



# Consumer outrage: Emotional reactions to unethical corporate behavior <sup>☆</sup>

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## ARTICLE INFO

### Article history:

Received 1 March 2009

Received in revised form 1 April 2011

Accepted 1 May 2011

Available online 15 October 2011

### Keywords:

Consumer boycotts

Moral emotions

Unethical corporate behavior

Cognitive emotion theory

## ABSTRACT

Unethical corporate conduct frequently leads to public outrage, which in turn triggers detrimental consumer behavior, such as consumer boycotts. However, few studies examine the effects of unethical corporate behavior on consumer emotions. To address this gap, the present work develops and validates a model of consumer outrage. The analysis suggests that consumer outrage is a compound emotion that comprises affective and cognitive experiences. Moreover, the results indicate that consumer outrage is a major trigger of boycotting behavior and that gender affects the predictions of the outrage model. The paper provides implications for management and suggestions for further research.

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## 1. Introduction

Instances of unethical corporate behavior frequently result in strong reactions from consumers. The BP oil spill is a recent example of unethical corporate behavior. Reactions from consumers are so strong that they result in the resignation of company CEO Tony Hayward. Other instances of corporate misconduct include international job relocation or discrimination against specific population groups (e.g., misogynic advertising). Unethical corporate behavior may elicit negative consumer emotions. This study refers to such negative emotional reactions as consumer outrage. Consumer outrage is a subcategory of moral outrage associated with detrimental consumer behavior and particularly boycotting behavior. The effects of consumer boycotts can be so dramatic that they affect a company's bottom line as the boycotts against Nestlé (Post, 1985) and Shell (Jordan, 1998) exemplify.

Prior research rarely investigates emotional reactions to unethical corporate conduct. Marketing research mainly addresses consumers'

perceptions of unethical company behavior (e.g., Nasr Bechwati & Morrin, 2003). Additionally, empirical research on consumer boycotts neglects negative emotions as a catalyst of group action (e.g., Farah & Newman, 2010). This finding is surprising because consumer outrage appears to be a major cause of boycotting behavior. Nevertheless, until now, the literature remains silent on precisely describe how negative emotional reactions to unethical corporate conduct evolve and further how these negative emotions and their antecedents affect consumer motivation to boycott a firm.

This study fills the gap by addressing three questions. First, how does consumer outrage evolve? Second, how do consumer outrage and its antecedents influence consumers' inclination to support boycotts? Third, does gender affect the predictions of the outrage model? The results of a survey study address these questions and offer managerial insights regarding the design of communicative responses to accusations of unethical corporate behavior.

## 2. Defining consumer outrage

This paper regards consumer outrage as both a negative moral emotional reaction to unethical corporate behavior and a facet of moral outrage that is prevalent in the marketplace. Batson, Chao, and Givens (2009) classify moral outrage as a prototypical moral emotion and according to Haidt (2003, p. 853), moral emotions are "linked to the interests or welfare either of society as a whole or at least of persons other than the judge or agent." Disinterested elicitors and tendencies toward pro-social action constitute moral emotions (Haidt, 2003).

<sup>☆</sup> The authors thank Dieter K. Tschulin for his constructive remarks on a previous version and two anonymous reviewers for their constructive remarks and useful suggestions.

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Darley and Pittman (2003) assume that violations of cultural or social norms elicit moral outrage. Various social entities including individuals (e.g., celebrities), groups of people (e.g., social groups, population groups), organizations (e.g., businesses, political parties), governments, or even whole nations can violate moral standards. This study focuses on businesses as violators of moral standards with the assumption that unethical corporate conduct elicits moral outrage among consumers.

Consumer outrage differs from basic everyday emotions. Moral emotions are complex constructs linked to welfare concerns meaning that unlike basic emotions, they usually require interpretation and appraisal (Simpson, Carter, Anthony, & Overton, 2006). Batson et al. (2009) thus treat moral outrage as anger in response to a violation of moral standards, thereby distinguishing moral outrage from personal anger and emphatic anger. Other authors consider anger and moral outrage to be distinct constructs (e.g., Skitka, Bauman, & Mullen, 2004).

Consumer outrage also resembles consumer dissatisfaction. Consumer dissatisfaction is a negative affective reaction to unfulfilled expectations regarding product or service performance (Anderson & Sullivan, 1993). According to the expectation–disconfirmation paradigm (Cadotte, Woodruff, & Jenkins, 1987), the violation of moral norms that should elicit consumer outrage is analogous to a disconfirmation of expectations. However, outrage is different from dissatisfaction.

