</td>
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</table>

z^ test statistic between item score and average score of all items, z– test statistic between scenario and full sample for each item, z# test statistic between average and median value of four

* significant at 0.05
### Table 5.34 Significance of Punishing Behaviours from Average, Across Scenarios and Within Scenarios (continued)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Full</th>
<th>L'Oreal</th>
<th>BP1 B</th>
<th>Pac Brands C</th>
<th>BP2 D</th>
<th>Apple1 E</th>
<th>Qantas F</th>
<th>Nestle G</th>
<th>Apple2 H</th>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>When my friends were looking for a similar product or service, I have/would tell them not to buy from [company]</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td>4.12</td>
<td>3.92</td>
<td>3.75</td>
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<td>2.90</td>
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</tr>
<tr>
<td>I have/would report the behaviours of [company] to a consumer or governmental agency</td>
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<tr>
<td>I have/would contact the media to denounce the behaviours of [company]</td>
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<tr>
<td>I have/would punish in other ways</td>
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<td>-11.31*</td>
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<td>4.16</td>
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<td>1.52</td>
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<td>-8.44*</td>
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<td>-1.48</td>
<td>-3.89*</td>
<td>-10.62*</td>
<td>-0.99</td>
<td>-2.94*</td>
</tr>
</tbody>
</table>

* Test statistic between item score and average score of all items, z~ test statistic between scenario and full sample for each item, z# test statistic between average and median value of four
* Significant at 0.05
To gain a clearer understanding of consumer punishment intentions, the percentage of respondents which indicated that they would punish (indicated by selecting 5 or over on the scale) was calculated. The results are displayed in Table 5.35. While the means and averages in Table 5.34 indicate that on average, consumers are not willing to punish firms for ethically questionable behaviours, Table 5.35 indicates that some individual consumers are.

Despite the averages indicating that a consumer will not punish or is indifferent to punishing in the Apple1 and Apple2 scenarios using PUNISH1, these results show that 26.5 percent and 31.6 percent respectively, do intend to punish using this method. In the L’Oreal scenario, 63.2 percent of respondents indicated that they would punish by spending less money at L’Oreal.

For each of the punishing behaviours PUNISH1 to PUNISH7 and PUNISH9 to PUNISH11, even when the average indicates an indifference or unwillingness to punish, there are still groups of individuals which have indicated that they do intend to punish. Apple1 and Apple2 highlight the importance of this consideration for the portion of consumers who do intend to punish. Despite each of the averages indicating indifference or not-willing to punish, there is approximately 20 percent willing to punish using each method. For the full data set, even though the average shows indifference, there is still 30 percent who indicated that they would punish.

In the case of L’Oreal, 65.7 percent indicated that they would stop doing business with L’Oreal, 66.2 percent would reduce the frequency of their interaction, while 63.2 percent would suggest to a friend not to buy from L’Oreal. The results of BP1 and BP2 indicate that although largely indifferent to using PUNISH9 (mean BP1 = 4.09, BP2 = 4.02) or PUNISH10 (mean BP1 = 3.74, BP2 = 3.58), a considerable portion of respondents would use those behaviours (PUNISH9, BP1 = 36.0%, BP2= 37.5%; PUNISH10, BP1= 25.5%, BP2= 26.7%).

Analysing the results for the combined average of punishing behaviours for each scenario (Table 5.34), indicates a significant negative result for consumer punishment in the scenarios of Pacific Brands, Apple1, Qantas and Apple2. However, when analysing the combined portion of consumers who would punish
(Table 5.35), the argument for consumer willingness to punish has some support. Despite the average not punishing, 25.9% (Pacific Brands), 22.1% (Apple1), 11.1% (Qantas) and 24.3% (Apple2) indicated an overall intention to punish. These results are discussed further in Chapter 6.

Table 5.35 Percentage of Punishing Behaviours Rated Five and Above

<table>
<thead>
<tr>
<th>Variable</th>
<th>Full</th>
<th>L’Oreal A</th>
<th>BP1 B</th>
<th>Pac Brands C</th>
<th>BP2 D</th>
<th>Apple1 E</th>
<th>Qantas F</th>
<th>Nestle G</th>
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<td>4.61</td>
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<td>4.22</td>
<td>3.91</td>
<td>3.38</td>
<td>4.57</td>
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<td>% 5+</td>
<td>37.8</td>
<td>63.2</td>
<td>44.0</td>
<td>44.3</td>
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<td>26.5</td>
<td>14.4</td>
<td>46.4</td>
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<td>3.84</td>
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<td>2.89</td>
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<td>38.9</td>
<td>33.0</td>
<td>29.4</td>
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<td>10.9</td>
<td>42.6</td>
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<td>11.1</td>
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</table>
5.8 Other Punishing Behaviours of Consumers

The research study wanted to tap into additional punishing behaviours which may be used by consumers in response to third-party injustice situations. In order to do this, an open question was included at the end of the questionnaire for respondents. The open question stated: ‘As a consumer, what other ways have/would you punish the firm? Some examples of consumer punishments include; joining facebook groups, forwarding emails, posting on company websites, posting on anti-firm forums, shop lifting/stealing from the firm, abusing managers and/or employees, vandalizing firm property, boycotting, lobbying, taking part in protests and any other behaviours you consider to be a form of punishment to the firm’.

The responses received to this question indicate the sentiments of a portion of the sample, as not all respondents addressed the open question. Consideration of these responses provides support that some consumers may be willing to punish a firm. A brief analysis was conducted on the qualitative data, which uncovered a number of themes. These themes included using social media and the internet to spread negative word-of-mouth, boycotting, protests, and supporting/lobbying third-parties.

A large number of comments indicated a desire to post things on Facebook, on company websites and also forwarding emails. Although these behaviours could be classified as negative word-of-mouth, they may not have been identified in the respective survey questions. Respondents indicated a desire to ‘being very vocal about it, spreading the word’ (male, 60-64 years). This would be done through ‘posting things on their website/facebook’ (female, 35-39 years), ‘forwarding emails... letter writing’ (female, 45-49 years), or ‘joining facebook groups’ (female, 20-24 years). One respondent indicated that they have acted previously; ‘I have written on my personal blog about L'Oreal and other companies' use of animal testing and animal ingredients in their products’ (female, 30-34 years). The theme of using social media and the internet to facilitate communication and negative word-of-mouth was prominent among the qualitative responses.
A common response was to engage in boycotting. In addition to this, it is interesting to see that a few respondents indicated that they either have or would become involved in protests. Otherwise, some respondents indicated a desire to support groups which lobby against a company. For example, one respondent ‘supported a picket line. Give donations to a fighting fund for the striking workers’ (male, 50-54 years). Another spoke of ‘being involved in community groups speaking out and acting against BP’ (female, 45-49 years). One respondent indicated punishment through two avenues; ‘I refuse to buy their products, and support various environmental groups which have lobbied against the company’ (male, 70-74 years).

Other punishing behaviours which were mentioned but were not common included ‘vandalising or stealing property’ (female, 35-39 years), ‘lobbying MPs to take governmental action’ (male, 75 years +), ‘as an active member of a political party I would agitate within the party to limit Government involvement with Apple products’ (male, 55-59 years), and ‘protesting head offices and stores, awareness tshirts calling for loreal boycott, contacting government officials’ (female, 25-29 years). Although only based on a minority of respondents, the findings provide support to the argument that consumers can and will punish firms in a variety of ways beyond simply patronage reduction and boycotting.

5.9 Conclusion

Reported in this chapter are the findings of the quantitative study. Following the data analysis strategy outlined in Chapter 4, the chapter began by presenting the descriptive statistics of the final sample. Reliability of the measures were assessed and reported, followed by the results of the measurement model using SEM. Confirmatory factor analysis was used to establish the reliability of the measures, and validity was assessed through SEM. The full structural model and specified relationships were presented, including the fit indices, which indicated adequate fit of the model for both the full data set and the individual scenarios. The structural model was found to fit the data well and generally support the conceptual model developed for this research. This process examined the hypothesised relationships to fulfill the research objectives of this study. The final chapter of this thesis, Chapter 6, discusses the implications of these findings, and also includes the limitations of this research.
CHAPTER 6 - DISCUSSION, CONCLUSIONS AND LIMITATIONS

6.1 Introduction

The previous chapter reported the findings of the quantitative study. Presented in Chapter 6 is a discussion of those findings, conclusions, implications and contributions of the research study. The chapter begins with a brief overview of the study. Discussion of the findings of the research and the implications and contributions of the study are then provided. The chapter concludes with consideration of the limitations of the study, and avenues for future research.

6.2 Overview of the Study

Chapter 1 introduced the research problem guiding this study. Chapter 2 presented a review of the extant literature concerning the areas of ethical consumerism, consumer punishment and injustice, which provided context for the study. Through this discussion, important gaps in the literature emerged that identified the lack of research addressing consumer punishment as third party observers to injustice situations. Drawing on the literature review, Chapter 3 presented the development of the research hypotheses and the conceptual model to be tested in the study. Chapter 4 introduced the research methodology and approach taken in collecting and analysing data in order to test the conceptual model and associated research hypotheses. The empirical study utilised surveys to collect data from 644 respondents. The analysis of the data and findings were reported in Chapter 5. This final chapter, Chapter 6, provides a discussion of the implications of the research findings and directions for future research.

6.3 Conceptual Model

This study presents a conceptual model of consumer willingness to punish as third-party observers to ethically questionable business behaviours (Figure 6.1). Drawing on literature from marketing ethics, ethical consumerism, and organisational justice, the model provides a comprehensive conceptualisation of the antecedents of consumer punishment behaviours when the consumer is not a direct victim. Based on the conceptual works of Skarlicki and Kulk (2005) and
also O’Reilly and Aquino (2011), the model addresses decision making and perceptions of consumers as third-party observers when they are confronted with an act of injustice, and what motivates them to act in different ways.

The findings of the study provide support for the conceptual model. As illustrated in Figure 6.1, significant paths lead between almost all of the hypothesised relationships, for the full data set. When considering the individual scenarios, some of these relationships are not statistically significant; however, the conceptual model demonstrates characteristics of good fit. The findings of the hypotheses are discussed in the following section, Section 6.4. The findings are discussed in regards to the full data set and also the individual scenarios; L’Oreal, BP1, Pacific Brands, BP1, Apple1, Qantas, Nestlé and Apple2 (refer to Table 6.1).

**Figure 6.1 Conceptual Model: The Influences on Consumers’ Willingness to Punish in Third-Party Ethically Questionable Situations**

### 6.4 Conclusions about Research Hypotheses

Conclusions regarding the research hypotheses are discussed in terms of the full data set, and also the individual scenarios (Table 6.1). These findings are outlined in the following subsections of Section 6.4. To begin, the survey commenced by asking respondents to indicate whether or not they considered the scenario to contain an ethical issue. This was important in order to establish that respondents were actually addressing ethical situations. It was found, as shown in Table 5.8,
that respondents did consider the scenarios to contain ethical issues (mean of EIR 5.50, ranging from 4.90 to 5.90 with all means being statistically significant as greater than the indifference value of 4.0). The Nestlé scenario containing child labour (low psychological harm) was considered to have the highest level of ethical content (5.90), followed by BP1 with high physical harm (5.86), Apple2 with high psychological harm (5.64), and BP2 with high economic harm (financial loss) (5.62). The Qantas scenario that focussed on potential reputational damage (high economic harm), was considered to comparatively have the least ethical content (4.90). Pacific Brands, which focussed on job losses due to moving production off-shore (low economic harm), was considered to have the second lowest degree of ethical content (4.97).

