

Consumer Ethical Beliefs and Behaviors and Ethical Ideologies : Gender and Cross-cultural Comparison between Korean and American College Students

This paper compares a cross-cultural and gender differences and similarities about consumer ethical perceptions and behaviors, and ethical ideologies between Korean and the US college students. It also examines the relationships between consumers' ethical perceptions and behaviors, and the relationships between consumer ethics and ethical ideologies. This research provides some evidence that supports the premise that consumer ethics is influenced to an extent by consumers' nationality and gender. The differences are not universal, however, and could perhaps be described as situational. The American college consumers were found to be more idealistic and relativistic than the Korean college consumers. But the differences were minor. The American male college consumers were found to be more idealistic than the American female college consumers. The ethical consumer groups were found to be more idealistic and less relativistic than were the unethical consumer groups. Perceptions were positively related to behaviors in the consumer ethics. But the magnitude of impacts is different between the nations and in the dimensions of consumer ethics.

Ethical behavior on the part of both buyers and sellers is tantamount to effectiveness of the market economy system. Loucks (1987) argues that even though both sides of the exchange dyad can be expected to act in their own best economic self-

interest, the system itself is based upon mutual trust among participating individuals and organizations. More importantly, ethical behavior on the part of both buyer and seller is implicit in establishing and continuing the relationships between the two parties. Unethical behavior by either party disrupts the relationship and produces exchanges that are both unproductive and ineffective (Morgan and Hunt, 1994). But the major share of research attention has been focused on the seller.

From 1990's there is a growing interest in understanding consumer ethics. Although the scope for ethical consumption includes such intrinsic, other-oriented, active value as found in green purchases, charitable donations, and buying animal-safe products, this study is focused on consumer ethics in relation to purchasing situations where the buyer and seller are in direct contact with each other. While there is considerable progress in the area of cross-cultural consumer ethics studies, there are a few cross-cultural studies that have usually chosen to compare at East and West markets which have cultural differences. Al-Khatib, Vitell and Rowwas (1997) examined whether Egyptian and the US consumers perceived consumer ethical situations differently. Ford, Nonis and Hudson (2005) investigated differences in value systems and ethical beliefs between the US and Lebanon. Rowwas, Swaidan and Oyman (2005) compared the ethical beliefs of Turkish and American consumers.

Globalization and regionalization deal with the integration of many country strategies within a

Professor, Department of Child and Family Welfare, University of Ulsan, Ulsan, Korea (jhseo@ulsan.ac.kr)

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broader worldwide or regional market (Jeannet & Hennessey, 1998). Regardless, it highlights the importance of continuing cross-cultural or cross-national research stream by evaluating the various behaviors in countries throughout the world (Fisher, Woodbine, and Fullerton, 2002). Although the US and Korea are important trading partners with each other, there was no empirical research to compare consumer ethics and ethical ideologies between Korean and American college consumers. Marketers in both countries must be able to manage a potentially diverse set perceptions about consumer ethics.

Current research explores the relationship between gender and consumer ethics (Swaidan, vitell & Rawwas, 2003; Vitell, 2003; Vitell, Rumkin and Rowwas, 1991). Among demographic variables, gender is an important factor in consumer and business ethics. Gender was linked by more than one study to consumer ethical beliefs, but it still needs further studying. And gender differences in consumer ethics can reflect cultural variation.

Many researchers identified a perception-behaviour gap. What seems to be emerging is that although consumers perceive willingness to make ethical behaviors the reality is that consumer ethics is not the most important factor in their purchase decision (Boulstridge and Carrigan, 2000). It was found that consumers were more likely to support positive actions than punish unethical actions. This contradicts the findings that consumers will not reward ethical behavior, although they are likely to punish unethical behavior (Carrigan & Attalla, 2001). The present study goes beyond previous research in order to discover relations between consumer ethical perceptions and behaviors.

