When Size Matters: Exploring Perceptions and Justifications of Deviant Consumer Behavior.

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Deterrence strategies for deviant consumer behavior are criticised for their ‘one size fits all’ approach. In two studies, this paper examines how the size of harm and size of victim influences consumer perceptions of deviant consumer behavior. Deterrence strategies are recommended that overcome the differences in consumer perceptions of deviance.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1017950/volumes/v42/NA-42

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INTRODUCTION

Deviant consumer behavior (DCB) – that which is against the law, a regulation, or violates the generally accepted norms of conduct (Fullerton and Punj 1993; Moschis and Cox 1989) – is an ongoing problem in marketplaces around the globe. Deviant consumers can cause financial, physical, or emotional harm to an organization, employees, and other consumers. While there is a growing body of research exploring what constitutes DCB, research investigating why consumers engage in DCB is sparse (Daunt and Harris 2012). This lack of understanding is reflected in the “one size fits all” approach to deterrence strategies that focus on emphasizing the need to uphold the law and/or the penalty that would apply.

This paper answers the research question how does the size of harm caused and the size of the victim influence perceptions of DCB? In this paper, the focus is on harm to the organization. We designed two studies to further our understanding of the complexities of DCB, to inform the development of more effective deterrence strategies. Study 1 explored how the size of harm and victim informed consumer perceptions of DCB and the neutralization techniques individuals use to rationalize DCB. Study 2 measured and examined differences in perceptions of DCB where the size of the harm and the size of the victim were manipulated. These two factors – size of harm and size of victim – have been identified as potentially significant factors influencing the perceived acceptability of consumer actions (Neale and Fullerton 2010).

LITERATURE REVIEW

Organizations largely rely on traditional deterrence strategies whereby all consumers are treated the same, and receive the same deterrence message. Deterrence theory is grounded in the classical school of criminology and the “rational choice view of human behavior” (Pratt et al. 2006, 367). It assumes that individuals weigh up the costs and benefits of a situation, and then make rational decisions based on increasing their pleasure (e.g. benefits) and decreasing their pain or harm (e.g. risk/costs) (Pratt et al. 2006). The effectiveness of this approach to understanding human behavior has been criticized, with suggestions that there are underlying psychological factors that influence human behavior beyond the rational approach (Akers 1990; Garoupa, 2003; Mazar, Amir and Ariely 2008; Mazar and Ariely 2006). Acknowledging the differences in perceptions of DCB means organizations will need to consider more tailored approaches to deterrence strategies. Perceived size of harm and size of the victim are two dimensions commonly suggested as conceptual dimensions that individuals use to distinguish between right and wrong behaviors (e.g. Fullerton and Punj 2004; Hunt and Vitell 1986; Jones 1991; Muncy and Vitell 1992; Vitell 2003). The recommendations made in this paper are the need to develop strategies tailored to deter behaviors based on the perceived size of harm caused, and the size of the victim.

Size of harm refers to how much harm the consumer perceives their DCB will cause to the organization involved. In a review of over 30 consumer ethics studies spanning from 1990 to 2003, Vitell (2003) suggested that individuals’ ethical judgements were informed by the degree of harm involved in the behavior, alongside how passive or active the consumer was in the act, and whether the behavior was perceived as legal. These three conceptual dimensions largely reflect those originally suggested in Muncy and Vitell’s (1992) Consumer Ethics Scale. Only one study known to the authors has tested the role of these conceptual dimensions in DCB. Mitchell and Chan (2002) found that severity of consequence (harm caused) played a role in the enactment of DCB. The greater the perceived size of harm, the less likely the individual would engage in DCB (Mitchell and Chan 2002). Similar conceptualisations of the size of harm dimension have been found in a number of other frameworks including Fullerton and Punj’s (2004) typology of DCB, which suggests behaviors could be perceived as distinct based on the type and degree of disruption caused. Moreover, Hunt and Vitell’s (1986) General Theory of Marketing Ethics, proposes the ethicality of a behavior reflects the perceived consequences of each behavior alternative and the (un)desirability of the consequence incurred by those involved. These two dimensions from Hunt and Vitell (1986) suggest the behavior with the greatest degree of harm to the greatest number of people would be the most unethical. In Jones’ (1991) moral intensity framework of ethical decision making, the magnitude of consequences also provides support for the ‘size of harm’ dimension in that the more harm the behavior causes, the more deviant the behavior is perceived to be.

