



Consumers' Acceptance of Unethical Consumption Activities: Implications for the Youth Market

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Abstract

The objective of this research is to explore the acceptance of unethical consumption activities of young Malaysian consumer in regards to gender, exposure to ethics education and the amount of allowances received per month. The specific focus on the young consumers is taken into account as this group has been a growing population of consumers in Malaysia with many forms of advertising, promotions and marketing strategies targeted at them. In this study, the sample was drawn from undergraduate students from a private university in Malaysia. The results indicated that female consumers were more ethical in two of the four dimensions of consumer ethical beliefs. Furthermore those who have not taken ethics course were found to be more ethical in at least two of the dimensions of the consumer ethical scale. Finally the quantum of allowance received per month did not influence the level of consumer ethical beliefs in all the four dimensions of consumer ethics.

Keywords: Consumer ethics, Young consumers, Malaysia

1. Introduction

The consumer market in Malaysia has been growing rapidly over the last few decades. The dynamic growth of population and purchasing power signify the vast potential of consumer market in Malaysia. Consumer lifestyle has been evolving and changing due in part to rising affluence and education levels. High profile international retailers and the global mass media have also played a hand in shaping consumer-buying behavior. Malaysians are becoming more westernized, sophisticated and cosmopolitan.

The number of young Malaysian consumers has been increasing. In 2003, it was estimated that 43% of Malaysia's 25 million people were under the age category of 20 years (PricewaterhouseCoopers, 2004). Therefore, it came as no surprise that many marketing and promotional efforts are targeted at this group of growing young consumers. With the siege of advertising, direct marketing, e-commerce and recently mobile marketing, it has made decision-making among young consumers more complex. Furthermore advertising, personal selling, pricing, marketing research and international marketing have been subjected to frequent ethical controversy (Murphy & Lacznia, 1981) as many questionable practices have been uncovered over the years.

With the rapid changes in the market environment, how do Malaysian consumers' especially the youth deals with ethical issues of consumerism? Is there any difference in the ethical beliefs of young male and female consumers? What about the exposure of these young consumers to ethical education? Does it make a difference in their ethical beliefs? Furthermore, did the amount of allowances received per month affect the ethical beliefs of these consumers?

Pratt et al. (1983) in their study found that young consumers often differ from elderly consumers in terms of their moral thinking. Therefore, it is important to examine the ethical beliefs of the youth market. The present study will attempt to fill the gap in the literature by examining the ethical beliefs of young Malaysian consumers in regards to various consumer practices. It is also an effort to provide some preliminary insights on the acceptance of unethical consumption activities among Malaysian youths, providing international companies thinking about entering the Malaysian market with useful information for the design of marketing strategies.

The objective of this exploratory research is to investigate the acceptance of unethical consumption activities of young Malaysian consumer in regards to gender, exposure to ethics education and the amount of allowances received per month.

The paper begins by providing a theoretical background of the relevant literature. Thereafter the methodology and the results from the quantitative study were presented. The paper concludes with a discussion of the implications of the findings and identifies several limitations for future improvement.

2. Background literature

Muncy & Vitell (1992) define consumer ethics as “the moral principles and standards that guide behavior of individuals or groups as they obtain, use and dispose of goods and services.”

Early models of marketing ethics (Ferrell & Gresham, 1985; Hunt & Vitell, 1986) focused on ethical practices within the areas of marketing research, marketing management, sales, advertising and social marketing. In the early 1990s, Vitell and Muncy noticed a lack of attention to the buyer side of the buyer seller dyad and asserted that research on consumer ethics was almost nonexistent. They found only three significant studies that empirically examined consumer ethical judgments (Davis, 1979; De Paulo, 1987; Wilkes, 1978). Furthermore they found that these studies were limited to small samples, had a narrow scope and lacked emphasis on the attitudinal characteristics of the consumer. As a result they developed a scale to measure consumer ethics (Muncy & Vitell, 1992; Vitell & Muncy, 1992).