**Table 6.1: Scenario Characteristics**

<table>
<thead>
<tr>
<th>Type of Harm</th>
<th>Physical</th>
<th>Economic</th>
<th>Psychological</th>
</tr>
</thead>
<tbody>
<tr>
<td>Injury</td>
<td>Financial Loss</td>
<td>Damage to reputation</td>
<td>Emotional Distress</td>
</tr>
<tr>
<td>- L’Oreal (Low) Scenario A</td>
<td>- Pacific Brands (Low) Scenario C</td>
<td>- Apple1 (Low) Scenario E</td>
<td>- Nestlé (Low) Scenario G</td>
</tr>
<tr>
<td>- BP1 (High) Scenario B</td>
<td>- BP2 (High) Scenario D</td>
<td>- Qantas (High) Scenario F</td>
<td>- Apple2 (High) Scenario H</td>
</tr>
</tbody>
</table>

In seven of the eight scenarios, it was further found that a significant positive relationship existed between ethical issue recognition and magnitude of consequences. In the case of Qantas, although respondents viewed the scenario as having ethical content, this did not influence magnitude of consequences (Table 5.31, $\beta = 0.093, p = 0.392$). Apple1 showed a significant relationship between ethical issue recognition and magnitude of consequences, however, this relationship was relatively weak (Table 5.31, $\beta = 0.200, p = 0.079$). The finding indicates that in situations containing potential reputational damage (high and low economic harm), the ethical nature of the situation has little or no impact on the magnitude of consequences of the situation. In contrast, in all other scenarios, the more ethical content attributed to the scenario, the higher the level of consequences or harm considered to be present in the situation. Discussed in the following section, 6.4.1, are the findings of the hypotheses related to type of harm and magnitude of consequences.
6.4.1 Magnitude of Consequences and Type of Harm

The findings confirm that physical harms are considered to be the most serious types of harm, and lead to higher levels of magnitude of consequences than both economic harms and psychological harms (Table 5.31, Physical $\beta= 0.255$, $p= 0.000$, Economic $\beta= 0.066$, $p= 0.192$, Psychological $\beta= -0.016$, $p= 0.730$). This supports H1a, and supports the work of Collins (1989) and Weber (1996), who found that physical harms are easiest to recognise and considered most serious. The relationships between economic harms and magnitude of consequences, and psychological harms and magnitude of consequences were both found to be insignificant in this study. Therefore, H1b should not be accepted.

Further to this, an examination of the individual scenarios shows that magnitude of consequences is significant with attribution of responsibility in both of the physical harm scenarios (L’Oreal $\beta= 0.884$, $p= 0.000$, and BP1 $\beta= 0.349$, $p= 0.000$), in both of the economic harm scenarios represented by financial loss (Pacific Brands $\beta= 0.569$, $p= 0.000$, and BP2 $\beta= 0.618$, $p= 0.000$), and for the low psychological harm scenario (Nestlé $\beta= 0.646$, $p= 0.000$). This provides further support to the argument that it is easier to estimate magnitude of consequences and attribute responsibility for physical harms. By comparison, it is harder to estimate the consequences and attribute responsibility to possible reputational damage (Apple1 $\beta= 0.124$, $p= 0.210$, and Qantas $\beta= -0.260$, $p= 0.006$) and also high psychological harm (Apple2 $\beta= 0.070$, $p= 0.487$). This is supported by the work of Collins (1989) and Weber (1996). It would be somewhat difficult for consumers to calculate or determine the magnitude of consequences arising from potential reputational damage.

6.4.2 Magnitude of Consequences and Attribution of Responsibility

The findings indicate that magnitude of consequences positively influences attribution of responsibility in the majority of situations. Hypothesis 2 was supported in the full data set (Table 5.31, $\beta= 0.489$, $p= 0.000$), and also in five of the eight scenarios (Table 5.31, L’Oreal $\beta= 0.884$, $p= 0.000$; BP1 $\beta= 0.349$, $p= 0.000$; Pacific Brands $\beta= 0.569$, $p= 0.000$; BP2 $\beta= 0.618$, $p= 0.000$; Nestlé $\beta= 0.646$, $p= 0.000$). That is, the higher the magnitude of consequences, the higher the level of attribution of responsibility to the firm. This is consistent with the seminal work of Walster (1966), DeJoy and Klippel (1984), Fisk and Taylor
(1991) and Collins (1989), who found that participants assigned more responsibility to the actor when the outcome was more severe than they did when the outcome was less severe.

This hypothesis was not supported for the scenarios of Apple1 (Table 5.31, β= 0.124, p= 0.210) Qantas (β= -0.260, p= 0.006) and Apple2 (β= 0.070, p= 0.487). Interestingly, Apple1 and Qantas are the damage to reputation scenarios reflecting economic harm. The relationship between magnitude of consequences and attribution of responsibility for Qantas is significant, however, the relationship is negative. That is, the higher the magnitude of consequences, the less responsibility is attributed to the firm. The relationship was not significant for either Apple1 or Apple2. The consistent element between these three scenarios is the inclusion of another actor implicated in the scenarios. For the Apple scenarios there is the inclusion of Foxconn, the subcontractor, and for Qantas there is Rolls Royce. It may be that as magnitude of consequences increased, the attribution of responsibility was shared with the other firms.

One of the respondents made an interesting comment in the final section of the survey which relates to the difficulty in attributing responsibility to a firm when there is more than one firm involved in a situation. In relation to Apple, the respondent stated that ‘I don’t think Apple is the primary cause of the deaths, but by contracting to a company in a country known for employee abuse in an attempt to increase corporate profits, I believe they can be considered guilty of moral indifference’ (male, 50-54 years). This statement not only provides support for the conceptualisation of attribution of responsibility as a multi-dimensional construct, but also highlights complexity of attributing responsibility, even as the magnitude harmful consequences increases.

6.4.3 Magnitude of Consequences and Perceived Injustice

The greater the degree of harm third-parties perceive, the more likely they will judge the situation as an act of injustice (Bradfield & Aquino, 1999). Ingram, Skinner and Taylor (2005) had a similar finding, in which the higher the perceived magnitude of harm, the less an act is considered to be fair. The findings of the present study suggest varied support for the relationship and therefore varied support for hypothesis H3.
Magnitude of consequences was shown to have a significant strong positive relationship with perceived injustice in half of the scenarios and in the full data set (Table 5.31, $\beta = 0.308$, $p = 0.000$). It had a significant positive relationship for L’Oreal ($\beta = 0.669$, $p = 0.000$), Pacific Brands ($\beta = 0.585$, $p = 0.000$), Nestlé ($\beta = 0.319$, $p = 0.006$) and Apple2 ($\beta = 0.436$, $p = 0.000$). The relationship was not found to be significant for the scenarios of BP1 ($\beta = -0.007$, $p = 0.942$), BP2 ($\beta = 0.049$, $p = 0.691$), Apple1 ($\beta = 0.031$, $p = 0.778$) and Qantas ($\beta = 0.139$, $p = 0.211$). Therefore, this study generally provides support for the notion that the greater degree of harm third-parties perceive, the more likely they will judge the situation as an act of injustice.

The ‘victims’ in the scenarios which were found to have a significant relationship include animals (L’Oreal reflected low physical harm through animal testing), and employees (Pacific Brands represented low financial harm through moving production off-shore, and Nestlé and Apple2 represented low and high psychological harm respectively through child labour and poor working conditions leading to employee suicide). In contrast, the non-significant scenarios included firms and the natural environment as the victims. Possibly, as the perceived harm to ‘living’ victims increases it is considered more unjust.

Mikula (1993) explained that a judgement of injustice can be based on a number of elements, one of which is regarding the justification for a violation of entitlement or harm. It could be that consumers are less likely or less able to justify increasing levels of harm to animals and employees. In particular, animal testing and child labour/poor working conditions could be considered avoidable business practices, and therefore considered increasingly unjust. In comparison, when the victim is a firm and the situation involves financial loss or reputational damage, the degree of the harm is less important in determining the just nature of the situation.

**6.4.4 Attribution of Responsibility and Perceived Injustice**

Examination of the statistical significance and parameter estimates indicated that attribution of responsibility had a significant positive effect on perception of injustice. Hypothesis H4 was generally supported. This was supported for the full
data set (Table 5.31, $\beta= 0.485$, $p= 0.000$) and five of the eight scenarios; BP1 ($\beta= 0.740$, $p= 0.000$), Pacific Brands ($\beta= 0.425$, $p= 0.000$), BP2 ($\beta= 0.708$, $p= 0.000$), Apple1 ($\beta= 0.281$, $p= 0.015$) and Nestlé ($\beta= 0.517$, $p= 0.000$). This relationship was not significant for the scenarios of L’Oreal ($\beta= 0.188$, $p= 0.332$), Qantas ($\beta= 0.048$, $p= 0.687$), and Apple2 ($\beta= 0.185$, $p= 0.109$).

Attribution of responsibility is conceptualised in the final model as consisting of causality, knowledge and intentionality. The literature indicates that consumers will perceive more injustice the more they feel that the actor (business) caused the negative consequences, had knowledge and intention and the less justification they perceive for the action or outcomes (Mikula, 1993, 2003). The present study provides support for this.

The reason that this relationship is not significant in the case of the Qantas scenario may be due in part to the interaction of the first order factors of attribution of responsibility. As discussed in Section 5.4.2.2, when combined, intentionality had a very low loading onto attribution of responsibility. The inclusion of two parties in this scenario was also considered to have a potential impact on the clarity of one the knowledge items.

The L’Oreal scenario represents testing on animals. It is interesting that magnitude of consequences has a strong positive influence on the perception of injustice, and that magnitude of consequences has a strong positive influence on attribution of responsibility. However, the relationship between attribution of responsibility and perceived injustice is weak and not significant. This could reflect when considering the issue of animal testing, the injustice of the act is not affected by whether the consumer thinks the firm is responsible or not, as the use of animal testing is a chosen business practice rather than something that happens unintentionally or without knowledge.

The psychological harm to employees through poor labour conditions leading to suicide in the Apple2 scenario, appears to have similar results to the animal testing scenario of L’Oreal in regards to this hypothesis. The attribution of responsibility to the firm does not appear to impact how consumers perceive the level of injustice. The level of injustice is impacted by the magnitude of
consequences, and possibly then by the type of harm involved. Therefore, it could be inferred that a situation of high psychological harm (poor labour conditions) is judged as an injustice due to the nature of the harm, rather than who has caused or is responsible for the harm.

In the scenarios whereby the perception of injustice is impacted by the attribution of responsibility, this could reflect the view of Solomon and Murphy (1990) that a firm that is responsible for harm or negative consequences is showing contempt or disrespect to the victim and/or the values of society. That is, the fact that a firm is responsible for harm makes that outcome more severe, and makes it unjust. For example, the intentional use of child labour by Nestlé could be considered more unjust, than unintentional or unknowingly using it in the supply chain, as it shows a greater disregard for the interests of the children and values in the Western society.

The findings of this hypothesis indicates that the influence of attribution of responsibility on perceived injustice is contingent in part on the type of harm involved and circumstances in the situation. The hypothesis H4 was largely supported in this study.

6.4.5 Consumer-Company Identification and Attribution of Responsibility

Examination of the statistical significance and parameter estimates provides support for Hypothesis 5a, indicating that consumer-company identification has an effect on attribution of responsibility in some circumstances. In these situations where a significant relationship exists, the relationship can be either positive or negative. A significant negative relationship was discovered for the full data set (Table 5.31, $\beta = -0.167, p = 0.000$) and also for the scenarios of BP1 ($\beta = -0.436, p = 0.000$), Pacific Brands ($\beta = -0.262, p = 0.002$) and Apple1 ($\beta = -0.218, p = 0.039$). A significant positive relationship was found for Qantas ($\beta = 0.176, p = 0.061$). The relationship was not significant in the remaining scenarios (L’Oreal $\beta = -0.065, p = 0.417$; BP2 $\beta = -0.112, p = 0.173$; Nestlé $\beta = -0.013, p = 0.873$; and Apple2 $\beta = -0.017, p = 0.851$). That is, in half of the cases the higher the level of consumer-company identification, the lower the attribution of responsibility to the firm. In contrast for the case of Qantas, the higher the level of consumer-company identification, the higher the attribution of responsibility to the firm. In the 164
scenarios of L’Oreal, BP2, Nestlé and Apple2 the level of consumer-company identification did not affect the attribution of responsibility to the firm.

These findings provide general support for the literature whereby higher levels of identification leads to biased information processing and a desire to maintain the relationship and positive view of the firm (Ahluwalia, Burnkrant & Unnava, 2000; Dawar & Pillutla, 2000; Ingram, Skinner & Taylor, 2005). Firms which are able to build up strong levels of consumer-company identification seem to be able to insulate themselves from negative perceptions, as the consumers are likely to judge them less harshly and are able to discount negative information. In contrast, weakly identified consumers, who do not see a company as important to defining their sense of self and whose beliefs about the company are not as strongly defining, should be motivated to form accurate judgements. In which case, negative information is often given more focus (Ahluwalia, Burnkrant & Unnava, 2000).

