Crossing the line? Three essays exploring moral ambiguity in the marketplace

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DOCTORAL THESIS

Title	CROSSING THE LINE? THREE ESSAYS EXPLORING MORAL AMBIGUITY IN THE MARKETPLACE
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1 Introduction

This chapter introduces the topic of the PhD thesis,
and presents its structure and content.

1.1 Structure of Thesis

Morality in the marketplace is a field in constant evolution. Many researchers across time and across different disciplines such as philosophy, sociology, history and even economics have explored and continue investigating the possible implication and role of morality in different cultures (Blasi 1994). Commonly, morality refers to specific principles of conduct, values and norms within groups, religions and cultures that are accepted as either inherently good or inherently bad, clearly right or clearly wrong (Long and Sedley 1987). However, morality as many other aspects in consumption is often not blatantly right or wrong. Many consumption experiences are morally ambiguous; and some parties argue either strongly for or against it, others are even unaware of a moral dilemma in some consumption experiences they confront in the marketplace.

Yet, little research has been conducted on moral ambiguity in the marketplace. This is surprising because, decisions with moral connotation influence firms and consumers alike on a daily basis. Consumers are confronted with decisions on what is acceptable to consume or experience, while firms are confronted with moral decisions on what and how to market it to consumers.

Accordingly, the overarching research objective of this PhD thesis is to investigate how morally ambiguous aspects in the marketplace are perceived differently, the possible mechanisms and their downstream effects. To achieve the overarching research objective, the experimental research methodology is applied in the first two essays, while the third essay is a conceptual work.

1.2 Structure and Content of the PhD Thesis

This PhD thesis adopts the form of a monograph based on articles, which do not necessarily need to be published yet. Both a detailed structure and a brief overview of the content of this PhD thesis are presented below:

- Chapter 2 contains the overarching framework of this PhD thesis.
- Chapter 3 The first essay aims to empirically investigate how group dynamics influence the need to make up for someone else immoral consumption behavior. This essay has been written in collaboration with Lucia Barros, Grant Donnelly and Marco Bertini. The article is currently under review in the Journal of Psychology and Social Psychology.

- Chapter 4 addresses also the overarching research objective of this PhD thesis. Concretely, it aims to empirically examine the effect of group dynamics and morally questionable consumption experiences such as smiley selfies and slum tourism. This essay has been developed in collaboration with Lucia Barros, Rodrigues Dias, and Eduardo Andrade and is published in Journal of Consumer Psychology (2018).
- Chapter 5 also addresses overarching research objective of this PhD thesis. More specifically, it aims at conceptualizing how firms can improve firm customer relationships with honest and relevant price communication. Increasing numbers of firms invest in customer lifetime value (Ryals 2005), customer loyalty (Kumar and Shah 2004), customer retention (Harris, Baron, and Harris 1995), and customer service management (Christopher 2016) making it a relevant and timely topic. The article is currently under review for publication in the California Management Review and has been developed in collaboration with Marco Bertini and Ann Kronrod.
- Chapter 6 contains the conclusion of this PhD thesis. Concretely, it provides an integrated discussion of the theoretical contributions, implications, limitations, and future research opportunities of the articles that compose chapters 3, 4, and 5.

Finally, a list of references for all the chapters that constitute this PhD thesis is included at the end of the monograph.

2 Overarching framework

This chapter discusses the theoretical background, identifies the research gaps, and presents the specific research objectives and methodologies that will be addressed in the essays that constitute chapters 3, 4, and 5.

2.1 Introduction

People place eminent importance on morality in themselves and in others (Prentice et al. 2019; Goodwin, Piazza and Rozin 2014; Hartley et al. 2016) and they often think of having clear, established and unchangeable morals (Goodwin, Piazza and Rozin 2014). In fact, people assume that moral or immoral behavior reflects on an inherent character traits and form opinions about the person in general (Hartley et al. 2016). Further, people often judge morality in binary terms as either moral or immoral and do not usually consider the sometimes, ambiguous nature of moral concerns.

Many researchers across different disciplines have explored the possible meaning and function of morality in society (Blasi 1994). Psychologists, philosophers and even economists have tried to understand and analyze the purpose of morality in individuals and in society. Since the early 20th century, philosophers and psychologists have attempted to empirically evaluate the morality of an individual (May and Hartshorne 1925; Pittel and Mendelsohn 1966). Generally, morality refers to certain principles of conduct, values and norms within groups, religions and cultures that are accepted as good or bad, right or wrong (Long and Sedley 1987). Moral psychologist Jonathan Haidt (2008) describes morality as being an intertwined set of values, norms, practices and identities created to repress self-interest in order to enable collaborative societies. Turiel, Killen and Helwig (1987) argue that specific moral rules change depending on the culture, but that all cultures have developed moral rules to avoid harm and establish rights and justice. Shweder, Turiel and Much (1981) demonstrate that moral judgment is a universal characteristic of all societies.

Immorality on the other hand, is the infringement of moral, laws and standards within a society. Immorality is normally applied to people or actions, or in a broader sense, it can be applied to individuals, groups, firms and governments. Furthermore, moral ambiguity is a lack of certainty about whether something is right or wrong. More specifically among psychologists, a common understanding of morality is a change through personal development. Various psychologists have developed different theories on the growth of morals, commonly passing through different phases of moral understanding and judgment initially starting from infancy to maturity of a person (Gilligan and Kohlberg 1988). Hence, moral choices typically depend on the individual's behavioral record. In other words, future moral choices depend on moral decisions previously made (Zhang, Cornwell and Higgins, 2014; Zhong, Liljenquist

and Cain 2009). Sequential moral decisions may feature inconsistencies (Huber, Goldmith and Mogilner 2008), such that individuals constantly calibrate their moral stances (Zhong Strejcek and Sivanathan 2010). For example, individuals may trade off a purchase of a fast fashion product manufactured in a sweatshop, by donating to a charity or buying organic animal-friendly grocery. This indicates that moral judgments are not necessarily inherently learned or fixed values that are always equally applied, but that the morals might change according to the former decision and a given context.

Specifically, within the domain of marketing research, moral aspects are referred to as "marketplace morality" (Grayson 2014). Kirmani (2015) defines marketplace morality as "consumers' beliefs about what is right and wrong in the marketplace." In other words, "Marketplace morality" refers to morality within any market setting with a potential exchange relationship between two parties. Both parties exchange valuables or assets with one another (Campbell and Winterich 2018). In broad terms, this means that one party—or the consumer—is compensating (e.g., by paying) for a benefit gained from another party—or the marketer—which can be a company, a government agency, or another consumer. This exchange relationship is not restricted to transferring money—consumers can spend time, or exchange one product for another (Campbell and Winterich 2018).

Extensive research in the field of morality in the marketplace essentially consists of clearly immoral or clearly moral behavior. Some examples of topics on immoral behavior on the consumer side are consumption of counterfeit products, stealing and fraud. Responses to immoral behavior include reactions such as embarrassment, guilt and disgust, and are important to marketplace morality. On the other hand, topics on clearly moral behavior in the marketplace include pro-social behaviors, for example donations of consumers or corporate socially-responsibility on the company's side. Grayson (2014) views a conflict between the goal of pursuing larger collective good and the quest for personal advantage and self-interest in the marketplace. This enables the interpretation of moral ambiguity that comes up in exchanges with the two parties in the market, such that both parties often need to match self-interest with a certain level of collective good kept in mind.

Interestingly, more and more companies advertise themselves on moral bases such as being environmentally responsible, helping communities or producing under fair conditions (e.g., fair prices, respect for the environment). At the same time, stories of

immoral actions of companies are plentiful. Some examples are Amazon's tax avoidance scandal; Walmart's workers' rights abuses; Nestles' irresponsible marketing of baby milk to mothers in the developing world (Hunt 2018). Similarly, consumers often behave immorally in the marketplace, stealing or abusively treating service employees (Campbell and Winterich 2018). At the same time, consumers sometimes also seem to support the social good and sacrifice their own self-interest. For example, more and more consumers are willing to donate for the good of others, either nature or animals, or are willing to pay the extra price for the fair trade of products. There seems to be a growing tendency for both extremes: clearly immoral or moral behavior from both consumers as well as firms.

However, not all marketplace actions can be judged as obviously wrong or right. Moral ambiguity is a lack of certainty about whether something is right or wrong. Some marketplace activities can be interpreted as morally ambiguous. Whilst attractive to some, they can spark off responses of indignation and outrage among other consumers (Von Schuckmann et al. 2018). Not all immoral behaviors are obvious and not all conduct is evaluated on moral foundations in the first place. Much of probable immoral behavior is rather subtle. The relative importance of the multiple evaluative elements such as price, potential value and moral aspects affect possible salience of moral concerns. When purchasing a product or service (e.g., sweatshops produce fast fashion) or when assessing such marketplace activities, consumers are likely to contemplate several aspects, such as quality, price, fair trade or not, etc.

Yet, little research on moral ambiguity in the marketplace has been conducted so far. This is surprising because, firms and consumers alike are confronted with morally ambiguous decisions a daily basis. Consumers are confronted with decisions on what is acceptable for them to consume or experience; and what is morally unacceptable, for example: "will I spend only a few Euros on a sweatshop produced fashion piece, or will I spend more money on a fair-trade product?".

The moral aptness of the purchase or consumption experience is one of them. Examples of such reflections could be: Is this a proper behavior? Is this offensive, rude or even harmful to anyone who could be affected? As in any decision, these different aspects compete with one another, and the most outstanding or prominent ones triumph in the decision-making process (Johnson, Haubl and Keinan 2007).

Firms are often confronted with moral decisions on what products and in which way to best market them to its consumers without crossing a moral line-examples would

be the green-washing scandals where firms falsely or dubiously advertise themselves as organic, fair trade or environmentally friendly.

This thesis demonstrates with three essays that moral judgment in the marketplace might not only be ambiguous at times, but also sensitive to the market environment. This thesis demonstrates in the first two essays that the ambiguity of morality in the marketplace is at least partially caused by the context-while in one given context the consumption experience might be judged as appealing, in a different context the same experiences might be judged as appalling. The third essay looks at the same phenomena from the viewpoint of firm-customer relationships- and adds conceptually to the marketing literature by demonstrating how price communication can be perceived as deceiving and immoral to the consumer, hurting firm-customer relationships.

The first two essays rely on previous research on group connections, demonstrating that consumers tend to apply distinctive sets of moral rules to some people. This often is contingent on their perception of the group membership. Consumers tend to favor members who the consumer considers in-group members, and project moral superiority on these in-group members. On the other hand, consumers who are not part of the same group, the so-called out-group members, might not be entitled to receive a treatment to the same moral standards as the in-group members (Teifel 1975).

The first essay, called "Embarrassment: a Novel Angle on a Familiar Emotion", explores how the context in which an act of morally questionable behavior occurs, affects the experience of vicarious embarrassment (being embarrassed for the wrongdoings of another person) and triggers reparatory behaviors such as tipping more, sending gifts and apologizing in the name of the wrongdoer. In this essay, the immoral behavior stems from a third party, and the morally ambiguous response comes from the observing consumer. Individuals may experience embarrassment vicariously following the transgressions of others with whom they share a connection. Previous research only considers cases where this connection is stable and personal—for example, that of family or friendship. However, this essay posits that vicarious embarrassment can also arise among strangers, as the connection between observer and wrongdoer can be constructed on the spot as a function of the broader social context in which the transgression takes place. Specifically, in five experiments this essay shows that vicarious embarrassment arises when an observer and wrongdoer

share an identity that is distinct from the social context, making in-group characteristics more salient. For example, consumers may experience embarrassment in an international travel while and eating at a local restaurant when another consumer from the same home country behaves inappropriately to the local waitress. However, the context likely matters: if the consumers were dining in their home country, they may not have been embarrassed by the same behavior of fellow countryman. These contrasting actions present an interesting dilemma that has not yet been tackled in the literature: why do some situations make people feel more responsible for the wrongdoing of others, while remarkably similar others do not trigger the same emotion? This essay proposes that being distinct (or recognizably different) in a social context can trigger these emotions (Miller 1995). Moreover, people tend to pay more attention to characteristics that are distinctive than on the ones that are similar (Nelson and Miller 2002). This essay tests this theory in a series of five controlled lab and online experiments. Distinctiveness is operationalized in various ways (being at a Moroccan neighbors' party, being on an international vacation trip or being at a rival's football team party). Importantly, this essay also shows that this feeling of embarrassment leads the observer to engage in significant reparatory behaviors such as sending gifts and paying for someone else's bill. This essay demonstrates that the moral ambiguous consumption behavior stems from the egocentric motif to deal with vicarious embarrassment by repairing for someone else's wrongdoings instead of having pure empathy for the victim.

On a similar vein, the second essay explores morally ambiguous behavior of consumers. The essay, called "From Slum Tourism to Smiley Selfies: The Role of Social Identity Strength in the Consumption of Morally Ambiguous Experiences" (Journal of Consumer Psychology 2018), analyzes why some consumers evaluate certain experiences as morally repulsive, while others are willing to pay for them and even share them online. Some consumption activities can be morally ambiguous. While tempting to some, they can generate responses of indignation in other consumers. At slum tourism, visitors pay to ride through impoverished areas while observing and taking pictures of deprived urban zones. Advocates of the idea say that these tours bring financial benefits to the poor and offer exciting new realities to consumers (Frenzel 2014). Opponents, however, see the practice as abusive, degrading, and morally questionable. Through experimental methods in two different scenarios (taking smiley selfies at memorial sites and slum tourism), this essay finds

that consumers that do not identify with the people in the context are more likely to engage in such morally ambiguous behavior. The impact of social identity strength on consumer preference vanishes when the consumption experience is morally neutral or when all consumers are prompted to judge the experience on moral grounds. Statistical analyses based on post-hoc justifications provide further evidence for the mediating role of moral considerations.

The third essay, called "Beyond the Here and Now: A Conversation Theoretical Perspective on Price Communication", approaches moral ambiguity in the marketplace from a different angle. This essay explores conceptually how the morally ambiguous behavior of a firm can affect the firm-consumer relationship. Marketplace morality refers to morality within any market setting with a potential exchange relationship between two parties. Both parties exchange valuables or assets with one another. In broad terms, this means that one party —or the consumer—is compensating (e.g., paying) for a benefit gained from another party—or the marketer —which can be a company, a government agency, or another consumer. The positive two-way exchange affects the long-term consumer-firm relationship. How the firm communicates the qualities of the product can have a great influence on the responses of the consumer towards the brand. If, on the other hand, the firm acts in dubious or morally questionable behavior, for example, by trying to manipulate the perception of the price in the consumer's mind, the consumer might perceive this marketing technique as an attempt of deception and might retaliate, by being a less loyal consumer, which can mean switching the brand or simply not consuming it as frequently as before, hating the brand or writing online more negative reviews about the brand.

Hence, this essay presents a novel conceptualization of the most common techniques firms use to communicate prices. First, existing price communication techniques are classified based on the type of action taken by firms. Then a framework is developed to understand the influence of the different techniques in the classification on the ongoing relationship between firms and their customers—a perspective that extends the more transactional, one-shot view dominant in the literature. Specifically, a language philosophy approach is taken to formulate predictions regarding the impact of a given price communication technique on the quality of the relationship. This conceptualization allows scholars, professionals, and policy makers to contrast and judge the different techniques on a common basis and demonstrate how firms can

have a more morally cooperative behavior. Finally, this essay offers directions for future research and implications for marketing practice.

This thesis explores when and why consumers perceive that the moral line might be crossed. More specifically, this thesis takes a novel look at morality in the marketplace by considering not only clearly morally right or wrong consumption experiences, but by considering morally ambiguous situations and explores them from different angles. This thesis offers three essays, each of which investigates a unique consumption situation–the consumer as an actor, the consumer as an observer and the firm as an actor–by exploring the perception of morality in these different contexts. Overall, my theorizing and empirical findings contribute to the marketing and consumer psychology literature from a few perspectives. Instead of focusing on consumption experiences that are clearly moral, such as donations to charity (Lee, Winterich and Ross, 2014; Winterich, Zhang and Mittal 2012), or clearly immoral or illegal, such as shoplifting (Babin and Babin 1996; Cox, Cox and Moschis 1990), this research focuses on consumer reactions to legal but morally ambiguous actions in the marketplace. In doing so, this thesis further advances the field of marketing by demonstrating that over and above moral sensitivity (i.e., how much one reacts to clearly moral or immoral conduct; Fiske 1991; Molenberghs et al. 2014; Leidner et al. 2010), moral consideration (i.e., the likelihood an individual will judge an ambiguous experience from a moral perspective in the first place) is an important construct to understand when and how consumers judge morally ambiguous behavior shown by other consumers, firms and themselves.

3 Essay 1: Embarrassment: Another Twist on a Familiar Emotion

This chapter discusses how group dynamics influence embarrassment and pro-social behavior. (Under Review at JPSP)

3.1 Introduction

Embarrassment is a common emotional state experienced when individuals violate socially accepted conventions, which are negatively appraised by oneself or others (Dahl, Manchanda and Argo 2011; Krishna, Herd and Aydınoğlu, 2019; Kumar, 2008; Watson and Tellegen 1985). Embarrassment manifests in feeling awkward, uncomfortable, and nervous (Goffman 1956; Miller 1992), and it is considered different from other self-conscious emotions such as shame or guilt (Keltner and Buswell 1997). It is a prevalent emotion in daily life caused by mundane mishaps that signals to others one's awareness of the transgression and serves as a non-verbal apology (Krishna et al. 2019), and it can spur either avoidance (Harris 2006) or proactive behaviors (Feinberg, Willer and Keltner 2012). Embarrassment differs from shame and guilt as shame is triggered by a failure to meet personal standards and guilt by behavior that harm others (Krishna et al. 2019).

An interesting twist in more recent research on embarrassment is the finding that it can be felt vicariously (Fortune and Newby-Clark, 2008; Müller-Pinzler et al. 2015). That is, embarrassment is more general than previously conceived as it can be felt merely by observing the mishaps of another individual, as long as that individual is personally connected by way of friendship, a family tie, or some other intimate link (Fortune and Newby-Clark 2008; Krach et al. 2011; Miller 1987; Müller-Pinzler et al. 2015).