The consumer ethics scale developed by Muncy & Vitell (1992) looks at how consumers react differently to different types of ethical situations. They also specified four distinct dimensions relating to the following situations, specifically – (1) actively benefiting from illegal activities, (2) passively benefiting, (3) actively benefiting from deceptive but legal practices and (4) no harm activities.

3. Hypotheses development

3.1 Gender

Beltramini et al. (1984) found that female college students were more concerned with ethical issues than their male counterparts while Thoma (1985) found that females were generally more ethical than males. However, Rest (1986) did not find the differences between gender to be significant. In Ford & Richardson's (1994) review of fourteen studies analyzing behavior by gender, there were seven studies that reported females behaving more ethically than males, while another seven studies found no relationship between gender and ethical behavior. The 47 meta analysis studies by Borkowski & Ugras (1998) yielded 49% significant, 34% not significant and 17% mixed findings regarding the relationship of gender and ethical behavior.

From the literature it is therefore hypothesized that:

H1: There is a significant difference between male and female towards all the four dimensions of consumer ethical beliefs.

3.2 Ethics course

Arlow & Ulrich (1980) in their study sought to determine the impact of taking ethics course on students' ethical attitude by surveying a group of 120 undergraduate marketing, management and accounting students before and after taking the ethics course. They found a significant difference on the pre and post measures for social responsibility scale. A study by Budner (1987) however discovers that students who took ethics course did not have any influence on students ethical orientation score. The findings in the study by Wynd & Mager (1989) indicated that ethics class had no statistically significant impact on student attitudes. Based on past research it is not clear whether a business ethics course will have any impact on ethical perceptions.

Nevertheless, it is hypothesized that:

H2: There is a significant difference between those who have taken ethics course and those who have not taken ethics course towards all the four dimensions of consumer ethical beliefs.

3.3 Income

Muncy & Vitell (1992) in their original exploratory study found that consumers with lower income reported more unethical behavior. Consistent with this view, Pratt (1991) found a tendency for higher income individuals to be more sensitive to ethical issues. Using a Singapore sample, Ang et al. (2001) found that higher income consumers were less likely to behave unethically in that they were less willing to purchase counterfeit product. Overall however, there is little empirical evidence available regarding the role of income in ethical decision making especially in the consumer setting. Thus Vitell (2003) in a review of consumer ethics studies indicated that there is a need for research concerning the role of income in consumer ethics. In this study, as the sample was undergraduate students who did not earn any income, the income variable would be replaced by allowance received per-month which closely resembled income generated.

Based on somewhat limited evidence, it is nevertheless hypothesized that:

H3: There is a significant difference between different levels of allowance received per month towards all the four dimensions of consumer ethical beliefs.

4. Methodology

4.1 Measurements

In order to obtain reliable information from the respondents, established and validated scale was selected for data collection.

The dependent variables were derived from the consumer ethics scale (Vitell et al., 1991; Muncy & Vitell, 1992). This scale was designed to measure respondents' beliefs regarding twenty consumer situations that have ethical implications. The respondents were asked to rate each behavior on a 5-point Likert scale from "strongly believe that it is wrong = 1" to "strongly believe it is not wrong = 5".

There were four dimensions to the consumer ethics construct, each of which was used as a dependent variable in this study. The first dimension, "actively benefiting from an illegal activity (CE1)", deals with illegal actions initiated by the consumers (e.g., shoplifting) and they are all likely to be perceived as illegal by most consumers. The second dimension, "passively benefiting at the expense of others (CE2)", involves instances where the consumer does not initiate an action but stand to benefit from the seller's mistake and does not inform the seller or correct the situation (e.g., getting too much change and not saying anything). The third dimension, "actively benefiting from questionable action (CE3)", involves self-initiated actions that are questionable but are not illegal (e.g., manipulating a sales promotion). The fourth and final dimension, "no harm/ no foul (CE4)", involves actions in which little or no harm results and is perceived by some consumers to be acceptable. Certain items were modified or dropped after the initial pilot test to suit the Malaysian scenarios and also to take into consideration the changing patterns of consumerism among Malaysian young consumers.

Table 1 indicates the reliability levels obtained in this study for the four dimensions of the consumer ethics scale that measure consumer ethics.