This study uses idealism and relativism to explore the relationships between consumer ethical ideologies and consumer ethical perceptions and behaviors. Many researchers have found that idealism and relativism are significant determinants of consumers' ethical beliefs (Forsyth, 1992; Lee & Noh, 2007; Vitell *et al.*, 1991). To develop consumer education program efficiently, consumer ethics types are classified and tests the difference ethical ideologies among the consumer ethics types.

In many of the cross-cultural studies (Ford *et al.*, 2005; Fisher, *et al.*, 2003; Rawwas, 1996; Rawwas, *et al.*, 1994) student samples are used as a proxy for future consumer professionals. And they are consumers today, and as such they are a representative sampling frame. In addition using students as respondents assures homogeneity in terms of age and educational level. This enables comparisons to be free of moderating factors other than culture and gender (Polonsky *et al.*, 2001). Moreover much of the literature examining consumer ethics has used students samples.

The objective of this research is to compare a cross-cultural and gender differences about consumer ethical perceptions and behaviors and ethical ideologies between Korean and American college students, to examine the relationships between consumers' ethical perceptions and behaviors, to explore differences between consumer ethics types about ethical ideologies. Identifying the consumer ethics in various countries provides a better theory building of an important cultural effects on consumer behavior. Consumer practitioners and Marketers can use the theory to gain insight into approaches designed to successfully minimize effect of culture on their international operations.

LITERATURE REVIEW AND HYPOTHESES

Cross-cultural and Gender Differences on Consumer Ethical Perceptions and Behaviors

Cultural relativism asserts that there are no, or few universal standards or rules of ethical behavior. Cross-cultural comparative studies of consumer ethics between two or more cultures include comparisons between the US and other countries as well as a number of others beyond the US (Fisher *et al.*, 2003). While some studies have been conducted using samples of Western consumers (Muncy & Eastman, 1998; Rawwas, 1996), others have been conducted using samples from Egypt and Lebanon (Middle East), Hong Kong and Japan (Far East), Belgian, Austrian (Chan, Wong, and Leung, 1998; Rawwas, 1996; Swaidan *et al.*, 2003; Kenhove, Vermier and Vermier, 2001).

In a comparison of Egyptian and Lebanese consumer's ethical beliefs, ethical ideology and Machiavellianism, consumers in Lebanon tend to be more Machiavellianistic, less idealistic and more relativistic than their Egyptian counterparts (Rawwas *et al.*, 1994). Singhapakdi, Marta, Rao and Cicic (2001) found that Australians tend to be more idealistic and more relativistic than Americans and other results were mixed. Polonski *et al.* (2001) identified the differences between the two samples of university students across four Northern EU countries and four Southern EU countries. Ford *et al.* (2005) investigated differences in value systems and ethical beliefs between the US and the middle-eastern consumers. Fisher *et al.* (2002) compared that ethical predisposition of business students in Australia and with their Canadian counterparts. Rawwas *et al.* (2005) compared and contrasted the ethical beliefs of American and Turkish consumers. As the preceding studies indicate, while there have been some cross-cultural studies published, it needs to understand the multitude of cross-cultural interactions that exist in today's global economy (Singhapakdi *et al.*, 2001).

Wood (1995) suggested that there are important ethical differences between highly industrialized countries and less industrialized and developing countries. Although Wood examined business to business transactions in the purchasing and sales interface, it might be inferred that consumer ethics would also be different in developed and less developed countries. There is a statistical difference in terms of perceptions toward active consumer behavior but not passive consumer behavior between northern and southern EU countries (Polonsky *et al.*, 2001).

Rossouw (1994) concluded that the general inclusion of ethics into business practices in developing countries may be difficult and Priem, Worrell, Walters and Coalter (1998) and Al-Khatib *et al.* (1995; 1997) found that there are differences in the moral judgements and values of consumers in developed and developing westernized countries. The US is one of the most developed countries in the world and South Korea is orientalism oriented and less developed than the US. Based on the above findings, the following hypotheses are formulated.

