Universidade do Minho
Escola de Economia e Gestão

Marco Edgar Sousa Escadas

From Sufficient to Necessary: The Integrated Role of Emotions on Consumer Ethical Decision Making

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From Sufficient to Necessary: The Integrated Role of Emotions on Consumer Ethical Decision Making

Doctoral Thesis in Marketing and Strategy

Thesis conducted under the supervision of
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April, 2020

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ACKNOWLEDGEMENTS

E chegamos ao fim. Aqui impresso na ordem inversa. Escrevo na língua de Camões para garantir que todos aqueles que aqui faço questão de enunciar o recebem e sentem. Termino com este texto uma das mais importantes e marcantes caminhadas da minha vida. Algumas pessoas terão "aprendido" o que foi chegar até aqui e o que isso representa para mim. Por este motivo, quero aqui expressar a minha gratidão a quem, de uma forma ou de outra, tornou este sonho possível.

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A cada um, a minha Eterna Gratidão.

STATEMENT OF INTEGRITY

I hereby declare having conducted this thesis with integrity. I confirm that I have not used plagiarism or any form of undue use of information or falsification of results along the process leading to its elaboration.

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TITLE AND ABSTRACT

Title: From Sufficient to Necessary: The Integrated Role of Emotions on Consumer Ethical Decision Making.

Abstract:

Over the last decades scholars and professionals from a variety of academic backgrounds, have revealed an increasing interest in analysing and explaining ethical decision making. Indeed, ethical decisions are not only some of the most serious, complex and difficult decisions that individuals make, but also an imperative economic and social issue all around the globe. When applied to the consumer context, understanding why individuals think, decide and act ethically – or unethically – remains one of the most relevant and fascinating topics in the current marketing research agenda, in a bid to deepen our understanding of how ethical decisions are formed and why individuals sometimes behave ethically and other times do not. Despite the significant conceptual and empirical advances in consumer ethics attempting to find answers to these questions, relatively little is known about the intuitive, automatic and often unconscious side of consumer ethical decisions. This research aims to fill this gap by examining the integrated role of emotions on consumer ethical decision making. This refers to both positive and negative emotions; individual and valence-based ones; anticipated emotions and those being experienced "right now"; as antecedents and outcomes; and as sufficient and necessary to consumer ethical decisions. Five different studies involving over 1.100 individuals in total were carried out – two using qualitative methods and three using quantitative approaches – and the findings assign a central role to emotions in explaining and predicting consumer ethics. The main results show that, more than sufficient, emotions are necessary to consumer ethical decisions and behaviours. Furthermore, when anticipated, negative emotions exert a higher influence on consumer ethical judgments and actions than positive ones, such that ethically favourable decisions emerge to prevent the experience of negative emotions in the future. On the other hand, when evaluated at the time of decision making, it is positive emotions that are the most significant predictor of consumer ethical decisions, which, in turn, favour positive post-decision emotions – thus creating a "virtuous ethical cycle". These contributions are relevant for academics, managers and policy makers looking to develop more effective marketing efforts – whole campaigns and/or communication messages – to promote ethical consumer behaviours and prevent unethical choices. Rather than getting individuals to "think now and ahead", the effort of marketing professionals should be to get them to "feel now and ahead". This can be very useful, for instance, when promoting consumer ethical behaviours in the social, economic and environmental domains.

Keywords: Consumer Ethics; Emotions; Ethical Decision Making; Happiness; Necessary Condition Analysis.

TÍTULO E RESUMO

Título: De Suficiente a Necessário: O Papel Integrado das Emoções na Tomada de Decisão Ética do Consumidor.

Resumo:

Nas últimas décadas académicos e profissionais, de diversas áreas científicas, têm revelado um interesse crescente em analisar e explicar a tomada de decisão ética. De facto, as decisões éticas não são apenas algumas das decisões mais sérias, complexas e difíceis que os indivíduos tomam, como também uma questão económica e social fundamental à escala global. Quando aplicada ao contexto do consumidor, entender por que as pessoas pensam, decidem e agem de forma ética - ou não ética - continua a ser um dos tópicos mais relevantes e fascinantes da agenda atual da investigação de marketing, numa tentativa de aprofundar a nossa compreensão de como as decisões éticas são formadas e porque é que os indivíduos por vezes se comportam de forma ética e outras vezes não. Apesar dos significativos avanços conceptuais e empíricos na área da ética do consumidor procurando encontrar respostas para estas questões, relativamente pouco se sabe sobre o lado intuitivo, automático e muitas vezes não consciente das decisões éticas do consumidor. Esta investigação pretende preencher esta lacuna examinando o papel integrado das emoções na tomada de decisão ética do consumidor. Isto refere-se a emoções positivas e negativas; individuais e com base na sua valência; antecipadas e experienciadas "agora"; enquanto antecedentes e resultados; e enquanto suficientes e necessárias a decisões éticas do consumidor. Foram realizados cinco estudos distintos, envolvendo mais de 1.100 indivíduos no total - dois estudos utilizando métodos qualitativos e três estudos utilizando metodologias quantitativas - e os resultados atribuem um papel central às emoções na explicação e previsão da ética do consumidor. Os principais resultados mostram que, mais do que suficientes, as emoções são necessárias para decisões e comportamentos éticos do consumidor. Além disso, quando antecipadas, as emoções negativas exercem uma maior influência sobre os julgamentos e ações éticas dos consumidores do que as emoções positivas, de modo que decisões eticamente corretas surgem no sentido de evitar sentir emoções negativas no futuro. Mas quando avaliadas no momento, sentidas no "agora", as emoções positivas são o preditor mais significativo das decisões éticas dos consumidores, as quais, por sua vez, favorecem emoções positivas pós-decisão – originando um "ciclo ético virtuoso". Estes contributos são relevantes para académicos, gestores e profissionais responsáveis pela formulação de políticas que procuram desenvolver esforços de marketing mais eficazes – campanhas integradas e/ou mensagens de comunicação – com vista à promoção de comportamentos éticos do consumidor e à prevenção de escolhas não éticas. Em vez de fazer com que as pessoas "pensem agora e no futuro", os esforços dos profissionais de marketing deverão procurar fazer com que elas "sintam agora e no futuro". Isto poderá ser muito útil, por exemplo, ao promover comportamentos éticos dos consumidores nos domínios social, económico e ambiental.

Palavras-Chave: Análise de Condição Necessária; Emoções; Ética do Consumidor; Felicidade; Tomada de Decisão Ética.

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LIST OF ABBREVIATIONS

Adj. R sq.	Adjusted R-squared
AMOS	Analysis of Moment Structures (Software for Statistical Analysis)
AVE	Average Variance Extracted
β	Regression Coefficient
CE-FDH	Ceiling Envelopment – Free Disposal Hull
CFI	Comparative Fit Index
CIT	Critical Incident Technique
CR-FDH	Ceiling Regression – Free Disposal Hull
d	Necessary Condition Effect Size
df	Degrees of Freedom
EDM	Ethical Decision Making
EEG	Electroencephalography
fMRI	Functional Magnetic Resonance Imaging
GFI	Goodness of Fit
NAM	Norm Activation Model
NCA	Necessary Condition Analysis
NFI	Normed Fit Index
NN	Not Necessary
p	Statistical Level of Significance
r	Pearson Correlation
R sq.	R-squared
RMSEA	Root Mean Square Error of Approximation
SCR	Scale Composite Reliability
SD	Standard Deviation
SE	Standard Error
SEM	Structural Equation Modelling
TLI	Tucker Lewis Index
VIF	Variance Inflation Factor
VMPFC	Ventromedial Prefrontal Cortex

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"When dealing with people, remember you are not dealing with creatures of logic, but with creatures of emotion."

Dale Carnegie (1888–1955)
American Writer and Lecturer

À Energia da Maria Luísa,

Ao Sorriso da Francisca,

À Sabedoria do Meu Avô.

FOREWORD

The present thesis is submitted as part of the Ph.D. Programme in Marketing and Strategy, a joint programme offered by the Universities of Minho, Aveiro and Beira Interior, Portugal. The doctoral dissertations in this Programme can be presented in a traditional thesis structure or through an article-based structure. In this case, the latter was chosen, and the current thesis encompasses an article-based structure, combining five different articles.

This research explores the relationship between emotions and consumer ethical decision making, linking Marketing Science and Ethical Decision Making. We started from the broad area of study known as Ethics, which, despite its many nuances, refers to "the study of the general nature of morals and of the specific moral choices to be made by a person, according a set of rules or standards governing the right conduct" (The American Heritage Dictionary, 2020). Ethics has to do with one's moral behaviour with respect to society (Fischer, 2004), and most people would agree that both businesses and individuals must conform to sound moral principles to build a fairer and more balanced economic and social world (Fraedrich, Ferrell, & Ferrell, 2013).

From ethics, we can moved to Business Ethics, a subfield of ethics that refers to "the examination and application of moral standards [principles and values] within the context of business" (Sauser, 2005: 346). Most contributions in the business ethics area have focused on firms or the organizational domain (Singh, Garg, Govind, & Vitell, 2018); but consumer ethics emerged, in the later part of the twentieth century, as a new field of inquiry aimed at analysing "the moral principles and standards that guide [consumer decisions and] behaviour" (Muncy & Vitell, 1992: 298). Within this field, this research focuses on consumer ethical decision making, which can be described as the "process by which individuals [consumers] use their moral base to determine whether a certain issue is right or wrong" (Carlson, Kacmar, & Wadsworth, 2009: 536). Indeed, a deeper understanding of how consumers make decisions involving ethical content is essential to explaining why they sometimes behave ethically and other times do not, as well to providing relevant managerial insights for the development of strategies to encourage ethical consumer behaviours.

The thesis is structured as follows. The next section (Chapter 1) presents the general research background, as well as the research problem and questions, the expected contributions and the methodological approach followed. Then the five articles are presented, which focus on: two exploratory qualitative studies about consumer decisions involving ethically questionable behaviours and the variables that most influence those decisions (Chapter 2); a comparison of some of the most significant antecedents of consumer ethical decision making (Chapter 3); the influence of anticipated emotions (Chapter 4) and both pre-decision emotions and post-decision emotions on consumer ethical decision making (Chapter 5); and the necessary-but-not-sufficient relationship between emotions and consumer ethical decisions (Chapter 6). The final section (Chapter 7) presents the main conclusions of the whole research, the theoretical and managerial contributions, and the main limitations and suggestions for further research.

A final note about the terminology used. In the General Introduction and in the General Conclusion, the term "research" is used to refer to the whole research conducted in this thesis; and the term "study" is used to refer to each specific study conducted, which together form the present thesis.

CHAPTER 1 GENERAL INTRODUCTION

1.1. RESEARCH BACKGROUND

The last decades have witnessed an ever-growing research interest in the field of ethics and, in particular, in analysing and explaining ethical decision making. Ethical decisions involve uncertainty and confliction (Mathieson, 2007), and as such are often some of the most serious, complex and difficult decisions that individuals make (Guzak, 2015). Different sciences have embraced this topic – from neuroscience to philosophy, from psychology to business (Schwartz, 2016) – and afforded an intriguing research journey combining several interdisciplinary contributions and diverse research methodologies (Robertson, Voegtlin, & Maak, 2017). However, cumulative knowledge aimed at explaining and predicting ethical decision making is still limited; so understanding how ethical decisions are formed and why individuals sometimes behave ethically and other times do not, are still prominent research questions that science in general, and marketing in particular, are eager to answer.

Ethical decision making is central to everyday human life (Heekeren et al., 2005). Ethics refers to "a belief system [of norms and values] which guides [our] moral judgments and actions" in a community (Schlegelmilch, 1998: 7). Ethical decision making deals with the "evaluation of the actions of another agent or our own actions made with respect to these norms and values" (Heekeren et al., 2005: 887) to determine whether a certain issue is right or wrong (Carlson et al., 2009). Therefore, ethics and ethical decision making has to do with one's moral behaviour with respect to others and to society (Fischer, 2004), shaping our social conduct (Damasio, 1994) and defining our cultural development as humans (Damasio, 2018).

Initial developments describing moral reasoning date back to the contributions of Kohlberg (1969), who proposed a developmental model and suggested that ethical decision making is primarily a result of a conscious, sequential and deliberate reasoning process. Kohlberg (1969, 1976) stated that it is the individual – not society – who differentiates and chooses between the rightness and wrongness of an issue through a process of moral reasoning, and emphasized the role of cognition in this process of moral development. Further, the theory of cognitive moral development proposed by the author suggested that, in a moral judgment, an individual passes through three sequential levels of moral development, one-by-one: *the pre-conventional level* – in which individuals develop their moral judgments based on an egoistic orientation toward their personal interests; *the conventional level* – where individuals adhere to the conventions held by a group that shares common interests; and *the principled level* – in which the judgment about what is right and wrong is made on the basis of a person's highly internalized moral principles and with a strong sense of self-awareness and respect for the individual (Kohlberg, 1969, 1976).

Inspired by the advances introduced by Kohlberg (1969), Rest (1986) proposed a four-component model of moral deliberation, conceived as an integrated and sequential process that individuals must go through in order to carry out an ethical behaviour. Rest's (1986) rationalist-based model begins with individuals' recognition that a situation or action may conflict with one or more moral standards, thus endowing it with an ethical component, i.e. *ethical awareness*. After a moral issue is acknowledged, individuals make judgments or choices among the potential alternatives about the ethically correct course of action, i.e. *ethical judgment*. Intentions are then established to carry out the ethical action, i.e. *ethical intentions*; and, finally, individuals engage in ethical behaviours supported by one or more moral standards, i.e. *ethical behaviours* (Rest, 1986). Although Rest's academic background is in psychology, his theoretical model has been largely applied to the study of the ethical decision making phenomenon in the context of organizations and business studies. In fact, the four-component model for individual ethical decision making has become one of the

most used and tested theoretical models for explaining the temporal and sequential stages that lead to ethical actions (Craft, 2013; Lehnert, Park, & Singh, 2015; O'Fallon & Butterfield, 2005).

Much research has been carried out explicitly or implicitly applying Rest's (1986) model (Schwartz, 2016). The empirical literature underlines the emergence of significant research focusing on factors and influences in the ethical decision making process, such as gender, education, age, income, religion and culture (see Craft, 2013; Lehnert et al., 2015 for review); but also stresses a set of relationships that have not yet yielded the desired contributions towards an integrated understanding of the deliberation process where ethical concerns are involved. Lehnert et al., (2015) suggested that, to enhance the conceptual expansion of the ethical decision making literature, future research should continue to critically examine Rest's four-component model of moral deliberation, identifying and testing additional antecedents of the four stages; Craft (2013) called for further research aiming at testing all four steps of the ethical decision-making model; while Sparks & Pan (2010) anticipated promising future research on ethical decision making through the integration of consumer, social psychology and neurobiological perspectives (Robertson et al., 2017).

In the latter part of the twentieth century, neurobiological sciences were increasingly interested in establishing a two-way bridge between neurobiology and the humanities (Damasio, 2000, 2018), connecting social and cultural phenomena to specific features of neurobiology (Damasio, 1994), and actively investigating the brain mechanisms associated with moral reasoning (Anderson, Bechara, Damasio, Tranel, & Damasio, 1999; Bechara & Damasio, 2005). The famous case of Phineas Gage (Damasio, 1994) – a man who survived the traumatic injury resulting from a dynamite-tamping iron traversing his skull – remains a classic example about an individual that suffered damage to the ventromedial prefrontal cortex – the part of the brain responsible for the normal processing of emotions – and exhibited deficits in moral and social behaviours. Intending to explain this relationship, Damasio (1994: 13) advanced the *somatic marker hypothesis*, which postulated that "emotion was in the loop of reason, and that emotion could assist the reasoning process rather than necessarily disturb it". According to this hypothesis, emotion is an internal alarm mechanism (Salvador & Folger, 2009) that rapidly signals the prospective consequences of an action, providing relevant – conscious or unconscious – information for making fast, beneficial and advantageous ethical decisions (Bechara & Damasio, 2005). Therefore, emotion leads reasoning processes, and regular decision making involving ethical content is more emotional and less reasoned than was initially believed (Damasio, 1994).

Extending these advances, the dual-process theory of moral judgment (Greene, Sommerville, Nystrom, Darley, & Cohen, 2001; Haidt, 2001) emerged from cognitive neuroscience, offers one of the most important contributions to understand how ethical decisions are formed. The dual-process theories of higher cognition assert that there are two different modes of mental processing: System 1 (one) that is unconscious, rapid and automatic; and System 2 (two) that is conscious, slow and deliberative (Kahneman & Frederick, 2005; Stanovich & West, 2002); and emotional processing is explicitly linked to System 1 (Evans, 2008). In ethics, the dual-process theory of moral judgment suggests that decisions about ethical issues are a result of immediate, intuitive, and emotional responses, as well as reasoned processes (Greene, Nystrom, Engell, Darley, & Cohen, 2004; Greene et al., 2001; Haidt, 2001). Indeed, neuroscience provided a significant and irreplaceable framing to the brain science of emotion, and to its conceptual and applied implications for decision making in general, and for ethical deliberation in particular.

In the business context, the relationship between emotions and ethical decision making has also seen developments. Several theoretical models have been proposed in a bid to test influence factors and moderators, and to improve models' explanatory and predictive capabilities (Dedeke, 2015; Gaudine & Thorne, 2001; Schwartz, 2016). One such model is that advanced by Zollo, Pellegrini, & Ciappei (2017). Their dual processing model of ethical decision making accounts for both moral intuition (System 1), which is unconscious, quick and automatic, and a subsequent rational and reflective ethical decision making process (System 2) (Zollo, 2020; Zollo et al., 2017).

Most of the business research on ethical decision making is still skewed towards firms (Singh et al., 2018). However, it is clear that consumer ethics has a crucial role in building a fairer and more balanced business environment that will benefit the environment, consumers, employees, and the shareholders as well. Further, a better understanding of consumer ethical decision making processes is fundamental to encourage more ethical consumer behaviours and prevent unethical choices.

The topic of consumer ethics is an imperative economic and social issue across the globe (Chowdhury, 2019). In the last two decades, consumer ethics became a fascinating field of research, receiving increased interest from academics and practitioners, and applying some of the most sophisticated research methods (Robertson et al., 2017). Indeed, because all aspects of consumer behaviour have an intrinsic ethical component (Vitell, 2003), a thorough understanding of why consumers think, decide and act ethically – or unethically – remains one of the most serious, relevant and complex topics in the marketing research agenda.

Evidences from real world underline the increasing relevance of consumer ethical decision making. Climate change, for instance, although typically seen as a topic for the natural sciences/climate research, is also largely an ethical issue (Nolt, 2015; Palosaari, 2020). Statistics indicate that one million plastic bottles are bought every minute around the world (Laville & Taylor, 2017); and it is expected that by 2050, the oceans will contain more plastic waste (in weight) than fish (MacArthur, Waughray, & Stuchtey, 2016). Although such environmental issues are complex and require global and integrated efforts to be effectively addressed, consumer behaviours can constitute an important part of the solution. At the same time, there are other situations which depend more directly on consumer decisions and behaviours. For instance, retail shoplifting in Europe costs more than €49 billion annually, representing 2.05% of the retail sector's annual turnover (Global Retail Theft Barometer, 2019); cell phone use while driving contributes to 1.6 million crashes each year in the US, and around 390.000 injuries occur each year from texting while driving (National Safety Council, 2018); and, in Europe, 39% of young people that download or stream music online intentionally use illegal sources to access music (European Union Intellectual Property Office, 2019).

Although the field of consumer ethics has made significant conceptual and empirical advances attempting to understand how ethical decisions are formed and how they can be promoted, relatively little is known about the integrated role emotions play in the consumer ethical decision making process. This refers to both positive and negative emotions; individual and valence-based ones; anticipated and experienced "right now"; as antecedents and outcomes; and as sufficient and necessary to consumer ethical decisions.

1.2. RESEARCH PROBLEM AND QUESTIONS

In *Descartes' Error*, one of the most brilliant contributions linking emotion and reason, Damasio (1994: 14) notes that "the reasoning system evolved as an extension of the automatic emotional system, with emotion playing diverse roles in the reasoning process". In consumer ethics, relatively little is known about how consumer ethical decision making is formed and what role emotions play in consumer ethical judgments and behaviours. Aiming at filling this gap in the literature, this thesis focuses on addressing the following research problem:

> *What is the integrated role that emotions play in consumer ethical decision making, taking into account their type, valence, moment and condition?*

Emotion has been described as a support system without which the edifice of reason cannot function effectively (Damasio, 2000), and which can exert a significant influence on individuals' cognitive processes (Forgas, 1995; Schwarz, 2000); choices (Han, Lerner, & Keltner, 2007); decision-making tasks (Bechara, 2004; Pfister & Böhm, 2008; Schwarz & Clore, 2007); and behaviours (King, Blair, Mitchell, Dolan, & Burgess, 2006). Despite the widely accepted relevance of emotions for understanding individual decision making, the manner in which this influence operates in consumer ethics, as well as the role emotions take on at each stage of the consumer ethical decision making process are still relatively understudied. Thus, in order to fill this gap and help answer the research problem described above, a series of research questions were developed, which guided this research project and define the structure of the current thesis.

In business, most of research in the ethics area has focused primarily on the firm/organizational domain (Singh et al., 2018). Thus, initially, it was considered relevant to improve current knowledge about the type and nature of the most common consumer situations involving ethical issues – applied to the Portuguese context – and to explore the factors that most affect consumer decisions in those situations. Therefore, the following research question was enunciated:

RQ1: What are the most frequent consumer situations involving ethically questionable behaviours and what variables most influence consumer ethical decision making?

Both the business literature and the findings obtained from the exploratory qualitative research conducted proposed a set of influencing factors that may explain and predict consumer decisions involving ethics. However, relatively less is known regarding the relative importance of these factors, and emotions in particular. Thus, the following research question was proposed:

RQ2: What are the most significant antecedents of consumer ethical decision making and how do they compare to emotions?

In the literature, two main kinds of emotions, with regard to *moment*, have been found to influence consumer decisions and behaviour: anticipated emotions (Onwezen, Antonides, & Bartels, 2013; Perugini & Bagozzi, 2001; Steenhaut & Kenhove, 2006) and emotions felt "right now" (Antonetti & Maklan, 2014b; Bissing-Olson, Fielding, & Iyer, 2016; Donato & Miceli, 2020). Anticipated emotions describe the emotions people expect to experience in the future (Mellers & Mcgraw, 2001), while emotions felt "right now" refer to individuals' immediate emotional response and reflect their feelings at that particular moment (Donato & Miceli, 2020). This research thus aimed to investigate the role of both anticipated (RQ3) and current or "right now" pre- and post-decision emotions (RQ4) in consumer ethics, by answering the following research questions:

RQ3: To what extent do anticipated emotions affect consumer ethical decision making and which anticipated emotions play the most significant role in consumer ethical decisions?

RQ4: To what extent do pre-decision emotions and post-decision emotions influence consumer ethical decision making?

Finally, most of the contributions analysing the role of emotions on consumer ethical decision making have been based on a sufficient logic paradigm, imperfectly measuring the necessary condition effect (Dul, 2016b; Karwowski et al., 2016). This research aimed at extending these analyses by examining the necessary-but-not-sufficient relationship between emotions and consumer decision making involving ethics. Thus, the following research question was formulated:

RQ5: To what extent are emotions a necessary-but-not-sufficient condition for consumer ethical decision making and what are the emotional thresholds required for higher levels of consumer ethical decisions?

1.3. EXPECTED CONTRIBUTIONS

The theoretical and practical contributions of this research will be fully discussed in the General Conclusion. However, there are some gaps that this investigation expects to fill out. Understanding how consumer ethical decision making is formed and how ethical judgments and behaviours can be promoted are growing interest subjects in the marketing research agenda. Previous contributions suggested that the rationalist perspective – that emphasizes the conscious, deliberate and rational mechanisms of moral reasoning (Ajzen, 1991; Kohlberg, 1969) – fails to capture the whole process, as it ignores the non-cognitive, emotional and intuitive elements of human cognition (Haidt, 2001, 2007; Zollo, 2020). Indeed, emotion properly addressed is the support system without which the edifice of reason cannot function effectively: emotion does not oppose, but rather helps reasoning in decision making processes, in particular with regard to personal and social issues involving risk and conflict (Damasio, 2000), such as ethical dilemmas. Thus, ethical decision making results from an interaction of emotional and cognitive complex neural mechanisms (Greene et al., 2004, 2001; Haidt, 2001).

In the marketing context, and despite the recent developments, the research on ethical decision making is still skewed towards firms, rather than consumers; and towards rational processes, rather than emotional ones. In addition, where emotions are considered, the focus has traditionally been on singular emotional states, with primacy given to positive, rather than negative emotions; on specific stages of the consumer ethical decision making process, rather than the process in its

entirety; and based on a sufficient logic paradigm, rather than necessary-but-not-sufficient condition. Based on this rationale, this thesis provides a contribution that helps to understand how consumers make ethical decisions and why they sometimes behave ethically while other times do not, by examining the integrating role emotions play in ethical decision process.

From that, practical contributions of the present thesis include: *i)* a thorough understanding about the role of emotions on consumer ethical decisions; *ii)* empirical evidences about how consumer ethical decision making is formed and about the variables that most influence consumer ethical deliberation process; and *iii)* a set of strategic orientations to practitioners and policy makers aiming at promoting ethical consumer behaviours and improving effectiveness of marketing messages and campaigns. Similarly, this thesis is also expected to provide relevant theoretical insights. First, this research provides a better understanding of the process underlying ethical consumer decisions by including and comparing several influence factors. Further, different conceptual models, as addressed in each paper, were developed and tested about the role emotions may play in explaining and predicting consumer ethical decision making. If emotions can influence consumer ethical decisions in different ways, this work could contribute with a comprehensive and integrated perspective to these relationships. In addition, this research moves beyond the traditional valence-based approach to the individual discrete emotions that may influence ethical decision making, thus integrating both dimensional and discrete models of emotion (Harmon-Jones, 2019). Finally, this research is one of the first studies applying the Necessary Condition Analysis (Dul, 2016b) to the marketing setting in general and to consumer ethics in particular. A contribution could be expected for the consumer behaviour literature by emphasizing a new and straightforward analytical tool to evaluate necessary-but-not-sufficient relationships, opening new avenues for future applications and anticipating exciting achievements in future.

1.4. RESEARCH PARADIGM AND METHODOLOGICAL APPROACH

Based on the research problem and research questions described above, this thesis focuses on the relationships between emotions and consumer ethical decision making. By examining the pervasive role of emotions –both positive and negative emotions; individual and valence-based; anticipated and experienced "right now"; and as antecedent and outcome – this research aims to allow a better understanding about the major factors leading to ethical or unethical consumer choices. To that, some interrelated decisions about research design were adopted, which guided all facets of the investigation.

The research design is a plan or proposal to conduct research which involves the intersection of three main elements of inquiry: *i)* basic philosophical assumptions of the researcher about knowledge claims; *ii)* general strategies of inquiry; and *iii)* detailed methods of data collection, analysis and interpretation (Creswell & Creswell, 2018). The fundamental philosophical beliefs about the world and the nature of research usually remain implicit in most research; however they influence the paradigms that a researcher brings to a study and that will shape the nature of knowledge (Wahyuni, 2012).

These basic philosophical assumptions can be described in three main interconnected questions: the ontological question – the beliefs about the form and nature of reality and what can be known about it (what is knowledge?); the epistemological question – the beliefs about the nature of the relationship between the researcher and that reality that can be known (how we know it?); and the methodological question – the beliefs about how can the researcher find out whatever he/she believes can be known (the process for studying it) (Guba & Lincoln, 1994).

Ontology refers to the nature of knowledge (Wahyuni, 2012) and, traditionally, two main ontological positions define scientific inquiry: *i)* objectivism and realism assume that reality is objective, external and independent of social actors (Bryman, 2016), so, it can be discovered, even imperfectly and probabilistically (Sobh & Perry, 2006); while *ii)* subjectivism and nominalism sustain that reality is dependent on social actors (Wahyuni, 2012) and individuals contribute to social phenomena through their perceptions, actions and interactions (Bryman, 2016).

Epistemologically, four major research paradigms are widely discussed in the literature: Postpositivism (Critical Realism), Constructivism/Interpretivism, Transformative/Critical Theory, and Pragmatism (see Bryman, 2016; Creswell & Creswell, 2018; Lincoln, Lynham, & Guba, 2018; Wahyuni, 2012 for review). This research follows a postpositivist paradigm. The postpositivism philosophy, sometimes also called the "scientific method" or "doing science", assumes that there exists an objective reality out there in the world and the knowledge developed is based on the careful (scientific) observation and measurement of that reality (Creswell and Creswell, 2018). For postpositivists, reality can be captured by the researcher through scientific models and that only the phenomena confirmed by the senses are considered knowledge (Bryman, 2016). Postpositivism is a deterministic thinking in which causes determine effects, thus the research aims to examine the determinants that influence outcomes (Creswell and Creswell, 2018), enabling the prediction and control of the phenomena (Guba and Lincoln, 1994). Postpositivism proposes a scientific approach based on developing numeric measures to generate acceptable knowledge (Wahyuni, 2012). The scientific method begins with a theory, in the form of hypotheses, then data

are collected and statistical tests support or refutes the theory, providing the necessary revisions for further applications (Creswell and Creswell, 2018). The postpositivist approach also believes in generalisation (Wahyuni, 2012), so methods and conclusions must be examined for bias (Creswell and Creswell, 2018). However, and particularly when research paradigms are put into practice, positivist and non-positivist philosophies should not be understood as dichotomous, rather two sides of a methodological and epistemological continuum (Newman & Benz, 1998).

As described above, the underlying philosophical assumptions influence how the researcher undertakes a social study (Wahyuni, 2012), thus affecting the second element of inquiry: the general strategies of inquiry. The general procedures of research operate at a more applied level and lead to embracing a qualitative, quantitative, or mixed methods approach in the research (Creswell and Creswell, 2018). Despite the use of qualitative methods in the first study of this research, exploratory in its nature (Chapter 2), this investigation mainly employs quantitative research approaches.

Quantitative research strategies are those invoked by the postpositivist worldview (Creswell and Creswell, 2018), and assert that the world or reality is fixed, single and measurable (Merriam, 2002). Quantitative approaches employ surveys and experiments as strategies of inquiry, and theory/hypotheses testing can be done through correlational analyses and more complex causal relationships among variables, such as structural equation modelling, hierarchical linear modelling, and logistic regression (Creswell and Creswell, 2018).

The main use of a quantitative approach in this research is based on two key criteria (Bryman, 1984; Creswell & Creswell, 2018). Firstly, it fits the fundamental assumptions and beliefs of the researcher about the nature of reality and knowledge – the worldview that will guide the way of framing and understanding social phenomena; secondly, it suits the nature of the research problem and the research purposes, i.e. to identify the factors that affect consumer ethics, and to measure and test a theory by specifying hypotheses about the influencing role of emotions on consumer ethical decisions.

In this thesis five different studies were conducted, which gave rise to five articles (Chapters 2 to 6). The first article encompasses two qualitative studies that aim to identify consumer critical incidents involving ethically questionable behaviours and to explore the factors that most influence consumer ethical decisions. The remaining four articles test causal relationships between emotions and consumer ethical decision making, using different and complementary multivariate data analysis techniques: multiple regression analysis, structural equation modelling and necessary

condition analysis. Table 1.1 presents a general overview of the studies conducted, their main goals and methodological approaches used.

The initial use of exploratory qualitative research approaches to support and improve the follow-up quantitative strategies may also be classified as "exploratory sequential mixed methods" (Creswell and Creswell, 2018). However, it is relevant to note that combining methods should not be confused with mixing paradigms (Morgan, 1998). Further, rather than contrasting quantitative and qualitative designs, research in the social and behavioural sciences should be organized into exploratory and confirmatory methods (Onwuegbuzie & Teddlie, 2003), which can extend and complement findings (Goering & Streiner, 2013).

This research mainly used self-administered paper-and-pencil questionnaires, with a scenario-based approach, as the specific method of data collection, the third element of inquiry (Creswell and Creswell, 2018). The questionnaire is a structured and formalized instrument for data collection consisting of a set of [predetermined] questions for obtaining information from participants (Malhotra, Nunan, & Birks, 2017). The information – and its type – in a questionnaire is previously specified and is mostly collected through closed-ended questions, which yield numeric data suitable to advanced statistical analyses (Creswell and Creswell, 2018). The main goal is to measure attitudes or rating behaviours by reducing constructs to specific variables and applying scales to the measurement process (McDaniel & Gates, 2018).

Scenarios provide respondents with a detailed stimulus that closely approximate a judgment or decision to a real-life situation (Alexander & Becker, 1978), and are thus better able to elicit from individuals their beliefs, choices and intended behaviours concerning ethically relevant issues (Weber, 1992). Scenario-based approaches have been widely used in the business ethics literature (Antonetti & Maklan, 2014b; Donato & Miceli, 2020; Singh et al., 2018; Singhapakdi, Vitell, Lee, Nisius, & Yu, 2013; Winterich, Morales, & Mittal, 2015), since they control environmental factors (O'Fallon & Butterfield, 2005) and standardize social and contextual stimuli (Alexander & Becker, 1978). Three different ethical scenarios were used to reduce situation bias and improve accuracy of the analyses. The scenarios pertained to: *i)* photocopying (rather than purchasing) a copyrighted book, recommended for a university course; *ii)* switching price tags in a shop, to pay less for one's favourite dress; and *iii)* keeping extra money mistakenly handed to us by a bank cashier in a withdrawal. A detailed description of the scenarios used can be found in Appendix 1.

Data were collected from convenience samples using face-to-face street and class interviews. Participation was voluntary, the information obtained was completely anonymous and confidential, and no incentives were provided. The recommended sample size threshold for multivariate data

analysis of four-hundred (400) was achieved in all the quantitative studies (Hair, Black, Babin, & Anderson, 2014), and none of the respondents participated in more than one study.

Table 1.1: Studies general overview

Study description	Study main goals	Strategy of inquiry	Research Methods	Publication process
Study 1 Emotions and Consumer Ethical Decision Making: A Qualitative Research. (Chapter 2)	To identify the most frequent consumer critical incidents involving ethically questionable behaviours and to explore the factors that most influence consumer ethical decisions.	Qualitative approach	Forty-seven (47) in-depth interviews using critical incident technique.	*Journal of Consumer Marketing* Under review. Manuscript ID: JCM-03-2020-3694
Study 2 Emotions and Consumer Ethical Decision Making: A Qualitative Research. (Chapter 2)	To build on and structure the findings about the variables that most influence consumer decision making involving ethical issues, and to explore the role of emotions on consumer ethics.	Qualitative approach	Four (4) focus groups using concept mapping technique.	
Study 3 Why bad feelings predict good behaviours: The role of positive and negative anticipated emotions on consumer ethical decision making. (Chapter 4)	To measure the influence of both positive and negative anticipated emotions on consumer ethical decision making process.	Quantitative approach	A self-administered paper-and-pencil questionnaire, using a scenario-based approach, was applied. A valid convenience sample of 201 respondents was collected, examining 603 ethical situations. Data analysis was carried out using multiple regression analysis.	*Business Ethics: A European Review.* Manuscript published. Business Ethics: A European Review. 2019; 28:529–545.
Study 4 Antecedents of Consumer Ethical Decision-Making: A Multidimensional Analysis of Emotions, Moral Intensity, Moral Philosophies, Personal Norms and Intrinsic Religiosity. (Chapter 3)	To test the influence of consumer emotions, moral intensity, moral philosophies, personal norms and intrinsic religiosity on consumer ethical decision-making process.	Quantitative approach	A self-administered paper-and-pencil questionnaire, using a scenario-based approach, was applied. A preliminary convenience sample of 413 respondents was collected. A two-step structural equation modelling was performed, using AMOS.	*Finding New Ways to Engage and Satisfy Global Customers.* Manuscript published. *In* Rossi P. & Krey N. (Eds). 2019. pp 543-552. Springer, Cham. ISBN: 978-3-030-02567-0.
Study 4 What Goes Around Comes Around: The Integrated Role of Emotions on Consumer Ethical Decision Making. (Chapter 5)	To evaluate the influence of emotions – as both pre-decision emotions and post-decision emotions – on consumer ethical decision making process.	Quantitative approach	A self-administered paper-and-pencil questionnaire, using a scenario-based approach, was applied. A valid convenience sample of 433 respondents was collected. A two-step structural equation modelling was performed, using AMOS.	*Journal of Consumer Behaviour.* Under review – Major revisions submitted. Manuscript ID: JCB-18-250.R1.