The current research shows that embarrassment can be generalized further. Specifically, this essay argues that vicarious embarrassment is experienced even in the absence of a personal connection between the observer and wrongdoer. Rather, connections can be construed on the spot. In this essay it is referred to this type of connection as situational. This essay argues that a situational connection is created when the social context highlights a common trait in the dyad. For example, being in a distinct social context enhances the salience of the traits that differentiates the minority from the majority (Deshpandé and Stayman 1994). For this reason, while in a non-distinct context (e.g., people living in their home country), an individual sees other individuals with similar traits as different from her/himself (e.g., another person from the same nationality may have different interests), in a distinct context (e.g., one traveling abroad), one sees other individuals with similar traits as similar from her/himself in the most distinctive social category (e.g., the same nationality).

In a series of five studies this essay demonstrates that the social context can make an otherwise trivial connection strong triggering vicarious embarrassment for an unknown wrongdoer. Specifically, the observer and wrongdoer must share some observable traits (e.g., ethnicity, gender, fan of the same football team) that together they do not share with the broader social context for vicarious embarrassment to occur. For example, two Americans may not see that they share this feature unless they are in a setting with many more non-Americans. In sum, this essay argues that the strength of the connection between the observer and the wrongdoer, which conditions the presence of vicarious embarrassment, is not dispositional but contextual.

Individuals use two main coping mechanisms to deal with embarrassment: trying to flee the situation (Bell 2009; Krishna et al. 2019; Tangney, Miller, Flicker and Barlow 1996), or compensating to restore self-image (Dong, Huang and Wyer 2013; Krishna et al. 2019; Song, Huang and Li 2017). Since the social context can create a situational connection between an unknown wrongdoer and an observer, reparatory behaviors should serve as a mechanism of separation (e.g., "I am not like him"). Fleeing the situation, however, would not serve this purpose since self-image would remain unchanged.

Following this rationale, it is hypothesized that an observer feels more embarrassed from a transgression committed by a stranger when they share observable traits (vs. not) that is distinct (vs. nondistinct) from the social context, which in turn, will lead to a reparatory behavior.

3.2 Vicarious Embarrassment and Distinctiveness

Individuals can experience embarrassment merely by observing a mishap of another individual (Fortune & Newby-Clark, 2008; Müller-Pinzler, Rademacher, Paulus, & Krach, 2015).Vicarious embarrassment enhances when the individual is personally connected by way of friendship, a family tie, or some other intimate link (Fortune & Newby-Clark, 2008; Krach et al., 2011; Miller, 1987; Müller-Pinzler et al., 2015). The stronger the personal connection of the observer and wrongdoer, the more intense vicarious experiences of emotional pains such as embarrassment will be (Fortune and Newby-Clark, 2008; Chekroun and Nugier, 2011).

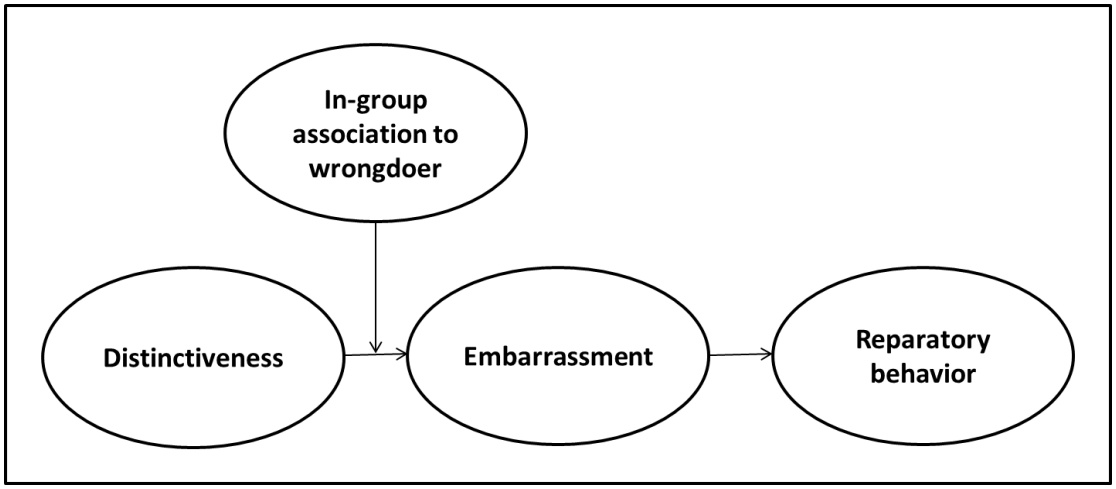
Joint goals, shared norms and greater social interaction strengthen the connection between the observer and the transgressor, which in turn facilitate feelings of vicarious embarrassment (Greenspan, 1992; Lickel et al. 2005; Müller-Pinzler et al. 2015). We argue that hen the observer and transgressor share a social identity that is distinct from others in the environment, a situational connection between the two is created even though they are strangers. This situational connection based on distinct social identity traits can enhance vicarious embarrassment for the wrongdoings of a complete stranger. The fact that the individual and the transgressor belong to the same social group, distinct from the group of observers creates a sense of relationship between the individual and the transgressor (i.e., by facilitating the thought that in-groups are homogeneous, consequently, they should behave similarly). In this case, social connection is imagined rather than real.

3.3 Embarrassment and Reparatory Behavior

Embarrassment function as a form of nonverbal apology (Feinberg, Willer & Keltner, 2011). Individuals experiencing embarrassment typically cope with this emotion by trying to flee the situation (Bell, 2009; Krishna et al., 2019; Tangney, Miller, Flicker, & Barlow, 1996), or compensating to restore self-image (Dong, Huang, & Wyer, 2013; Krishna et al., 2019; Song, Huang, & Li, 2017). Since the social context in which a transgression occurs can create a situational connection between an unknown transgressor and an observer, reparatory behaviors should serve as a mechanism of separation (e.g., “I am not like him”). Fleeing the situation, however, would not serve this purpose since self-image would remain unchanged.

Following our rationale, we hypothesize that an observer feels more embarrassed from a transgression committed by a stranger when they share observable traits (vs. not) that is distinct (vs. nondistinct) from the social context, which in turn, will lead to a reparatory behavior.

Theoretical model:



3.4 Overview of the Studies

In a series of five studies, participants were asked to imagine being in a distinct or non-distinct context, observing a transgression of a wrongdoer with whom they share observable traits (vs. not). This essay demonstrates that only when the context is distinct, the dyad of observer and wrongdoer constructs a situational connection, which leads to reparations. It is measured whether the social context influenced embarrassment and their desire to repair, thereby excluding other self-conscious emotions (Studies 1A, 1B, 2).

The effect is attenuated in the absence of social presence (Study 3), and it is ruled-out an alternative explanation by showing that the identity of the victim does not matter (Study 4). Table 1 summarizes the operationalization of all studies.

Table 1: Overview of the Studies

Study	Participants	Context	Moderator	DVs	Process
1A	University students	Nondistinct: University Party from their own University vs. Distinct: University Party from a Rival University	-	Intention to Apologize	Embarrassment; Self-Conscious Emotions
1B	American	Nondistinct: Restaurant in NY vs. Distinct: Restaurant in Paris	-	Likelihood of Paying; Willingness to Pay	Embarrassment; Self-Conscious Emotions
2	American	Nondistinct: American Party vs. Distinct: Moroccan Party	Wrongdoer's Identity: Similar (American) vs. Different (Moroccan)	Intention to Apologize; Likelihood to Send Flowers; Willingness to Spend on Flowers	Embarrassment; Self-Conscious Emotions
3	American	Nondistinct: American Party vs. Distinct: Moroccan Party	Social Presence vs. No Social Presence	Likelihood to Send Flowers; Willingness to Spend on Flowers	Embarrassment; Self-Conscious Emotions
4	American	Nondistinct: Restaurant in NY vs. Distinct: Restaurant in Paris	Victim's Identity: Similar (American) vs. Different (French)	Willingness to Pay	Embarrassment + Self-Conscious Emotions

3.5 Study 1

The social context was manipulated by asking university students to imagine attending a party hosted by either other ones of their affiliated students or a party hosted by students from a rival university. Thus, it was predicted that participants

would experience greater vicarious embarrassment in response to a stranger student from their university misbehaving in an environment in which their shared traits were distinct from that of the hosts. Consequently, they would be more motivated to engage in reparatory behavior.

3.5.1 Method

Sample and Design. Two hundred eighty-six undergraduate students participated in exchange for course credit. Participants were randomly assigned to a two-condition (party hosts: same university vs. rival university[1]) between-subjects design. Fifty-eight participants failed an attention check and were excluded from this analysis, leaving a final sample of 228 participants (55.3% female; M_{age}=20.63, *SD*=5.26; 75.4% Caucasian)[2].

Procedure. Participants imagined attending a party for their university (versus the rival university) football game as a fan wearing a university jersey supporting the team. In the same university hosts condition, participants read (word changes in the rival university hosts condition are shown in brackets): *"Your host is a Team A [Team B] fan, and the house is decorated in the colors of the A [B] team. The napkins, paper plates, and cups all have the University A [University B] logo. It is quite a festive party."*

Participants were then informed that "a short while later, another guest arrives, and you learn that he is also a Team A fan – just like you. This guest starts drinking too much and becomes incredibly rude to the hosts of the party. He complains about the food, insults various guests, spills his beer on the carpet and finally leaves the party tumbling wasted out the door."

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[1] We hided the university names for the peer review process. Participants read the real name from their university or the rival one.

[2] We administered 2 attention check questions asking participants to recall information about the experimental scenario. Question 1: "*In the scenario who was the host of the party?"* and Question 2: *"In the scenario who was the guest who behaved badly?"* Both questions provided the same response options: (a) University A, (b) University B, (c) University C. Forty participants incorrectly answered both questions while 16 participants incorrectly answered one question. We excluded two participants who answered both attention check questions correctly but responded in an open response window that they did not read the scenario. Our results do not differ significantly when we include all participants in our analyses.

Next, participants completed measures assessing their impressions of this situation and how they would feel and behave.

Measures. Participants imagined that they decided to send a text to the host of the party and were provided with an open response to type their message to the host. Participants also indicated the extent to which they felt embarrassed, guilty, and ashamed on seven-point Likert scales (ranging from 1, *not at all*, to 7, *a great deal*). The analysis followed the procedure of Allard and White (2015), in which each emotion is defined. Embarrassment was described as *"arising by an act that is merely socially unacceptable, rather than morally wrong."* Guilt was described as *"arising from a sense of regret or remorse over self-responsibility about a 'bad thing' done."* Shame was described as *"arising from objectionable behaviors seen as reflecting an objectionable self ("I did that horrible thing, and therefore I am unworthy, incompetent, or a bad person.)"* All emotions were presented in a randomized order.

3.5.2 Results

Reparatory Behavior. Participants open responses were coded for the presence of an apology by two research assistants blind to the study hypotheses. Responses that included the words "sorry" or "apology" were coded as '1' (while responses not including these words were coded as '0'). Participants were significantly more likely to apologize to the host from the rival university than to a host from their university (percent apologizing: 73.1% to the rival university host vs. 40.0% to their university host; [$\chi^2(1) = 25.31$, $p < .001$]).

Self-Conscious Emotions. Participants felt more embarrassed ($M_{distinct}$=4.77, SD=1.87; $M_{nondistinct}$=3.98, SD=1.91; $t(226)$=3.13, p=.002, d = .41) over the behavior of the rude fan with whom they shared traits when the party was hosted by a rival university fan than another fan from their own university. Idid not find differences for guilt ($M_{distinct}$=2.61, SD=1.71; $M_{nondistinct}$=2.88, SD=1.89; $t(226)$=1.10, p=.271, d=.15) or shame ($M_{distinct}$=3.27, SD=1.95; $M_{nondistinct}$=2.82, SD=1.79; $t(226)$=1.82, p=.069, d=.24).

Mediation. To evaluate whether the increased tendency to apologize to the rival university host was mediated by embarrassment, shame, or guilt, a binary mediation analysis with bootstrapped standard errors and 1000 replications was conducted (Imai, Keele and Tingley 2010; Hicks and Tingley 2011). Embarrassment mediated the

relationship between distinct social context and tendency to apologize (95% CI: .01, .07). Guilt (95% CI: -.04, .01) and shame (95% CI: -.03, .01) were not significant mediators.

3.5.3 Discussion

Initial evidence is provided that embarrassment can be experienced vicariously in the absence of a personal connection, enabled instead by a distinct social context in which a transgression occurs. While this study provided evidence for this hypothesis, there is a need to show if the effect could replicate in different social settings and assess if vicarious embarrassment could predict other reparatory behaviors.

3.6 Study 1B: Willingness to Pay

In this study, distinctiveness was manipulated by recruiting a sample of American participants and asking them to imagine eating at a restaurant in a foreign vs. local setting, in which another American misbehaves to the server. We hypothesized that Americans would experience more vicarious embarrassment in the distinct context and would be more likely to engage in a different reparatory behavior: put money toward the bill of another American guest who failed to pay.

3.6.1 Method

Sample and Design. Five hundred fifteen adults were recruited through Amazon's Mechanical Turk and were paid a nominal fee for participating. Participants were randomly assigned to a two-condition (restaurant location: Paris vs. New York City) between-subjects design. Forty-three participants reported they were not American and were excluded from this analysis, as were 72 participants who failed an attention check, leaving a final sample of 400 adults (54.0% female; M_{age}=39.15, *SD*=12.82; 78.0% Caucasian).[3]

[3] We administered one attention check question, asking participants to recall what… *"This survey was about…"* and were provided with the response options: (a) an American diner behaving badly in New York, (b) an American diner behaving badly in Paris, (c) an American diner behaving badly in China,

Procedure. Participants were asked to imagine taking a vacation and visiting a restaurant. In the Paris vacation condition, participants read (word changes in the New York City vacation condition are shown in brackets): *"Imagine that you decide to take a vacation to Paris [New York City]. After a long day of visiting the Louvre Museum [Metropolitan Museum of Art] and the Eiffel Tower [Empire State building], you go to a typical French [New York] bar for a drink and a snack. You are amazed by its refined decoration and French [New York] style. The ambiance is cozy and charming- except for one small detail: the noisy, obnoxious behavior coming from one of the guests sitting next to you at the bar. You realize that this noisy, obnoxious guest is another American. While you go through the menu, suddenly, the American guest rudely yells at the waitress. When you look up from your menu, you notice that the American guest spilled their beer over the table. A while later, you notice that the American diner left the bar without paying his bill that is $10.*

Next, participants completed measures assessing their impressions of this situation and how they would feel and behave.

Measures. Participants indicated how likely they would be to contribute money to the bill of the other American guest on a slider (ranging from 0, *Extremely Unlikely* to 100, *Extremely Likely*), and how much money they would put toward the unpaid bill of the other American guest on a slider (ranging from 0, *nothing* to 100, *the entire bill*). Participants also indicated the extent to which they felt embarrassed, guilty, and ashamed on seven-point Likert scales (ranging from 1, *not at all*, to 7, *a great deal*) following the same procedure as Study 1A.

3.6.2 Results

Reparatory Behavior. Participants eating in a restaurant in Paris (where their nationality was distinct) reported a greater likelihood to contribute money to the other guests' bill ($M_{distinct}$ = 54.06, SD = 37.09; $M_{nondistinct}$= 46.25, SD = 35.18; $t(398) = 2.16$, p=.032, d=.22) than when eating in a New York restaurant (where their nationality was not distinct) and reported that they would pay significantly more (about 11

(d) a French diner behaving badly in Paris, (e) a French diner behaving badly in China. Our results do not significantly change if we include the entire sample in our analyses.

percentual points more) toward the unpaid bill ($M_{distinct}$ = 62.09, *SD* = 41.62; $M_{nondistinct}$= 51.14, *SD* = 42.29; *t*(398) = 2.61, *p*=.009, *d*=.26).

Self-Conscious Emotions. Participants felt more embarrassed ($M_{distinct}$=5.56, *SD*=3.19; $M_{nondistinct}$=4.42, *SD*=3.22; *t*(398)=3.56, *p*<.001, *d*=.36) and more ashamed ($M_{distinct}$ =4.35, *SD*=2.98; $M_{nondistinct}$=3.51, *SD*=2.99; *t*(398)=2.79, *p*=.005, *d*=.28), over the behavior of the rude American guest at a restaurant where their nationality was distinct (French) vs. non-distinct (New York). Idid not find differences for guilt ($M_{distinct}$=2.86, *SD*=2.57; $M_{nondistinct}$=2.56, *SD*=2.37; *t*(398)=1.19, *p*=.235, *d*=.12).

Mediation. PROCESS model 4 (Hayes and Preacher 2014) was used to evaluate whether the increased reparatory behavior observed in the distinct context (Paris restaurant) was mediated by embarrassment, shame, or guilt. Results are shown in Table 2 and 3 and demonstrate that embarrassment fully mediated the relationship between distinct social context and likelihood of putting money toward the other American guest's bill (95% CI, .57, 5.04), and payment amount (95% CI, 1.13, 6.51). However, guilt (likelihood: 95% CI, -.41, 1.69; payment amount: 95% CI, -.39, 1.26), and shame (likelihood: 95% CI, -1.38, 1.54; payment amount: 95% CI, -1.58, 1.68) were not significant mediators.