H1a: The US college consumers are more ethical in their consumer perceptions than their Korean counterparts.

H1b: The US college consumers are more ethical in their consumer and behaviors than their Korean counterparts.

Among demographic variables, gender was researched more than any other personal characteristics in consumer ethics studies. Rawwas (1996) reported that Austrian females were more likely to perceive questionable activities unethical. Rawwas and Isakson (2000) have revealed that gender tends to explain cheating behaviors of students. Vitell *et al.* (1991) found that female senior citizen consumers were more ethical than male. Fisher *et al.* (2002) documented that a series of attitudinal differences on the part of groups defined not by nationality, but rather on the basis of gender. Swaiden *et al.* (2003) described that African American male professionals expressed less willingness to accept no harm activities than their female counterparts. Swaiden, Rawwas, and Al-Khatib (2004) found that African American female students expressed more willingness to reject illegal activities, but more willingness to accept no harm activities than African American male students. Based on the above findings, the following hypotheses are formulated.

H2a: The female college consumers are more unethical in their consumer perceptions than the male counterparts.

H2b: The female college consumers are more unethical in their consumer behaviors than the male counterparts.

Cross-cultural and Gender Differences on Idealism and Relativism

Hofstede (1991) suggested that a combination of low uncertainty avoidance and high masculinity characterizes most of the western countries, including the US. Consumers within these cultures accept unusual risks, i. e. emphasize achievement, earnings, competition and challenge, and individual decision making. Economic growth is favored over environmental conservation and accrual wealth is admired. Rules and regulations in these cultures are only

formulated in case of absolute necessity because it is believed that excessive rules hinder progress, ability and success (Rawwas, 2001).

But many Asian countries lie in the high uncertainty avoidance and low masculinity quadrant. Consumers in these cultures emphasize cooperation, affiliation and security, and are encouraged to be group decision makers. Human relations are shaped by titles, prudence and ultimate respect for seniority. Their obedience to hierarchy and need for security oblige individuals within such cultures to seek guidance by following formal rules and standards (Rawwas, 2001). Rawwas *et al.* (2005) concluded that Turkish consumers were found to score higher on idealism than were the Americans, and there was no statistical difference in relativism between two nations. According to Hofstead theory, I proposed the following hypothesis.

H3: Korean college consumers will be more idealistic than American college consumers.

H4: Korean college consumers will be less relativistic than American college consumers.

There was no empirical evidence about the effects of gender on ethical ideologies. Based on the previous research, female consumers are more unethical than males. And the more idealistic and less relativistic consumers are, the more ethical in their consumer perception and behavior. Although the above discussion implies many testable hypothesis, the following suggestion offers the opportunity to expand the understanding of the effects of gender on consumer ethics and ethical ideologies.

H5: The female college consumers are less idealistic than their male counterparts.

H6: The female college consumers are more relativistic than their male counterparts.

Consumer Ethical Perception - Behavior Gap

For consumer advocate groups and marketers, the gap between consumer ethical perceptions and behaviors is a daunting challenge. Theory in the area of consumer perceptions and attitude argues that individual consumers behave in ways consistent with their perceptions and attitudes. However research in

the area has shown both positive relationships between perceptions, attitudes and behaviors as well as weak relationships. I can summarize that:

H7: The consumer ethical perceptions are positively correlated with the consumer ethical behavior.