Bhattacharya and Sen (2003) and Gregoire and Fisher (2006) have suggested that there is a point though, at which even strongly identified consumers are unlikely to maintain positive views of a company when the information is extremely negative. At this point, a consumer may think that enough is enough, and actually view negative information more negatively. In regards to the Qantas scenario, a positive relationship was found between consumer-company identification and attribution of responsibility. That is, the more strongly consumers identified with Qantas, the more responsibility they attributed to them. It may be that strongly identified consumers expect more of Qantas, or what Gregoire and Fisher (2006) term the ‘love becomes hate’ effect. Another interpretation of this is related to the factor loadings of attribution of responsibility as discussed in the previous section and potential confusion caused by the inclusion of another actor in the scenario.

The relationship between consumer-company identification and attribution of responsibility was not found to be significant in the scenarios of L’Oreal, BP2, Nestlé and Apple2. That is, the degree of consumer identification with the firm did not affect how responsibility was attributed to the firm. One interpretation of this may be that for certain ethical issues, it is clear how to attribute responsibility to a firm, and this judgement of responsibility is not insulated or swayed by
whether or not the consumer identifies with the firm. In the cases of L’Oreal and Nestlé (the issues of animal testing and use of child labour), it is possible that a consumer can and will consistently attribute responsibility regardless of how they identify with the firm. In these scenarios, causality, knowledge and intentionality appear to be clear, leaving little room for biased information processing.

BP1, which reflects high physical harm through employee deaths, has provided an interesting result. The worse the perceived outcome, the more the consumer-company relationship insulates BP from perceived responsibility. One could consider that this scenario fits into the situation of ‘enough is enough’ (Bhattacharya & Sen, 2003; Gregoire & Fisher, 2006), or the view of Fiske and Taylor (1991) whereby the more serious the consequences the more likely a party will attempt to assign responsibility to the actor (as supported in H2). Therefore, BP should be given more responsibility from connected consumers as the outcome (deaths) is high. However, it appears that despite the higher magnitude of consequences positively influencing attribution of responsibility, the consumer-company identification relationship negatively impacts attributions of responsibility. So, despite the high levels of harm, identified consumers can either rationalise or rebuke the actions of BP.

6.4.6 Consumer-Company Identification and Punishment

Examination of the statistical significance and parameter estimates indicated that consumer-company identification has an effect on punishment behaviours in some situations. Therefore, hypothesis H5b was supported for some of the cases. This was however, the only hypothesised relationship which was not found to be significant for the full data set (Table 5.31, β= -0.039, p= 0.162). In these situations where a significant relationship exists, the relationship can be either positive or negative. A significant negative relationship was discovered for Apple1 (β= -0.187, p= 0.069) and Apple2 (β= -0.265, p= 0.002). A significant positive relationship was found for Pacific Brands (β= 0.141, p= 0.037), Qantas (β= 0.159, p= 0.088) and Nestlé (β= 0.146, p= 0.025). The relationship between consumer-company identification and punishing behaviours was not significant for the full data set, L’Oreal (β= -0.035, p= 0.552), BP1 (β= 0.007, p= 0.945) and BP2 (β= 0.073, p= 0.414).
This hypothesised relationship did not have strong support in the literature but seemed intuitive, given the hypothesised relationship with attribution of responsibility. The significant negative relationship for the Apple scenarios indicates, that the more the consumer identifies with the firm, the less willing they would be to punish them. This seems intuitive given that a consumer with a high level of identification and commitment desires to maintain a good relationship with the company (Bergami & Bagozzi, 2000; Brown et al., 2005). Therefore, the more a consumer identifies with the firm, the less likely they are to punish the firm.

Gregoire and Fisher (2006) described this as a ‘love is blind’ effect, and found in their study that high relationship quality customers had a very low desire to retaliate compared to low relationship quality customers. Gregoire and Fisher (2006) also connect this relationship to the perceived controllability of the firm, in that low controllability or low attribution of responsibility means that high relationship quality customers are not going to consider punishment as a viable option.

The significant positive relationship found for Pacific Brands, Qantas and Nestlé, indicates that the more a consumer identifies with the firm, the more willing they are to punish the firm. This could be interpreted as the consumer feeling a sense of ‘betrayal’, or reaching the breaking point at which the negative perception of the company makes the consumer want to punish them for acting outside of their expectations, or negatively impacting their sense of self. Gregoire and Fisher (2006) considered a similar relationship which they termed ‘love becomes hate’, although, Gregoire and Fisher (2006) did not find support for this relationship in their study. Instead, they found that regardless of the strength of the relationship the consumer has with the firm, if the firm is considered to be in control of the outcomes or otherwise responsible, the consumer will seek to retaliate. The difference between this study and the study of Gregoire and Fisher (2006) is the nature of the victim and the customer; in the study of Gregoire and Fisher (2006) the customer is the victim. Therefore, the customer has more at stake and is personally impacted, unlike this study in which the customer is a third-party observer.
It is interesting that only the Apple scenarios showed a significant positive result, while the others were typically significantly negative. Only in the Apple scenarios did the relationship with the firm protect them from a desire for punishment. Apple has been considered as a brand like no other, in gaining strong support and almost a cult-like following from some consumers.

6.4.7 Identification with Victim and Attribution of Responsibility
The hypothesised relationship between identification with victim and attribution of responsibility gained adequate support in this study. Examination of the statistical significance and parameter estimates indicated that identification with victim had a significant positive effect on attribution of responsibility in some situations. Hypothesis H6a was therefore supported in some cases. The relationship was significant and positive for the full data set (Table 5.31, \( \beta = 0.144, p = 0.000 \)), BP1 (\( \beta = 0.283, p = 0.002 \)), Pacific Brands (\( \beta = 0.162, p = 0.045 \)), BP2 (\( \beta = 0.287, p = 0.002 \)) and Apple2 (\( \beta = 0.504, p = 0.006 \)). In the remaining scenarios, (L'Oreal \( \beta = -0.075, p = 0.352 \); Apple1 \( \beta = -0.154, p = 0.131 \); Qantas \( \beta = -0.068, p = 0.490 \); and Nestlé \( \beta = 0.056, p = 0.508 \)) no significant relationship was found.

It has been argued that a third-party may identify with a victim of mistreatment because of similar traits or experiences (Brocker & Greenberg, 1990; Burger & Rodman, 1983). As a third-party, the consumer can become self-concerned, particularly when similar attributes are thought to have played a role in the mistreatment. Therefore, the more the third-party identifies with the victim, the more the third-party will attribute responsibility for the mistreatment to the organisation. This relationship is supported by the current study, in the case of the full data set, BP1, Pacific Brands, BP2 and Apple2. In each of these scenarios, the victims are employees which consumers could relate to.

6.4.8 Identification with Victim and Punishment
Examination of the statistical significance and parameter estimates indicated that identification with victim had a significant positive effect on punishing behaviours in only a few cases, including the full data set (Table 5.31, \( \beta = 0.124, p = 0.000 \)), Nestlé (\( \beta = 0.160, p = 0.023 \)) and Apple2 (\( \beta = 0.300, p = 0.001 \)). No significant relationship was found in L'Oreal (\( \beta = 0.091, p = 0.127 \)), BP1 (\( \beta = 0.110, p = 168 \))
0.261), Pacific Brands (β= 0.089, p= 0.193), BP2 (β= 0.128, p= 0.196), Apple1 (β= -0.100, p= 0.311) or Qantas (β= 0.058, p= 0.587). Hypothesis H6b was therefore supported in only a few of the cases.

Interestingly, Nestlé and Apple2 relate to psychological harm (child labour and poor working conditions), and include individuals as the victims. The more that a consumer can relate to the victim through perceived similarities, or the higher the feeling of affection or liking of a victim (Brockner & Greenberg, 1990), the more motivated they will be to punish on behalf of the victim. It is likely that consumers can more easily relate to employees as victims and therefore feel more compelled to punish.

In the situations where the victims are a firm (such as reputational damage) or animals (such as in animal testing), the consumer is less likely to relate to them, and therefore their desire to punish the firm is not influenced by their relationship or identification with the victim.

### 6.4.9 Perceived Injustice and Punishment

The positive influence of perceived injustice on punishing behaviours was supported in this study. It was found that perceived injustice had a significant positive effect on punishing behaviours in the full data set (Table 5.31, β= 0.527, p= 0.000) and also in five of the eight scenarios. This significant positive relationship is also considered to be strong in most of these scenarios. The strong positive relationship in the following scenarios; L’Oreal (β= 0.602, p= 0.000), BP1 (β= 0.379, p= 0.000), Pacific Brands (β= 0.719, p= 0.000), BP2 (β= 0.420, p=0.000) and Nestlé (β= 0.684, p= 0.000), provides support for hypothesis H7. That is, in these scenarios, the more injustice perceived by the consumer, the more willing they would be to engage in punishing behaviours.

The finding of this hypothesis provides support to the literature that in situations where the consumer as a third-party has judged a situation as unjust, they are more willing to punish the organisation. That is, the consumers show a willingness to take the matter of achieving justice into their own hands, in a loose form of vigilante behaviour (O’Reilly & Aquino, 2011), or to symbolically
reassert the rules of society (Vidmar, 2000). Even as a third-party, a consumer can seek or desire to restore justice through punishing an offender.

Perceived injustice was not found to have a significant relationship with punishing behaviours in the Apple1 ($\beta= 0.135$, $p= 0.179$), Qantas ($\beta= 0.084$, $p= 0.367$) and Apple2 ($\beta= 0.101$, $p= 0.289$) scenarios. Interestingly, these are the same three scenarios whereby a significant relationship was not found between magnitude of consequences and attribution of responsibility. Furthermore, these three scenarios are characterised by having two firms involved in the situation. Also, two of the scenarios, Apple1 and Qantas are characterised as containing economic harm through reputational damage. In addition, the Qantas and Apple2 scenarios in particular, were found to have no significant relationship between attribution of responsibility and perceived injustice.

### 6.4.10 Involvement in Social Issue and Punishment

The results of this study indicated that involvement in social issue had a significant positive relationship on punishing behaviours in some situations. That is, a significant positive relationship was found for the full data set (Table 5.31, $\beta= 0.066$, $p= 0.029$) and the scenarios of L’Oreal ($\beta= 0.300$, $p= 0.002$), BP2 ($\beta= 0.184$, $p= 0.048$) and Apple1 ($\beta= 0.202$, $p= 0.039$). The relationship was not significant for BP1 ($\beta= -0.011$, $p= 0.907$), Pacific Brands ($\beta= 0.027$, $p= 0.710$), Qantas ($\beta= 0.055$, $p= 0.601$), Nestlé ($\beta= 0.071$, $p= 0.348$) or Apple2 ($\beta= -0.056$, $p= 0.560$). Therefore, Hypothesis H8 was supported in only some of the cases.

According to Golob, Lah & Jancic (2008), highly involved individuals feel more connected to specific social issues and are more motivated to allocate resources to processing information about those issues and even take action with regard for those issues. The social issue for L’Oreal was identified as ‘product testing on animals’. The social issue for BP2 was identified as ‘environmental damage’. And the social issue for Apple1 was characterised as ‘corporate reputational damage’. Therefore, the more a consumer is involved in and places importance on the social issues, the more they are likely to exhibit punishment behaviours.

The social issues represented in the non-significant scenarios include; workplace fatalities or injuries, moving domestic production offshore, reputational damage,
child labour, and labour conditions. It is somewhat surprising that for these scenarios, the level of involvement in the social issue does not impact punishing intentions. This may be due in part to the perceived seriousness of the situations, whereby the desire to punish is not related to whether or not a consumer has a specific interest in the ethical issue.

6.5 Control Variables

A number of control variables were included in the study to assess their potential impact on the main constructs. This was done as previous studies have shown mixed results regarding the influence of gender, age, location and level of education in ethical decision making. Similarly, this study also produced mixed influences of these control variables on the various constructs. In the structural modelling stage of analysis, the control variables were linked to the main constructs of magnitude of consequences, attribution of responsibility, perceived injustice and punishing behaviours. As was shown in Table 5.31 and Table 5.33, a number of significant relationships were uncovered in the scenarios. The importance of these findings are considered with caution and generally align with the literature in suggesting that demographic characteristics have mixed influences on consumers’ ethical decision making.