Table 2: Embarrassment Mediates the Link between Distinct Social Context and Likelihood of Putting Money toward the Other American Guest's Bill (Study 1B)

	Embarrassment	Guilt	Shame
Distinct Social Context to the mediator (path a)	1.14***	.29	.83**
Mediator to Reparatory Behavior (path b)	2.15**	1.83*	.08
Indirect effects of Distinct Social Context on Reparatory Behavior (ab paths)	2.45 (1.14)	.54 (.51)	.07 (.72)
Total effect of Distinct Social Context to Reparatory Behavior (path c)	7.81*		
Direct effect of Distinct Social Context to Reparatory Behavior (c-prime path)	4.74		
Bootstrap results: 95% CI range	[.57, 5.04]	[-.41, 1.69]	[-1.38, 1.54]

*p < .05 **p < .01 ***p < .001

Table 3: Embarrassment Mediates the Link between Distinct Social Context and Willingness to Pay toward the Unpaid Bill of the Other American Guest (Study 1B)

	Embarrassment	Guilt	Shame
Distinct Social Context to the mediator (path a)	1.14***	.29	.83**
Mediator to Reparatory Behavior (path b)	3.03***	1.10	.10
Indirect effects of Distinct Social Context on Reparatory Behavior (ab paths)	3.46 (1.38)	.32 (.41)	.08 (.78)
Total effect of Distinct Social Context to Reparatory Behavior (path c)	10.95**		
Direct effect of Distinct Social Context to Reparatory Behavior (c-prime path)	7.09		
Bootstrap results: 95% CI range	[1.12, 6.51]	[-.39, 1.26]	[-1.60, 1.68]

*$p < .05$ **$p < .01$ ***$p < .001$

3.6.3 Discussion

Study 1B provides additional evidence that being in a distinct social context can lead people to feel vicarious embarrassment, which increases reparatory behavior. In both studies, the wrongdoer shared certain observable traits with the participant. However, this essay posits that observers only feel vicarious embarrassment that leads to reparatory behavior when these traits match with the wrongdoer. Therefore, it is predicted that this effect should be mitigated when the wrongdoer does not share observable traits with the observer.

3.7 Study 2: Manipulating Observable Traits of the Wrongdoer

This study demonstrates that a distinct social context creates situational connection only when the wrongdoer and the observer share observable traits. If the observer-wrongdoer dyad does not share observable traits, the observer will not feel connected to the wrongdoer and therefore will not feel embarrassment, nor repair for the transgressions. Distinct social context is manipulated by asking participants to imagine being a guest of a party where their observable traits would be distinct or

non-distinct. Then, they are asked to imagine that another guest misbehaves to the host. This study further manipulated the wrongdoer as sharing observable traits vs. not. As in previous studies, it is hypothesized that Americans would experience more embarrassment in a social context in which their nationality would be distinct, and would, as a result, be more likely to engage in reparatory behavior. Further, it is hypothesized that this effect only holds when both the wrongdoer and the observer share an observable trait.

3.7.1 Method

Sample and Design. Four hundred ten university students participated in exchange for course credit. Participants were randomly assigned to a 2 (party host: Moroccan neighbor vs. American neighbor) x 2 (wrongdoer identity: Moroccan vs. American) between-subjects design. Fifty-eight participants failed an attention check and were excluded from this analysis. Participants were excluded who were not born in the US, because it was conceptualized the party being hosted by Americans as a shared traits circumstance. This left us with final sample of 305 participants (48.2% female; M_{age}=20.59; *SD*=1.19; 88.2% Caucasian).[4]

Procedure. Participants were asked to imagine a scenario in which they recently met their new neighbors and had been invited to a housewarming party they were hosting. In the Moroccan host condition, the instructions read as follows (word changes in American hosts condition are shown in brackets): "*Imagine you just met your new neighbors. They are Moroccan [American] and recently moved from Morocco [a nearby town] to your neighborhood in the United States. They invite you to their housewarming party. Once you arrive at the party, you are impressed with the exotic [beautiful] party decorations. On the table, you find various types of Moroccan [American] foods and drinks such as kebabs [burgers] and hummus [fries] as well as Moroccan [American] beer and wine. All of the guests are Moroccan [American] and are extremely welcoming and friendly to you. Some women are offering Moroccan tea*

[4] We administered one attention check question asking participants to recall *"This identity of the rude guest was…"* and were provided with the response options: (a) American, (b) Chinese, (c) German, (d) Moroccan, (e) Brazilian. Our results do not significantly change if we include the entire sample in our analyses.

[soft drinks] to the arriving guests. A Moroccan [Country] band plays music, and you are invited to dance with the other party guests."

In both conditions, the participant then learns of another neighbor attending the party. In the Moroccan transgressor condition, this other neighbor is Moroccan, while in the American transgressor condition, this other neighbor is American. In the Moroccan host condition, the instructions read as follows (word changes in American hosts condition are shown in brackets): *"A short while later, another one of your neighbors arrives at the party—an American (Moroccan), who immediately starts to create a scene by loudly complaining about the food and making fun of the music being played by the Moroccan [Country] band. This neighbor drinks too much wine and makes inappropriate jokes and then starts tumbling around bumping into other people spilling his wine on the floor."*

Next, participants completed some measures assessing their impressions of this situation and how they would feel and respond to the hosts regarding the guest who misbehaves.

Measures. Participants responded to a question measuring their likelihood of apologizing for the behavior of the rude guest: *"I would apologize to the hosts for the bad behavior of the rude guest."* This question was measured on a 7-point scale (ranging from 1, *strongly disagree* to 7, *strongly agree*).

Participants also indicated the extent to which they felt they would send flowers to the party hosts the following day on a 7-point scale (ranging from 1, *extremely unlikely* to 7, *extremely likely*). Participants were also asked to report how much they would be willing to spend on flowers (willingness to spend was measured on a slider ranging from $10 to $100).

Moreover, participants indicated the extent to which they felt embarrassed, guilty, and ashamed on seven-point Likert scales (ranging from 1, *not at all*, to 7, *a great deal*) following the same procedure as the previous studies.

This study was pre-registered on As-Predicted (#15678).

3.7.2 Results

Intention to Apologize. Neither a main effect of host ($F(1,302)= .10$, $p= .757$, $\eta^2= .00$), nor a main effect of wrongdoer ($F(1,302)=.90$, $p= .343$, $\eta^2= .003$) was found. However, supporting the rationale, the results showed a marginally significant

interaction ($F(1,301)= 3.59$, $p= .059$, $\eta^2= .01$). While participants were equally likely to apologize to the American host (nondistinct social context) when the wrongdoer was Moroccan or American ($M_{wrongdoer\_Moroccan}= 4.85$, $SD= 1.63$; $M_{wrongdoer\_American}= 4.65$, $SD= 1.22$; $F(1,299) = .47$, $p = .493$, $\eta^2= .002$), when the host was Moroccan (distinct social context), participants were more likely to apologize when the wrongdoer was American ($M= 5.11$, $SD= 1.80$) than when he was Moroccan ($M= 4.52$, $SD= 2.05$; $F(1,299) = 3.83$, $p= .051$ $\eta^2= .013$).

Likelihood of Sending Flowers. A 2x2 ANOVA is conducted to assess the impact of social context (distinct vs. nondistinct) and wrongdoer ethnic trait (American vs. Moroccan) on likelihood of sending flowers. Participants were more likely to send flowers when the social context was distinct ($M_{distinct} = 3.49$, $SD = 2.00$; $M_{nondistinct} = 2.80$, $SD = 1.69$), $F(1,303) = 9.69$, $p = .002$, $\eta^2 = .03$), but there was no effect for wrongdoer ($M_{American\_\ wrongdoer} = 3.17$, $SD = 1.89$; $M_{Moroccan\_\ wrongdoer} = 3.08$, $SD = 1.85$), $F(1,303) = .15$, $p = .703$, $\eta^2 = .00$). More interestingly, there was a significant interaction between social context and wrongdoer, $F(1,303) = 6.21$, $p= .013$, $\eta^2 = .02$. Planned comparisons showed that when the participant did not share an ethnic trait with the wrongdoer, there was no difference in likelihood of sending flowers ($M_{distinct} = 3.16$, $SD = 2.02$; $M_{nondistinct} = 3.03$, $SD = 1.72$; $F(1,300) = .18$, $p = .671$, $\eta^2=.00$). However, when the participant shared an ethnic trait with the wrongdoer and this shared trait was distinct from the hosts (vs. not distinct from the hosts) participants expressed a greater likelihood of sending flowers ($M_{distinct} = 3.76$, $SD = 1.96$; $M_{nondistinct} = 2.58$, $SD = 1.64$); $F(1,300)= 16.80$, $p< .001$, $\eta^2=.05$), Figure 1.

Amount Spent on Flowers. A 2x2 ANOVA was conducted to assess the impact of social context (distinct vs. nondistinct) and wrongdoer traits (American vs. Moroccan) on amount that the participant would be willing to spend on flowers. Participants reported that they would be willing to spend more on flowers when their shared trait was distinct ($M_{distinct}= \$22.15$, $SD= \$10.80$; $M_{nondistinct}= \$19.19$, $SD= 9.11$), $F(1,304)= 6.04$, $p= .015$, $\eta^2= .02$), but there was no effect of wrongdoer ($M_{American\_\ wrongdoer}= \$20.79$, $SD= \$10.52$; $M_{Moroccan\_\ wrongdoer}= \$20.38$, $SD= \$9.52$), $F(1,304)= .13$, $p= .720$, $\eta^2= .00$). More interestingly, there was a significant interaction between distinctiveness and wrongdoer, $F(1,304)= 4.34$, $p= .038$, $\eta^2= .01$. Planned comparisons showed that when the participant did not share an ethnic trait with the wrongdoer, there was no difference in willingness to spend on flowers ($M_{distinct}= \$20.61$, $SD= \$8.31$; $M_{nondistinct}= \$20.19$, $SD= \$10.46$; $F(1,301)= .07$, $p= .798$, $\eta^2=.00$).

However, when the participant shared an ethnic identity with the wrongdoer and this shared identity was distinct from the hosts (vs. not distinct from the hosts) participants were willing to spend more on flowers ($M_{distinct}$= \$23.40, *SD*= \$12.38; $M_{nondistinct}$= \$18.22, *SD*= \$7.51); $F(1,301)= 10.98$, $p= .001$, $\eta^2=.035$), Figure 2.

Embarrassment. A 2x2 ANOVA was conducted to assess the impact of social context (distinct vs. nondistinct) and wrongdoer's traits (American vs. Moroccan) on embarrassment. There was no main effective of distinctiveness ($M_{distinct}$= 4.12, *SD*= 1.97; $M_{nondistinct}$= 3.71, *SD*= 1.98; $F(1,304)= 2.57$, $p= .110$, $\eta^2= .01$), nor of wrongdoer ($M_{American}$= 4.09, *SD*= 1.94; $M_{Moroccan}$= 3.69, *SD*= 2.02; $F(1,304)= 3.85$, $p= .064$, $\eta^2=$ .01). However, there was a significant interaction between distinctiveness and wrongdoer's identity, $F(1,304)= 5.94$, $p= .015$, $\eta^2= .02$. Planned comparisons showed that when the wrongdoer was American, participants experienced greater embarrassment when their shared ethnic trait was distinct ($M_{distinct}$= 4.55, *SD*= 1.85; $M_{nondistinct}$= 3.64, *SD*= 1.93; $F(1,301)= 8.68$, $p= .003$, $\eta^2=.03$). However, when the wrongdoer was Moroccan, there was no difference in embarrassment by distinct social context ($M_{distinct}$= 3.58, *SD*= 1.99; $M_{nondistinct}$= 3.77, *SD*= 2.04); $F(1,301)= .33$, $p= .567$, $\eta^2=.00$).

Guilt. A 2x2 ANOVA was conducted to assess the impact of social context (distinct vs. nondistinct) and wrongdoer's ethnic trait (American vs. Moroccan) on guilt. Guilt did not differ as a function of social context ($M_{distinct}$= 2.68, *SD*= 1.79; $M_{nondistinct}$= 2.46, *SD*= 1.60), $F(1,304)= .89$, $p= .346$, $\eta^2= .00$ or ethnic trait of the wrongdoer ($M_{American}$= 2.70, *SD*= 1.72; $M_{Moroccan}$=2.41, *SD*=1.63), $F(1,304)= 2.43$, $p= .120$, $\eta^2=.01$. There was also not a significant interaction between distinctiveness and wrongdoer identity, $F(1,304)= 2.62$, $p=.107$, $\eta^2=.01$.

Shame. A 2x2 ANOVA was conducted to assess the impact of social context (distinct vs. nondistinct) and wrongdoer's ethnic trait (American vs. Moroccan) on shame. Shame did not differ as a function of distinct social identity ($M_{distinct}$= 2.26, *SD*= 1.56; $M_{nondistinct}$= 2.57, *SD*= 1.79), $F(1,304)= 1.18$, $p= .279$, $\eta^2=.00$, nor of the wrongdoer's ethnic trait ($M_{American}$= 2.57, *SD*= 1.79; $M_{Moroccan}$= 2.26, *SD*= 1.56), $F(1,304)= 2.61$, $p= .107$, $\eta^2=.01$. However, there was a significant interaction between distinct social context and wrongdoer identity, $F(1,304)= 3.92$, $p= .049$, $\eta^2=.01$. Similar to embarrassment, when the wrongdoer was American, participants felt more ashamed when their identity was distinct then when it was not ($M_{distinct}$= 2.86, *SD*= 1.79; $M_{non\text{-}distinct}$= 2.27, *SD*= 1.75; $F(1,301)= 5.00$, $p= .026$, $\eta^2=.02$). However, when the

wrongdoer was Moroccan, there was no difference in shame by distinct social context ($M_{distinct}$= 2.17, SD= 1.62; $M_{nondistinct}$= 2.34, SD= 1.52); $F(1,301)$= .38, p= .539, η^2= .00).

Mediation. Using PROCESS (Hayes and Preacher 2014) following model 7, next it was examined whether the interaction observed between distinctiveness and wrongdoer identity traits on the intention to apologize was driven by embarrassment. The results are shown in Table 4. The indirect effect of embarrassment mediated the relationship between distinct social context and intention to apologize when the wrongdoer shared an ethnic trait with the participant (that was also distinct), (95% CI., .08, .48) but not when the wrongdoer did not (95% CI, -.27, .14). The potential mediating role of guilt and shame is also evaluated. Guilt was not a mediator when the wrongdoer shared (95% CI, .-00, .42) or did not share (95% CI, -.27, .15) an ethnic trait with the participant. However, shame also mediated the relationship when the wrongdoer shared (95% CI, .02, .43), but not when they did not share (95% CI, -.25, .11) an ethnic trait with the participant.

Embarrassment Mediates the Link between Distinct Social Context and Intention to Apologize when the Observer and Wrongdoer Share the Same Observable Traits but not when Traits are Different (Study 2)

Table 4: Embarrassment Mediates the Link between Distinct Social Context and Intention to Apologize when the Observer and Wrongdoer Share the Same Observable Traits but not when Traits are Different (Study 2)

Regression Paths	Embarrassment		Embarrassment
(a)	Distinct Social Context to Embarrassment		90**
	Distinct Social Context Vs. Wrongdoer		-1.09*
(b)	Embarrassment to Intention to Apologize		.29***
(c)	Direct Effect		-.02
(ab)	Indirect Effect, 95% CI	American Wrongdoer	.26 (.10) [.08, .48]
		Moroccan Wrongdoer	-.06 (.10) [-.27, .14]
	Index of Moderated Mediation, 95% CI		-.23 (.14) [-.63, -.06]

*p < .05. **p<.01 ***p < .001

Next, it was examined whether the interaction observed between distinctiveness and wrongdoer ethnic traits on the likelihood of sending flowers was driven by embarrassment. The indirect effect of embarrassment mediated the relationship between distinct social context and likelihood of sending flowers when the wrongdoer shared traits with the participant (that was also distinct), (95% CI., .04, .36) but not when the wrongdoer did not share observable traits with the participant, (95% CI, -.18, .09). The potential mediating role of guilt and shame was evaluated. Guilt was not a mediator when the wrongdoer shared (95% CI, .-00, .30) or did not share (95% CI, -.20, .08) an ethnic trait with the participant. However, shame also mediated when the wrongdoer shared (95% CI, .01, .32), but not when he did not share (95% CI, -.20, .08) an ethnic trait with the participant.

It is also examined whether the interaction observed between distinctiveness and social observability of the transgression on the amount participants were willing to spend on flowers was driven by embarrassment. The indirect effect of embarrassment mediated the interaction between distinct social context and wrongdoer's identity on amount willing to spend on flowers when the wrongdoer ethnic traits were shared with the participant in a distinct context (95% CI, -1.57, -.02), but not otherwise (95% CI., -.34, .66). As with likelihood of sending flowers, guilt was not a mediator when the wrongdoer was the same ethnicity as the participant in a distinct context (95% CI, .-.35, .33) nor otherwise (95% CI, -.98, .09). Similarly, shame did not mediate when the wrongdoer was the same ethnicity as the participant in a distinct context (95% CI, .-.32, .51) nor otherwise (95% CI, -1.17, .02).

3.7.3 Discussion

This study provides further evidence that individuals experience vicarious embarrassment when the behavior of another is likely to be perceived to represent them. Participants did not experience the same amount of embarrassment and reparatory behavior when the transgression was committed by an actor that did not share ethnic traits with the participant.

While studies 1A, 1B, and 2 supports the rationale, it was manipulated only the distinctiveness of the social context, measuring both embarrassment (mediator) and reparatory behaviors (dependent variables). Ideally, a scenario should be created that manipulates embarrassment to find casual evidence for the mediator.

Study 3 tackles this issue. It was evaluated whether the effects are moderated by the extent to which a transgression is observed by others. Since social presence is a strong driver of embarrassment (Argo, Dahl and Manchanda 2005), it is posited that participants will experience vicarious embarrassment and be willing to do reparatory behaviors only when a transgression is observed by others.

3.8 Study 3: The Role of Social Observation of Transgressions

Participants were randomly assigned to a 2 (social context: distinct or nondistinct) x 2 (social presence: witness of transgression or no witness) between-subjects design.