Ethical Ideologies Among Consumer Ethical Perception and Behavior Type

Most empirical studies suggested that idealism is associated with higher levels of the consumer ethics and relativism is associated with lower levels of the consumer ethics. For example, Erffmeyer *et al.* (1999) found that Japanese consumers who scored high on idealism were less likely to get active benefit from the questionable actions. In Kenhove *et al.* study (2001), consumers who gave higher weight to idealistic moral philosophies tend to have higher consumer ethical beliefs. Rawwas, Patzer, and Klassen (1995) reported that Hong Kong consumers with higher scores on idealism tend to perceive all types of questionable actions as less ethical than Northern Ireland consumers with lower scores on idealism. Al-Khatib *et al.* (1995) found that Lebanese consumers who scored low on idealism and high on relativism were more accepting of questionable practices than their Egyptian counterparts. Swaiden *et al.* (2004) explored that African American consumers who scored higher on the idealism scale and lower on the relativism scale rejected illegal, active, and passive consumer activities. Based on the above findings, the following hypotheses are formulated.

H8: The ethical perception group are more idealistic and less relativistic than the unethical college consumer group.

H9: The ethical behavior group are more idealistic and less relativistic than the unethical college consumer group.

METHODOLOGY

Sample

The surveys were completed during a consumer related class under the supervision of the instructor

and students were provided adequate time to complete them. They were assured of complete confidentiality and anonymity. The data was collected from Inje University in Korea and Oregon State University in the US in April, 2006. The environments of the two universities were very similar in some respects. A total of 190 Korean and 255 American completed questionnaires were obtained and deemed sufficiently complete to be usable.

Instrument

Since the scales developed in English, back translation and decentering methods was used. One bilingual Korean Professor translated the original scales from English into Korean. Another bilingual Ph. D. student in US, blind to the original scales, back-translated them into English. Next the translators assessed the three versions for translations and cultural accuracy. An American professor moved back and forth between languages to make sure that language was not the center of attention.

Consumer ethical perceptions and behaviors were measured using the Consumer Ethics Scale developed and validated by Muncy and Vitell (1992). Since the original study was followed by a number of related studies including many cross-cultural studies, it is possible to compare the results. The scale consists of four dimensions explained below.

Actively Benefiting from Illegal Activity: Deals with illegal actions initiated by the consumer (e.g. drinking a can of soda in a supermarket without paying for it). **Passively Benefiting:** Involves instances where the consumer does not initiate an action but stands to benefit from the seller's mistake and does not inform the seller or correct the situation (e.g. accepting too much change in a retail situation).

Actively Benefiting from Questionable Actions: Deceptive practices that involve self-initiated actions that are questionable but not illegal (e.g. manipulating a sales promotion). **No Harm/No Foul:** Deal with actions in which little or no harm results and is perceived by some consumers to be acceptable.

A five point Likert scale was used to measure consumers' ethical perceptions (ranging from definitely perceive it is not wrong to definitely perceive it is

right) and behaviors (ranging from definitely don't act like that to definitely act like that). Responses were coded so that a low score indicates low ethical perceptions and behaviors and high score indicates high ethical perceptions and behaviors. The range of each CEP1 (Consumers' ethical perceptions of illegal dimension), CEP2 (Consumers' ethical perceptions of passive dimension), CEP4 (Consumers' ethical perceptions of no harm dimension), CEB1 (Consumers' ethical behaviors of illegal dimension), CEB2 (Consumers' ethical behaviors of passive dimension), CEB4 (Consumers' ethical behaviors on no harm dimension) was 3-15, and CEP3 (Consumers' ethical perceptions on questionable dimension), CEB3 (Consumers' ethical behaviors on questionable dimension) was 4-20.

Idealism and relativism were measured using the Ethical Position Questionnaire (EPQ) developed by Forsyth (1992). The EPQ is designed to measure idealism and relativism. These scales have proved to be reliable and valid in several studies. Moral idealism refers to the degree to which a person focuses on the inherent rightness or wrongness of an action regardless of the consequences of that action. Moral relativism refers to the degree to which individuals believe that moral rules are not derived from universal principles but exist as a function of time, culture and place.

A five point Likert scale was used to measure idealism and relativism. Responses were coded so that a low score indicates low idealism and relativism and high score indicates high idealism and relativism. The range of idealism and relativism scales was 10-50.

