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Consumer unethical behaviour:

The role of perceived tangibility

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ABSTRACT

The phaenomenon of consumers behaving unethically has been largely studied in several fields. While the psychology field has been mostly concerned in providing comprehensive definitions and studying possible drivers, the marketing field has been particularly interested in designing strategies and policies to discourage consumers from behaving unethically. Through the present research we aimed at addressing both streams of research. On the one hand, we aim at studying whether the intangibility characterising firms' offerings can be a potential driver to consumer unethical behaviour. On the other hand, if results provide support to our hypothesis, the discovery can open new possibilities for managers who struggle every day in designing mechanisms to discourage consumer unethical behaviour.

In a Pre-test we identify two offerings, one mostly considered as product –a Notebook Intel 12- and one mostly considered as a service –Tennis lessons-. In the central Study, we manipulate the description of the two offerings in order to get three descriptions for each offering: one neutral description with no details (apart from the name of the offering), one tangible description, and one intangible description. Then we randomly provide participants with one out of the six different descriptions, and ask them to rate the extent to which they perceive as ethical an (unethical) action performed by a third person in relation to the offering described.

The results confirm our hypothesis: increasing the intangibility in the description of an offering leads to a higher acceptability of an unethical action. Though, when the product was described in tangible terms, the acceptability of the action was higher than the neutral and intangible situation. This ambiguous outcome suggests us that the research method should be better designed. In particular: first, researchers should directly involve individuals (also with monetary incentives) in participating to the experiment so to measure the personal intention to behave unethically; second, researches should identify two offerings similar in terms of nature and different in terms of their degree of tangibility/intangibility.

Chapter 1 – INTRODUCTION

The topic of consumer unethical behaviour has been increasingly studied in these last decades. Apart from isolated scandals, unethical behaviour and dishonesty in everyday life challenges firms, causing huge financial and social consequences (Fullerton & Punj, 1997). In the section below, we provide an overview of the evidence of this phenomenon.

1.1 Evidence on consumer unethical behaviour

There may be almost infinite forms of consumer unethical behaviour, ranging from the most overt to the most covert acts.

Very common overt forms of unethical behaviour involve consumers misbehaving with front-line employees in hospitality business. Harris & Reynolds (2004) used a qualitative research –interviews with front-line employees, managers, and customers- to list the main forms of consumer unethical behaviour (which they define "jaycustomer behaviour") in the hospitality industry. Their findings revealed the existence of eight main forms of unethical actions, that were listed along two dimensions: 1) the degree of covertness of the action; 2) and the primary motivation –financial gain or consumer ego needs-. The oral abuse was the most common form of unethical behaviour, reported by the 92 per cent of the employees involved. Oral abuse involves acts such as intentional offenses to fellow customers or to the front-line employees, usually to enhance perception of self-worth. The second form is the property abuses (51 per cent) –e.g. vandalism, destruction, steal of items from the place of the service provision-, followed at the third place by the physical abuses (49 percent) –i.e. violent and aggressive behaviours-. Moreover, the authors stressed that the 84 per cent of incidents where materially or technically contrary to the law.

Shoplifting represents another overt form of unethical action. Krasnovsky & Lane (1998) provided a deep study on this phaenomenon. They tried to classify the different types of shoplifters, and investigated on the explanations and drivers of these actions. The NASP (National Association for Shoplifting Prevention) reports that there are approximately 27 million shoplifters in the US: almost 1 every 11 people. 25 per cent of shoplifters are kids and 75 per cent are adults; 55 per cent of adult

shoplifters say they started shoplifting when they were young. It is worth noting that almost 70 per cent of shoplifters declare that they don't plan their action in advance. The vast majority of shoplifters are non-professionals that steal for social and personal pressure.

Also fraudulent return has been studied as a common form of unethical behaviour. The NFR's (National Retail Federation) 2015 report on consumer returns in US retail industry estimated that fraudulent returns accounted for $ 9,12 billion, equal to a 3,5 per cent of total merchandise returns. Harris (2008) demonstrated that fraudulent return is influenced by both demographic and psychographic factors. Young females with low level of education resulted to be more willing to commit fraudulent return. Past experience of fraudulent return, public self-consciousness, thrill seeking needs are just some of the psychological components affecting this attitude. Apart from the most overt unethical actions, also a huge number of more covert forms lead to consequences at least as much costly as overt forms. For example, as usually reported by academics, insurance frauds represent a widespread problem, causing several losses (Mazar & Ariely, 2006). The Coalition Against Insurance Fraud states that fraud steals $80 billion a year across all lines of insurance, and they account for 5-10 per cent claims costs for U.S. and Canadian insurers. A research on people perceptions about insurance frauds revealed that the 24 per cent of respondents say that it is acceptable to cheat on insurance claim, while the 10 per cent thinks that fraud does not hurt anyone.

Indeed, many unethical actions happen because individuals may not perceive that their action is wrong, or, even if they know it, they may judge it as acceptable. Mitchell and Ka Lu Chan (2002) conducted a research to study consumers' ethical attitude and behaviour. The authors collected a list of unethical actions at different degrees of covertness. Then, they distributed questionnaires asking respondents to rate the extent to which they perceived as wrong or not wrong the attitudes collected. Their results demonstrate that individuals judge unethical actions with different degrees of severity. For example, respondents judged shoplifting or using others' credit cards to order goods much worse than not paying for public transport. Also, not saying anything when receiving too much change was considered more acceptable than accidentally walk out of a shop without paying a good. The general

results showed that individuals tend to judge worse active unethical actions than passive actions. The most widespread reason was that if the consumer unethical action is caused by the seller's mistake, it is not fault of the consumer and the seller gets what he deserves.

Also, even the same action can be judged more or less unethical according to situational factors. One of the most widely known example is the software piracy, which has been analysed since the widespread diffusion of computers. The Software Alliance's 2016 research declares that today the 39 per cent of the software products worldwide are unlicensed, in slight decrease from the last few years. Cheng et al. (1997) investigated on the main reasons to purchase or to pirate software. They discovered that one of the reasons for software piracy is the perception that the product is overpriced. At the same time, individuals perceive that the cost of pirating is very low. The authors stress the inconsistency related to software piracy: stealing a candy bar would never be tolerated, while pirating a software is judged as acceptable, even if it causes hundreds of losses for companies.

Seale et al. (1998) stressed how the characteristics of intellectual properties may affect the perception of unethicality in the action. The non-exclusivity of intellectual property allows it to be in different places at the same time, and it is not consumed by its use. The authors suggest that the more individuals perceive the non-exclusivity of a software, the more they may be likely to pirate it. Another characteristic of the software is that its price does not reflect its production cost, which is much lower. Individuals may perceive an unfairness in the price, and they may be more willing to engage in softlifting.

This brief overview shows that consumer unethical behaviour is a widespread problem occurring every day in many forms, with different degrees of covertness. Also, we showed how individuals perceive some unethical actions as more acceptable than others.

In the following section, we draw from the evidence on consumer unethical behaviour to provide our research question.

1.2 The research question

The evidence on consumer unethical behaviour shows that some actions are perceived as less acceptable than others. This is particularly evident in relation to software piracy. Individuals would never commit an instore theft, but they perceive that stealing a software is acceptable. Even though the action of stealing is the same, the one happening in an intangible situation is perceived as more acceptable. Indeed, the intangibility of the product determines also that the action of stealing occurs in less physical and more abstract terms.

The degree of tangibility in offerings has been proved to be one of the main differentiating dimensions between goods and services (Iacobucci, 1992). Most of the unethical actions happening every day involve both goods and services. Shoplifting, fraudulent return, boycotts, vandalism may cause physical damage or theft of physical objects. But cheating on insurance services, misbehaving with front-line employees, not paying for public transport are phenomena that involve mostly services and occur in more intangible terms.

This research questions whether there is a correlation between the tangibility of the issue and the perception that a specific behaviour is unethical. We believe that individuals may perceive an unethical action as more acceptable when the nature of the offering involved is more intangible. Let's assume that an individual buy in instalments a PC and a tennis course that have the same price. After some time, he decides to quit the payment of both offerings and to continue enjoying them. A third party may judge quitting the payment of the PC slightly worse than quitting the payment of the tennis course. First, the consequences of stealing a physical product are much more evident than stop paying for an intangible service provision. Moreover, some psychological factors may affect the different perception of ethicality of the two actions.

To answer this question, in Chapter 2 we provide a review of the literature on unethical behaviour with a specific focus on the individual as a consumer. The objective is to stress the gap of the literature we aim at studying.

In Chapter 3, we will analyse what are the factors that differentiate services from goods, stressing the role of intangibility and its correlation with other dimensions. We will analyse the nature of tangibility/intangibility construct and its effects on

the consumer perception in the marketing field and on individual psychology. We will exploit these concepts to develop our hypothesis on the role of tangibility on (un)ethical behaviour.

In Chapter 4, we will test our hypothesis. We will provide respondents with a unique scenario of unethical behaviour, and one out of six different descriptions of the object involved in the situation. These descriptions involve one good described in a neutral, tangible, or intangible manner, or one service described in a neutral, tangible, or intangible manner. The results will be provided and commented.

In Chapter 5, we will provide a general discussion on the results obtained.

1.3 Significance of the study

Through this study, we hope to provide interesting results on the correlation between intangibility and the perception that a behaviour is unethical.

This research can be very useful under several perspectives. In the field of psychology, it can prove that intangibility can affect unethical behaviour to some extent. The discoveries would provide more insights on the individual intention to behave ethically when triggered with specific cues.

In the marketing field, our findings would expand the body of research about the effect of tangibility on the consumer behaviour and intention to buy. Many academics tried to verify the effect of tangibility on intention to buy (Stafford, 1996). But proving that tangibility can also improve ethical behaviour would be extremely useful in finding ways to discourage undesirable attitudes in the exchange setting.

If the results confirm our predictions, this study would represent a first attempt in filling the gap in the literature on the drivers of unethical behaviour.

Chapter 2 - REVIEW OF THE LITERATURE

Many researches in the field of psychology have explored the topic of ethical and unethical behaviour. Theorists provided increasingly useful systems and frameworks to understand the drivers of one's action. The important findings of recent decades have been exploited by marketing researchers and adapted to the marketing and management field. The main objective of this tendency was to understand why and how consumers engage in unethical behaviours, so to find methods to eliminate or at least reduce this phaenomenon.

In this subchapter we present a review of the findings on (un)ethical behaviour, and we provide the specific contribution of the marketing field.

2.1 Defining (un)ethical behaviour

The phaenomenon of consumers behaving in a negative manner has been labelled in many ways. Often, multiple names were used to describe the same set of behaviours, leading to overlapping definitions. The main explanation for this tendency is that the topic has been analysed in different fields with different perspectives, even in the same field.