3.8.1 Method

Sample and Design. Four hundred ninety-eight American adults were recruited through Amazon's Mechanical Turk and were paid a nominal fee for participating. Participants were randomly assigned to a 2 (party host: Moroccan neighbor - distinct social context vs. American neighbor – nondistinct social context) by 2 (transgression observed by others: yes vs. no) between-subjects design. Seventy-two participants failed an attention check, leaving a final sample of 426 adults (57.7% female; M_{age}=32.83, *SD*=18.11; 72.5% Caucasian).[5]

Procedure. Similar to Study 2, participants were asked to imagine attending a housewarming party hosted by their new neighbors. The manipulation is similar to the previous study, with the following changes. First, the wrongdoer is always American. Second, participants in the transgression observed by others condition read (word changes in the transgression not observed by others are shown in brackets): *A short while later, another one of your neighbors arrives at the party – an American, who*

[5] We administered three attention check questions asking participants to recall information about the experimental scenario. Question 1: *"In the scenario who was the host of the party?"* and were provided with the response options: (a) my neighbors that were American, (b) my neighbors that were Moroccan, (c) my neighbors that were Chinese, (d) my neighbors that were African American. Question 2: *"In the scenario who was the guest who behaved badly?"* (a) an American neighbor, (b) a Moroccan neighbor, (c) a Chinese neighbor, (d) an African American neighbor. Question 3: *"In the scenario who saw the guest behaving badly?"* (a) only me, (b) me and all the other party guests, (c) all the party guests but me. Eight participants incorrectly answered all three questions, 23 participants incorrectly responded to two questions and 41 participants incorrectly responded to one question. Our results do not significantly change if we include all the excluded participants in our analyses.

immediately starts to complain about the food and to make fun of the music being played by the band for everyone to hear [but nobody else but you heard these comments]. The American then goes in the garden and pees on the flowers and all of the guests [but you are the only guest to] observe this behavior.

Next, participants completed measures assessing their impressions of this situation and how they would feel and behave.

Measures. Participants indicated how likely they would be to send flowers to their new neighbors the day after the party on a seven-point Likert scale (ranging from 1, *Extremely Unlikely* to 7, *Extremely Likely*), and how much money they would spend on the flowers on a slider (ranging from $0 to $100).

Participants also indicated the extent to which they felt embarrassed, guilty, and ashamed on seven-point Likert scales (ranging from 1, *not at all*, to 7, *a great deal*) following the same procedure as Studies 1A, 1B, and 2.

This study was pre-registered on As-Predicted #26845.

3.8.2 Results

Likelihood of Sending Flowers. A 2x2 ANOVA was conducted to assess the impact of social context (distinct vs. nondistinct) and social observability of the transgression (yes vs. no) on likelihood of sending flowers. Participants were more likely to send flowers when their identity was distinct ($M_{distinct}$ = 4.80, SD = 1.85; $M_{nondistinct}$ = 3.83, SD = 1.84), $F(1,422) = 31.52$, $p<.001$, $\eta^2 = .07$), and when the transgression was observed by others ($M_{observed}$ = 4.64, SD = 1.87; $M_{not\_observed}$ = 4.17, SD = 1.92, $F(1,422) = 5.40$, $p = .021$, $\eta^2 = .01$). There was also a significant interaction between distinctiveness and social observability of the transgression, $F(1,422) = 4.07$, $p=.044$, $\eta^2 = .01$. Planned comparisons showed that when the social context was non-distinct, there was no difference in reparatory behavior ($M_{observed}$ = 3.86, SD = 1.83; $M_{not\_observed}$ = 3.80, SD = 1.86; $F(1,422) = .04$, $p = .839$, $\eta^2=.00$). However, when the social context was distinct, social observability of the transgression (vs. no social observation of the transgression) resulted in a greater likelihood of sending flowers ($M_{observed}$ = 5.23, SD = 1.67; $M_{not\_observed}$ = 4.45, SD = 1.93); $F(1,422) = 10.95$, $p = .001$, $\eta^2=.03$),

Amount Spent on Flowers. A 2x2 ANOVA was conducted to assess the impact of social context and social observability of the transgression on amount that the

participant would be willing to spend on flowers. Participants reported that they would spend more on flowers when the social context was distinct ($M_{distinct}$ = \$31.09, *SD* = \$18.28; $M_{nondistinct}$ = \$23.51, *SD* = \$14.86), $F(1,422) = 23.98$, $p < .001$, $\eta^2 = .05$), and when the transgression was observed by others ($M_{observed}$ = \$30.69, *SD* = \$18.72; $M_{not\_observed}$ = \$25.49, *SD* = \$15.67), $F(1,422) = 8.17$, $p = .004$, $\eta^2 = .02$). There was also a significant interaction between distinctiveness and social observability of the transgression, $F(1,422) = 6.33$, $p = .012$, $\eta^2 = .01$. Consistent with likelihood of sending flowers, planned comparisons showed that when the social context was nondistinct, there was no difference in the amount participants would spend on flowers ($M_{observed}$ = \$23.82, *SD* = \$14.99; $M_{not\_observed}$ = \$23.26, *SD* = \$14.82; $F(1,422) = .05$, $p = .821$, $\eta^2 = .00$). However, when the social context was distinct, social observability of the transgression (vs. no social observation of the transgression) resulted in a greater amount participants would spend on flowers ($M_{observed}$ = \$35.93, *SD* = \$19.62; $M_{not\_observed}$ = \$27.15, *SD* = \$16.13); $F(1,422) = 16.79$, $p < .001$, $\eta^2 = .04$),

Embarrassment. A 2x2 ANOVA was conducted to assess the impact of social context and social observability of the transgression on embarrassment. Participants experienced more embarrassment when their identity was distinct ($M_{distinct}$= 4.88, *SD*= 2.34; $M_{nondistinct}$= 4.12, *SD*= 2.04, $F(1,422)$= 17.20, $p< .001$, η^2= .03) and when the transgression was observed by others ($M_{observed}$= 5.31, *SD*= 1.95; $M_{not\_observed}$= 3.94, *SD*= 2.29, $F(1,422)$= 38.63, $p< .001$, η^2= .09). There was also a significant interaction between distinctiveness and social observability of the transgression, $F(1,422)$= 14.75, $p< .001$, η^2= .03. Planned comparisons showed that when the social context was nondistinct, there was no difference in embarrassment ($M_{observed}$= 4.39, *SD*= 1.92; $M_{not\_observed}$= 3.90, *SD*= 2.12; $F(1,422)$= 2.48, p= .116, η^2= .01). However, when the social context was distinct, social observability of the transgression (vs. no social observation of the transgression) resulted in greater embarrassment ($M_{observed}$= 6.02, *SD*= 1.66; $M_{not\_observed}$= 3.96, *SD*= 2.42; $F(1,422)$= 58.78, $p< .001$, η^2= .19).

Guilt. A 2x2 ANOVA was conducted to assess the impact of social context and social observability of the transgression on guilt. Different from the previous result, participants experienced less guilt when the social context was distinct ($M_{distinct}$= 4.40, *SD*= 2.32; $M_{nondistinct}$= 4.85, *SD*= 1.92, $F(1,422)$= 4.87, p= .028, η^2= .01). However, they felt guiltier when the transgression was observed by others ($M_{observed}$= 5.19, *SD*= 1.94; $M_{not\_observed}$= 4.10, *SD* = 2.23, $F(1,422) = 28.26$, $p < .001$, $\eta^2 = .06$). Unlike the

previous result, there was not a significant interaction between distinctiveness and social observability of the transgression ($F(1,422)= .03$, $p= .873$, $\eta^2= .00$).

Shame. A 2x2 ANOVA was conducted to assess the impact of social context and social observability of the transgression on shame. Participants did not experience more shame when their identity was distinct ($M_{distinct}= 4.75$, $SD= 2.36$; $M_{nondistinct}= 5.07$, $SD= 1.93$, $F(1,422)= 2.01$, $p= .157$, $\eta^2= .01$), but did experience more shame when the transgression was observed by others ($M_{observed}= 5.58$, $SD= 1.76$; $M_{not\_observed}= 4.32$, $SD= 2.35$, $F(1,422)= 35.68$, $p< .001$, $\eta^2= .08$. However, there was not a significant interaction between distinctiveness and social observability of the transgression, $F(1,422)= 1.33$, $p= .250$, $\eta^2= .00$.

Mediation. Using PROCESS (Hayes and Preacher 2014) following model 7, next it was examined whether the interaction observed between distinctiveness and social observability of the transgression on the likelihood of sending flowers was driven by embarrassment. Embarrassment as a mediator of the relationship between distinct social context and likelihood of sending flowers did not reach significance (with social observation: 95% *CI.*, -.07 to .20; with no social observation: 95% *CI.*, -.03 to .04). However, neither guilt (with social observation: 95% *CI.*, -.04 to .06; with no social observation: 95% *CI.*, -.04 to .06) or shame (with social observation: 95% *CI.*, -.02 to .02; with no social observation: 95% *CI.*, -.05 to .06) mediated this relationship.

I also examined whether the interaction between distinctiveness and social observability of the transgression on the amount willing to spend on flowers was driven by embarrassment. The indirect effect of embarrassment mediated the relationship between distinct social context and amount willing to spend on flowers when the transgression was observed by others (95% *CI.*, .18 to 3.00) but not when the transgression was not observed by others (95% *CI.*, -.55 to .66). As with likelihood of sending flowers, guilt was not a mediator when a transgression was observed by others (95% *CI.*, .-.81, .20) or when a transgression was not observed by others (95% *CI.*, -.84, .14). Similarly, shame did not mediate when a transgression was observed by others (95% *CI.*, -.50, .46) or was not observed by others (95% *CI.*, -1.32, .09).

3.8.3 Discussion

The basic effect is aggravated by social observability. Furthermore, the results show more evidence that embarrassment, not guilt nor shame, is the vicarious emotion that drives reparatory behavior.

So far, this essay has demonstrated that the social context can construct a situational connection, which leads to vicarious embarrassment and reparatory behavior. However, in the previous studies, the social context was manipulated as a victim and a group of observers that have the same traits. These scenarios raise a question: is the effect driven by the victim or the other people in the context? Since this rationale is that the social context creates the situational connection, the victim's traits should not matter. Study 4 was designed to tackle this limitation.

3.9 Study 4: Manipulating the Victim's Trait

In Study 4, a situation is described that occurred in a restaurant either in Paris or in New York City. Also, it is manipulated weather the victim is by being either American or French.

3.9.1 Method

Sample and Design. Eight hundred seven adults were recruited through Amazon's Mechanical Turk and were paid a nominal fee for participating. Participants were randomly assigned to a 2 (restaurant location: Paris vs. New York City) by 2 (victim: American vs. French) between-subjects design. Fifty-three participants reported they were not American and were excluded from this analysis, as were an additional 96 participants who failed an attention check, leaving a final sample of 655 adults (56.5% female; M_{age}=41.40, *SD*=12.86; 83.1% Caucasian).[6]

[6] We administered three attention check questions asking participants to recall information about the experimental scenario. Question 1: *"In this survey you were asked to imagine taking a vacation and having a dining experience in what location?"* and were provided with the response options: (a) New York, New York; (b) Paris, France; (c) Sydney, Australia; (d) Amsterdam, The Netherlands; (e) Tokyo, Japan. Question 2: *"In the scenario, the waitress was…"* (a) American, (b) French, (c) Australian, (d) Dutch, (e) Japanese. Question 3: *"In the scenario, the other restaurant guest that behaved badly was…"* (a) American, (b) French, (c) Australian, (d) Dutch, (e) Japanese. 1 participant incorrectly answered all three questions, 26 participants incorrectly responded to two questions and 69 participants

Procedure. As in Study 1B, participants imagined taking a vacation and visiting a restaurant. The manipulation is similar, with the following changes: Participants in the French victim condition read (word changes in the American victim condition are shown in brackets): *"When the waitress comes to your table and offers you the menu, you realize a French [American] accent. The waitress confirms that she is French [American]. While you go through the menu, suddenly, the American guest rudely yells at the waitress. When you look up from your menu, you notice the American guest spilled beer over the table. A while later, you notice that the American diner left the bar without paying his bill that is $10."*

Next, participants completed measures assessing their impressions of this situation and how they would feel and behave.

Measures. Participants indicated how much money they would put toward the unpaid bill of the other American guest on a slider (ranging from $0 to $10). Participants also indicated the extent to which they felt embarrassed, guilty, and ashamed on seven-point Likert scales (ranging from 1, *not at all*, to 7, *a great deal*) following the same procedure as the previous studies.

3.9.2 Results

Reparatory Behavior. A 2x2 ANOVA was conducted to assess the impact of social context (distinct vs. nondistinct) and victim ethnicity (American vs. French) on reparatory behavior. Participants would put more money toward the unpaid bill when the social context was distinct ($M_{distinct}$=$6.19, SD=$4.56; $M_{nondistinct}$=$3.87, SD=$4.54), $F(1,651)=42.81$, $p<.001$, $\eta^2=.06$, but were similarly likely to engage in reparatory behavior when the victim was American or French ($M_{American}$=$4.97, SD=$4.69; M_{French}=$5.04, SD=$4.71), $F(1,651)=.03$, $p=.857$, $\eta^2=.00$). Further, there was no significant interaction between distinct social context and victim identity, $F(1,651)=.57$, $p=.452$, $\eta^2=.00$.

Embarrassment. A 2x2 ANOVA was conducted to assess the impact of social context and victim ethnicity on embarrassment. Participants experienced more

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incorrectly responded to one question. Our results do not significantly change if we include all the excluded participants in our analyses.

embarrassment when the social context was distinct ($M_{distinct}$=6.11, SD=3.32; $M_{nondistinct}$=4.36, SD=3.20), F(1,651)=47.48, p<.001, η^2=.07, but were similarly embarrassed when the victim was American or French ($M_{American}$=5.00, SD=3.38; M_{French}=5.41, SD=3.36), F(1,651)=1.44, p=.231, η^2=.00. Further, there was no significant interaction between distinctiveness and victim ethnicity, F(1,651)=1.04, p=.308, η^2=.00.

Guilt. A 2x2 ANOVA was conducted to assess the impact of social context and victim ethnicity on guilt. Participants felt similarly guilty regardless of either of them ($M_{distinct}$=2.59, SD=2.39; $M_{nondistinct}$=2.31, SD=2.37), F(1,651)=2.37, p=.124, η^2=.00, ($M_{American}$=2.51, SD=2.46; M_{French}=2.39, SD=2.31), F(1,651)=.51, p=.473, η^2=.00. Further, there was no significant interaction between both variables, F(1,651)=.46, p=.498, η^2=.00.

Shame. The same 2x2 ANOVA was conducted on shame. Participants experienced more shame when the social context was distinct ($M_{distinct}$=4.39, SD=3.18; $M_{nondistinct}$=3.15, SD=2.85), F(1,651)=26.07, p<.001, η^2=.04, and felt slightly more ashamed when the victim was American or French ($M_{American}$=3.50, SD=2.96; M_{French}=4.00, SD=3.17, F(1,651)=3.58, p=.059, η^2=.00). Further, there was a significant interaction between distinctiveness and victim ethnicity, F(1,651)=4.11, p=.043, η^2=.01, Participants felt equally ashamed in the nondistinct social context ($M_{American}$=3.17, SD=2.90; M_{French}=3.14, SD=2.81, F(1,651)=.01, p=.923, η^2=.00); while in the distinct context, participants felt more ashamed when the victim was French ($M_{American}$=3.89, SD=3.00; M_{French}=4.81, SD=3.28, F(1,651)=7.49, p=.006, η^2=.01).

Mediation. Using PROCESS model 4 (Hayes and Preacher 2014), it was evaluated whether the increased reparatory behavior observed in the distinct context (Paris restaurant) was mediated by embarrassment, shame, or guilt. Results are shown in Table 5 and demonstrate that embarrassment mediated the relationship between distinct social context and likelihood of putting money toward the other American guest's bill (95% CI, .62, 1.28). However, guilt (95% CI, -.01, .14), and shame (95% CI, -.08, .27) were not significant mediators.

Table 5: Embarrassment Mediates the Link between Distinct Social Context and Reparatory Behavior (Study 4)

	Embarrassment	Guilt	Shame
Distinct Social Context to the mediator (path a)	1.77***	.28	1.23***
Mediator to Reparatory Behavior (path b)	.53***	.18*	.07
Indirect effects of Distinct Social Context on Reparatory Behavior (ab paths)	.94 (.17)	.05 (.04)	.09 (.09)
Total effect of Distinct Social Context to Reparatory Behavior (path c)	2.33***		
Direct effect of Distinct Social Context to Reparatory Behavior (c-prime path)	1.25***		
Bootstrap results: 95% CI range	[.62, 1.28]	[-.01, .14]	[-.09, .27]

*$p < .05$ **$p < .01$ ***$p < .001$

3.9.3 Discussion

Study 4 replicated previous findings that together, the shared traits of the observer and the wrongdoer and a distinct social context elicits vicarious embarrassment and reparatory behavior. More importantly, it provided critical evidence that these effects are driven by the social context in which a transgression occurs and not by the victim.

3.10 General Discussion

An observer can feel embarrassment for a transgression committed by a stranger when both share traits that are distinct from the social context. This in turn (not guilt nor shame) triggers costly reparatory behaviors, including gift-giving and paying for someone else's bill. This finding generalizes embarrassment, since it not only can be felt vicariously, but also from situational (not dispositional) connections.

This research has some limitations. First, it was studied a specific source of embarrassment; which comes from someone else's transgression. While this situation is common in everyday lives, other sources are not investigated. For example, future research could assess if embarrassment from unintentional mishaps can also arise

from situational connections and, if so, whether the behavioral consequences are similar to the ones were found here.

Second, it was ruled out that the basic effect is driven by guilt or shame, two self-conscious that can also be felt vicariously (Lickel et al. 2005). Future research could investigate under which conditions individuals feel vicarious guilt and shame. More specifically, future studies could investigate if these emotions can also arise from situational connections and, if so, why.

Finally, there may be some circumstances under which vicarious embarrassment leads to fleeing the situation. It was proposed that reparatory behaviors should serve as a mechanism of separation from the wrongdoer. But it is possible that some situations mimic such a strong connection that they do not allow observers to separate themselves. Future research could finetune this finding.