First, consumer dissatisfaction is a post-purchase phenomenon that relates to consumption experiences (Oliver & DeSarbo, 1998) whereas consumer outrage does not necessitate consumption. Furthermore, unlike with dissatisfaction, consumers neither have to participate in the transactions that prompt outrage (e.g., bribery in business-to-government transactions) nor have to be directly affected by the company behavior to which they are objecting (e.g., child labor in apparel manufacturing). In particular, corporate behavior that arouses consumer outrage relates to the moral domain and has significant societal consequences. Environmental pollution, the toleration of human rights abuses, support for authoritarian regimes, actions that break with cultural or religious norms, and the exploitation of labor are all important categories of business practices that inspire outrage.

Everyday consumption experiences usually should not elicit consumer outrage in contrast to Schneider and Bowen (1999) and Verma (2003) who consider outrage from a customer relationship perspective. However, some everyday consumption experiences may elicit both dissatisfaction and outrage. For example, buying a children's toy that consists of hazardous materials may result in dissatisfaction because the toy is not as safe to play with as consumers expect the toy to be. Consumers may feel outrage because the toy manufacturer does a moral wrong.

Second, consumer dissatisfaction connects with individual consumer behavior including repurchasing behavior (Oliver & DeSarbo, 1988). In contrast, consumer outrage as a type of moral emotion may arouse pro-social action tendencies (Haidt, 2003), particularly boycotting (Klein, Smith, & John, 2004). Consumer outrage may eliminate free-riding incentives and serve as a trigger for boycotting behavior within this context.

### 3. Review of literature on outrage

The literature includes a broad range of perspectives on moral outrage, including research from the philosophical (Garver, 2006) and linguistic (Bruthiaux, 2009) traditions. These studies relate only loosely to the focus of the current study although social psychology and research on collective behavior are more closely connected. Several authors regard moral outrage as a component of the sacred value protection model (e.g., Darley & Pittman, 2003), according to which moral communities hold certain values sacred

(Skitka et al., 2004). Members of moral communities reject violations of sacred values, and transgressions elicit outrage, which in turn arouses retaliatory behavior.

Another strand of research that focuses on collective action phenomena analyzes the effect of moral outrage on group dynamics (e.g., Schrag, 2009). Some authors also consider the antecedents and consequences of moral outrage. Within this context, current research considers the effects of different appraisal conditions (Batson et al., 2009), involvement (Goodenough, 1997), and individual personality (Kaplan, 1997). Several authors (e.g., Skitka et al., 2004) show that moral outrage mediates the causal relationships between diverse constructs and behavioral intentions.

Moral outrage predicts support for preventative and punitive political action (Pagano & Huo, 2007). Punitive actions are political measures that rely on the use of force (e.g., aggressive foreign policies). Preventative actions aim at “reforming the political system in the hopes of reducing risk of future tyranny” (Pagano & Huo, 2007, p. 229).

### 4. A model of consumer outrage

This study delineates a conceptual model of consumer outrage (see Fig. 1). This paper examines consumer outrage from the perspective of Ortony, Clore, and Collins (1988) cognitive emotion theory because moral emotions require interpretation and appraisal before they can be elicited. According to Ortony et al. (1988) events, specific agents, and objects are the major elements of a person's perception of the world. Therefore, the appraisal of events, agents' actions, and aspects of objects provide the basis for different types of emotions. Furthermore, this cognitive emotion theory accounts for so-called compound emotions. Consumer outrage is an emotional reaction to both an event and specific agents' action in line with the compound emotion hypothesis. The affective-response construct entails an immediate emotional response to an event involving unethical corporate conduct to which the persons experiencing this emotional reaction do not consider the originator of the conduct (Ortony et al., 1988). People solely appraise whether the event is pleasing or displeasing, which requires minimal or even no cognitive processing (Ortony et al., 1988). Therefore, the affective-response construct represents the affective basis for consumer outrage. The disconfirmation of moral norms resulting from an evaluation of specific agents' action forms the cognitive basis of consumer outrage.

**H1.** Consumer outrage is a compound emotion that consists of an affective component (an affective response to an event involving unethical corporate conduct) and a cognitive component (perceived disconfirmation of moral norms). H<sub>1a</sub>: The affective response has a positive and direct effect on consumer outrage. H<sub>1b</sub>: The perceived disconfirmation of moral norms has a positive and direct effect on consumer outrage.

#### 4.1. Disconfirmation of moral norms

The appraisal of the consequences of unethical corporate conduct underlies the perception that the conduct violates the moral norms. The expectancy–disconfirmation paradigm has relevance to consumer satisfaction (Anderson & Sullivan, 1993) and provides the relevant conceptual framework. Consumers compare the perceived immorality of the corporate behavior with their own internalized moral norms when consumers hear of alleged unethical corporate conduct. Consumers experience a disconfirmation of their moral norms depending on the degree of the deviation of their perceptions from the reference standard.

Consumers may consider different reference standards over the course of their cognitive evaluation processes (Cadotte et al., 1987). Goals, norms, and expectations represent the main categories of reference standards (Niedrich, Kiryanova, & Black, 2005). Here

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