Study description (cont.)	**Study main goals** (cont.)	**Strategy of inquiry** (cont.)	**Research Methods** (cont.)	**Publication process** (cont.)
Study 5 Are Emotions Essential for Consumer Ethical Decision Making: A Necessary Condition Analysis. (Chapter 6)	To examine the necessary-but-not-sufficient relationship between emotions and consumer ethical decision making.	Quantitative approach	A self-administered paper-and-pencil questionnaire, using a scenario-based approach, was applied. A valid convenience sample of 415 respondents was collected. Multivariate necessary condition analyses were applied using NCA package.	*Journal of Consumer Psychology* Under review. Manuscript ID: JCP-20-0170

1.5. THESIS STRUCTURE

The present doctoral thesis encompasses an article-based structure, combining five different articles. Each one of the manuscripts leads to its own chapter, which, together, form the whole of our story, which is bound with the integrated role of emotions on consumer ethical decision making. The complete list of articles and presentations resulting from this doctoral research is depicted in Appendix 2. After this introduction, Chapter 2 addresses the first research question by developing two qualitative studies that jointly aimed to: *i)* identify frequent consumer critical incidents involving ethically questionable behaviours; *ii)* identify the variables that most influence consumer decision making in those situations; and *iii)* describe the role emotions may play in consumer ethical deliberation. The findings obtained from this exploratory research supported the definition of the scenarios used in the subsequent quantitative researches and suggested the different positions emotions may exert in explaining ethical decision making, which were tested in the causal models.

Chapter 3 addresses the second research question by evaluating the impact of different predictors – emotions, moral intensity, moral philosophies, personal norms and intrinsic religiosity – on consumer ethical decision making, and assesses their relative weight in influencing ethical decisions. The data used in this study are a preliminary sample of respondents that, in its final version, will also support the research described in chapter 5.

Chapter 4 focuses on the third research question by analysing the influence of anticipated emotions – both positive and negative; valence-based and discrete – on the consumer ethical decision making process. This study evaluates if consumers' anticipated emotions about future outcomes guide current (un)ethical choices and specifies the emotional components that, "in advance", have the most significant capacity to predict consumer ethical decisions. By providing a better understanding about the relationship between anticipated emotions and consumer ethical

decisions, this work helps to identify what drives ethically favourable consumer behaviours and how to promote them, based on future emotional costs and/or benefits.

Chapter 5 deals with the fourth research question and examines the causal relationship between emotions and consumer ethical decision making. Moreover, this study analysed not only the emotions experienced prior to ethical decision making (pre-decision emotions) but also those resulting from the course of action chosen (post-decision emotions). The research assessed the role that emotions play as both antecedent and consequence of consumer ethical decisions, and its impact on future ethical behavioural intentions. A kind of "ethical cycles" were tested and results provided empirical evidence about the integrated and transversal place of emotions in consumer decision making involving ethical dilemmas.

Finally, Chapter 6 addresses the last research question and explores the necessary-but-not-sufficient relationship between emotions and consumer ethical decision making. This study moved beyond the traditional sufficient logic approaches, and used a new and robust analytical method to measure necessary condition in datasets - the Necessary Condition Analysis (Dul, 2016b). The results tested if a single determinant is a real constraint of an outcome, and estimated the threshold level of necessity of each cause to produce a desired effect. This investigation provides a novel and advanced perspective to emotions in predicting and explaining consumer ethical decision making, extending current knowledge about this complex, relevant and enthusiastic relationship that helps to explain why individuals sometimes behave ethically but other times do not.

CHAPTER 2 EMOTION AND ETHICAL DECISION MAKING: A QUALITATIVE RESEARCH

The contents of this chapter were submitted for publication in the *Journal of Consumer Marketing* (Manuscript ID JCM-03-2020-3694).

STRUCTURED ABSTRACT

Purpose: Two (2) qualitative studies were performed aiming to: i) identify frequent consumer critical incidents involving ethically questionable behaviours; ii) identify the variables that most influence consumer decision making in those situations; and iii) describe the role emotions play in consumer ethical deliberation.

Design/methodology/approach: Forty-seven (47) in-depth interviews using critical incident technique and four (4) focus groups using conceptual mapping were conducted.

Findings: The findings describe some of the most relevant critical incidents involving ethical issues that consumers face in a consumption environment. In addition, the conceptual maps show that emotions, along with education, personal values, and religion, have a very strong relationship with consumer ethical decision making.

Originality/value: This research add new items that may complete and improve consumer ethics scale. Furthermore, the research advances our understanding about the integrated role emotions play in consumer ethical decisions making. This refers to both positive and negative emotions; individual and valence-based; and as antecedent and outcome of consumer ethical decisions.

Keywords:

Consumer Ethics; Ethical Decision Making; Emotion; Qualitative; Concept Mapping.

2.1. INTRODUCTION

Interest in ethics and ethical decision making has been steadily growing since the 1960s, with ethical considerations more recently becoming increasingly central issues in consumer behaviour analysis (Schlegelmilch & Öberseder, 2010). Throughout this period, several contributions emerged in the business literature aimed at describing the ethical decision making process, based on a significant number of environmental, situational, individual, organizational or ethical issue factors (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Jones, 1991; Rest, 1986; Trevino, 1986). The emphasis in these early studies was on the cognitive-developmental tradition, in that the assumption was that ethical behaviour is a primarily cognitive process (Trevino, Weaver, & Reynolds, 2006). These models made significant contributions to a greater understanding of ethical decisions and emphasized a large number of variables which can influence the ethical decision making process. However, they also ignore that ethical decision making can be characterized as a non-cognitive, intuitive and often automatic decision process (Haidt, 2001, 2007).

In recent years, many sciences have widely embraced the theme of emotion and turned it into a central concept in their analyses. Initially understood as opposed to reason, emotion rapidly exceeded this view and a new perspective of emotion as a conscious or unconscious integral part of thinking process and decision making of the individual emerged (Damasio, 1994). Emotion properly addressed is the support system without which the edifice of reason cannot function effectively: emotion does not oppose, but rather helps reasoning in decision making processes, in particular with regard to personal and social issues involving risk and conflict (Damasio, 2000), such as ethical dilemmas.

The interest in emotions and their role on ethical decision making processes has been wide-reaching. In medical research, for instance, the use of neuroimaging shows that actions involving moral judgments activate specific brain areas which also process emotions (Greene et al., 2001; Moll, de Oliveira-Souza, Bramati, & Grafman, 2002). A comparative study shows that individuals who have lesions in the region of the brain responsible for emotions (prefrontal cortex) significantly increase utilitarian moral judgments (Koenigs et al., 2007); and research in clinical populations has found an association between emotional processing disorders and weakened moral behaviour (Anderson et al., 1999; Mendez, Anderson, & Shapira, 2005). Behavioural studies additionally suggest that a change in emotional state – positive affect – is likely to influence moral judgments – selecting the appropriate response for the footbridge dilemma (Valdesolo & DeSteno, 2006). Further, Haidt (2001) supports that moral judgments are a result of automatic, intuitive and emotional evaluations rather than only rational processes of reflection; while Clore, Gasper, &

Garvin (2001) argue that individuals use emotions as information, to the extent that in the absence of rational information about what is right or wrong towards an ethical dilemma, individuals may use the experience or anticipation of certain emotions to decide how to act.

Most of the research exploring the link between emotion and ethics has been based on medical or psychological sciences, and empirical research analysing the relationship between emotion and consumer ethical decision making has been scarce. Indeed, business ethics research has been primarily focused on the moral decisions of practitioners and/or firms (Agnihotri, Rapp, Kothandaraman, & Singh, 2012), with relatively less attention on the other, equally crucial side of the dyad, the consumer (Vitell, King, & Singh, 2013). Further, additional research is required to incorporate new constructs and variables which can help explain the phenomenon of consumer morality (Craft, 2013; O'Fallon & Butterfield, 2005; Schwartz, 2016), favouring the valuable and underrepresented qualitative research methods (Lehnert, Craft, Singh, & Park, 2016).

This research aims to help fill these gaps by exploring the relationship between emotions and consumer ethical decision making. The present research aims to: *i)* identify frequent consumer critical incidents involving ethically questionable behaviours; *ii)* identify the variables that most influence consumer decision making in situations involving ethical issues; and *iii)* describe the role emotions play in consumer ethical deliberation.

The next section reviews some of the relevant literature concerning ethical decision making and emotion. Then, the key research objectives are enunciated. Section four describes the empirical studies, after which results are presented and discussed. The final section presents our conclusions and the academic and practical implications of our work.

2.2. LITERATURE REVIEW

2.2.1 Ethical Decision Making

Comprising "the study and philosophy of human conduct, with an emphasis on determining right and wrong" (Fraedrich et al., 2013: 7), the concept of ethics can be defined as "a belief system which guides moral judgments and actions" (Schlegelmilch, 1998: 7). Morality, in turn, can be described as a judgment concerning the rightness or wrongness of an action, the goodness or badness of a person's character (Horberg, Oveis, Keltner, & Cohen, 2009).

In the 1950s and 1960s, a cognitive revolution took place in moral psychology, through which mental models and information processing replaced behaviourist and Freudian theories (Greene &

Haidt, 2002). Kohlberg's (1969) work played a key role at this time, suggesting that moral growth is driven not by simple brain maturation, but rather also through experience in 'role taking'; although Kohlberg (1986) later acknowledged that additional constructs and variables are also necessary to explain the multitudinous phenomena of morality.

Probably the most significant rationalist-based model of ethical decision making is Rest's (1986) four-component model, whereby this process follows the stages of: i) moral awareness; ii) moral judgment; iii) moral intent; and iv) moral behaviour. This model proposed that ethical decision making begins with the sensitivity and recognition of a moral issue, leading to a moral judgment or evaluation; then establishing a moral intent or motivation; and finally engaging in a moral behaviour (Rest, 1986). Rest's (1986) model was based on the rationalist tradition, as the moral judgment stage, that is the key moral reasoning component, is based on Kohlberg (1973) rationalist theory of moral development; however Rest (1986) also advances that a crucial element of moral judgment is individuals' interpretation of their own feelings in response to a moral dilemma. Rest's (1986) four-component model of moral deliberation has become one of the most widely used and tested theoretical models of ethical decision making.

Trevino (1986) developed a person-situation interactionist model of ethical decision making, which implicitly encompasses Rest's contribution. Trevino (1986) posits that the perception and evaluation of an ethical dilemma depends upon the individual's stage of cognitive moral development (Kohlberg, 1973). Then, the decision maker moral reasoning that will influence ethical/unethical behaviour is moderated by individual factors (such as ego strength, social dependence and locus of control) and situational factors (job context, organizational culture and characteristics of the work).

Also using a rationalist approach, Hunt & Vitell (1986, 2006) proposed a general theory of ethical decision making, whereby environmental factors and personal characteristics influence perceptions of the existence of an ethical dilemma, and these perceptions lead to deontological – the inherent rightness or wrongness of the behaviours - and/or teleological – the perceived consequences of each alternative – evaluations (Hunt & Vitell, 1986). The nature of the evaluations influences ethical judgments, which in turn affect behaviour through the intervening variables of intentions and situational constraints. According to this model, then, ethical judgments can sometimes differ from behaviours, either because intentions were formed toward a particular alternative, in spite of the understanding that it is not the most ethical choice; or because of contextual constraint. When this happens, however, it is expected to give rise to feelings of guilt (Hunt & Vitell, 1986, 2006); which

suggests that factors other than ethical beliefs (such as emotions or anticipated emotions) can also influence ethical behavioural intentions (Vitell, 2003).

Incorporating both teleological and deontological philosophies, Ferrell & Gresham (1985) proposed a contingency framework for ethical decision making in the business context, suggesting that ethical decision making is influenced by three main categories of factors: individual factors, organizational factors, and exogenous or environmental factors. The individual factors include knowledge, values, attitudes and intentions; organizational factors are bound with significant others and opportunity; while exogenous factors combine social and cultural environment (Ferrell and Gresham, 1985). These three sets of factors interact with each other and affect ethical or unethical behaviour of the decision maker, which in turn will be followed by an evaluation of that behaviour.

Jones (1991) puts further emphasis on the moral dilemma or context at hand, by introducing the concept of "moral intensity", which refers to the characteristics of the moral issue. Jones' (1991) model is thus issue-contingent, and suggests that moral intent may be significantly influenced by the moral intensity of an issue through emotion. Thus, individuals will experience different types of issue-contingent emotion as they progress throughout the process of moral reasoning (Jones, 1991).

Several studies have been carried out using Rest's framework (Craft, 2013; O'Fallon & Butterfield, 2005 for review), a reflection of both the usefulness of his model and the increased interest in ethical decision making. Notwithstanding, there is still room for additional research to identify and test further individual, situational and issue-related influence factors, including in the analysis new potential moderator variables of ethical decision making (Schwartz, 2016).

2.2.2 Emotion and Ethics

Literature indicates that emotions are complex cognitive operations (Moll & de Oliveira-Souza, 2007), and suggests that the emotional component can affect decision making processes and outcomes (Greene et al., 2004). Emotions were found to be able to have a significant influence on cognitive processes (Clore et al., 2001; Schwarz, 2000); decision making tasks (Bechara, 2004; Pfister & Böhm, 2008), and consumer judgments and actions (Achar, So, Agrawal, & Duhachek, 2016; Han et al., 2007).

Initial research was based on the assumption that ethical decision making is a primarily a cognitive process (Trevino et al., 2006), and was mainly focused on cognitive, rational and deliberate processes (Horberg et al., 2009). Subsequent scientific contributions advanced this view, however,

and a body of research started to emerge suggesting that decision making involving ethical issues can also be the result of intuitive, automatic and emotional evaluations (Greene et al., 2001; Haidt, 2001, 2007). Emotion is considered a vital component of human choices (Sanfey, Rilling, Aronson, Nystrom, & Cohen, 2003), intrinsic to human cognition (Phelps, 2006) and an integral part of moral decision process (Koenigs et al., 2007).

Medical research supports the notion that emotions play a pivotal role in resolving moral conflicts (Koenigs et al., 2007) and that affective reactions are generally good predictors of moral judgments and behaviors (Haidt, 2007; Sanfey et al., 2003). Empirical advances showed that emotions positively influence ethical sensitivity (Moll, de Oliveira-Souza, Eslinger, et al., 2002), improve ethical judgments (Koenigs et al., 2007), facilitates ethical intentions (Borg, Hynes, Van Horn, Grafton, & Sinnott-Armstrong, 2006) and encourage ethical behaviour (King et al., 2006).

In marketing, the relationship between emotions and ethical decision making has receiving significant advances (Escadas, Jalali, & Farhangmehr, 2019a; Vitell et al., 2013). Literature suggested that ethical decisions emerge to prevent experiencing negative emotions in future (Escadas, Jalali, & Farhangmehr, 2019b); and positive affect increases an individual's propensity to select an ethical choice consistent with her moral judgment and to comply that choice (Gaudine & Thorne, 2001). Further, empirical research showed that emotions affect awareness of ethical choices (Antonetti & Maklan, 2014b); consumer's ethical judgments (Winterich et al., 2015); intention to engage in pro-environmental behaviours (Elgaaied, 2012) and ethical behaviours of salespeople (Agnihotri et al., 2012).

Emotions have progressively come to be considered "intrinsic, and not antithetical, to a rational ethical decision making" (Gaudine & Thorne, 2001: 175), and as such, should be included as a key element of the consumer ethical decision making process. According to Greene & Haidt (2002: 517), in moral judgments "emotions and reasoning both matter, but automatic emotional processes tend to dominate". Therefore, ignoring this "irrational bias" would be to disregard one of the most important dimensions in the process of ethical decision making and would necessarily lead to an insufficient analysis of the phenomenon of consumer ethics. Notwithstanding, there is a lack of empirical research in the marketing literature analysing the role emotions play in consumer decision making involving ethics. Using qualitative research methods and through two separate (2) studies, this study aims to improve current understanding about the variables that may influence consumer ethics and the role emotions play in consumer ethical judgments and behaviours.

2.3. STUDY 1

2.3.1. Objectives and Methods

In order to identify the most frequent consumer critical incidents involving ethically questionable behaviours and to describe the role emotions play in consumer decision making involving ethics, in-depth interviews were conducted. In-depth interviews are characterized as a flexible, rich in content and relatively unstructured research method, especially useful to probe and elicit detailed contributions to questioned topics, and to reveal and understand in-depth feelings and motivations of consumers (McDaniel & Gates, 2018).

Using Critical Incident Technique (CIT) (Flanagan, 1954), a systematic procedure for identifying memorable stories or critical incidents (Bitner, Booms, & Tetreault, 1990), individuals were asked to think, describe and analyse ethical issues they have encountered in a consumption environment and identify the key aspects that influenced their appraisal (Marshall & Dewe, 1997). Furthermore, respondents were invited to self-report their behaviour towards a consumer ethical decision (McCabe, Trevino, & Butterfield, 1996), and to report the extent to which they have observed other people engaging in ethical or unethical behaviours (Vardi, 2001; Weaver & Treviño, 1999). In addition, participants were also asked about the role that emotions play in their ethical/unethical choices and actions, and after were invited to identify the discrete emotions (Bagozzi, Baumgartner, & Pieters, 1998) they felt during that ethical decision making process.

The interviews were semi-structured and carried out in the cities of Braga and Barcelos, in the North of Portugal, after a general explanation of the research objectives and interview procedures, and obtaining participants' consent for the interview and its recording. The general description of In-Depth Interviews Discussion Guide can be found in Appendix 3. Forty-seven (47) in-depth interviews were completed, with respondents' ages ranging from 18 to 52. Forty seven percent (47&) were female and 53% male; and there was a heterogeneous distribution of instruction levels and occupations, although broadly participants came from: two distinct private companies, an institution of higher education, an institution of social solidarity, and a non-profit organization. A content analysis was carried out manually to allow a detailed identification of the most frequent consumer critical incidents involving ethically questionable behaviours and a description of the role emotions play in these ethical situations.

2.3.2. Results and Discussion

Results show that almost all the respondents considered that human behaviour should be guided by ethical principles, and that consumer behaviour is no exception. The respondents almost universally expressed a high level of concern toward ethical issues; for instance:

"Ethics is a basic principle for the equilibrium of society. Without ethics, society doesn't work" (female, 24);

"Ethics is a fundamental requirement of a developed society" (female, 27);

"We must be ethical in everything we do, otherwise we would be living in a chaos, in a jungle" (male, 26);

"If everyone were ethically correct as a consumer, we would probably also be more correct in other areas or circumstances, and the world would be certainly better. People should always adopt ethical behaviours" (female, 23);

"We must be ethically correct and not be selfish. We shouldn't think only about our well-being" (female, 25);

"An unethical behaviour always has a negative impact and negative consequences" (male, 18);

"Shoplifting is an ethically reprehensible behaviour because products were made by people, and these people need to work and to be rewarded for that work. Not paying will harm these people (...) all our unethical behaviours have negative consequences on others" (female, 18);

Regarding the ethical issues they have faced in a consumption environment, the most common situations identified by the respondents were shoplifting, cashier mistake, downloading software and music, copying a book, consuming products inside a retail store, and cutting in/moving ahead in a queue. Table 2.1 describes the main critical incidents involving consumer ethics indicated by the participants.

Table 2.1: Critical incidents involving consumer ethics

Critical Incident	Statements
1. SHOPLIFTING	"*When buying a bag, one friend of mine put another product inside the bag and only paid the bag*" (female, 18)
	"*In a clothing store, I once saw another female customer wearing a piece of clothing over the other and removing the alarm*" (female, 23)

2.	CASHIER MISTAKE	"*Some days ago, when I was buying bread, the cashier mistakenly gave me back too much money as change, but I returned back the exceeded amount of money"* (female, 27) "*While shopping in a grocery store, the owner, an old lady, gave me back more money than was expected. I Informed her that she had made a mistake, and returned that part of the money and she rewarded me with a chocolate*" (male, 22)
3.	DOWNLOADING SOFTWARE AND MUSIC	"*I usually download software and music from internet; it's easy, fast and everyone does it*" (male, 24) "*The software that I have on my personal computer doesn't have an official license*" (female, 27)
4.	COPYING A BOOK	"*Because buying the book is more expensive, I photocopied it*" (male, 26) "*I photocopied the books that teachers suggested as the most important during my degree*" (female, 27)
5.	CONSUMING PRODUCTS INSIDE A RETAIL STORE	"*Some consumers open packages of crackers and eat inside the store without paying*" (female, 24) "*I think is incorrect the people eating fruit or crackers inside the store without paying*" (male, 52)
6.	MOVING AHEAD IN A QUEUE	"*I think it is ethically wrong to move forward in a supermarket queue just because we know someone who is standing further ahead*" (female, 45) "*Some consumers put the shopping basket in the supermarket queue of supermarket to mark their spot, and when they finish shopping they "overtake" all the other customers that are waiting for checkout*" (female, 25)
7.	LIFTING OR HOLD THE PRODUCT ON THE SCALE	"*Some days ago, when I was in the supermarket, I saw a person lifting/holding the fruit on the scale to weigh less*" (female, 23)
8.	TO GIVE THE SEAT ON PUBLIC TRANSPORT TO ELDERLY OR PREGNANT PERSONS	"*Today, in the train, the seats were all occupied. Me and many other passengers were travelling standing, and no one gave the seat to an elderly person. So I asked a young boy to give his seat. But spontaneously nobody gave the seat. This is a good example of the real values of our society*" (female, 32)
9.	TRAVELLING ON PUBLIC TRANSPORT WITHOUT PAYING	"*In public transports, many people travel without paying, jumping the barriers or using an invalid card*" (female, 25)
10.	PARTICIPATING IN CHARITIES CAMPAIGNS	"*I usually participate in the food collection campaigns promoted by Banco Alimentar*" (female, 22)
11.	TO GIVE BACK PRODUCTS FOUND	"A *few days ago, I found a piece of gold and a friend of mine wanted to sell it in a specialized store. I decided to give it to the owner of the camping site*" (male, 19) "*A common example of an ethical behaviour is when we find something that was lost, and we return it to the owner*" (female, 18)

Following Rest's (1986) four-stage model of ethical deliberation, and concerning the recognition of an ethical issue – ethical awareness – almost all the respondents could identify situations that involve ethical questions, and had an awareness of what is right or wrong. Furthermore, they believed that people in general are able to make this distinction. However, consistent with Malheiro, Farhangmehr, & Soares (2012), they were also aware that people sometimes try to neutralize their ethical evaluations (Sykes & Matza, 1957) in order to not behave ethically.

> *"It's easy to know that shoplifting or harming others is wrong, but we can forget or ignore that awareness, we can suspend this awareness"* (female, 24);

> *"I think that people in general clearly knows what is ethically right or wrong, but most of the times individuals act spontaneously and don't behave according to their most intrinsic and rational moral principles"* (male, 37);

Respondents also reported critical incidents describing ethical judgements and ethical intents, and almost all of them expressed a high level of concern toward ethical issues (Table 2.2). Regarding ethical behaviour, some respondents were able to easily identify consumer critical incidents involving ethical issues. However, when invited to describe a situation in which they changed their behaviour due to ethical issues, most of it found it very difficult to answer, with the most commonly mentioned examples being the purchase of national products to help the economy; the purchase of specific products launched at Christmas to help charities; and very few cases of rewarding or boycotting specific products or brands. These results show the usefulness of the Rest's model in describing the different stages of ethical decision making process, and suggest it could be used in future research to examine consumer ethical deliberation process, as well as their most significant antecedents and consequences.

Table 2.2: Respondents' statements concerning Rest's (1986) four-component model of ethics

Rest's stage	Statements
ETHICAL AWARENESS	"*(...) But there are less obvious ethical things, such as a download from the internet. It is easy to do, it is free, and everyone does it. This is also an ethical issue [like shoplifting r harming others], but it is seen in a different way, it has a lower severity, and does not harm others in such a strong and immediate way*" (female, 24)
	"*There are many situations that we easily know that involve ethical questions, such as shoplifting or downloading illegally a music from internet, but there are several other situations that the ethical content may not be so clear, such as recycling or using public transports*" (female, 32)

ETHICAL JUDGEMENT	"*I think it is incorrect the people eating fruit or crackers inside the store without paying*" (male, 52) *"In my opinion, it is ethically wrong moving ahead in the queue of the supermarket simply because we have someone known ahead"* (female, 45)
ETHICAL INTENT	"*if I travelled by public transport, I would never travel without paying and validating the ticket*" (female, 27) "*Behaving ethically is a priority for me. However, as a consumer and while shopping, I don't usually change my behaviour because of ethical issues.*" (female, 24)
ETHICAL BEHAVIOUR	"*Although it is easy, I usually don't download music illegally from the internet. I respect copyright.*" (female, 22) "*Once, the train was already parked on the line and I was late to buy the ticket. I decided to enter without a ticket, thinking that I could buy it directly from the ticket collector. The train ticket collector informed me that it was forbidden to travel on the train without a valid ticket and that I was incurring a crime. He kindly let me buy the ticket at the destination, without any penalty. From that moment on, I never travel without paying on public transports.*" (male, 22)

Concerning the variables that most influence consumer decision making involving ethical issues, education was frequently indicated as the most important dimension. Directly linked to education, personal values, beliefs, character and intrinsic moral norms acquired during the individual process of socialization were also highlighted, which fulfil the deontological approach proposed by Hunt & Vitell (1986, 2006) comprising the intrinsic personal evaluation about the rightness or wrongness of the behaviours/alternatives.

In addition, the perceived consequences of the potential behavioural paths were also suggested to influence ethical decisions and behaviours, and these consequences could be monetary, physical, legal, social or even emotional (for instance, guilt), supporting a teleological evaluation – focused on the consequences – of ethical deliberation process (Hunt & Vitell, 1986, 2006). Religion was also indicated as an important dimension influencing ethical decisions, but with a lower significance among the young respondents.

"Education and the people around us (such as family, friends, or school) have a significant influence on our moral principles and ethical behaviours" (female, 25);

"Individual ethical choices will always be influenced by the social environment in which people are embedded" (male, 19);

"The burden of conscience, the sense of mission and the concern for others are some of the variables that most influence and encourage ethical behaviours" (male, 19);

"We must act according to our values and what we consider correct. But often, we think about the foreseeable consequences of our action and we chose the least bad option" (female, 24);

"Many consumer unethical behaviours are stimulated by a monetary issue, while ethical behaviours are highly influenced by education, personal values and character, and the person's own moral principles" (female, 24);

"Religion has a close relationship with ethics. A religious person is less likely to take an incorrect action, such as shoplifting or harming others, because these acts go against their own principles" (female, 23);

With regard to the role of emotion, most respondents agreed that there is relationship between emotions and ethics, and considered it natural that emotion should influence consumer ethical behaviour as it does "*almost all human decisions*" (female, 45). The findings suggest that emotions are understood to have a crucial function in consumer ethical decision making and behaviour, the more so the greater the person's proximity with the victim. Participants considered that emotions enhance personal sensitivity towards ethical issues, influence ethical judgments and choices, and encourage ethical behaviours.

"Emotion has a very significant influence on consumer behaviour. Sometimes I go to a store to buy products and I'm aware that I don't need it, but I buy it just as an emotional reward and as a source of emotional balance for myself" (female, 45);

"Emotion influences our ethical decision making, especially mediating the proximity and the relationship with potential victims" (female, 18);

"A person may even be tempted to do something wrong, but thinking about the negative consequences of their action, such as being caught, going to jail or public humiliation, generates a negative emotion that can prevent them from perform such an action. This anticipated negative emotion makes them think twice before acting" (female, 24);

"Emotion clearly influences ethics. A very good example is football. During a football game, at the stadium or even on the couch at home, fans are often able to completely change their ethical behaviour with friends or family just because of strong emotional stimuli towards their club. Responsible people and with significant ethical values are able to insult the opponent or the referee simply because of the intensity of the emotions they are feeling. Ethically, I would

have no reason to argue or insult other people who have done nothing wrong. It's just an emotional issue" (male, 26);

The results also show that respondents considered emotions to play an important role not only as antecedents of consumer ethical decision making. Positive emotions were considered to stimulate ethical choices and behaviours, which is consistent with previous literature (Den Hartog & Belschak, 2007; Fritz & Sonnentag, 2007; Kaplan, Bradley, Luchman, & Haynes, 2009); while negative emotions were seen as facilitating unethical decisions and actions (Jacobs, Belschak, & Den Hartog, 2014); although the specific nature and intensity of these relationships appeared far less consensual.

"When I feel happy or glad, I'm more able to think about others, to think about the consequences of my actions and to behave ethically" (female, 27);

"When I'm frustrated, I don't care about ethics or things like that" (male, 25);

In a more fine-grained analysis evaluating the relationship between consumer ethics and specific post-decision emotions, we can see that the positive emotions most often mentioned as likely to result from ethical decisions and behaviours were "*pride*" (quoted by 85% of respondents), followed by "*satisfaction*" (79%) and "*self-assurance*" (53%) (Figure 2.1). On the opposite side, the negative emotions considered most likely to be felt after unethical choices were "*guilt*" (cited by 79% of respondents), "*discomfort*" (64%), "*disappointment*" (51%) and "*shame*" (45%) (Figure 2.2). These findings emphasize the significant relationship perceived between consumer decision making involving ethics and both positive and negative emotions, some of which have already been the focus of attention in the consumer ethics literature, such as guilt (Antonetti & Maklan, 2014b), pride (Antonetti & Maklan, 2014a) and happiness (Winterich et al., 2015).

Figure 2.1: Positive emotions most likely to be elicited

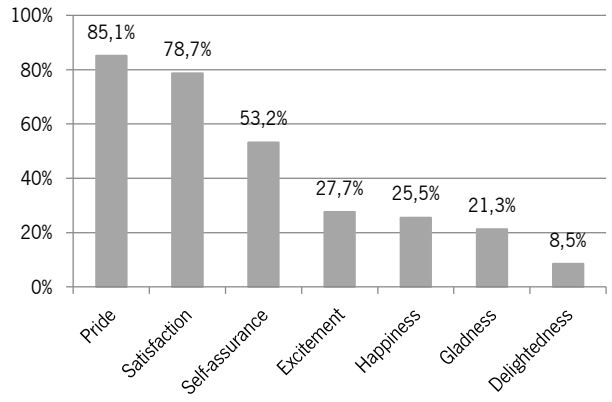
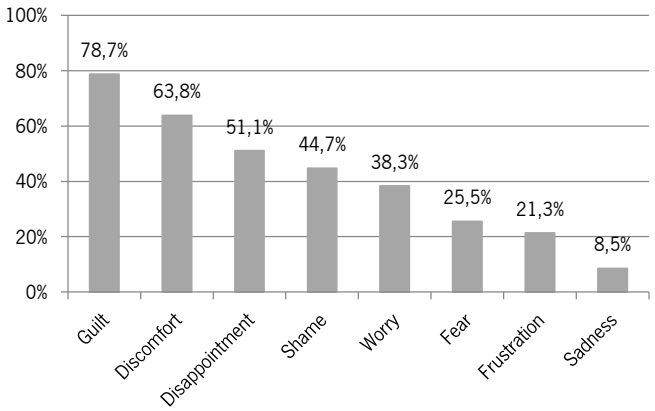


Figure 2.2: Negative emotions most likely to be elicited



2.4. STUDY 2

2.4.1. Objectives and Methods

In order to build on and structure the findings about the variables that most influence consumer decision making involving ethical issues, and to improve our understanding of how emotions influence consumer ethics, in the second study, four (4) focus groups were conducted using concept mapping technique (Novak, 1981).

Developed from learning psychology (Ausubel, 1963), concept mapping aims to simplify complex information by developing relationships between concepts and ideas through pictures or structured diagrams, becoming more comprehensible than just words (Davies, 2011). Concept maps have been used to elicit individuals' knowledge about scientific concepts and to understand the relationships between concepts (Novak & Gowin, 1984), thus improving understanding of both those concepts themselves and the domain to which they belong (Davies, 2011). Through a relational analysis of ideas, concept maps create a hierarchical structure for organizing and representing knowledge (Novak & Cañas, 2008). According to Davies (2011), concept maps should be developed through six stages: *i)* develop a word, concept or phrase which represents a focus question; *ii)* devise a ''parking lot'' of concepts and ideas that are related to the focus question; *iii)* put concepts in hierarchical order of importance in a provisional map; *iv)* create link lines between the hierarchical concepts from top to bottom; *v)* devise suitable cross-links for key concepts in the map; and finally *vi)* add examples to the terminal points of a map representing the concepts.

"Consumer Ethical Decision Making" was defined as the key issue, and the focus question, centred around the factors influencing it, was formulated as: "what are the variables that most influence ethical decision making by consumers?". Then, previous research on consumer ethics was examined, together with the responses from the in-depth interviews, and the most cited words/associations (those that at least 50% of the participants in the in-depth interviews mentioned) were selected for laminated cards.

In each focus group, participants were guided in creating their concept maps in three steps. First, participants were asked to think about the following question: "What comes to mind when you think about consumer ethics?" This information was matched with the contributions emerged from in-depth interviews and prior research, and a set of concepts and ideas were devised to be used in the mapping stage - *the parking lot*. Table 2.3 shows the concepts and ideas used in the final map.

The second step involves describing how the different concepts and ideas might be connected to the focus question, and how the concepts might be connected to each other. Participants could

use three (3) types of lines, according to how strongly they thought an idea was related to the focus question or to another idea. One line meant the existence of a relationship, two lines represented the existence of a strong relationship, and three lines meant the existence of a very strong relationship. Finally, respondents were asked to develop their concept map, using twenty-five previously selected laminated cards and the different types of lines (single, double, or triple) for relating the concepts and ideas on a final hierarchical concept map.

Respondents were invited to join the study after a detailed explanation about the research objectives and focus group procedures. The focus groups were carried out with individuals from a private company, two institutions of higher education, and one non-profit organization. All the participants in the focus group were different from those who participated in the in-depth interviews. The four focus groups were conducted with a number of participants varying from seven (7) to ten (10), ranged in age from 19 to 57, and had a heterogeneous distribution concerning gender, instruction and occupation.

Table 2.3: Concepts and ideas used in the final map

Moral intensity	Education	Personal values	Religion	Emotions
Consequences	Consumer decision	Guilty conscience	Others	Beliefs
Costs (physical, monetary, social, legal, temporal)	Benefits	Proximity	Punishment	Moral
Feelings	Pride	Personality	Justice	Guilt
Victim	Society	Information	Harm	Culture

2.4.2. Results and Discussion

Study 2 aimed to understand the relationships between concepts that most influence consumer ethical decision making, and to uncover the role emotions may play in explaining such decisions, through the use of concept mapping in four focus groups.

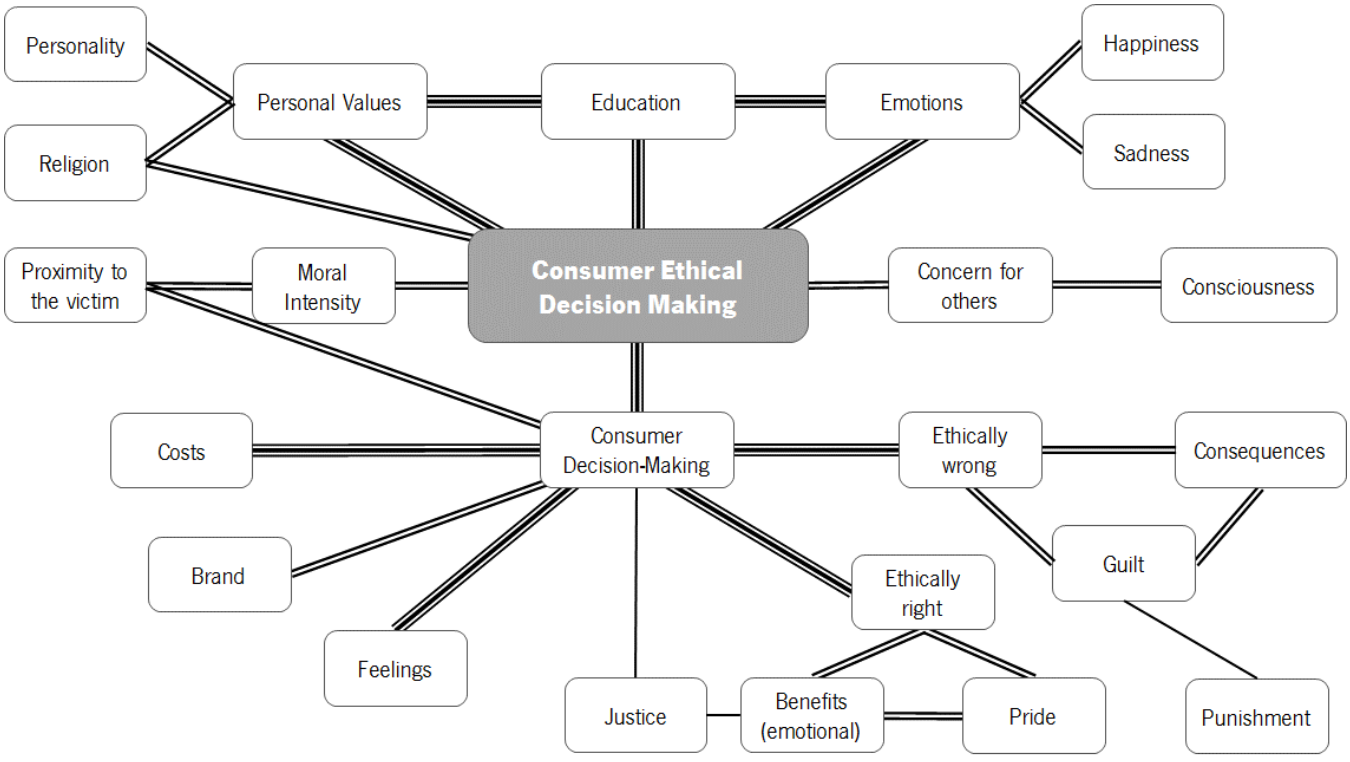
Focus group 1 identified education, personal values and emotions, as well as consumer decision making in general, as having a very strong relationship with consumer decisions involving ethical

issues (Figure 2.3); and moral intensity and concern for others as having a strong link. Consumer decision making (in general), was further strongly linked to the ethicality of the options that being evaluated: consumers related ethically wrong with future consequences and guilt (which in turn was connected to punishment); while decisions deemed ethically correct were related to positive emotional benefits and pride.

