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## Ethical Behavior in the Context of Green Credit Card Services: The Role of Individuals' Regulatory Focus

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### **Abstract**

*Green credit card is the card service to revitalize the eco-friendly life of the people, offering a variety of benefits to card users for supporting environment. The present research aims to examine the effect of individuals' regulatory focus (promotion focus vs. prevention focus) on their ethical behavior in the context of green credit/debit card services. This research examines whether green credit/debit card users behave ethically according to their regulatory focus. The results indicate that green credit/debit card users with a prevention focus are more likely to behave ethically compared to those with a promotion focus. The findings imply that regulatory focus may be an effective marketing and segmentation tool in facilitating individuals' ethical behavior.*

**Keywords:** Green Credit Card, Ethical Behavior, Promotion Focus, Prevention Focus

### **1. INTRODUCTION**

Credit cards have always been regarded as an essential substitute for cash that could lead to a cashless society in the future [1]. Mitchell and Mickel also described credit cards as an extension of money in which payment can be deferred [2]. Greater convenience and social acceptability as well as easy access may stimulate consumer spending further through increased demand for credit cards. Moreover, credit and debit cards replace cash as the preferred mode of payment because they are relatively painless forms of payment [3]. Previous research has discovered that the credit card, a significant factor to spending-facilitating stimuli, may elevate compulsive buying [4-6]. In recent years, increasing attention is evident with regard to the depletion of natural resources, the development of "green" products and services and the sustainability practices of organizations [7]. In particular, green credit cards are the card services to revitalize the eco-friendly life of the people, offering a variety of benefits to card users for supporting environment. For example, green credit cards help card users deposit the points by calculating the distance in which they travel on foot or by bicycle.

From a sustainability point of view, this research aims to examine the influence of individuals' regulatory focus on their ethical behavior in the context of green credit/debit card services. More specifically, this research examines whether green credit/debit card users with a prevention focus will be more likely to behave ethically compared to those with a promotion focus.

## 2. THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

Higgins' regulatory focus theory distinguishes between two motivational orientations that co-exist in every individual: promotion focus, a motivational orientation characterized by a focus on hopes, aspirations, and the attainment of positive outcomes, and prevention focus, a motivational orientation characterized by a focus on responsibilities, duties, and the avoidance of negative outcomes [8]. Promotion and prevention foci are independently co-existing, self-regulatory systems, and individuals tend to act in accordance with the focus that is currently active [9]. In the absence of situational primers, individuals usually rely on their chronic regulatory focus, which is acquired through childhood socialization [10]. That is, regulatory focus theory suggests that there are two types of individuals with different motivational orientations: promotion-focused individuals and prevention-focused individuals [8]. Individuals can be disposed to be promotion focused or prevention focused; it is estimated that approximately half of individuals are chronically promotion focused, and the other half are prevention focused [8, 11, 12]. A given situation, however, may temporarily activate a promotion or prevention focus, despite an individual's chronic regulatory orientation [9]. Regardless of whether individuals' regulatory orientation can be chronically accessible or situationally primed, promotion-focused individuals are motivated by achievement and are sensitive to opportunities for advancement and positive outcomes, whereas prevention-focused individuals are motivated to avoid threats to security and safety and are sensitive to occasions of hazard and negative outcomes.

It has been found that the two types of individuals demonstrate strikingly different behaviors in the marketplace. Building on the concept of self-regulation, for example, Bock and Kenhove examined the impact of self-regulatory focus on individuals' judgment of unethical consumer practices (i.e., consumer ethical beliefs) [13]. Specifically, they found that individuals scoring higher on prevention are less likely to tolerate unethical consumer practices compared to individuals scoring lower on prevention. In addition, Gino and Margolis demonstrated that a promotion focus leads individuals to be more likely to act unethically than a prevention focus [14]. In a similar vein, Bullard and Manchanda indicated that marketing sustainability with a prevention focus creates a regulatory fit [7].