A first interesting classification on the types of behaviour has been provided by Moschis & Cox (1989). The authors differentiate between *normative* vs *deviant* behaviour, and between *regulated* vs *nonregulated*. The behaviour is defined deviant when it is does not fulfil some standards. These standards can be either nonregulated, if they belong to manners or costumes, or regulated, if they fall under some legislation or rules. If an individual carries a behaviour deviant from nonregulated norms, he will be perceived as negligent; though, if he violates regulated standards –the law-, he is clearly engaging in a criminal action.

According to this classification, it is possible to identify a threshold. As long as the individual engages in a deviant behaviour within the threshold of the law, his action will be defined unethical at most. Though, when the unethical behaviour crosses the line, it becomes also illegal. In line with this classification, unethical behaviours are defined as acts "that have harmful effects on others and are either illegal or morally unacceptable to the larger community'' (Gino et al., 2011; Jones, 1991).

Adopting an unethical behaviour is not always intentional. Gino et al. (2011) stress that many individuals start with good intentions and end up acting unethically due to psychological factors that, consciously or unconsciously, affect the behaviour. In a more recent work, Bazerman & Gino (2012) criticised the assumption that people engage in trade-offs between behaving ethically and self-interest. Instead, the authors stressed how people act unethically without their awareness, and, moreover, they engage in behaviours that would otherwise condemn if they would be aware of them. Moreover, Harris & Raynolds (2003, p. 145) use the term "dysfunctional customer behaviour" when referring to "customers who intentionally or unintentionally, overtly or covertly, act in a manner that, in some way, disrupts otherwise functional service encounters".

As Fukukawa (2002) recalls, there are a two main streams of research exploring what he calls "consumer ethically questionable behaviour". The first stream explores specific forms of unethical behaviour, such as boycotts (Sen et al., 2001) or shoplifting (Krasnovsky & Lane, 1998). The second stream of research focuses on a more holistic view of consumer behaviour, exploring the determinants and possible solutions.

Our present study belongs to the second stream of research. Indeed, we aim at verify whether the willingness to behave unethically is affected by the characteristics of the specific situation in which the individual is involved.

2.2 Drivers of (un)ethical behaviour

Apart from providing a definition of ethical behaviour, Jones (1991) presented an issue-related model of ethical decision making drawing on Rest's (1986) research. His contribution is one of the first in recognising that the ethical decision making is influenced by the characteristics of the issue itself.

In his work, Jones criticises the fact that most of the previous theories did not account for the characteristics of the moral issue itself as factors affecting the ethical decision making. Instead, the author suggests that the ethical decision making is issue-contingent, that is "characteristics of the moral issue itself, collectively called *moral intensity*, are important determinants of ethical decision making and behaviour" (p. 371). Jones defines *moral intensity* as a multidimensional "construct that

captures the extent of issue-related moral imperative in a situation" (p. 372). This construct includes six components: magnitude of consequences, social consensus, probability of effects, temporal immediacy, proximity, and concentration of effects. The *magnitude of consequences* is the sum of harms or benefits that a moral act provokes. The *social consensus* is the degree of social agreement that an act is good or evil. The *probability of effects* is the combined probability that an act will take place and that it will cause the harms or benefits predicted. The *temporal immediacy* is the length of time between the present and the moment in which the harms or benefits of the act are expected to occur. The *proximity* is the feeling of nearness that the moral agent has for victims or beneficiaries of the act. The *concentration of effects* is a dimension inversely related to the number of people expected to be affected by the act. Jones suggests that moral intensity increases (decreases) when even just one of the components increases (decreases).

The ethical decision making process analysed by Jones is divided in four stages. The first stage requires the individual to perceive that the action/decision is a moral issue and that he is a moral actor. The second stage requires the individual to make a moral judgement about the issue. In the third stage the individual passes from judging what is moral to deciding how to act and behave, balancing moral factors with self-interest factors. Finally, the fourth stage involves engaging in a moral behaviour. As the author stresses, the success in one stage does not ensure the success in the subsequent stages. The moral intensity of the issue drives the individual toward a more ethical behaviour in each phase. Indeed, a higher moral intensity is said to help in recognising an issue as moral, it requires the individual to spend more time for a moral judgement, and it positively affects the decision of behaving ethically by increasing the attribution of responsibility of the action to the moral agent and by influencing emotions.

This theoretical contribution stresses that the ethical/unethical behaviour is not just a matter of personal choice. Instead, it is influenced both by personal traits and factors related to the issue itself out of the control of the individual.

A subsequent study by Fukukawa (2002) investigated the drivers of the consumer unethical behaviour, defined *ethically questionable behaviour (EQB)* by the author.

Fukukawa identified two main streams of research: one more focused on specific types of behaviours, the other one concerned with explaining the dynamics behind the unethical behaviour. He recognised that previous research had demonstrated how EQB is influenced both by individual morality and by situational factors. Also, Fukukawa highlights that the ethical judgement may not always be a good predictor of the resulting behaviour due to variables that moderate the effect. For example, an individual may buy a counterfeit product due to its low price, even though he usually perceives that buying a counterfeit product is unethical.

In presenting these concepts, Fukukawa recalls the previous work of Vittell et al. (2001), where the individual ethical decision-making process is analysed and tested through the lens of the *Hunt-Vittell model*. According to this theory, once the individual has a set of alternatives, he applies two ethical evaluations. The first is the *deontological evaluation*, which aims at assessing the rightness or wrongness of the various alternative actions. The second is the *teleological evaluation*, which aims at assessing how much "good consequences" vs "bad consequences" will result from the decision. The Hunt-Vittell model suggests that the individual's ethical judgement depends on both deontological and teleological evaluation.

According to Vittell et al., the presence of the teleological evaluation may explain why a gap in the ethical judgement and the intention may occur (i.e. between the second and third stage of Jones' ethical decision making process). Moreover, the authors stress that situational factors –which Vittell calls *situational constraints*- beyond the control of the decision maker may determine inconsistency between intention and behaviour (i.e. between the third and fourth stage of Jones' ethical decision making process).

Recalling what Jones (1991) specifies, the success in a stage does not ensure the success in the following stages. If an individual is not intentionally behaving badly, its willingness to behave in a good manner may be affected by factors out of his control.

In order to study how an individual fail to behave ethically, Fukukawa exploited the *theory of planned behaviour* (TPB), which is an extended version of *the theory of reasoned action* (TRA), both theories developed by Ajzen.

Ajzen (1991) explains that TRA had two components: a) the *attitude*, i.e. the extent to which an individual feels favourable or unfavourable in engaging in a specific action; and b) the *subjective norm*, which measures the extent to which an individual perceives social pressure toward a specific action. According to this theory, when an individual has a positive attitude and a high subjective norm, he will be very likely to engage in ethical behaviour. Though, this model has been criticised because it has been said to fail in considering those factors out of the individual control. Hence, the TRA was expanded into the TPB through the inclusion of a third component, i.e. the *perceived behavioural control* (PBC), which measures the individual perception of "ease and ability to perform a specific behaviour" (Fukukawa, 2002, p. 102).

Through an initial study Fukukawa collected explanatory factors to unethical behaviour. Most those factors were listed under the three components of the TPB, i.e. attitude, subjective norm, and PBC. Though, the study revealed a fourth important dimension, i.e. the *perceived unfairness*, defined as the "extent to which an individual is motivated to redress an imbalance between firms and customers, that is perceived unfair" (p. 105). Following studies demonstrated that this fourth dimension may play a decisive role in shaping the individual behaviour. Recalling the example of the individual buying a counterfeit product, it is argued that the individual's justification could be that he perceives the price of the original product to be too high, and this represents an imbalance between consumer and firm.

Studies on the (un)ethical behaviour from the consumer perspective explored other possible influencing factors. Fullerton & Punj (1993) built a model of what they used to call "aberrant consumer behaviour", i.e. "behaviour in exchange settings which violates the generally accepted norms of conduct in such situations" (p. 570). The model is built on two set of drivers and their reciprocal interaction: a) the consumer traits and predispositions, and b) the characteristics of the exchange setting and marketing institutions.

On the consumer side, a subset of factors is said to influence unethical behaviour. Demographical characteristics like age, sex, economic status, and level of education/occupation are said to determine different types of misbehaviour. Psychological characteristics, such as personal traits, unfulfilled aspirations, or level of moral

development, push toward or against a moral conduct. But also consumer's mood or his level of anxiety may lead the actor to attribute his bad behaviour to factors beyond his intentionality.

On the other hand, also the exchange setting and marketing institutions are characterised by a series of elements which may play an important role in shaping the consumer behaviour. Most importantly for our research, the authors recognise the importance of the type(s) of products/services offered, i.e. the mix of merchandise or services offered and how they are presented. But also the physical environment, the level of deterrence, or the employees' behaviour are said to be relevant.

Finally, Fullerton & Punj stress the role of interaction between the two sets of variables. In particular, they suggest that while in some cases the components of the interaction may combine their effects, in other cases they may offset one another, reducing unethical behaviour.

Wirtz & Kum (2004) studied the consumer unethical behaviour –cheating, specifically- with respect to service guarantees. Their work provides a useful conceptual framework to explain why consumers engage in unethical behaviour.

Recalling previous research, the authors recognise that unethical behaviour is influenced by *personality factors* (P), *situational factors* (S), and the *interaction of the two* (PS). Also, they believe that the decision to behave unethically is a function of *motivators* (M) –perceived rewards from unethical behaviour- and *inhibitors* (I) –perceived costs from unethical behaviour-. Wirtz & Kum suggest that the two perspectives can be integrated in a unique model of cheating behaviour (CB), where personality and situational factors can work either as motivators or inhibitors. The concept is summarised in their equation:

$$CB = P(M, I) + S(M, I) + PS(M, I)$$

The authors used this framework to review previous research and categorise motivators and inhibitors of unethical behaviour, as a starting point for their research in the service guarantees topic. For example, they recognise opportunity to cheat, external pressure, or perceived injustice as drivers of consumer unethical action. On the other hand, some main inhibitors are said to be sanctions, attitudes and norms, or risk of being detected.

Beside the specific focus of cheating in service guarantes, this work is relevant in order to stress once again the combination of personality and situational factors in shaping consumer behaviour (and unethical behaviour).

The review on the drivers of unethical behaviour presented here shows an interesting concept, that is, the consumer unethical behaviour is driven by personality factors (internal), situational factors (external), and the interaction of the two factors (this interaction can be either explicit or implicit in the specific research).

It is beyond the scope of this work to review a comprehensive set of a potentially infinite number of forms of unethical behaviour –more or less serious, intentional vs unintentional-, and of an equivalent infinite number of motivators and inhibitors. Instead, the generally recognised importance of situational factors for unethical behaviour is relevant to justify our investigation. Indeed, we aim at verifying whether the nature of the offering – tangible vs intangible - provokes a different perception of the level of morality in one's action.

In the next section, we will analyse the limits to the unethical behaviour.

2.3 Limits to unethical behaviour: the role of moral identity

So far, we stated that consumer unethical behaviour is driven by psychological factors and situational factors. Wirtz and Kum (2004) suggested that these factors can work both as motivator and inhibitor to the unethical action. In this section we will present how individual psychology affects unethical behaviour.