Gender was found to have a significant positive relationship with attribution of responsibility in Pacific Brands but a significant negative relationship in Apple1. That is, in the scenario of Pacific Brands, females attributed more responsibility to the firm. In contrast, in the Apple1 scenario, males attributed more responsibility to the firm. Pacific Brands reflects low economic harm through moving production off-shore, while Apple1 reflects low economic harm through potential damage to reputation.

Interestingly, gender was found to have a significant positive relationship with perceived injustice for the full dataset and Apple1, but a significant negative relationship in Apple2. That is, female respondents indicated higher injustice in the Apple1 scenario, but male respondents indicated higher injustice in the Apple2 scenario. Relating this to the type of harms and issues involved, females found damage to reputation to be more unjust, while males found poor labour conditions
to be more unjust. It is possible that males are more likely to relate to poor working conditions in factories, therefore considering them to be unjustified and having a greater level of injustice.

These findings of the impact of gender are in contrast to Babakus et al. (2004) and Carrigan and Attalla (2001), who found that gender did not impact on ethical attitudes. However, they provide support to the findings of others such as Fisher, Woodbine and Fullerton (2003), who found that gender is important in determining ethical attitudes.

Age was found to have a significant negative effect on magnitude of consequences in the full data set and in the Nestlé scenario. That is, older people viewed the Nestlé scenario involving child labour as being of less serious consequences or harm. This could be due to a number of reasons. Firstly, the prevalence of child labour has existed since the industrial revolution in Europe, and the mid-nineteenth century in America (Basu, 1999), so it is not a new business practice or way of life. In recent decades however, greater focus has been placed on the conditions of child labourers and concern for their welfare (Basu, 1999). Older respondents may view child labour as being of less magnitude of consequences as compared to younger respondents, as younger respondents have grown up in an environment which has placed greater focus and concern on the incidence of child labour, and viewed child labour as a negative occurrence.

Age was found to have a significant negative effect on attribution of responsibility in the full data set and also in the Qantas scenario. That is, older respondents attributed less responsibility to the firm. Finally, a significant negative effect was found between age and punishing behaviours in the scenarios of Qantas and Apple2. That is, older respondents scored lower on punishing behaviours in the Qantas and Apple2 scenarios. Interestingly, Qantas is characterised as the ‘high’ economic damage through reputational harm scenario, while Apple2 is the ‘high’ psychological damage through labour conditions.

Location, whether someone resides in a regional or metro location, was found to have a significant positive relationship on magnitude of consequences for the full data set and in the scenarios of L’Oreal and BP1. That is, respondents coded as
‘regional’, viewed the scenarios as having higher magnitude of consequences. The L’Oreal and BP1 scenarios were characterised as being ‘physical harms’, which involved animal testing in L’Oreal and physical harms and death in BP1. This indicates that people who reside regionally view animal testing as having more consequence and harm, than metropolitan consumers. This could be interpreted as regionally based consumers having greater affection for animals and giving more consideration to the impact on the animals.

Location was found to have a significant negative relationship with attribution of responsibility in the full data set and the scenarios of BP2 and Apple1. That is, ‘regional’ respondents attributed less responsibility to the firm. BP2 was characterised as the high economic harm through financial loss, while Apple1 was low economic harm through reputational damage.

Education was found to have a significant positive relationship with magnitude of consequences in the Pacific Brands and BP2 scenarios but a significant negative relationship in L’Oreal. That is, the higher the level of education attained, the higher the magnitude of consequences in the Pacific Brands and BP2 scenarios. In contrast, the higher the level of education gained, the lower the magnitude of consequences attributed in the L’Oreal scenario. The Pacific Brands and BP2 scenarios are characterised as economic harm involving financial loss for potential victims. This could be interpreted as people having higher levels of education being able to see the ongoing or connected consequences that the financial losses will have. In contrast, the scenario of L’Oreal may indicate that as people become more educated, they view animal testing as causing less harm.

Education was found to have a significant negative relationship with attribution of responsibility in the full data set and in BP1 and Apple2. That is, the higher the level of education attained, the less responsibility was attributed in the scenarios of BP1 and Apple2. The BP1 and Apple2 scenarios both involve employee harm, BP1 being high physical harm through injuries and death, and Apple2 being high psychological harm through poor working conditions potentially leading to suicide. It could be possible that this finding reflects that more educated people are likely to attribute less responsibility for serious outcomes as they understand
that there are many actors involved in a situation and that on occasion serious accidents can occur.

As demonstrated, the influences of demographic characteristics are mixed throughout the varying scenarios. The findings provide interesting insights into how individuals vary in their judgement of harm, how they attribute responsibility for an act and in their willingness to punish a firm for those injustices. While these findings have been mixed, they do indicate the importance of these characteristics in determining how consumers make judgements and subsequently respond.

6.6 Conclusions about Punishing Behaviours

In addition to testing the conceptual model, this research sought to determine which punishment behaviours are most likely to be adopted by consumers in third-party observed justice situations. The punishment behaviours included in this study can be loosely categorised as patronage reduction, negative word-of-mouth and third-party complaining (Gregoire & Fisher, 2006). The results of the analysis outlined in Chapter 5, Table 5.34, indicated that on average (all items and full sample) consumers would not punish.

Derived from the full data set, the punishing behaviours which were found to be above the median value of four, and provided significant results based on a \( z \)-test, were PUNISH1 ‘I have/would spend less money at [company]’, PUNISH3 ‘I have/would reduce the frequency of interaction with [company]’, and PUNISH4 ‘I have/would bring a significant part of my business to a competitor’. Therefore, on the basis of all scenarios, the most likely form of punishment enacted by a consumer is through patronage reduction. Compared with all types of punishment behaviours included in the study, the least likely forms of punishment were found to be ‘I have/would contact the media to denounce the behaviours of [company]’, ‘I have/would report the behaviours of [company] to a consumer or governmental agency’, and ‘I have/would punish in other ways’. These behaviours are reflective of third-party complaining.

These findings are consistent with existing research which indicates that despite finding a firm responsible for an apparent injustice, consumers will not always
follow through with punishing the firm (Zaibert, 2004). Although not included in this study, one of the reasons consumers may decide not to punish firms could be due to prudence, laziness or apathy.

The findings from the individual scenarios indicate that preference or incidence of punishing behaviours do vary slightly based on the scenario and type of harm involved. The two scenarios for physical harm, L’Oreal and BP1, both had results suggesting that consumers have or would punish the firms. Nestlé and BP2 were next, in which the average of all respondents indicated ‘neither agree nor disagree’ for the combination of punishing behaviours. For the remaining scenarios, Pacific Brands, Apple1, Qantas, and Apple2, the average of all punishing behaviours indicated that consumers would not be willing to use the included behaviours to punish the firms.

As mentioned, L’Oreal received the highest incidence of have/would use the various behaviours to punish the firm. The behaviours which were found to be significant were PUNISH1-PUNISH7: ‘I have/would spend less money at L’Oreal’; ‘I have/would stop doing business with L’Oreal’. ‘I have/would reduce the frequency of interaction with L’Oreal’, ‘I have/would bring a significant part of my business to a competitor’, ‘I have/would spread negative word-of-mouth about L’Oreal’, ‘I have/would denigrate L’Oreal to my friends’, and ‘When my friends are looking for a similar product or service, I have/would tell them not to buy from L’Oreal’. These behaviours can be loosely classified as patronage reduction and negative word of mouth.

The BP1 scenario was also found to include the incidence of punishing behaviours, with PUNISH1-PUNISH4 being found significant. That is, the patronage reduction type behaviours were found to have been used or would be used by a consumer. These results of L’Oreal and BP1 show strong support to the argument that consumers are more likely to actually engage in punishing behaviours when the type of harm is physical, resulting in injury or death.

The findings of the Pacific Brands scenario indicates that on average, consumers have or would be willing to punish through spending less money and reducing the frequency of interaction. In response to the Nestlé scenario, consumers have or
would be willing to punish by spending less money, reducing interaction, and also bringing a significant part of their business to a competitor. For the remaining scenarios, the noted punishing behaviours found no support and furthermore, in relation to PUNISH11 ‘I have/would punish in other ways’, the results were significant and negative. Meaning that on average, consumers indicated that they strongly disagreed that they have/would punish in other ways for the scenarios of BP1, Apple1, Qantas, and Apple2.

The most used or desired punishing behaviour was ‘I have/would spend less money at [company]’. While the use was significantly positive for the full data set, L’Oreal, BP1, Pacific Brands and Nestlé, it was significantly negative for Qantas, and not significantly positive or negative for BP2, Apple1 and Apple2. That is, on average, respondents for BP2, Apple1 and Apple2 were indifferent to spending less money as a form of punishment.

The punishing behaviours relating to contacting third-parties were not significant for any of the scenarios. This is not surprising, as the literature indicates that as a third-party observer, a consumer is not likely to expend their own resources into regaining justice for another victim (Ingram, Skinner & Taylor, 2005). In most instances, negative word-of-mouth and third-party complaining type behaviours require more effort from the consumer, compared to patronage reduction.

The incidence of punishment in the L’Oreal and Nestlé scenarios could be attributed to a number of factors. One of these could be that there has been greater media attention given to the use of animal testing and child labour over a significant period of time and consumers are therefore more willing to punish. Furthermore, the incidence of animal testing and using child labour appears to show a clear indication of responsibility and cannot be considered as accidents. As such, consumers may feel more certain about who is responsible for the negative consequences and feel more confident in punishing the actor.

The findings of the use, or somewhat indifference to the use of punishing behaviours should be viewed in light of them being the averages of all respondents for each scenario. While the results indicate that consumers are not willing to punish, this is on average, and does not adequately reflect the portion of
respondents who did indicate a desire to punish. Further analysis of the results, as shown in Table 5.35, suggested that despite an average indifference to punishing, there are groups of respondents which indicated they would punish.

The findings from each scenario and each of the punishing behaviours provided interesting insights into the respondents’ desire to punish. In the case of L’Oreal, 52.9 percent of respondents on average indicated a desire to punish is some way. Following this, on average, 37.5 percent of respondents indicated a willingness to punish in the Nestlé scenario. This is followed by 35.6 percent for BP1, 30.4 percent for BP2, 25.9 percent for Pacific Brands, 24.3 percent for Apple2, 22.1 percent for Apple1, and 11.1 percent for Qantas. This demonstrates that even when the average consumer is not willing to punish, there is a portion of consumers who are (11.1 to 37.5 percent per scenario).

The scenarios of Apple1 and Apple2 in particular highlight the importance of considering the portion of consumers willing to punish. Despite the results showing an average indifference or unwillingness to punish using any of the punishing behaviours analysed, approximately 20 to 25 percent of respondents indicated a willingness to punish using each of the methods. The potential impact from punishing behaviours by 20 percent of consumers could be quite high for companies such as Apple. The impact of approximately 20 percent of consumers spreading negative word of mouth (PUNISH5), 19 to 26 percent advising friends to buy from another company (PUNISH7), and 28 to 31 percent taking a significant part of their business to a competitor (PUNISH4), could have potentially damaging outcomes for such companies.

The results of PUNISH9 (‘I have/would report the behaviours of [company] to a consumer or governmental agency’) give important insights into how the type of issue and nature of the firm can influence the use of punishing behaviours. For each of the scenarios the respondents indicated an unwillingness or indifference to using PUNISH9. However, when considering the portion of respondents who would use this method, it is highest for the scenarios of BP1 (36%) and BP2 (37.5%). That is, more respondents would report the behaviours of BP in regards to the oil spill for both the physical and economic harm, than for any of the other scenarios. This could be a reflection of consumer sentiments that at times they are
not in a position to punish a firm personally. This sentiment was highlighted by one respondent in the open-ended section of the survey when she said, ‘as a consumer I cannot actively punish BP as a company – there needs to be punitive legal action brought against them to reprimand and remind them of their social obligations’ (female, 25-29 years). Despite not being able to personally punish a firm such as BP, the results indicate that consumers may consider it worthwhile to report the firm to another agency who can punish on their behalf.