<Table 1> shows the Cronbach alpha coefficient for the variables. The coefficients of the US sample were higher than those of the Korean sample. The coefficients of consumer ethics and relativism in the Korean sample indicate that these scales are not sufficient to confirm internal consistency. But the coefficients of total consumer ethical perceptions and behaviors confirm internal consistency. The alphas of individual constructs have also been found to be lower than .70 in some studies, especially those undertaken outside the US (Al-Khatib *et al.*, 1995; 1997; Rawwas *et al.*, 1994; 1995; Polonsky *et al.*, 2001). For example, Polonsky *et al.* (2001) reported

Table 1. Reliability of Variable Measures

Construct		# of items	Cronbach Alpha Coefficient				
			Korea	US	Total		
Consumer Ethics Scale (CES)	Consumer	Actively Benefiting from Illegal Activity (CEP1)	3	.41	.81	.68	
	Ethical	Passively Benefiting (CEP2)	3	.71	.89	.85	
	Perceptions (CEP)	Actively Benefiting from Questionable Action (CEP3)	4	.67	.75	.70	
		No Harm / No Foul (CEP4)	3	.63	.72	.74	
	Total		13	.76	.91	.87	
	Consumer Ethical Behaviors (CEB)	Consumer	Actively Benefiting from Illegal Activity (CEB1)	3	.58	.70	.64
		Ethical	Passively Benefiting (CEB2)	3	.68	.72	.70
		Behaviors (CEB)	Actively Benefiting from Questionable Action (CEB3)	4	.54	.77	.64
			No Harm / No Foul (CEB4)	3	.58	.62	.64
		Total		13	.77	.80	.78
	Ethical Position Questionnaire (EPQ)	Idealism		10	.83	.86	.86
		Relativism		10	.65	.86	.80

that the range of alphas were .32 - .63. Finding differences in alphas of consumer ethics scale when examining multiple countries and samples is also consistent with other results (Al-Khatib *et al.*, 1995; 1997; Rawwas *et al.*, 1994; 1995; Polonsky *et al.*, 2001).

These results mean that the contrasting cultures of different societies produce different expectations and become expressed in the dissimilar ethical standards of these societies (Bartels, 1967). For example, an act such as compact disc piracy is illegal and is likely to be considered unethical by consumers in most Western countries. However the same activities are quite common practices in many Asian countries (Ford *et al.*, 2005), including Korea. Another possible explanation for difference in reliability might be that there are minor differences amongst consumers within each nations, although there do not appear to be substantial differences between nations (Polonsky *et al.*, 2001).

DATA ANALYSES AND RESULTS

Cross-cultural and Gender Differences in Consumer Ethical Perceptions

T-test was used to analyze the relationship between two independent variables (nationality and gender)

and consumer ethical perceptions and behaviors, idealism and relativism). As <Table 2> indicates, there were significant differences between the Korean and the American in passive, questionable, and no harm perceptions. But there was no significant difference in illegal perceptions between two nations. Means of Korean consumers across the 3 perceptions (passively benefiting, actively benefiting from questionable action, and no harm/no foul) lower than American consumers illustrated that Korean consumers perceived more unethically than American consumers in the dimensions. The result is consistent with Wood (1995) that highly industrialized regions would be more likely to perceive a range of questionable ethical activities more negatively. Thus Hypothesis 1a can be partially supported.

From the gender perspective, there were significant gender differences for the 4 dimensions of consumer ethical perceptions. In the Korean sample, there was a significant gender difference only for illegal perceptions. Korean female consumers perceived more willingness to accept illegal activities than their male counterparts. In American sample, there were significant gender differences for illegal, passive and no harm perceptions. American female consumers were more willing to accept illegal, passive, and no harm perceptions than their males.