A decisive role in the ethical/unethical individual behaviour is played by *the moral identity* construct. An *identity* is said to be a self-conception, while the moral identity is a self-conception organised around a set of moral traits (Aquino & Reed, 2002, p. 1424). Moral identity is a widely studied determinant for moral behaviour together with moral judgment, i.e. the act of determining what is right or wrong (Reynolds & Ceranic, 2002).

Drawing from previous research, Aquino and Reed (2002) stressed that even though the content of moral identity may vary among individuals, there exists a set of moral traits which are considered to be central. The authors conducted an experiment to verify whether a list of moral traits were considered by participants as necessary to

describe a moral person. The results suggested that traits as "caring", "compassionate" or "fair" were generally recognised to be fundamental in a moral person, demonstrating that an identity of *moral person* can be outlined.

In another set of experiments, Aquino and Reed identified two dimensions representing the self-importance of the moral identity: *internalisation* and *symbolisation*. The internalisation dimension is more private and directly related to the self-importance of the moral characteristics. The symbolisation dimension is more public, and it reflects the degree to which the traits are evident in the individual's behaviour.

Moral identity is said to motivate the individual to behave consistently with its own identity, in order to maintain a moral self-image (Gino et al. 2011; Reynolds & Ceranic, 2007). In particular, Gino et al. (2011) stressed that the moral identity "reflects the extent to which an individual identifies him/herself as a moral person" (p. 193), and that people who define themselves to be high in moral identity are more willing to behave in a manner consistent to their moral self-image. Moreover, the authors demonstrated the importance of moral identity when self-regulation is depleted. Specifically, they verified that people whose self-regulation was depleted were more willing to engage in unethical behaviour than those whose self-regulation was not depleted. Though, once self-regulation was depleted, individuals high in moral identity were less willing to engage in unethical behaviour than those low in moral identity.

Mead et al. (2009) argued that when individuals have the opportunity to profit from a situation by behaving unethically, they face a dilemma between short-term selfish gain and virtuous behaviour for long-term social acceptance. The authors suggest that resolving this dilemma is one of the core functions of self-control.

Mazar, Amir, & Ariely (2008) suggested that together with the social acceptance, as previously cited, individual also wish to maintain a positive self-concept as honest. If they do not comply with their internal standards and behave unethically, they negatively update their self-image. Also, the authors proposed a theory stating that individuals make use of several mechanisms in order to engage in dishonest behaviour and gain from cheating. At the same time, they wish to maintain a positive self-image without the need to negatively update it after cheating.

The authors conducted a set of experiments in which they varied some contextual features and verified when participants were more willing to cheat. In the first two experiments, participants were given a task to perform with the possibility to gain from cheat. The results showed that those participants who were reminded moral standards of honest behaviour through both religious reminders (i.e. the Ten Commandments) and honour code (i.e. sign a statement in which was declared that the survey was falling under the university's honour code) were less willing to misbehave for selfish gain. In another experiments, participants were asked to complete the same task as the experiment 1 and 2 with the same possibility to gain from cheat. In this case, some participants were promised tokens to be exchanged for money later, while other participants were promised directly real money. The results showed that promising tokens instead of money allowed higher *categorisation malleability*, i.e. individuals had a wider room to categorise their action as immoral, and thy interpreted their cheat in a more self-serving manner to maintain their moral self-image. Moreover, other results showed that even though individuals were aware of their unethical action, they did not negatively update their self-perception. As proposed by the authors, the general findings showed that dishonesty decreased when participants were given cues of moral standards, and increased when they were given more categorisation malleability, that is, when individuals had the chance to categorise their action as acceptable.

In conclusion, moral identity can be seen as the extent to which an individual perceive him/herself as a moral person (Gino et al. 2011) on the basis of some moral traits commonly recognised as typical in a moral person (Aquino & Reed, 2002). When deciding how to act, individuals tend to behave in a manner consistent to their self-concept so to maintain the self-image they have (Reynolds & Ceranic, 2007). Though, some situational factors may push the individual to behave more dishonestly without their complete awareness.

2.4 How to discourage unethical behaviour

Unethical behaviour in the exchange setting represents a relevant issue for companies. In the last decades, many practitioners investigated the causes of unethical behaviour in order to design effective policies to discourage it.

Fullerton and Punj (1997) presented two major control techniques, mostly oriented toward overt acts of misbehaviours: deterrence and education.

Educational method uses messages to discourage misconduct while strengthening the moral constraints. It is said that worsening attitudes against people who behave unethically decreases their willingness to misbehave. Here, the deterrence measure depends on the "others", who negatively judge those individuals who behave unethically. The main weaknesses of educational method are said to be the fact that messages can provoke an increasing misconduct –e.g. in thrill-seeking misbehavers, such as shoplifters-, and the fact that it is difficult to alter behaviour of others. On the other hand, deterrence method involves the use of formal and informal sanctions, and it is the most widely used to discourage overt acts of misbehaviour. This method aims at increasing the perception that the misbehaviour will be caught and punished. The major weaknesses of this system is said to be the different perception that the use of deterrence provokes in the consumer's mind. In particular, honest consumers may feel stressed by the surveillance system, and in turn this would affect consumption.

Mazar and Ariely (2009) studied dishonesty and provided useful insights for the design of policies to discourage the phaenomenon. The authors explored the two main streams for the explanation of dishonest behaviour. The first stream explains dishonesty through the lens of the standard economic theories. According to this view, the individual is a rational human being interested in maximising his payoff. The decision to behave dishonestly is based only on the expected external benefits and expected external costs of the action. The second stream explains dishonesty through the lens of psychological theories. According to this view, individual behaviour is affected by external benefits, external costs, and an *internal reward mechanism*. For example, the authors recall previous findings related to the importance of altruism and reciprocity for the individual behaviour. Mazar and Ariely investigated how external and internal reward mechanisms work together in influencing behaviour. The authors discovered that, when given the possibility to gain from cheating, individuals behave dishonestly. Though, their dishonest action was limited to some extent, and this may be explained by the constraining force of their internal reward mechanism.

The authors suggest that under a certain level of dishonesty, the internal reward mechanism does not activate. Though, when dishonesty cross a threshold, the mechanism is activated and constrains behaviour. This process reduces the impact of external expected benefit, and dishonest behaviour depends solely on the internal reward mechanism. Eventually, if the external expected benefits become too large, they prevail and the internal reward mechanism is deactivated.

Recalling previous research, Mazar and Ariely suggest that it is possible to move the threshold that activates internal reward mechanism. Indeed, they stress that when awareness of the self is increased, individuals can better identify discrepancies between their self-view and their action, and will act in a manner that eliminates this discrepancy. Through other researches, the authors demonstrated that directing the attention of participants to some norms –i.e. Ten Commandments and honour code- reduced their intention to cheat. Also, the authors argue that individuals can actively and unconsciously reframe specific actions in a self-serving manner, so to not perceive they are actually behaving dishonestly. This *self-deception* inhibits the activation of internal reward mechanism that push toward a moral attitude.

On the basis of the findings above, Mazar and Ariely present some policy guidelines to discourage dishonest action. The authors state that in order to be effective, the policy should be directed toward the specific drivers of dishonest behaviour.

If the action is guided by external rewards and costs, the policy should increase the magnitude of the punishment and the probability of being caught, which is said to have the highest effect in discouraging behaviour.

Another cause of dishonest action can be the lack of internalised social norms. In this case, the right policy should increase education and socialisation to strengthen the internal reward mechanism.

The third cause may be linked to a low self-awareness and a low activation of the internalised social norms. The right policy should focus on stressing specific cues that increase self-awareness and activate internal reward mechanism.

Finally, dishonest behaviour may happen due to self-deception, and the self-serving manner in which the individual categorise his action. In this situation, the authors stress the low effectiveness of those measures that push the individual to the truth

and the realistic view. Instead, eliminating the incentives to self-deception or eliminating the situations in which self-deception may happen are said to provide more positive results.

In a recent contribution, Ayal et al. (2015) stress how individuals face the decision between profit from an unethical action and the desire to maintain a positive self-image. To do so, people interpret their actions in a self-serving manner.

In order to design policies to discourage unethical behaviour, the authors propose the three-principles REVISE framework. They classify the forces driving dishonesty and unethical behaviour in three categories; then, those forces are redirected to encourage moral behaviour.

The first principle is *reminding*, which "emphasises the effectiveness of subtle cues that increase the salience of morality and decrease the ability to justify dishonesty" (p. 739). This measure can be associated to the policy proposed by Mazar and Ariely to discourage unethical behaviour when it is caused by a low activation of moral standards. Ayal et al. suggest that, in order to be affective, moral reminders should be salient –e.g. "do" and "don't"-, and should always be changed and re-actualised.

The second principle is *visibility*, which refers to monitoring systems and ways to reduce anonymity. The authors stress how anonymity is positively correlated to dishonest behaviour. It is said that increasing monitoring cues increases the perception to be observed and identified, and this decreases the willingness to behave dishonestly.

The third principle is *self-engagement*, which aims at increasing individual involvement and creates direct relationship between concrete transgression and the general perception of own morality.

In conclusion, the methods involved to discourage unethical behaviour and dishonesty can be more or less overt. Policies can enforce monitoring and punishment systems. In this case, it has been said that increasing the perceived risk to be caught is more effective than the actual punishment. Otherwise, policies can implement the use of subtle cues, which trigger specific perceptions of the individual that push toward an ethical behaviour. The individual will have higher awareness of his morality, and will be more involved in maintaining consistency between his morality and his action.

2.5 Conclusion on (un)ethical behaviour and gap of literature

In this chapter we briefly reviewed some main concepts on unethical behaviour. We provided a definition of unethical behaviour that could comprehend all its declinations without losing in generality.

Then, we analysed the drivers of unethical behaviour. We stressed that individual behaviour depends both on psychological and situational factors, and the interaction between the two. We highlighted in particular that the moral decision making process is not completely under the control of the individual, and external factors can create gaps between the different stages of the process. Judging an action as moral does not imply that the individual wants to behave morally. And the intention to behave morally does not imply that the individual will eventually behave morally. Issue-related factors can strongly affect the process.

The third section studied the specific role of moral identity construct. It is said that individuals have a self-concept and think to be moral to some extent, and they strive to maintain consistency between their self-view and the action. When given the opportunity to gain from dishonesty, they adopt several mechanisms to perceive their action in a self-serving manner.

Finally, we analysed the policies to discourage unethical behaviour and dishonesty. We highlighted two possible stream of policies: one focused on overt systems of surveillance and punishment, the other one focused on stimulating awareness of self-morality and improving the need to behave consistently with that.