In addition to the 11 specific punishing behaviours which were analysed in this study, it was posited that consumers may be willing to punish a firm in other ways. The next section outlines the findings stemming from an open question asking respondents what other ways they have or would consider punishing.

6.6.1 Other Punishing Behaviours of Consumers
Discussed in Section 5.8 were the responses from participants regarding additional punishing behaviours they would consider undertaking, in addition to those specifically listed in the questionnaire. The open ended question elicited a range of responses from a portion of the respondents. The analysis of these additional behaviours highlighted a number of themes or categories of punishing behaviours. These included using social media and the internet to spread negative word-of-mouth, boycotting, protesting, and supporting/lobbying third-parties. In addition to these, the comments highlighted some important sentiments regarding the various scenarios and the nature of ethically questionable firm behaviours.

As one male respondent (50-54 years) identified about the complexities of contracting with another company in production, attributing responsibility is a multi-faceted decision. He said ‘I don't think Apple are the primary cause of the deaths, but by contracting to a company in a country known for employee abuse in an attempt to increase corporate profits, I believe they can be considered guilty of moral indifference.’ Some respondents highlighted the notion that some industries as a whole are engaging in unethical practices, in particular the chocolate industry. The views of respondents were: ‘unfortunately other chocolate companies are doing the same thing.’ (female, 60-64 years), and ‘Just as all companies these days use slave labour to make huge profits because they can get
away with it, well NESTLÉ are just one of those demonic companies’ (male, 40-44 years).

The favour shown to Facebook posts and forwarding emails seems to align with punishment actions which do not require much effort on behalf of the consumer. These are not active behaviours which require the outlay of resources from the consumer. Although not common, two respondents indicated a willingness or desire to support the victims either directly or indirectly, through support of other agencies or funds. One thing that is clear is the desire to share information about situations and organisational behaviours in order to inform others.

The findings discussed in Sections 6.4, 6.5 and 6.6 have made a number of contributions to theory and have implications for managers and practice. These contributions and implications are discussed next in Sections 6.7 and 6.8.

6.7 Contributions to Theory

This study sought to enhance our understanding of consumers’ punishing behaviours as third party observers to injustice situations. A number of contributions are made to theory and knowledge and are detailed as follows:

1. Most organisational justice research has focussed on the justice evaluations of individuals directly involved in justice situations. Yet, researchers have begun to acknowledge the role of individuals as observers or third parties in others’ justice situations (e.g. Lind, Kray & Thompson, 1998). As suggested by Miles and Naumann (2003), this study has controlled for the identity of the third-party, that being consumers. This study contributes to the literature by showing that consumers as third-parties can and will make judgements regarding justice situations, and subsequently act to restore justice between the parties.

2. This study also tests a conceptual model relating to consumer punishment in third-party justice situations. There have been a number of models developed, but are yet to be tested. This study has tested a model and found support for consumers attributing responsibility and subsequently punishing firms for unethical actions against other victims. This additionally provides support to the
argument that consumers will act and punish a firm when they are not the victim and therefore, for reasons other than personal retribution or benefit. This research is not focussed on collective consumer groups, but considers the actions of consumers individually, who often act invisibly and independently.

3. A contribution has been made through the use of the consumer-company identification scale developed by Hildebrand et al. (2010). This study provided support for the use of this scale in the consumer setting and suggests the scale has good indicators of reliability and validity as a six-item construct. This is important, as the existing scales in the literature seem better suited to organisational identification from within the firm, rather than how a consumer identifies with a company. The scale of Hildebrand et al. (2010) was not employed in other studies, so this study provides support for the use of this scale in future research tapping into the consumer-company identification construct.

4. This study provides further refinement of the attribution of responsibility construct of Shaver (1985) and Gailey and Falk (2008), indicating that it comprises of causality, knowledge and intentionality. To date, research into attributing responsibility suffers from an inconsistency of terms used throughout the literature. Further confirmation of the reliability and validity of this scale contributes to the support that attribution of responsibility should be conceptualised as a multi-dimensional construct.

5. A contribution is made to support the findings of other studies that demographics have varied effects on how people attribute responsibility and make judgements regarding justice situations.

6. A contribution is made to the literature through the use of scenarios as the method of data collection in this study. The literature has been lacking in adequate and relevant scenarios to be used in research, and this study also provides support for the use of scenarios as an appropriate means of tapping into consumers’ judgements and decision making.

7. The results of this study provide support for the notion that there are consumers who are individually willing to punish firms for what they perceive to be ethically
questionable situations, even when they are not the direct victim of the outcomes. This study enhances our understanding of the differing punishing behaviours that consumers are likely to use in punishing firms. Furthermore, the results of the study indicate that the judgements, perceptions and subsequent actions of consumers as third-party observers, are influenced by the type of harm and the nature of the ethically questionable situation under consideration.

6.8 Business Implications and Contributions to Practice

The model analysed in this study helps to identify the important considerations of consumers, as third-parties, in punishing a firm for perceived injustices. The results of the analysis of the structural model can provide a firm with insights and guidance about reducing the possible punishment of consumers, or anticipate consumer reactions.

The findings of the study can be used to anticipate the likely punishment to a firm engaging in animal testing or the use of child labour. For instance, the results of this study indicate that a consumer is likely to engage in patronage reduction and negative word of mouth behaviours towards a firm judged to be engaging in animal testing.

The findings of the study further highlight the complexities of business situations involving more than two firms. In these situations, even when an injustice is considered to have occurred, the punishment intention of a third-party consumer is impacted.

The study has indicated that consumers can and will punish a firm for ethically questionable behaviour, even when they are not the direct victim. However, the incidence of this is low. Through increased consumer dialogue and dissemination regarding the impact of firms’ ethically questionable behaviour, it is possible that consumers will become more involved in restoring justice between firms and other victims. The findings of this study indicate that consumer punishment is an issue that firms should take into consideration in their operations.
6.9 Limitations and Suggestions for Future Research

As with any research, this study has limitations. The findings of this study were interpreted with the following limitations in mind.

1. This study used a scenario-based survey method. Hence, captured in this study are behavioural intentions as opposed to actual behaviours in the market place. Some research shows that vignettes are particularly good at investigating how people think they should react in a given situation, but not necessarily how they will respond (Carlson, 1996; Kiyonari & Barclay, 2008). The researcher acknowledges the criticisms of studying predictions of future behaviour as opposed to actual behaviour. However, it is deemed too difficult to study punishing behaviours when they occur. Their natural incidence is erratic and there are ethical problems in artificially creating the sort of situation that would induce punitive action. The results will therefore be interpreted in terms of anticipated and projected responses of consumers, rather than of actual behaviour. The researcher is aware of the potential variance between intended and actual behaviour. However, as discussed in Chapter 4, the use of scenarios was preferred over the alternatives which would have generated other limitations.

As discussed in Chapter 4, the use of scenario methods have also been criticised for presenting a respondent with a task framed by unrealistic circumstances. This can make it difficult to make generalisations about actual decision making and behaviour. Therefore as previously mentioned, the results are interpreted with this potential constraint in mind.

2. The model developed in this study is based on a cross-sectional sample which does not offer the insight into the dynamics or third-party judgements and responses as a longitudinal design. At best, cross-sectional designs present a ‘snapshot’ of understanding, as they do not allow an understanding of the relationships between the constructs over time. A direction of future research could be the application of the model in a longitudinal study.

3. The sample frame of this study was based on the Australian consumer population. This may limit generalisability, since the study is confined to a...
specific country. Relevant measures should be replicated in other countries to confirm the conceptual model. A future study should expand the population to include other countries and cultures. It is possible that in some other countries, consumers are more likely to act on behalf of a harmed third-party. Various studies, (eg. Babakus, Cornwell, Mitchell & Schlegelmilch, 2004; Fisher, Woodbine & Fullerton, 2003) have indicated that consumer ethical perceptions can vary based on cultural factors.

4. The inclusion of another actor in some of the scenarios may have impacted on the interpretation of results, through the respondents understanding of the scenario. It was considered that for the Qantas scenario, the inclusion of another actor may have reduced clarity and therefore negatively impacted results. The inclusion of a measure capturing the influence of additional actors in a situation would be suggested for a future study.

6.10 Conclusion

Synthesis and analysis of the existing literature established that there was a significant gap in our understanding of consumer punishment behaviours as third-party observers to injustice situations. A comprehensive model was developed and empirically tested to address that gap. Through the use of eight scenarios, the findings reported here built a number of distinct contributions to theory, with implications or cautions for practice and managers. Overall, the research model developed and tested here has significant value in our understanding of consumer punishing behaviours as third-party observers.

This study has shown that type of harm and magnitude of consequences will impact on how consumers will attribute responsibility to a firm and perceive injustice in situations involving ethical content. This study has shown that despite identifying an ethical issue and attributing responsibility to a firm, the actual incidence of consumer punishment and intended punishment is low.

The study has shown that in third-party ethical justice situations, consumers are most likely to passively punish a firm through reduced patronage. With the exception of the scenario involving animal testing, the incidence of consumer
punishment, when they are not the victim, is relatively low. In regards to the scenarios involving reputational damage, the consumer has little interest in punishing. This was also the case for Apple2, which included poor labour conditions and employee suicides. The Apple1 and Apple2 scenarios provided interesting results, in that magnitude of consequences was not significantly related to attribution of responsibility, and consumer-company identification had a negative impact on punishing behaviours. In the Apple1 scenario, consumer-company identification also had a significant negative impact on attribution of responsibility. However, in the Apple2 scenario, identification with victim had a significant positive effect on attribution of responsibility. The existence of another party in the scenario, combined with the effect of consumer-company identification, led to the consumer not wishing to punish Apple in either scenarios.

Although the results from the analysis in Table 5.34 indicate that consumers, on average, are indifferent to or not willing to punishing firms, the responses from some respondents to the open question indicated that some consumers are willing to punish firms by other means, including the use of the internet and social media.

Other findings indicate that firms can be insulated from negative information by the degree to which a consumer identifies with the firm. A firm which has strongly identified consumers will be given favour in regards to their perceived responsibility in an ethical situation. However, when it is clear who is responsible, a strongly identified consumer is more likely to punish than a weakly identified consumer.

The aim of this thesis is not to encourage firms to ‘get away’ with situations of injustice, but to highlight that consumers do care about the actions of business and are, in some cases, willing to act to restore justice, even when the consumer is not the victim. What is clear is that consumers are most likely to boycott firms seen to be acting unethically and to spread information about the situations. Information regarding the incidence of firm activities is becoming more widespread and the minority still exists who are willing to expend their own resources in order to act on behalf of another victim.
REFERENCES


Carrington, M., Neville, B., & Whitwell, G. (2010). Why ethical consumers don't walk their talk: Towards a framework for understanding the gap between the ethical purchase intentions and actual buying behaviour of ethically minded consumers. *Journal of Business Ethics, 97*(1), 139-158.


APPENDICES

Appendix 1 – Information Letter for Potential Respondents

**Project Title:** An investigation of the motivations and manifestations of ethical consumerism  
**Researcher:** Elizabeth Dunlop – PhD student  
**Supervisor:** Professor Mark Farrell  
**Host Institution:** Charles Sturt University, Wagga Wagga campus

You are being invited to take part in a research study as part of a PhD research project. Before you decide it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and please contact us if there is anything that is not clear or if you would like more information.

You have been selected as a consumer who makes choices in the marketplace, and your views will provide an important contribution to our understanding of consumer behaviour. Completion of the following questionnaire will take approximately 15 minutes of your time.

In seeking your agreement to take part in this research project, I provide the following assurances:

All potential participants are under no obligation to participate in the research

All respondents can withdraw from the research at any time without fear of any penalty for withdrawal

In no way can an individual respondent be identified with their responses in any published results.

If you have any questions or concerns please contact Elizabeth Dunlop (edunlop@csu.edu.au), or the project supervisor, Professor Mark Farrell (mark.farrell@rmit.edu.au). Alternatively, the Executive Officer School of Management and Marketing Ethics Committee on the details below.