Size of victim refers to who the victim is of the DCB. In the scope of this paper, the victim considered is a small organization or a large organization. Social distance theory posits that the greater the perceived social distance between the organization and the consumer, the greater the likelihood of DCB occurring (Houston and Gassenheimer 1987). The greater the organization’s size, the greater the perceptions of impersonality, and thus the greater the probability of DCB because the consumer does not feel they are harming the organization (Fullerton and Punj 2004). DCB towards a large organization can be perceived as a ‘faceless crime’ (Cox, Cox and Moschis 1990). If the DCB is directed towards a more identifiable victim, the victim has a greater ability to engender empathy from the individual committing the deviant act, reducing the instances of deviance (Jenni and Loewenstein 1997). Drawing on Jones’ (1991) concentration of effect dimension of the moral intensity framework, a small organization could be perceived as a more identifiable victim than a large organization, because the concentration of effect of DCB on a small organization is greater than it would be on a large organization. Based on the conceptual dimensions identified in the literature, the following hypotheses are made:

Hypothesis 1: The greater the size of harm, the more unacceptable the DCB will be perceived.

Hypothesis 2: The smaller the size of the victim, the more unacceptable the DCB will be perceived.

METHOD

Two empirical studies were conducted to examine the role of the perceived size of harm and size of victim in consumer perceptions of varying types of DCB. Study 1 involved 29 semi-structured in-depth interviews with a card sort activity. The topics covered during the interview were: defining acceptable, questionable, and unacceptable behavior, exploring contradictions between categorisation of a behavior in the card sort activity and consumer perceptions of...
right and wrong, and neutralization techniques employed to justify questionable and unacceptable behaviors. The sample included males and females over 18 years of age, living in Australia, who were recruited using a non-probability sampling technique of convenience and snowballing. Interviews were conducted until theoretical saturation was reached (Strauss and Corbin 1998). The interview transcripts were analyzed in Nvivo 9.2 via thematic analysis (Braun and Clarke 2006). Study 2 comprised of 815 participants recruited through an online panel in the United States. The sample contained a 50:50 gender split, and respondents offered their perceptions of the acceptability of DCB using third person scenarios and rating them on a six point Likert scale (1 = unacceptable, 6 = acceptable). Respondents did not require experience committing the DCBs given they were asked only to rate the acceptability of the actions of a third party acquaintance. The data were analyzed via four two-way ANOVAs comparing differences in the effect of size of harm and size of victim on the four DCBs examined.

**STUDY 1 RESULTS**

Evidence of the size of harm and size of victim constructs were identified in the qualitative data.

**Size Of Harm**

Size of harm referred to how much harm the consumer perceived the behavior would cause to the victim (large or small organization). The greater the perceived harm, the more likely the respondent would perceive the behavior as unacceptable. When discussing a range of behaviors, respondents reflect on various degrees of harm and how that influences how they distinguish between right and wrong behaviors:

*If somebody [the waitress] has miscalculated [the bill] by a few dollars, you might not worry about it. If it was a substantial amount, say if the other bill was $100 and they charged $50, okay then, you probably would worry about it.*

*Yeah well, you know, [drinking a soda in the grocery store and not paying for it] if a can of soda it’s about three bucks so you deprive the supermarket of three dollars and it’s not that big of a deal. Depending on the [public transport] fare, it could be two or three dollars as well, so that’s not that big of a theft... Then you’ve got this dress or a power tool, and I don’t know about power tools or dresses but from my understanding dresses are at least a hundred dollars and power tools same [that’s unacceptable].* (3)

Size of harm was associated with Sykes and Matza’s (1957) neutralization technique of ‘denial of injury’, which argues that no one is being hurt by the consumer’s actions:

*Trying to get in to see the Mona Lisa and the Louvre or something like that if I can save a couple of bucks by claiming that she’s a little bit younger than she really is then it wasn’t going to be any skin off anybody’s nose particularly with thousands of people there a day.* (11)

Respondents had arbitrary definitions for what constituted ‘enough harm’ to classify a behavior as unacceptable. The variability in what respondents perceived as an acceptable level of harm reflects their varying points of individual tolerance for DCB:

*If you’re going to a movie, um and that’s only a $5 thing... but then if you’re going to lie to save like $200 to go to a theme park, then it’s like maybe... I shouldn’t even be considering that activity, I should just be doing something else, rather than trying to lie to do it.* (10)

It would depend on how much we’re talking about. If we’re talking about the value of a main course meal at $25 bucks, and I’ve realised, in an appropriate time frame, when we can easily point that out [the miscalculation]... I probably wouldn’t be rushing back in to point out that we were supposed to pay them another $2.50. (7)

The arbitrary definitions for what constituted ‘enough harm’ means organizations need to develop strategies that persuade consumers that $5 harm is just as unacceptable as $100 harm.

**Size Of Victim**

In the scope of this paper, DCB can be directed towards a small or large organization. When exploring insurance fraud and fraudulent returns, respondents reflect on the distinction between the two types of organizational victims:

*I’d be really tempted to kind of, “yeah, just do it [commit insurance fraud].” Insurance company, they take too much money anyway...this is a chance to get something back from the money that you’ve paid... it’s not that big of a deal... if it was like a small family based, not a multinational, high profit company then I’d probably go, “oh I don’t think it’s right, you know, the insurance company’s owned by this family and, you know, they really need the money to be competitive... I don’t think you should do that.”* (24)

[Lying about why you’re returning an item] I guess if it was somewhere like X or Y [two large national chain department stores]... it’s not really going to hurt them as opposed to obviously returning it to like a boutique store... I mean these small businesses are trying to make a profit like they don’t, it’s not like a big company where they can afford to maybe, oh, someone’s doing that, okay well let’s hope it doesn’t happen again, let’s not lose out that much but it’s obviously a much more smaller business would notice that as opposed to a larger business. (13)

The quotes above highlight consumer willingness to victimise large rather than small organizations, on the basis that large organizations can financially tolerate DCB better than small organizations. In other words, the concentration of the effect of DCB on a small organization is higher than on a large organization. Another respondent expresses a similar sentiment:

*Using stolen credit cards to order goods over the internet... if it’s a small business, they can’t necessarily afford it, and the credit card companies don’t necessarily reimburse those businesses for the losses... I’ve had direct experience with them in the past where we sold stuff to someone in the US and it turned out to be a stolen credit card and Visa never refunded the money to the company, they said that’s just a business risk that you take on.* (18)

Using another perspective, a respondent reflects that DCBs directed towards a large organization is more acceptable than directing harm at a small organization because the victim is less identifiable:

*If you break something or use something at a supermarket without telling someone, changing price tags, evading fares on pub-
lic transport, these are all things that hurt a larger entity so it’s not as personal. (#5)

Sykes and Matza’s (1957) neutralization technique ‘denial of victim’ was evident under the size of victim theme:

Well look at the size of the store, look what they’re charging, look at the profits, excessive profits they’re making, possibly like X and Y [two large grocery chain stores] are doing it in a way that’s unacceptable as a duopoly so people will convince themselves that it’s acceptable to hit back. (#1)

The ‘denial of victim’ argument above is suggesting that the large organization’s behavior is unacceptable, thus the organization deserves the harm caused by the DCB. The absence of dissonance associated with performing a DCB makes it easier for the consumer to perform the behavior and maintain a positive self-image.

To quantify the effects of size of harm and victim on perceptions of DCB, Study 2 was conducted.

**STUDY 2 RESULTS**

Study 2 asked respondents to rate the acceptability of four DCBs: returning used goods for a refund, lying about age in order to get a lower price, not saying anything when you buy a mispriced item, and insurance fraud. In the scenarios presented to the respondent, the size of the victim organization was large (national chain) or small (corner store/independent), and the size of the harm was also large or small in dollar amounts. A summary of the empirical results (2x2 ANOVA and means) is found in table 1.