The present research aims at providing some tips to start filling a gap in the literature on consumer unethical behaviour. Indeed, as we presented above, we stated that situational factors can influence the willingness to behave unethically. Fullerton and Punj (1993) stressed that the type of product or service can have some influence on the aberrant consumer behaviour. The marketing research mostly focused on the effects of tangibility on the willingness to purchase. As we will discuss later, tangibility in the nature of the offerings improve quality evaluation and increase the ease in deciding whether or not to buy. On the other hand, services are more difficult to be evaluated to their higher intangibility (Parasuraman, Zeithaml, Berry; 1985). Though, the studies on the effects of tangibility on the consumer behaviour have never explored the topic of ethical conduct. So far, academics never

questioned whether the tangibility/intangibility dimension of the offering have some effect on individual ethical behaviour.

Researches in the psychology field said that the moral intensity of the issue increases the willingness to behave ethically (Jones, 1991). Many experiments tried to increase the salience of specific cues to activate the individual moral identity. Asking individuals to behave ethically in more tangible terms proved to be more effective than vague intangible requests (Goldstein et al., 2008; Shu et al. 2012). Though, academics never tested whether the same situation described in more tangible and intangible terms provoked different reactions in the individuals, i.e. if the individuals tend to behave more or less ethically. This represents a gap in the literature on the drivers of unethical behaviour that need more investigation.

In the following chapter, we will present the findings on the effects of tangibility in marketing and psychology. By doing so, we will be able to develop our research hypothesis and test whether tangibility and intangibility in the nature of the offering leads to different levels of acceptability of an unethical action.

Chapter 3 – DEVELOPMENT OF THE HYPOTHESES

The aim of the present chapter is to study the issue-related factors which we believe that can affect consumer unethical behaviour. Specifically, we argue that offerings perceived as more intangible allow consumers to judge an unethical action as more acceptable. The intangible nature which we consider refers to a vague perception that an individual has when thinking about some kind of offering.

In the following sections we will go through these concepts presented above. First, we will present a comprehensive classification method for goods and services, with a special focus on the tangibility/intangibility. Then, we will provide more contributions on the definition of the tangibility/intangibility dimension. In the third section we will describe how tangibility/intangibility affects individual perception and psychology. Finally, we will develop our hypotheses on the relationship between intangibility and unethical behaviour.

3.1 Goods vs services: the role of tangibility/intangibility

In the study on the differences between goods vs service, one of the most important contribution has been provided by Iacobucci in 1992. Until that moment, as stated by the author, most marketers and practitioners used to differentiate physical goods and services mostly on an intuitive basis. Instead, Iacobucci collected and tested the main assumptions used to differentiate goods and services. Her predictions were that the reality could have been much more complicated than theory.

Most of the researchers used to differentiate services from goods according to some main dimensions, such as tangibility/intangibility, heterogeneity/standardisation, length of time between production and consumption –services are produced and consumed in the same moment-.

Iacobucci selected a set of 48 stimuli (goods and services) and a set of dimensions to be tested for each stimulus. A sample of participants were asked to rate on a 7-point scale each stimulus with respect to the dimensions presented.

The 48 stimuli were grouped in order to be fairly comprehensive and get a wide range of physical products and services.

The properties tested for each stimulus are presented below.

First, participants had to rate how much they perceived a stimulus "mostly as a product" or "mostly as a service".

Second, participants had to rate how much they perceived the stimuli to be characterised by search, experience, or credence qualities. These dimensions were defined by Zeithaml (1981, p.186) as follows: *search qualities* are those "attributes which a consumer can determine prior to purchasing a product" (e.g. a t-shirt); *experience qualities* are those "attributes which can only be discerned after purchase or during consumption" (e.g. restaurant meal); *credence qualities* are "characteristics which the consumer may find impossible to evaluate even after purchase and consumption" (e.g. medical operation). Zeithaml suggested that goods should be characterised mostly by search-experience qualities, while services mostly by experience-credence qualities.

Third, participants were asked to rate how much they perceived the stimuli as simple or complex. Here, the aim of the author was to test whether a correlation exists between the perception of simplicity-complexity and the search-experience-good qualities of the stimulus.

The fourth test involved the perception of tangibility-intangibility with respect to the stimuli.

The fifth test aimed at evaluating how much participants perceived the purchase of each stimulus as standard or heterogeneous. This dimension refers to the extent to which the good purchased would be equal if purchased somewhere else or from a different person.

A subset of stimuli was then identified in order to test some characteristics linked to the service provider. Participants were asked: how much expertise is required in providing the selected stimuli; whether the provision of service typically requires a male or a female; the importance in the good performance of the service provision; and, finally, whether for each stimulus the relationship component with the service provider or the core service component was more important.

Another set of tests was run to check whether a correlations existed between the dimensions in pairs.

The results obtained from the experiments on the 48 stimuli confirmed the author's predictions. The individual perception of the features that are thought to differentiate goods from services were not always in line with what the theory used to predict. Specifically, findings revealed that services were perceived as "being comprised of more credence and experience qualities than search qualities; slightly more complex than most goods; only relatively more intangible than goods; and less standard (or more heterogeneous) as purchases" (Iacobucci, 1992, p. 49).

With the result of the first test, the author listed the 48 stimuli according to extent to which they were perceived as goods or services. The order of the list was then kept fixed. The goal was to check whether the assumptions followed the trend predicted by the theory.

The search-experience-credence quality test showed the trend predicted by the theory (see above), but with substantial variability in the answers. Also the simplicity-complexity test presented the same trend predicted by the theory, but with even much variability than the search-experience-credence quality test. These two experiments were particularly interesting in demonstrating that the reality was much more variable than what theory thought.

The tangibility-intangibility test showed a trend confirming the prediction that services are perceived more intangible than goods. Though, this intangibility was not much pronounced, and the stimuli mostly considered as services resulted to be only relatively more intangible than goods. This is said by the author to be due also to the set of stimuli considered. If less goods and more services were considered, the trend would have been probably different.

The standardisation-heterogeneity test showed that, in general, those stimuli perceived as products were perceived more standardised, while those perceived as services were more heterogeneous.

From the study on the relationships between the dimensions, some interesting results were revealed. First, the more a stimulus was perceived as a service, the more it was perceived to be characterised by experience-credence qualities. Also, the search-experience-credence qualities results were coupled with simplicity-complexity results. The correlation proved that the stimuli perceived as being more complex were also perceived to be characterised by experience-credence qualities,

as the theory predicted. Therefore, being the complexity positive correlated to the perception of experience-credence qualities, and the experience-credence qualities mostly associated with services, it is evident that services are perceived as more complex than goods.

The relationship between tangibility-intangibility dimension and the standardisation-heterogeneity dimension proved that a higher heterogeneity was associated to a higher intangibility, while a higher standardisation was associated to a higher tangibility.

The results on the correlation between the dimension relative to the service provider were interesting as well. First, those services whose performance was more critical were perceived to require a service provider with great expertise, as opposed to those services were the performance was not that much important and associated to low skills required. Second, the services thought to require low skills were generally associated to female jobs. Last, those services where the core was considered to be more important than the relationship between service provider and customer were generally associated to male positions.

The findings provided by Iacobucci has been extremely important for the literature. On the one hand, they confirmed or rejected many assumptions that have never been tested before, providing empirical evidence to the theory. On the other hand, they highlighted the importance of some interesting dimensions, which resulted to be somehow linked one another. Specifically, the dimension at the centre of our study, tangibility/intangibility, can be linked to other dimensions characterising services. First, it has been said that the more a stimulus is perceived as a service, the more it is perceived as complex. Also, stimuli perceived as services are perceived to be more intangible than goods. Hence, this trend suggests that a stimulus high in complexity would be high also in intangibility. Of course, this is not a systematic rule, since the results of Iacobucci's test were considerably variable. Though, on average, the trend of the answers provides support for this assumption. Second, the results of the experiments provided evidence that the more a stimulus was perceived as heterogeneous in purchase, the more it was also perceived as intangible.

In the following section, we will better define the construct of tangibility/intangibility. At the end of the section, we will consider once again the relations above.

3.2 The tangibility/intangibility dimension

In the section above we provided a classification of goods and services based on a set of dimensions. We also identified a sort of correlation among these dimensions. Indeed, when the stimuli were perceived as intangible, they tended to be perceived also as complex and heterogeneous. On the other hand, when stimuli were perceived as tangible, they tended to be perceived also as simple and standard. Despite each specific case presents variability, the average trend shows that the three dimensions follow the same pattern.

In this chapter, we aim at better investigating the dimension of tangibility/intangibility, which is said to provoke notable psychological effects.

In 2001, Laroche et al. provided a three-dimensional construct of intangibility. They drew from previous researches on tangibility/intangibility, which were said to be fragmented or incomplete. Through an empirical study, they provided evidence that intangibility is composed by three dimensions.

The first dimension is the *physical intangibility*, which is said to be the aspect most frequently cited in literature. It measures the physical accessibility to the senses, the extent to which a stimulus is perceived as not palpable and not corporeal –i.e. "the extent to which a good cannot be touched or seen" (Laroche et al., 2004, p. 374).

The second dimension is the *mental intangibility*. It measures the extent to which the stimulus is clearly represented and tangible in the mind of the individual, i.e. how much it is easy to "grasp mentally" the stimulus (Laroche et al., 2004, p. 374). The knowledge possessed by the individual is said to be helpful in increasing mental tangibility (e.g. an informatics engineer would have a more tangible idea of a computer than any other individual).

The third dimension is *generality*. It measures how much an individual perceives generic or specific a particular stimulus. It is argued that a stimulus would be perceived as general if the individual cannot refer precisely to identifiable definitions, features and/or outcomes. Instead, stimuli would be perceived as specific if they generate clear-cut definitions, features, and/or outcomes in the mind of the individual. For example, an individual may perceive a hotel as a "place where one can sleep" –generic-, or as a "lodging facility that provides a lobby, a front desk, rooms, cleaning, etc." –specific- (Laroche et al., 2001, p. 28).

This definition of the tangibility/intangibility construct is comprehensive and useful. It allows to understand what specific perceptions a stimulus generates in the mind of the individual. Indeed, the authors stress how perceiving a stimulus as physical tangible, or palpable, does not automatically imply a clear mental representation of it (e.g. a computer is physically tangible –palpable- but the individual may not clear represent it in his mind –mental intangible-).

The same stimulus may generate different levels for each of the three dimensions, leading to perceive some goods as more intangible than some services. For example, as the authors suggest, a software product (e.g. a film, a song) may be perceived as more intangible than a restaurant meal, which can be better experienced through the senses.