**NOTE:** The School of Management and Marketing’s Ethics Committee has approved this project. If you have any complaints or reservations about the ethical conduct of this project, you may contact the Committee through the Executive Officer:

*Dr. Pamela Mathews*  
School of Management and Marketing  
Charles Sturt University, Wagga Wagga campus  
Tel: (02) 6933 2575  
Email: pmathews@csu.edu.au

Any issues you raise will be treated in confidence and investigated fully and you will be informed of the outcome.
Appendix 2 – Questionnaire Scenarios and Questions

Scenario A – L’Oreal

- It is illegal to test consumer products on animals in Australia. It is not illegal for companies to test consumer products on animals overseas and then sell those products in Australia.
- L’Oréal is one of a few companies which has tested products on animals, and used ingredients which have been tested on animals by other companies. These tests are mainly used to test the degree of harmfulness of products and their ingredients.
- Despite advancements in testing practices which do not involve the use of animals, L’Oréal continues to test products on animals, such as dogs, cats, and rabbits.

CCI1.1 I act like a typical consumer of L’Oréal, to a great extent
CCI1.2 When someone praises L’Oréal, it feels like a personal compliment
CCI1.3 I’m very interested in what others think about L’Oréal
CCI1.4 I believe that the products/services of L’Oréal help me define who I am
CCI1.5 I believe that consuming the products/services of L’Oréal leads others to view me in the manner that I wish
CCI1.6 Consuming the products/services of L’Oréal highlights my personal characteristics
CCI1.7 I believe that L’Oréal cultivates the values that I hold in esteem
CCI2 My sense of who I am (ie my personal identity) overlaps with my sense of what L’Oréal represents
ISI I find the issue of product testing on animals to be very important
EIR1 I believe that this situation involves an ethical issue
MC1 The overall harm (if any) done as a result of L’Oréal’s actions would be very small
CAUSE1 L’Oréal is responsible for what happens in the situation
CAUSE2 L’Oréal is at fault for what may happen as a result of its testing procedures
CAUSE3 L’Oréal could avoid the use of animals in testing
CAUSE4 Something could prevent what happens as a result of L’Oréal’s actions
KNOW1 L’Oréal is aware of the potential consequences of its actions
KNOW2 L’Oréal can reasonably foresee the harm of animal testing
KNOW3 L’Oréal can recognise the potential seriousness of the situation
INTENT1 L’Oréal intends to use animal testing
The use of animal testing could have been considered an accident
L’Oréal plans the use of animal testing in advance
It is wrong for L’Oréal to use animal testing
L’Oréal is acting morally when they use animal testing
L’Oréal is justified when they use animal testing
Severe harm occurred in the situation
L’Oréal was responsible for this harm
The animals did not deserve the harm
I regard this situation to be unjust
I have similar traits or experiences of the tested animals (eg. vulnerability, no choice etc)
I have had similar work roles to the tested animals (eg. involvement in human product or drug testing)
I can relate with the tested animals in the situation
In the situation I can relate to the tested animals’ predicament
I have/would want to punish L’Oréal directly
I have/would want to punish L’Oréal indirectly
I have/would want to aid the animals
I have/would do nothing in this situation
I have/would spend less money at L’Oréal
I have/would stop doing business with L’Oréal
I have/would reduce the frequency of interaction with L’Oréal
I have/would bring a significant part of my business to a competitor
I have/would spread negative word-of-mouth about L’Oréal.
I have/would denigrate L’Oréal to my friends
When my friends were looking for a similar product or service, I have/would tell them not to buy from L’Oréal
I have/would take legal action against L’Oréal
I have/would report the behaviours of L’Oréal to a consumer or governmental agency
I have/would contact the media to denounce the behaviours of L’Oréal
I have/would punish in other ways

OPEN-ENDED QUESTION:
‘As a consumer, what other ways have/would you punish the firm? Some examples of consumer punishments include; joining facebook groups, forwarding emails, posting on company websites, posting on anti-firm forums, shop lifting/stealing from the firm, abusing managers and/or employees, vandalizing firm property, boycotting, lobbying, taking part in protests and any other behaviours you consider to be a form of punishment to the firm’.

*Note: final survey did not identify item codes
Scenario B – BP1 (British Petroleum)

• On the evening of April 20, 2010, there was an explosion on an oil rig leased by British Petroleum (BP) in the Gulf of Mexico, causing the oil rig to sink, and crude oil to flow into the ocean for 87 days.
• In its final report on the causes of the largest offshore oil spill in US history, The Bureau of Ocean Energy Management, Regulation and Enforcement stated that BP and its partners on the Macondo well had lacked a system to ensure their actions were safe.
• The report found that BP failed to protect health, safety, property, and the environment. BP did not: (1) perform all operations in a safe and workmanlike manner; or (2) maintain all equipment and work areas in a safe condition.
• BP, Transocean, and Halliburton failed to take necessary precautions to keep the well under control at all times.
• This disaster killed 11 people and injured 17 others and led to the death of over 6,000 birds, 600 marine turtles and over 100 sea mammals.

CCI1.1  I act like a typical consumer of BP, to a great extent
CCI1.2  When someone praises BP, it feels like a personal compliment
CCI1.3  I’m very interested in what others think about BP
CCI1.4  I believe that the products/services of BP help me define who I am
CCI1.5  I believe that consuming the products/services of BP leads others to view me in the manner that I wish
CCI1.6  Consuming the products/services of BP highlights my personal characteristics
CCI1.7  I believe that BP cultivates the values that I hold in esteem
CCI2  My sense of who I am (ie my personal identity) overlaps with my sense of what BP represents
ISI1  I find the issue of workplace fatalities or injuries to be very important

EIR1  I believe that this situation involves an ethical issue
MC1  The overall harm (if any) done as a result of BP’s action would be very small
CAUSE1  BP is responsible for what happened in the situation
CAUSE2  BP was at fault for the death of 11 people and injuries of 17 others
CAUSE3  BP could have avoided failing to provide a safe working environment
CAUSE4  Something could have prevented the death of 11 people and injuries of 17 others
BP could have been aware of the potential consequences of its actions/inactions.

BP could reasonably have foreseen the harm of failing to provide a safe working environment.

BP could have recognised the potential seriousness of the situation.

BP intended to provide an unsafe working environment.

Providing an unsafe working environment could have been considered an accident.

BP planned the action/inaction in advance.

It is wrong for BP to fail to provide a safe working environment.

BP was acting morally when they failed to provide a safe working environment.

BP was justified when they failed to provide a safe working environment.

Severe harm occurred in the situation.

BP was responsible for this harm.

The employees did not deserve the harm.

I regard this situation to be unjust.

I have similar traits or experiences of the employees.

I have had similar work roles to the employees.

I can relate with the employees in the situation.

In the situation I can relate to the employees' predicament.

I want to punish BP directly.

I want to punish BP indirectly.

I want to aid the employees.

I want to do nothing in this situation.

I want to spend less money at BP.

I want to stop doing business with BP.

I want to reduce the frequency of interaction with BP.

I want to bring a significant part of my business to a competitor.

I want to spread negative word-of-mouth about BP.

I want to denigrate BP to my friends.

When my friends were looking for a similar product or service, I have/would tell them not to buy from BP.

I want to take legal action against BP.

I want to report the behaviours of BP to a consumer or governmental agency.

I want to contact the media to denounce the behaviours of BP.

I want to punish in other ways.
OPEN-ENDED QUESTION:

‘As a consumer, what other ways have/would you punish the firm? Some examples of consumer punishments include; joining facebook groups, forwarding emails, posting on company websites, posting on anti-firm forums, shoplifting/stealing from the firm, abusing managers and/or employees, vandalizing firm property, boycotting, lobbying, taking part in protests and any other behaviours you consider to be a form of punishment to the firm’.
Scenario C – Pacific Brands

- Pacific Brands is an Australian firm which manages a variety of brands including Bonds, KingGee, Berlei, Jockey, Hush Puppies, Sheridan, Hestia, Rio, and Slazenger.
- The headquarters of Pacific Brands is in Melbourne, and it also has operations in Australia, New Zealand, United Kingdom, Malaysia, China and Indonesia.
- In 2009 Pacific Brands announced that due to increased competition and high costs of labour it was closing its factories in Australia and moving its manufacturing to Asia.
- This decision resulted in approximately 2000 Pacific Brands employees losing their jobs in Australia.

CCI1.1 I act like a typical consumer of Pacific Brands, to a great extent
CCI1.2 When someone praises Pacific Brands, it feels like a personal compliment
CCI1.3 I’m very interested in what others think about Pacific Brands
CCI1.4 I believe that the products/services of Pacific Brands help me define who I am
CCI1.5 I believe that consuming the products/services of Pacific Brands leads others to view me in the manner that I wish
CCI1.6 Consuming the products/services of Pacific Brands highlights my personal characteristics
CCI1.7 I believe that Pacific Brands cultivates the values that I hold in esteem
CCI2 My sense of who I am (ie my personal identity) overlaps with my sense of what Pacific Brands represents
ISI1 I find the issue of moving domestic production offshore to be very important
EIR1 I believe that this situation involves an ethical issue
MC1 The overall harm (if any) done as a result of Pacific Brand’s action would be very small
CAUSE1 Pacific Brands was responsible for the loss of 2000 jobs in Australia
CAUSE2 Pacific Brands was at fault for the loss of jobs in Australia
CAUSE3 Pacific Brands could have avoided the loss of jobs
CAUSE4 Something could have prevented what happened as a result of Pacific Brands’ actions
KNOW1 Pacific Brands was aware of the potential consequences of its actions
KNOW2 Pacific Brands could foresee the harm of moving offshore
Pacific Brands could recognise the potential seriousness of its actions

Pacific Brands intended to move offshore

The move offshore could have been considered an accident

Pacific Brands planned the action in advance

It was wrong for Pacific Brands to move offshore

Pacific Brands was acting morally when they moved offshore

Pacific Brands was justified when they moved offshore

Severe harm occurred in the situation

Pacific Brands was responsible for this harm

The employees did not deserve the harm

It was wrong for Pacific Brands to move offshore

Pacific Brands was acting morally when they moved offshore

Pacific Brands was justified when they moved offshore

Severe harm occurred in the situation

Pacific Brands was responsible for this harm

The employees did not deserve the harm

I regard this situation to be unjust

I have similar traits or experiences of the employees

I have had similar work roles to the employees

I can relate with the employees in the situation

In the situation, I can relate to the employees’ predicament

I have/would want to punish Pacific Brands directly

I have/would want to punish Pacific Brands indirectly

I have/would want to aid the employees

I have/would do nothing in this situation

I have/would spend less money on Pacific Brands products

I have/would stop doing business with Pacific Brands

I have/would reduce the frequency of interaction with Pacific Brands

I have/would bring a significant part of my business to a competitor

I have/would spread negative word-of-mouth about Pacific Brands

I have/would denigrate Pacific Brands to my friends

When my friends were looking for a similar product or service, I have/would tell them not to buy from Pacific Brands

I have/would take legal action against Pacific Brands

I have/would report the behaviours of Pacific Brands to a consumer or governmental agency

I have/would contact the media to denounce the behaviours of Pacific Brands

I have/would punish in other ways

As a consumer, what other ways have/would you punish the firm? Some examples of consumer punishments include; joining facebook groups, forwarding emails, posting on company websites, posting on anti-firm forums, shoplifting/stealing from the firm, abusing managers and/or employees, vandalizing firm property, boycotting, lobbying, taking part in protests and any other behaviours you consider to be a form of punishment to the firm’.
Scenario D – BP2

- On the evening of April 20, 2010, there was an explosion on an oil rig leased by British Petroleum (BP) in the Gulf of Mexico, causing the oil rig to sink, and crude oil to flow into the ocean for 87 days, causing significant impacts on the environment and businesses in the area.
- In its final report on the causes of the largest offshore oil spill in US history, the Bureau of Ocean Energy Management, Regulation and Enforcement report stated that BP and its partners on the Macondo well had lacked a system to ensure their actions were safe.
- The report found that BP failed to protect health, safety, property, and the environment. BP, Transocean, and Halliburton failed to take necessary precautions to keep the well under control at all times.
- To date, businesses of all types and individuals have been paid more than $4 billion in economic damages from BP directly and the Gulf Coast Claims Facility. BP has paid $713 million for lost tax revenues in advance to the State governments that were affected by the oil spill.
- The local fishing industry suffered greatly from the oil spill, reportedly losing over $172 million in commercial fish landings in 2010.
- It has also been estimated that the Gulf tourism industry will lose $7 - $23 billion over the next three years.