Schuessler (1971) stated that a scale is considered reliable if it has an alpha value greater than 0.60. Hair et al. (1998) added that reliability estimates between 0.60 and 0.70 represent the lower limit of acceptability in quantitative research studies. Therefore, the alpha value greater than 0.60 for reliability estimates was used due to the exploratory nature of this research.

4.2 Sample

The questionnaires for this study were administered to 800 undergraduate students from a major private university in Malaysia. Undergraduate students were chosen as respondents due to their ready accessibility and their demographic that fit into the profile of young consumers. The students completed the survey during class time and were assured anonymity. Participation was voluntary and no remuneration was offered. At the university, a faculty member was requested to assume responsibility for the distribution of the questionnaires to the students at four different faculties: Faculty of Accountancy and Management (FAM), Faculty of Information & Communication Technology (FICT), Faculty of Engineering and Science (FES) and Faculty of Arts and Social Science (FAS). Representation was sought from all undergraduate classifications (Year 1 to Year 4) and both sexes.

A total of 574 completed questionnaires (yielding a response rate of 71.2%) were obtained and deemed sufficiently complete to be useable. Prior to subjecting the data to statistical analysis, frequency distributions were tabulated for each item to ascertain possible response biases. In addition, a visual inspection was also performed to identify any possible anomalies. None were detected and the sample was determined to be of sufficient quality to be subjected to statistical analysis.

Table 2 describes the characteristics of the sample in detail.

5. Results

To test hypothesis 1 and 2, the independent sample t-test was used as it involved finding the differences between two groups. One-way ANOVA was conducted to test hypothesis 3.

From Table 3, female consumers were shown to have a low level of willingness to benefit from a marketing or consumption situation that was clearly illegal then the male respondents. The result showed that female consumers' willingness to passively benefit from the mistakes of others was significantly lower than male consumers. Based on the results, hypothesis 1 on gender differences was partially supported, as only two out of the four dimensions of consumer ethics were significant.

In Table 4, those who have not taken ethics course were shown to be less willing to accept actions that may be considered questionable, but not illegal. The same group was also less willing to benefit from situations that resulted in

no harm. Based on the results, hypothesis 2 on those who have / have not taken ethics course were shown to be partially supported as only two out of the four dimensions of consumer ethics were significant.

In Table 5, the result indicated that the significant values for all categories of allowances were above 0.05. Therefore there were no significant differences in the allowance received per month towards all the four dimensions of consumer ethics. Therefore, H3 was not supported.

6. Conclusion

The findings in the present study provide insights regarding young consumers' view of unethical consumer behavior in the context of gender, exposure to ethical education and the amount of allowance received per month

The result indicated that young female consumers were generally more ethical in two of the four dimensions of consumer ethical beliefs, namely "actively benefiting from illegal actions initiated by the consumers (CE1)" and "passively benefiting at the expense of others (CE2)". Past studies have shown that gender to be a significant predictor of ethical attitudes and perceptions. Ford & Richardson's (1994) review of fourteen past literatures reported that in seven studies, women were found to behave more ethically than men. In addition, prior studies also reported a significant gender effect in the relationship between ethical attitudes of students and gender (Albaum & Peterson, 2006). Specifically, the study discovered that female students are more ethical than male students. Borkowski & Ugras (1998) reported that female students displayed stronger ethical attitudes than did the males. In the context of consumer ethics, Rawwas (1996) reported that female consumers tended to view unquestionable consumer practices more negatively than males. The current results seem to confirm and support studies from past literatures.

In regards to young consumers who have taken ethics course versus those who have not, it was found that those who have not taken ethics course were in fact more ethical in at least two of the dimensions of the consumer ethical scale. They were found to be more ethical in regards to the following dimensions: "actively benefiting from questionable but not necessarily illegal actions (CE3)" and "actions that consumers perceive as not resulting in any harm and therefore acceptable (CE4)". A study by Budner (1987) discovers that students who took ethics course did not have any influence on students ethical orientation score. Another study by Wynd & Mager (1989) also indicated that ethics class had no statistically significant impact on student attitudes. The results from current study may indicate that exposing young consumers to ethics course may not necessarily resulted in a more ethical behavior towards consumer ethics. A re-examination of the present ethics curriculum at institutions of higher learning might be timely and appropriate. Re-looking at how current ethics courses such as Business Ethics and Corporate Governance subjects are taught in Malaysian universities may be needed to address the 'gap' between knowledge and practice.