These findings are consistent with the assumption that emotions play a pivotal role in explaining consumer decision making in ethical situations (Vitell et al., 2013), and are intrinsic to a rational ethical decision (Gaudine & Thorne, 2001). Emotions can influence ethical decision making by assisting the recall of information from memory (Schwarz & Clore, 2007), by activating an internal *alarm mechanism* prior to any rational deliberation about ethics (Damasio, 1994), and/or by serving as a basis of judgment (Clore et al., 2001), resulting in better consumer ethical decisions (Gaudine & Thorne, 2001).

Focus group 1's concept map also attributes a significant role to happiness and sadness in understanding consumer choices involving ethics, hitherto relatively underexplored emotions in the business ethics literature (Craft, 2013; Mudrack & Mason, 2013).

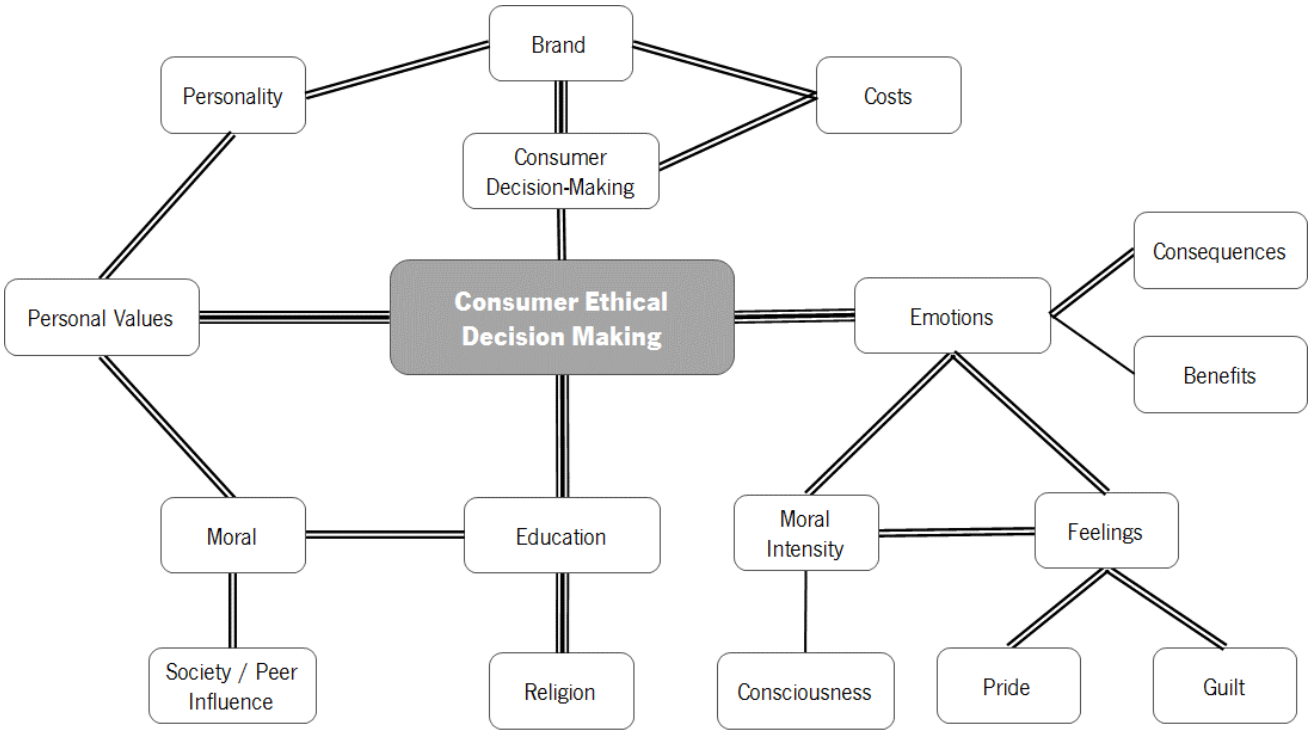
Figure 2.3: Concept map of focus group 1



The second group's concept map similarly traces a very strong relationship from education, personal values emotions to consumer ethical decision making, (Figure 2.4). Previous research has also emphasised the role of education (Awasthi, 2008; Marques & Azevedo-Pereira, 2009) and the values a person possesses (Doran, 2009; Fritzsche & Oz, 2007) on ethical decisions.

Placing the focus on emotions, these are understood to be strongly linked with the moral intensity of the situation, its potential consequences and with feelings of guilt and pride. These findings suggest that emotions are not only a determinant of ethical behaviours, but also may arise as a post-decision outcome. Previous contributions analysed the role of emotions as antecedents of ethical choices (Hollings, 2013) and ethical behaviours (Agnihotri et al., 2012), or as outcome of decisions involving ethics (Antonetti & Maklan, 2014a).

Figure 2.4: Concept map of focus group 2



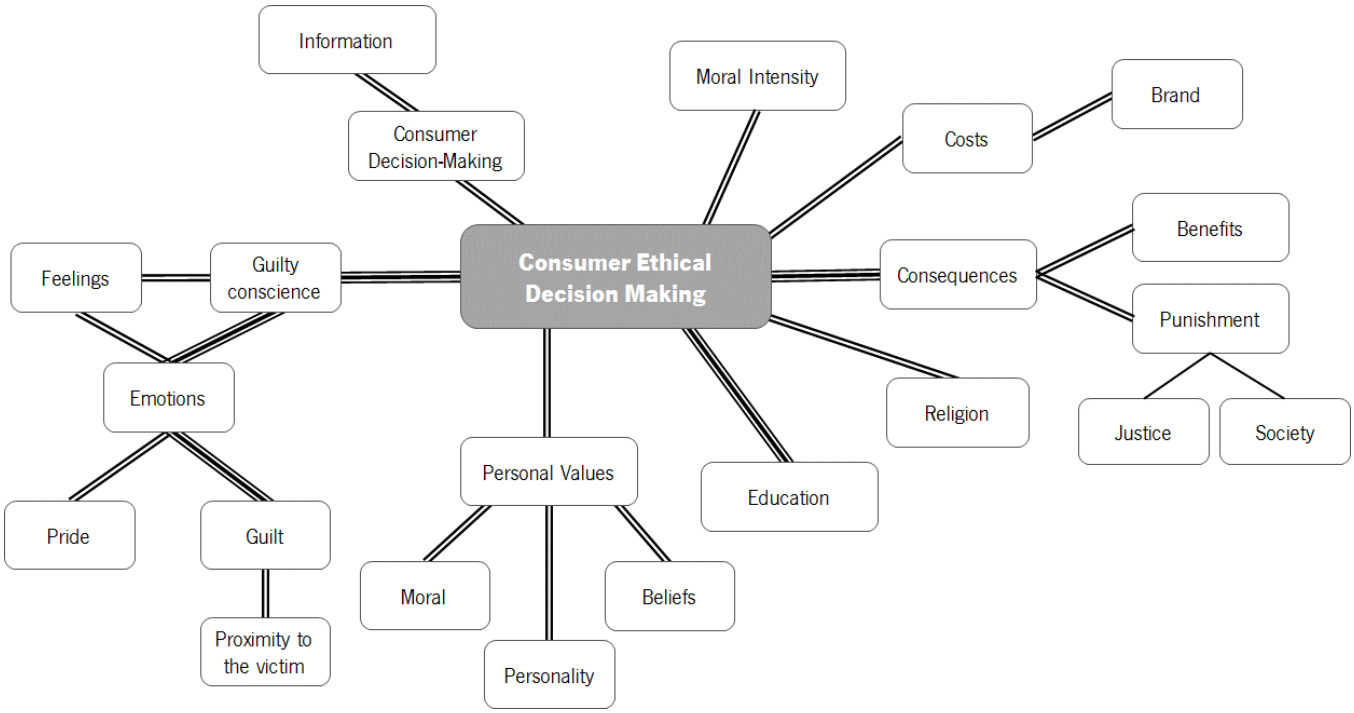
Like in the two preceding groups, the concept map developed by focus group 3 also placed education as having a very strong link with ethical consumer decision making; however, unlike the previous groups, in adds to this the concepts of consequence and a guilty conscience (Figure 2.5). Consequence is understood as able to be both positive (benefits) and negative (punishment), but the maps suggests a greater concern with the negative valence of the outcome, namely negative legal and social consequences.

Emotions in this map are two steps removed from the core (ethical decision making), and strongly connected to guilt and pride, although more to the unfavourable emotion (guilt).

This is consistent with the literature, which attributes a relevant role to both guilt and pride in influencing consumer sustainable choices (Antonetti & Maklan, 2014b) and pro-environmental behaviours (Onwezen et al., 2013), but reinforces the stronger role of guilt in explaining these judgments and actions (Antonetti & Baines, 2014; Elgaaied, 2012).

Focus group 3 also maps a strong association between personality religion, moral intensity and consumer decision making (in general) and ethical consumer decision making. This is parallel to both the previous maps, and previous research which has identified these variables, along with education, as some of the major categories of factors aiming at explaining ethical decision making (Craft 2013; Mudrack & Mason, 2013).

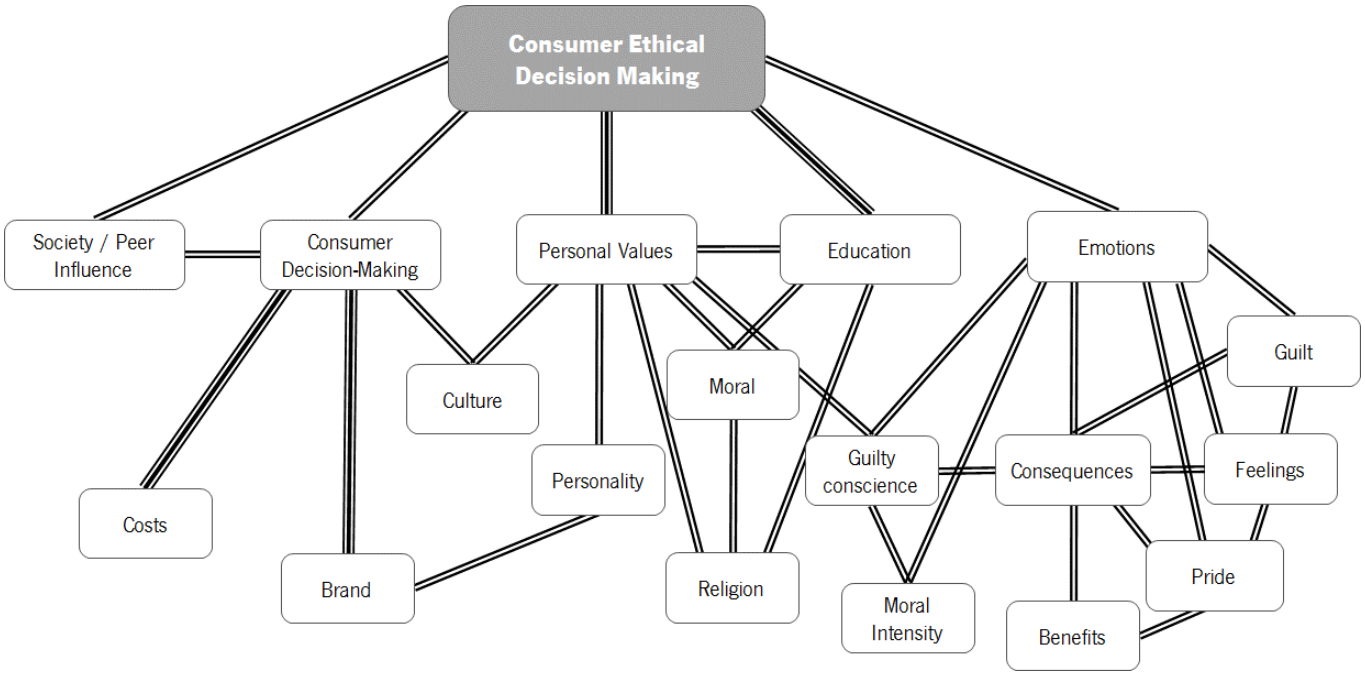
Figure 2.5: Concept map of focus group 3



In the concept map by focus group 4, education and personal are attributed with the strongest association with ethical consumer decision making, followed by societal influence, consumer decision making and emotions (Figure 2.6). Regarding emotions, in this map, they are linked to guilt and pride once more, as well as to moral intensity and consequences, reinforcing the literature

that affords a pivotal role to emotions in explaining decision making involving ethical issues (Agnihotri et al., 2012; Huebner, Dwyer, & Hauser, 2009).

Figure 2.6: Concept map of focus group 4



2.5. GENERAL DISCUSSION AND CONCLUSIONS

Despite the growing research interest in the relationship between emotions and consumer ethics (Gaudine & Thorne, 2001; Vitell et al., 2013), there are relatively few empirical contributions examining that relationship. Based on two qualitative studies, we identify some of the most relevant critical incidents involving ethical issues from the consumer's point of view, and find evidence of a pivotal role for emotions in explaining consumer ethical choices and actions.

With regard to the critical incidents, the most common situations involving ethical issues faced by consumers were found to be shoplifting, travelling on public transport without paying, consuming food inside a retail store (without paying for it), not returning excess change received from a cashier, downloading software and music, photocopying a book, and moving ahead in a queue of the supermarket.

The ethical scenarios identified in this research are consistent with – and at the same time advanced –the four dimensional solution of the consumer ethics scale proposed by Muncy & Vitell (1992) and revised to seven categories by Vitell & Muncy (2005). The most frequent consumer

ethical issues identified by the respondents can be grouped as: *i)* actively benefiting from illegal activities; *ii)* passively benefiting from illegal activities; *iii)* actively benefiting from deceptive practices; *iv)* no harm/no foul activities; *v)* downloading copyrighted material; *vi)* recycling awareness; and *vii)* doing the right thing (Muncy & Vitell, 1992; Vitell & Muncy, 2005). The current study adds to this categorization, however, with the introduction of some new items, such as travelling on public transport without paying, lifting products on the scales so they will weigh less, moving ahead in a supermarket queue, participating in charities campaigns, giving up one's seat on public transport, and returning lost items. These new items may complete the Consumer Ethics Scale (Vitell & Muncy, 2005) and improve its explanatory capability, and so could be used in future studies examining consumer ethics.

Our findings further suggest that emotions – along with education, personal values and religion – have a very strong relationship with consumer decision making involving ethics. Although the role of emotions in ethical decision making could have been inferred by prior contributions from neuropsychology (Bechara & Damasio, 2005; Haidt, 2001; Tangney, Stuewig, & Mashek, 2007a; Young & Koenigs, 2007) and business sciences (Agnihotri et al., 2012; Craft, 2013; Gregory-Smith, Smith, & Winklhofer, 2013; Salvador & Folger, 2009), this study advances the integral role emotions exert as both determinant and outcome of consumer ethical deliberation processes; be they positive or negative in nature; and valence-based or individual in scope. The empirical evidence on the integral role of emotions on consumer ethical decision making is an important contribution to consumer behaviour research and a step towards a more complete understanding of how ethical decisions are formed.

2.6. RESEARCH IMPLICATIONS, LIMITATIONS AND FURTHER RESEARCH

This research has important implications for the study of consumer ethics, as well as for the promotion of ethical consumer decisions and behaviours. The study empirically identifies a set of critical incidents encountered in a consumption environment that lead to ethical/unethical deliberations by consumers. It is suggested these could be used in future research to assess consumer decision making in ethically questionable scenarios. The current study found support for the Muncy–Vitell Consumer Ethics Scale (Muncy & Vitell, 1992; Vitell & Muncy, 2005); in addition to identifying a number of new items describing consumer behaviours involving ethical issues that

might potentially improve the existing scale and make it an even more accurate measurement tool for the assessment of consumer ethics.

A further, very relevant contribution of the current study pertains to the strong relationship uncovered between emotions and consumer ethical decision making. Our findings indicate that consumer choices involving ethics are significantly influenced by emotions and that ethical (and unethical) decisions stimulate future favourable or unfavourable emotions. Thus, emotions appear to act on consumer ethics as both antecedent and outcome, with ethical decisions being more likely to stimulate positive emotions (such as pride) and unethical choices more likely to arouse negative emotions (such as guilt). However, the strength of these relationships, as well as the exact nature of the interactions between them are still relatively understudied. Future research would do well to provide quantitative measurement of those relationships, in assessing the integral role of emotions as antecedent and outcome of consumer ethical decisions. In addition, further research could also evaluate and compare the influence of positive vs. negative, and valence-based vs. individual discrete emotions. The most significant limitations of this exploratory investigation is its qualitative nature and its characteristics regarding reduced sample size, absence of representativeness of the population and lack of statistical procedures (Malhotra et al., 2017). The quantitative measurement of the relationships between emotions and consumer ethics will help to overcome these.

For practitioners, this research provides relevant contributions about how ethical decisions are formed and how they can be encouraged. Our findings show that education, personal values, religion and emotions have a very strong relationship with consumer ethics. While education, personal values and religion integrate the fundamental/basic beliefs of the individual, and so likely very difficult to change, emotions emerge as the one variable that can more easily be influenced. Managers and policy makers wanting to encourage ethical consumer behaviours and/or discourage unethical actions should privilege favourable consumer emotional involvement rather than just disclose cognitive and legal arguments, improving effectiveness of marketing campaigns, for instance on social marketing messages regarding speeding or alcohol consumption.

CHAPTER 3 ANTECEDENTS OF CONSUMER ETHICAL DECISION MAKING: A MULTIDIMENSIONAL ANALYSIS OF EMOTIONS, MORAL INTENSITY, MORAL PHILOSOPHIES, PERSONAL NORMS AND INTRINSIC RELIGIOSITY

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ABSTRACT

Understanding how consumer ethical decision making is formed and how ethical judgments and behaviours can be promoted are of growing interest in the marketing research agenda. Notwithstanding, there have been calls for additional research focusing on the development of integrated and more comprehensive theoretical backgrounds to improve models' explanatory and predictive capability. Thus, this research has two main objectives: first, to test the influence of consumer emotions, moral intensity, moral philosophies, personal norms and intrinsic religiosity on consumer ethical decision making process; second, to assess the relative weight of each independent construct on consumer deliberation processes involving ethical issues. Through a valid sample of 413 respondents and using three different ethical scenarios, results show that emotions, moral intensity and personal norms positively influence consumer ethical decision making. Furthermore, emotion is the dimension that most influences consumers' ethical choices and actions, providing empirical evidence of their key role in predicting consumer ethics.

Keywords:

Consumer Ethics; Emotions; Ethical Decision Making; Moral Intensity; Personal Norms.

3.1. INTRODUCTION

Consumer ethical decision making is a relatively new research field in business literature (Singh et al., 2018) but of growing interest to both marketing theory and practice. From the applied point of view, the relevance of consumer ethical decision making is no longer in doubt. Consumers do not always decide and behave according legal and morally acceptable norms of conduct and illegal and unethical behaviours, such as shoplifting or switching a price tag in the store, can bring significant costs to shareholders, employees, consumers themselves and even to the environment (Schwartz, 2016). For instance, retail crime in Europe costs 70.85 $billion in the period between 2014 and 2015 (Global Retail Theft Barometer, 2015).

Significant conceptual and theoretical advances have been made in this field in the literature, mostly describing the environmental, situational, individual, organizational or ethical issue factors that influence ethical decision making (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Jones, 1991; Rest, 1986; Trevino, 1986). However, a review of the ethical decision making research reveals two main gaps: first, much of early research on ethical decision making was based on the assumption that ethical behaviour is primarily a cognitive, deliberate and rational process (Ajzen, 1991; Trevino et al., 2006), ignoring that ethical decision making can also be characterized as a non-cognitive, intuitive and often emotional decision process (Haidt, 2001, 2007; Vitell et al., 2013); second, despite the growing number of studies identifying specific predictors of ethical decision making (such as gender, education, values, religiosity, perceived characteristics of the act or ethical environment) (for a review, see Lehnert et al., 2016; Pan & Sparks, 2012), there is a dearth of research simultaneously analysing some of the most discussed antecedents of ethical decision making, such as consumer emotions, moral intensity, moral philosophies, personal norms and intrinsic religiosity.

Consumer decision making involving ethical situations has not received much attention in business literature. O'Fallon & Butterfield (2005) suggest that additional research is required to identify and test further influence factors as well as new potential moderator variables; Tenbrunsel & Smith-Crowe (2008) emphasize that future research should focus on developing a more comprehensive theoretical platforms to improve the models' explanatory and predictive capability; while Lehnert et al. (2015) state that there is still a wide variety of variables which need to be further investigated to better understand the ethical decision making process.

This research aims to help address these gaps by comparing the relative weight of potential influence variables in the consumer ethical decision making process. Specifically, this study

empirically examines the role of emotion, moral intensity, moral philosophies, personal norms and intrinsic religiosity on consumer ethical decision making process.

3.2. THEORECTICAL BACKGROUND

3.2.1. Ethical Decision Making

Over the last few decades, the study of ethical decision making has witnessed significant strides. Rest (1986) proposed a four-component model for individual ethical decision making, one of the most used and tested theoretical models in the field, which views moral decision making as involving four main steps: *i)* moral awareness – recognizing and interpreting a moral issue; *ii)* moral judgment –making judgments or choices about the morally correct course of action; *iii)* moral intent – establishing an intention to carry out the moral action; and *iv)* moral behaviour – acting on the moral concerns. In addition, numerous independent variables influencing Rest's model have been considered, which can be divided into individual, organizational, and moral intensity factors (see Craft, 2013 for review).

A substantial body of the business literature assumes that consumer ethics is primarily a cognitive, deliberate and rational process, where the moral reasoning dominates the process of resolving conflicts once one is faced with an ethical dilemma (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Jones, 1991; Trevino, 1986). Despite the valid contributions provided, rationalist approaches have overlooked an important component in developing a more comprehensive understanding of consumer ethical decision making: emotions (Gaudine & Thorne, 2001). Recent contributions state that emotion is a key element in ethical decision making (Salvador & Folger, 2009; Vitell et al. 2013); and as a pivotal source of information (Ruedy, Moore, Gino, & Schweitzer, 2013), emotions influence ethical perceptions (Robertson et al., 2007; Yacout & Vitell, 2018), ethical judgments (Schwartz, 2016; Singh et al., 2018) and ethical choices and behaviours (Antonetti & Maklan, 2014b; Vitell et al., 2013). Thus, it is proposed that:

H1: Emotions will positively influence ethical consumer decision making.

Moral intensity is defined as the "extent of issue-related moral imperative in a situation" (Jones, 1991: 372). Empirical research shows that the characteristics of the moral issue itself affect ethical decision making process (Chen, Pan, & Pan, 2009; Frey, 2000; McMahon & Harvey, 2007; Singhapakdi, Vitell, & Franke, 1999; Vitell & Patwardhan, 2008) and Pan & Sparks (2012) suggest

that more morally intense situations will produce stricter ethical decisions. Then, it is proposed that:

H2: Moral intensity will positively influence ethical consumer decision making.

Individuals' ethical ideologies are likewise important factors influencing consumer ethical decisions (Craft, 2013; Tenbrunsel & Smith-Crowe, 2008). Idealism refers to ethical decisions that lead to good or positive consequences, whereas relativism rejects the notion of universal principles and suggests that ethicality is based on context and situation (Forsyth, 1980). Past research has included ethical ideologies in the analysis (Callanan, Rotenberry, Perri, & Oehlers, 2010; Marques & Azevedo-Pereira, 2009; Marta, Singhapakdi, & Kraft, 2008; Pan & Sparks, 2012; Singhapakdi et al., 1999) and assumed that idealistic individuals will be more likely to make ethical choices, while persons with higher degrees of relativism will be more likely to choose an unethical option. Therefore, it is proposed that:

H3: Idealism will positively influence ethical consumer decision making.

H4: Relativism will negatively influence ethical consumer decision making.

Personal norms form the core of the Norm Activation Model (NAM) (Schwartz, 1977) and are used to predict individual altruistic behaviour. The NAM suggest that personal norms are determined by the awareness of the consequences of a behaviour and that these norms are actively experienced as feelings of moral obligation which will induce individual behaviour (Schwartz, 1977). More recent research demonstrates that personal norms explain ethical intentions and behaviours in purchase decisions involving prosocial and environmental sustainability issues (Antonetti & Maklan, 2014a; De Groot & Steg, 2009; Onwezen et al., 2013). Thus, it is proposed that:

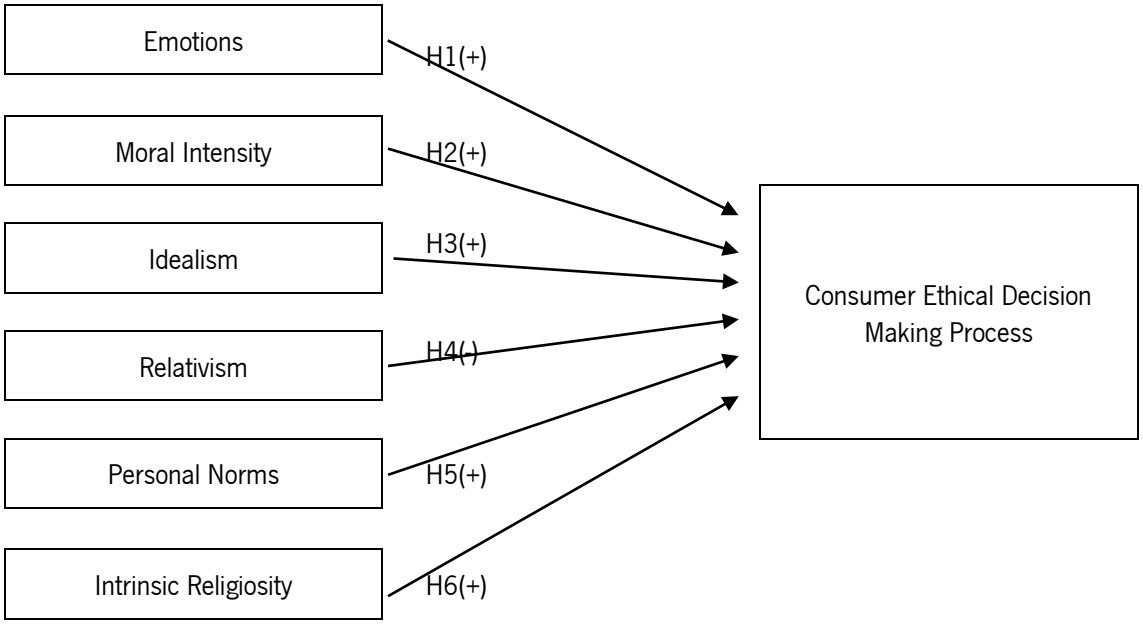
H5: Personal norms will positively influence ethical consumer decision making.

Defined as a belief in God accompanied by a commitment to follow principles believed to be set by God (McDaniel & Burnett, 1990), religiosity presents an intuitive influence on individual's ethical judgments, beliefs and behaviours (Vitell, Paolillo, & Singh, 2005). Empirical research shows that a person's intrinsic religiosity (Allport & Ross, 1967) has a positive impact on the person's recognition of ethical issues (Siu, Dickinson, & Lee, 2000), ethical judgments (Cottone, Drucker, & Javier, 2007), and ethical intentions and behaviours (Singhapakdi et al., 2013; Vitell et al., 2009). So, it's proposed that:

H6: Intrinsic religiosity will positively influence ethical consumer decision making.

Figure 3.1 summarizes the proposed research model, where emotions, moral intensity, idealism, personal norms and intrinsic religiosity lead to more ethical consumer decisions, and relativism negatively influences ethical consumer decisions.

Figure 3.1: Proposed Research Model



3.3. METHODS

A scenario-based questionnaire was applied, in person, and a valid convenience sample of 413 respondents was collected (M_{age} = 26,5 years; 61,3% female and 38,7% male) in the region of Braga, North of Portugal. Three different ethical scenarios were used to reduce situation bias and improve the accuracy of the analyses.

3.3.1. Measures

Before reading and answering the questions pertaining to the ethical scenarios, respondents were asked to rate the emotions they were feeling at that moment and invited to answer questions about their ethical ideology and personal norms. Emotions were measured using an adapted version of the 17 anticipatory goal-directed emotions proposed by Bagozzi et al. (1998). Four positive and four negative emotions were measured on a seven-point scale ranging from 1-"Not at all" to 7-"Very much". The question was posed as follows: "At this moment, I feel: glad; sad; happy;

ashamed; satisfied; guilty; excited; uncomfortable". Positive and negative emotions were introduced alternately and ordered randomly to minimize common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

Ethical ideology was examined through a short-form of the Ethics Positioning Questionnaire proposed by Forsyth (1980). Three items were used to measure idealism and three items for relativism. Personal norms were assessed through three items adapted from Antonetti & Maklan (2014a) and Onwezen et al. (2013). At the end of the questionnaire, intrinsic religiosity was evaluated through a modified version of the Religious Orientation Scale developed by Allport & Ross (1967).

As indicated above, the Rest's (1986) four-stage model of the moral deliberation comprises awareness, judgment, intention and behaviour, which was used in this study to evaluate the consumer ethical decision making process. Ethical awareness was measured through a single item adapted from Karande, Shankarmahesh, Rao, & Rashid (2000): "For me, the behaviour described above involves an ethical problem"; regarding ethical judgment, respondents were asked to evaluate the action adopted in the scenario through 4 items adapted from Reidenbach & Robin (1990): wrong–right; unfair–fair; unethical-ethical; not morally right-morally right; to assess ethical intention participants were invited to indicate whether faced with the same situation, they would act in the same way as the consumer in the scenario (Vitell & Patwardhan, 2008); and ethical behaviour was measured by a single item in which respondents ranked the actions they typically carry out. All items were rated on a seven-point Likert scale from 1-"Strongly disagree" to 7-"Strongly agree".

3.4. RESULTS AND DISCUSSION

As noted above, this study had two main objectives: first, to measure the influence of consumer emotions, moral intensity, moral philosophies, personal norms and intrinsic religiosity on the consumer ethical decision making process; and second, to assess the relative weight of each independent construct on ethical consumer decisions and behaviours.

To achieve these research objectives, a two-step structural equation modelling (Hair et al., 2014) was performed using AMOS 24. The data indicate adequate convergent and discriminant validity among item measures, assessed through exceeding the recommended values of factor loading, average variance extracted (AVE) and composite reliability, and through the square root of the AVE compared with construct's correlation with any other construct in the model (Fornell & Larcker,

1981; Hair et al., 2014). Regarding the model fit, the results also showed a good fit of the model (X^2=603,844; p=0,000; df=317; X^2/df=1,905; CFI=0.940; TLI=0.928; NFI=0.882; GFI=0.906; RMSEA=0.047).

The findings indicate that emotions, moral intensity and personal norms positively influenced the consumer ethical decision making process, thus confirming H1, H2 and H5 (Table 3.1). Idealism had a statistically significant effect on consumer ethical decisions and behaviours, but in the opposite direction to what had been hypothesized. Relativism and individuals' intrinsic religiosity did not impact the consumer ethical deliberation process.

Regarding the second goal of this study, to assess the relative weight of each independent construct on consumer ethical decision making, results demonstrate that, from all the independent variables included in the model, emotions is the construct that most influences the consumer ethical decision making process, followed by the intensity of the ethical issue and by individuals' personal norms.

Table 3.1: Construct Structural Model

Structural relationships	**Hypotheses**		**Standardized Parameter Estimates**		**Hypotheses Testing**
	Number	Direction	Estimate	t-value (sig.)	
Emotions → Ethical Decision Making	H1	positive	0.723	4.298***	Confirmed
Moral Intensity → Ethical Decision Making	H2	positive	0.630	7.917***	Confirmed
Idealism → Ethical Decision Making	H3	positive	-0.081	-2.034**	Not Confirmed
Relativism → Ethical Decision Making	H4	negative	0.021	.452	Not Confirmed
Personal Norms → Ethical Decision Making	H5	positive	0.137	2.945***	Confirmed
Intrinsic Religiosity → Ethical Decision Making	H6	positive	0.059	1.432	Not Confirmed

Fit statistics for structural model of 28 indicators for 7 constructs: $\chi^2_{(338)}$ = 798,346; p=0,000; χ^2/df=2,362; CFI=0.903; TLI=0.892; NFI=0.844; GFI=0.875; RMSEA=0.057.

*** $p < 0.01$

** $p < 0.05$

3.5. CONCLUSIONS AND IMPLICATIONS

By providing a multidimensional analysis of the antecedents of consumer ethical decision making, this research extends current understanding of how consumer ethics is formed. The description of the predictors of ethical consumer decisions provide relevant academic and managerial implications, since a detailed understanding of the variables that affect ethics could help mitigate potentially undesirable choices and behaviours.

The findings presented herein suggest that emotions, the moral intensity of the issue and personal norms influence consumer ethical decisions and behaviours. While personal norms are more stable and more difficult to influence in the short-term, consumer emotions and perceptions of the intensity of an ethical issue are more amenable to influence by a marketer. This leaves room, potentially, for communication messages and/or environmental contexts to be designed that might stimulate positive and favourable emotions, which, in turn, will promote ethical decisions and behaviours. In the other direction, marketers can also help consumers anticipate future negative feeling of not behaving ethically, to prevent unethical actions which will lead to undesirable future feelings (Zeelenberg, van Dijk, Manstead, & vanr de Pligt, 2000).

This study provides empirical evidence regarding the role of emotions as key antecedent of the consumer ethical decision making process. Emotions are, thus, significant predictors of consumers' ethical choices and actions, corroborating recent contributions in literature which suggest that emotion is intrinsic to a rational ethical decision making (Schwartz, 2016; Singh et al., 2018; Vitell et al., 2013; Yacout & Vitell, 2018). However, future research should explore the influence of specific positive and negative emotions (such as happiness or anger) on consumer ethical decision making to determine the exact direction and intensity of the relationship.

CHAPTER 4 WHY BAD FEELINGS PREDICT GOOD BEHAVIOURS: THE ROLE OF POSITIVE AND NEGATIVE ANTICIPATED EMOTIONS ON CONSUMER ETHICAL DECISION MAKING

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ABSTRACT

Research suggests that emotions can greatly influence consumer decision making and behaviours. Notwithstanding, our understanding of the role of anticipated emotions in what is an inherently complex deliberation process – that of consumer ethics – is still quite limited. The present study thus aims to address this gap, in two key ways: first, by measuring the influence of positive and negative anticipated emotions at each stage of the consumer ethical decision making process; and second by describing the specific emotions that most affect each component of the consumer ethical deliberation process and assessing their relative weight in predicting decisions involving ethical issues. Through the examination of 603 ethical situations and using multiple regression analysis, the findings indicate that anticipated emotions can account for up to 59% of the variance in consumer decisions involving ethics. Anticipating the experience of negative emotions as a result of carrying out an unethical behaviour was the affective component found to most influence consumer ethical deliberation process; and anticipated guilt was the discrete emotion exerting the greatest effect on consumer decision making in ethical situations. The findings indicate that more than feeling good, consumers avoid feeling bad; such that ethically favourable decisions emerge to prevent experiencing negative emotions in the future.

Keywords:

Consumer Ethics; Ethical Decision Making Process; Anticipated Emotions; Guilt; Pride.

4.1. INTRODUCTION

It is a popular piece of trivia that on average, we make 35.000 decisions a day; although not all of these are consequential, nor all necessarily conscious or deliberate. Among these, however, are decisions which relate to what society defines as right or wrong – ethical decisions – and interest in these has been increasing across disciplines. What leads us, faced with such choices, where there is a "right" vs a "wrong" decision, to act in one way or another?