The construct of tangibility/intangibility proposed by Laroche et al. (2001) differs significantly from previous research. First, traditional theory used the term tangibility/intangibility only to refer to the characteristic of physical palpability of an offering (Laroche et al. 2001; Hellén & Gummerus, 2012). Instead, Laroche et al. used multiple dimensions to define the construct, which increase variability in the perceptions. Second, traditional theory used to assume tangibility/intangibility as an inherent characteristic of the offering. Instead, Laroche et al. analysed the perception of tangibility from the individual/consumer perspective, stating that is a subjective dimension. Indeed, the authors stressed how the level of education, for example, can contribute in increasing the mental tangibility of a stimulus. However, as Hellén & Gummerus (2012, p. 134) recall, evidence shows that "consumers seem to interpret and classify tangible and intangible offerings in a relative similar manner", meaning that tangibility may still be an inherent characteristic of the offering. It is worth noting that a sort of correlation may exist between the mental intangibility dimension proposed by Laroche et al. (2001) and the perception of complexity analysed by Iacobucci (1992). Perceiving a stimulus as difficult to grasp mentally and imagine clearly may be linked to some extent to its level of complexity. Also, as Laroche et al. state, the mental tangibility is positive correlated to the level of experience of the individual on that specific stimulus. Hence, if an individual can easily represent mentally a clear picture of the stimulus, he may also perceive the stimulus as rather simple. According to this hypothesis, Iacobucci keeps the two

dimensions clearly separate –tangibility (i.e. palpability) separated from simplicity-, while Laroche et al. group them in one unique construct.

One of the main characteristics of the individual perception of tangibility/intangibility construct, as Hellén & Gummerus (2012) stress, is that it is subject to manipulation. The authors recall the research conducted by Carter and Glovich (2012) on material and experiential purchases, which revealed that experiential purchases are easier and lead more to well-being. In their research, the authors described the music record collection as either palpable –describing the box containing the CDs and the shelf-, or as not palpable, linking it to the emotions that the songs generate. They discovered that participants perceived the first description as more tangible, and the second as more intangible.

In our research, we will exploit linguistic tricks similar to those used by Carter and Glovich to stimulate different perceptions of tangibility/intangibility. Though, instead of triggering emotions and imagery, we will describe the same offerings with words that link to the dimensions studied by Laroche and Iacobucci. The objective is to stimulate different perceptions of the offerings involved in order to measure whether the acceptability of the unethical action varies.

For example, it is likely that a stimulus described as simple (Iacobucci) and specific (Laroche) would lead the participant to perceive it as tangible. Instead, a complex and generic stimulus would tend to be perceived also as more intangible. Hence, in our experiments we will manipulate the description of a good (i.e. an offering perceived as a good) and a service (i.e. an offered perceived as a service) and expand or contract their tangibility and intangibility from a neutral scenario with no description. Then, we will check whether the manipulation led participants to perceive a difference in the description, and how these differences reflected in the acceptability of the unethical action.

We will reconsider these relationships between dimensions in Chapter 4, when we will develop our research method. In the next section, we will study how tangibility is said to affect individual psychology. This will help us in developing our hypotheses on the possible intangibility effect on consumer unethical behaviour.

3.3 The effects of tangibility/intangibility

In the last decades, tangibility has been widely studied as a determinant dimension affecting the individual perception and psychology. The use of tangibility in the marketing field has been aimed at predicting and somehow guiding the consumer intention to buy, as we will observe below. Though, tangibility produces interesting effects for individual psychology in much wider terms.

In the next sub-section, we will focus mainly on the role of tangibility for the marketing field. Next, we will focus on the tangibility effects of psychology in broader terms.

3.3.1 Tangibility in marketing

In the marketing field, tangibility has been recognised to play an important role in several situations. First of all, it helps in evaluating physical goods before the purchase phase, while services can be better evaluated during consumption or later; and even later, they may be almost impossible to be judged (Zeithaml, 1981). Second, after the purchase of a service, consumers can rely on fewer tangible cues to assess quality compared to when they buy goods (Parasuraman, Zeithaml, Berry, 1985). The service tangible cues used to assess quality involve, for example, the physical facilities, tools and equipment, but also some physical representation of the service, such as a plastic credit card (Parasuraman et al. 1985, p. 47).

Empirical findings (Murray & Schlacter, 1990) revealed that consumers perceive services to be riskier and more variable than goods due to their intangibility. Other interesting results about the effects of intangibility on perceived risk have been provided by Laroche et al. (2003). The authors tested which of their three dimensions of intangibility –physical intangibility, mental intangibility, and generality- (see section 3.2) had more effect on the perceived risk, and they discovered that the mental intangibility had the strongest influence. On the basis of these findings, the author suggested that, in order to reduce the consumer's risk perception, firms should: clearly explain what they sell and how it works in order to make the offering more tangible; boost marketing promotion to increase the mental representation of the offering; employ mental imagery to clarify the idea that consumers have on the service.

A clearer idea of the service reduces the perception of risk, leading to a less complex evaluation during the pre-purchase phase. However, the fact that consumers can have a clearer idea of the service does not automatically imply a higher intention to buy. In order to test this relation, Stafford (1996) studied the effectiveness of print advertising strategy for services. The author conducted some experiments based on the theory elaborated by Berry and Clark (1986) on how to increase the perception of tangibility relative to a service through communication. Stafford elaborated print ads composed by both visual tangible cues -i.e. a physical representation of tangibles that are parts of the service-, and verbal tangible cues -i.e. facts or figures to communicate the value or quality of the service-. The results suggested a clear effect of verbal tangible cues on attitudes, intention, and recall, while the visual tangible cues did not produce significant effects. The author stressed how tangible information can contribute to increase the consumer's knowledge and understanding of the service, which lead to a higher comfort level, and, in turn, into a better attitude and higher intention to buy.

The fact that an easier and clearer representation of something that is typically intangible and variable (i.e. heterogeneous; Iacobucci, 1992) increases the consumer confidence, and somehow changes its attitude and behaviour toward it, proves that tangibility potentially can affect consumer behaviour. Of course, nothing is said about a more ethical decision making process or a higher sense of moral identity. However, even just a more favourable intention toward the service may increase the consumer's interest in the successful provision of the service. Indeed, as some authors have argued (Bitner et al. 1997, p. 193), "in many services customers themselves have vital roles to play in creating service outcomes and ultimately enhancing or detracting from their own satisfaction and the value received". Also Zeithaml (1981) stated that, because of the inseparability of production and consumption, consumers participate in the production of the service, affecting its performance and quality.

Bitner et al. (1997) deeply studied the consumer participation on the service provision. They stressed the importance of communicating to the customer what the organisation is expecting from him.

The authors recognised three level of customer participation in the service production. The first is the *low level*, where the production of the service only requires the customer's physical presence (e.g. a concert). The second is the *moderate level*, where some consumer inputs are required to perform the service (e.g. tax consultancy). The third is the *high level*, where the customer has essential production roles that affects the outcome of the service (e.g. personal fitness).

Then, for each level of participation, customers can play three main roles non-mutually exclusive. The first role involves the customer as a *production resource*, i.e. customers provide inputs whose quantity and quality impact on the productivity and the quality of the outcome (e.g. the health care: the diagnosis is accurate if the patient provides precise information in time). The second role involves the customer as a *contributor of quality, satisfaction, and value*, i.e. the customer is required to perform an activity, which, if not fulfilled, does not allow the service to be satisfactory (e.g. a program for weight loss). The third role involves the customer as a *competitor*, i.e. the consumer faces the dilemma of whether to produce the service himself, or ask an expert (e.g. a firm) to provide the service (e.g. the car maintenance: assuming an individual has the skills required, he can perform some activities of car repairing by himself, and ask a firm to provide some more complicated activities).

The model presented here is useful for firms to understand what is the role expected by its customers. Moreover, it has been proved (Faranda, 1994) that providing customers with the information about what is expected by them and the appropriate participatory behaviour, allows clients to better define the expectation of the final outcome. This leads to the perception of personal control over the service provision, and, eventually, higher satisfaction.

In conclusion, tangibility positively affects the perception of the consumer toward typically intangible offerings as services. Indeed, the findings presented above have found wide application in the marketing field. Though, the effects of tangibility go beyond the exchange setting, and influence much deeper aspects of the individual psychology. In the following sub-section, we will provide some interesting contributions on the topic.

3.3.2 Tangibility in psychology

Tangibility is argued to have a direct effect on how individuals perceive psychologically distant an object, person, event, etc. The deep explanation of this phaenomenon is provided by Trope and Liberman (2010) in their work on the Construal-level theory (from now on CLT) and its relation with psychological distance.

CLT suggests that individuals can only experience the self, here and now. In order to transcend the situation that they are experiencing, and think about something psychologically distant (e.g. a situation in the past, a prediction of the future, imagine a person), individuals form abstract mental construals. The theory predicts that there are two main levels of mental construal: *high-level construal* and *low-level construal*.

High-level construals are defined as "relatively abstract, coherent, and superordinate mental representations". In order to move from a concrete representation of an object to an abstract one, all the incidental features are omitted, and only the central features are retained. For example, when forming a high-level construal of a mobile phone, features like colour, dimension, or technical specificities will be omitted, while the function as "communication devise" will be retained. The central futures retained in a high-level construal depend on the core characteristic that an individual want to communicate with respect to that object, event, person, etc. For example, the activity "playing ball" can be construed either as "exercising", if the focus is on the activity as a sport, or as "having fun", if the focus is on the activity as a way to enjoy free time.

On the other hand, a low-level construal is formed by representing or describing an object with concrete and detailed features that would be otherwise omitted in a high-level construal. Hence, if we describe a mobile phone not just with its function of "communication devise", but with the incidental features and details, the idea of mobile phone will become more concrete.

The complementary component of the theory is the *psychological distance*. This construct is composed by four dimensions: spatial distance, temporal distance, social distance, and hypotheticality.

The CLT suggests that people use increasingly higher levels of construal to represent an object that they perceive as psychologically distant. This is explained by the

fact that high-level construals are said to remain unchanged whatever is the individual psychological distance to the object. According to this relationship of dependence, the psychological distance affects the level of construal used to represent a specific element. Though, the authors suggest that also the opposite direction of influence occurs. Specifically, the level of construal affects the perception of psychological distance to the object. It is argued that "because high-level construals are more general, they bring to mind more distal instantiations of objects" (Trope, Liberman, 2010, p. 442). For example, being more generic in the description of an activity, brings to mind a hypothetic activity happening in a distant moment (past or future), in a place far away, and with socially distant people. This bi-directional relationship suggests that the different levels of construal serve to expand and contract one's mental horizons.

The concepts presented above can be valid also when manipulating the tangibility/intangibility of the services. If the same service is described both using a high-level construal –relatively abstract, intangible- and a low-level construal language –relatively concrete, tangible-, individuals should be able to perceive the low-level construal description as closer to the self, here and now, than a high-level construal description.

Also, reducing the psychological distance that an individual perceives relative to a service, may change the attitude of the individual toward the service. Jones (1991) proposed that ethical decision making is issue-contingent, which means that individuals react to moral issues according to the moral intensity of the issue itself (see section 2.2). The issue-contingent model states that the moral intensity of an issue is expected to increase if there is an increase in any one or more of the six components. In turn, the increase in the moral intensity of an issue triggers the individual toward a more ethical behaviour.