4 Essay 2: From Slum Tourism to Smiley Selfies: The Role of Social Identity Strength in the Consumption of Morally Ambiguous Experiences

This chapter discusses theory, methods and implications of Essay 2

4.1 Introduction

Many legal consumption-related events have been questioned on moral grounds. While appealing to some, these activities trigger outrageous reactions among others. Slum tourism is good example. Visitors ride through impoverished areas while observing and, sometimes, taking pictures of deprived urban zones. This kind of offer is widespread in developing countries, such as Brazil, South Africa, India, and Kenya. Proponents of the idea argue that these tours bring financial resources to the slums while educationally revealing a reality that differs from traditional sightseeing spots (Frenzel 2014). Critics see this practice as exploitative, humiliating, and morally questionable at best. As Kennedy Odede, a well-known social entrepreneur born and raised in one of the largest slums of Kenya, has stated, "they get photos, I lose a piece of our dignity" (New York Times 2010).

In the realm of advertising, a similar phenomenon arises. While some consumers find an advertisement appealing, creative, or even funny, others may characterize it as sexist, racist, and clearly offensive. Examples abound, such as the before/after *Dove* ad, in which the an overweight African American woman represents the "before" whereas a slim white girl captures the "after"; the *Intel* ad in which African American males are used as a metaphor for computer power; and the *Mr. Clean* ad during Mother's Day with the slogan "Get Back to the Job that Really Matters," and a context potentially implying that not only family but housekeeping is what indeed matters in the life of a woman.

In a similar vein, while some consumers hate tabloids for the clear invasion of privacy and the deliberate exposure of celebrities, often in distressful situations, others are happy to purchase the magazines and learn about the mishaps surrounding the rich and famous. Finally, while many consumers are delighted and proud of their selfies and happy to post them in social media, others find some of those pictures clearly disrespectful, such as the smiling selfies taken in front of memorials, concentration camps, and burning houses, to mention a few.

What tie all these examples together is the legality and the relative moral ambiguity of the consumption-related event, leading some consumers to engage in them and others to find them morally repulsive. These opposing opinions pose an interesting psychological question that is yet to be addressed in the literature: Why do some consumers seem to evaluate some activities as morally repulsive while others are find

them appealing or are even willing to pay for them? One possible answer is that the opposing views stem from the different roles people play in society (Stryker and Burke 2000). For instance, journalists' opinions about slum tourism may differ from academics', which may differ from actual consumers' or locals' opinions (Freire-Medeiros 2009, Steinbrink, Frenzel and Koens 2012). Another possibility is that even if the population under investigation is held constant (i.e., consumers), there is just a considerable degree of heterogeneity in their sensitivity to ethical issues (Vitell and Muncy 2005), which in turn impacts their preferences towards morally ambiguous consumption experiences. Over and above heterogeneity in moral sensitivity as well as differences in perspectives across roles, there is also a systematic bias that makes some consumers eschew and others embrace these types of activities.

In particular, it is argued in this paper that the salience of one's social identity in a given context impacts the likelihood a potentially offensive consumption activity will be questioned on moral grounds, which can explain at least in part these divergent reactions. More specifically, when the consumer does not share the social identity of the people, places, and/or symbolic meaning of the key entities in the environment— hereafter, *intergroup experiences*—, the potentially offensive consumption activity is less likely to be morally questioned, and as a result, more likely to be approached. When the consumer, on the other the hand, shares the social identity of the target entities— hereafter, *intragroup experiences*— the potentially offensive consumption activity is more likely to be morally questioned, and as a result, less likely to be approached.

A series of five experiments test this general intuition. Instead of focusing on consumption experiences that are clearly moral (e.g., donations to charity; Lee, Winterich and Ross Jr. 2014; Winterich, Mittal and Aquino 2013; Winterich, Zhang and Mittal 2012) or immoral, most often illegal (e.g., shoplifting; Babin and Babin 1996; Cox, Cox and Moschis 1990), this paper contributes to the literature by focusing on legal but morally ambiguous consumption experiences. Critically, it demonstrates how the shared social identity and its impact on the cognitive accessibility of moral judgments can in part explain the divergences in opinions towards these experiences.

4.2 Theoretical Background

Morality is the judgment of right and wrong (Hauser 2006), of proper or improper behavior, given a shared set of norms and values. It arises from cognitive and emotional reactions to issues related to one or more dimensions or foundations (Graham et al. 2009, 2011, 2013; Haidt and Graham 2007). Morality is embedded in the marketplace, and consumers and companies often face the challenge of balancing moral concerns (i.e., social obligations) against market considerations (i.e., profit and self-interest) (Grayson 2014; Sunderer and Rössel 2012). The literature that investigates morality in the marketplace tends to focus on behaviors that are either moral or immoral. When it comes to morally desirable behavior, research has focused mainly on how morality impacts pro-environmental behavior (Feinberg and Willer 2013; Wolsko, Ariceaga and Seiden 2016), charitable donations (Winterich et al. 2012, 2013), and other pro-social behaviors (e.g., fair trade; Sunderer and Rössel 2012). When it comes to moral transgressions, researchers have investigated not only consumers' immoral and even illegal conduct—e.g., shoplifting (Babin and Babin 1996; Cox et al. 1990) or the acquisition of counterfeit luxury brands (Willcox, Kim and Sen 2009)—but also their reactions to *others'* immoral conduct—e.g., a consumer's response to the misdeed of an organization (McGraw, Schwartz and Tetlock 2012; Kirmani et al. 2016), a celebrity endorser (Bhattacharjee, Berman and Reed 2013), or a victim responsible for her own problem asking for donations (Lee et al. 2014)—or to *others'* "more" moral conduct (Zane, Irwin and Reczek 2016).

But moral judgments are known to be flexible. Recent evidence indicates that moral judgments vary as a function of colors (De Bock, Pandelaere and Van Kenhove 2013) and time (Conway and Garowski 2013; Kouchaki and Smith 2014; Suter and Hertwig 2011). Also, people who differ in values and norms (e.g., conservatives vs. liberals) and even in their self-construal (e.g., independent vs. interdependent) tend to judge the morality of certain behaviors differently, such as whether the environment is a moral issue (Feinberg and Willer 2013; Wolsko et al. 2016) or whether buying counterfeits is morally wrong (Kim and Johnson 2014). The argument is built on this emerging literature to understand consumer reactions to legal but morally ambiguous consumption activities.

4.3 Social Identity and moral considerations

Individual categorize, compare, and identify themselves in relation to others according to their commonalities (Tajfel 1981). The dimensions used to form social identities, or perceived group memberships, include demographic characteristics (e.g., female, American), social roles (e.g., parent, consumer), and stigmas (e.g., alcoholic, obese), to name a few (Deaux et al. 1995). The relative importance and impact of a given social on judgment and decision making varies as a function of the contextual salience of the social categorization cues in the environment (Tajfel 2010). Gender is likely to be a impactful social identity dimension when a girl participates in a math task (John, Schmader and Martens 2005) and body weight may turn out to be a dominant social identity dimension when overweight women face a dating situation (Major, Eliezer and Rieck 2012). Put simply, people (e.g., Caucasian, obese), places (e.g., a memorial, a neighborhood), and objects (e.g., a flag, a military costume) can all serve as cues to particular social identities, which may in turn influence social judgment and behavior. A Favela in Rio de Janeiro is likely to make the Brazilian social identity salient impact how Brazilians (vs. foreigners) interact with people and place in that environment. The 9-11 memorial is likely to make the American social identity salient, which can in turn impact how Americans (vs. foreigners) act in that environment.

There has been sufficient evidence suggesting that when people share the social identity of the environment (i.e., intragroup experiences) they tend to behave differently relative to a condition in which they do not share the social identity of the environment. One clear general effect is the so-called intergroup bias—that is, an inclination to favor one's own group over others (see Hewstone et al. 2002, for a review). It refers not only to other people but to any entity that might relate to a given group. For instance, in-group favoritism and out-group avoidance or derogation happens not only to people but also to brands and products, which are associated to particular groups (Stafford,1966; White and Dahl 2006 2007).

Of particular interest is the evidence that intra vs. intergroup experiences can also impact moral judgment and moral behavior. In contexts of clear harm to others, people are more likely to morally disengage from out groups by minimizing the victims' suffering (Leidner et al. 2010). People are also more empathetic to the suffering of in-group than out-group members (Fiske 1991), particularly when the

perpetrator of the harm is an out-group (Molenberghs et al. 2016). Finally, though direct evidence is scant, the impact of intergroup bias on moral suppression is often used to account for severe moral transgressions against out-groups, such as hate crimes, prisoner abuse, and genocide (Allport 1954; Fiske, Harris and Cuddy 2004, Schwartz and Struch 1989).

In short, when dealing with the impact on intra (vs. inter) group experience on moral sensitivity to clearly immoral actions, intragroup favoritism and intergroup derogation tend to emerge. It is built on these findings to assess whether intra (vs. inter) group experiences can explain differences in preferences for morally ambiguous consumption-related events. Because the focus is on potentially (rather than clearly) immoral conducts, an important distinction between moral consideration and moral sensitivity (see also Reynolds and Miller 2015) is made. The former, by the definition, precedes the latter. One must consider before reacting slightly or significantly to it. Moral sensitivity refers to how people react negatively to an immoral conduct (e.g., shoplifting). Moral consideration focuses on the likelihood that a consumer will judge an ambiguous event on moral grounds (e.g., slum tourism). Take the example of a *blatant* sexist Ad. Both men and women will likely judge them on moral grounds, but women are more likely to feel offended than men. Now think of a *subtle*, and possibly unintended, sexist ad. Not only women will be more sensitive to it once the ad is judged on moral grounds, but the likelihood that the ad will be judged on moral grounds is also likely to be higher among women than men. Whereas a lot of research has been conducted to address the impact of groupness of the correlates of moral sensitivity (Fiske 1991; Molenberghs et al. 2016; Leidner et al. 2010), much less is known on the drivers of moral consideration and its subsequent impact on consumer preference.

4.4 Hypothesis, Rationale and Overviews of the Experiments

This paper, therefore, tests whether intergroup bias and its impact of moral consideration can explain in part a common phenomenon in the marketplace: the widely discrepant consumer preferences for morally ambiguous experiences. It is hypothesized that moral considerations are likely to be less cognitively accessible when consumers do not share (vs. share) the salient social identity of the environment. As a result, consumers are more prone to choose or react more positively to a morally

ambiguous consumption activity when facing intergroup (vs. intra-group) experiences.

4.5 Experiment 1 – Slum Tourism

Although there are many legal consumption experiences that may trigger a moral debate, slum tourism is probably one of the most compelling examples. Its origin can be traced back to the Victorian period, when wealthy English men and women, often accompanied by a police officer or priest, would venture through the London slums to observe the living conditions of the poor (Koven 2004). It did not take long for the practice of "slumming" to reach the US. In the 1880s, companies were already offering slum tours in the major American metropolitan areas, such as New York, Chicago, and San Francisco. Over time, and with the rise in international tourism, the so-called Global South took the lead in this market. In Rio de Janeiro alone, it is estimated that 40,000 visitors partake of slum tourism every year (Tourism Concern 2014). A similar trend can be observed in the South African townships, which receive approximately 300,000 visitors a year (Rolfes 2010). Nowadays, slum, ghetto, township, or favela tourism is offered by tourism professionals in more than 12 countries from Jakarta to São Paulo, from Mumbai to Mexico City, from Cairo to Manilla, from Nairobi to Buenos Aires. One Argentinian company offers not only in-site visits, but also aerial tours over the impoverished "Villa 20" (Steinbrink et al. 2012).

Despite or maybe because of its prevalence, there is a fierce moral debate now being waged about this form of consumption in the press (Anadolu Agency 2016; Forbes 2016) and in academia (Dürr and Jaffe 2012; Freire-Medeiros 2009, Frenzel et al. 2015; Kieti and Magio 2013; Mekawy 2012). Some see it is an eye-opening educational experience, whereas others are convinced that it is no more than an exploitative activity offered to the wealthy at the expense of the poor. It is argued that group membership can at least in part explain this apparent ambiguity.

In experiment 1, slum tourism was chosen as the morally ambiguous activity. This is an increasingly widespread tourist product in developing countries (Tourism Concern 2014), which looks very attractive to some tourists (Frenzel 2014) but also receives a lot of morally grounded criticism (New York Times 2010).

It was assessed the extent to which group membership and the moral connotation of a favela (slum) tour impacted Brazilian and foreign tourists' choice of a tourism activity in the city of Rio de Janeiro. In line with the general intuition, it was expected that in-group consumers—here operationalized by the tourists' country of origin (Forgas and O'Driscoll 1984; Poppe and Linssen 1999)—would be less likely to choose and more likely to avoid a morally questionable favela tour than the out-group consumers. However, when the favela visit had little or no moral connotation associated with it, no difference between the in-group and out-group consumers was expected. Rio de Janeiro is an ideal place to conduct this kind of research, as it is the main Brazilian tourist destination for both foreign and national tourists and also has a booming trade in "favela tours."

4.5.1 Method

Sample and design. Two hundred and fifteen participants (98 females; M_{age} = 26.62, SD_{age} = 5.69) were recruited in four hostels in the city of Rio de Janeiro. Thirteen participants returned invalid questionnaires (i.e., did not answer several questions, including the main dependent variables) and were accordingly removed from the sample. The final sample consisted of foreign (n = 125) and Brazilian (n = 77) tourists visiting the city. The study adopted a two (group membership: in-group consumers vs. out-group consumers) by two (moral connotation of the tour: morally questionable tour vs. morally neutral tour) between-subjects design.

Procedure. After receiving authorization from the hostel, guests were approached individually in the lobby and asked to participate in a short survey about tourist preferences in Rio. The tourists who agreed to participate in the study were then presented with three tour options in the form of advertising flyers. Four tour flyers were created specifically for the experiment. Two non-target tours (*Historic Little Africa* and *Floresta da Tijuca*) were the same across conditions, while the target flyer (*Favela Tour*) varied across conditions. Participants in one condition saw an advertising flyer for a favela jeep tour, whereas those in the other condition saw an advertising flyer for a favela jazz tour. The favela jeep tour flyer represented the morally questionable target tour. It portrayed a typical safari-like jeep tour (which is often the case in tours of this kind in Rio) and highlighted that the main purpose of the tour was to "observe and take unique pictures in one of the most challenging urban

environments in Rio." The favela jazz flyer represented the morally neutral option. Participants saw the same background picture of a favela, but the jeep was replaced by a musical note and by the shadow of musician playing a trumpet. Further, the purpose of this tour, as described in the flyer, was to "listen to world class music and dance in one of the most breathtaking jazz clubs in Rio." (Bars and clubs in the so-called "pacified" favelas of Rio are also common tourist attractions.)

The participants were assigned to one of the two between-subject conditions. The experimenter was careful not to let any tourist see that any manipulation was taking place (i.e., that there was a change of target flyer). The target flyer was always displayed in the middle. Participants were presented with the three tour flyers (two non-target flyers + the target flyer) and asked to examine each one of them carefully. In the follow-up survey, they were first informed that all the tours (a) took about 3 hours each, (b) cost about the same, and (c) were led by a reliable professional guide. Participants were then asked to indicate (1) which of the three tours they would like to take and (2) which of the three tours they would rather avoid. These questions captured the two dependent variables. It is worth noting that the latter measure was designed to inform us whether the participants were simply indifferent to the non-chosen options or whether they would be more reluctant to pick one or the other. Evidence of systematic avoidance of a morally questionable option would provide additional support to the general hypothesis.

After the dependent variables, a series of socio-demographic questions and questions on previous experiences were asked along with the other key independent variable (country of origin). It is well established that country of origin is one of the clearest indicators of group membership (Forgas and O'Driscoll 1984; Poppe and Linssen 1999). Thus, Brazilian tourists served as a proxy for in-group consumers (i.e., *intra*group consumption experience) while foreign tourists served as a proxy for out-group consumers (i.e., *inter*group consumption experience). The questionnaires were administered in Portuguese or English, depending on the participant's preference. The translation and back translation procedure were employed to ensure accuracy of meaning. In order to reduce the social desirability bias, the participants filled out the questions privately. They were also informed that: (a) the completion of these questionnaires was entirely voluntary, (b) the responses were anonymous, and (c) there were no inherently right or wrong answers. The target and non-target flyers and the English version of the survey are presented in Appendix A.

Pre-test. To test the assumption that in general people would be more likely to see the Favela Jeep Tour flyer as more morally questionable than the Favela Jazz Tour flyer, it is presented a group of 44 students (16 foreigners and 28 Brazilians) with both flyers and explicitly asked them to indicate which of the two tours (Jeep vs. Jazz) was more likely to raise moral concerns and/or be seen as morally questionable and why. As expected, once prompted with the question, the participants were much more likely to see the Favela Jeep Tour (81.8%) as morally questionable ($z = 4.22$; $p < .001$). Their explanations were also in line with the expectations: "It seems like poor people are an attraction…[it doesn't] respect their dignity as human beings;" "The Jeep Tour seems like a safari tour in which the visitors are distant;" "a favela is not a product;" "Favela is not a place to take pictures or make tourism, but the house of citizens."

4.5.2 Results

Tour choice. In the main task, it is expected that group membership and the moral connotation of the target tour would interact on tour choice. More specifically, out-group consumers (i.e., foreign tourists) were expected to choose the morally questionable favela tour more frequently than the in-group consumers (i.e., Brazilian tourists), whereas both groups should be equally likely to choose the morally neutral favela jazz visit. The observed effect matched the hypothesis. In the condition where the target tour could be questioned on moral grounds (i.e., favela jeep tour flyer), 45.7% of the out-group consumers chose that option, whereas only 4.5% of the in-group consumers did so ($\chi^2(1) = 21.88$, $p < .001$). In the condition where the target option was morally neutral (i.e., favela jazz), there was no significant difference between the conditions ($\chi^2(1) = 2.24$, $p = .13$). If anything, the effect moved in the opposite direction: 38.2% of the out-group consumers chose the target option, while 54.5% of the in-group consumers made the same choice. Also, among the in-group consumers, the proportion who chose the target tour was significantly higher for the morally neutral tour than for the morally questionable tour ($\chi^2(1) = 24.51$, $p < .001$), whereas the proportion of out-group consumers who chose the target tour was the same irrespective of whether the tour could be seen as morally questionable or not ($\chi^2(1) = 0.71$, $p = .40$). Figure 1 displays the pattern of results.