This issue has received particular attention in the realm of consumer behaviour, from practitioners and academics alike, as ethics is increasingly seen as a key element influencing consumer behaviour (Schlegelmilch & Öberseder, 2010; Schwartz, 2016). Interest lies in uncovering consumer decision making processes involving ethical issues, as well as how to influence them, and indeed, our understanding of such processes has greatly evolved over time.

Perhaps the most widely used model of ethical decision making is Rest's (1986) four component model of moral deliberation, according to which the process of ethical decision making encompasses four main steps: moral awareness, moral judgment, moral intent and moral behaviour. This model has been central to much of the research in the field of consumer ethics; however, it has been suggested that additional research is required to further our understanding of the individual, situational and issue-related factors that can influence ethical decision making (Craft, 2013; Lehnert et al., 2015; Rua, Lawter, & Andreassi, 2017). This is particularly important, because we have progressed from the purely cognitive-developmental approach to decision making more common when this framework was developed, to a more multidimensional understanding of the ethical decision making process, which requires the analysis of multiple constructs (Mudrack & Mason 2013) to improve models' explanatory and predictive capability (Tenbrunsel & Smith-Crowe, 2008). One way to so is through the inclusion of emotion (Schwartz, 2016).

Indeed, emotion has been a topic of growing interest across a diversity of fields, and the field of consumer ethics is no exception. The relationship between emotions and consumer decision making in situations involving ethics has been variously explored (Vitell et al. 2013), with empirical research suggesting an influential role of emotions on: the formation of moral judgments about unethical behaviours (Winterich et al. 2015); ethical judgments and purchase intentions of counterfeits, grey-market products and imitations (Kim, Cho, & Johnson, 2009); intentions to purchase sustainable products in the future (Antonetti & Maklan, 2014a, 2014b); intentions to engage in ecological behaviours, such as recycling (Elgaaied, 2012); and on ethical work behaviours (Jacobs et al., 2014).

Most of this research has focused on post-decision emotions, however, where in practice, we are also able (and likely) to anticipate the emotions we expect to experience in the future. Indeed, research shows that when faced with an ethical dilemma, consumers tend to think about the subsequent effects of their actions and make the choice that anticipates the most pleasurable emotions (Mellers & Mcgraw, 2001). Anticipated emotions have been found to influence desires in goal-directed behaviours (Perugini & Bagozzi, 2001), consumer ethical intentions (Steenhaut & Kenhove, 2006) and pro-environmental behaviours (Onwezen et al. 2013).

Yet despite the widely accepted relevance of anticipated emotions for understanding individual decision making, the manner in which this influence operates and the role anticipated emotions take on at each stage of the consumer ethical decision making process, are still relatively understudied. How and in what measure do our expected emotions affect our ability to make ethical or unethical decisions? And given that these anticipated emotions have an impact, which ones play the biggest role?

The current research has two main objectives: first, to measure the influence of both positive and negative anticipated emotions at each stage of consumer ethical decision making process: ethical awareness, ethical judgment, ethical intention and ethical behaviour; and second, to describe the specific positive and negative anticipated emotions that most affect each stage of consumer ethical deliberation process and assess their relative impact on those outcomes.

Understanding the role of anticipated emotions, both positive and negative, on consumer ethical decision making is fundamental, for both theory and practice. Better understanding the processes underlying ethical consumer decisions is not only a contribution in itself, but importantly, can also allow us to better identify predictors of consumer ethics, by providing a more thorough understanding of how individuals resolve ethical dilemmas in consumption contexts. Furthermore, focusing on the role of anticipated emotions in decision making involving ethics also allows us to move beyond the traditional valence-based approach to ethical decision making, to address the individual emotional mechanisms through which affect can influence the ethical deliberation process. Finally, the results of the current study can also be an important aid, to *i)* distinguish the nature of different types of discrete emotions; and, *ii)* elucidate the impact that these diverse discrete emotions have on decisions involving ethical issues, allowing us to identify which discrete emotions act as the main *somatic markers* (Damasio, 1994) to support information processing and encourage or discourage ethically favourable consumer decisions.

From a practical point of view, by providing a comprehensive investigation of the relationship between anticipated emotions and consumer decision making in ethical situations, this research

allows the most influent factors underlying consumer choices involving ethics to be identified; improves predictive capability regarding individuals' ethical or unethical actions; and can serve to help increase the effectiveness of marketing efforts aimed at discouraging unethical consumer conduct and/or encouraging ethical consumers behaviour, through communication strategies or physical environments able to promote socially responsible behaviours. In addition, as companies are facing increasing legal and social pressure towards ethical and socially responsible decisions and behaviours, much of it from consumers themselves, it is important to also have a thorough understanding of what drives ethically favourable consumer behaviours and how to promote them is imperative, to ensure ethical actions from both sides – the seller and the buyer; and that consumers will reward firms for their ethical choices.

The remainder of this paper is organized as follows. Section two present an overview of the relevant literature regarding ethical decision making and anticipated emotions. Section three presents our hypotheses, followed by a description of the methods used (Section 4). Key results are then presented (Section 5) and discussed (Section 6); and the final sections conclude the paper, and present limitations and avenues for further research.

4.2. LITERATURE REVIEW

4.2.1. Ethical Decision Making and Emotions

From the 1960s onwards, several contributions emerged in the marketing literature aiming to describe the ethical decision making process. Based on the assumption that ethical behaviour is a primarily cognitive process (Trevino et al. 2006), these contributions emphasized the large number of variables - environmental, situational, individual, organizational and ethical (Ferrell & Gresham 1985; Hunt & Vitell 1986; Jones 1991; Trevino 1986) - which can influence the ethical decision making process.

One of the most widely cited models of ethical decision making emerging from this early research is Rest's (1986) four-component model of moral deliberation. Rest's (1986) cognitive model proposes four main stages in an individuals' ethical decision making process: *i)* moral awareness – recognizing and interpreting a moral issue; *ii)* moral judgment – making judgments or choices about the morally correct course of action; *iii)* moral intent – establishing an intention to carry out the moral action; and *iv)* moral behaviour – acting on the moral concerns (Rest, 1986). This has become one of the most used and tested theoretical models of ethical decision making (Craft 2013; O'Fallon & Butterfield 2005). However, most applications have focused on a single (rather than all)

the stages, meaning that integrated analyses of the model are still greatly missing in literature. Further, Rest's (1986) four-component model may not include all the dimensions able to provide a thorough understanding of ethical decision making (Dedeke, 2015).

Despite its initial focus on cognitive, rational and deliberate processes (Ajzen, 1991; Kohlberg, 1984), the study of ethical decision making has moved from a rationalist-based approach to a non-rationalist-based approach, where both intuition and emotion are seen as intrinsic to the ethical deliberation process (Gaudine & Thorne, 2001; Haidt, 2001; Schwartz, 2016). Emotion has been described as a support system without which the edifice of reason cannot function effectively (Damasio, 2000), and which can exert a significant influence on individuals cognitive processes (Forgas, 1995; Schwarz, 2000); choices (Han et al., 2007); decision making tasks (Bechara, 2004; Pfister & Böhm, 2008; Schwarz & Clore, 2007); and behaviours (King et al., 2006).

Research on ethical decision making has, thus, evolved from seeing emotion as a non-essential aspect interfering with rational decisions (Fukukawa, 2003) to understanding it as an essential component of human choice (Sanfey et al., 2003), inherent to human cognition (Phelps, 2006), and an integral part of ethical deliberation processes (Koenigs et al. 2007). Neurobiological research supports the assumption that emotions play a pivotal role in resolving moral conflicts (Koenigs et al. 2007) and that affective reactions can be good predictors of ethical judgments and behaviours (Haidt 2007; Sanfey et al. 2003). Indeed, studies using neuroimaging show that actions involving ethical judgments activate specific brain areas that process emotions (Greene et al., 2001; Moll, de Oliveira-Souza, Bramati, et al., 2002); such that a change in emotional state is likely to alter ethical judgments (Valdesolo & DeSteno, 2006; Wheatley & Haidt, 2005). In fact, some studies indicate that ethical judgment is more driven by emotion and affective intuition than by deliberate reasoning (Greene & Haidt, 2002) which, therefore, should be considered as an integral part of ethical deliberation process.

In the business literature, the relationship between emotions and consumer decision making in situations involving ethics has received growing attention, because ethical decision making is seen as an essential part of consumer behaviour (Vitell et al., 2013). From a conceptual perspective, Gaudine & Thorne (2001) suggested that emotions directly affects ethical judgments, intentions and behaviours; Dedeke (2015) developed an integrative cognitive–intuitive model of moral decision making, where moral judgments are influenced by automatic cognitions and automatic emotions; while Schwartz (2016) proposed an Integrated Ethical Decision Making Model incorporating rational and non-rational antecedents of ethical deliberation process.

Applied business research has also evolved to explore the role of emotions on ethical decision making, progressively extending our understanding of the nature and the strength of these relationships. In the organizational context, for instance, Linehan & O'Brien (2017) analysed the link between emotions and the perception of ethical dilemmas of human resource professionals, providing evidence that emotions experienced during an interaction with employees influence the understanding of ethical dilemmas and constrain ethical choices, such as to terminate an employee's contract of employment; Agnihotri et al. (2012) developed and tested an emotion-based model to explore salesperson ethical decision making and showed that positive and negative emotions have a significant influence on salespeople's ethical attitudes and behaviours; and Harvey, Martinko, & Borkowski (2017) revealed that emotional reactions to negative workplace events facilitate the justification of deviant behaviours.

From the consumer perspective, Singh et al. (2018) studied the effect of incidental emotions on consumer decision making and revealed that negative incidental emotions – anger and fear – influenced the level of ethical judgment in the context of a passive consumption situation (i.e. too much change received); Yacout & Vitell (2018) examined the influence of emotions – fear, power and excitement – and the need for cognition on consumer ethical decision making, and found that affective responses and need for cognition influence ethical perceptions and ethical intentions; while Bissing-Olson et al. (2016) analysed how positive and negative moral emotions – pride and guilt – affect consumer engagement in daily pro-environmental behaviours, and showed that pride is positively related to pro-environmental behaviours whereas guilt is negatively related to behaviours such as reusing paper, recycling plastic, saving water or riding a bicycle.

4.2.2. Moral Emotions

An important issue that emerges from the literature reviewed is the presence of a large number of possible discrete emotions that may influence consumer ethical decision making, posing questions about their different natures, as well as their different impacts on ethical decisions. The subset of discrete emotions known as moral emotions is particularly important in determining individuals' ethical choices and behaviours (Tangney et al., 2007a). Moral emotions have been defined by Haidt (2003: 853) as "the emotions that respond to moral violations or that motivate moral behaviour", which can be mainly categorized into "self-conscious emotions", including, for instance, shame, guilt, embarrassment and pride; and "other-focused emotions", comprising contempt, disgust, elevation or gratitude (Eisenberg, 2000; Tangney et al., 2007a).

As self-conscious moral emotions are evoked by individuals' self-evaluation, they provide an immediate positive or negative reinforcement of behaviour. Negative-valence moral emotions will emerge when the conduct is not considered socially and morally acceptable, leading to feelings of shame, guilt or embarrassment; while positive-valence moral emotions will arise when individuals adopt morally acceptable courses of action, leading to feelings of pride (Tangney et al., 2007).

Neuropsychological research suggests that moral emotions influence individuals' ethical sensitivity (Moll, de Oliveira-Souza, Eslinger, et al., 2002), helps to distinguish the moral features of an ethical issue (Bechara & Damasio, 2005) and facilitates the moral reasoning required to evaluate a situation (Moll & de Oliveira-Souza, 2007), contributing to and motivating higher-levels of moral judgments and behaviours (Eisenberg, 2000). Thus, both theoretical and empirical contributions seem to indicate that moral emotions should be included in the study of ethical decision making (Agnihotri et al., 2012; Prinz & Nichols, 2010; Schwartz, 2016).

4.2.3. Anticipated Emotions

Rational choice involves making guesses about uncertain future consequences and uncertain future preferences (March, 1978). In everyday experiences, individuals regularly have to make choices without any certainty of the outcomes of their choices, basing decisions on their predictions of what those outcomes might be, and how they expect to feel about them. Indeed, it has been proposed that all decisions involve predictions of future feelings (March 1978): individuals anticipate how they will feel about future outcomes, and use these projections to guide their decisions (Mellers & Mcgraw 2001). Thus, it is not only experienced emotions that affect our decisions, but anticipated emotions too can have powerful effects on human cognitive processing and, as such, have been the focus of growing attention.

Anticipated emotions allow decision-makers to "predict the emotional consequences of different decision outcomes in advance" (Zeelenberg et al., 2000: 531); the assumption being that individuals will typically choose the options which provide greater expected pleasure (Mellers, Schwartz, & Ritov, 1999), and/or those that minimize the likelihood of negative emotions (Zeelenberg et al. 2000). In this regard, Perugini & Bagozzi (2004) argue that the influence of negative anticipated emotions on individuals' intentions to perform a given behaviour can be expected to be much greater than that of positive ones. Mellers et al. (1999), in turn, propose in the theory of subjective expected pleasure that people weigh not only anticipated feelings but also

the perceived chances of their occurrence, to then select the option perceived to provide the greatest average pleasure.

Anticipated emotions have also been linked to ethical decision making. Connelly, Helton-Fauth, & Mumford (2004) propose that individuals may be discouraged from engaging in unethical decisions to avoid negative feelings. Consistently, Steenhaut & Kenhove (2006) find that enhancing the anticipation of guilt increases consumers' ethical intentions. Such research notwithstanding, our understanding of the role of distinct anticipated emotions in consumer decision making involving ethics is still limited. Thus, there is room for further research in this area, and for an examination of the impact and weight of not only negative but also positive anticipated emotions at each stage of the consumer ethical decision making process. The current study sets out to do this.

4.3. HYPOTHESES

As noted above, our first research objective pertains to measuring the effect of anticipated emotions at each step of the consumer ethical decision making process, to better understand consumer decisions involving ethics and how to influence them. Because individuals are motivated to avoid negative feelings and seek out positive feelings, we expect positive and negative anticipated emotions to influence the process of ethical decision making in different ways, albeit in the same direction throughout all the stages of the ethical decision making process.

This is because although it presents distinct steps, Rest's (1986) model is representative of a single process, which starts with awareness or the ability to recognize a situation as posing an ethical dilemma, advances through the formation of judgments regarding different courses of action and the creation of intentions, to the practice of those intentions in actual behaviour. These stages can be disconnected, and indeed the intention-behaviour gap in ethical consumption has been well documented (Carrington, Neville, & Whitwell, 2010, 2014); however, we expect that anticipated emotions will tend to lead the process in a single direction. That is, once an anticipated emotion has heightened ethical awareness and judgment in a particular direction, it is expected that this will carry through to intentions and behaviour, albeit with potentially differing strengths at each stage of the process.

Previous research shows that experienced emotions influence ethical sensitivity (Robertson et al., 2007), judgments (Schwartz, 2016), intentions (Vitell et al., 2013) and behaviours (Agnihotri et al., 2012). It seems plausible, then, given our ability to "transcend the here and now" and "make predictions about the future" (Trope & Liberman, 2010: 440) that anticipating emotions should

work in a similar way. Thus, anticipating positive feelings from carrying out an ethical behaviour is expected to positively influence awareness of the ethical issue (our ability to see it) and the formation of judgments with regard to it. Having formed ethical judgments, an individual faced with an ethical decision must then form intentions with regard to her course of action. The literature shows that people seek out the options they anticipate will give them the most expected pleasure (Mellers et al. 1999). Therefore it seems plausible to assume that the expectation that carrying out an ethical behaviour will produce positive emotions will lead to higher levels of intention with regard to that behaviour, and a greater likelihood that those intentions will then be reflected in action. Thus, is it proposed that:

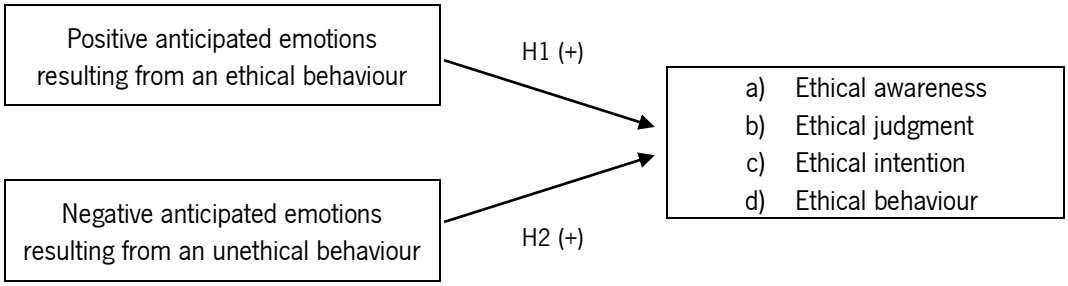
> **Hypothesis 1:** Positive anticipated emotions resulting from an ethical behaviour will positively influence consumer *a)* ethical awareness, *b)* ethical judgments, *c)* ethical intentions and *d)* ethical behaviours.

Consistent with an effect of positive anticipated emotions on the ethical decision making process, it is expected that negative anticipated emotions will also influence decision making in ethical situations. In fact, it has been posited that the influence of negative emotions on behavioural intentions can be expected to be greater than that of positive emotions (Perugini and Bagozzi 2004), and it seems plausible that this should also apply to decision making involving ethics. In fact, it is known that individuals weight losses more heavily than gains (Kahneman & Tversky, 1979) and that we are more attuned to negative situations and outcomes than positive ones (Abdellaoui, Bleichrodt, & Paraschiv, 2007; Brenner, Rottenstreich, Sood, & Bilgin, 2007). Likewise, we are as individuals, hard-wired to avoid pain or otherwise uncomfortable situations (Camerer, 2005), and will tend to make choices accordingly, avoiding those which cause or are anticipated to cause negative feelings. In this way, expecting to experience negative emotions (i.e. to "feel bad") after performing an unethical action is likely to reduce our intentions of carrying out that behaviour, and increase the probability that we will carry out an ethical behaviour instead. Thus, it is expected that negative feelings will increase our ethical awareness and judgment, as well as our intentions to behave ethically and the likelihood that those intentions will be carried out. Therefore, it is proposed that:

> **Hypothesis 2:** Negative anticipated emotions resulting from an unethical behaviour will positively influence consumer *a)* ethical awareness, *b)* ethical judgments, *c)* ethical intentions and *d)* ethical behaviours.

Figure 4.1 presents the proposed research model for the first research objective.

Figure 4.1: Proposed research model for the first research objective



Our second research objective is bound with ranking the specific anticipated emotions that most affect each stage of the consumer ethical deliberation process and assess their relative importance to those outcomes. While a variety of positive and negative emotions can and have been considered in terms of their influence on ethical decision making (Gregory-Smith et al., 2013; Schwartz, 2016), research suggests a primary role for guilt and pride (Agnihotri et al., 2012; Spraggon & Bodolica, 2015; Vitell et al., 2013). Recently, these emotions have been used to explain ethically questionable consumer situations (Steenhaut & Kenhove 2006), sustainable choices (Antonetti & Maklan 2014a, 2014b) as well as pro-environmental behaviours by consumers (Bissing-Olson et al., 2016; Elgaaied 2012; Onwezen et al., 2013). Thus, we expect that guilt and pride will be the discrete emotions with the greatest influence on consumer decisions involving ethics; with both the anticipated guilt from making an unethical choice and the anticipated pride resulting from an ethical action positively affecting consumer ethically favourable decisions (i.e. leading to ethical choices). Faced with an unethical decision they expect will make them feel guilty, consumers are more likely to recognize the choice as unethical and avoid carrying it out. Thus, it is proposed that:

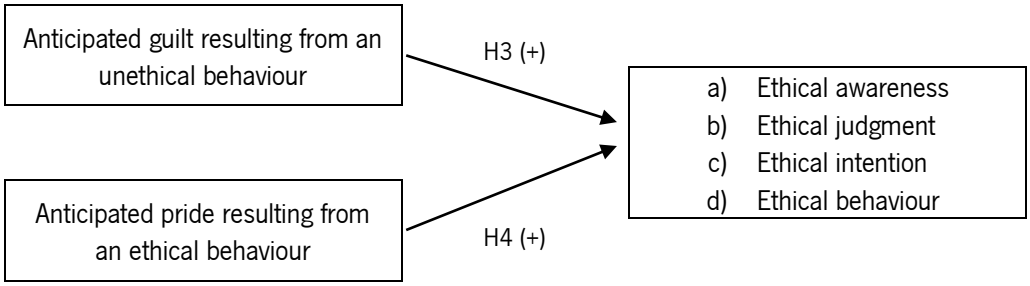
> **Hypothesis 3:** Anticipated guilt resulting from an unethical behaviour will positively influence consumer *a)* ethical awareness, *b)* ethical judgments, *c)* ethical intentions and *d)* ethical behaviours.

Expectations of feeling pride, in contrast, are likely to lead us towards an ethical behaviour, as we seek out positive affect. Thus, expecting an ethical behaviour to make us feel proud is likely to lead to stronger ethical awareness, judgment, intention and finally behaviour. Thus:

> **Hypothesis 4:** Anticipated pride resulting from an ethical behaviour will positively influence consumer *a)* ethical awareness, *b)* ethical judgments, *c)* ethical intentions and *d)* ethical behaviours.

Research model for the second research objective is presented in Figure 4.2.

Figure 4.2: Proposed research model for the second research objective



4.4. METHODS

A scenario-based questionnaire depicting ethical issues was used. Scenarios have been widely used in the business ethics literature (Antonetti & Maklan, 2014b; Dietz & Kleinlogel, 2013; Singhapakdi et al., 2013; Vitell & Patwardhan, 2008; Winterich et al., 2015), featuring as "extremely useful vehicles for understanding subjects' judgments in hypothetical ethical decision situations" (Trevino, 1992: 128). The use of scenarios "helps to standardize the social stimulus across respondents and at the same time makes the decision making situation more real" (Alexander & Becker, 1978: 103). In addition, scenarios allow researchers to manipulate some variables of interest through the control of environmental factors (O'Fallon & Butterfield 2005); thus, they are a good fit with the purposes of this research.

Data analysis and hypothesis testing were carried out using multiple regression analysis to address the two main objectives of this research: first, to measure the influence of both positive and negative anticipated emotions at each stage of the consumer ethical decision making process; and second, to describe the specific positive and negative anticipated emotions that most affect each stage of consumer ethical deliberation process, and assess their relative impact on this process.

According to Hair et al. (2014), multiple regression analysis is the most widely used multivariate technique and appropriate for two broad classes of research problems: those pertaining to the prediction and those relating to the explanation of the predictive power of each independent variable, thus providing a substantive justification for the relationships between the variables under study. These two classes of research problems perfectly fit the research objectives described above.

In addition, through the backward elimination method, the multiple regression analysis starts by including in the model all independent variables and then eliminates those variables that do not exert a significant contribution in predicting the dependent variable (Hair et al., 2014). This procedure allows multiple regression analysis to provide an interactive and dynamic evaluation of

the dependence relationships, which clarifies relative contributions and facilitates decision making. Therefore, the backward elimination method was particularly useful to assess the relative influence of specific and aggregate positive and negative emotions on each stage of the consumer deliberation process involving ethics.

All four main assumptions of regression analysis (Hair et al., 2014) were met in the current study, namely: *i)* linearity of the phenomenon measured (through the PP-Normal graphical analysis); *ii)* constant variance of the error terms (Scatterplot graphical analysis); *iii)* independence of the error terms (Durbin-Watson; Tolerance and VIF); and *iv)* normality of the error term distribution (Normal Probability Plot graphical analysis).

Regression models were performed with anticipated emotions as the independent variables and the four components of consumer ethical decision making process as the dependent variables. One multiple regression model was completed for each dependent variable tested.

4.4.1. Participants, Procedures and Measures

A valid convenience sample of 201 respondents was collected (M_{age} = 22,6 years; 58% female and 42% male), in the North of Portugal. Each respondent completed three different scenarios, resulting in 603 ethical situations for analysis. The scenarios pertained to: *i)* photocopying (rather than purchasing) a copyrighted book, recommended for a university course; *ii)* switching price tags in a shop, to pay less for a shirt; and *iii)* keeping extra money mistakenly handed by a bank cashier.

The final three scenarios used were chosen based on two criteria: first, a prior exploratory qualitative research, through 47 in-depth interviews, using Critical Incident Technique to understand consumer decision making in situations involving ethical issues; second, the main contributions provided by literature to evaluate consumer ethics. The goals of the exploratory research were *i)* to describe the most frequent critical incidents involving ethics in consumption contexts; and *ii)* to identify the variables that influence consumer decision making in situations involving ethical issues. In fact, the in-depth interviews supported some of the main conclusions of literature, indicating that some of the most common consumer critical incidents involving ethical issues are shoplifting; cashier mistakes; downloading music and software; or photocopying a book, among others. The detailed and valuable information obtained from the interviews, culturally applied and adapted to Portuguese consumers, combined with the contributions provided by the literature, namely the Consumer Ethics Scale proposed by Muncy & Vitell (1992) and Vitell & Muncy (2005), formed the basis of the scenarios developed and used. In the current study, we analysed

situations containing the three most contrasting types of questionable consumer behaviours as proposed by Muncy & Vitell (1992) and Vitell & Muncy (2005) – actively benefiting from illegal activities (price tag switching scenario); passively benefiting (keeping extra money mistakenly handed by a bank cashier scenario); no harm/no foul activities (photocopying a copyrighted book scenario).

Prior to being exposed to the scenarios, participants were first asked how they expected they would feel after behaving in an ethical way and how they expected they would feel after behaving in an unethical way, in situations akin to those to which the scenarios pertained. These anticipated emotions were measured using an adapted version of the 17 anticipatory goal-directed emotions proposed by Bagozzi et al. (1998), including the contributions of Kugler & Jones' (1992) guilt inventory and Tracy & Robins' (2007) authentic pride scale. Five positive and five negative emotions were included in the questionnaire and were measured on a seven-point scale ranging from 1-"Not at all" to 7-"Very much". For instance in Scenario 1: "Imagine you needed a new book for a university course and decided to photocopy it. How would you feel after photocopying a copyrighted book?" *Guilty; Proud; Remorseful; Satisfied; Uncomfortable; Confident; Ashamed; Accomplished; Sad; Happy*, and "Imagine you needed a new book for a university course and decided to buy it instead of photocopying. How would you feel after purchasing a copyrighted book?" The same adjectives were used, however in a different order to avoid automatic and non-reflective responses.

After expressing their anticipated emotions, the participants were then given the scenarios containing ethically questionable consumer situations to read, and asked to answer the questions that followed them, which assessed the four stages of the ethical decision making process. Ethical awareness was measured through the single item "For me, the behaviour described above involves an ethical problem" adapted from Karande et al. (2000) and rated on a seven-point Likert scale from 1-"Strongly disagree" to 7-"Strongly agree". Ethical judgment was operationalized using a 4-item modified version of the moral equity dimension, proposed by Reidenbach & Robin's (1990) multidimensional ethics scale. Participants were invited to express their evaluations regarding "For me, the situation described above is: *wrong–right; unfair–fair; unethical-ethical; not morally right-morally right*" using a 7-point semantic differential scale. Ethical intention was assessed by asking the respondents if they would act in the same manner as the consumer depicted in the scenario, consistent with Vitell & Patwardhan (2008) and Vitell, Singhapakdi, & Thomas (2001) operationalization of the construct, measured on a seven-point Likert scale ranging from 1-"Strongly disagree" to 7-"Strongly agree". Finally, ethical behaviour was evaluated by a single item: Scenario 1 – "I usually photocopy copyrighted books."; Scenario 2 – "I usually switch price tags in stores.";

Scenario 3 – "I usually keep extra money mistakenly handed to me by a cashier for myself." Respondents were invited to evaluate these statements on a seven-point Likert scale, where 1 - "Strongly disagree" and 7 - "Strongly agree".

4.5. RESULTS

Positive and negative anticipated emotions resulting from ethical and unethical behaviours were measured and both constructs presented good measures of internal reliability, significantly over the recommended threshold of .70 (Hair et al., 2014) (see Table 4.1).

Table 4.1: Internal reliability of anticipated emotions

Constructs	Items	Cronbach's Alpha
Positive anticipated emotions resulting from an ethical behaviour.	5 items	.923
Negative anticipated emotions resulting from an unethical behaviour.	5 items	.960

Table 4.2 provides the means, standard deviations and correlations for the primary variables of interest with regard to the influence of anticipated emotions on the different stages of the ethical decision making process. As expected, the data show a significant correlation between negative anticipated emotions resulting from an unethical behaviour and positive anticipated emotions resulting from an ethical behaviour ($r=.577$; $p<.01$). That is, participants who anticipated they would experience negative emotions because of a future unethical behaviour, also anticipated positive emotions from an expected ethical action.

In terms of the stages of the consumer ethical decision making process, all four steps were significantly correlated to each other. As such, the impact of positive and negative anticipated emotions was in the same direction for all stages. Anticipating that an ethical behaviour would produce positive emotions led to higher levels of ethical awareness, judgment, intentions and behaviour. The pattern held for negative emotions: anticipating negative emotions as a result of an unethical behaviour led to an increase in all stages of the ethical decision making process. The data further evidence higher correlations between negative (rather than positive) anticipated emotions and all stages of the ethical decision making process, suggesting that ethically favourable

choices and actions are more likely to occur when we anticipate feeling bad after an unethical behaviour than feeling good after behaving ethically.

Table 4.2: Means, standard deviations and correlations for primary variables of interest (*n*=603)

Variable	Mean	S.D.	1	2	3	4	5
1. Positive anticipated emotions resulting from an ethical behaviour	5.38	1.58					
2. Negative anticipated emotions resulting from an unethical behaviour	4.27	2.20	.577**				
3. Ethical Awareness	5.44	1.69	.384**	.538**			
4. Ethical Judgment	5.90	1.38	.411**	.586**	.523**		
5. Ethical Intention	5.23	2.07	.487**	.759**	.498**	.540**	
6. Ethical Behaviour	5.28	2.07	.404**	.712**	.453**	.489**	.821**

** $p < .01$

In addition to uncovering the direction of the effect, we were also interested to measure the extent of the impact of anticipated emotions at each stage of the ethical decision making process. Multiple regression results for the impact of positive and negative anticipated emotions (independent variables) on the stages of the consumer ethical decision making process (dependent variable) are reported in Table 4.3 and illustrated in Figure 4.3.

The data showed that anticipated emotions explain almost 30% of the variance in consumers' recognition of an ethical problem (ethical awareness); a result indicative of the importance of anticipated emotions on this first stage of consumers' ethical decision making process. Expecting to feel good after behaving ethically (β=.117; p=.009) or bad after an unethical behaviour (β=.363; p=.000), both increased ethical awareness, confirming H1a and H2a. However, the effect was larger for negative anticipated emotions than for positive anticipated emotions, with the greatest impact on ethical awareness coming from an expectation of negative emotions resulting from an unethical behaviour.

Table 4.3: Regression results of positive and negative anticipated emotions

Variables	Coefficient (SE)	t-value	Sig.
Dependent variable: *Ethical Awareness*			
Constant	3.261 (.205)	15.944	.000
Negative anticipated emotions resulting from an unethical behaviour	.363 (.032)	11.325	.000
Positive anticipated emotions resulting from an ethical behaviour	.117 (.045)	2.623	.009
Model Summary	R sq. = .297; Adj. R sq. = .295; F-value = 127.043; F-sig. = .000		
Dependent variable: *Ethical Judgment*			
Constant	3.982 (.161)	24.759	.000
Negative anticipated emotions resulting from an unethical behaviour	.328 (.025)	13.001	.000
Positive anticipated emotions resulting from an ethical behaviour	.095 (.035)	2.719	.007
Model Summary	R sq. = .352; Adj. R sq. = .350; F-value = 162.870; F-sig. = .000		
Dependent variable: *Ethical Intention*			
Constant	1.840 (.194)	9.482	.000
Negative anticipated emotions resulting from an unethical behaviour	.674 (.030)	22.138	.000
Positive anticipated emotions resulting from an ethical behaviour	.095 (.042)	2.242	.025
Model Summary	R sq. = .580; Adj. R sq. = .579; F-value = 414.187; F-sig. = .000		
Dependent variable: *Ethical Behaviour*			
Constant	2.472 (.211)	11.724	.000
Negative anticipated emotions resulting from an unethical behaviour	.676 (.033)	20.437	.000
Positive anticipated emotions resulting from an ethical behaviour	-.014 (.046)	-.306	.759
Model Summary	R sq. = .506; Adj. R sq. = .505; F-value = 307.810; F-sig. = .000		

The impact of anticipated emotions on ethical judgment also spoke to the importance of anticipated emotions, with these found to account for 35% of the variability in consumers' ethical judgment. The findings showed that positive anticipated emotions resulting from an ethical behaviour (β=.095; p=.007) and negative anticipated emotions resulting from an unethical behaviour (β=.328; p=.000) predicted consumers' ethical judgments, confirming H1b and H2b. Negative anticipated emotions resulting from an unethical behaviour were the component exerting the greatest impact on consumers' ethical judgment, suggesting that consumers who expressed negative anticipated feelings towards an unethical behaviour were better able to make ethical judgments.

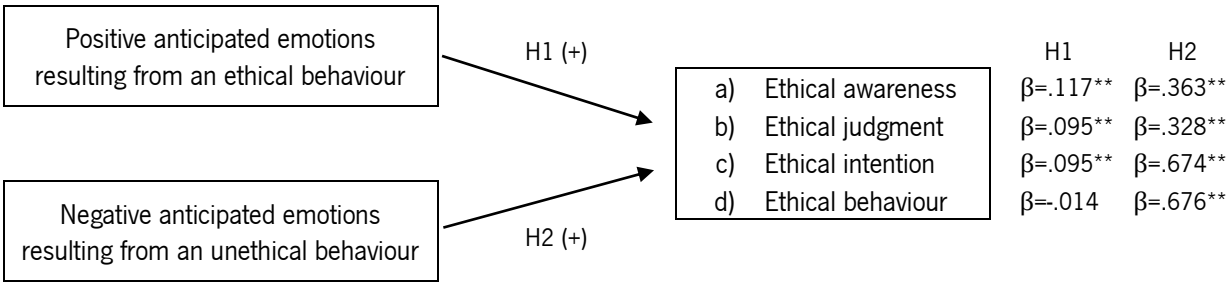
In terms of the intention stage, anticipated emotions explained almost 60% of the variance in consumers' ethical intentions. Once more, both positive anticipated emotions resulting from an

ethical behaviour (β=.095; p=.025) and negative anticipated emotions resulting from an unethical behaviour (β=.674; p=.000) statistically predicted consumer ethical intentions, confirming H1c and H2c; and negative anticipated emotions resulting from an unethical behaviour were the affective element that most influenced ethical intentions.

Finally, with regard to ethical behaviour, anticipated emotions explained more than 50% of the variance in consumers' ethical actions. Negative anticipated emotions towards an unethical behaviour were the affective component that most influenced consumers' ethical behaviour (β=.676; p=.000); positive anticipated emotions did not statistically predict consumer ethical behaviours (thus H2d was confirmed, but not H1d).

These results of predictive accuracy for the regression models highlight the key role of predicted future feelings in explaining consumers' ethical choices and behaviours, and support the indispensable inclusion of the emotional dimension for an integrated analysis of the ethical decision making process.

Figure 4.3: Regression results for the first research objective



** p < .01

We were also interested in identifying the specific positive and negative anticipated emotions (such as happiness, pride, guilt or discomfort) that most affected each stage of the consumer ethical deliberation process, as well as to assess their relative importance.

Table 4.4 summarizes the multiple regression results for specific anticipated emotions, and uncovers three main findings. First, consistent with the previous analyses, negative anticipated emotions resulting from an unethical behaviour were found to exert a greater influence on consumers' ethical decision making process than positive anticipated emotions. Second, the direction of the impact of each positive and negative anticipated emotion resulting from an ethical or unethical behaviour respectively, on each stage of the ethical decision making process was in the expected direction, namely that of more ethical outcomes. Third, despite the relevant influence

of emotions such as discomfort, regret, happiness, satisfaction or accomplishment, guilt and pride stood out as those exerting the most consistent effect at every stage of the ethical deliberation process. The influence of anticipated guilt was particularly significant with regard to ethical intentions (β=.177; p=.002) and ethical behaviours (β=.312; p=.000), which were also the stages at which anticipated emotions had the biggest influence on consumers' ethical decisions (59.3% and 51.9%, respectively). The impact of anticipated pride was greater on ethical judgments (β=.109; p=.012) and ethical intentions (β=.091; p=.049).