Combining the discussions above, it is predicted that individuals with a prevention focus will be more likely to behave ethically compared to individuals with a promotion focus.

## 3. METHOD

A total of 1,000 green credit/debit card users (440 females, 560 males) completed the online survey. The percentage of all respondents was 6.8% at ages 20-24, 11.8% at ages 25-29, 15.3% at ages 30-34, 17.8% at ages 35-39, 17.2% at ages 40-44, 10.4% at ages 45-49, 8.6% at ages 50-54, 8.2% at ages 55-59, and 3.9% at ages 60+. The present data categorized education into 3 groups (less than high school or high school, college degree, and post-graduate). Most respondents had college degree (68.9%), and the percentage of the other respondents was 19.1% with less than high school or high school and 12.0% with a post-graduate degree. Yearly income was classified into 5 categories (under \$30,000, \$30,000-50,000, \$50,000-70,000, \$70,000-100,000, \$100,000+). The percentage of respondents in each category was as follows: 48.4% (under \$30,000), 31.3% (\$30,000-50,000), 14.6% (\$50,000-70,000), 4.5% (\$70,000-100,000) and 1.2% (\$100,000+).

The regulatory focus scale has been validated in previous research [12]. The scale had 18 items, half of which measured promotion focus and the other half of which measured prevention focus. Using a 7-point scale, respondents indicated the extent to which they endorsed items relevant to a promotion focus (i.e., "I frequently imagine how I will achieve my hopes and aspirations," "I often think about the person I would ideally like to be in the future," "I typically focus on the success I hope to achieve in the future," "My major goal in school right now is to achieve my academic ambitions," "In general, I am focused on achieving positive outcomes in my life," "I often imagine myself experiencing good things that I hope will happen to me," "Overall, I am more oriented toward achieving success than preventing failure," "I see myself as someone who is primarily striving to reach my "ideal self"—to fulfill my hopes, wishes, and aspirations," "I often think about how I will achieve academic success") and items relevant to a prevention focus (i.e., "I frequently think about how I can

prevent failures in my life," "I am anxious that I will fall short of my responsibilities and obligations," "I often think about the person I am afraid I might become in the future," "In general, I am focused on preventing negative events in my life," "I often worry that I will fail to accomplish my academic goals," "I often imagine myself experiencing bad things that I fear might happen to me," "I am more oriented toward preventing losses than I am toward achieving gains," "My major goal in school right now is to avoid becoming an academic failure," "I see myself as someone who is primarily striving to become the self I "ought" to be—fulfill my duties, responsibilities, and obligations"). The responses were averaged (Cronbach's  $\alpha = .841$  for promotion focus, and Cronbach's  $\alpha = .834$  for prevention focus). Following previous research [12, 15-18], a measure of dominant regulatory focus was created by subtracting the prevention focus score ( $M = 4.874$ ) from the promotion focus score ( $M = 5.037$ ). That is, high scores reflected relative stronger promotion focus than prevention focus. All the respondents were classified as either promotion-focused ( $n = 410$ ) or prevention-focused ( $n = 590$ ) on the basis of a median split ( $Mdn = 0$ ).

The overall intention toward six types of ethical behavior (i.e., use of public transportation, purchase of green products, purchase of low-carbon products, purchase of eco-friendly agricultural products, saving of electricity/water/gas, practice of environment-friendly activities) was measured using a single item. In previous research, for doubly concrete constructs, single-item measures demonstrated predictive validity equal to that of multiple-item measures [19-26]. Moreover, researchers may decide to opt for single-item measures in light of their manifold practical advantages [27-30].