CCI1.1  I act like a typical consumer of BP, to a great extent
CCI1.2  When someone praises BP, it feels like a personal compliment
CCI1.3  I’m very interested in what others think about BP
CCI1.4  I believe that the products/services of BP help me define who I am
CCI1.5  I believe that consuming the products/services of BP leads others to view me in the manner that I wish
CCI1.6  Consuming the products/services of BP highlights my personal characteristics
CCI1.7  I believe that BP cultivates the values that I hold in esteem
CCI2  My sense of who I am (ie my personal identity) overlaps with my sense of what BP represents
ISI1  I find the issue of environmental damage to be very important
EIR1  I believe that this situation involves an ethical issue
MC1  The overall harm (if any) done as a result of BP’s action would be very small
CAUSE1  BP was responsible for what happened in the situation
CAUSE2  BP was at fault for the economic losses of many businesses
CAUSE3  BP could have avoided failing to take necessary precautions to keep the well under control at all times
CAUSE4  Something could have prevented what happened as a result of BP’s actions/inactions

KNOW1  BP was aware of the potential consequences of failing to take necessary precautions to keep the well under control at all times

KNOW2  BP could foresee the harm of failing to take necessary precautions to keep the well under control at all times

KNOW3  BP could recognise the potential seriousness of its actions/inactions

INTENT1  BP intended to fail to take necessary precautions to keep the well under control at all times

INTENT2  The failure to take necessary precautions to keep the well under control at all times could have been considered an accident

INTENT3  BP planned the action/inaction in advance

MORALW1  It was wrong for BP to fail to take necessary precautions to keep the well under control at all times

MORALW2  BP was acting morally when they failed to take necessary precautions to keep the well under control at all times

MORALW3  BP was justified when they failed to take necessary precautions to keep the well under control at all times

PINJUST1.1  Severe harm occurred in the situation

PINJUST1.2  BP was responsible for this harm

PINJUST1.3  The businesses did not deserve the harm

PINJUST2.1  I regard this situation to be unjust

IV1.1  I have similar traits or experiences of the affected businesses

IV1.2  I have had similar work roles to the affected businesses

I-VICTIM1  I can relate with the affected businesses in the situation

I-VICTIM2  In the situation I can relate to the businesses’ predicament

B-INTENT1  I have/would want to punish BP directly

B-INTENT2  I have/would want to punish BP indirectly

B-INTENT3  I have/would want to aid the businesses /industries

B-INTENT4  I have/would do nothing in this situation

PUNISH1  I have/would spend less money at BP

PUNISH2  I have/would stop doing business with BP

PUNISH3  I have/would reduce the frequency of interaction with BP

PUNISH4  I have/would bring a significant part of my business to a competitor

PUNISH5  I have/would spread negative word-of-mouth about BP

PUNISH6  I have/would denigrate BP to my friends

PUNISH7  When my friends were looking for a similar product or service, I have/would tell them not to buy from BP

PUNISH8  I have/would take legal action against BP

PUNISH9  I have/would report the behaviours of BP to a consumer or governmental agency.

PUNISH10  I have/would contact the media to denounce the behaviours of BP

PUNISH11  I have/would punish in other ways
Scenario E – Apple1

- Apple designs its products in the USA and contracts with a manufacturer in China called Foxconn, to make the products for Apple.
- Apple has come under international scrutiny in the past few years for high suicide rates at its partner Foxconn’s Chinese factories. The Foxconn factories that produce iPads and iPhones employ hundreds of thousands of people, but they’ve also suffered a number of very public, very damaging suicides over the past few years. The media has reported serious concerns about the working conditions for employees at Foxconn, including ‘inhumane working conditions’.
- After several years of damaging press, Apple joined the Fair Labor Association (FLA) in February 2012. The FLA investigated not only Foxconn’s Chinese factories but any companies' part of Apple’s supply chain.
- After pledging to improve working conditions, Apple and Foxconn do appear to have significantly changed working conditions at these factories. However, there is more to be done. What Foxconn doesn’t fix in the specified time period may provide continuing damage to Apple’s reputation.

CCI1.1 I act like a typical consumer of Apple, to a great extent
CCI1.2 When someone praises Apple, it feels like a personal compliment
CCI1.3 I’m very interested in what others think about Apple
CCI1.4 I believe that the products/services of Apple help me define who I am
CCI1.5 I believe that consuming the products/services of Apple leads others to view me in the manner that I wish
CCI1.6 Consuming the products/services of Apple highlights my personal characteristics
CCI1.7 I believe that Apple cultivates the values that I hold in esteem
CCI2 My sense of who I am (ie my personal identity) overlaps with my sense of what Apple represents
ISI1 I find the issue of corporate reputational damage to be very important
EIR1 I believe that this situation involves an ethical issue
MC1 The overall harm (if any) done as a result of Apple’s action would be very small
CAUSE1 Apple was responsible for what happened in the situation
CAUSE2 Apple was at fault for the damage to their reputation
CAUSE3 Apple could have avoided contracting with Foxconn
CAUSE4 Something could have prevented the occurrence
Apple was aware of the potential consequences of contracting with Foxconn.

Apple did foresee the harm of contracting with Foxconn.

Apple did recognise the potential seriousness of contracting with Foxconn.

Apple intended to contract with Foxconn.

Contracting with Foxconn could have been considered an accident.

Apple planned to contract with Foxconn in advance.

It was wrong for Apple to contract with Foxconn.

Apple was acting morally when they contracted with Foxconn.

Apple was justified when they contracted with Foxconn.

Severe harm occurred in the situation.

Apple was responsible for this harm.

Apple did not deserve the harm to their reputation.

I regard this situation to be unjust.

I have similar traits or experiences of Apple management.

I have had similar work roles to the Apple managers.

I can relate with Apple in the situation.

In the situation I can relate to Apple’s predicament.

I have/would want to punish Apple directly.

I have/would want to punish Apple indirectly.

I have/would want to aid the victims.

I have/would do nothing in this situation.

I have/would spend less money on Apple products.

I have/would stop doing business with Apple.

I have/would reduce the frequency of interaction with Apple.

I have/would bring a significant part of my business to a competitor.

I have/would spread negative word-of-mouth about Apple.

I have/would denigrate Apple to my friends.

When my friends were looking for a similar product or service, I have/would tell them not to buy from Apple.

I have/would take legal action against Apple.

I have/would report the behaviours of Apple to a consumer or governmental agency.

I have/would contact the media to denounce the behaviours of Apple.

I have/would punish in other ways.

As a consumer, what other ways have/would you punish the firm? Some examples of consumer punishments include: joining facebook groups, forwarding emails, posting on company websites, posting on anti-firm forums, shoplifting/stealing from the firm, abusing managers and/or employees, vandalizing firm property, boycotting, lobbying, taking part in protests and any other behaviours you consider to be a form of punishment to the firm.”
Scenario F – Qantas

- Rolls-Royce is the maker of the jet engines used in the Qantas A380.
- Following an explosion of a Rolls-Royce engine on a Qantas A380, Qantas grounded its entire A380 fleet in November 2010.
- It was speculated that Rolls-Royce was aware of a faulty weld on an oil pipe in one of its engines a year before the explosion happened.
- Qantas initially sought damages for the engineering costs, impact on schedules, loss of ticket revenue and the negative impact on its reputation.
- Qantas received a one-off $95 million payment from Rolls-Royce for the damage to the A380, the subsequent grounding of the Qantas fleet of super-jumbos, and the damage to Qantas’ reputation.

CCI1.1 I act like a typical consumer of QANTAS, to a great extent
CCI1.2 When someone praises QANTAS, it feels like a personal compliment
CCI1.3 I’m very interested in what others think about QANTAS
CCI1.4 I believe that the products/services of QANTAS help me define who I am
CCI1.5 I believe that consuming the products/services of QANTAS leads others to view me in the manner that I wish
CCI1.6 Consuming the products/services of QANTAS highlights my personal characteristics
CCI1.7 I believe that QANTAS cultivates the values that I hold in esteem
CCI2 My sense of who I am (ie my personal identity) overlaps with my sense of what QANTAS represents
ISI1 I find the issue of reputational damage to be very important
EIR1 I believe that this situation involves an ethical issue
MC1 The overall harm (if any) done as a result of QANTAS’ action would be very small
CAUSE1 QANTAS was responsible for what happened in the situation
CAUSE2 QANTAS was at fault for what happened
CAUSE3 QANTAS could have avoided the use of parts from Rolls-Royce
CAUSE4 Something could have prevented the occurrence
KNOW1 QANTAS was aware of the potential consequences of using parts from Rolls-Royce
KNOW2 QANTAS did foresee the harm of using parts from Rolls-Royce
KNOW3 QANTAS recognised the potential seriousness of the situation
INTENT1 QANTAS intended to use parts from Rolls-Royce
INTENT2 The use of suspected faulty parts could have been considered an accident
INTENT3 QANTAS planned to use parts from Rolls-Royce in advance
MORALW1  It wrong for QANTAS to use parts from Rolls-Royce
MORALW2  QANTAS was acting morally when they used parts from Rolls-Royce
MORALW3  QANTAS was justified when they used parts from Rolls-Royce
PINJUST1.1 Severe harm occurred in the situation
PINJUST1.2 QANTAS was responsible for this harm
PINJUST1.3 QANTAS did not deserve the harm to their reputation
PINJUST2.1 I regard this situation to be unjust
IV1.1 I have similar traits or experiences of QANTAS management
IV1.2 I have had similar work roles to the QANTAS managers
I-VICTIM1 I can relate with QANTAS in the situation
I-VICTIM2 In the situation I can relate to QANTAS’ predicament
B-INTENT1 I have/would want to punish QANTAS directly
B-INTENT2 I have/would want to punish QANTAS indirectly
B-INTENT3 I have/would want to aid QANTAS
B-INTENT4 I have/would do nothing in this situation
PUNISH1 I have/would spend less money at QANTAS
PUNISH2 I have/would stop doing business with QANTAS
PUNISH3 I have/would reduce the frequency of interaction with QANTAS
PUNISH4 I have/would bring a significant part of my business to a competitor
PUNISH5 I have/would spread negative word-of-mouth about QANTAS
PUNISH6 I have/would denigrated QANTAS to my friends
PUNISH7 When my friends were looking for a similar product or service, I have/would tell them not to buy from QANTAS
PUNISH8 I have/would take legal action against QANTAS
PUNISH9 I have/would report the behaviours of QANTAS to a consumer or governmental agency
PUNISH10 I have/would contact the media to denounce the behaviours of QANTAS
PUNISH11 I have/would punish in other ways

OPEN-ENDED QUESTION:
‘As a consumer, what other ways have/would you punish the firm? Some examples of consumer punishments include; joining facebook groups, forwarding emails, posting on company websites, posting on anti-firm forums, shoplifting/stealing from the firm, abusing managers and/or employees, vandalizing firm property, boycotting, lobbying, taking part in protests and any other behaviours you consider to be a form of punishment to the firm’.
Scenario G - Nestlé

- Global food giant Nestlé says it has taken a major step to end child labour on cocoa farms supplying its factories. Nestlé, one of the world's largest chocolate producers, says it is going to work with the Fair Labor Association (FLA) on tackling the problem.
- Despite the use of forced and illegal child labour in the Ivory Coast, Nestlé continues to buy its cocoa from this country.
- In a statement in 2011, Nestlé stated that the "cocoa supply chain is long and complex" - making it "difficult for food companies to establish exactly where their cocoa comes from and under what conditions it was harvested".