Table 4.4: Regression results of individual anticipated emotions

Variables		Coefficient (SE)	t-value	Sig.
Dependent variable: *Ethical Awareness*				
Constant		2.948 (.227)	12.993	.000
Negative anticipated emotions resulting from an unethical behaviour	**Discomfort**	.194 (.049)	3.944	.000
	Regret	.156 (.048)	3.249	.001
Positive anticipated emotions resulting from an ethical behaviour	**Satisfaction**	.165 (.053)	3.080	.002
	Accomplishment	.136 (.057)	2.409	.016
	Happiness	.133 (.061)	2.181	.030
	Model Summary	R sq. = .314; Adj. R sq. = .308; F-value = 54.591; F-sig. = .000		
Dependent variable: *Ethical Judgment*				
Constant		3.896 (.150)	25.954	.000
Negative anticipated emotions resulting from an unethical behaviour	**Discomfort**	.139 (.043)	3.260	.001
	Guilt	.125 (.041)	3.078	.002
	Shame	.075 (.037)	2.033	.042
Positive anticipated emotions resulting from an ethical behaviour	**Accomplishment**	.112 (.040)	2.773	.006
	Pride	.109 (.043)	2.534	.012
	Confidence	.083 (.037)	2.270	.024
	Model Summary	R sq. = .367; Adj. R sq. = .361; F-value = 57.588; F-sig. = .000		
Dependent variable: *Ethical Intention*				
Constant		1.938 (.217)	8.909	.000
Negative anticipated emotions resulting from an unethical behaviour	**Regret**	.241 (.059)	4.057	.000
	Guilt	.177 (.057)	3.116	.002
	Discomfort	.151 (.053)	2.837	.005
	Shame	.090 (.047)	1.941	.050
Positive anticipated emotions resulting from an ethical behaviour	**Pride**	.091 (.046)	1.943	.049
	Satisfaction	.097 (.051)	1.896	.059
	Happiness	.086 (.052)	1.664	.097
	Model Summary	R sq. = .593; Adj. R sq. = .588; F-value = 123.740; F-sig. = .000		
Dependent variable: *Ethical Behaviour*				
Constant		2.268 (.133)	17.105	.000
Negative anticipated emotions resulting from an unethical behaviour	**Guilt**	.312 (.061)	5.131	.000
	Discomfort	.209 (.053)	3.985	.000
	Regret	.150 (.061)	2.456	.014
	Model Summary	R sq. = .519; Adj. R sq. = .516; F-value = 215.200; F-sig. = .000		

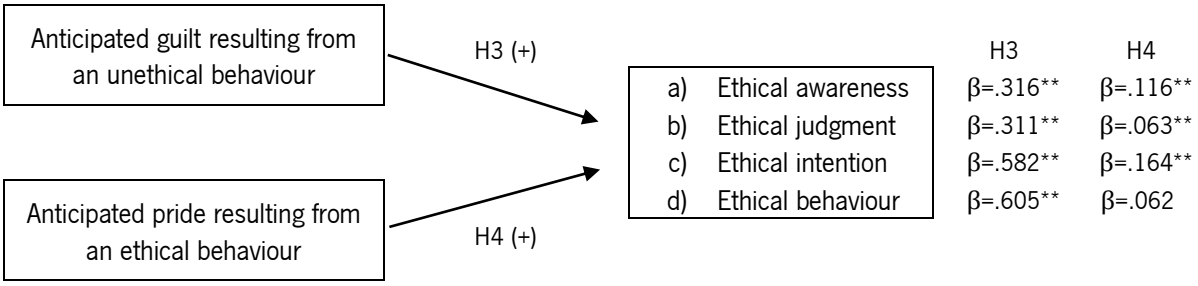
Multiple regression analyses for anticipated guilt and pride towards an unethical and an ethical behaviour respectively were performed (Table 4.5). Anticipated guilt resulting from an unethical behaviour positively influenced consumers' ethical awareness (β=.316; p=.000), ethical judgment (β=.311; p=.000), ethical intentions (β=.582; p=.000) and ethical behaviours (β=.605; p=.000). These findings confirmed research hypotheses H3a, H3b, H3c and H3d (Figure 4.4).

Table 4.5: Regression results of anticipated guilt and pride

Variables	Coefficient (SE)	t-value	Sig.
Dependent variable: *Ethical Awareness*			
Constant	3.421 (.168)	20.340	.000
Anticipated guilt resulting from an unethical behaviour	.316 (.030)	10.615	.000
Anticipated pride resulting from an ethical behaviour	.116 (.034)	3.381	.001
Model Summary	R sq. = .263; Adj. R sq. = .260; F-value = 106.780; F-sig. = .000		
Dependent variable: *Ethical Judgment*			
Constant	4.169 (.132)	31.559	.000
Anticipated guilt resulting from an unethical behaviour	.311 (.023)	13.295	.000
Anticipated pride resulting from an ethical behaviour	.063 (.027)	2.313	.021
Model Summary	R sq. = .321; Adj. R sq. = .319; F-value = 142.044; F-sig. = .000		
Dependent variable: *Ethical Intention*			
Constant	1.763 (.163)	10.835	.000
Anticipated guilt resulting from an unethical behaviour	.582 (.029)	22.213	.000
Anticipated pride resulting from an ethical behaviour	.164 (.033)	4.909	.000
Model Summary	R sq. = .542; Adj. R sq. = .540; F-value = 354.959; F-sig. = .000		
Dependent variable: *Ethical Behaviour*			
Constant	2.220 (.172)	12.926	.000
Anticipated guilt resulting from an unethical behaviour	.605 (.030)	19.927	.000
Anticipated pride resulting from an ethical behaviour	.062 (.035)	1.750	.081
Model Summary	R sq. = .492; Adj. R sq. = .490; F-value = 290.273; F-sig. = .000		

The anticipation of pride was also found to exert a significant role in predicting consumer ethical decisions. Anticipated pride resulting from an ethical behaviour positively impacted ethical awareness (β=.116; p=.001), ethical judgments (β=.063; p=.021) and ethical intentions (β=.164; p=.000) (confirming H4a, H4b and H4c), but did not have a statistically significant effect on ethical behaviour (therefore H4d was not confirmed).

Figure 4.4: Regression results for the second research objective



** p < .01

To complete these analyses and assess the primary role of anticipated guilt in predicting consumer ethical decision making, a simple regression analysis using anticipated guilt resulting from an unethical behaviour as the sole independent variable was run. The results show that the expected future feeling of guilt triggered by an unethical behaviour was able to explain, by itself, 24.8% of the variance in consumers' ethical awareness; 31.5% of the variance in ethical judgments; 52.4% of ethical intentions and 48.9% of consumers' ethical behaviours (Table 4.6).

Table 4.6: Regression results of anticipated guilt resulting from an unethical behaviour

Variables	Coefficient (SE)	t-value	Sig.
Dependent variable: *Ethical Awareness*			
Constant	3.777 (.132)	28.536	.000
Anticipated guilt resulting from an unethical behaviour	.366 (.026)	14.095	.000
Model Summary	R sq. = .248; Adj. R sq. = .247; F-value = 198.683; F-sig. = .000		
Dependent variable: *Ethical Judgment*			
Constant	4.360 (.103)	42.154	.000
Anticipated guilt resulting from an unethical behaviour	.338 (.020)	16.635	.000
Model Summary	R sq. = .315; Adj. R sq. = .314; F-value = 276.733; F-sig. = .000		
Dependent variable: *Ethical Intention*			
Constant	2.262 (.129)	17.492	.000
Anticipated guilt resulting from an unethical behaviour	.652 (.025)	25.699	.000
Model Summary	R sq. = .524; Adj. R sq. = .523; F-value = 660.438; F-sig. = .000		
Dependent variable: *Ethical Behaviour*			
Constant	2.408 (.134)	17.941	.000
Anticipated guilt resulting from an unethical behaviour	.632 (.026)	23.990	.000
Model Summary	R sq. = .489; Adj. R sq. = .488; F-value = 575.509; F-sig. = .000		

4.6. DISCUSSION

The aim of the current study was two-fold: first, to measure the impact of anticipated emotions, both positive and negative, at each stage of the ethical decision making process; and second, to describe the specific positive and negative anticipated emotions that most affect each stage of consumers' ethical deliberation process and assess their relative impact on those outcomes. Although the importance of emotions in individuals' decision making, and in decisions involving ethical issues in particular, is well known (Craft 2013; Schwartz, 2016; Vitell et al., 2013), anticipated emotions have received relatively less attention (Elgaaied, 2012; Steenhaut & Kenhove 2006). This is despite the fact that it is known we are not only able to anticipate future emotional states, but that these anticipated emotions can affect our decision making processes, as we seek decision outcomes that will maximize pleasure and minimize pain (Mellers, 2000; Zeelenberg et al., 2000).

Measuring the role of anticipated emotions at different stages of ethical decision making is important to not only to further our understanding of ethical decision making processes, but also to help us better comprehend what leads consumers towards ethical or unethical behaviours and how these behaviours can be encouraged. As pressure toward ethical and socially responsible behaviours by firms increases (Öberseder, Schlegelmilch, & Gruber, 2011), so too does the need for a concurrent increase in consumer ethics, as a means of rewarding firms' ethical efforts and promoting more ethical stances all around.

Our findings show that anticipated emotions play a key role in the ethical decision making process laid out by Rest (1986), accounting for up to 59% of the variance in the different stages. This suggests, in accordance with the literature (Gaudine & Thorne, 2001; Gregory-Smith et al., 2013; Schwartz, 2016; Vitell et al., 2013), that emotions are an integral part of the ethical decision making process - not only experienced emotions, but anticipated emotion as well. In this regard, this study corroborates the neurobiological posits of Haidt (2001), Bechara (2004), Greene & Haidt (2002) and Koenigs et al. (2007), who propose that ignoring this affective reasoning is likely to result in an insufficient analysis of decisions and behaviours involving ethics.

The impact of anticipated emotions was lower for the initial stages, of ethical awareness (31%) and ethical judgment (37%), and greater for ethical intentions (59%) and ethical behaviour (52%). This pattern is interesting, because although behaviour is the ultimate stage and goal in decision making, there is a well-documented gap between attitudes and behaviours, and even intentions and behaviours, when it comes to ethical decisions: the so-called attitude–behaviour gap (Carrigan

& Attalla, 2001; Chatzidakis, Hibbert, & Smith, 2007; Gregory-Smith et al., 2013). Notwithstanding, our results show a significant impact of anticipated emotions on this final step, affecting both behaviours, and the intentions that precede them. It seems plausible that since emotions are fundamentally non-rational, anticipated emotions might be more influential than attitudes or intentions on ethical behaviour, and thus a potential instrument for bridging the attitude–behaviour gap in ethical context.

Indeed, ethical awareness and judgment, are described as moral cognition processes (Hannah, Avolio, & May, 2011). As such, it seems likely that they may be the more "cognitive" elements of the ethical decision process, based on underlying values and norms; whereas intentions and behaviours – the more "behavioural" and "practical" elements – are more susceptible to the impact of anticipated emotions, because we more closely associate these anticipated feelings with the actual ethical or unethical act; i.e. carrying out the behaviour (or intending to).

This is of consequence where the aim is to encourage ethical behaviours, because it suggests a very concrete way in which to do so: by getting consumers to anticipate how (good) those behaviours will make them feel; or by contrast, how (bad) not carrying them out/carrying out unethical behaviours might make them feel. This latter route may in fact be the more effective one, since our results indicate that negative anticipated emotions resulting from an unethical behaviour are the affective component that most influences consumers' decision making in situations involving ethics.

Thus, consumers who anticipate negative feelings resulting from an unethical behaviour (i.e. that they will feel bad after behaving unethically) not only show higher levels of ethical awareness, judgment and intentions, but also appear more likely to perform ethically favourable decisions. These outcomes reinforce the importance of considering the role that negative anticipated emotions towards a potential unethical behaviour can have on consumer ethical decisions (Chun, Patrick, & MacInnis, 2007; Elgaaied, 2012; Steenhaut & Kenhove, 2006), and may be explained by loss aversion theory (Kahneman & Tversky, 1979; Thaler, 1980). According to loss aversion theory, individuals are more sensitive to losses than to commensurate gains (Abdellaoui et al., 2007; Brenner et al., 2007; Camerer, 2005), and therefore, in the context of the current study, appeared more sensitive to potential negative future emotions than to potential positive future emotions. More than feeling positive, consumers want to avoid feeling negative; specifically in the context of ethical deliberations, more than wanting to feel pride, they want to avoid feeling guilty.

Indeed, our findings show that anticipated guilt is the discrete emotion that most influences consumer decisions in situations involving ethics. In comparison with pride, which is the most

relevant positive anticipated emotion in predicting ethically favourable decisions, the feeling of guilt influences ethical awareness almost three times more, ethical judgment almost five times more, ethical intentions almost four times more, and ethical behaviours more than eight times as much. This primary role of guilt is consistent with previous studies (Antonetti & Baines, 2014; Elgaaied, 2012; Gregory-Smith et al., 2013; Steenhaut & Kenhove, 2006); however, it is worth bearing in mind that in those studies guilt was not examined simultaneously with other discrete emotions as it was here. Studying it in conjunction with other emotions might have been predicted to lower its effects, but this was not the case.

Although smaller, the role of positive anticipated emotions was also significant in the prediction of consumer decision making involving ethical issues. Pride, in particular, emerged as the most important positive predictor of consumer ethically favourable decisions; one which could be used to encourage ethical choices (Gregory-Smith et al., 2013) and to promote socially-desired behaviours (Bissing-Olson et al., 2016), through marketing communications, for instance.

4.7. THEORETICAL AND PRACTICAL IMPLICATIONS

By analysing the influential role of emotions –positive and negative – on each stage of ethical deliberation process, this research advances theoretical knowledge in three main respects. First, current findings help explain when and why consumers engage in ethical judgments and behaviours. The study advances the existing literature through additional insights about how ethical decision making is formed and why some individuals may behave ethically while others do not, namely in what pertains to the essential role of emotions in explaining and predicting consumer ethics.

Second, this research broadens the analysis from a single stage to compare and measure the impact of emotions on all four stages of the ethical deliberation process. The results indicate that the effect of emotions is particularly significant on ethical intentions and behaviours, which correspond to the last stages of the process and those typically of greatest interest to academics and professionals alike.

Third, this study analyses and compares valence-based anticipated emotions as well as individual-based anticipated emotions, providing relevant results about the direction and strength of their respective impacts. Our results suggest that by stimulating people to think about the negative and positive expected emotions derived, respectively, from unethical and ethical behaviours, academics and practitioners can promote consumer ethics and reduce deviant behaviours that might

negatively affect all parties involved, including shareholders, employees, consumers and the natural environment. The current research indicates that anticipated guilty, regret and discomfort (negative valence), and pride and satisfaction (positive valence) are the most relevant *somatic markers* (Damasio, 1994) in consumer decision making involving ethics; i.e., the feelings that drive consumer attention to predict future outcomes and act as alarm bells or beacons of incentive for ethical behaviours, usually below the radar of our awareness (Damasio, 1994).

There are also managerial implications to these findings. Our research shows that anticipated emotions are one of the most influent motivations underlying ethical decision making; and that anticipated feelings of guilt, regret or discomfort will discourage to engage in unethical actions; while expecting to feel pride, satisfaction or happiness will foster good behaviours. Thus, this study not only reinforces the applied role of anticipated emotions in predicting ethical decision making, but also compares and evaluates the nature of different discrete emotions and their ensuing effect on decisions involving ethics. As such, it suggests practical guideline for practitioners (e.g. managers or policy makers) wanting to encourage ethical consumer behaviours or discourage unethical consumer practices, through appeals to anticipated emotions, rather than or in addition to more rational or cognitive arguments.

Effective communication messages that aim to inspire socially responsible behaviours for instance, would do better to emphasize the future emotional costs (negative anticipated emotions) or benefits (positive anticipated emotions) of different choices, rather than the illegal/punitive nature of the acts. These strategies might be useful in a variety of contexts, such as: reducing retail theft; promoting recycling or water saving; reducing the consumption of unhealthy food; reinforcing campaigns against excessive alcohol consumption; preserving authors' copyrights of books or music; preventing speeding; or promoting charitable participations or donations. For instance, recent and devastating statistics show that one million plastic bottles are bought every minute around the world (Laville & Taylor, 2017); more than 90% of plastic produced is not recycled (Geyer, Jambeck, & Law, 2017); and it is expected that by 2050 the oceans will contain more plastic waste than fish, by weight (MacArthur et al., 2016). Urgent changes in consumer behaviour are needed, and the findings of this research can help define more effective communication appeals, which should evoke the anticipated negative emotions that current plastic consumption behaviours will bring in future. Another practical application can take place in the publishing industry or in public transports. For instance, educational campaigns in the publishing industry could focus on the negative (guilt inducing) effects that photocopying books has on talents in the industry and its potential ripple effects through generations.

Furthermore, communication messages stressing future desirable/undesirable emotions have the added bonus of being less likely to negatively influence organizational image or brand loyalty, in comparison with more freedom reducing or even "threatening" messages.

4.8. CONCLUSIONS

This research examined the role of anticipated emotions – both positive and negative – on consumer decision making involving ethics. Incorporating both a valence-based and an individual-based analysis of emotions, the findings provide an understanding of how consumer decide and behave under ethically questionable situations. The main conclusions demonstrate that anticipated emotions guide consumer ethical decision making at every stage of this process, as consumers look for positive emotions and try to avoid negative ones. The implications for the promotion of ethical consumer behaviours and discouragement of unethical ones are clear. Rather than getting consumers to "think ahead", the effort should be to get them to "feel ahead", anticipating the guilt associated with an unethical behaviour and/or stimulating the expected positive emotion of being pride associated with acting ethically.

This is likely to be of particular relevance for practitioners (e.g. managers or policy makers) intending to encourage ethical consumer conduct through social marketing communications, for example; but can also be of consequence for companies wanting to encourage customers to reward their own socially responsible behaviours, hence promoting the reproduction of ethical actions from both sides.

4.9. LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

As with any research, there are some limitations that must be noted. First, and as usual in social sciences, the constructs under study were measured through a questionnaire using self-reported scales. Despite the validity and reliability achieved, these kind of scales are subject to the respondents' understanding and ability to respond, and as such are vulnerable to some degree of inaccuracy. Second, in spite of efforts to avoid social desirability bias by explaining the purpose of research and methodology of the analysis, and its guarantee of total anonymity, social desirability can also pose a research limitation, given the sensitivity of the scenarios analysed (Al-Khatib, Al-Habib, Bogari, & Salamah, 2016), which is particularly relevant when the situation is perceived as more unethical (Chung & Monroe, 2003). Third, 82% of respondents were university students, who

are young and highly educated (Henrich, Heine, & Norenzayan, 2010). Future research might benefit from using a more representative and heterogeneous sample of individuals to help generalize the findings.

The data come from the Portuguese context. The question of how culture shapes ethical evaluations and behaviours is still an open one, and Chiu & Hackett (2017) suggest that individuals' perceptions of the ethicality of situations and behaviours are partly determined by their cultural context. Therefore, further analyses should be done in other regions or countries, aiming at comparing different cultures, values, attitudes or religions. In addition, Lehnert et al. (2016) suggest that qualitative research methods are valuable strategies of inquiry to uncover the deep meaning and experience of human judgments and activities, thus an important component for future ethical decision making research.

Due to the multidimensionality of the topic under study, it is possible that there are additional variables or dimensions, not considered in this study, which may also help predict ethical choices and improve our understanding of consumer ethical decision making process. Future research might therefore aim to comprise additional moderating variables of the relationship observed between emotions and consumer ethics. Also of interest would be to combine and test anticipated and post-decisional emotions within a single framework, or to test the moderating role of moral intensity on consumer ethical deliberation.

This research examines consumer decision making in situations involving ethics by using unethical scenarios. However, additional contributions to this topic could be provided by analysing the determinants of ethical choices and behaviour. Examples include exploring the positive scenarios of doing the right thing/doing good proposed by Vitell & Muncy (2005) or other ethical situations that may arise from new exploratory research. Furthermore, specific scenario-based analyses aimed at comparing the differences among various consumer ethical and/or unethical situations would also be welcomed. In addition to comparative scenario-based analyses, it would be relevant to explore and compare specific emotion-based analyses, once the findings from this study indicate that different anticipated emotions are expected to differently influence consumer ethical deliberation.

CHAPTER 5 WHAT GOES AROUND COMES AROUND: THE INTEGRATED ROLE OF EMOTIONS ON CONSUMER ETHICAL DECISION MAKING

The contents of this chapter were submitted for publication in the *Journal of Consumer Behaviour* (Manuscript ID JCB-18-250.R1).

ABSTRACT

The current study aims to further our understanding of the integrated role of emotions on consumer decision making involving ethical issues, by considering the influence of both positive and negative emotions on ethical decision making process. It considers not only the emotions experienced prior to ethical decision making (pre-decision emotions) but also those resulting from the course of action chosen (post-decision emotions). Scenarios are used, and the results of the structural modelling analyses support the proposed relationships between current emotions, consumers' ethical decision making, post-decision emotions and future ethical behavioural intentions. The data suggest the possible existence of a "virtuous ethical cycle", whereby positive emotions lead to more ethical consumer decisions and behaviours; and these in turn lead to more positive (post-decision) emotions, which have a positive and significant effect on future ethical behavioural intentions. In addition, happiness emerges as exerting a pivotal role in predicting consumer ethical decisions.

Keywords:

Consumer Ethics; Ethical Decision Making; Positive Emotions; Negative Emotions; Happiness; Future Ethical Behavioural Intentions.

5.1. INTRODUCTION

In the last decades, scholars from a variety of academic backgrounds have revealed an increasing interest in ethical decision making (Damasio, 1994; Greene & Haidt, 2002; Schwartz, 2016). Understanding why individuals think, decide and act ethically – or unethically – remains one of the most relevant, and at the same time complex, topics in the current business research agenda, in a bid to deepen our understanding of how ethical decisions are made and how ethical judgments and actions can be promoted.

The relevance of ethical decision making in the business context is no longer in doubt, if not for moral reasons, at least due to the significant costs that illegal and/or unethical behaviours can bring to shareholders, employees, consumers and the environment (Schwartz, 2016). While generally not in the spotlight to the same extent as firm actions, consumers' ethical (or unethical) decisions are not absent of consequences either. It has been estimated that retail crime in Europe costs firms 70.85 $billion a year, for example; and loss preventing spending represented 0.74% of total retail sales during 2014-2015 (Global Retail Theft Barometer, 2015). Activities such as shoplifting, illegal downloads, getting too much change due to a cashier mistake, consuming products inside a retail store, traveling on public transports without buying a ticket, or switching price tags to pay less for a product are just some examples of situations in which consumers are confronted with issues of good and bad, right and wrong, fair and unfair.

Theoretical advances explaining consumer decision making in situations involving ethics have been significant over the past few decades. In business, a substantial part of the literature assumes that ethics is primarily a cognitive, deliberate and rational process. In this perspective, moral reasoning is understood as dominating the process of resolving conflicts in the face of ethical dilemmas (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Jones, 1991; Trevino, 1986). The importance of these contributions notwithstanding, it has been suggested that rationalist approaches overlook an important component in achieving a comprehensive understanding of consumer ethical decision making: emotions (Gaudine & Thorne, 2001; Greene et al., 2001; Haidt, 2001; Koenigs et al., 2007).

Cognitive neuroscience, a field which has long been interested in this topic, proposes a dual-process theory of moral judgment (Greene et al., 2004, 2001; Haidt, 2001), which considers that ethical judgments result from an interaction of emotional and cognitive complex neural mechanisms. This is consistent with empirical research suggesting that ethical decision making goes beyond strictly reason-based processes, and is also a result of intuitive, automatic and

emotional evaluations (Damasio, 1994; Haidt, 2001). Emotion is understood, in this perspective, as a key element of ethical decision making (Robertson et al., 2017; Salvador & Folger, 2009) and a source of pivotal information (Ruedy et al., 2013), which can influence individuals' propensity to identify ethical dilemmas (Gaudine & Thorne, 2001; Robertson et al., 2007), facilitate ethical judgments (Haidt, 2007; Mudrack & Mason, 2013; Winterich et al., 2015) and support ethical choices and behaviours (Antonetti & Maklan, 2014b; Connelly et al., 2004; Greene & Haidt, 2002).

Despite these advances, there is still room to further our understanding of consumer decision making involving ethics. In particular, the research on ethical decision making is still skewed towards firms, rather than consumers; and towards rational processes, rather than emotional ones. In addition, where emotions are considered, the focus has traditionally been on singular emotional states, with primacy given to positive, rather than negative emotions; and on specific stages of the consumer ethical decision making process, rather than the process in its entirety. This study aims to address these issues by examining the integrated role of emotions on consumer decision making involving ethics. Putting the role of emotions in consumer ethical decisions at its core, this research considers not only pre-decision emotions, but also those resulting from the (ethical or unethical) decision made, and analyses a range of emotions, both positive and negative, involved on the consumer ethical decision making process; thus hoping to redress the above-mentioned imbalances.

Better understanding ethical decision making processes and the role of emotions within them is fundamental to encouraging more ethical consumer behaviours, including rewarding companies for their ethical and socially responsible actions through purchases and loyalty. This study aims to contribute to this overarching goal by assessing the role that both positive and negative emotions play not only as antecedent, but also as outcome of consumer decision making process involving ethics, providing relevant managerial insights about how consumer ethical decisions are formed, and how future ethical behaviours can be promoted and unethical actions prevented.

The remainder of the paper is structured as follows. Section two presents the relevant conceptual background, upon which our hypotheses are based. Section three describes the methodological procedures followed; and section four presents and discusses the results. In the final section, conclusions and avenues for further research are proposed.

5.2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

5.2.1. Ethical Decision Making

Ethics comprises "the study and philosophy of human conduct with an emphasis on determining right and wrong" (Fraedrich et al., 2013: 7) and can be defined as "a belief system which guides moral judgments and actions" (Schlegelmilch, 1998: 7). Ethical decision making, in turn, refers to the "process by which individuals use their moral base to determine whether a certain issue is right or wrong" (Carlson et al., 2009: 536). Ethics has to do with one's moral behaviour with respect to others and to society (Fischer, 2004). Due to the increasing relevance of the topic, some subfields have emerged from the broad area of study of ethics (DesJardins, 2014). One of these is business ethics, which refers to the "examination and application of moral standards within the context of finance, commerce, production, distribution, and sale of goods and services, and other forms of business" (Sauser, 2005: 346). Its counterpart, consumer ethics, in turn describes "the moral principles and standards that guide behaviour of individuals or groups as they obtain, use, and dispose of goods and services." (Muncy & Vitell, 1992: 298).

As awareness of the potential consequences of unethical decisions has increased, so too has the study of ethical decision making in the last decades (Schwartz, 2016). Initially explored from a managerial/firm-based perspective (Agnihotri et al., 2012), ethical decision making has more recently been committed with the consumer point of view as well (Escadas et al., 2019b), since all aspects of consumer behaviour have an ethical component (Vitell, 2003). Consumer ethics has thus become increasingly important, with its study aiming to determine how consumer decisions in situations involving ethical issues are made and how consumer ethical judgments and behaviours can be promoted.

The ethical decision making process is traditionally described as comprising four main stages (Rest, 1986). It begins with individuals' recognition that a situation or action may conflict with one or more moral standards, thus endowing it with an ethical component, i.e. *ethical awareness*. After a moral issue is acknowledged, individuals make judgments or choices among the potential alternatives about the ethically correct course of action, i.e. *ethical judgment*. Intentions are then established to carry out the ethical action, i.e. *ethical intentions*; and, finally, individuals engage in ethical behaviours supported by one or more moral standards, i.e. *ethical behaviours* (Rest, 1986). This four-component model for individual ethical decision making has become one of the most used and tested theoretical models for explaining the temporal and sequential stages that lead to ethical actions (Craft, 2013; Lehnert et al., 2015; O'Fallon & Butterfield, 2005).

Consistent with Rest's (1986) model, most of the research on business ethics, both conceptual and empirical, has traditionally relied on a rationalist-based approach (Vitell et al., 2013), focusing primarily on understanding the role of logical, rational and deliberate cognitive processes when facing an ethical dilemma (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Jones, 1991; Trevino, 1986). The findings resulting from such approaches, however, have not always been consistent (Craft, 2013; Pan & Sparks, 2012). For instance, Kohlberg (1979) proposed a positive relationship between education and ethical judgment, suggesting that people with a better understanding of complex issues, such as moral issues, will exhibit more sophisticated levels of moral reasoning. However, empirical research fails to find an association between education and ethical judgments (Cagle & Baucus, 2006; Marques & Azevedo-Pereira, 2009) or report negative connections (Chiu, 2003; Fullerton, Kerch, & Dodge, 1996). Regarding income, empirical research indicated that lower levels of income are associated with greater ethical concerns (Muncy & Vitell, 1992), while others found the opposite (Hoon Ang, Sim Cheng, Lim, & Kuan Tambyah, 2001) or no significant relationship (Paolillo & Vitell, 2003). Age also produced mixed results, describing positive (Valentine & Rittenburg, 2007), negative (Ede, Panigrahi, Stuart, & Calcich, 2000) or no significant (Marques & Azevedo-Pereira, 2009) relationships between age and ethical decisions. The lack of consistent empirical findings lead to calls for further research to test for additional influence factors and moderators of ethical decision making (O'Fallon & Butterfield, 2005) or to develop a more comprehensive theoretical platform to improve existing models' explanatory and predictive capability (Tenbrunsel & Smith-Crowe, 2008).

One such model has been developed by Zollo et al. (2017). Their dual processing model of ethical decision making combines moral intuition (System 1), which is unconscious and automatic, with a subsequent rational and reflective ethical decision making process (System 2) (Zollo, 2020; Zollo et al., 2017). The moral intuition process (System 1) is further divided into two phases: *intuiting* and *emotional processing*. *Intuiting* is the non-conscious first stage of a decision maker's process of moral intuition, which is "activated by the immediate, fast, effortful and automatic System 1" without any link with System 2 reasoning processes (Zollo et al., 2017: 687). *Emotional processing*, in turn, refers to the "emotional unconscious" of human cognition (Zollo et al., 2017), usually labelled as the "hot emotive system" (Metcalfe & Mischel, 1999), which is composed of basic emotions – such as happiness, sadness, anger or surprise – and responsible for quick emotional and impulsive processing (Haidt, 2001).

While recognising the importance of both sides (rational and emotional) of the ethical decision making coin, the focus in this study will be on the role of emotions in ethical decision making,

because although both approaches are necessary and should be integrated, there is comparatively less research on the role of emotions – an influence which needs to be well understood for the two approaches to be combined. Furthermore, emotions have typically been studied as antecedents of ethical decision making, whereas here they are analysed as both antecedents and consequences; and finally, research has traditionally focused on one stage of the ethical decision making process at a time, whereas here all four stages are analysed. Thus, in this study we explore the integrated role of the 'hot' emotional processing on ethical reasoning, both as input and also as outcome, by examining how different types of emotions affect ethical decision making process.

5.2.2. Emotions and Ethical Decision Making

Models describing moral reasoning, dating back to the contributions of Kohlberg (1969), suggested that ethical decision making is primarily a result of a conscious and deliberate reasoning process. More recently, neuroscience research offers the dual-process theory of moral judgment, which suggests that ethical decisions and behaviours are a result of immediate, intuitive, emotional as well as reasoned processes (Greene et al., 2004, 2001; Haidt, 2001).

Emotion is the support system for reasoning processes (Damasio, 2000), and as such, it is both necessary and sufficient for moral decisions (Prinz, 2006). The affective component plays a pivotal role in resolving moral conflicts (Koenigs et al., 2007) and emotional processing disorders are associated with weakened moral behaviour (Anderson et al., 1999; Mendez et al., 2005).

Research shows that the regions of the brain responsible for the generation of emotions have higher levels of activation when facing relevant ethical stimuli – ethical sensitivity (Moll, de Oliveira-Souza, Bramati, et al., 2002); and that having lesions in these parts of the brain significantly increases utilitarian judgments conducive to inflicting direct harm to others – ethical judgment (Koenigs et al., 2007). Furthermore, emotion activates brain networks associated with behavioural intentions in response to ethically relevant situations – ethical intention (Borg et al., 2006); and the brain circuits that play critical roles in emotional processing have been shown to be activated to a greater extent when individuals behave ethically – ethical behaviour (King et al., 2006).

These findings from neuroscience are a particularly important base upon which to build on in the business research on ethical decision making, because they are "less subject to social desirability bias than survey research methods using participants' self-reports about their emotional and cognitive processes. In brain imaging research, it is possible to investigate processes of which subjects themselves are not aware." (Robertson et al., 2017: 680).

As such, the relationship between emotions and ethical decision making has also been receiving increased attention in the management context (Craft, 2013; Schwartz, 2016; Vitell et al., 2013 for review). Gaudine & Thorne (2001) propose that, rather than antithetical, emotion is intrinsic to rational ethical decision making and that this affective component directly influences the entire ethical deliberation process – individuals' ethical sensitivity, judgments, intentions and behaviours. There is also empirical evidence of a significant role of emotions on: individuals' judgments of another person's unethical behaviour (Winterich et al., 2015); a whistle-blower or witness' decision to speak on matters of substantial public interest (Hollings, 2013); consumers' perceptions of the effectiveness of sustainable consumption choices (Antonetti & Maklan, 2014b, 2014a); the ethical attitudes and behaviours of salespeople in a relational selling context (Agnihotri et al., 2012); and consumer engagement in pro-environmental behaviours, such as recycling paper, saving water or using public transportation (Bissing-Olson et al., 2016; Elgaaied, 2012; Onwezen et al., 2013). Linehan & O'Brien (2017) found that emotions, both felt and displayed during a personal interaction, evoke signals that something 'isn't right', subsequently influencing the awareness and understanding of ethical dilemmas, such as, for example, the termination of an employee's employment contract. Singh et al. (2018) showed that incidental emotions can influence the levels of ethical judgment in a consumer context (i.e., too much change received); while Harvey et al. (2017) demonstrated that negative affective workplace events promote the justification of deviant behaviours.

An examination of the contributions to the literature described above underlines two points: first, business research on ethical decision making typically focuses on a single stage of the ethical deliberation process, although the theory presents the ethical deliberation process as a set of temporal, sequential and interrelated stages (Rest, 1986; Schwartz, 2016); meaning there is need for an integrated analysis of the four components that make up the whole ethical decision making process. Second, while the study of the effects of specific emotions on individuals' action tendencies towards (un)ethical behaviours is quite well established, the relationship between simultaneous positive/negative emotions and consumer ethical decisions is less clear. These research aims to fill these gaps by examining the integrated role of several positive and negative emotions on all four stages of the ethical decision making process.

Positive and negative emotions have different antecedents and, thus, lead to different outcomes (Cropanzano, 2003) via different psychological pathways (Miles, Borman, Spector, & Fox, 2002; Spector & Fox, 2002). The cognitive appraisal theory of emotions (Smith & Ellsworth, 1985) states

that different emotions are defined by different cognitive appraisals, which lead to diverse influences on decision making.

The literature suggests that positive emotions can encourage ethical decisions and behaviours in the business context. Agnihotri et al. (2012), for instance, showed that positive trait-based emotion influences salespeople's ethical attitudes and behaviours; Mencl & May (2009) found that empathy, a positive emotion, facilitates ethical decision making in human resource managers; and Belschak & Den Hartog (2009) suggested that positive emotions are linked to students' and employees' intentions to engage in organisational citizenship behaviours (i.e. voluntary actions to promote the welfare of colleagues and/or that benefit the organisational image).

But while the influence of positive emotions on ethical decision making is quite well supported, the effect of negative emotions on ethical behaviours and the direction of this impact is less clear and has yielded contradictory evidence. Lerner & Keltner (2000) indicated that negative emotions may produce pessimistic as well as optimistic judgments about future events; Singh et al. (2018) stated that negative discrete emotions influence ethical judgements; Cropanzano, Stein, & Nadisic (2011) found that negative emotions derived from frustrating work events lead to retaliatory behavioural intentions converted into unethical behaviours; while Jacobs et al. (2014) uncovered that negative emotion was related to unethical work behaviours of police officers.

Despite some contradictory findings, the main body of business research thus suggests that positive emotions will stimulate pro-social and cooperative decisions and behaviours, while negative emotions may facilitate unethical courses of actions through retaliatory behavioural intentions (Cropanzano et al., 2011). Considering that positive and negative emotions will impact consumer ethical decisions differently, this research assumes that positive emotions (such as happiness or gladness) are likely to lead to more ethical decisions, while negative emotions (such as sadness or guilt) are less likely to do so. Therefore, it is proposed that:

H1: Positive emotions will positively influence ethical consumer decisions.

H2: Negative emotions will negatively influence ethical consumer decisions.