Table 2. Relationships of Nationality and Gender On Consumer Ethical Perceptions

		CEP1	CEP2	CEP3	CEP4	CEP
		Mean	Mean	Mean	Mean	Mean
Nationality	Korea	5.07	6.50	8.74	7.78	28.15
	US	5.00	7.45	9.38	11.16	33.18
	T-value	.39	-4.18***	-2.44*	-15.87***	-7.02***
Gender (Total)	Males	5.44	7.56	9.51	10.33	32.94
	Females	4.76	6.70	8.84	9.31	29.61
	T-value	3.49**	3.34**	2.34*	3.68***	4.09***
Gender (Korea)	Males	5.48	6.68	9.08	7.77	29.19
	Females	4.88	6.41	8.58	7.79	27.67
	T-value	2.38*	.99	1.43	-.07	1.83
Gender (US)	Males	5.42	8.00	9.73	11.60	34.83
	Females	4.65	6.99	9.12	10.78	31.71
	T-value	2.84**	2.72**	1.49	2.60*	2.62**

* p<.05, ** p<.01, ***p<.001

Table 3. Relationships of Nationality and Gender on Consumer Ethical Behaviors

		CEB1	CEB2	CEB3	CEB4	CEB
		Mean	Mean	Mean	Mean	Mean
Nationality	Korea	3.88	6.40	6.27	7.47	24.04
	US	3.68	5.59	5.58	9.64	24.48
	T-value	1.61	3.68***	3.21**	-9.33***	-.72
Gender (Total)	Males	3.95	5.95	6.16	9.55	25.63
	Females	3.63	5.94	5.68	8.15	23.40
	T-value	2.40*	.03	2.34*	5.54***	3.75***
Gender (Korea)	Males	4.21	6.38	6.80	8.02	25.40
	Females	3.71	6.41	6.00	7.20	23.37
	T-value	2.23*	-.10	2.20*	2.41*	2.213*
Gender (Us)	Males	3.82	5.73	5.83	10.35	25.75
	Females	3.56	5.50	5.38	9.03	23.43
	T-value	1.55	.78	1.78	4.08***	2.91**

* p<.05, ** p<.01, ***p<.001

So Hypothesis 2a can be supported, but can be partially supported in the cross-cultural sub-samples.

Cross-cultural and Gender Differences in Consumer Ethical Behavior

As <Table 3> suggests that Hypothesis 1b and 2b can be partially supported. There were significant differences for passive, questionable, and no harm, there was no significant difference for illegal behaviors between two nations. American consumers acted more unethically than Korean consumers in

passive and questionable dimensions. That Korean consumers acted more ethically in the questionable dimension than their American counterparts might reflect the fact that the context of the activity may play a more important role in the evaluation of the situation (Polonsky *et al.*, 2001). But in no harm, Korean consumers acted more unethically than American consumers. The Korean culture is more likely to evaluate the action in a utilitarian manner and evaluate its ethicality based on its consequences. A reason for lack of ethical concern in no harm might be that Korean consumers perceive their

consequences as harmless relative to the persecution caused by the violence and social prejudice which dominate their societies.

There were significant gender differences for illegal, questionable, no harm but there was no gender difference for passive behaviors. In the Korean sample, there were significant gender differences for illegal, questionable, and no harm behaviors but there was no gender difference for passive behaviors. Korean female consumers acted more ethically than their male counterparts in illegal, questionable, and no harm dimensions. In the US sample, there was significant gender difference for no harm behaviors, but no gender differences for illegal, passive, and questionable behaviors. American female consumers acted more unethically than their male counterparts in only no harm dimension.

Cross-culture and Gender Differences in Ethical Ideologies

As <Table 4> suggests that H3 and H6 can be rejected and H4 and H5 can be accepted. There were significant cross-cultural differences for idealism and relativism. It appeared that United States consumers gave higher weight to idealistic and relativistic moral philosophies than Korean consumers. The result means that Hofstede (1991) theory can not explain Korean consumer culture. Rawwas, Patzer, and Klassen (1995) reported that Northern Ireland consumers are more idealistic than Hong Kong consumers, and explained the reason as follows. The traditional Chinese mores emphasize familial priority. The majority of Chinese consumers agreed that familiar priority, and interest is more important than any other social obligation. Korean mores also emphasize familial priority. Thus interest is more important matter to Korean consumers than ethical ideologies.