**Table 1. Summary of empirical results**

<table>
<thead>
<tr>
<th>Behavior</th>
<th>ANOVA (significance)</th>
<th>Victim small</th>
<th>Victim small</th>
<th>Victim large</th>
<th>Victim large</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Harm small</td>
<td>Harm large</td>
<td>Harm small</td>
<td>Harm large</td>
</tr>
<tr>
<td>Fraudulent returns</td>
<td>ns</td>
<td>2.17</td>
<td>2.08</td>
<td>2.01</td>
<td>1.97</td>
</tr>
<tr>
<td>Lying about age</td>
<td>.001</td>
<td>2</td>
<td>2.28</td>
<td>2.13</td>
<td>2.36</td>
</tr>
<tr>
<td>Buying mispriced item</td>
<td>.000</td>
<td>3.4</td>
<td>2.67</td>
<td>3.7</td>
<td>2.03</td>
</tr>
<tr>
<td>Insurance fraud</td>
<td>.000</td>
<td>1.39</td>
<td>2.7</td>
<td>2.57</td>
<td>1.33</td>
</tr>
</tbody>
</table>

N=815, N=205, N=203, N=205, N=202

Consumer perceptions of fraudulent returns were not significantly influenced by size of harm or size of victim. Consumer perceptions of lying about age to get a lower price was influenced by the size of harm, F (1, 815) = 11.535, p = .001. The size of harm also influenced consumer perceptions of insurance fraud, F (1, 815) =322.056, p = .00. Finally, consumer perceptions of buying a mispriced item was influenced by both the size of harm, F (1, 815) = 45.747, p = .000, and by the size of the victim, F (1, 815) = 10.417, p = .001.

Manipulating the size of the harm and victim also reveals that given certain circumstances (small victim, large harm), blatantly illegal actions such as insurance fraud (2.70) was rated as slightly but not significantly more acceptable than the miscalculated bill (2.67) which is an unintentional and unplanned windfall. The data partially supports H1 and H2.

Analyzing the means reveals some interesting and contrasting results. When the victim was small, increasing the harm was perceived as less acceptable for fraudulent returns and buying a mispriced item, but more acceptable for lying about age and insurance fraud. When the victim was large, increasing the harm was perceived as less acceptable for fraudulent returns, buying a mispriced item, and insurance fraud, but more acceptable for lying about age. The variability in the outcomes suggests complexity in how underlying psychological factors and situational factors influence perceptions of DCB.

**DISCUSSION**

The findings of both studies illustrate that the perceived size of harm and size of victim can influence a consumer’s perceptions of DCB. These dimensions can also be used as justifications to enable DCB to occur, through the ‘denial of injury’ and ‘denial of victim’ neutralization techniques. To effectively deter DCB, strategies need to challenge these neutralization techniques. Specifically, marketers should consider the need to humanise their organization. Humanizing the organization seeks to reduce the social distance between the consumer committing the deviant act and the organization being harmed, thereby reducing DCB (Cox et al. 1990; Jenni and Loewenstein 1997). Putting a ‘face’ to an organization makes it more difficult for the consumer to justify performing DCB at the expense of the organization because it leverages the identifiable victim effect. Identifiable victims engender a greater empathic response, making an individual more willing to engage in behavior that will reduce the harm inflicted on the victim (Jenni and Loewenstein 1997; Kogut and Ritov 2005). DCB is reduced when the individual performing the behavior can see the harm they are causing a specified victim (Small and Loewenstein 2003). Humanizing the organization may be a difficult strategy for very large, profitable organizations as the perceived social distance between the consumer and the organization is quite large.

To attempt to overcome this issue for large organizations, the humanizing recommendation would need to be used in conjunction with another deterrence recommendation such as highlighting the
negative consequences caused by the consumer’s behavior. Consumers who are more likely to engage in DCB are focused on the benefit they gain from performing the behavior, as opposed to acknowledging the negative outcome incurred by others as a result of their actions (Schlenker and Forsyth 1977). Therefore, there is a need for organizations to increase awareness of the outcomes DCB causes to the victim. Implementing information campaigns that go alongside the humanization strategy could more clearly highlight the harm caused by the consumer committing the DCB.

A future research opportunity would be to develop and test interventions that reflect these recommendations to examine their effectiveness in reducing DCB. Taking a more tailored approach to deterrence strategies would overcome the limitations of deterrence theory. Humanization may also be an issue of salience as organizations increasingly implement self-serve technologies to interact with customers in order to reduce costs and attract new customers. Future researchers should explore consumer perceptions of organizational technology use from an ethical perspective.

REFERENCES