We can identify an interesting parallelism between the four dimensions of psychological distance –spatial distance, social distance, temporal distance and hypotheticality-, and four of the six dimensions of the moral intensity, i.e. proximity (involving both a social and a physical dimension), temporal immediacy, and the probability of effect. Given these similarities, it may be interesting to verify whether a more concrete description of an issue would lead to a more ethical behaviour. On the

basis of the theories presented above, higher concreteness would indeed reduce psychological distance, which in turn may increase the moral intensity of an issue and the related ethical behaviour. For example, stressing some details of a service provision may reduce the individual perception of spatial distance. This would lead to higher perception of proximity, a consequential increase in moral intensity and, lastly, in a moral behaviour. Hence, an easy action like adding some tangible cues in describing a service may lead to an effect that would not be otherwise reached through, for example, legal sanctions.

The hypothesis presented here is out of the scope of this research. The study would require a manipulation of the description or advertising of a service. The research method would involve researches on the linguist model and advertising theories used to manipulate the description. Instead, our research wants to verify whether a perception of tangibility of goods and services improve the morality of behaviour, without involving linguistic tricks and subtle cues apart from stimulation a perception of simplicity/complexity and specificity/generality.

Apart from the theories related to the moral intensity of the issue itself, we have to stress the role of tangibility/intangibility for the activation of a moral identity (see section 2.3). Different studies proved that individual moral behaviour can be activated through the design of a communication strategy that directs the attention to the self. An important empirical contribution to this idea (Goldstein et al. 2008) demonstrated the positive effect in the use of descriptive norms employed in an environmental conservation program. Specifically, the study aimed at investigating whether an abstract or concrete message was more useful in triggering the reuse of towels in hotel rooms. The experiment conducted involved the design of two different messages: the first one was a simple invitation to respect the environment with no descriptive norms. The second message was more concrete, providing descriptive behavioural norms and informing guests that other people participated in that environment protection program. The results demonstrated that the message conveying descriptive behavioural norms was the one yielding the better results.

Other researches from Shu et al. (2012) proved that even small changes in particular activities can actually positively influence the behaviour of the individual. Specifically, they demonstrated that requiring the signature at the beginning –instead of at

the end- of a document increases the attention toward ethics in the moment when most needed. This translated into a more honest report of the information.

In conclusion, tangibility has been proved to affect the individual psychology under many aspects. These findings were applied in the marketing field to increase the willingness to purchase and improve the attitude toward intangible offerings, such as services. Also, tangibility has been proved to positively affect behaviour by manipulating situational factors (Goldstein et al., 2008; Shu et al. 2012).

With the theoretical basis on the nature and effects of the tangibility/intangibility dimension, we are ready to develop our hypotheses.

3.4 The hypotheses

In this chapter we first presented an effective and empirical classification of goods and services. Iacobucci (1992) verified some theoretical assumptions and confirmed that services are more intangible, complex, and heterogeneous than most goods. On average, the more a service was considered intangible, the more it was considered as complex. Also, the more a service was considered intangible, the more it was also considered heterogeneous.

Second, we analysed the dimension of tangibility/intangibility and supported the theory that it is a complex multi-dimensional construct (Laroche et al., 2001). The same element can be perceived tangible/intangible from a physical point of view (palpability), from a mental (clearness) point of view, and more or less general (specificity of the idea we have on the element).

Third, we discovered that tangibility has notable effects in the marketing environment and the psychological environment. Due to their intangible nature, services are perceived as riskier and less easy to evaluate in terms of quality than physical tangible products. This explains the tendency of firms in increasing the tangibility of their offerings in order to increase the consumer willingness to purchase. On the other hand, psychology tries to stress the relevance of specific cues related to an issue so to stimulate the individual adoption of a more ethical behaviour.

Here, we merge the concepts presented above and we enter into an unexplored field. We believe that intangibility may relax the perception of unethical behaviour. That

is, when an offering involved in a specific unethical action is relatively more intangible than a similar offering, an individual may perceive that action as more ethically acceptable to some extent. We also believe that the higher tangibility of an offering prompts the individual to pay more attention toward some ethical standards and its moral identity. As it has been shown in the first chapter, individuals judge worse stealing a candy bar in a shop than pirating software, even though the software is much more expensive and the action creates much more damages to the firm (Cheng et al., 1997; Seale et al., 1998). In the same way, un unethical behaviour toward an intangible, complex and generic good may lead the individual to perceive that he is not actually behaving that bad. In some circumstances, vaguer cues allow a higher categorisation malleability of specific actions (Mazar, Amir & Ariely, 2008), and intangibility may lead to similar effect.

In conclusion, through this study we want to verify whether the same unethical behaviour is perceived as more acceptable (to some extent) when the good involved is described as more intangible. Therefore, our hypothesis is

Hypothesis: The same unethical behaviour is perceived more acceptable when the good involved is described in more intangible terms.

Two considerations are required, one refers to the substance and the other one on the form of our hypothesis.

With respect to the substance, we want to specify that this research represents only a first attempt to provide some insights in an unexplored field. This explains the generality of our hypothesis. Before developing more specific questions, we aim at testing the existence of some possible effects provoked by the intangibility on the unethical behaviour.

With respect to the form, we aim at stressing that we are not evaluating a direct intention to behave more or less ethically. Instead, this research aims at evaluating how individuals perceive a specific unethical behaviour already performed by a third person. This choice has two explanations. The first is that evaluating whether tangibility (intangibility) reduces (increases) the willingness to behave unethically

is a step forward in this field. As an initial attempt, we focus on the individual perception of acceptability of an unethical action. The second explanation is about the measurement. Indeed, several academics (Fukukawa, 2002; Mitchell & Ka Lu Chan, 2002) adopted an indirect system to measure how much individuals consider several unethical behaviours as acceptable. Fukukawa justified this measurement choice with the intention to avoid the *social desirability bias*, i.e. the tendency of respondents to answer in a socially desirable manner to maintain a positive self-image (see section 1.1 for researches on acceptability of unethical actions).

In the following chapter we present our experiments and the results.

Chapter 4 - RESEARCH MODEL

In Chapter 3 we developed the hypothesis that the acceptability toward the same unethical behaviour increases the more the offering is intangible.

To test our hypotheses, we developed two experiments. The first one is a Pre-test used to identify an offering mostly considered as a product, and an offering mostly considered as a service. The objective was to involve two offerings whose level of tangibility/intangibility could be manipulated easily. The second experiment is the Study used to verify our hypothesis, involving the product and the service identified in the Pre-test. In order to ensure full understanding, experiments are performed in Italian language, but here we provide the English translation. In the Appendix of this research we provide the original versions.

4.1 The Pre-test

With the pre-test we identified the two offerings that were used in the central Study. This experiment draws from Iacobucci's 1992 theoretical contribution. In her study, the author grouped 48 stimuli, and asked participants to rate how much they perceived each stimulus to be mostly a product or mostly a service. She used a 7-point Likert rating scale, where 1 was associated to "product" and 7 was associated to "service". Once the stimuli had been rated, the author listed them from the one mostly considered as a product to the one mostly considered as a service. Any following study conducted by Iacobucci kept the same order of the stimuli, so to make the results comparable.

In our Pre-test, we grouped 18 random offerings –some of them where directly taken from the Iacobucci's study-. Then, we asked participants to judge whether they perceived each offering as either a product or a service. We decided not to apply the 7-point Likert scale used by Iacobucci. The reason is that using a Likert scale involves variability in the ratings, and this increases complexity in the selection of the two offerings. Instead, we needed to pick an offering that a high percentage of respondents perceived as a product, and an offering that a high percentage of respondents perceived as a service. Hence, we preferred a dichotomous classification method (i.e. the offering is judged either as a product or a service).

4.1.1 Method

Sample. The sample consisted of 58 individuals randomly selected through the use of social networks. They were composed of 27 males and 31 females, and averaged 26.28 years old (SD = 8.57).

Procedure. The online survey involved 18 stimuli (i.e. offerings). Some of the stimuli selected were copied from the research of Iacobucci (1992), other stimuli were included randomly in order to involve more current offerings. For each stimulus, respondents had to answer whether they perceived it as a product or a service. We stress again that we used a dichotomous answer because we were interested in selecting only two stimuli labelled in the same way by most of the respondents. We aimed not at ordering offerings from the one most unanimously judged as a product to the one most unanimously judged as a service.

The stimuli presented to participants were (in the following order): wardrobe, washing-machine, business consultancy, working formal suit, silver necklace, annual cinema ticket, vacation package, photographic portrait, 15-inches TV, six-months gym subscription, tennis lessons, 125cc moped, domestic restructuring works, gardening works, house-cleaning, annual subscription to a magazine, 10 beauty treatments, Notebook Intel 12.

4.1.2 Results and discussion

The results shown that 100 per cent of participants labelled the "working formal suit", the "silver necklace" and the "Notebook Intel 12" as products, and the "business consultancy" as a service. The complete results are shown in Table 1, were we present how many respondents (in absolute and percentage terms) labelled each offering as either a product or a service.

Table 1
Pre-test: labelling of 18 stimuli as either products or services
Total respondents: 58

Stimuli	Product	Service	Product (%)	Service (%)
Working formal dress	58	0	100,00%	0,00%
Silver necklace	58	0	100,00%	0,00%
Notebook Intel 12	58	0	100,00%	0,00%
Wardrobe	57	1	98,28%	1,72%
15-inches TV	56	2	96,55%	3,45%
125cc moped	56	2	96,55%	3,45%
Washing-machine	53	5	91,38%	8,62%
Photographic portrait	44	14	75,86%	24,14%
Vacation package	31	27	53,45%	46,55%
Annual cinema ticket	30	28	51,72%	48,28%
10 beauty treatments	24	34	41,38%	58,62%
Annual cinema ticket	22	36	37,93%	62,07%
Six-months gym subscription	20	38	34,48%	65,52%
Tennis lessons	13	45	22,41%	77,59%
Domestic restricting works	5	53	8,62%	91,38%
Gardening works	3	55	5,17%	94,83%
House-cleaning	1	57	1,72%	98,28%
Business consultancy	0	58	0,00%	100,00%

Once the answers have been analysed, we selected two offerings for the second experiment, i.e. the central Study. We chose two stimuli at (or close to) the extreme ends of the list: the "Notebook Intel 12" as the product, and the "Tennis lessons" as the service. The choice was based on an evaluation of how to increase the perception of tangibility/intangibility through the manipulation of the description of the two stimuli. In the following section we present the central Study.

4.2 The Study

The objective of our central Study was to test the hypothesis developed in Chapter 3, involving the two offerings identified in the Pre-test as input.

First of all, as explained in the development of the hypothesis, instead of evaluating the behavioural intention of the individual, we measured the extent to which the individual perceived that a third person was behaving ethically or unethically. This is justified by our intention to avoid the so-called *social desirability bias*. Fukukawa (2002) stressed that often respondents describe their behaviour as socially acceptable, and this makes self-report questionable. The author also stresses that indirect questioning is a common method when investigating socially sensitive issues.

The experiment draws from two main stream of theory: the studies on ethical and unethical behaviour, and the studies on the role of tangibility on the individual (and consumer) psychology.