In the case of the level of allowance received per month by young consumers, it can be concluded that the quantum of allowance received per month did not influence the level of consumer ethical beliefs in all the four dimensions. This might be explained by the fact that previous studies look at income as compared to allowances received (Muncy & Vitell, 1992; Ang et al., 2001). There is little empirical evidence available regarding the role of income in ethical decision making especially in the consumer setting. Respondents in previous studies earned their income whereas in the case of allowance, it is given to the current respondents either by their parents, government etc. This might indirectly affect the results as in the current study the allowances are not earned through hard work but merely given as pocket money. Therefore, the acceptances of unethical consumption activities in this study are not dependent on how much allowance these young consumers received. Moreover, this warrants further research in the future.

In conclusion, the results of this research must be used with caution as the sample of the exploratory study is basically undergraduate students. Furthermore, the sample consisted of overwhelmingly ethnic Chinese students. Future study should consider expanding the sample to include a more accurate representation of the Malaysian population.

Nevertheless, this research has contributed to the understanding of the level of acceptance of unethical consumer behavior of Malaysian youths. Increasing our understanding of the variations among young consumers regarding their views on unethical consumer behavior should be helpful for businesses as well as public policy makers. It will assist marketers to better address the issue of how to ethically advertise and market their products and services. Furthermore, the study is also important to policy makers in educational institutions on the need to re-look at the current syllabus and delivery of ethics courses.

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Table 1. Reliability of the Dependent Variable Measures

Construct	No. of Items	Cronbach Alpha
Actively benefiting from illegal actions (CE1)	4	0.608
Passively benefiting (CE2)	5	0.721
Actively benefiting from questionable actions (CE3)	6	0.720
No harm/ no foul (CE4)	5	0.692

Table 2. Demographic Profile of the Respondents (n= 574)

Gender	Race	Faculty	Monthly Allowance	Taken Ethics Subject
Female: 63.9%	Chinese: 96.7%	FAM: 70.4%	Less than RM200: 24.4%	Yes: 47.7%
Male: 36.1%	Indian: 3.0%	FICT: 13.9%	RM200 – RM300: 13.6%	No: 50.9%
	Malay: 0.2 %	FES: 9.2 %	RM301 – RM400: 15.3%	
	Others: 0.2%	FAS: 6.4%	RM401 – RM500: 19.5%	
			More than RM500: 26.7%	

Table 3. Consumer Ethics by Gender

	Male (Mean)	Female (Mean)	Total (Mean)	Sig. (p-value)
CE 1	2.2817	2.0863	2.1566	0.002*
CE 2	2.8068	2.6710	2.7198	0.045*
CE 3	2.3851	2.4590	2.4324	0.226
CE 4	4.3134	4.2008	4.2412	0.184

* Significant at $p < 0.05$.

Table 4. Consumer Ethics between Those who have taken Ethics Course and those who have not

	Yes (Mean)	No (Mean)	Total (Mean)	Sig. (p-value)
CE 1	2.1914	2.1306	2.1566	0.313
CE 2	2.7846	2.6641	2.7198	0.058
CE 3	2.4939	2.3809	2.4324	0.046*
CE 4	4.3549	4.1462	4.2412	0.009*

* Significant at $p < 0.05$.

Table 5. Consumer Ethics by Allowance Received per Month

	Less than 200	200-300	301-400	401-500	More than 500	Sig. (p-value)
CE1	2.139	2.139	2.255	2.151	2.130	0.728
CE2	2.681	2.678	2.756	2.701	2.756	0.873
CE3	2.419	2.444	2.500	2.379	2.443	0.797
CE4	4.248	4.279	4.181	4.093	4.365	0.219

* Significant at $p < 0.05$.