Logistic regression was conducted to assess the interaction. The tourists' choice of *favela* tour (1 = Favela Tour; 0 = Other) on group membership (1 = in-group consumers; 0 = out-group consumers), type of favela tour (1 = morally questionable, and 0 = morally neutral), the interaction term, and a series of controls (i.e., if the person had ever been to Tijuca Forest, if the person had ever been to Historic Little Africa, if the person had ever been on a Favela Tour, if the person had ever been to a favela in Rio de Janeiro, if the person had ever been to a favela outside Rio de Janeiro, gender, age, and education). The results show a main effect of group membership (β = -.97, SD = .38, p = .01), such that out-group consumers were more likely to choose one of the target tours than in-group consumers. The results showed a main effect of the moral connotation of the tour (β = -.69, SD = .34, p = .04), such that the tourists in general were more likely to choose the morally neutral tour than the morally questionable one. These main effects were qualified by interaction in the predicted direction (β = -3.58; SD = .96, $p < .001$). The results remain unchanged if the controls are removed. (See Appendix B for all the coefficients.)

Tour avoidance. Participants were also asked to indicate which of the three options they would rather avoid. The same analyses were then conducted. It was expected that the in-group consumers (i.e., Brazilian tourists) would be more likely to deliberately avoid the morally questionable tour than the out-group consumers (i.e., foreign tourists) and that there would be no difference for the morally neutral target tour. The results confirmed this intuition (n= 114): 19.4% of the out-group consumers avoided the morally questionable target tour, while this proportion jumped to 60.0% among the in-group consumers ($\chi^2(1) = 18.25$, $p < .001$). Further, there was no significant difference across conditions when the target tour was morally neutral ($\chi^2(1) = 0.66$, p = .42). If anything, the effect moved in the opposite direction (n= 88): 31.9% of the out-group consumers avoided the morally neutral tour whereas only 23.3% of the in-group consumers did so. Also, among the in-group consumers, the proportion of tourists who avoided the target tour was significantly lower for the morally neutral tour than for the morally questionable one ($\chi^2(1) = 9.34$, p = .002), whereas the proportion of out-group tourists who avoided the target tour was the same irrespective of whether the tour could be seen as morally questionable or not ($\chi^2(1) = 2.33$, p = .13). Figure 2 displays the pattern of results.

Again, the logistic regression including all the controls confirmed the interaction. There was a main effect of group membership (β = .91, SD = .41, p = .02), such that

the in-group consumers were in general more likely to avoid the target tour than the out-group consumers. There was a marginal main effect of moral connotation of the tour (β = .73, SD = .40, p = .07). Most importantly, there was a significant interaction in the predicted direction (β = 2.35; SD = .82, p = .004). The results remain unchanged if the controls were removed. (See Appendix C for the coefficients.)

4.5.3 Discussion

The results showed that in the context of favela tours, the potentially morally questionable option (i.e., visiting a favela and taking pictures of locals and surroundings from a safari-like Jeep) was more likely to be chosen and much less likely to be avoided by out-group consumers than by in-group consumers. Take the moral connotation away (i.e., visit a favela with the purpose of going to a unique jazz club with a breathtaking view) and the in-group and out-group consumers behaved similarly. The intuition is that because consumers are less likely to consider the morality of their actions in intergroup consumption experiences as opposed to intragroup ones, out-group consumers are more prone than their in-group counterparts to engage in and less prone to avoid morally questionable tourism activities. Further, the design provides clear evidence that in-group consumers do not simply avoid favelas altogether. When the tourism activity was less likely to be questioned on moral grounds (i.e., Favela Jazz flyer), the in-group consumers were just as likely as the out-group consumers to choose the target option.

Nonetheless, experiment 1 has a few limitations. First, the tours (Jazz vs. Jeep) could vary in ways other than their moral connotation that could in theory explain the interaction observed. Second, there was no direct evidence for the proposed underlying mechanism: in-group consumers being more likely to consider the morality of the Favela Jeep Tour than out-group consumers. Third, although the experiment was conducted in the field with actual Brazilian and foreign tourists, the choices were hypothetical. Experiment 2 tackles these issues.

4.6 Experiment 2

Experiment 2 was conducted along similar lines to experiment 1 with the exception of three important changes. To overcome the fact that the Favela Jeep and Favela Jazz options may vary in other dimensions, the tourists in all the conditions were shown

the same target option (Favela Jeep Tour). Second, the proposed mechanism was assessed by priming half of the participants with moral considerations prior to the main task (of choosing a tour), while the other half served as controls. If moral considerations are much less readily accessible to out-group than in-group consumers and this phenomenon at least partially drives the effect, then a priming manipulation that makes moral considerations readily accessible to all should mitigate the differences between the groups in their preferences for a morally questionable favela tour. Finally, the robustness of the findings was assessed by offering a real choice to the tourists: they could actually win the tour they chose.

4.6.1 Method

Sample and design. Three hundred and twenty-three participants (157 females; M_{age} = 31.79, SD_{age} = 9.74) were recruited in four hostels and at tourist sites in the city of Rio de Janeiro. The sample consisted exclusively of foreign (n = 132) and Brazilian (n = 191) tourists visiting the city. The study adopted a two (group membership: in-group consumers vs. out-group consumers) by two (priming: moral consideration vs. control) between-subjects design.

Procedure. Tourists were approached and asked to fill out a short survey about tourists' interests and behavior in Rio de Janeiro. If they accepted, they would be included in a raffle as a token of appreciation for their participation. The survey itself served as the priming manipulation. In the conditions where moral considerations were made more cognitively accessible, the survey was about three morally questionable behaviors: drunk-driving, bribery, and teenage prostitution. The participants were given a short scenario about a tourist in Rio and asked to indicate whether the tourist's behavior was acceptable, understandable, or morally questionable. In the control condition, the participants were asked their opinion about three neutral topics (e.g., impressions of the city of Rio). See Appendix D for a full description of the survey in both conditions.

After filling out the survey, the participants were told that they would participate in a raffle to win one of three tours: Favela Jeep Tour, Historic Little Africa, and Floresta da Tijuca (the same used in experiment 1). They were told that the tour to be raffled would be selected later based on the preference of the tourists who participated in the

surveys. They were then asked to indicate the tour they would like to be raffled as well as the tour they would not want to be raffled.

The same flyers created for the first experiment were digitalized and used in this iPad-based study. The order of the flyers varied across the subjects on the screen. The order of the flyers did not impact on tour preferences ($\chi^2(1) = 2.83$; $p = .72$) or tour avoidance ($\chi^2(1) = 2.81$; $p = .57$). After choosing which tour they would like to win in the raffle and which tour they did not want to win in the raffle, they answered the same control questions and socio-demographic questions as in experiment 1, including their country of origin.

4.6.2 Results

Tour choice. It was predicted that group membership would interact with the priming manipulation on tour choice. More specifically, it was expected that, as in experiment 1, out-group consumers would choose the favela jeep tour more frequently than the in-group consumers in the control condition. However, in the condition where moral considerations were made more cognitively accessible prior to choice, the difference in preference between in- and out-group consumers was expected to be lower, driven mainly by a significant decrease in the proportion of out-group consumers who chose the favela jeep tours. The results confirmed this intuition.

In the control condition, 45.3 % of the out-group consumers chose the favela jeep tour, as opposed to just 21.2 % of the in-group consumers ($\chi^2(1) = 6.99$, $p = .008$). This finding replicates the results of experiment 1, while using a consequential decision. In the moral priming condition, the difference between the in-group (16.04%) and out-group consumers (23.19%) disappeared ($\chi^2(1) = 1.40$; $p = .24$). Further, this null effect was driven by a significant decrease in the preference for the Favela Jeep Tour among the out-group consumers after moral priming ($\chi^2(1) = 4.96$; $p = .03$). Among the in-group consumers, the change was non-significant ($\chi^2(1) = .83$; $p = .36$). Figure 3 summarizes the results.

As in experiment 1, a logistic regression was conducted. The tourists' preference for the favela jeep tour (1 = favela jeep tour; 0 = other) was regressed on group membership (1 = in-group consumers/Brazilian tourists; 0 = out-group consumers/foreign tourists), priming condition (1 = moral priming; 0 = control), the interaction term, and a series of control variables (the same ones used in experiment

1). The results show a main effect of group membership (β = -.73, SD = .34, p = .035), such that the in-group consumers were more likely to choose the favela jeep tour than the out-group consumers. The results show a main effect of priming (β = -.61, SD = .28, p = .032), such that the tourists were more likely to choose the favela jeep tour in the control condition than in the moral priming condition. The interaction, however, was not statistically significant (β = .49; SD = .56, p = .381). The results remain unchanged if the controls are removed. (See Appendix E for the coefficients.)

Tour avoidance. The participants were also asked to indicate which of the three options they did not want to be raffled. The same analyses were then conducted. It was predicted that group membership would interact with moral priming on tour avoidance, such that in the control condition, in-group consumers would avoid the favela jeep tour more frequently than out-group consumers, whereas in the moral priming condition, this difference would be mitigated, mainly driven by a significant increase in the proportion of out-group consumers who would now avoid the favela jeep tour.

The results confirmed the expectations. In the control condition, 22% of the out-group consumers avoided the favela jeep tour, as against 61.2% of the in-group consumers ($\chi^2(1) = 22.22$, $p < .001$). In the moral priming condition, there was no significant difference across conditions: 43.5% of the out-group and 48.1% of the in-group consumers avoided the option of a favela jeep tour, while 48.1% of in-group consumers did so ($\chi^2(1) = 0.66$, $p = .42$). Also, in line with the expectations, when moral considerations were made salient to out-group consumers as a result of the priming manipulation, the proportion of them who chose to avoid this tour increased significantly ($\chi^2(1) = 6.69$; $p = .01$). This was not the case among the in-group consumers. If anything, there was a marginal decrease in favela jeep tour avoidance among the in-group consumers after moral priming relative to the control condition ($\chi^2(1) = 3.24$; $p = .07$).

A logistic regression was also conducted. The tourists' avoidance of the favela jeep tour (1 = favela jeep tour; 0 = other) was regressed on group membership (1 = in-group consumers/Brazilian tourists; 0 = out-group consumers/foreign tourists), priming condition (1 = moral priming; 0 = control), the interaction term, and the control variables. The results show a main effect of group membership (β = .67, SD = .27, $p < .002$), such that out-group consumers were less likely to avoid the favela tour than in-group consumers. No significant main effect of condition was found (β = -

.036, SD = .23, p = .87). Most importantly, a significant interaction in the predicted direction was found (β = -1.54; SD = .51, p = .002). The results remain unchanged if the controls were removed.

4.6.3 Discussion

Experiment 2 provides two main additional contributions. First, it replicates the previous findings with a consequential decision. Out-group consumers were more likely to choose a morally questionable favela tour, whereas in-group consumers were more likely to avoid this type of tourism. Further, the experiment provides evidence consistent with the proposed underlying mechanism, which essentially suggests that moral considerations are less readily available to out-group consumers than their in-group counterparts. Hence, when moral considerations were made salient to both out-group and in-group consumers, the differences in preferences between them disappeared. This effect was mainly due to a change in preference among the out-group consumers, who, once primed with moral considerations, became significantly less likely to choose and significantly more likely to avoid a favela jeep tour.

4.7 Experiment 3

In this final experiment, the generalizability of the proposed phenomenon was assessed by focusing on a different morally questionable context (i.e., taking smiley pictures in front of a memorial). Further, this time around group membership was reversed, making Brazilian tourists the out-group. In particular, the extent to which group membership and the moral connotation of photos taken of vacations to New York City impacted Brazilian and US tourists' reactions to the photos was assessed. In this experiment, Brazilian tourists were the out-group consumers while American tourists represented the in-group. In line with the general intuition, it was expected that members of the out-group — again, operationalized by the participants' country of origin (Forgas and O'Driscoll 1984; Poppe and Linssen 1999) — would be less likely than members of the in-group to take a morally questionable photo (smiling selfie) at the 9-11 Memorial. However, when the photo was morally neutral (thoughtful face), no difference between the in-group and out-group consumers was expected.

Further, contrary to previous studies, this final experiment further assesses the proposed mechanism by asking the participants to justify their preferences, which then allowed us to compute the proportion of in-groups versus out-group consumers who mentioned morally related concerns in their justifications.

4.7.1 Method

Sample and design. Four hundred and thirty-three participants (192 females; M_{age} = 32.95, SD_{age} = 11.13) were recruited in two online platforms (M-Turk for Americans; Netquest for Brazilians) during the same period of time. To assess whether the participants were familiar with the 9-11 Memorial and its meaning—a pre-requisite for the experiment—the participants were asked the following question: "Have you ever heard about the Ground Zero (9/11) Memorial? If so, can you briefly tell why it was built?" Thirty-three Americans and 28 Brazilians indicated they did not know what the 9-11 Memorial meant and were accordingly removed from the sample. The final sample consisted of 363 participants (159 females; M_{age} = 33.47, SD_{age} = 10.72; 189 Americans and 174 Brazilians). The study adopted a two (group membership: in-group consumers vs. out-group consumers) by two (picture: morally questionable vs. neutral) between-subjects design.

Procedure. The participants were asked to fill out a short survey about five different photos taken in New York City. The cover story explained that they should imagine being on vacation in New York City and indicate the likelihood of taking each of the five photos ("How likely would you be to take a picture like the one below?"). Four photos were the same across conditions and showed pictures of people in the following locations: Central Park, Empire State Building, Statue of Liberty, and Times Square. The fifth picture varied across conditions. In the control condition, the picture showed a couple with thoughtful faces in front of the 9-11 Memorial. In the morally questionable condition, the picture showed a couple taking a selfie while smiling in front of the 9-11 Memorial. (See Appendix G for the pictures) The order of the pictures varied across subjects on the screen. It had no impact on the main dependent variable ($F(113, 258) = 1.05$; $p = .37$).

After indicating the likelihood of taking each of the pictures, the participants were asked to justify why they indicated that particularly likelihood for the 9-11 picture as well as a random second picture. Here, also, the order varied across conditions.

Lastly, the participants answered some control and socio-demographic questions, including their country of origin.

4.7.2 Results

The hypothesis predicted that group membership would interact with the picture when it came to the likelihood of taking that particular photo. More specifically, out-group consumers were expected to give a higher likelihood of taking the smiley (i.e., morally questionable) picture then the in-group consumers. However, no differences were expected between out-group and in-group consumers for the thoughtful (i.e., morally neutral) picture. The results confirmed this expectation.

There was a significant interaction between group membership and picture ($F(3, 359) = 10.16$; $p < .001$) on likelihood of taking the target picture. Pairwise comparisons revealed that the in-group consumers were less likely to take a morally questionable smiley picture at Ground Zero ($M = 38.09$; $SD = 3.56$) than the out-group consumers ($M = 64.07$; $SD = 3.20$; $F(1,196) = 29.13$; $p < .001$). However, there was no significant difference between the two groups when the target picture was morally neutral ($M_{in\text{-}groups} = 49.10$; $SD = 3.77$; $M_{out\text{-}group} = 53.91$; $SD = 3.52$; $F(1, 163) = .86$; $p = .355$). Lastly, regression analysis showed that the results did not change when control variables (e.g., gender, age, education, etc.) were included. (See Appendix H for all the coefficients.)

Moral Considerations. Two independent coders, who were blinded to the purpose of the research and the experimental conditions, were asked to categorize the justifications. Specifically, they were given the following instructions: "I am interested in knowing which of these justifications has a moral connotation. Specifically, it is explored if the justification the participant has provided indicates that she would not take the picture, or would not be very inclined to do so because it seems wrong, disrespectful, inappropriate, morally questionable, etc. If the justification contains this kind of thought, please type 1. Otherwise, please type 0. The coders agreed 92% of the time. The remaining 8% were solved by consensus.

The proportion of people in each condition that mentioned morality-related issues in their justifications for not taking a picture like this was compared. Among the in-group consumers, 17.4% of the consumers mentioned morality in their answers about

the morally neutral (i.e., thoughtful face) condition, while 35.9% of the consumers in the morally questionable (i.e., smiley face) condition did so ($\chi^2(1) = 8.03$, $p = .005$). Among the out-group consumers, there was no significant difference across the conditions: 3.8% of consumers mentioned morality-related issues in their answers for the morally neutral condition, while 7.3% did so in the smiley condition ($\chi^2(1) = 1.01$, $p = .314$). The out-group consumers were more likely than the in-group to mention morality in their answers both in the control ($\chi^2(1) = 7.89$, $p = .005$) and the smiley conditions ($\chi^2(1) = 23.31$, $p < .001$). As Figure 6 clearly shows, the in-group consumers were much more likely to make moral judgments, and this is particularly true when a morally questionable action was presented to them. Interestingly, the out-group consumers were rather "blind" to the potential immorality of the action. A mediation analysis confirmed this expectation.

Using a bias-corrected bootstrapping method for binary mediation (5,000 iterations; Kenny 2008, 2009), showed that for in-group consumers, the indirect path from type of picture → morality → likelihood of taking the picture was negative and significant (β = -.14, $p = .004$, 95% CI = -.24 to -.04), whereas the direct effect of condition on likelihood was not significant (β = -.04, $p = .13$, 95% CI = -.16 to .09), which indicates a full mediation. For the out-group consumers, however, only the direct effect was significant (β = .18, $p = .018$, 95% CI = .03 to .32), the indirect effect was not significant (β = -.04, $p = .310$, 95% CI = -.11 to .03), which indicates no mediation. In short, and consistent with the rationale, for in-group consumers, the effect of picture condition (thoughtful vs. smiley) on the likelihood of taking the picture was mediated by moral considerations, whereas for out-group consumers the effect of the type of picture (thoughtful vs. smiley) on the likelihood of taking the picture was not mediated by moral considerations.

4.7.3 Discussion

Experiment 3 provides two main additional contributions. First, it extends the previous findings to a different context. Out-group consumers are more likely to take morally questionable pictures than in-group consumers. Further, the experiment changed group membership, making Brazilians the out-group and Americans the in-group. Interestingly, the Brazilians now acted in a typical way for out-group, being more likely to take a morally questionable picture, while the Americans were not as

likely to take such a picture. This essentially suggests further evidence that group membership plays an important role when considering the consumption of morally ambiguous experiences.