On the one hand, we have the degree of acceptability of an unethical behaviour. Several academics analysed the extent to which individuals perceive third-people's actions as acceptable. Fukukawa (2002) investigated whether individuals perceived specific actions as either acceptable or unacceptable in a dichotomous manner. Instead, other researchers applied a Likert scale in order to get different degrees of acceptability. For example, Mitchell and Ka Lu Chan (2002) asked participants to rate on a 5-point Likert scale the extent to which they perceived specific actions as "extremely wrong" (= 1) to "extremely NOT wrong" (= 5). We decided to apply the same pattern of Mitchell and Ka Lu Chan's experiment to evaluate the perception of the action both as good vs bad and as non-ethical vs ethical.

On the other hand, we involved the tangibility/intangibility dimension to design six different scenarios which lie on a tangibility-intangibility continuum. To design the descriptions of the offerings in a way that could stimulate the perception of tangibility (or intangibility) we exploited both the empirical research of Iacobucci (1992), and the theoretical contribution of Laroche et al (2001, 2003). The Iacobucci's findings showed that services are perceived as more complex than goods, and that simplicity is positively correlated with tangibility. Laroche et al. suggested that tangibility increases the less specific (and more generic) is perceived

a particular offering. Hence, we exploited these two dimensions to push the offerings toward one of the two extremes of the tangibility-intangibility continuum. Finally, in the experiment we combined the two streams of research to test our hypothesis, i.e. whether the acceptability of the unethical behaviour increases with an increasing degree of the intangibility in the scenario. Hence, we had to verify several assumptions. First, we had to check whether respondents actually perceived the expected difference in the six scenario designed. Then, we had to verify whether the intangibility increased the degree of acceptability of the unethical action.

4.2.1 Method

Sample. The sample consisted of 183 individuals randomly selected through the use of social networks. They were composed of 89 males and 94 females, and averaged 26.97 years old (SD = 10.102). All the respondents completed an online survey.

Procedure. The online survey was structured as follows.

First, respondents were provided with the description of a situation in which a third person committed an unethical behaviour. The description is the following:

Giorgio bought a good at the price of € 1000,00 and decided to pay in instalments. After the payment of some instalments, he decided to quit the payment, declaring its intention of not paying any more.

Below, you will read the description of the good he bought and that he did not pay.

Once respondents read the description of the unethical action, the online questionnaire randomly provided them with one out of six different scenarios. Three scenarios involved the product "Notebook Intel 12", the other three scenarios involved the service "Tennis lessons". The three scenarios for each good varied according to the degree of tangibility/intangibility with which the goods were described.

The idea was to start with a control group for each good, i.e. a neutral description in which only the name of the good was provided (i.e. "Notebook Intel 12" or "Tennis lessons") and measure the perception of ethicality of the action relative to these neutral descriptions. Each control group was manipulated twice: the first time to increase its tangibility, the second time to increase its intangibility. Through this

double manipulation for each control group, we ended up with a total of six different scenarios: two neutral control groups, two tangible descriptions, and two intangible descriptions. The goal was to measure how the perception of ethicality would have changed when a neutral product and a neutral service was described as tangible or intangible.

In order to manipulate the perception of tangibility/intangibility, we exploited the theoretical contribution provided in Chapter 3. In particular, we considered the concept that services are perceived as more intangible and complex than physical products (Iacobucci, 1992), and the concept that higher intangibility is related to a more generic perception of the offering considered (Laroche et al. 2001). Therefore, on the one hand, the tangible manipulation for both goods involved the characteristics of *simplicity* and *specificity*. On the other hand, the intangible manipulation for both goods involved the characteristics of *complexity* and *generality*.

Once respondents (randomly) read one out of the six different descriptions of the good not paid by Giorgio, we asked them to provide rate the acceptability of the action.

First, they had to rate on a 7-point Likert scale the extent to which they perceived the action of Giorgio as unethical, from 1 "Very unethical" to 7 "Not at all unethical". (Please, note that the original Likert scale was the opposite of the one just described. We had to reverse the rating scale to adapt it to the statistical program used to analyse the data. Hence, the original rating scale ranged from 1 "Not at all unethical" to 7 "Very unethical").

Second, they had to rate on a 7-point Likert scale the extent to which they perceived as abstract/concrete the good described, from 1 "Extremely abstract" to 7 "Extremely concrete". Finally, they had to state whether they perceived the good described as either a product or a service.


4.2.2 Results and discussion

Through our central Study we verified whether the same unethical behaviour was perceived as more or less acceptable when the good involved was described by higher tangibility or intangibility. Six difference scenarios, three for each good -

control group neutral scenario, tangible scenario, intangible scenario- were randomly provided to respondents. Hence we obtained six different clusters of respondents that rated the extent to which they perceived the behaviour Giorgio as unethical. The data collected have been analysed through a one-way ANOVA. Below we present the salient results.

First of all, the one-way ANOVA proved that the six different descriptions provoked effects on the perception of the degree of ethicality of the action, $F(6, 183) = 4.243, p < .001$. This analysis demonstrated considerable variance between the six different groups, meaning that the respondents from each group answered in quite different ways. The Levene test proved that there was a considerable difference in the variance of the different groups, $F(5, 178) = .408, p < .843$.

Respondents also proved to perceive the differences between the six descriptions provided, i.e. product vs service, and neutral, tangible, intangible description: $F(37, 17.437) = .078, p < .009$. The interaction between the different descriptions and the perception of ethicality proved notable results, $F(2, 183) = 3.898, p < 0,22$; Adjusted R-squared $= .041$. Then, we focused on the effects that each individual scenario provoked on the judgement of ethicality of the action. The average perception of ethicality relative to each scenario are presented in Chart 1.

Chart 1: Average perception of ethicality
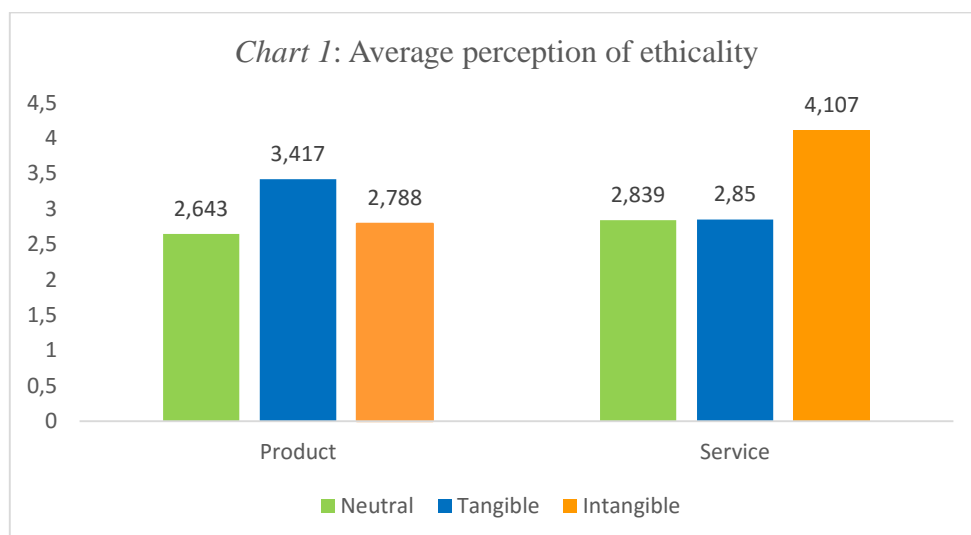
First of all, the control groups led to almost the same level of ethicality perceived, with a slightly higher value for the service (M = 2.839, SD = .335) than the product (M = 2.643, SD = .353). Even though services are perceived as slightly more intangible than goods (Iacobucci, 1992), this result is not enough to state that services lead to a much higher level of acceptability of unethical behaviour.

When the two control group scenarios were increased in terms of tangibility, the effect was very interesting and quite unpredictable. When the product was described more in details with a higher level of tangibility, the action of Giorgio was perceived notably more ethical (M = 3.417, SD = .381) than the neutral scenario with no details. Instead, when the service was described more tangible, only a slight increase in the ethicality perceived was recorded (M = 2.850, SD = .295).

In the intangible scenario, the effects were much more significant. The product described more intangible did not lead to a much higher perception of ethicality of the action, even though a slight increase was recorded (M = 2.788, SD = .325) . Instead, and this represents the most important result for our research, when the service was described as more intangible, there was a significant increase in the perception of ethicality of the action ($M = 4.107, SD = .353$).

We coupled the different scenarios to get more insights on the different average perceptions of ethicality. The scenarios relative to the products and the scenarios relative to the service were compared separately. As already shown, the perception of ethicality in the action relative to the i*ntangible service* recorded significant differences compared to the *neutral service* scenario, p = .010, C. I. (.308, 2.228). notable differences have been recorded also in relation to the *intangible service* relative to the *tangible service*, p = .007, C. I. (.350, 2.164).

In conclusion, we are neither completely satisfied nor completely unsatisfied by these results. On the basis of these results, we can confirm our hypothesis, that is, the perception of ethicality of an action is positively affected by an increasing in the intangibility of the good involved. This is true in both cases, even though the effect of intangibility on the perception of ethicality relative to the product was only slightly pronounced, but still positive, the effect was much more pronounced for the service.

Though, we are not completely satisfied by the results relative to the tangible scenario. The tangible description of the service provoked a slight increase in the perception of ethicality of the action. Instead, the effect was much more pronounced in relation to the tangible description of the product. Even though the former effect is almost negligible, the magnitude of the latter was for sure unexpected.

In the following chapter, we will provide a general discussion about these results, with some considerations about the limitations of the study and some tips for future research.

Chapter 5 – DISCUSSION AND CONCLUSION

In the present chapter we evaluate the outcome of this research. We present the limitations, the managerial implication of what has been discovered, and outline the direction for future research. At the end, we will provide a conclusion.

5.1 General discussion

In this research we hypothesised that the consumer unethical behaviour can be affected by the degree of intangibility of the offering involved. To test this hypothesis, we designed an experiment where respondents were asked to rate the extent to which they perceived an action to be ethical (or unethical). The same action was presented to all respondents, but it could involve either a good (Notebook Intel 12) or a service (Tennis lesson), and one out of three different descriptions: a neutral description (no details, control group), a tangible, and an intangible description. We aimed at verifying that the action is perceived as more ethical when the offering involved is described in more intangible terms.

Consistently with our prediction, the results showed an increase in the perception of ethicality when the good and the service were described in intangible terms –i.e. intangible description-. When the good was described as intangible, the perception of ethicality was only slightly higher than the neutral description. Instead, when the service was described as intangible, the effect on the perception of ethicality was much more pronounced, recording the highest value among all the six different clusters of observations.

Despite these results can be interesting, we are not entirely satisfied by the effect of the tangible description on the perception of ethicality. Indeed, while for the service the perception of ethicality increased only a bit relatively to the neutral description, the tangible description of the product led to a perception of ethicality higher than the neutral and intangible description. This effect was for sure unexpected.