Previous research mainly posits emotions as antecedents of ethical decision making (Escadas et al., 2019a). Significant literature contributions demonstrate that emotions influence ethical sensitivity (Robertson et al., 2007), judgments (Schwartz, 2016), intentions (Vitell et al., 2013) and behaviours (Agnihotri et al., 2012). More recent studies, however, suggest that emotions may play an integrated role on ethical decision making, not only as antecedents, but also as feedback systems that allow consumers to learn from past experiences (Baumeister, Vohs, Nathan DeWall,

& Liqing Zhang, 2007). Antonetti & Maklan (2014a), for instance, find that consumers have feelings about their purchases and feel pride when they buy responsible products, and guilt when choose unethical products. Ruedy et al. (2013) show that individuals who engage in unethical behaviours, such as cheating (by over-reporting their performance or lying on a timesheet in order to earn a bonus, for example) feel higher levels of negative affect and lower levels of positive affect. After a decision involving an ethical component, consumers start a process of emotional appraisal, which activates a self-conscious cognitive process that helps understand the relevance of the issue involved (Tangney, Stuewig, & Mashek, 2007b) and raises awareness of the consequences of the choices (ethical or unethical) made (Bray, Johns, & Kilburn, 2011). Thus, it is not only pre-decision emotions that are of concern, but also those resulting from the decisions themselves (i.e. post-decision emotions).

In this research, we adopt the assumption that ethical behaviours lead to positive emotions (i.e., being ethical, or doing the "right thing", makes us "feel good"), while unethical behaviours tend to cause negative emotions (i.e., they make us "feel bad"). Thus, it is proposed that:

H3: Ethical consumer decisions will increase positive post-decision emotions.

H4: Ethical consumer decisions will reduce negative post-decision emotions.

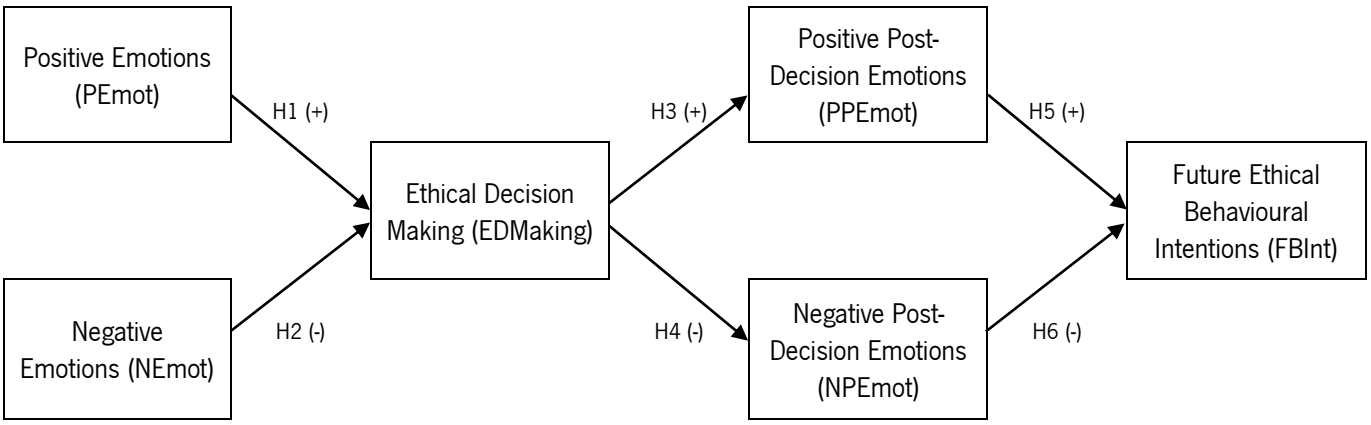
Research shows that both sensitivity to ethical issues and evaluations of the appropriateness of choices in personal ethical dilemmas are associated with the activation of specific regions of the brain, also implicated in the experience of emotion (Mayberg et al., 1999) and in the recall of emotional memories (Maddock, Garrett, & Buonocore, 2003; Maratos, Dolan, Morris, Henson, & Rugg, 2001). Robertson et al. (2007) argue that the activation of these brain circuits may reflect access to one's emotional, cognitive and somatic experiences related to previous ethical conflicts, which is consistent with the idea that ethical judgments are associated with memories from past ethical decisions (Anderson et al. 1999) and that emotions learned from past decisions provide key information which influences future ethical behaviours (Antonetti & Maklan (2014a). Since emotions are a motivation to act (Eisenberg, 2000; Huebner et al., 2009), emotional memories learned from past experiences are expected to influence future ethical behavioural intentions. Thus, it is proposed that:

H5: Positive post-decision emotions will increase consumers' ethical behavioural intentions.

H6: Negative post-decision emotions will reduce consumers' ethical behavioural intentions.

Figure 5.1 shows the proposed research model, whereby emotions exert an influence on ethical decision making, positively influencing ethical decisions in the case of positive emotions, and negatively influencing ethical decisions in the case of negative emotions. The decision itself then triggers another set of (post-decision) emotions, more likely to be positive when the decision was ethical, and more likely to be negative when it was not. These post-decision emotions are then in turn expected to affect intentions regarding future behaviours.

Figure 5.1: Proposed Research Model



5.3. METHODS

5.3.1. Procedures and Sample

To test the proposed hypotheses, a self-administered paper and pencil questionnaire, using a scenario-based approach, was applied. Scenarios have long been recognized as particularly suited to marketing ethics research (Hunt & Vitell, 1986) and have been widely used in the business ethics literature (Dietz & Kleinlogel, 2013; Singhapakdi et al., 2013; Winterich et al., 2015). Scenarios allow consumer ethical issues to be presented in a concrete and detailed manner, while controlling environmental factors (O'Fallon & Butterfield, 2005), and standardize social and contextual stimuli (Alexander & Becker, 1978), imbuing respondents' answers and decision making with added realism, and giving researchers access to their attitudes and judgments to ethical decision situations (Trevino, 1992).

Three different scenarios were developed, to reduce situation bias and improve the accuracy of the analyses. The scenarios pertained to: *i)* photocopying (rather than purchasing) a copyrighted book, recommended for a university course; *ii)* switching price tags in a store, to pay less for one's

favourite shirt; and *iii)* keeping extra money mistakenly handed to us by a bank teller in a withdrawal.

Data were collected from a convenience sample using face-to-face street and class interviews. Participants were invited to participate in the study after a detailed description of research objectives and procedures, and were encouraged to fill out the questionnaires themselves in order to avoid interviewer and/or social desirability bias. Participation was voluntary and no incentives were provided. The study was conducted in the region of Braga, in the North of Portugal. A valid sample of 433 respondents was collected, of whom 60,7% were female and 39,3% were male. The mean age of the participants was 26,41 years and 48,7% were students.

5.3.2. Measures

Prior being exposed to the ethical scenarios, respondents were asked to rate the emotions they were feeling at that moment. These emotions were measured using an adapted version of the 17 anticipatory goal-directed emotions proposed by Bagozzi et al. (1998), including the contributions of Kugler & Jones' (1992) guilt inventory and Tracy & Robins' (2007) authentic pride scale. Four positive and four negative emotions were included in questionnaire and measured on a seven-point scale ranging from 1- "Not at all" to 7-"Very much". The question was posed as follows: "At this moment, I feel: glad; happy; satisfied; excited; ashamed; guilty; sad; uncomfortable". Positive and negative emotions were presented alternately and ordered randomly to minimize common method bias (Podsakoff et al., 2003).

As previously described, ethical decision making has been conceptualized as comprising awareness, judgment, intention and behaviour (Rest, 1986). Rather than focusing on a single stage, as is more common in the literature, the aim here was to examine all four steps in the process. Thus, after reading each of the ethical scenarios, participants were invited to answer questions pertaining to each of those stages of the ethical decision making process. Ethical awareness was measured through a single item: "For me, the behaviour described above involves an ethical problem", adapted from Karande et al. (2000) and rated on a seven-point Likert scale from 1- "Strongly disagree" to 7-"Strongly agree".

Ethical judgment was assessed using a four-item modified version of the moral equity dimension proposed by Reidenbach & Robin's (1990) multidimensional ethics scale. Participants were invited to express their evaluations regarding the scenarios, based on the statement: "For me, the situation described above is: *wrong–right; unfair–fair; unethical-ethical; not morally right-morally right*",

using a seven-point semantic differential scale. Ethical intention was evaluated by asking the respondents if they would act in the same manner as the consumer depicted in the scenario, consistent with Vitell & Patwardhan (2008) and Vitell et al. (2001), and measured on a seven-point Likert scale ranging from 1-"Strongly disagree" to 7-"Strongly agree". Finally, ethical behaviour was appraised by a single item: for Scenario 1, this was "I usually photocopy copyrighted books."; for Scenario 2, "I usually switch the price tags in stores."; and for scenario 3 – "I usually keep extra money mistakenly handed to me for myself." Respondents were invited to evaluate the statements on a seven-point Likert scale, where 1 - "Strongly disagree" and 7 - "Strongly agree". Scales measuring ethical judgment, intention and behaviour were reversed and higher scores indicated a higher ethical decision.

Because in addition to assessing ethical decisions and behaviours, we were also interested in evaluating individual emotions arising from the ethical deliberation process, post-decision emotions were measured by asking respondents to rate their emotions after making their decisions with regard to the ethical scenarios presented. The same items used to measure baseline emotions at the beginning of the questionnaire were used for this purpose. Thus, respondents were asked: "After these decisions concerning the scenario described, I feel: guilty; proud; remorseful; accomplished; uncomfortable; happy; ashamed; confident; sad; satisfied", ranked on a seven-point scale ranging from 1-"Not at all" to 7-"Very much".

Finally, in order to test the hypothesis that post-decision emotions influence future behavioural intentions, respondents were asked to report the likelihood that they would act ethically as consumers in the future. Participants completed a two-item question adapted from previous research (Antonetti & Maklan, 2014a) that captures their intentions to act and buy ethically. The following items were answered using a seven-point scale, ranging from 1-"Not at all" to 7-"Very much": for Scenario 1 – "Next time you need a new book: How likely is it that you will act in an ethical way? How likely is it that you will buy the copyrighted book?"; For Scenario 2 – "Next time you go shopping: How likely is it that you will act in an ethical way? How likely is it that you will pay the marked price for the products?"; For Scenario 3 – "Next time you mistakenly receive extra money: How likely is it that you will act in an ethical way? How likely is it that you will hand back the extra money?"

5.4. RESULTS

To test the validity of the proposed model, a two-step structural equation modelling was performed (Hair et al., 2014), using AMOS 24. Table 5.1 provides an overview of the means, standard deviations and correlations between the constructs.

Table 5.1: Construct Correlation Matrix

Construct	Mean	Std. Dev.	Correlation matrix					
			1	2	3	4	5	6
1. Positive Emotions	4,87	0,99	**0,760**[a)]					
2. Negative Emotions	2,07	1,04	-0,162***	**0,730**[a)]				
3. Ethical Decision Making	5,71	1,36	0,422***	-0,350***	**0,783**[a)]			
4. Positive Post-Decision Emotions	4,39	1,73	0,352***	-0,164***	0,568***	**0,850**[a)]		
5. Negative Post-Decision Emotions	2,05	1,34	-0,218***	0,436***	-0,551***	-0,553***	**0,809**[a)]	
6. Future Behavioural Intentions	5,68	1,50	0,345***	-0,204***	0,753***	0,514***	-0,437***	**0,901**[a)]

*** $p < 0.01$

a) Square root of the AVE in bold on the diagonal to test Discriminant Validity (Fornell & Larcker, 1981)

In order to assess construct validity, individual item reliability was evaluated by examining the factor loadings of each measure on its corresponding construct. All factor loadings were equal or greater than .578 (Table 5.2), thus over the recommended threshold of .50 (Hair et al., 2014). In addition, the average variance extracted (AVE) of all the factors exceeded the minimum recommended criterion of .50, indicating that a large portion of the variance was explained by the constructs (Fornell & Larcker, 1981). The internal consistency of multiple items for each construct was measured by their composite reliability and all scores were above the cut-off value of .70, ensuring adequate internal consistency (Fornell & Larcker, 1981). All these indicators suggest adequate convergent validity among item measures (Hair et al., 2014). Moreover, to assess discriminant validity, the square roots of the AVE were used, which should be greater than a construct's correlation with any other construct in the model (Fornell & Larcker, 1981). The values of the square root of the AVE can be seen on the diagonal of Table 5.1, and indicate that the criterion of discriminant validity was met for all the constructs analysed.

Regarding the model fit, Hair et al. (2014) suggest reporting at least one absolute fit index and one incremental fit index (χ^2=459.457, p=0,000; *df*=233; χ^2/df=1.972; CFI=0.967; TLI=0.961; NFI=0.935; GFI=0.916; RMSEA=0.047) (Table 5.2). Results show a satisfactory fit of the model,

thus providing evidence of nomological validity (Anderson & Gerbing, 1988) and an appropriate basis for testing the hypothesized relationships.

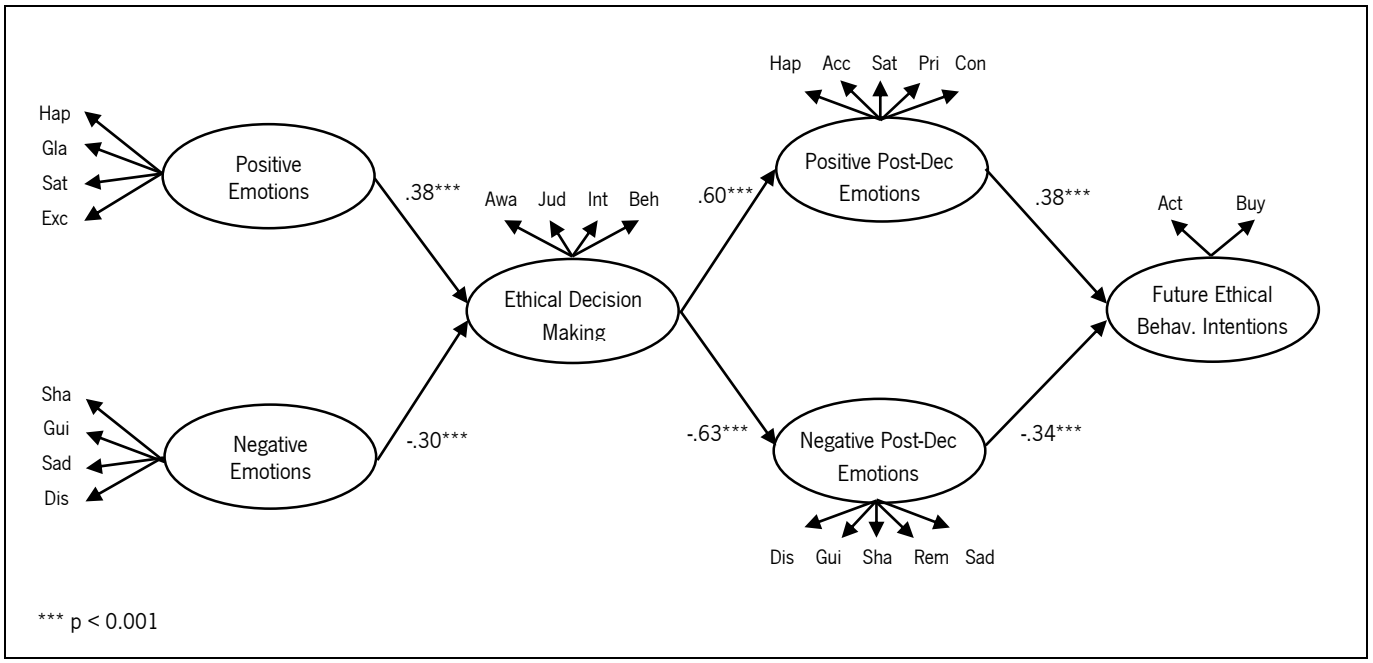
Table 5.2: Measurement model and scale reliability

Item description	Standardized loadings	Reliability	
		SCR	AVE
Positive Emotions (PEmot)		0.841	0.578
Happiness	0.916		
Gladness	0.862		
Satisfaction	0.628		
Excitement	0.579		
Negative Emotions (NEmot)		0.819	0.533
Shame	0.797		
Guilt	0.755		
Sadness	0.715		
Discomfort	0.644		
Ethical Decision Making (EDMaking)		0.860	0.613
Ethical Awareness	0.578		
Ethical Judgment	0.702		
Ethical Intention	0.908		
Ethical Behaviour	0.895		
Positive Post-Decision Emotions (PPEmot)		0.928	0.722
Happiness	0.901		
Accomplishment	0.882		
Satisfaction	0.828		
Pride	0.823		
Confidence	0.810		
Negative Post-Decision Emotions (NPEmot)		0.904	0,655
Discomfort	0.873		
Guilt	0.840		
Shame	0.780		
Remorse	0.776		
Sadness	0.772		
Future Ethical Behavioural Intentions (FBInt)		0.896	0,812
Ethical Action	0.849		
Ethical Buying	0.950		

Fit statistics for measurement model of 24 indicators for 6 constructs: $\chi^2_{(233)}$ = 459,457; p=0,000; χ^2/df=1.972; CFI=0.967; TLI=0.961; NFI=0.935; GFI=0.916; RMSEA=0.047.

The proposed structural model and its estimated parameters are shown in Figure 5.2. All path coefficients are significant and in the proposed direction, thus supporting the research hypotheses. The weights of the relationships between the constructs indicate the strength of the influences between them.

Figure 5.2: Proposed structural model



The results show that consumers' positive initial emotions positively influence ethical decision making; while negative emotions at the outset have a negative impact on ethical decisions (Table 5.3). These results confirm H1 and H2 and support the role of emotions as antecedents of consumer ethics. In addition, the influence of positive emotions on ethical decisions is higher than the influence of negative emotions.

The data also show that consumers' ethical decisions exert a positive and significant effect on positive post-decision emotions and a negative impact on negative post-decision emotions, confirming H3 and H4. Finally, the results indicate that positive post-decision emotions positively influence consumers' future ethical behavioural intentions; while negative post-decision emotions negatively influence intentions to behave ethically in the future (confirming H5 and H6).

Table 5.3: Construct Structural Model

Structural relationships	Hypotheses		Standardized Parameter Estimates		Hypotheses Testing
	Number	Direction	Estimate	t-value (sig.)	
Hypotheses					
Positive Emotions → Ethical Decision Making	H1	positive	0.378	6.278***	Supported
Negative Emotions → Ethical Decision Making	H2	negative	-0.299	-5.126***	Supported
Ethical Decision Making → Positive Post-Decision Emotions	H3	positive	0.604	8.355***	Supported
Ethical Decision Making → Negative Post-Decision Emotions	H4	negative	-0.631	-8.764***	Supported
Positive Post-Decision Emotions → Future Purchase Intentions	H5	positive	0.381	6.995***	Supported
Negative Post-Decision Emotions → Future Behavioural Intentions	H6	negative	-0.340	-5.906***	Supported

Fit statistics for structural model of 24 indicators for 6 constructs: $\chi^2_{(239)}$ = 815,092; p=0,000; χ^2/df=3.410; CFI=0.915; TLI=0.902; NFI=0.885; GFI=0.866; RMSEA=0.075.

*** $p < 0.001$

In a more fine-grained analysis, with regard to the specific emotions that most influence each stage of the consumer ethical decision making process and those most likely to be elicited by the ethical deliberation process, our structural model indicates that the feelings of happiness and gladness are the positive emotions that most influence individual's ethical awareness, judgments, intentions and behaviours; while shame and guilt are the negative emotions that exert the highest impact on each stage of ethical deliberation process (Table 5.4). In turn, the stage of the ethical decision making process most influenced by consumer emotions (be they positive or negative) is ethical intention, followed by ethical behaviour, judgment and awareness.

In terms of post-decision emotions, happiness, accomplishment and pride are those most likely to be elicited by the ethical decision making process. In terms of negative post-decision emotions, guilt, remorse and discomfort were the feelings most likely to be stimulated by consumers' unethical decisions.

Table 5.4: Structural model implied correlations

Endogenous variables	Exogenous variables				
	Positive Emotions (PEmot)	**Happiness**	**Gladness**	**Satisfaction**	**Excitement**
Ethical Decision Making (EDMaking)	0.426	0.390	0.368	0.267	0.203
Ethical Awareness	0.206	0.188	0.178	0.129	0.098
Ethical Judgment	0.303	0.277	0.262	0.190	0.144
Ethical Intention	0.386	0.354	0.334	0.242	0.184
Ethical Behaviour	0.373	0.342	0.323	0.234	0.178

Endogenous variables	Exogenous variables				
	Negative Emotions (PEmot)	**Shame**	**Guilt**	**Discomfort**	**Sadness**
Ethical Decision Making (EDMaking)	-0.360	-0.288	-0.271	-0.230	-0.221
Ethical Awareness	-0.173	-0.139	-0.131	-0.111	-0.106
Ethical Judgment	-0.255	-0.204	-0.193	-0.164	-0.157
Ethical Intention	-0.326	-0.261	-0.246	-0.209	-0.200
Ethical Behaviour	-0.315	-0.252	-0.238	-0.202	-0.193

Endogenous variables	Exogenous variables				
	Ethical Decision Making (EDMaking)	**Ethical Awareness**	**Ethical Judgment**	**Ethical Intentions**	**Ethical Behaviours**
Positive Post-Decision Emotions (PPEmot)	0.604	0.291	0.429	0.547	0.529
Happiness	0.540	0.260	0.383	0.489	0.473
Accomplishment	0.536	0.258	0.381	0.486	0.470
Pride	0.500	0.241	0.355	0.453	0.438
Satisfaction	0.497	0.240	0.353	0.450	0.436
Confidence	0.487	0.235	0.346	0.441	0.426
Negative Post-Decision Emotions (NPEmot)	-0.631	-0.304	-0.448	-0.571	-0.552
Guilt	-0.594	-0.286	-0.422	-0.538	-0.520
Remorse	-0.527	-0.254	-0.375	-0.478	-0.462
Discomfort	-0.486	-0.234	-0.345	-0.440	-0.425
Shame	-0.445	-0.215	-0.316	-0.404	-0.390
Sadness	-0.420	-0.202	-0.298	-0.380	-0.368

Endogenous variables	Exogenous variables					
	Positive Post-Decision Emotions (PPEmot)	**Happiness**	**Accomplish-ment**	**Pride**	**Satisfaction**	**Confidence**
Future Behavioural Intentions (FBInt)	0.511	0.459	0.453	0.422	0.420	0.411
Ethical Action	0.435	0.391	0.386	0.360	0.358	0.350
Ethical Buying	0.481	0.431	0.427	0.398	0.396	0.388

Endogenous variables	Exogenous variables					
	Negative Post-Decision Emotions (NPEmot)	**Guilt**	**Remorse**	**Discomfort**	**Shame**	**Sadness**
Future Behavioural Intentions (FBInt)	-0.485	-0.456	-0.405	-0.373	-0.342	-0.323
Ethical Action	-0.413	-0.389	-0.345	-0.318	-0.292	-0.275
Ethical Buying	-0.457	-0.430	-0.382	-0.352	-0.323	-0.304

Fit statistics for structural model of 24 indicators for 6 constructs: $\chi^2_{(239)}$ = 815,092; p=0,000; χ^2/df=3.410; CFI=0.915; TLI=0.902; NFI=0.885; GFI=0.866; RMSEA=0.075.

5.5. DISCUSSION

The goal of this study was to measure the integrated role of emotions, as both antecedents and outcomes, on consumer decision making involving ethical issues. The results of the structural model supported the proposed relationship between initial (pre-decision) emotions, ethical decision making, post-decision emotions and ethical behavioural intentions for the future. Our results showed that positive emotions ("feeling good") positively influenced ethical decisions; whereas negative emotions ("feeling bad") had a negative impact on ethical consumer choices. These findings indicate that emotions, both positive and negative, are significant predictors of consumers' ethical decisions, such that any analysis of consumer ethics disregarding emotions is unlikely to be able to capture the totality of the issue. This outcome corroborates some of the most relevant contributions from social sciences (Agnihotri et al., 2012; Gaudine & Thorne, 2001), psychology (Greene & Haidt, 2002; Haidt, 2007) and neurosciences (Bechara, 2004; Koenigs et al., 2007).

In addition, the influence of positive emotions on the consumer ethical decision making process was higher than the influence of negative emotions. This suggests that public and private actions aimed at promoting ethical behaviours in consumers would do well to try to create positive emotions in consumers, such as happiness, gladness, satisfaction or excitement. The influence of emotions was furthermore most significant in the stages of ethical intentions and ethical behaviours. This is consistent with past cognitive and neurobiological research, which suggests that the primary role of emotion is motivating morally relevant action (Huebner et al., 2009).

Our results also indicate that consumers who think, decide and act in an ethical manner are more likely to experience positive, rather than negative, emotions (i.e. acting in an ethical manner leads them to "feel good"). By the same token, consumers who make unethical judgments and actions are more likely to experience negative emotions (and less likely to feel positive ones). Because of the significant relationship between ethical decision making and both positive post-decision emotions (positive relationship) and negative post-decision emotions (negative relationship), anticipating these future feelings may exert a substantial influence on individuals' choices. Thus, our results provide empirical evidence of the integrated role of emotions as antecedents and outcomes of the consumer ethical decision making process, and consistent with previous research (e.g. Mellers & Mcgraw, 2001) indicate that anticipated emotions can be used to guide consumer decisions, by leading consumers to choose the option providing the greatest expected pleasure (Mellers et al., 1999) or to avoid the one perceived as generating negative feelings in the future (Escadas et al., 2019b).

In terms of individual emotions, our results assign a central role to happiness, as an antecedent of consumer ethical decision making, as an outcome of this deliberation process, and as the emotion with the most significant relationship with future ethical behavioural intentions. Being happy appears to be the cornerstone of ethical consumer decisions, as a predictor of ethical actions, a consequence that can be anticipated, and a post-decision outcome that will influence future ethically relevant actions.

What constitutes happiness - what it is and how this emotion can be achieved is a discussion beyond the scope of this research; but the evidence presented in this study indicates that it has a key role in consumer ethics, as both a foundation of ethical behaviour and a result thereof; suggesting it should be promoted by practitioners to encourage ethical sensitivity, ethical choices and ethical behaviours, for the benefit of society as a whole.

5.6. CONCLUSIONS AND FUTURE RESEARCH

Despite recent advances in the business literature towards the inclusion and examination of the emotional component of ethical decision making (Robertson et al., 2017; Schwartz, 2016; Singh et al., 2018; Zollo, 2020), it has been noted that there is still a need for more empirical research on the integrated and transversal role of emotions, as both antecedents and outcomes of consumers' ethical decision making processes. Moreover, because these emotional mechanisms may influence each stage of the ethical deliberation process in different ways (Huebner et al., 2009), simultaneous and detailed analyses are required to establish the precise point in the consumer ethical decision making process at which emotions have the most significant impact. The current study set out to carry out these analyses – analysing not only pre- but also post-decision emotions; looking at not only positive, but also negative emotions (and which ones bear the greatest impact on decision making); and taking the entire ethical decision making process, and not just a single stage thereof, into account.

Such analyses are not only relevant as a means to increase our understanding of how ethical decisions are formed, but are also of practical consequence, increasing our knowledge of how consumer ethics can be encouraged, and how to plan and adopt effective pro-active approaches to prevent unethical behaviours (Mitchell, Balabanis, Schlegelmilch, & Cornwell, 2009), which can be expected to improve the balance of costs for companies and consumers, and create greater justice and fairness.

The results provide evidence of a transversal role of emotions on ethical consumer decision making. Emotions, both positive and negative, appear significant as both predictors and outcomes of ethical consumer decisions, with the influence of positive emotions being greater than the influence of negative emotions. Happiness, in particular, was found to be the discrete emotion with the biggest influence on ethical consumer decisions, and a key emotion resulting from ethical decisions and influencing future (ethical) intentions. This suggests an important avenue for future research, in terms of trying to understand how this emotion might be defined, created and sustained.

The data also indicate that the stages of the ethical decision making process most influenced by emotions are ethical intentions and ethical behaviours. Although this may seem somewhat counter-intuitive, it is consistent with previous research, and suggests that perhaps relatively more emphasis should be placed on influencing intentions and behaviours, *vis a vis* recognition or attitudes towards ethical situations.

Finally, the data also seem to suggest the possible existence of a "virtuous ethical cycle" in what pertains to positive emotions and ethical decision making: consumers who think, decide and act ethically are more likely to "feel good" (i.e. experience positive emotions) and these positive post-decision emotions can be expected to positively influence future ethical behavioural intentions. By the same token, our data suggests there may be an "unfavourable ethical cycle", whereby negative emotions lead to less ethical decisions, leading to more negative emotions, which tend to predict lower ethical intentions. It would be of interest to try to uncover and quantify these relationships in future research, as well as to test a spillover effect (Thøgersen & Ölander, 2003) examining whether specific consumer ethical behaviours spread to other individuals' ethical behaviours, which, in turn, will change individuals' general values.

A possible limitation of this current study is bound with the fact pre- and post-decision emotions were measured at the same point of time. Although dictated by practical considerations, future research would do well to test each one of the structural relationships proposed separately, desirably using experimental research designs to do so (Donato & Miceli, 2020).

Reference to and examination of emotions as outcomes of ethical decision making have been relatively limited in the business literature (Zeelenberg et al., 2000). Since this study demonstrates a significant influence of post-decision emotions on future ethical behavioural intentions, it wold be relevant for future research to consider an in-depth analysis of the nature of consumer emotions resulting from decisions involving ethics and how these emotional mechanisms can be expected to influence future ethical choices and actions. In addition, future research should analyse and compare unethical and ethical consumer situations (Vitell & Muncy, 2005), examining and

contrasting ethical decision making processes in each as a potentially valuable contribution to our understanding of consumer decisions involving ethics (Brinkmann, 2004).

Finally, it is worth noting that this research was carried out in the region of Braga, in the North of Portugal. Braga is the third largest city in Portugal (Eurostat, 2020) and has recently been considered one of the youngest, most satisfied and happiest cities in Europe (European Commission, 2016). Since our research suggests that happiness is the emotion that most influences consumer ethical decisions and behaviours, future studies should compare different cities and different countries in a cross-cultural perspective to deepen the relationship between happy individuals and ethical consumers.

CHAPTER 6 ARE EMOTIONS ESSENTIAL FOR CONSUMER ETHICAL DECISION MAKING: A NECESSARY CONDITION ANALYSIS

The contents of this chapter were submitted for publication in the *Journal of Consumer Psychology* (Manuscript ID JCP-20-0170).

ABSTRACT

Over the last two decades scholars and professionals have been increasingly interested in understanding how consumer ethical decisions are formed and how they can be promoted. Recent advances suggest that emotions exert a significant role in predicting consumer ethical decision making. However, most of these contributions have been based on a sufficient logic paradigm, imperfectly measuring the necessary condition effect. This research extends previous studies by examining the necessary-but-not-sufficient relationship between emotions and consumer decision making involving ethics. Through a new and straightforward analytical method for identifying and measuring necessary condition in datasets – the Necessary Condition Analysis – this paper empirically tests the assumption that emotions are a necessary condition for consumer ethics. Using a sample of over four hundred individuals, combining three different ethical scenarios, our findings demonstrate that there are convincing reasons to believe that emotions are necessary but not automatically sufficient for ethical decisions and behaviours. In addition, the results show that higher levels of consumer ethical decisions can only be achieved if happiness, gladness and satisfaction increase towards a minimum level of necessity. These findings support the notion that emotions play a pivotal role in predicting consumer ethical decision making, helping to explain why individuals sometimes behave ethically but other times do not.

Keywords:

Consumer Ethics; Ethical Decision Making; Emotions; Necessary Condition Analysis; Happiness.

6.1. INTRODUCTION

The topic of consumer ethics is an imperative economic and social issue all around the globe (Chowdhury, 2019). In the last two decades, research on the consumer side of ethics has received increasing attention in the business literature (Chatzidakis, Shaw, & Allen, 2018; Vitell, 2015), a trend that is expected to continue into the future (Yacout & Vitell, 2018).

Beyond the heavily discussed topics of shoplifting (Aloysius, Arora, & Venkatesh, 2019), fare evasion (Delbosc & Currie, 2019), consumption of counterfeits (Chen, Teng, & Liao, 2018), or digital piracy (Kos Koklic, Kukar-Kinney, & Vida, 2016), the statistics indicate that one million plastic bottles are bought every minute around the world (Laville & Taylor, 2017); more than 90% of plastic produced is not recycled and about 80% is accumulated in landfills or the natural environment (Geyer et al., 2017). It is expected that by 2050, the oceans will contain more plastic waste (in weight) than fish (MacArthur et al., 2016). While such environmental issues are complex and require the collaboration of many different stakeholders in order to be effectively addressed, consumer still have an important role to play. In other issues, consumer behaviours, and their decisions to behave ethically or not, have an even greater effect. Shoplifting and copyright breaches, for instance; speeding or texting and driving; or even binge drinking and drunk driving. The potential impact of such ethically questionable behaviours calls for urgent and effective responses, and consumer behaviour research has a crucial role to play in helping understand these phenomena and provide guidelines to encourage ethical decisions and reduce unfavourable choices.

In the last years, a number of substantial conceptual and theoretical advances have been made in our understanding of ethical decision making (see Lehnert et al., 2015 for a review). Collecting inputs from various disciplines, such as psychology, neuroscience and business ethics, several descriptive models have been proposed to explain the decision making process leading to ethical or unethical choices – particularly by identifying the factors or variables that influence it (Schwartz, 2016). Despite the initial focus on a rationalist-based view, in which ethical decision making was primarily a cognitive, deliberate and rational process (Ajzen, 1991; Kohlberg, 1969), subsequent advances have called for the inclusion of the emotional component as a central element of ethical choices and actions (Vitell et al., 2013). The sentimentalist tradition posits that emotion is a source of pivotal information that supports ethical decisions (Ruedy et al., 2013), assesses the perception of risk (Henik, 2008) and acts as a conduct regulator (Greene et al., 2001). Indeed, accumulated evidence from neuropsychology suggests that emotion activates brain regions involved in moral evaluations and decisions (Garrigan, Adlam, & Langdon, 2016); and induces the cognitive,

emotional, and motivational brain dispositions which are the bases of moral sensitivity (Moll, de Oliveira-Souza, Eslinger, et al., 2002), moral judgments (Haidt, 2001) and moral behaviours (Moll, Zahn, de Oliveira-Souza, Krueger, & Grafman, 2005).

In the consumer context, our understanding of the relationship between human emotions and ethical decisions has also registered advances. Recent research has found that emotions, both positive and negative, can exert a main role in predicting consumer ethics (Escadas et al., 2019a). There is empirical evidence that consumer emotions facilitate the recognition of an ethical issue (Yacout & Vitell, 2018); influence ethical judgments (Singh et al., 2018); motivate the intention for adoption of sustainable products (Rezvani, Jansson, & Bengtsson, 2017); and encourage engagement in pro-environmental behaviours (Bissing-Olson et al., 2016).

Despite these recent advances suggesting an influential role of emotions on consumer ethics, two important questions require further examination: *i)* are emotions a necessary condition for consumer ethical choices and behaviours? And *ii)* if so, what are the emotional thresholds required for different hierarchical levels of ethical consumer decisions? This research aims to answer these questions and contribute to existing literature by increasing knowledge about the *necessary-but-not-sufficient* relationship between emotions and consumer ethical decision making, and by identifying the empirical breakpoint which represents a necessary condition for higher level ethical consumer decisions.

Since Galton introduced the concept of correlation in 1886 (Galton, 1886, 1888) and Pearson clarified many of Galton's ideas (Pearson, 1894, 1920), research has mostly focused on the sufficient logic paradigm and on average trends, aiming to predict an outcome from a single or multiple determinants by testing the general proposition that "if X, then Y, on average" (Karwowski et al., 2016). However, in real life, there is a wide prevalence of a necessary but not sufficient logic. For instance, water is necessary but not sufficient to life; or in medicine, the presence of a specific symptom (e.g. skin rash) may be a necessary condition for a certain disease to be diagnosed (Varicella/VZV), but does not guarantee that the patient has the disease (i.e., it is not sufficient), since the presence of other symptoms is also required for a complete diagnosis be made. Similarly, winning collective and/or individual football trophies during the season is a necessary condition to be elected Best Football Player in the World, but these collective and/or individual achievements do not ensure, by themselves, that a football player will attain this desired award. Therefore, the necessary condition implies the presence of a particular determinant for an outcome to exist, but it does not automatically produce that outcome. However, the absence of that single determinant can explain the absence of the outcome, since the necessary condition cannot be compensated by

other determinants (Dul, 2016b). This means that a football player will not win the award of Best Player in the World if he or she does not win collective and/or individual trophies; but collective and/or individual titles do not automatically guarantee the distinction.

Although its foundations date back to Hume's philosophy of causation (Hume, 1777), the necessary condition logic has recently received significant conceptual and practical developments (Dul, 2016b; Dul, van der Laan, & Kuik, 2018), emerging as an intuitive and robust methodology to identify *necessary-but-not-sufficient* conditions in data sets (Karwowski et al., 2016). The Necessary Condition Analysis (NCA) has recently been applied to the study of the relationship between intelligence and creativity (Karwowski et al., 2016); to the relationship between *hedonia* – experiencing pleasure, enjoyment and comfort – and *eudaimonia* – subjective feeling of happiness – in the context of tourism experiences (Lee & Jeong, 2019); and to the impact of marketing and innovativeness capabilities on firm performance (Tho, 2018). However, to the best of our knowledge there has yet to be an application of NCA to consumer behaviour, or to ethical decision making in particular. This research seeks to address these gaps, providing a more accurate picture of the conditions without which the desired outcome (i.e. ethical decision making) cannot occur.