4.8 General Discussion

Opposing views on certain consumption experiences pose an interesting psychological question: Why do some consumers find some experiences appealing while others find them rather appalling? This paper provides direct evidence that group membership and its impact on the cognitive accessibility of moral considerations at least partially explains the divergent preferences. By focusing on legal but morally ambiguous consumptions experiences, it is investigated whether there is a systematic bias that helps explain why some people find some consumption activities attractive while others find them morally repulsive. Specifically, it is proposed that out-group consumers are more prone to choose consumption activities that in-group consumers often find morally questionable because moral considerations come more easily to the mind of in-group than out-group consumers. In a series of three experiments, the results show that in-group consumers were more likely to engage in a morally ambiguous experience, such as going on a Favela Jeep Tour or taking a selfie while smiling in front of the 9-11 Memorial. Further, evidence is provided that moral considerations, which come more easily to the mind of in-group consumers than out-group consumers, help explain the phenomenon. When the moral connotation of an activity is acceptable (experiments 1 and 3) or when moral judgments are made cognitively accessible to both in- and out-groups prior to choice (experiment 2), the discrepancy in preferences between these groups disappears.

This article contributes to the literature on a few fronts. First, instead of focusing on consumption experiences that are clearly moral (e.g., donations to charity; Lee et al. 2014) or immoral, most often illegal (e.g., shoplifting; Babin and Babin 1996; Cox et al. 1990), this paper targets legal, prevalent, but morally ambiguous consumption experiences. Second, it demonstrates how group membership and the accessibility of moral judgments can in part explain divergences in opinions toward these experiences. Over and above sensitivity to moral issues, the group a consumer belongs to when assessing a consumption experience (in-group vs. out-group) has a significant impact on their willingness to engage in or avoid that experience because

of their cognitive access to moral considerations (or lack thereof). Although there is some anecdotal and empirical evidence suggesting an association between group membership and blatant moral transgressions (e.g., intergroup violence; Leidner and Castano 2012; Leyens et al. 2007; Waytz and Epley 2012), this essay is the first to provide direct evidence of the underlying role of moral considerations in legal but morally ambiguous actions.

That said, this research has some limitations. One is that this research only explored the hypothesis in two situations related to tourism and not in other types of products that could be potentially morally questionable. This presents an opportunity for those who want to further investigate the phenomenon. There is certainly a whole host of situations in which the consumption experience can be perceived as morally acceptable or questionable depending on group membership. From cursing the other team at sporting events to drug use, the moral considerations attached to actions are likely to vary as a function of the group one belongs to. In addition, this research did not explore other formations of group membership except nationality. Although country of origin is a strong operationalization of group membership (Forgas and O'Driscoll 1984; Poppe and Linssen 1999), two improvements could be made in the future. First, one could look beyond nationality to assess the extent to which gender, race, or religion, for instance, may also produce effects that are conceptually similar to the ones observed in this study. Second, future research could also try to manipulate responses rather than, to rely on group membership to assess impacts.

In conclusion, moral judgments are common in the marketplace and flexible in human minds. Learning when consumers are more or less likely to ponder the morality of their consumption experiences can help us offer a more complete understanding of consumer psychology.

5 Essay 3: Beyond the Here and Now: A Conversation-Theoretical Perspective on Price Communication

This chapter discusses theory, method and implications of Essay 3.

5.1 Introduction

The last three decades have witnessed a significant shift in the way marketing research and practice construe commercial exchanges between a firm and its customers. The traditional view is transactional in nature, where each interaction stands in isolation and is evaluated on its own, typically short-term, merits. In contrast, the emerging position is that firm and customers are engaged in ongoing relationships, where the goal is to maximize overall, or "lifetime," value (Bagozzi 1995; Srinivasan and Moorman 2005). Nourishing customer trust and loyalty is now deemed a critical business skill (Berry and Parasuraman 1991), in particular when paired with the increasing awareness that attracting new customers is a costly endeavor relative to retaining those who already purchase (Too, Souchon and Thirkell 2001). Key ingredients of relationship marketing include cooperation (Dwyer, Schurr, and Oh 1987; Wilson and Sperber 1995), bilateral communication (Hibbard, Kumar, and Stern 2001), and the optimization of returns over a prolonged period of time (Morgan and Hunt 1994). Accordingly, new lines of enquiry have gained popularity, including studies on customer lifetime value (Ryals 2005), customer loyalty (Kumar and Shah 2004), customer retention (Harris, Baron, and Harris 1995), and customer service management (Christopher 2016).

One important substantive area of marketing research that has resisted this trend is pricing. A case in point is behavioral research in pricing, which primarily questions how alternative means to present a given price can convince customers to purchase or at least improve attitudes toward the product. There are probably several reasons for this approach, including the prevailing belief that price is a negative attribute that marketers should downplay in order to improve sales (Schindler and Kibarian 1996), and the fact that controlled experiments, the standard empirical tool in this domain, are better suited for short-term effects (Ryals, Lynette, and Hugh Wilson 2005).

A common assumption across the behavioral literature on price communication techniques (PCTs) is that customers are mostly unaware of persuasion attempts by firms and, therefore, that there is no space for any effect on attitudes or behaviors beyond the present context (Schindler and Warren 1988). Yet against this premise is rising anecdotal evidence, particularly in social media, that many customers do notice persuasion intentions, they draw inferences from PCTs about the motives of firms, and they often mobilize to retaliate against perceived wrongdoings. This is further

backed by the recent actions of legislators, who have moved to police firms and regulate against practices that they deem deceptive. For example, the UK Office of Fair Trading recently initiated regulations against "unfair, cumbersome, and misleading" pricing practices, including a perceived lack of transparency and unclear surcharges in markets for air travel, insurance, and financial services.

Within this context, the objective of the paper is to present a conceptualization of the most common PCTs that speaks to the emerging philosophy of firm-customer relationships. First, existing PCTs are classified based on the type of action taken by the firm, ultimately sorting them into three groups: price endings, price structure, and price cues. Second, a framework is developed to understand the influence of different techniques on the ongoing relationship between firm and customers. Specifically, a language philosophy approach is taken and conversation theory (Grice 1975; Kasher 1982) is used to predict the impact of a given PCT on the quality of the relationship. Last, it is studied how these maxims apply and raise critical questions that serve as a possible starting point for future research and provide guidance for professionals and policy making.

5.2 Making Sense of the Literature on Price Communication

I conducted a search across five online databases—Science Direct, Google Scholar, PsycInfo, SAGE Journals SSRN—using "pricing" and "price" as keywords for the search published over the last 35 years (N=3,257). A range of 35 years is chosen because the notion of relationship marketing first evolved in the late 1980's (Christopher 2016). This would allow us to observe if this relationship paradigm was implemented in the research of PCTs. then the literature is narrowed down by filtering out all articles that talk about price setting techniques (e.g., dynamic pricing and discounting) and only kept the articles that analyze PCTs (the way marketers manipulate price perception while holding the actual price constant). Then another search is conducted using each price communication technique as a keyword (e.g., "price partitioning") in order to verify the results and ensure the articles of interest to be included. While the focus was on scholarly peer-reviewed articles in marketing, a set of industry publications is included that are frequently cited in the academic literature. Ultimately, the dataset included 238 peer-reviewed articles investigating PCTs. Out of this dataset, the review focuses on 66 articles that were published in the

top 10 ranked journals in marketing and selected relevant disciplines (behavioral economics and management). It was chosen this set of journals because these are the behavioral marketing and customer behavior journals that are most highly respected and all have high impact factors. This allows us to exemplify the diversity of PCTs and demonstrate that this large body of research in price communication applies a rather transactional point of view.

The PCTs were defined and then classified according to the way they change the perception of price while holding the actual price constant. This classification yielded three main forms used to manipulate price perception: (1) changing the endings of the price (price endings), (2) using mathematical rules to represent the price (price structure), and (3) adding external cues to the price (price cues). These three clusters were used because they emerged in the initial review of the literature as being the most frequently occurring PCTs and because they summarize extant knowledge in a parsimonious manner.

5.3 Cluster 1: Price Endings

As the label suggests firms shape their way prices are perceived by modifying the ending. These techniques are characterized by manipulating the amount of detail given at the ending of the price number, after the decimal point. There are three PCTs in this cluster: charm prices; precise prices; and round numbers.

Charm prices. Charm prices are prices that end with .99 (or .95), often resulting in a decrease of the leftmost digit by one (e.g., $1.99 instead of $2.00). As a result, charm prices make the price seem smaller. Research on charm prices has explored many of their potential effects, such as changed preferences, purchase intention, the efficacy of advertising, and changed perceptions of the offer (e.g., lower perceived quality of a product or a better deal). Thomas and Morwitz (2005) show that charm prices increase willingness to pay, whereas Choi et al. (2014) indicate that they reduce guilt in hedonic purchases. While 99-endings can increase sales (Schindler and Kibarian 1996), they can also impair the perceived quality of the product (Stiving 2000). The most common explanation for customers' underestimation of 99-endings is the tendency to round prices down (Schindler and Warren 1988). Thomas and Morwitz (2005) demonstrate that with charm prices the encoded magnitude of the price gets anchored on the leftmost digit (i.e., 2 instead of 2.99 or almost 3).

Precise price. This price communication technique states an exact specific amount, including the two digits after the decimal point (e.g., $1,349.34). The work on precise prices provides mixed conclusions on how this price communication technique affects customers. Coulter, Choi, and Monroe (2012) demonstrate that when cents are added to a price, customer perception of the numerical magnitude increases by a greater percentage than the actual increase in the numerical value of the cent digits, in other words the price seems bigger, because of a greater verbal encoding process. However, Thomas, Simon, and Kadiyali (2010) indicate that customers tend to underestimate the magnitudes of precise prices, positively influencing their willingness to pay.

Round prices. Lastly, round prices manipulate the ending of the price by portraying a non-exact, approximate round number (e.g., $100). Wieseke, Kolberg, and Schons (2016) argue that customers perceive round prices as being more convenient because their high cognitive accessibility saves time and processing effort during transactions. Similarly, Wadhwa and Zhang (2015) demonstrate that round prices are processed more fluently than non-round prices.

5.4 Cluster 2: Price Structure

In this cluster, five PCTs are included that change the algebraic representation of a price by breaking it down into several elements that require calculation to reach the whole price. These techniques include partitioned pricing, temporal reframing of price, discount framings, and transparent pricing.

Price partitioning. In this case, a product's price is split into two or more parts instead of charging one all-inclusive price at once; for example, the partitioning of the price of a mail-ordered product into the base price of the product and the charge for shipping and handling. Price partitioning has a positive effect on purchase intention, possibly because it demands higher cognitive processing for the full price to be understood (Morwitz et al. 1998). While customers tend to be more sensitive to changes in product prices than to supplementary sales taxes (Xia, Monroe and Cox 2004), price partitioning can draw attention to secondary attributes (Bertini and Wathieu 2008) and increase perceptions of sacrifice. Völckner, Rühle, and Spann (2012) found that price partitioning can increase a price's informational (e.g., price-quality) effect, thereby boosting demand; but it also increases the perception of making a sacrifice, and this has an inverse impact on demand. Other research streams

in price partitioning demonstrate additional consequences, for instance, brand attitude can be impaired when customers attribute price recall errors to the firm's actions rather than themselves (Lee and Han 2002). Further, high surcharges can erode perceived price fairness (Sheng, Bao and Pan 2007).

Temporal reframing. This technique involves expressing price in smaller increments, for instance in daily equivalents (e.g., $0.87/day), even if the actual payment is a single aggregate. Gourville (1998) shows that temporal reframing of a price into small increments changes the perception of price so that customers perceive it as an overall smaller expense, resulting in greater purchase intentions.

Transparent pricing. This technique involves presenting the price components and revealing information on the way these components make the total price (e.g., production, transportation, tax, service costs, and profit margins). The marketer varies not only the presentation of the price itself, but also adds the information given to produce the product. Transparent pricing systematically changes the customer utility function, reducing self-interest and influencing customers to select the more expensive of two products because of inequity aversion, procedural justice, and altruism (Carter and Curry 2010).

5.5 Cluster 3: Price Cues

This cluster includes three PCTs that add external or additional cues, which alter the interpretation of the price. These include cues such as reference to a previous or a competitor's price, additional visual cues such as color or position of the price, or verbal cues, such as words or exclamation marks. The three PCTs that are included in this cluster are: numerical, visual cues, and verbal cues.

Numerical cues. Reference prices, for example, are prices other than the actual price of the product or service, which are quoted in order to create a mental association or bias. Examples include decoy offers, auction starting prices, and competitor prices (Chakravarti et al. 2002). Some research shows that reference prices can increase the price a person is willing to pay for a product (Krishna et al. 2002) because customers use the referenced price as an anchor for comparison (Nunes and Boatwright 2004). Consequently, the focal price seems smaller when compared to the referenced price increasing sales.

Visual cues. Visual cues like position, font size or color, have been shown to influence perceptions of price magnitude. For example, the position of a price on a display can influence a customer's numerical estimates of its attributes, such that prices placed on the right side are viewed as larger than prices placed on the left side (Cai, Shen and Hui 2012). Coulter and Coulter (2005) find that when prices are presented in bigger fonts they are perceived as numerically larger, compared to prices presented in a smaller font. In addition, Coulter and Norberg (2009) suggest that a greater horizontal separation of prices leads to greater difference and, hence, price-discount perceptions, linked to a higher perceived value and increased purchase likelihood.

Verbal cues. People code and store prices not only visually, but also verbally (Vanhuele, Laurent and Dreze 2006). Thus, verbal cues that manipulate information not necessarily related to the price can signal about the price. For instance, increasing the verbal length of the price (e.g., "seventy-two" instead of "72") results in increased perceived price, because of a positive relationship between the coding of syllabic length and numerical magnitude (Coulter, Choi, and Monroe 2012). The speed at which price can be enunciated, use of price abbreviations, or inserted text near the price containing words that imply a small magnitude are all examples of verbal cues that influence the price perception influencing purchase.

5.6 Discussion

Two observations stand out from the review and grouping of PCTs offered above: firstly, the literature on price communication is heterogeneous and diversified with many different effects and many possible mechanisms explaining these effects. Researchers and marketers might face difficulties in deriving conclusions from the diversified research, which lacks a common ground for comparison and conceptualization. The PCTs are grouped based on a single common criterion, namely, the way the marketer manipulates price perception for specific communication goals. Thus, the classification of PCTs offers a basis to compare the effects within and between the clusters and makes it more parsimonious. This can be useful for researchers and marketers who want to gain insights about the field of price communication as a whole.

Secondly, and more importantly, this literature review demonstrates a transactional view of price communication and its description in research literature, such as orientation to single sales, change of price perception, intention to buy, and willingness to pay. These foci prevail over research exploring a relationship view of price communications, such as the relational consequences of attitudes towards the product, brand image, loyalty, focus on customer value, or continuous customer contact (Christopher 2016). Lemon and Verhoef (2016) stress the importance of creating a positive customer journey to bond customers. Pansari and Kumar (2017) further emphasize that creating a satisfying relationship through marketing strategies is crucial for the long-term success of a firm.

5.7 Conversation Theory

I employ a language philosophy approach and propose a framework to characterize PCTs based on what is termed "conversational cooperativeness." Specifically, conversation theory is introduced as an overarching explanatory mechanism for all PCTs that could elucidate long-term effects on the relationships between firm and customer.

Conversation theory (Grice 1975; Kasher 1982) suggests that people use conversations as means to achieve their goals. For example, a couple who are engaged in a conversation about the preferred color of their kitchen walls are using conversation to convince each other about which color would be best. As conversations are means to achieve goals, the conversing parties are inherently interested in the conversation succeeding. To make a conversation successful, the conversers act cooperatively by obeying a set of four conversational maxims: quality, manner, relation, and quantity. That is, conversers are urged to make their contribution to the conversation so that it is (1) truthful (quality), (2) clear (manner), (3) relevant (relation), and (4) sufficiently informative (quantity). The maxim of "quality" posits that speakers should only say what they know to be true and accurate and avoid saying what they know to be untruthful. The maxim of "manner" implies that information should not be too complex, too vague, or too simplistic than that needed for the conversation. The maxim of "relation" requires speakers to provide only information that is relevant to the topic and the aims of the ongoing

conversation. Lastly, the maxim of "quantity" requires speakers to provide neither more nor less information than the recipient needs.

Observance of these rules in communication is regarded as cooperative conversational conduct. People engaged in a conversation interpret what is being said based on the assumption that their interlocutor is being cooperative (McCann and Higgins 1992; Zhang and Schwarz 2011). More specifically, the conversational partners are engaged in a continuous coordination where each party's mind is constantly probing every contribution to the conversation against the context. The conversational partners mutually agree to be understood in a particular way based on common expectations, relationships, norms, and hierarchies between the speakers (referred to as context), and then make inferences accordingly (Grice 1975; Levinson 1986).

The notion of conversational rules has already proven to be a powerful tool in social interactions (Schwarz 1994). Research on interpersonal communication suggests that adherence to conversational rules leads to more persuasive communication (Burgoon and Aho 1982; Brown et al. 1987; Gruenfeld and Wyer 1992), more meaningful social connections (McAllister et al. 2004), and positive long-term relationships (McAllister et al. 2004; Briones et al. 2011). For example, Briones et al. (2011) demonstrate that a two-way dialogue through social media has helped build faster service, media coverage, and a sense of community between customers and non-profit organizations.

Sometimes, either deliberately or accidentally, speakers fail to observe one or more of the maxims. When a speaker discretely violates one or more of the conversational maxims, such as intentionally contributing to the conversation information that is not truthful, clear, relevant, or right in quantity, and conceals this from the other party, this behavior is considered non-cooperative because the other parties cannot be expected to identify this violation of the maxim. Concealed violations of the maxims in price communication may elicit a sense of non-cooperative communication, which can lead to negative responses from conversational partners, and ultimately harm their relationships.