The aim of this discussion is to evaluate whether these results are acceptable or not. If we consider our **formal hypothesis** in strict terms (*the same unethical behaviour is perceived more acceptable when the good involved is described in more intangible terms*), we undoubtedly **accept** it, despite the effect of the tangible product description is not much pronounced. Though, when we contextualise the results in the

general outcome of our study, the role of the intangibility as a driver of perception of ethicality is extremely unclear.

Below, we present the limitations of our research. We believe that they contribute significantly to the unexpected outcome of our study.

5.2 Limitations of the research

Several factors affected the validity of our research. The first limitation is that we are exploring a completely new field of research. So far, no one has tried to merge previous studies and questioned whether the intangibility of the offering could play some role in shaping individual ethical behaviour. Hence, we have drawn from separate contributions without a strong theoretical basis that could somehow guide our research. Without a pathway to follow, we decided to test the most basic assumption, using a method already applied and proved to be effective in measuring the acceptability of actions (Fukukawa, 2002; Mitchell & Ka Lu Chan, 2002).

From the practical standpoint, our research method suffered both in the form and in the substance.

First, the sample of respondents for the Pre-test and the Study was selected randomly through the use of social networks. The rationale for this choice was to collect a heterogeneous large sample, but it still may be not very representative of the whole population. Even though respondents were asked to pass the experiment to their contacts, it is likely that they passed it to respondents similar to themselves and to the starting set in terms of demographic factors. Second, the method itself was not the most effective one to ensure the involvement and attention of respondents. In fact, the analysis of the data proved that respondents were different across the six groups and quite homogeneous within each group. Though, if respondents were given a little incentive (maybe some money), they would have been more favourable to pay more attention to the questions, and this would have produced less noise in the results.

From the substance point of view, we stress once again that we had no direct benchmark to design the most suitable experiment. At least two fundamental limits must be stressed here.

First, having no theoretical basis, we decided to apply the most direct and simple evaluation system, which has been proved to be effective in measuring similar variables in past researches. Of course though, this may not be the right method to test the individual willingness to behave unethically. Even though Fukukawa (2002) stressed the importance of indirect questions to evaluate matters involving the self-perception, other academics (Mazar, Amir & Ariely, 2008; Gino et al. 2011) applied a direct involvement of participants to test the dynamics of moral identity. Hence, it is likely that involving participants in performing specific activities allows a more valid and representative measurement of their real intentions.

Second, and most important, in our research we involved a good and a service, i.e. respectively a Notebook and Tennis lessons. It is worth noting that an average better perception of the unethical action in the case of tennis lessons may be determined by the nature of the offering itself, rather than the degree of intangibility of the description. Usually, who stops paying a service does not perceive he is stealing something: he is just no more interested in being provided that service, and wants to quit. This insight will be recalled in the section on the tips for future research.

5.3 Managerial implications

Despite our results are not completely satisfactory, some considerations can be done about the managerial implications. In particular, we presented in Chapter 3 that in the last decades many researches stressed the importance of tangibility for marketing strategies. Indeed, firms are invited to make their offerings more tangible in order to reduce the consumer perception of risk in the outcome, and to improve the willingness to purchase. Even though our research is only a first attempt in the study of the correlation between intangibility and consumer unethical behaviour, we strongly support the use of tangible cues to increase the effectiveness of marketing strategies. Facilitating individuals in getting a clear idea of the offering they are purchasing, clarifying their expected role during service provision, making complex ideas as simple and straightforward as possible, providing them a specific idea of what they are buying: these are only some of the positive effects that have been proved to facilitate the purchasing decision.

We strongly hope that managers take into account the potential role of intangibility in allowing less ethical actions. Directing attentions and efforts in studying this relationship may provide more insights on the best way to discourage consumers bad actions, which translates into lower costs that the firm will have to bear. For example, imagine that insurance companies start explaining consumers that cheating to get higher payments leads insurance companies to have lower resources to help who is really damaged by serious accidents. Maybe, this simple tangible piece of information would determine many individuals to rethink their dishonest behaviour. Recalling what has been said in the introduction (see section 1.1), many people do not have the perception of the seriousness of their cheating. These are those people who would be more likely to adopt a correct behaviour if they know they are damaging other individuals.

We strongly believe that the topic presented in this research should be explored more deeply, and below we provide some tips for future researches.

5.4 Future research

Our research is only a first attempt to study an unexplored field. We strongly hope that our hypothesis will inspire future research to better measure the potential effect of offerings' intangibility in shaping unethical behaviour.

Above we provided the main implications of our results for marketing studies, stressing that managers should be more aware on the importance of making their offerings more tangible. Though, future researches would provide even more insights in the studies of the drivers of unethical behaviour in the psychology field at large.

First of all, starting from the assumptions we have drown both from the marketing and the psychology field, researches should design a more suitable method to measure the individual intention to behave unethically. Participants should be selected so to have a sample more representative of the population in terms of demographic factors. Also, they should be given some incentives to participate in a collective session of experiments in order to make them more involved and likely to pay higher attention.

In terms of substance, researches should refer to the different factors affecting the perception of tangibility/intangibility of an offering. The studies of Iacobucci (1992) and Laroche et al. (2001, 2003) are a good starting point to unpack the construct of intangibility and trigger some components more than others, and then evaluate their effects.

The future experiments may involve a set of offerings with different degrees of intangibility, and should give participants the possibility to cheat on some of them. In selecting the stimuli (i.e. the offerings), researchers should try to avoid other factors to potentially affect the final results. That is, the individual intention to behave unethically should be mostly determined by the intangibility of the offering. Instead, the purchasing mechanisms characterising the offerings should not affect the results and create noise.

Above all, we hope that our research has shed light on an interesting topic, and should inspire future investigations.

5.5 Conclusions

The aim of this research was to study the effect of the intangibility of an offering on the consumer unethical behaviour.

We started reviewing the literature on unethical behaviour with a specific focus on the consumer side. We provided the definition, the drivers, and some possible remedies to discourage it. We highlighted the concept that unethical behaviour is determined by personality as well as situational factors, the latter at the centre of our analysis.

Then, we stressed how tangibility/intangibility as a situational factor affects the individual in the market and exchange context as well as in the psychology field.

We finally merged the theories in one unique hypothesis. We questioned whether individuals who perceive some offerings as more intangible are more willing to perceive unethical actions as more acceptable.

To test our hypothesis, we first designed a Pre-test to select two offerings: one mostly perceived as a product (physical), and the other mostly perceived as a service (abstract). Then, in the Study, we manipulated the description of both offerings

to get: a neutral description with no further details apart from the name of the offering, one tangible description, and one intangible description. Participants of the experiment received only one out of the six possible scenarios, and an unethical action performed by a third person. Then, they were asked to rate how much they perceived as ethical that action in relation to the description of the offering presented.

Our results revealed that the acceptability of the action increases when an intangible service is involved, and only a bit when an intangible product is involved.

This research can inspire future research on this field. Further results may become very useful in the business setting to limit unethical behaviour and dishonesty. In turn, firms would have to bear lower costs and would be able to better serve their customers, who will be more aware of their decisive role for a successful service provision. Further results will be useful also in the psychology field.

In conclusion, not only this new stream of research may lead to several discoveries, but it would also contribute in providing validity to previous research on the deep nature of the human being.

Appendix

Appendix 1: the original Pre-test (Italian)

Il seguente studio fa parte di una serie di studi e mira a comprendere se vi sono delle differenze percepite tra prodotti o servizi.

Leggerà una lista di referenze. La preghiamo di assegnargli la categoria che ritiene sia la più corretta e che meglio descriva la referenza indicata.

Ti preghiamo di indicare se la referenza centrale è un prodotto o un servizio.

	Prodotto / Servizio
Armadio (arredamento)	
Lavatrice	
Consulenza del Commercialista	
Abito formale da lavoro	
Collier d'argento	
Abbonamento annuale al cinema	
Pacchetto Vacanza	
Ritratto Fotografico	
TV 15 pollici	
Abbonamento semestrale in palestra	
Lezione di Tennis	
Motore 125cc biposto	
Lavori di ritrutturazione domestica	
Lavori di giardinaggio	
Pulizia di ambienti domestici affidati a terzi	
Abbonamento annuale ad una rivista	
10 trattamenti di bellezza	
Computer portatile con sistema Intel 12	

Giorgio ha acquistato un bene del valore di 1000 euro e ha deciso di pagarlo a rate. Dopo qualche rata ha smesso di pagare dichiarando di non voler più pagare nemmeno in futuro.

Di seguito leggerai la descrizione del bene acquistato e che non è stato pagato.

(Descriptions: respondents randomly got only one of them)

Description	*Product*	*Service*
Neutral	Un computer con sistema Intel 12.	Un corso di tennis.
Tangible	Il personal computer con sistema Intel 12 permette di essere utilizzato per attività professionali. Il personal computer ha delle installazioni standardizzate con programmi basilari e semplici. Tutte le installazioni e programmi non seguono un programma di personalizzazione ma vengono adattate alle esigenze della categoria professionale. Per utilizzare questo personal computer non è necessario avere molto competenze tecniche.	Il corso di tennis del circolo prevede lezioni per professionisti. Il maestro eroga delle lezioni standardizzate e insegna movimenti basilari e semplici dando molta importanza all'allenamento fisico. Tutte le lezioni seguono un programma predefinito e vengono adattate alle esigenze generali dei partecipanti. Per frequentare queste lezioni non è necessario avere molto competenze tecniche.
Intangible	Il personal computer sistema Intel 12 permette di essere utilizzato per attività professionali. Il personal computer ha delle installazioni individuali con programmi avanzati e complessi. Tutte le installazioni e programmi seguono un programma di personalizzazione e vengono adattate alle esigenze personali. Per utilizzare è necessario avere molto competenze tecniche.	Il corso di tennis del circolo prevede lezioni per professionisti. Il maestro eroga delle lezioni personalizzate e insegna movimenti avanzati e complessi dando molta importanza all'allenamento psicologico. Tutte le lezioni non seguono un programma predefinito e vengono adattate alle esigenze singole dei partecipanti. Per frequentare queste lezioni è necessario avere molto competenze tecniche.

Dependent variable - perception of ethicality:

In quale misura reputa l'azione di Giorgio come negativa o positiva?

1 (Per niente positiva)	2	3	4	5	6	7 (Molto positiva)

In quale misura reputa l'azione di Giorgio come scorretta e non etica?

1 (Per niente scorretta)	2	3	4	5	6	7 (Molto scorretta)

[Note: The Likert scale's results have been reversed during the analysis, i.e. 1 referred to "Very unethical", and 7 referred to "Not at all unethical"]

Manipulation check:

Il bene acquistato è

1 (Estremamente astratto)	2	3	4	5	6	7 (Estremamente concreto)
1 (Estremamente semplice)			"			7 (Estremamente complesso)
1 (Estremamente generico)			"			7 (Estremamente specific)
1 (Per niente importante)			"			7 (Molto importante)
Un prodotto			Un servizio			

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