This study thus aims to advance our knowledge of the relationship between emotions and consumer ethics, by analysing the role of several different emotions and both their positive and negative valence, on consumer decision making in ethical situations. In addition, the Necessary Condition Analysis (Dul, 2016b) allows estimates of the determinants – emotions – that have the greatest impact on producing a desired outcome – ethical decisions – to be made (Dul et al., 2018), and explores the threshold levels of necessity of the different kinds of emotions that are required for different levels of consumer ethics, contributing to a detailed prediction about how high-level ethical decisions are made and how they can be encouraged. Finally, this research is a first step to applying the NCA to consumer behaviour in ethical decision making contexts, opening avenues for new applications and anticipating future achievements.

The remainder of the paper is structured as follows: the next section presents the conceptual back ground of the study, through a description of the relevant literature, as well as the research hypotheses developed therefrom. Section three then presents the methods used; and section four presents the results. Finally, the main findings are discussed and study implications and conclusions are drawn.

6.2. CONCEPTUAL BACKGROUND

6.2.1. The Ethical Decision Making Process

Ethics has to do with one's "belief system which guides moral judgments and actions" (Schlegelmilch, 1998: 7) with respect to others and to society (Fischer, 2004). Ethical decision making, in turn, refers to the "process by which individuals use their moral base to determine whether a certain issue is right or wrong" (Carlson et al., 2009: 536); and compromises a series of temporal and sequential stages which explain individuals' deliberation in ethical situations (Schwartz, 2016).

One of the most used and tested frameworks describing this process is the four-component model of moral deliberation proposed by Rest (1986). This rationalist-based model suggests that the ethical deliberation process comprises four main steps, beginning with the recognition of the moral nature of an issue – *moral awareness*; which leads to judgments about what is right or wrong – *moral judgments*. Then, moral concerns may be prioritised above other personal concerns, such that the intention to act according to what is morally right is established – *moral intention*; and finally, this may translate into overcoming obstacles and engaging in moral action - *moral behaviour*. This is parallel to what Jones (1991) described as an ethical decision, i.e., one "that is both legal and morally acceptable to the larger community" (Jones, 1991: 367). In the consumption context, such decisions are referred to as consumer ethics, and reflect ''the moral principles and standards that guide the behaviours of individuals or groups as they obtain, use, and dispose of goods and services'' (Muncy & Vitell, 1992: 298).

Much research has been carried out explicitly or implicitly applying Rest's (1986) model (see Craft, 2013; and Lehnert et al., 2015 for review). Martinez & Jaeger (2016), for instance, examined the consumption intention for counterfeits and found that moral awareness and moral judgment are essential determinants of moral decisions in this context. Culiberg & Mihelič (2016) analysed Millennials' ethical decision making and showed that both organisational and employee ethics are significant predictors of ethical judgments and intentions; while Agnihotri et al. (2012) explored the ethical decision making processes of salespeople and found that both interpersonal qualities and individual characteristics affect salespersons' ethical intentions and behaviours.

Reviews of the empirical literature underline the emergence of significant research focusing on factors and influences in the ethical decision making process, but also stress a set of relationships that have not yielded the desired contributions towards an integrated understanding of the deliberation process where ethical concerns are involved (Robertson et al., 2017; Schwartz, 2016;

Zollo et al., 2017). Lehnert et al. (2015), for instance, suggested that to enhance the conceptual expansion of the ethical decision making literature, research should continue to critically examine Rest's four-component model of moral deliberation, identifying and testing additional antecedents of the four stages; Craft (2013) in turn called for further research aimed at testing all four steps of the ethical decision making model; while Sparks & Pan (2010) anticipated promising research on ethical decision making through the integration of the consumer and social psychology perspectives.

6.2.2. Emotions and Ethical Decision Making

There is a long-standing strand in the ethics research which emphasises the rational and socio-cognitive antecedents of decision making by drawing on theoretical models that include a set of individual, organizational, and situational-related variables to explain deliberate ethical decision making (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Jones, 1991; Kohlberg, 1973; Trevino, 1986). Despite the unquestionable relevance and validity of these approaches, recent contributions point to the inability of such perspectives to fully account for ethical decision making (Schwartz, 2016), since individuals are not purely rational, and as such are not always able to consciously include ethical concerns into their judgments and behaviours (Chatzidakis et al., 2018).

As a result, a more recent trend suggests that emotions also influence ethics (Greene et al., 2001; Haidt, 2001; Zollo et al., 2017). Although both reason and emotion are likely to play critical roles in decision making involving ethical content (Young & Koenigs, 2007), the *Somatic Marker Hypothesis* (Damasio, 1994) suggests that emotion leads reasoning processes, and regular decision making is more emotional and less reasoned than was initially believed.

Neuroscience and medical research provide the earliest pieces of evidence about the relationship between brain functioning and ethics. The case of Phineas Gage (Damasio, 1994) remains a classic example of an individual that suffered damage to the medial prefrontal cortex and as a result exhibited deficits in moral and social behaviours. Cumulative contributions from neurobiological research further support the assertion that ethical decision making is based not only on reasoning processes, but also on automatic, intuitive and emotion-based mechanisms (Haidt, 2001; Salvador & Folger, 2009). Neuroimaging advances found that the anatomical structures of the brain that play critical roles in affective and emotional processing (Damasio, 2000) – such as the orbitofrontal cortex, the prefrontal cortex, the amygdala, the hippocampus and the superior temporal sulcus region – exhibited higher levels of activation when participants were exposed and asked to respond

to morally relevant stimuli than when the same individuals had to deal with stimuli without moral content (Blair, 2007; Moll, de Oliveira-Souza, Eslinger, et al., 2002; Phan, Wager, Taylor, & Liberzon, 2002; Raine & Yang, 2006).

Using functional magnetic resonance imaging (fMRI), neurobiological research compared moral to non-moral stimuli and showed that the brain regions involved in emotional processing are strongly activated when individuals face morally relevant content – moral awareness (Moll, de Oliveira-Souza, Eslinger, et al., 2002). Furthermore, patients with damage in one of the regions necessary for the normal generation of emotions, the ventromedial prefrontal cortex (VMPC), were significantly more likely to endorse direct harm to others if a greater number of people would benefit – moral judgment (Koenigs et al., 2007). In addition, the brain areas associated with emotion, the orbitofrontal cortex and temporal pole, were activated to a much higher degree when individuals formulated behavioural intentions in response to morally relevant scenarios, as opposed to non-moral or neutral scenarios – moral intention (Borg et al., 2006); and the neural circuits that play critical roles in emotional processing, the amygdala and ventromedial prefrontal cortex, were activated to a greater extent when individuals acted in a socially appropriate way – moral behaviour (King et al., 2006). These and other findings suggest that emotion and ethical decision making share common neural mechanisms (Greene & Haidt, 2002) and that the brain circuits underlying the process of ethical decision making are significantly different from other forms of thinking and conscious reasoning (Salvador & Folger, 2009).

The relationship between emotions and ethical decision making has also seen developments in the business context. Several theoretical contributions have been proposed in a bid to improve models' explanatory and predictive capability. Gaudine & Thorne (2001), for instance, developed a *cognitive-affective model of ethical decision making*, which suggests that emotion is intrinsic to a rational ethical deliberation process, influencing ethical sensitivity, judgment, intention and behaviour. Woiceshyn (2011) proposed an integrative model for ethical decision making, where both reasoning - conscious processing - and intuition - subconscious processing – act together through a process of *integration by essentials*; Dedeke (2015) presented a *cognitive-intuitionist model of moral decision making*, integrating automatic cognitions and automatic emotions in the pre-processing of moral decisions; and Schwartz (2016) proposed an *integrated ethical decision making model* that comprises emotion, intuition, reason, rationalization and consultation as antecedents of ethical decisions.

6.2.3. The Nature of Emotions

Different categories of emotions have been used to evaluate their role in consumer ethical decision making. Emotions may be defined as "multidimensional feelings that reflect information about consumers' relationship to their social and physical surroundings as well as their interpretations regarding these relationships" (Achar et al., 2016: 166). Complex to define and classify (Koenig-Lewis, Palmer, Dermody, & Urbye, 2014), emotions are multi-faceted responses to challenges or opportunities (Oatley, Keltner, & Jenkins, 2006), such that, in academia, there is no consensus about which dimensional scheme should be used to organize emotions or how different emotional dimensions relate to each other (Mauss & Robinson, 2009).

Past research tried to identify and classify peoples' appraisals of discrete emotions. Notwithstanding the significant contributions described in literature categorizing emotions (Lerner & Keltner, 2000, 2001; Ortony, Clore, & Collins, 1988; Smith & Ellsworth, 1985 for instance), Ortony & Turner (1990) proposed a well-accepted typology of *basic emotions*, which includes anger, fear, joy, disgust, sadness and surprise; while other less agreed upon developments suggest that shame, happiness, guilt and love should also represent primary emotions (Parrott, 2001).

Several emotions have been viewed in the ethical decision making literature as playing an essential role in moral action. Moral emotions, in particular, have emerged as affective evaluations "that respond to moral violations or that motivate moral behaviour" (Haidt, 2003: 853). These fall under the labels of *self-conscious emotions* such as shame, guilt, embarrassment, and pride, and 'other-focused emotions' (e.g. contempt, disgust, elevation, and gratitude) (Eisenberg, 2000; Tangney et al., 2007a). Diverse emotions have also been proposed to explain individual's behavioural adherence (or not) to their ethical standards (Eisenberg, 2000; Haidt, 2003; Prinz & Nichols, 2010; Schwartz, 2016 for review). This research explores the impact of four positive (happiness, gladness, satisfaction and excitement) and four negative (sadness, guilt, discomfort and shame) discrete emotions on consumer ethical decisions.

Happiness, gladness and satisfaction are instances of joy (Bagozzi et al., 1998) and, along with excitement, represent prototypical positive emotions that are neurologically activated when individuals make moral judgements (Winterich et al., 2015) and engage in moral actions (Quervain et al., 2004). Guilt, shame, sadness and discomfort, on the other hand, are negative emotions believed to reveal our moral values and concerns to others (Eisenberg, 2000) and to motivate moral judgments and behaviour (Haidt, 2001). Indeed, neurobiological studies (Bastin, Harrison, Davey, Moll, & Whittle, 2016 for review) have reported that exposure to morally relevant situations activates brain functions or structures – such as the orbitofrontal cortex, medial prefrontal cortex,

superior temporal sulcus, anterior cingulate cortex and amygdala – that are associated with shame (Michl et al., 2014), guilt (Takahashi et al., 2004), sadness (Wagner, N'Diaye, Ethofer, & Vuilleumier, 2011) and discomfort (Decety, Michalska, & Kinzler, 2012).

The literature discussed indicates that both emotional and reasoning mechanisms play crucial roles in ethical decision making processes (Damasio, 1994; Greene et al., 2004, 2001), and underpins that emotions tends to lead the cognitive and motivational brain dispositions that support moral sensitivity (Moll, de Oliveira-Souza, Eslinger, et al., 2002), moral judgment (Haidt, 2001) and moral behaviour (Moll et al., 2005). However, relatively little is known about the assumption that emotions are necessary-but-not-sufficient for ethical decisions or the magnitude of that necessary condition in the consumer context.

6.2.4. Hypotheses development

An essential aim of empirical business ethics research has been to understand how ethical decision making is formed and why individuals sometimes behave ethically but other times do not. To sought the answer to these questions, several individual (Kohlberg, 1979), situational (Trevino, 1986) and contextual (Jones, 1991) variables were examined over the last years (Craft, 2013; Lehnert et al., 2016; Mudrack & Mason, 2013 for review). Despite the significant contributions provided by the certainly valid rationalist approach, which sustains that ethical decision making is primarily a cognitive, deliberate and conscious process (Schwartz, 2016), recent advances go further and suggest that ethical decisions are also a result of intuitive, emotional and non-conscious evaluations, as well (Zollo, 2020).

The *dual-process theory of moral judgment* (Greene et al., 2004, 2001; Haidt, 2001) suggests that ethical judgments result from the interaction of both emotional and cognitive complex neural mechanisms. Moreover, the *dual processing model of ethical decision making*, proposed by Zollo et al. (2017), posits that *moral intuition* (System 1), which is unconscious and automatic, precedes the subsequent rational and reflective process of *moral reasoning* (System 2). In addition, this moral intuition process comprises *intuiting* - the non-conscious first stage which is "activated by the immediate, fast, effortful and automatic System 1" (Zollo et al., 2017: 687) – and *emotional processing* – the *hot emotive system* (Metcalfe & Mischel, 1999), that comprises basic emotions such as happiness, sadness, anger or surprise, and which is responsible for quick emotional, impulsive and unconscious processing (Haidt, 2001).

Empirical studies support this relationship between emotions and consumer ethical decision making. An examination of the influence of positive and negative anticipated emotions on consumer ethical decision making, for instance, found that negative emotions resulting from an unethical action – and particularly, anticipated guilt – exert a significant role in predicting consumer ethics, suggesting that ethically favourable decisions emerge to prevent experiencing negative emotions in the future (Escadas et al., 2019b). Singh et al. (2018) studied the effect of incidental emotions on consumers' ethical judgments and identified fear and anger are influencing factors for consumer ethical decisions. Fear also featured in Yacout & Vitell's (2018) study, where the authors found that along with power and excitement, fear could predict ethical perceptions and intentions in consumer ethical decision making contexts. Bissing-Olson et al. (2016) analysed the association between moral emotions and pro-environmental behaviour and uncovered that actions such as conserving water, recycling plastic or using public transportation were positively related with feelings of pride and negatively related with feelings of guilt.

Happiness is a positive emotion that involves relatively high heart rate and systolic blood pressure (Schwartz, Weinberger, & Singer, 1981). Happiness initiated through the positive outcome of getting something desirable (Shaver, Schwartz, Kirson, & O'Connor, 1987): a personal gain in the context of an overall sense of security (Lazarus & Smith, 1988) or a relational and affective gain in the social domain (Shaver et al., 1987). The happy person is described as energetic, active and bouncy, as expressed by laughing, smiling and talking enthusiastically (Shaver et al., 1987). Happiness, gladness, satisfaction and excitement are all instances of positive affect (Bagozzi et al., 1998), thus sharing similar cognitive appraisals (Roseman, 1991).

Sadness is a negative emotion described as an extremely unpleasant feeling when an undesirable experience happens, over which the subject has limited or no control or ability to reverse it (Smith & Ellsworth, 1985). Categorized as the opposite of happiness (Russell, 1980), the thoughts of sad individual tend to be pessimistic, characterized by negativity, and by seeing only the dark side of events (Shaver et al., 1987). Shame and guilt share common cognitive appraisals (Smith & Ellsworth, 1985) and are characterized by a sense of self-blame, which arises from situations in which individuals have done something that they afterwards regretted (Smith & Ellsworth, 1985). Discomfort, in turn, is an instance of fear, an unpleasant state which begins with an intrinsic appraisal of events as potentially dangerous to the self (Shaver et al., 1987), leading people to feel nervous, jittery, jumpy (Shaver et al., 1987), and to make pessimistic and risk-averse judgments and choices (Lerner & Keltner, 2001). Together with the positive emotions – happiness, gladness, satisfaction and excitement – sadness, shame, guilt and discomfort are some of the most relevant

emotions in moral behaviour (Wagner et al., 2011), described as unpleasant states closely related to social and moral norm violations (Kugler & Jones, 1992). Based on that, we propose that:

H1: Happiness (a), gladness (b), satisfaction (c), excitement (d), sadness (e), guilt (f), discomfort (g) and shame (h) are necessary but not sufficient for consumer ethical awareness;

H2: Happiness (a), gladness (b), satisfaction (c), excitement (d), sadness (e), guilt (f), discomfort (g) and shame (h) are necessary but not sufficient for consumer ethical judgment;

H3: Happiness (a), gladness (b), satisfaction (c), excitement (d), sadness (e), guilt (f), discomfort (g) and shame (h) are necessary but not sufficient for consumer ethical intention;

H4: Happiness (a), gladness (b), satisfaction (c), excitement (d), sadness (e), guilt (f), discomfort (g) and shame (h) are necessary but not sufficient for consumer ethical behaviour;

6.2.5. How to Test Necessary Condition Relationships

Traditional methods used to test multi-causality of outcomes, such as correlation coefficient, multiple linear regression or structural equation modelling, assume that "each cause is sufficient to increase the outcome but none is necessary" (Dul, 2016b: 11). These general linear models presume that causality is additive, and so can be expressed as: $Y = a + b_1x_1 + b_2x_2 + b_3x_3 + (...)$. Based on these estimating methodologies, if one cause tends to zero, the prediction of the outcome will be reduced, but this impact can be compensated by increasing the predictive capability of other determinants (Dul, 2016b).

The Necessary Condition Analysis, or NCA, is a new data analytic tool that may be used to test hypotheses examining the necessary-but-not-sufficient contributions of one or various determinants (independent variables – X) to certain outcomes (dependent variables – Y) (Dul, 2016b). Necessary Condition Analysis complements traditional sufficient logic approaches and specifies the critical determinants that prevent an outcome from existing, assuming that causality is multiplicative: $Y = X_1 \times X_2 \times X_3 (...)$ (Goertz, 2003). NCA predicts if the absence of a single factor produces a "guaranteed failure" on the desired outcome (Dul, 2016b), rather than predicting how many factors may contribute to the outcome. In addition, the NCA approach estimates the necessity effect size of one (or more) independent variable(s) for a given value of the dependent variable (Dul et al., 2018), identifying the levels of necessity of the determinants through the bottlenecks.

Traditional variants of linear models draw trend lines through the middle of the data based on the average. The NCA, on the other hand, draws ceiling lines - expressed as Y = f(X) - in the upper left

corner of the scatter plot of the data, separating the "empty zone" from the "full zone" (Dul, 2016b). The presence and size of an empty area in the upper left corner indicates the existence of a necessary condition. However, in practice, some exceptions (outliers, counter-examples or measurement errors) may be captured and displayed in the data, such that the empty zone above the ceiling line may not always be completely empty. The NCA provides two recommended techniques to draw the ceiling line: the Ceiling Envelopment–Free Disposal Hull (CE-FDH), a nondecreasing piecewise linear function along the upper left observations of the scatter plot; and the Ceiling Regression–Free Disposal Hull (CR-FDH), a smoothing approach which draws an ordinary least squares regression line through the upper-left observations (Dul, 2016b). CE-FDH is the default as a nonparametric tool and particularly useful for discrete variables (Dul, 2016a). The effect size (d) of a necessary condition determines the magnitude of the constraint that the determinant (X) poses to the outcome (Y), and can be represented by "the size of the ceiling zone compared to the size of the entire area that can have observations" (Dul, 2016b: 29). Thus, the effect of the necessary condition is stronger when the relative size of the no observation zone created by the ceiling line is larger. The effect size of a necessary condition can range from 0 to 1 ($0 \leq d \leq 1$). Dul (2016b) offers a general classification of the effect size: an effect size of $0 < d < 0.1$ indicates a 'small effect'; $0.1 \leq d < 0.3$ a 'medium effect'; $0.3 \leq d < 0.5$ a 'large effect'; and $d \geq 0.5$ a 'very large effect'.

6.3. METHODS

6.3.1. Sample and procedure

A scenario-based approach was used to introduce ethically relevant content to the research. Scenarios provide respondents with a concrete and detailed stimulus that can closely approximate real-life judgment or decision situations (Alexander & Becker, 1978), and as such, are able to elicit from individuals their beliefs, choices and intended behaviours, in this case concerning ethically relevant issues (Weber, 1992). Scenarios are commonly used to collect empirical data in the field of business ethics (Martinez & Jaeger, 2016; Winterich et al., 2015; Yacout & Vitell, 2018) as well as in neurobiological sciences studying ethics (Koenigs et al., 2007; Robertson et al., 2007; Valdesolo & DeSteno, 2006).

The scenarios used covered the three most contrasting types of questionable consumer behaviours proposed by Muncy & Vitell (1992) and Vitell & Muncy (2005): actively benefiting from illegal activities (price tag switching scenario); passively benefiting (keeping extra money mistakenly

handed by a bank teller scenario); and no harm/no foul activities (photocopying a copyrighted book scenario).

Data were collected using a convenience sample of consumers. After a brief explanation of the study, participants were invited to fill in a paper-and-pencil self-administered questionnaire. No incentives were offered for completing the task. A valid sample of 415 individuals was collected. The average age of the sample was 29 years (SD. 12 years) and 58% were women.

6.3.2. Measures

Before being exposed to the ethical scenarios, participants were invited to rate the emotions they were feeling in the moment. Eight specific discrete emotions – four positive: happiness, gladness, satisfaction, and excitement; and four negative: sadness, guilt, discomfort, and shame – were evaluated on a seven-point scale ranging from 1- "Not at all" to 7-"Very much". Emotions were measured using an adapted version of the 17 goal-directed emotions proposed by Bagozzi et al. (1998). All the specific emotions were presented alternately and ordered randomly to minimize common method bias (Podsakoff et al., 2003).

After reading each scenario describing a real-life situation involving ethically questionable consumer behaviours, respondents were then asked about the different stages of the ethical decision making process. Rather than focusing on a single stage, as has been the more common approach in the literature, participants were asked about all the stages (Rest, 1986). Ethical awareness was measured using the one-item scale proposed by Karande et al. (2000), evaluating whether the behaviour described in the scenario involved an ethical problem (or not), rated on a seven-point Likert scale from 1-"Strongly disagree" to 7-"Strongly agree". Ethical judgment was evaluated using a four-item modified version of the Reidenbach & Robin's (1990) multidimensional scale of ethics. The scenarios were judged according to four ethical dimensions - *wrong–right*; *unfair–fair*; *unethical-ethical*; *not morally right-morally right* – using a seven-point semantic differential scale. Ethical intention was captured through the one-item scale used by Vitell & Patwardhan (2008) and Vitell et al. (2001), through which respondents indicated if they would act in the same manner as the consumer depicted in the scenario, using a seven-point Likert scale ranging from 1-"Strongly disagree" to 7-"Strongly agree". Finally, ethical behaviour was assessed by a single item, on a seven-point Likert scale, which asked respondents about their behaviour with regard to each of the scenarios presented.

6.4. RESULTS

6.4.1. Hypotheses Testing

To test the necessary-but-not-sufficient relationship between emotions and consumer ethical decision making, multivariate necessary condition analyses were applied using NCA package version 3.6.1 in R (Dul, 2018). To achieve statistical significance and test the randomness of the observed effect size, approximate permutation tests were performed with 10,000 random resamples, reaching a low sampling error ($p<0.05$) (Dul et al., 2018). Tables 6.1–6.4 and Figure 6.1 show the results. Regarding ethical awareness (Table 6.1), the NCA effect sizes (CE-FDH) were $d_1 = 0.167$ (happiness and ethical awareness) and $d_2 = 0.111$ (gladness and ethical awareness), confirming that happiness and gladness are necessary-but-not-sufficient for consumer ethical awareness (H1a and H1b). The other necessary relationships tested were not significant. In addition, according to the recommended threshold value of $d = 0.10$ proposed by Dul (2016b), happiness and gladness exert a 'medium effect' on consumer recognition of an ethical issue ($0.1 \leq d < 0.3$).

Table 6.1: Results of multivariate NCA and bottleneck table for the CE-FDH ceiling technique with the required minimum levels of the necessary condition for different desired levels of the outcome (Ethical Awareness).

Outcome (Y): Ethical Awareness (Actual values)	**Determinants (X)**							
	Positive Emotions				Negative Emotions			
	1 Happiness	2 Gladness	3 Satisfaction	4 Excitement	5 Sadness	6 Guilt	7 Discomfort	8 Shame
1.0	NN	NN	NN	NN	NN	NN	NN	NN
1.6	NN	NN	NN	NN	NN	NN	NN	NN
2.2	NN	NN	NN	NN	NN	NN	NN	NN
2.8	NN	NN	NN	NN	NN	NN	NN	NN
3.4	NN	NN	NN	NN	NN	NN	NN	NN
4.0	NN	NN	NN	NN	NN	NN	NN	NN
4.6	3.000	2.000	NN	NN	NN	NN	NN	NN
5.2	3.000	2.000	NN	NN	NN	NN	NN	NN
5.8	3.000	2.000	NN	NN	NN	NN	NN	NN
6.4	3.000	3.000	NN	NN	NN	NN	NN	NN
7.0	3.000	3.000	NN	NN	NN	NN	NN	NN
d	0.167	0.111	0.000	0.000	0.000	0.000	0.000	0.000
p	0.032	0.103	1.000	1.000	1.000	1.000	1.000	1.000
Accuracy	100%	100%	100%	100%	100%	100%	100%	100%

NN = Not Necessary

Evaluating the necessary relationship between emotions and consumer ethical judgments, the NCA results indicate that the effect sizes (CE-FDH) of the necessary condition were d_1 = 0.208 (happiness and ethical judgment), d_2 = 0.208 (gladness and ethical judgment), and d_3 = 0.042 (satisfaction and ethical judgment) (Table 6.2). The findings demonstrate that happiness (with a medium effect), gladness (with a medium effect) and satisfaction (with a small effect) are necessary conditions to consumer ethical judgments, thus confirming H2a, H2b and H2c.

Table 6.2: Results of multivariate NCA and bottleneck table for the CE-FDH ceiling technique with the required minimum levels of the necessary condition for different desired levels of the outcome (Ethical Judgment)

Outcome (Y): Ethical Judgment (Actual values)	**Determinants (X)**							
	Positive Emotions				Negative Emotions			
	1 Happiness	2 Gladness	3 Satisfaction	4 Excitement	5 Sadness	6 Guilt	7 Discomfort	8 Shame
1.0	NN	NN	NN	NN	NN	NN	NN	NN
1.6	2.000	2.000	NN	NN	NN	NN	NN	NN
2.2	2.000	2.000	NN	NN	NN	NN	NN	NN
2.8	2.000	2.000	NN	NN	NN	NN	NN	NN
3.4	2.000	2.000	NN	NN	NN	NN	NN	NN
4.0	2.000	2.000	NN	NN	NN	NN	NN	NN
4.6	2.000	2.000	NN	NN	NN	NN	NN	NN
5.2	2.000	2.000	NN	NN	NN	NN	NN	NN
5.8	3.000	3.000	2.000	NN	NN	NN	NN	NN
6.4	3.000	3.000	2.000	NN	NN	NN	NN	NN
7.0	3.000	3.000	2.000	NN	NN	NN	NN	NN
d	0.208	0.208	0.042	0.000	0.000	0.000	0.000	0.000
p	0.000	0.000	0.036	1.000	1.000	1.000	1.000	1.000
Accuracy	100%	100%	100%	100%	100%	100%	100%	100%

NN = Not Necessary

Analysing ethical intention, the NCA effect sizes (CE-FDH) were d_1 = 0.278 (happiness and ethical intention), d_2 = 0.278 (gladness and ethical intention), and d_3 = 0.111 (satisfaction and ethical intention), confirming H3a, H3b and H3c (Table 6.3). The data reveal that happiness, gladness and satisfaction (all exerting a medium effect) are necessary for ethical intention and that a high level of ethical intention is only possible with high levels of these positive emotions. In addition, ethical intention is the stage of the ethical decision making process in which emotions exert the most significant effect.

Table 6.3: Results of multivariate NCA and bottleneck table for the CE-FDH ceiling technique with the required minimum levels of the necessary condition for different desired levels of the outcome (Ethical Intention)

Outcome (Y): Ethical Intention (Actual values)	**Determinants (X)**							
	Positive Emotions				Negative Emotions			
	1 Happiness	2 Gladness	3 Satisfaction	4 Excitement	5 Sadness	6 Guilt	7 Discomfort	8 Shame
1.0	NN	NN	NN	NN	NN	NN	NN	NN
1.6	2.000	2.000	NN	NN	NN	NN	NN	NN
2.2	2.000	2.000	NN	NN	NN	NN	NN	NN
2.8	2.000	2.000	NN	NN	NN	NN	NN	NN
3.4	3.000	3.000	2.000	NN	NN	NN	NN	NN
4.0	3.000	3.000	2.000	NN	NN	NN	NN	NN
4.6	3.000	3.000	2.000	NN	NN	NN	NN	NN
5.2	3.000	3.000	2.000	NN	NN	NN	NN	NN
5.8	3.000	3.000	2.000	NN	NN	NN	NN	NN
6.4	3.000	3.000	2.000	NN	NN	NN	NN	NN
7.0	3.000	3.000	2.000	NN	NN	NN	NN	NN
d	0.278	0.278	0.111	0.000	0.000	0.000	0.000	0.000
p	0.000	0.000	0.004	1.000	1.000	1.000	1.000	1.000
Accuracy	100%	100%	100%	100%	100%	100%	100%	100%

NN = Not Necessary

Concerning the final step of the decision making process involving ethics, ethical behaviour, the results of NCA effect sizes (CE-FDH) were $d_1 = 0.250$ (happiness and ethical behaviour), $d_2 = 0.222$ (gladness and ethical behaviour), and $d_3 = 0.111$ (satisfaction and ethical behaviour), confirming H4a, H4b and H4c (Table 6.4). Happiness, gladness and satisfaction (with a medium effect) are necessary-but-not-sufficient causes for ethical behaviour and the absence of these positive emotions can explain the absence of ethical behaviour.

Finally, the empty space in the upper left corner of each scatter plot (Figure 6.1) indicates that high levels of ethical decisions are not possible with low levels of positive emotions, particularly happiness, gladness and satisfaction. This graphical analysis suggests that these positive emotions are real constraints of consumer ethics and that higher levels of ethical choices will only be possible if a minimum level of positive emotions is being felt by the consumer.

Table 6.4: Results of multivariate NCA and bottleneck table for the CE-FDH ceiling technique with the required minimum levels of the necessary condition for different desired levels of the outcome (Ethical Behaviour).

Outcome (Y): Ethical Behaviour (Actual values)	**Determinants (X)**							
	Positive Emotions				Negative Emotions			
	1 Happiness	2 Gladness	3 Satisfaction	4 Excitement	5 Sadness	6 Guilt	7 Discomfort	8 Shame
1.0	NN	NN	NN	NN	NN	NN	NN	NN
1.6	2.000	2.000	NN	NN	NN	NN	NN	NN
2.2	2.000	2.000	NN	NN	NN	NN	NN	NN
2.8	2.000	2.000	NN	NN	NN	NN	NN	NN
3.4	2.000	2.000	2.000	NN	NN	NN	NN	NN
4.0	2.000	2.000	2.000	NN	NN	NN	NN	NN
4.6	3.000	2.000	2.000	NN	NN	NN	NN	NN
5.2	3.000	3.000	2.000	NN	NN	NN	NN	NN
5.8	3.000	3.000	2.000	NN	NN	NN	NN	NN
6.4	3.000	3.000	2.000	NN	NN	NN	NN	NN
7.0	3.000	3.000	2.000	NN	NN	NN	NN	NN
d	0.250	0.222	0.111	0.000	0.000	0.000	0.000	0.000
p	0.000	0.000	0.002	1.000	1.000	1.000	1.000	1.000
Accuracy	100%	100%	100%	100%	100%	100%	100%	100%

NN = Not Necessary

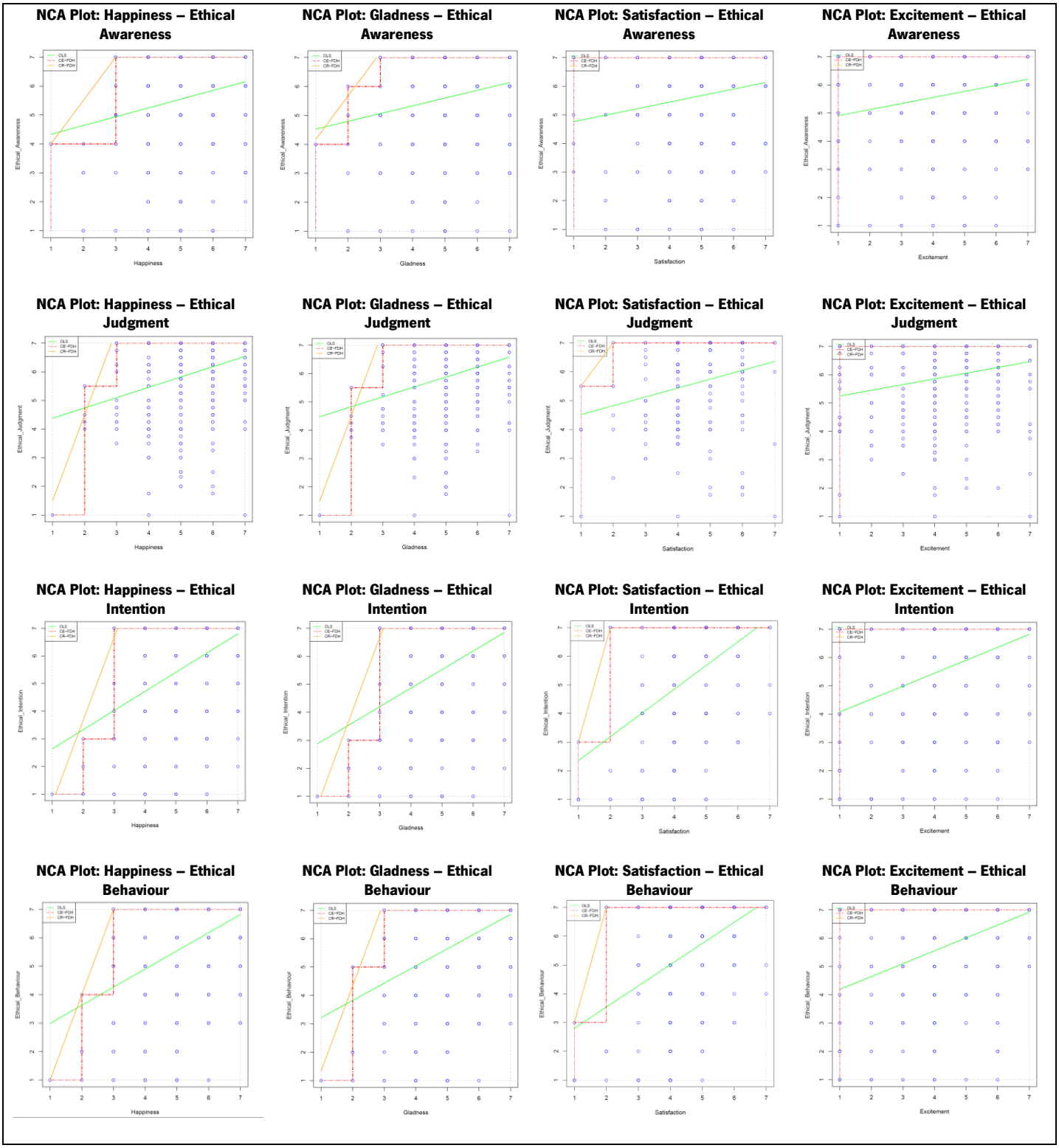
6.4.2. Threshold Testing

The specific level of each emotion that is necessary for each level of consumer ethical decisions is presented in the bottleneck tables. Bottleneck tables show, for each level of the outcome (in our research, ethical decision making stages), how many and which levels of each determinant (emotions) are required (Dul, 2016b).

The results obtained show that for a medium level of ethical awareness (4 on a 7-point scale), no emotions are necessary (Table 6.1). But for a slightly favourable ethical awareness (4.6), two positive emotions – happiness and gladness – are necessary, with a minimum level of 3 for happiness and 2 for gladness. For the highest level of ethical awareness, happiness and gladness must have a value of at least 3, on a 7-point Likert scale. Thus, when the required emotions are below 3, the highest levels of consumer ethical awareness will not occur.

Regarding ethical judgment, even to reach a low level (1.6 on a 7-point scale) it is necessary that happiness and gladness get to, at least, 2; while to reach the highest levels of ethical judgments (5.8 or higher), happiness must have, at least, a value of 3, gladness a value of 3 and satisfaction a minimum value of 2 (Table 6.2).

Figure 6.1: Visualization of the NCA scatterplots across the four positive emotions (X) and the four stages of consumer ethical decision making (Y)



The green lines denote the linear correlational function; the yellow lines denote the CR-FDH ceiling line; and the red lines denote the CE-FDH ceiling line.

In addition, and in a similar way, medium levels ethical intention and ethical behaviour (4 on a 7-point scale) require, at least, a value of 2 in happiness, gladness and satisfaction (Tables 6.3 and 6.4). For the highest levels of ethical intention and behaviour, in turn, happiness, gladness and satisfaction must be, at least, 3, 3 and 2 respectively.