#### 4. RESULTS

ANOVA was performed to test the prediction. As noted, the current research examined the impact of individuals' regulatory focus (promotion focus vs. prevention focus) on their ethical behavior in the context of green credit/debit card services. The results indicated that green credit/debit card users with prevention focus are more likely to behave ethically compared to those with a promotion focus. Specifically, for the overall ethical behavioral intention, respondents with a prevention (vs. promotion) focus reported significantly higher ethical behavioral intention: use of public transportation ( $M_{\text{promotion}} = 4.25$ ,  $SD = 1.66$  vs.  $M_{\text{prevention}} = 4.49$ ,  $SD = 1.48$ ;  $F(1, 998) = 5.412$ ,  $p = .020$ ), purchase of green products ( $M_{\text{promotion}} = 4.25$ ,  $SD = 1.43$  vs.  $M_{\text{prevention}} = 4.47$ ,  $SD = 1.29$ ;  $F(1, 998) = 6.184$ ,  $p = .013$ ), purchase of low-carbon products ( $M_{\text{promotion}} = 4.22$ ,  $SD = 1.38$  vs.  $M_{\text{prevention}} = 4.46$ ,  $SD = 1.28$ ;  $F(1, 998) = 7.606$ ,  $p = .006$ ), purchase of eco-friendly agricultural products ( $M_{\text{promotion}} = 4.50$ ,  $SD = 1.48$  vs.  $M_{\text{prevention}} = 4.68$ ,  $SD = 1.35$ ;  $F(1, 998) = 4.228$ ,  $p = .040$ ), saving of electricity/water/gas ( $M_{\text{promotion}} = 4.92$ ,  $SD = 1.47$  vs.  $M_{\text{prevention}} = 5.11$ ,  $SD = 1.25$ ;  $F(1, 998) = 4.987$ ,  $p = .026$ ), practice of environment-friendly activities ( $M_{\text{promotion}} = 4.95$ ,  $SD = 1.40$  vs.  $M_{\text{prevention}} = 5.12$ ,  $SD = 1.24$ ;  $F(1, 998) = 3.827$ ,  $p = .050$ ). In summary, consistent with the prediction, it was found that green credit/debit card users have more ethical behavioral intentions when they are prevention-focused (vs. prevention-focused).

#### 5. CONCLUSION

This research investigates the influence of individuals' regulatory focus (promotion focus vs. prevention focus) on their ethical behavior in the context of green credit/debit card services. More specifically, this research examines whether green credit/debit card users with a prevention focus will be more likely to behave ethically compared to those with a promotion focus. In the current research, it is predicted that individuals with a prevention focus will be more likely to behave ethically compared to individuals with a promotion focus. In support of the prediction, the results indicate that green credit/debit card users have more ethical behavioral intentions when they are prevention-focused (vs. prevention-focused).

Both theoretical and practical implications can be drawn. In a theoretical perspective, this research extends previous findings and thus provides marketing intelligence by demonstrating the role of individuals' regulatory focus in the context of green credit/debit card services. In a practical perspective, this research contributes to the development of systems, structures, and priorities calculated to lower unethical behavior and increase ethical behavior. Specifically, the findings imply that regulatory focus may be an effective marketing and

segmentation tool in promoting green credit/debit card services and facilitating the card users' ethical behavior. The application of regulatory focus to green credit/debit card services may be particularly appealing to managers because of implementation ease. For example, as the two self-regulatory foci can be situationally induced, it might be useful to make the prevention focus salient within the marketing stimuli as this research shows that high prevention relates to greater ethicality.

Although this research provides theoretical and practical implications, it is not without limitations. First, this study used individuals' chronic differences in regulatory orientations. A key assumption underlying regulatory focus theory is that though some people are chronically more promotion oriented and others are more prevention oriented, and that these orientations can also be activated by situational demands, such as through experimental promotion versus prevention framing [31, 32]. Thus, future work can extend this line of research by using priming procedures to activate individuals' regulatory goals. Next, it would be good for future research to examine if the findings are applicable to other financial products/services or payment mode. Finally, future research should consider other potential factors that can affect card users' ethical behavior.

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