Also both Korean and American consumers mainly believed that a behavior was right only if it produced a greater balance of good consequences than other available alternatives. Relativism, the rejection of universal moral principles, focuses on the social consequences of behavior. To a somewhat lesser degree they also have believed that morally right behavior leads to good consequences. Idealism

Table 4. Relationships of nationality and gender on idealism and relativism

		Idealism	Relativism
		Mean	Mean
Nationality	Korea	19.34	26.28
	US	22.12	27.65
T-value		-5.30***	-2.55*
Gender (Total)	Male	22.55	26.53
	Female	19.80	27.31
T-value		4.81***	-1.38
Gender (Korea)	Male	19.75	25.98
	Female	19.14	26.42
T-value		.84	-.62
Gender (US)	Male	23.94	26.81
	Female	20.42	28.18
T-value		4.53***	-1.62

* p<.05, ***p<.001

focuses on the intrinsic rightness of behavior as the determinant which behavior should follow. This result agrees with past research that found that some consumers score high on both idealism and relativism scales, such as Austrian (Rawwas, 1996) and Belgian consumers (Kenhove *et al.*, 2001), and African American consumers (Swaiden *et al.*, 2004). This result indicates that both Korean and American consumers try to consider others' respect and integrity as long as they could achieve the best outcomes for the welfare of their group.

There was significant gender difference for idealism, but no gender difference for relativism. In the Korean sample, there were no gender differences for both idealism and relativism. In the US sample, there was gender difference for idealism, but no gender difference for relativism. American male consumers gave higher weight to idealistic moral philosophies than their female counterparts when making their ethical decisions.

Relationship between Consumer Ethical Perception and Behavior

<Table 5> shows that H7 can be accepted. As expected significant positive relationships were found for the consumer ethical perceptions and

Table 5. Correlation between Consumer Ethical Perceptions and Behaviors

CES		CEP1-CEB1	CEP2-CEB2	CEP3-CEB3	CEP4-CEB4
Nationality	Korea	.50***	.49***	.39***	.41***
	US	.62***	.52***	.47***	.65***

***p<.001

Table 6. Consumer Ethical Perception type

	Unethical (N=264)	Ethical (N=157)
Actively benefiting from illegal activity	-	+
Passively benefiting	-	+
Actively benefiting from questionable action	-	+
No harm / No foul	-	+

Table 7. Consumer Ethical Behavior type

	Unethical (N=304)	Ethical (N=123)
Actively benefiting from illegal activity	-	+
Passively benefiting	-	+
Actively benefiting from questionable action	-	+
No harm / No foul	-	+

behaviors. The correlations in the US sample were higher than those in Korean sample. It seems that Korean consumers' propensity to emphasize interest prevent them from translating their ethical perceptions into behavior.

Consumer Ethics Type Differences in Ethical Ideologies

K-mean cluster analysis was used to classify consumer ethical perception and behavior type. K-mean cluster analysis is a method to compare various clusters and identify the most explainable cluster. As shown in <Table 6> and <Table 7>, two clusters were extracted in each analysis. 62.7% of the sample was included in unethical perception group, and 72.2% of the sample included in unethical behaviour group.