6.5. DISCUSSION

This research sought to analyse the necessary-but-not-sufficient relationship between emotions and consumer decision making involving ethics, and specify the levels of the conditions required for high-level consumer ethical choices and behaviours. To achieve these goals, the Necessary Condition Analysis (Dul, 2016b) was used, as a statistical method which allows necessary conditions in data sets to be identified and measured.

Our findings indicate that emotions play a pivotal role in consumer ethics. Specifically, emotions appear as a necessary-but-not-sufficient condition for ethical decisions and actions. These results reinforce, and carry to business research, conclusions drawn from neurobiology which, using clinical populations, found that patients with damage in ventromedial prefrontal cortex (VMPC) reveal an association between impairments in emotional processing and impairments in moral judgment and action (Koenigs et al., 2007), demonstrating that emotions are necessary for human morality (Young & Koenigs, 2007).

Our data further shows that deficits in positive emotions can lead to deficits in ethical decisions; such that high ethical judgments and behaviours are only possible with medium levels of positive emotions – i.e. happiness, gladness and satisfaction. These findings appear to be significant not just for business, but for life in general, and suggest a spiral-like effects, where the lack of positive emotions leads to less ethical decisions, which in turn lead to less positive (and more negative) emotions. On the flip side, the results also highlight the possibility of virtuous ethical cycle (Thøgersen & Ölander, 2003), where positive emotions allows us to make more ethical decisions, which then induce more positive emotions. Thus, anything that can foster such positive emotions, for instance love or social connections, which have been identified as key determinants of happiness and health (Waldinger & Schulz, 2010), will also lead to more ethical actions.

Previous research has supported the assumption that emotion is necessary for ethical decision making (Greene et al., 2004, 2001; Haidt, 2001). However, the gap evaluating the necessary role of emotional processes for the generation of moral decisions (Koenigs et al., 2007) still seems to exist. Applied research testing the necessity of emotions for moral judgment "are harder to come

by" (Prinz, 2006: 33) and current neurological, behavioural, developmental and evolutionary correlation data between emotion and morality "is insufficient to demonstrate that emotion is necessary for making moral judgments" (Huebner et al., 2009: 1). This study provides relevant empirical advances in this regard. Across a sample of over four hundred individuals and using a more consistent and sensitive analytical method to assess the necessary-but-not-sufficient patterns of relationships (Karwowski et al., 2016), we demonstrated that happiness, gladness and satisfaction – positive emotions – are a necessary condition, but not automatically sufficient, for ethical awareness, judgment, intention and behaviour. In addition, the NCA effect size was strongest in the case of happiness and gladness respectively, with a medium-to-strong effect; while the ethical decision making stage most influenced by positive emotions was ethical intention, followed by ethical behaviour. Our research also revealed that positive emotions are critical determinants for reaching the desired ethical decision, therefore they must be considered as a constraint for achieving a high level of consumer ethics.

The role of happiness uncovered is perhaps unsurprising. Happiness is a positive emotion characterised by a feeling of jubilation (Buytendijk, 1950) and pleasure (Russell, 1980), generated when individuals do their favourite things (Izard, 1977) and comprised of a goal to achieve a reward situation (Roseman, 1991). Happy people typically tend to be socially outgoing, communicative, relational, and able to share their good feelings with others (Shaver et al., 1987). Furthermore, the thoughts of happy individuals appear to be characterized by a positive outlook, a focus on the bright side of things, and feelings of relative invulnerability to trouble (Shaver et al., 1987). These features help to explain the crucial role of happiness in predicting consumer ethics: optimistic people, who seek contact and involvement with others and tend to see the positive side of things and of life, are committed to sustaining a reward situation, for instance through future favourable emotions that arise from ethical behaviour. The other positive emotions necessary-but-not-sufficient for consumer decision making involving ethics, gladness and satisfaction, just like happiness, are instances of joy (Bagozzi et al., 1998), and largely share the characteristics described for happiness (Roseman, 1991).

Our study demonstrated that positive emotions are a necessary condition for consumer ethical decision making. This essential role of emotions on consumer ethics may be accomplished by retrieving relevant information from memory in a short time (Isen, Shalker, Clark, & Karp, 1978; Natale & Hantas, 1982) and/or by providing an affective evaluation about the situation (Clore et al., 2001; Schwarz & Clore, 1996). In addition, the *somatic marker hypothesis* (Damasio, 1994) supports that emotion is an internal alarm mechanism (Salvador & Folger, 2009) that rapidly

signals the prospective consequences of an action, providing relevant – conscious or unconscious – information for making fast, beneficial and advantageous ethical decisions (Bechara & Damasio, 2005). Thus, when individuals are feeling positive, they tend to perceive the environment as less risky and uncertain, and to be more optimistic and more likely to overestimate positive outcomes (Loewenstein, Weber, Hsee, & Welch, 2001) – which promotes ethical choices. Whereas when individuals are feeling negative, they tend to see situations as more dangerous and to overestimate the likelihood of negative outcomes and events (Nygren, Isen, Taylor, & Dulin, 1996; Yuen & Lee, 2003), reducing – or even eliminating – its necessity effect on ethical decisions.

Recent advances suggest that emotions influence consumer decisions (Achar et al., 2016). Agrawal, Menon, & Aaker (2007) examined the effectiveness of health messages and found that when people are feeling positive emotions, such happiness and peacefulness, the compatibility between emotions and the referent in a message enhances information processing. Discrete emotions can, thus, explain why the effectiveness of the same stimulus may differ from individual to individual. This crucial role of positive emotions on consumer decision making is now emphasised by our research, indicating that happiness, gladness and satisfaction are necessary but not automatically sufficient to ethical decisions and behaviours; and that the desired ethical actions can only be achieved if a minimum level of these positive emotions is being felt.

6.6. RESEARCH CONTRIBUTION AND IMPLICATIONS

This paper contributes to the business literature by examining the necessary-but-not-sufficient role of emotions on consumer ethical decision making. Thus, one of its most relevant contributions is methodological, given that this methodology had not yet, to the best of our knowledge, been applied in this context. The NCA, is an innovative and robust statistical methodology that allows the necessary determinants for a particular outcome to occur, as well as their required levels, to be identified. Past research examining the relationship between emotions and ethics has typically relied on traditional average-based approaches; however, these can only imperfectly evaluate whether a construct is a necessary condition of another. Such sufficient logic methods estimate the necessary relationship through the distribution of raw scores, thus testing a different nature of relationships rather than necessity (Karwowski et al., 2016). The NCA, in turn, draws ceiling lines in the upper left corner of the scatterplot, measuring the effect size of the constraint that the determinant poses to the outcome and specifying the level of a single factor that will lead to the

failure of a desired outcome (Dul, 2016b), so correctly estimating the necessary-but-not-sufficient condition.

One of the most relevant arguments for the theoretical and practical relevance of necessary condition analysis is the absence of a *compensation mechanism* (Dul, 2016b). In contrast with the traditional sufficient approaches, in the necessary-but-not-sufficient logic each single determinant always needs to get a minimum level to allow the outcome to occur, independently of the contribution of the other determinants, which cannot compensate the failure of one (Dul, 2016b). That is, a desired outcome can only be achieved if a specific determinant increases towards a minimum level of necessity. Our study specifies these levels of the conditions that are required for higher levels of consumer ethical decisions and behaviours (namely happiness, gladness and satisfaction), underlining their key role in predicting consumer ethics.

This research also shows that these emotions – happiness, gladness and satisfaction – are necessary but not automatically sufficient for consumer ethical decision making. These findings not only identify exact determinants of consumer ethics, but also provide relevant advances to business literature in explaining how ethical decision making is formed and what can cause differences in the extent to which ethical choices are made across individuals (and situations).

Regarding managerial implications, this study offers some interesting insights about the nature of ethical decisions and how they can be encouraged. The findings can be particularly useful for marketers, who can look for ways to induce positive feelings in their consumers, in order to promote ethical behaviours. Examples include *smiling* customer service, creative store atmosphere, enhancing sensory arousal, or an improved shopping experience, through virtual reality for instance.

In addition, public authorities can also benefit from this research. Public institutions aiming at stimulating ethical decisions and behaviours – such as promoting recycling, encouraging the usage of sustainable transportation solutions, reducing plastic consumption, decreasing retail theft, or preventing alcohol consumption – could design communication messages that arouse happiness, gladness and satisfaction (instead of using the common negatively framed, or even fear based, messages in such contexts), which our results indicate should increase towards a minimum level of necessity to allow ethical decisions to occur. This can be very useful, for instance, right now for European and Global Health Authorities dealing with controlling Coronavirus/COVID-19 dissemination and the promotion of individual responsible behaviours of social restraint and moderate buying of essential goods.

Further, this study, as far as we know, is the first contribution applying NCA to consumer behaviour and to ethical decision making contexts. The results were significant and the conclusions powerful. Therefore, practitioners have now access to a novel, intuitive and robust (Karwowski et al., 2016) analytical tool that properly evaluates necessary-but-not-sufficient relationships, moving ahead from sufficient approaches to necessary conditions.

6.7. CONCLUSION

For years, academics and practitioners have revealed a growing interest and effort in understanding how consumer ethical decisions and behaviours are formed, and how they can be promoted. This research examines the necessary-but-not-sufficient relationship between emotions and consumer decision making involving ethics, and specifies the levels of the conditions required for high-level consumer ethical choices and behaviours. Whereas most of previous research has explored a sufficient "average-based" logic, we applied a new and straightforward analytical method for identifying and measuring necessary condition in data sets, the Necessary Condition Analysis (Dul, 2016b).

This research advances the role that emotions play in ethical decision making, proposing a necessary-but-not-sufficient relationship between positive emotions and consumer decision making involving ethics. These findings do not reject or detract from existing cognitive theories/models, but rather seek to improve and complement their explanatory capability. Consistent with previous research, our data indicates that both emotional and reasoning mechanisms are recruited in making ethical judgments and behaviours, and therefore neither of these neural structures can be ignored for an adequate analysis of consumer ethics.

6.7.1. Limitations and Suggestions for Future Research

As with any study, the current research has some limitations, the overcoming of which may provide relevant opportunities for future contributions. First, the current study used self-administered questionnaires. While a common and time saving approach, future research might attempt to study these issues in other ways, which might overcome the intrinsic limitations of self-administered questionnaires, improving the measurement accuracy of the necessary relationship between emotions and consumer ethics. In addition, instead of focusing on unethical situations, future research would do well to compare ethical and unethical scenarios and evaluate the influential role

of emotions in both. Further, additional emotions should be included in the analyses – such as anger, disgust or pride – in order to identify their differential role. Moreover, rather than evaluating different discrete emotions, future contributions might want to manipulate, through experimental research design, a specific emotion and measure its ensuing effect on consumer ethical decision making process. Finally, qualitative research may provide in-depth information that can strongly contribute to explain the pivotal role of emotions in predicting consumer decisions and behaviours when facing ethical matters.

CHAPTER 7 GENERAL CONCLUSION

The present thesis aimed at examining the integrated role of emotions on consumer ethical decision making. A better understanding of how consumer ethical decisions are made is crucial, for academics, managers and policy makers, to define a set of strategic orientations able to promote ethical consumer behaviours and help prevent unethical choices. Further, investigating the pervasive role of emotions in the ethical decision process allows for a better understanding of the intuitive and often unconscious side of decision making, which can help explain why individuals sometimes behave ethically but other times do not.

As such, this research addressed the relationship between emotions and consumer ethical decision making, highlighting the pivotal role of emotions in both explaining consumer ethics and encouraging ethically favourable behaviours. This chapter presents the main conclusions of the research, describes the most significant theoretical and managerial contributions, and enunciates the limitations and suggestions for future research.

7.1. MAIN CONCLUSIONS

This research encompasses five articles (chapters 2 to 6), each one addressing specific research questions. Chapter 2 aimed to answer the first research question – *what are the most frequent consumer situations involving ethically questionable behaviours and what variables most influence consumer ethical decision making?* – and through an exploratory research, described different consumer situations involving ethical issues, as well as the factors that most influence consumer ethical decisions. Shoplifting, travelling on public transport without paying, consuming food inside a retail store (without paying for it), not returning excess change received from a cashier, illegally downloading software and music, photocopying a copyrighted book, cutting-in in a supermarket queue, participating in charity campaigns, giving up one's seat on public transport, and returning lost items were identified as some of the most common circumstances involving ethical issues from the consumer point of view. Some of the ethical scenarios described are consistent with the consumer ethics scale (Muncy & Vitell, 1992; Vitell & Muncy, 2005), such as actively benefiting from illegal activities (shoplifting); passively benefiting (keeping extra money mistakenly handed by a cashier); and no harm/no foul activities (photocopying a copyrighted book). But, at the same time advanced, this study added new consumer situations involving ethical decisions – for instance, travelling on public transport without paying, consuming food inside a retail store (without paying for it), cutting-in in a supermarket queue, and giving up one's seat on public transport. In this way, study 1 provided a more complete depiction of consumer situations involving ethical dilemmas. This is not only an important in itself, but can be expected to be an important stepping stone for future research. The consumer ethical scenarios identified in this first study supported the next steps of the research.

The findings from study 2 – also qualitative – suggested that emotions, along with education, personal values, and religion, have a very strong relationship with consumer ethical decision making. This is relevant because a set of core human beliefs were described as influencing ethical choices – education, personal values and religion –, suggesting that ethical decisions are intrinsic, deep and complex human decisions. In addition, emotions were placed on the same innate level, as unconscious, immediate and intuitive mental mechanisms. Therefore, emotions were revealed to be a relevant dimension for explaining and predicting consumer ethics.

Based on the thesis' second research question – *what are the most significant antecedents of consumer ethical decision making and how do they compare to emotions?* – chapter 3 tested and compared the predictive capacity of the most significant factors described in chapter 2. This study measured the influence of emotions, moral intensity, moral philosophies, personal norms and

intrinsic religiosity on consumer ethical decision making, and the results showed a positive influence of emotions, moral intensity and personal norms on consumer ethical judgments and behaviours. Moreover, emotions were found to be the determinant that most influenced ethical decisions. These conclusions supported and reinforced those of the previous study, indicating that emotions play a key role in predicting consumer ethics and, as such, must be strategically managed to stimulate ethically favourable decisions. The question that arises next is then, *which* emotions should be managed and how?

Different types of emotions can be expected to have substantially different effects on consumer judgments and actions (Kranzbühler, Zerres, Kleijnen, & Verlegh, 2019), which suggests the need to move beyond affective valence-based analyses (positive vs. negative emotions) and to focus on the integration of dimensional and discrete approaches of emotion (specific individual emotions) (Harmon-Jones, 2019). Based on this rationale, chapter 4 examined the relationship between anticipated emotions – both valence-based and individual-based – and consumer ethical decision making (RQ3). Before being exposed to three ethical scenarios, participants were asked to rate how they expected they would feel after behaving in an ethical way and after behaving in an unethical way, in situations similar to those to which the scenarios pertained. The results of this study showed that expected future emotions affect current ethical or unethical decisions in consumption contexts. In particular, anticipating the experience of negative emotions as a result of carrying out an unethical behaviour was the affective dimension that most influenced consumer ethical decision making; and anticipated guilt was the discrete emotion exerting the greatest effect on consumer ethical choices. The findings suggest that more than feeling good, consumers want to avoid feeling bad, such that ethically favourable decisions are made to prevent experiencing negative emotions in the future. These results are consistent with loss aversion theory (Kahneman & Tversky, 1979; Thaler, 1980), according to which, individuals are more sensitive to losses than to gains.

In our study, anticipated guilt was found to influence ethical behaviours more than eight times more than anticipated pride. These findings revealed that anticipated emotions are one of the most influential motivations underlying consumer ethical decisions, This suggests, for instance, that marketing efforts and communication campaigns that to inspire socially responsible behaviours would do better to emphasize the future emotional consequences of different choices, rather than the illegal/punitive nature of these acts; and their emotional costs – negative anticipated emotions, in particular.

In the chapter 4 we looked at anticipated emotions, the emotions people expect to experience in the future (Mellers & Mcgraw, 2001). But what about the ones we are feeling when we make the decision and the ones we feel after we make it? Chapter 5 explored the relationship between pre- and post-decision emotions and consumer ethical decision making. Respondents were asked to rate how they were feeling "right now"; after, they were invited to answer an ethical scenario and then to assess their emotions after making the decisions; finally, they were asked to report their intentions to act ethically in the future. The data uncovered a "virtuous ethical cycle" in what pertains to positive emotions and ethical decision making; and, by the same token, an "unfavourable ethical cycle" in what pertains to negative emotions. Indeed, consumers' positive emotions ("feeling good") before making a decision led to more ethical consumer decisions and behaviours; and these, in turn, led to more positive post-decision emotions, which then had a positive and significant effect on future ethical behavioural intentions. On the reverse, negative emotions ("feeling bad") were found to have a negative impact on consumer ethical judgments and actions; which led to more negative post-decision emotions, which in turn negatively influence intentions to behave ethically in the future (the unfavourable cycle). Further, the results showed that happiness is the emotions that most influence consumer ethical decisions. This study thus provided empirical support for the integrated role of emotions – as both antecedents and outcomes – in explaining consumer ethics; reinforcing the need to include emotions to capture the consumer ethical decision making process in its entirety.

The four studies presented above all assumed that emotions are sufficient to explain, at least to a certain degree, consumer ethical decision making. Therefore, they investigated causality based on a sufficient logic that "X is sufficient for Y". However, it has been argued that novel and impactful knowledge in marketing must go beyond this traditional sufficient logic paradigm and explore new and straightforward methods to test necessary conditions in datasets (Karwowski et al., 2016). Chapter 6 aimed to do that by examining the necessary-but-not-sufficient relationship between emotions and consumer ethical decision making, using a Necessary Condition Analysis (Dul, 2016b).

The findings demonstrated that emotions are necessary but not automatically sufficient for consumer ethical decisions and behaviours. Thus, the absence of emotions – namely positive emotions – can explain the absence of ethical consumer decisions. Furthermore, this study also indicated that higher levels of ethical consumer decisions can only be achieved if happiness, gladness and satisfaction increase to a minimum level of necessity, supporting its essential role in predicting consumer ethics. By testing necessary-but-not-sufficient relationships, this chapter

completes the main conclusions depicted in previous chapters regarding the essential role of emotions in understanding and predicting consumer ethical decision making, helping to explain why individuals sometimes behave ethically but other times do not.

Table 7.1 provides a general overview of the complementarity among the studies conducted, as well as a brief comparison of their methods, main findings and current publication process.

Table 7.1: Articles overview and complementarity

Title of the article	Main goals	Methods	Main conclusions	Publication process
Emotions and Consumer Ethical Decision Making: A Qualitative Research.	*i)* To identify frequent consumer critical incidents involving ethically questionable behaviours; *ii)* to identify the variables that most influence consumer decision making in those situations; and *iii)* to describe the role emotions play in consumer ethical decisions.	Forty-seven (47) in-depth interviews using critical incident technique and four (4) focus groups using conceptual mapping were conducted.	The findings describe some of the most relevant critical incidents involving ethical issues that consumers face in a consumption environment, namely shoplifting, travelling on public transport without paying, photocopying a book, or not returning excess change received from a cashier. In addition, the conceptual maps show that emotions, along with education, personal values, and religion, have a very strong relationship with consumer ethical decision making.	*Journal of Consumer Marketing* Under review. Manuscript ID: JCM-03-2020-3694
Antecedents of Consumer Ethical Decision-Making: A Multidimensional Analysis of Emotions, Moral Intensity, Moral Philosophies, Personal Norms and Intrinsic Religiosity.	To test the influence of consumer emotions, moral intensity, moral philosophies, personal norms and intrinsic religiosity on the consumer ethical decision-making process; and to assess the relative weight of each independent construct on consumer ethical deliberation processes.	A self-administered paper-and-pencil questionnaire, using a scenario-based approach, was applied. A valid convenience sample of 413 respondents was collected. A two-step structural equation modelling was performed, using AMOS.	Emotions, moral intensity and personal norms positively influence consumer ethical decision-making. Furthermore, emotion is the dimension that most influences consumers' ethical choices and actions, providing empirical evidence of their key role in predicting consumer ethics.	*Finding New Ways to Engage and Satisfy Global Customers.* Manuscript published. *In* Rossi P. & Krey N. (Eds). 2019. pp 543-552. Springer, Cham. ISBN: 978-3-030-02567-0.
Why bad feelings predict good behaviours: The role of positive and negative anticipated emotions on consumer ethical decision making.	To measure the influence of both positive and negative anticipated emotions on consumer ethical decision making process; and to describe the specific anticipated emotions that most affect consumer ethical decisions and assess their relative weight.	A scenario-based questionnaire depicting ethical issues was used. A valid convenience sample of 201 respondents was collected, examining 603 ethical situations. Data analysis was carried out using multiple regression analysis.	Anticipating the experience of negative emotions as a result of carrying out an unethical behaviour was the affective component found to most influence consumer ethical deliberation process; and anticipated guilt was the discrete emotion exerting the greatest effect on consumer decision making involving ethics.	*Business Ethics: A European Review.* Manuscript published. Business Ethics: A European Review. 2019; 28:529–545.

Title of the article (cont.)	**Main goals** (cont.)	**Methods** (cont.)	**Main conclusions** (cont.)	**Publication process** (cont.)
What Goes Around Comes Around: The Integrated Role of Emotions on Consumer Ethical Decision Making.	To evaluate the influence of emotions – as both pre-decision emotions and post-decision emotions – on consumer ethical decision making process.	A self-administered paper and pencil questionnaire, using a scenario-based approach, was applied. A valid convenience sample of 433 respondents was collected. A two-step structural equation modelling was performed, using AMOS.	The data suggest the possible existence of a "virtuous ethical cycle", whereby positive emotions lead to more ethical consumer decisions and behaviours; and these in turn lead to more positive (post-decision) emotions, which have a positive and significant effect on future ethical behavioural intentions. In addition, happiness emerged as exerting a pivotal role in predicting consumer ethical decisions.	*Journal of Consumer Behaviour.* Under review – Major revisions submitted. Manuscript ID: JCB-18-250.R1.
Are Emotions Essential for Consumer Ethical Decision Making: A Necessary Condition Analysis.	To examine the necessary-but-not-sufficient relationship between emotions and consumer ethical decision making; and to determine the threshold levels of necessity of the different kinds of emotions that are required for higher levels of consumer ethics.	A paper-and-pencil self-administered questionnaire was applied, using a scenario-based approach. A valid convenience sample of 415 consumers was collected. Multivariate necessary condition analyses were applied using NCA package.	The findings indicated that emotions appear as a necessary-but-not-sufficient condition for ethical decisions and actions. The data further showed that deficits in positive emotions can lead to deficits in ethical decisions; such that high ethical judgments and behaviours are only possible with medium levels of positive emotions – i.e. happiness, gladness and satisfaction.	*Journal Consumer Psychology* Under review. Manuscript ID: JCP-20-0170

Overall contribution:

Through five different articles, this thesis demonstrated that, more than sufficient, emotions are necessary to explain and predict consumer ethical decisions and behaviours. When anticipated, negative emotions exert the higher influence on consumer ethical judgments and actions than positive emotions, such that ethically favourable decisions emerge to prevent experiencing negative emotions in the future. However, when evaluated just prior to decision making, positive emotions are the most significant predictor of consumer ethical decisions, which, in turn, favour positive post-decision emotions (potentially creating a virtuous ethical cycle). These contributions are relevant for academics and policy makers looking to develop more effective marketing campaigns to promote ethical consumer behaviours and to prevent unethical choices.

In a final note, academics and practitioners have revealed a growing interest and effort in understanding how consumer ethical decisions are formed and how they can be promoted. The factors that influence how consumer think, choose and act are complex and extensive. This research explored the intuitive, automatic and often unconscious side of consumer decision making involving ethical issues and found that, more than sufficient, emotions are necessary to explain and predict consumer ethical decisions and behaviours. Moreover, when anticipated, negative emotions exert a greater influence on consumer ethical judgments and actions than positive emotions, such that ethically favourable decisions emerge to prevent experiencing negative emotions in the future. However, when evaluated at the time of decision making, it is positive emotions that are the most significant predictor of consumer ethical decisions; and these in turn favour positive post-decision emotions, thus creating a virtuous ethical cycle. This research also

assigns a central and necessary role to happiness in consumer ethical decision making. What constitutes happiness – what it is and how this emotion can be achieved – is a discussion beyond the scope of this research. However, a 68-year longitudinal study of adult development, conducted by the Harvard University Health Service, indicated that love and social connections are significant influence factors in promoting happiness (Waldinger & Schulz, 2010). Therefore, love and social connection will lead to positive emotions – for instance, happiness – that, in turn, allow us to be more ethical and, to then have more positive emotions as a result. Indeed, this favourable ethical cycle would appear to be significant not just for business, but for life as well.

7.2. THEORETICAL AND MANAGERIAL CONTRIBUTIONS

This thesis contributes to marketing science with both theoretical and managerial implications. Understanding why individuals think, decide and act ethically – or unethically – remains one of the most relevant, serious and at the same time complex topics in the current business research agenda. Aiming to contribute to a better comprehension of this deliberation process, this research provides empirical support for the dual-process theory of moral judgment proposed by cognitive neuroscience (Greene et al., 2004, 2001; Haidt, 2001), and refined by the dual processing model of ethical decision making (Zollo et al., 2017; Zollo, 2020), which consider that ethical decision making results from an interaction of both emotional – the intuitive, unconscious and automatic System 1 – and cognitive neural mechanisms – the subsequent rational and reflective System 2 of decision making process. This means a thorough understanding of ethical decision making will only be possible if we recognise and consider the importance of both sides of the coin – emotional and rational.

This research thus assigns a central role to emotions in predicting consumer ethics, by examining both positive and negative emotions; individual and valence-based ones; anticipated emotions and those being experienced "right now"; and emotions as antecedents and outcomes of consumer ethical decisions. In this way, this thesis contributes to evidence the integrated and pervasive role emotions paly in consumer ethical decision making. Moreover, the studies developed focused on all four stages of the ethical decision making process, rather than a single one. The relationship between emotions and each stage was tested and the findings suggest that, as intuitive and non-rational mechanisms, emotions might be more influential than attitudes or intentions on ethical behaviour, and thus a potential instrument for bridging the attitude–behaviour gap in ethical scenarios.

Furthermore, this study is to the best of our knowledge the first contribution applying the Necessary Condition Analysis to consumer behaviour in ethical decision making contexts. Due to the robustness and reliability of this new analytical method, we are convinced that this will open significant avenues for new applications and anticipate exciting achievements in the future.

This thesis also provides relevant contributions for practitioners and policy makers looking to develop more effective marketing efforts and campaigns to promote ethical consumer behaviours and prevent unethical choices. Professionals may benefit from this research by identifying which discrete emotions act as the main *somatic markers* (Damasio, 1994) to support information processing and encourage or discourage ethically favourable consumer decisions. Moreover, a "virtuous ethical cycle" was uncovered. Managers and policy makers would do well to be aware of that "cycle" and to try to operationalize it to promote ethical consumer actions. Additionally, we found that individuals' anticipation of how they will feel in the future can shape ethical decisions. Thus, rather than getting consumers to "think ahead", the effort of marketing professionals should be to get them to "feel ahead". This can be very useful, for instance, right now for policy makers and European/Global Health Authorities dealing with controlling coronavirus/COVID-19 dissemination, where, through emotional messages, appealing to both current and expected feelings in the future, individuals can be encouraged to adopt responsible behaviours of social restraint and moderate buying of essential goods.

Further, we showed that, more than sufficient, emotions are necessary to promote ethical consumer behaviours, which will not occur if a minimum level of positive emotions is not achieved. By knowing the threshold levels of necessity of the different kinds of emotions that are required for different levels of consumer ethics, practitioners can make more detailed predictions about how higher ethical decisions can be attained.

The five studies in this research advance the integrated and pervasive role of emotions on consumer ethical decision making. These findings do not reject or detract from existing cognitive theories/models, but rather seek to improve and complement their explanatory and predictive capability. Consistent with previous research, our data indicates that both emotional and reasoning mechanisms are recruited in making ethical judgments and behaviours, and therefore neither of these neural structures can be ignored for an adequate, reliable and true analysis of consumer ethics.

7.3. LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

The contributions that arise from this thesis should be considered in light of its limitations, which may provide relevant opportunities for future developments. The first limitation that should be borne in mind is the process of measurement. The constructs under study were measured through a paper-and-pencil questionnaire using self-reported scales. Despite the great popularity of this method in social sciences, as well as the validity and reliability of the scales used, this kind of measurement tools are intrinsically vulnerable to some degree of inaccuracy, relating to respondents' understanding of what is being asked, their ability to report their subjective evaluation or a social desirability bias, for instance (Malhotra et al., 2017). Future advances could overcome these limitations by complementing self-reported scales with neurobiological/biometric measures of emotions – such as fMRI, EEG, hearth rate, eye tracking and/or skin conductance (Robertson et al., 2017) – and testing causal relationships through experimental research designs.

It should also be noted that the data were collected using non-probability convenience samples. Convenience sampling inquires individuals that are accessible, easy to measure and cooperative (Malhotra et al., 2017). Yet, in doing so, the results become limited to the samples at hand. Future research could use probability sampling techniques in order to be representative of a definable population and allow generalizability of the findings.

This research examined consumer decision making involving ethics using scenarios of unethical behaviour. Future research could benefit from comparing ethical and unethical scenarios, and evaluating the relationship between emotions and consumer decision making in both. Furthermore, additional emotions could be included in the analyses – such as anger (Singh et al., 2018), disgust (Donato and Miceli, 2020) or fear (Yacout and Vitell, 2018) – in order to describe their differential roles on consumer decisions and to provide a more thorough understanding of how individuals resolve ethical dilemmas in consumption contexts.

Finally, it is worth noting that this research was carried out in the region of Braga, in the North of Portugal. The question of how culture shapes ethical evaluations and behaviours is still an open one (Chiu and Hackett, 2017). Indeed, Braga is the third largest city in Portugal (Eurostat, 2020) and was in 2016 considered one of the youngest, most satisfied and happiest cities in Europe (European Commission, 2016). Since our research suggests that happiness is the emotion that most influences consumer ethical decisions and behaviours, future studies should compare different cities and different countries in a cross-cultural perspective to further our understanding of the relationship between happiness and ethical decision making.

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APPENDICES

APPENDIX 1

Ethical Scenarios Used

Scenario 1: Photocopying a copyrighted book.

James is a Master's student. After the 1st class of the semester, and when analysing the syllabus of his favourite subject, James verifies that there is a book recommended in the bibliography that covers almost all the matter to be taught. Most of James's colleagues are ordering this book from the library and photocopying it. James decided to do the same.

Scenario 2: Switching a price tag in a shop, to pay less for a shirt.

On a Saturday, Mary decided to go shopping. She entered a clothing store and "fell in love" with a shirt. However, the price of the shirt was too high for Mary's disposable income. On another shelf, Mary found a shirt of the same colour, with some resemblance to the first, which cost less than half of her favourite shirt. Taking advantage of the high movement in the store, Mary decided to discreetly change the labels with the price of the shirts, getting her favourite shirt for a much lower price.

Scenario 3: Keeping extra money mistakenly handed by a bank teller.

On a beautiful spring morning, Anthony went to his bank to carry out a bank survey, since he had a family party in this weekend. There were many people at the branch, and the service was rushed by the employee. At the same time, Anthony requested the withdrawal of EUR 200 and the employee proceeded to process the operation. To shorten the time of service, the employee took the money from his box, counted manually and handed the notes to Anthony.

Already outside the branch, and when checking the amount raised, Anthony verified that he had been delivered EUR 300. Since he was already outside the branch, Anthony decided to go to his car and return home quietly.

APPENDIX 2

Articles and presentations since the enrolment in the PhD Programme

Escadas, M. and Farhangmehr, M. (2012). "**Consumer Behaviour and Ethical Decision Making: The Mediated Role of Emotion**". WIN 2012 Doctoral Colloquium – XIV Seminario Luso-Español de Economia Empresarial. Universidad de Salamanca, España.

Escadas, M. and Farhangmehr, M. (2013). "**Consumer Behaviour and Ethical Decision Making: The Role of Anticipated and Experienced Emotion**". 4th EMAC Regional Conference Doctoral Colloquium. St. Petersburg University, Russia.

Escadas, M. and Farhangmehr, M. (2014). "**Emotion and Ethical Decision Making: An Exploratory Study**". Abstract book from the 43rd European Marketing Academy Annual Conference: *Paradigm Shifts & Interactions*. Valencia, Spain. ISSN: 978-84-370-9453-3.

Escadas, M., Jalali, M. and Farhangmehr, M. (2017). "**How We Feel, What We Do And What We Get: The Role of Emotions as Antecedents and Consequences of Consumer Ethical Decision Making**". In Grigore, G. and Stancu, A. (Ed.). *Working Papers Series on Social Responsibility, Ethics and Sustainable Business*. Volume 6. Berlin, Germany. ASE Printing Hall, ISSN: 2285-7222. Abstract book from the 6th International Conference on Social Responsibility, Ethics and Sustainable Business: People and Corporate Social Responsibility in a Globalized World. Berlin, Germany.

Escadas, M., Jalali, M. S., & Farhangmehr, M. (2019). "**Antecedents of Consumer Ethical Decision-Making: A Multidimensional Analysis of Emotions, Moral Intensity, Moral Philosophies, Personal Norms, and Intrinsic Religiosity"**. In P. Rossi & N. Krey (Eds.), *Finding New Ways to Engage and Satisfy Global Customers* (AMSWMC 2018, pp. 543–552). Springer, Cham. https://doi.org/10.1007/978-3-030-02568-7_148

Escadas, M., Jalali, M. S., & Farhangmehr, M. (2019). "**Why bad feelings predict good behaviours: The role of positive and negative anticipated emotions on consumer ethical decision making"**. *Business Ethics: A European Review*, 28(4), 529–545. https://doi.org/10.1111/beer.12237

APPENDIX 3

In-Depth Interviews Discussion Guide

Initial thanks. Brief explanation of interview procedures and research objectives.

Important: Only matters your opinion.

Main goal of the interview: To describe consumer ethical decision making process.

1. IDENTIFICATION OF THE RESPONDENT

General personal data and general information about experiences as consumer (*ice breaker*);

2. CRITICAL INCIDENTS INVOLVING ETHICS - CIT

Please describe some decision you take based on ethical evaluations/principles.

What do you think is the relationship between ethical standards and individuals' behaviour? Is ethics relevant in decision making process? Why

And regarding decisions in the consumption context. Why? Can you give me an example?

Can you tell me one or more situations involving ethical issues that you have encountered in a consumption environment? Describe your own experiences or situations involving other people engaging in ethical/unethical behaviours. Tell a story about an experience you have had.

Please, describe the decision adopted? Why did you take this decision/behaviour? What were the steps followed in this decision making process?

Please, identify the variables that most influenced your decision? (Some examples of influencing variables: your own ethical values or beliefs; religion; education; age; gender; social pressure; perceived consequences of your decision). Can you explain these factors further?

It's hard or easy for you to identify and recognize if a situation involves an ethical issue? Can you give me an example (and an example as a consumer)? Do you think that most people share the same opinion as yours?

Do you think that ethical issues have the same moral intensity and are quite similar concerning their importance, or ethical issues are very different and with very distinct moral intensity? What elements of moral/ethical intensity do you think that most influence ethical decision making process?

3. THE SPECIFIC ROLE OF EMOTIONS

Can you give me an example about the role of emotions in [consumer] ethical decision making? Do you think that ethical decision making – and consumer ethical decision – is also influenced by emotion, or EDM is a rational and deliberate decision? Can you explain that further? How? Why?

Regarding the ethical scenarios you have described initially, do you think that (your or other people) decisions have been influenced by emotion? How? Antecedent and/or Outcome?

Do you think that an ethical behaviour leads to positive emotions? Can you give me an example? And an unethical behaviour leads to negative emotions? Please, describe an example.

From the following list of emotions (Bagozzi et al., 1998), which are most likely to be felt during an ethical/unethical decision making or behaviour? Please, rate them according to the intensity.

Excited / Delighted / Happy / Glad / Satisfied / Proud / Self-Assured (Please, indicate and rate others) – POSITIVE EMOTIONS

Angry / Frustrated / Guilty / Ashamed /Sad / Disappointed /Depressed / Worried / Uncomfortable / Fearful (Please, indicate and rate others) – NEGATIVE EMOTIONS

Do you consider yourself an ethical person/consumer? As a consumer, ethical questions are a priority for you?

Do you remember any circumstance in which you have changed your buying behaviour because of ethical questions? Can you explain that further?

As a consumer, do you change your behaviour to reward or punish an ethical/unethical company or brand? Can you describe this episode?

Thank you very much for your participation.