CCI1.1 I act like a typical consumer of Nestlé, to a great extent
CCI1.2 When someone praises Nestlé, it feels like a personal compliment
CCI1.3 I’m very interested in what others think about Nestlé
CCI1.4 I believe that the products/services of Nestlé help me define who I am
CCI1.5 I believe that consuming the products/services of Nestlé leads others to view me in the manner that I wish
CCI1.6 Consuming the products/services of Nestlé highlights my personal characteristics
CCI1.7 I believe that Nestlé cultivates the values that I hold in esteem
CCI2 My sense of who I am (ie my personal identity) overlaps with my sense of what Nestlé represents
ISI1 I find the issue of child labour to be very important
EIR1 I believe that this situation involves an ethical issue
MC1 The overall harm (if any) done as a result of Nestlé’s action would be very small
CAUSE1 Nestlé is responsible for what happens in the situation
CAUSE2 Nestlé is at fault for using cocoa which potentially involves child labour
CAUSE3 Nestlé could avoid the use of cocoa which potentially involves child labour
CAUSE4 Something could prevent the use of child labour
KNOW1 Nestlé is aware of the potential consequences of its actions
KNOW2 Nestlé did foresee the harm of using cocoa from the Ivory Coast
KNOW3 Nestlé recognised the potential seriousness of the situation
INTENT1 Nestlé intends to use cocoa which potentially involves child labour
INTENT2 The use of cocoa which potentially involves child labour could be considered an accident
INTENT3 Nestlé plans the use of cocoa which potentially involves child labour, in advance
MORALW1  It is wrong for Nestlé to use cocoa which potentially involves child labour
MORALW2  Nestlé is acting morally when they use cocoa which potentially involves child labour
MORALW3  Nestlé is justified when they use cocoa which potentially involves child labour
PINJUST1.1  Severe harm is occurring in the situation
PINJUST1.2  Nestlé is responsible for this harm
PINJUST1.3  The children do not deserve the harm
PINJUST2.1  I regard this situation to be unjust
IV1.1  I have similar traits or experiences of the child workers
IV1.2  I have had similar work roles to the child workers
I-VICTIM1  I can relate with the child workers in the situation
I-VICTIM2  In the situation I can relate to the child workers’ predicament
B-INTENT1  I have/would want to punish Nestlé directly
B-INTENT2  I have/would want to punish Nestlé indirectly
B-INTENT3  I have/would want to aid the child workers
B-INTENT4  I have/would do nothing in this situation
PUNISH1  I have/would spend less money on Nestlé products
PUNISH2  I have/would stop doing business with Nestlé
PUNISH3  I have/would reduce the frequency of interaction with Nestlé
PUNISH4  I have/would bring a significant part of my business to a competitor
PUNISH5  I have/would spread negative word-of-mouth about Nestlé
PUNISH6  I have/would denigrate Nestlé to my friends
PUNISH7  When my friends were looking for a similar product or service, I have/would tell them not to buy from Nestlé
PUNISH8  I have/would take legal action against Nestlé
PUNISH9  I have/would report the behaviours of Nestlé to a consumer or governmental agency.
PUNISH10  I have/would contact the media to denounce the behaviours of Nestlé
PUNISH11  I have/would punish in other ways

OPEN-ENDED QUESTION:
‘As a consumer, what other ways have/would you punish the firm? Some examples of consumer punishments include; joining facebook groups, forwarding emails, posting on company websites, posting on anti-firm forums, shop lifting/stealing from the firm, abusing managers and/or employees, vandalizing firm property, boycotting, lobbying, taking part in protests and any other behaviours you consider to be a form of punishment to the firm’.
Scenario H – Apple

- Apple designs its products in the USA and contracts with a manufacturer in China called Foxconn, to make the products for Apple. Apple has extremely high quality control standards for its products.
- In 2010, it was reported that 14 Foxconn employees committed suicide at the factory. A number of other Foxconn employees have also been seriously injured at work.
- Employees and labour organisations have suggested that the harsh working conditions of Apple’s supplier, and staff having to work six or seven days per week, has led to the injuries and deaths.
- These incidents have been widely reported in the media, leading Apple to engage the Fair Labor Association to conduct independent audits of several of the Foxconn factories in China.

CCI1.1 I act like a typical consumer of Apple, to a great extent
CCI1.2 When someone praises Apple, it feels like a personal compliment
CCI1.3 I’m very interested in what others think about Apple
CCI1.4 I believe that the products/services of Apple help me define who I am
CCI1.5 I believe that consuming the products/services of Apple leads others to view me in the manner that I wish
CCI1.6 Consuming the products/services of Apple highlights my personal characteristics
CCI1.7 I believe that Apple cultivates the values that I hold in esteem
CCI2 My sense of who I am (ie my personal identity) overlaps with my sense of what Apple represents
ISI1 I find the issue of labour conditions to be very important
EIR1 I believe that this situation involves an ethical issue
MC1 The overall harm (if any) done as a result of Apple’s action would be very small
CAUSE1 Apple was responsible for what happened in the situation
CAUSE2.1 Apple was at fault for the 14 employee suicides
CAUSE2.2 Apple was at fault for the work related injuries
CAUSE3 Apple could have avoided contracting with Foxconn
CAUSE4.1 Something could have prevented the employee suicides
CAUSE4.2 Something could have prevented the workplace injuries
KNOW1 Apple was aware of the potential consequences of contracting with Foxconn
KNOW2 Apple did foresee the harm of contracting with Foxconn
KNOW3 Apple recognised the potential seriousness of the situation
INTENT1 Apple intended to contract with Foxconn
INTENT2 Contracting with Foxconn could have been considered an accident
INTENT3 Apple planned the action in advance
MORALW1 It was wrong for Apple to contract with Foxconn
MORALW2 Apple was acting morally when they contracted with Foxconn
MORALW3 Apple was justified when they contracted with Foxconn
PINJUST1.1 Severe harm occurred in the situation
PINJUST1.2 Apple was responsible for this harm
PINJUST1.3 The employees did not deserve the harm
PINJUST2.1 I regard this situation to be unjust
IV1.1 I have similar traits or experiences of the employees
IV1.2 I have had similar work roles to the employees
I-VICTIM1 I can relate with the employees in the situation
I-VICTIM2 In the situation I can relate to the employees’ predicament
B-INTENT1 I have/would want to punish Apple directly
B-INTENT2 I have/would want to punish Apple indirectly
B-INTENT3 I have/would want to aid the employees
B-INTENT4 I have/would do nothing in this situation
PUNISH1 I have/would spend less money on Apple products
PUNISH2 I have/would stop doing business with Apple
PUNISH3 I have/would reduce the frequency of interaction with Apple
PUNISH4 I have/would bring a significant part of my business to a competitor
PUNISH5 I have/would spread negative word-of-mouth about Apple
PUNISH6 I have/would denigrate Apple to my friends
PUNISH7 When my friends were looking for a similar product or service, I have/would tell them not to buy from Apple
PUNISH8 I have/would take legal action against Apple
PUNISH9 I have/would report the behaviours of Apple to a consumer or governmental agency.
PUNISH10 I have/would contact the media to denounce the behaviours of Apple
PUNISH11 I have/would punish in other ways

OPEN-ENDED QUESTION:
‘As a consumer, what other ways have/would you punish the firm? Some examples of consumer punishments include; joining facebook groups, forwarding emails, posting on company websites, posting on anti-firm forums, shop lifting/stealing from the firm, abusing managers and/or employees, vandalizing firm property, boycotting, lobbying, taking part in protests and any other behaviours you consider to be a form of punishment to the firm.’
Thank you for agreeing to participate in this survey.

It should take around 15 minutes to complete.

Your participation in the survey is voluntary and the information and feedback you provide will be treated as private and confidential. No individual will be able to be identified from the research results.

Please do not use the back and forward buttons in the browser.

Instead, please use the “Next” and “Back” buttons at the bottom of each page.

Click “Next” to continue.
Instructions to participants

- In the following screens you will receive details of two situations. You will be shown one situation at a time followed by a number of statements regarding your attitude and behaviours about the situation.
- These situations are based on information published in the media and also on company and consumer websites. It is likely that you will have knowledge of each situation, however, that level of knowledge is not critical to your ability to complete the survey.
- Please read through each situation and then respond to the following statements regarding your attitudes and behaviours towards the situation.
- We realise that some statements may appear similar, however, they are each important to this study and are required for the purpose of rigorous analysis. Therefore, please respond to each statement. There are no right or wrong responses, attitudes or behaviours.
The scenario you are about to view is relating to L’Oreal. Please respond to these initial statements regarding your feelings towards the company, before proceeding onto the scenario.

Q1a. Please indicate how much you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th></th>
<th>1 Strongly Disagree</th>
<th>2</th>
<th>3</th>
<th>4 Neutral</th>
<th>5</th>
<th>6</th>
<th>7 Strongly Agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>I act like a typical consumer of L’Oreal, to a great extent</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>When someone praises L’Oreal, it feels like a personal compliment</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I’m very interested in what others think about L’Oreal</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I believe that the products/services of L’Oreal help me define who I am</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I believe that consuming the products/services of L’Oreal leads others to view me in the manner that I wish</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Consuming the products/services of L’Oreal highlights my personal characteristics</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I believe that L’Oreal cultivates the values that I hold in esteem</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>My sense of who I am (i.e., my personal identity) overlaps with my sense of what L’Oreal represents</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Animal Testing on products - L’Oréal

- It is illegal to test consumer products on animals in Australia. It is not illegal for companies to test consumer products on animals overseas and then sell those products in Australia.
- L’Oréal is one of a few companies which has tested products on animals, and used ingredients which have been tested on animals by other companies. These tests are mainly used to test the degree of harmfulness of products and their ingredients.
- Despite advancements in testing practices which do not involve the use of animals, L’Oréal continues to test products on animals, such as dogs, cats, and rabbits.
Q1b. Please indicate how much you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>1 Strongly Disagree</th>
<th>2</th>
<th>3</th>
<th>4 Neutral</th>
<th>5</th>
<th>6</th>
<th>7 Strongly Agree</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have followed this situation in the media</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>I find the issue of product testing on animals to be very important</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>I believe that this situation involves an ethical issue</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>The overall harm (if any) done as a result of L'Oréal's actions would be very small</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L'Oréal is responsible for what happens in the situation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L'Oréal is at fault for what may happen as a result of its testing procedures</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>L'Oréal could avoid the use of animals in testing</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Something could prevent what happens as a result of L'Oréal's actions</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L'Oréal is aware of the potential consequences of its actions</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L'Oréal can reasonably foresee the harm of animal testing</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q1c. Please indicate how much you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>1 Strongly Disagree</th>
<th>2</th>
<th>3</th>
<th>4 Neutral</th>
<th>5</th>
<th>6</th>
<th>7 Strongly Agree</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>L’Oréal can recognise the potential seriousness of the situation</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>L’Oréal intends to cease animal testing</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>The use of animal testing could have been considered an accident</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>L’Oréal plans the use of animal testing in advance</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>It is wrong for L’Oréal to use animal testing</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>L’Oréal is acting morally when they use animal testing</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>L’Oréal is justified when they use animal testing</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Severe harm occurred in the situation</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>L’Oréal was responsible for this harm</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>The animals did not deserve the harm</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Q46. Please indicate how much you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th></th>
<th>1 Strongly Disagree</th>
<th>2</th>
<th>3</th>
<th>4 Neutral</th>
<th>5</th>
<th>6</th>
<th>7 Strongly Agree</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>I regard this situation to be unjust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have similar traits or experiences of the tested animals (e.g., vulnerability, no choice etc)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have had similar work roles to the tested animals (e.g., involvement in human product or drug testing)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I can relate with the tested animals in the situation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In the situation I can relate to the tested animals' predicament</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have/would want to punish L'Oréal directly</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have/would want to punish L'Oréal indirectly</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have/would want to aid the animals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have/would do nothing in this situation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have/would spend less money at L'Oréal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

View Privacy Statement
Q16. Please indicate how much you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>1 Strongly Disagree</th>
<th>2</th>
<th>3</th>
<th>4 Neutral</th>
<th>5</th>
<th>6</th>
<th>7 Strongly Agree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have/would stop doing business with L'Oréal</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have/would reduce the frequency of interaction with L'Oréal</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have/would bring a significant part of my business to a competitor</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have/would spread negative word-of-mouth about L'Oréal</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have/would defigrate L'Oréal to my friends</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>When my friends were looking for a similar product or service, I have/would tell them not to buy from L'Oréal</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have/would take legal action against L'Oréal</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have/would report the behaviours of L'Oréal to a consumer or governmental agency</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have/would contact the media to denounce the behaviours of L'Oréal</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have/would punish in other ways</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>