T-test was used to investigate the relationships between consumer ethics type and ethical ideologies. As shown in <Table 8>, H8 and H9 can be supported. Consumer ethics type is significantly related with

Table 8. Relationships of Consumer Ethical Perception and Behavior Group on Idealism and Relativism

		Idealism	Relativism
		Mean	Mean
Perception Group	Unethical Perception Group	19.45	27.75
	Ethical Perception Group	23.26	25.78
T-value		-6.34***	3.50**
Behavior group	Unethical Behavior Group	20.15	27.56
	Ethical Behavior Group	22.98	25.75
T-value		-4.57***	3.34**

p<.01, *p<.001

ethical ideologies. There were significant differences for idealism and relativism between ethical and unethical perception group. The ethical perception group gave higher weight to idealistic moral philosophies than the unethical perception group when making their ethical decisions. But the unethical perception group gave higher weight to relativistic moral philosophies than ethical perception group. Also the ethical behaviour group gave higher weight to idealistic moral philosophies than the unethical perception group, and the unethical behaviour group gave higher weight to relativistic moral philosophies than the ethical behaviour group. The results are consistent with the previous empirical findings (Swaidan *et al.*, 2004).

CONCLUSIONS AND IMPLICATIONS

This study explored the cross-cultural and gender differences of consumer ethics and ethical ideologies, and relationships among ethical perceptions and behaviors, and ethical ideologies. The results of this research revealed several findings of interest to both

academicians and consumer practitioners. Also identifying and understanding such differences can be important inputs to implement various strategies for international marketers.

This research provides some evidence that supports the premise that consumer ethics is influenced to an extent by consumers' nationality and gender. The differences are not universal, however, and could perhaps be described as situational. First, Korean consumers perceived more unethically but acted more ethically than American consumers in 'passively benefiting' and 'actively benefiting from questionable action'. But Korean consumers perceived and acted more unethically than American consumers in 'no harm/ no foul'.

Second, most of the gender differences of consumers' ethical perceptions exists in the US sample, but most of the gender differences of consumers' ethical behaviors exists in the Korean sample. Korean female consumers perceived and acted unethically than male consumers in 'actively benefiting from illegal activity'. Korean female consumers acted unethically in 'no harm'. American female consumers perceived more unethically in 'actively benefiting from illegal activity and questionable action', 'no harm/no foul', and acted more unethically in 'no harm/no foul' than their male counterpart. Qualitative research to explore the reason why female consumers perceive and act unethically in some consumer ethical dimensions is needed.

Third, American consumers were found to be more idealistic and relativistic than Korean consumers. But the differences were small. American male consumers were found to be more idealistic than were American female consumers.

Fourth, perceptions were positively related with behaviors in the consumer ethics. But the magnitude of impacts is different among nations and dimensions of consumer ethical perceptions and behaviors.

Last, 62.7% were included in the unethical perception group, and 72.2% were in the unethical behavior group. The ethical consumer group was found to be more idealistic and less relativistic than the unethical consumer group.

Consequently, consumer advocate groups may

need to develop a consumer code of Ethics that includes advices for consumers regarding their rights and their responsibility. They may also need to spend more time educating the unethical consumer groups to be more idealistic and less relativistic. Consumers present numerous explanations and excuses for behaving unethically. Mulin *et al.* (2004) suggested that social consensus is an effective driver of behavior. So public campaign and firms' advertising is needed to increase consumer ethics and idealism, and to improve relativism.

The reliability results in the Korean sample were somewhat unanticipated, given that the consumer ethics scale has been rigorously tested. Thus future research might examine the global generalizability of the instruments. Based on this study and other non-US studies, it is unclear whether the consumer ethics scale is generalizable. More research into the cross-cultural validity of the scale needs to be undertaken.

This study is exploratory and data was collected by convenience sampling method. Therefore using the findings to make generalized statements about the population is not warranted. Also the relatively small sample size raises the issue of lower statistical power that could result in failing to reject a hypothesis. Even with these limitations, the research provides direction for future research that investigates ethics as a component of understanding cross-cultural consumers, especially for Eastern and Western countries.

This study focussed on the college students. Previous research (Vitell *et al.*, 1991; Erffimeyer *et al.*, 1999; Ruegger and King, 1992) indicated that older consumers are more ethical than younger ones. Future research could attempt to have more representative sub-samples across each nation, both in terms of ages and overall population not to underestimate the regional differences within countries.

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