5.8 Price Communication in the Context of Conversation Theory

Research in marketing shows that conversational norms apply to marketing communication such as advertising, product descriptions, product reviews, or

company announcements (Toncar, Munch, and Mayo 1994; Xu and Wyer 2010; Zhang and Schwarz 2013; Kronrod and Danzinger 2013). Assuming that price communication is an integral part of a conversation between firms and customers, it suggests that both parties—the firm and its customers—should be interested in a successful conversation so that they can each promote their goals: for the firm the goal may be to increase sales; for the customer the goal may be to solve a problem in a cost-effective manner. In fact, a pilot study demonstrates that when customers (325 MTurk workers, Mage = 35.67, 167 women) were asked to list tools or activities that they believe are commonly used in business to communicate about a brand or a product, and then ranked the top five tools or activities they believed to be most effective in communicating about a brand or a product, price was mentioned in 24.3% of the cases, and was ranked as most effective in half of those cases (12.1% of all cases).

If marketing communication is viewed as a conversation between a firm and a customer and price as an essential part of marketing communication (Kotler 2000; Krizan, Merrier, Logan and Williams 2008), then the four maxims of cooperative conversation should apply to price communication; and when followed, this can lead to positive firm-customer relationships with increased trust (Berry 1995) and loyalty to the firm (Kumar and Shah 2004), customer lifetime value, and higher customer retention (Harris, Baron and Harris 1995). If these maxims are violated, then these relationships may be harmed. Rarely do customers remain oblivious to manipulation attempts over a period of time. Even though PCTs might be processed unconsciously and stimulate simplifying heuristics in the mind of customers, the violation of conversational rules might become apparent during the paying process, which in turn might cause the customer to speculate about the intention of the firm. Hence, taking a relationship perspective on PCT sheds light on the long-term consequences of the use of PCTs.

In this section, the clusters are evaluated—price endings, price structure, and price cues—on their potential to violate any of the conversational maxims (truthfulness, clarity, relevance, and quantity of information), thereby harming the firm's conversational cooperativeness. Even though a price communication technique can potentially violate more than one maxim, for clarity of exposition the focus is on the most prominent violation.

5.9 No Legal Pricing Technique Should Violate the Maxim of Quality

The maxim of quality requires conversation participants to say only what they believe to be true and to avoid saying what they believe to be untrue. In most countries, there are laws that forbid companies from blatantly lying, so it is not common to find marketing strategies that violate the maxim of quality. One rare example could be 'bait and switch', where a product is marketed at a discounted price, 'as long as stocks last', but the product is not actually available (Wilkie et al. 1998). This technique can be considered a form of violation of the maxim of quality. By simply not telling customers the truth, marketers violate the conversational maxim of quality in a concealed way. Not offering truthful information can erode trust, and can have negative knock-on effects for the firm, because customers who do not trust a brand are less likely to recommend it to others, less likely to return to the same brand, and more likely to develop brand hate (Lee at al. 2009; Bryson et al. 2013). However, this price communication technique is illegal in some countries and therefore is not considered in this work.

5.10 Price Endings and the Maxim of Quantity

The maxim of quantity requires conversation participants to give what is perceived by the customer as just the right amount of information: not too little and not too much. Marketers who manipulate price endings vary the amount of information they convey about the price by being very detailed or very general. For example, precise prices and charm prices give more exact and detailed information than the recipient may anticipate about the price by stating the number of cents to be paid (e.g., $9.99 or $7.86). The outcome of offering too much detailed information is that it causes customers to associate the figures presented with smaller numbers (assumption of the lowest price possible) or underestimate the price (e.g., left-digit effect). Conversely, marketers who use round prices offer only vague and approximate information about the price (e.g., $100). As customers assume cooperative communication from marketers, this violation is not obvious to them (meaning they assume that the price figure constitutes the right amount of information for them to process), resulting in non-cooperative conversation conduct. To sum, PCTs that manipulate the endings of prices reflect a concealed violation of the maxim of quantity, and this produces non-cooperative communication.

Research in other marketing domains has demonstrated that this form of non-cooperative conversation with customers might lead to certain relationship effects, such as loss of trust. Zhang and Schwarz (2011) show that the more granularity of numerical information (1 year versus 365 days) the more accurate and precise the information is perceived by the customer. However, this effect only holds when the customer assumes that the marketer is cooperative in the conversation. When the communicator's cooperativeness is called into question because the communicator either lacks knowledge or general trustworthiness, the positive effects are eliminated (Zhang and Schwarz 2013). Reece (1989) demonstrated how failing to give enough information to a conversational partner essentially makes the argument unconvincing because the listener will be left with doubts and insecurities about the information given. Applying Reece's argument to price communication, one could infer that marketers who fail to follow the maxim of quantity might create doubts in the quality and accuracy of information, which could, in turn, affect brand loyalty, satisfaction, and trust—all aspects of relationships (Christopher 2016).

5.11 Price Structure and the Maxim of Manner

The maxim of manner requires participants to make their contributions to the conversation as clear as needed. In price structure, the actual price is not clear, it is presented in a way that makes the price harder to process then just seeing the full price. For instance, it takes more cognitive effort to understand the full price when it is presented as $109 product + $16 shipping, rather than $125 (partitioned pricing) or 25 x $13 instead of $325 (partial payment). As this unclear representation of the price is made purposely, but the intended meaning is concealed, define this cluster as a concealed violation of the maxim of manner.

In defense of the argument, this form on non-cooperative conversation can lead to unexpected effects on the firm-customer relationship. According to Meyers-Levy et al. (1994) unclear and confusing messages lead to increased processing, but can also prompt feelings of frustration, anger, and helplessness, ultimately causing negative evaluations, as well as a tendency to withdraw from decision making and await clearer information (Schlesinger and Kiefer 2014). In sum, marketers who fail to adhere to the maxim of manner might increase frustration and anger. In the long run,

these negative emotions can affect the firm's reputation, and the firm may lose customers.

5.12 Transparent Prices Violate no Maxims

One exception to the violation of conversational maxims within the cluster of price structure is transparent prices. Transparent prices are a form of PCT that violates no conversational maxim. In transparent pricing, the total and partial costs of a product, such as labor, materials, and distribution, are clearly shown to customers (Miao and Latilla 2007). By outlining all the costs that constitute the price, marketers are adhering to the maxim of quality, because they tell the truth; the maxim of relation, because the costs are relevant to the way the prices are structured; the maxim of manner, because the costs are stated more clearly than opaque prices, which do not disclose their components; and the maxim of quantity, because the right amount of information is provided.

Marketing research has demonstrated that transparent pricing is one of the only forms of price communication known to develop trust, through the itemized disclosure of information. This is in line with the concept of a cooperative conversation. Mohan, Buell and John (2016) emphasize that cost transparency can have a positive impact on purchase interest by establishing a personal relationship with the customer: "When firms communicate the effort that went into making a good, customers tend to value the product more." These novel PCTs, rooted in a new approach to disclosure and customer involvement, indicate a desire and need for more straightforward and sustainable price communication in the market.

5.13 Added Cues and the Maxim of Relation

The maxim of relation/relevance requires speakers to only provide information that is perceived by the customer as relevant to the aims of the conversation. Providing price-unrelated information therefore violates the maxim of relation/relevance. Within the added cues cluster, marketers add numerical, visual, or verbal cues to prices (such as manipulating the position or color of the price or adding prices of unrelated products to change customer perceptions). Verbal cues, such as using price-related words, often add unrelated verbal information to create mental associations with the price of the good or service. These could be common price abbreviations or some

kind of text near the price (e.g., "low friction," which, by association, could be read as "low price"). Further, reference prices (for example) often use unrelated reference points to anchor customer minds on a certain number. Visual cues, such as the position or color of the price, often use unrelated visual information to create associations with the price (e.g., order of products and prices, colors, etc.). By adding cues to the actual price, marketers create associations with irrelevant information, which manipulate perceptions of price. Therefore, this cluster is defined as a concealed violation of the maxim of relation.

Evidence for the effects of the violations of the maxim of relation has been given in other marketing contexts. When the maxim of relevance is violated in a concealed way it may also lead to specific downstream effects. Xu and Wyer (2010) find that message effectiveness suffers when the language of a product description does not fit the type of publication in which it appears (popular vs. professional magazine), making some of the information presented appear irrelevant. Further, Nisbett et al. (1981) demonstrated that people underuse diagnostic information when they were also given non-diagnostic information at the same time (Nisbett, Zukier and Lemley 1981; Tetlock, Lerner and Boettger 1996) thus leading to misunderstandings and frustration (Dulany and Hilton 1991). Applying these findings of non-cooperative conversation to price communication, one could infer that marketers who fail to follow the maxim of relation/relevance might cause misperceptions (e.g., about the quality of the product) and frustration for the customer in the long-term, resulting in harm to the customer-firm relationships.

5.14 Discussion

Our theoretical assessment demonstrates that when a firm obeys all conversational maxims such as in the example of transparent pricing, customers tend to value the product more because it implies honesty and builds trust to establish positive relationships. Conversely, violating conversational rules can be defined as less successful conversations, resulting in neither the marketer nor the customer achieving their goals in the long-run, and potentially harming marketer-customer relationships. Although often successful in achieving sales in the short-run, marketers can unintentionally create a non-cooperative image of a brand or firm when they employ

PCTs that violate conversational maxims. It implies that each maxim violation might impose its own effect on the firm-customer relationship.

In sum, beyond a non-cooperative image, there are specific downstream effects of non-cooperative price communication, such as reduced trust, negative attitudes, and harm to relationships between the customer and the firm. In the next section, possible solutions for marketers and future research directions are offered based on the proposed framework.

5.15 Avenues for Future Research

Possible implications are now highlighted of non-cooperative price communication on firm-customer relationships. The goal is to spur research and practice for a more nuanced understanding of customer reactions to the way prices and services are communicated—and thus improve the conversation and long-term relationships between customers and firms. Accordingly, the framework can help policy makers and marketers develop more customer -oriented ways of communicating prices.

5.16 Testing the Conceptual Model

The theory suggests that non-cooperative communication of price will negatively affect the firm-customer relationships. More specifically, each pricing cluster violates one specific conversational maxim with unique consequences on the customer firm relationships. This theoretical model can be tested empirically in the future. The framework may be seen as a somewhat simplistic representation of the effectiveness of PCTs. The simplicity of the framework allows for a unified perception of price communication. Future research can add complexity to the model by investigating the case of violating multiple conversational maxims simultaneously. Further, only the rules of conversation theory to PCTs are applied.

Researchers can explore the effect of adhering to conversation theory maxims in communicating various aspects of the product, beyond price. Comparing violations across various product aspects can reveal more advanced capacities of conversational cooperation in marketer-customer communication. Further research could survey customers and managers about their perceptions regarding the role of price in marketing communication and measure the effect of conversational cooperativeness of price communications on memory, attitudes, trust and other relational outcomes.

5.17 Focus on Long(er)-Term Outcomes of the Relationship

While price may be only one of many factors creating negative attitudes towards firms and brands, customers mention hidden fees, unclear pricing, and high prices as reasons for negative perceptions (marketwatch.com, cheatsheet.com, huffingtonpost.com). Negative past experience, and symbolic incongruity through false or unclear communication can lead to brand hate (Hegner et al. 2017). Anecdotal evidence shows that the most hated industries, such as the movie industry, the legal field, electricity and gas utilities, hotels, healthcare providers, and the pharmaceuticals industry, are often criticized for their high and opaque prices. “High premiums (no one likes paying high premiums) slow claims processing and higher deductibles” are among the issues that upset customers (cbsnews.com). Brand hate is often triggered by corporate social irresponsibility, including failure of transparent communication (Kucuk 2016). Brand hate leads to brand avoidance, negative word-of-mouth, and brand retaliation (Hegner et al. 2017).The review of PCTs suggests that focusing on short-term effects such as how these techniques can increase sales or boost purchase intentions may miss important long-term outcomes of price communication, such as the development of brand hate over time. Specifically, the framework implies that violations of conversational rules may lead to the erosion of successful customer - brand relationships.

As much of the research on the effects of price communication is based on experiments, which by design predominantly provide short-term results, future research on price communication may benefit from alternative empirical methods to capture effects on the firm-customer relationships that develop over time. For example, time-series analyses or periodical surveys may be more effective in revealing the possible long-term effects of price communication.

5.18 Obeying Conversational Rules May Enhance Customer Trust

When firms engage customers in a conversation, they establish rapport and trust. Trust is very important as one prominent antecedent of trust is a sense of cooperation, honesty, and the keeping of promises. Non-cooperative conversation between the firm and the customer can hinder customer trust in the firm. A subliminal but very effective way to achieve a sense of trust is through cooperative conversation: a

conversation that observes certain rules and thus consistently meets the conversation partner's expectations is able to build conversational trust, which transforms into relationship trust. Morgan and Hunt (1994) propose that communication is an antecedent of trust and should be helpful, useful, and easy. According to Gudykunst and Shapiro (1996), sufficient information can also lead to trust. Therefore, the most important components of trust are honesty and sufficiency of information (Larzelere and Huston 1980), or, in Grice's terms, obeying the maxims of quality and quantity. Taken together, this literature suggests that conversationally cooperative PCTs will have a positive effect on brand trust, and therefore, play a significant role in the long-term success of a brand – as trust contributes to brand loyalty, and positive brand loyalty is a good general indicator of healthy firm-customer relationships (Christopher 2016).

Future research can define and examine empirical factors that influence cooperation in price communication and its possible effects on trust toward the firm and, as a downstream effect, long-term sales. It would also be worth exploring whether there is a link between specific maxims and specific dependent variables. Future researchers could explore that cooperative price communication will not distract customers, but rather will make communication more cooperative, resulting in customer cooperation in return and relationships.

5.19 Differentiating Effects of Each Maxim Violation

While conversational maxim violations might have consequences on the firm-customer relationships in general, it is possible that each violation of one specific maxim may also have a unique consequence. Specifically, violating the maxim of quantity through price communication may create doubts and insecurities about the given product through lack of sufficient amount of information or too much confusing information (Zhang and Schwarz 2013). This, in turn, may negatively affect customer satisfaction and loyalty. The violation of the maxim of manner, however, may lead to frustration and anger towards the firm because of unclear and confusing messages (Meyers-Levy et al. 1994) as well as tendency to withdraw from decision making to await clearer information (Schlesinger and Kiefer 2014). Hence, marketers using PCTs that fail to adhere to the maxim of manner (using price structure) may influence overall satisfaction by increasing frustration and anger. The violation of the maxim of

relation may cause misunderstandings and confusion about the quality of the product (Xu and Wyer 2010) through irrelevant distractions and noise. The result is a less convincing conversation (Dulany and Hilton 1991) that may cause brand switching. It seems crucial for firms to avoid the violation of the maxim of quality – because not giving truthful information may have the most severe negative effects on the relationship between the firm and the customer including a complete loss of trust and brand hate (Lee at al. 2009; Bryson et al. 2013).

Researchers could empirically compare the different effects of each maxim violation in price communication. For example, this research could explore if the violation of the maxim of quality in price communication can lead to brand hate and distrust towards the brand or product, while the violation of the maxim of quantity in price communication can lead to lower perceived quality of the product and evoke dissatisfaction and avoidance behavior towards the brand. Further, future research could test if the violation of the maxim of manner in price communication can lead to increased anger and frustration towards the brand. This in turn could influence negative word of mouth and brand dissatisfaction or avoidance; and this could cause less effective advertising of the product quality if the violations of the maxim of relation effect other marketing communication techniques.

5.20 Flouting of Conversational Maxims

This work described the effects of discrete violation of conversational maxims. According to conversation theory, however, when a conversational maxim is violated blatantly (or 'flouted'), this does not impair the success of the conversation; in fact, it could improve the outcomes, because vivid violations, like humor or sarcasm, signal mutual understanding and contribution to the conversation that is beyond the literal meaning of the uttered words. Therefore, flouting conversational maxims in price communication might elicit positive reactions from customers. Hence, it is suggested opening up a new area of research on price communication dedicated to developing PCTs that vividly flout (rather than discretely violate) conversational maxims with the intention of improving communication and relationships with customers.

One interesting example of flouting conversational maxims in price communication is the use of metaphor. A metaphor is a rhetorical tactic whereby the speaker refers to something by saying something else. For example, metaphor can provide clarity or

identify hidden similarities between two ideas. One example for the use of metaphor in price communication was the depiction of cans of soft-drinks and other inexpensive items in a recent campaign by IKEA, implying that, just about everyone can afford a soft drink, so they can also afford home furnishings. Using metaphors is a way to communicate with the consumer in an indirect way, but meant to be understood not meant to be deceiving. When IKEA implies a favorable price for the consumer using metaphors there is little concern that the consumer will feel tricked by the firm.

In the future, novel conversationally cooperative PCTs, such as ones that blatantly flout conversational maxims, could be developed and empirically tested to see whether they have a positive effect on customer attitudes and behavior.

5.21 Customers Perceive Violations as the Norm

Literature on the formation and creation of conventions and norms in conversation (Asher and Lascarides 2001; Lewis 2002) suggests they are formed in a gradual process of repeated use and encounter. Thus, it is plausible that the repeated use (and occasional overexploitation) of such PCTs has turned them into a norm. Therefore, it is suggested that some PCTs may have become so widely accepted that although they violate a conversational maxim, they are perceived as normative and customers have learned to derive the right meaning without sensing non-cooperativeness in the marketer. For example, 99-endings or charm prices have been in wide use since the early 20th century. Customers have been exposed to such PCTs for a long period of time. Hence, it is plausible that this type of price communication technique is perceived as normative and not as a conversational norm violation because of repeated exposure (Adams 1992).

Researchers could use different empirical methods to explore which violations are most commonly accepted in the context of pricing and how these ‘normative violations’ influence perceptions and attitudes.

5.22 Validation of the Pricing Clusters and Investigation of Moderators and Mediators of the Effect of Maxim Violations on Firm-Customer Relationships

Our framework helps reveal underlying mechanisms brought on by the violation of conversational maxims. There are also dispositional and situational factors that intervene in these effects. While many variables can undermine recipient perceptions of a communicator's cooperativeness, two are particularly relevant in a marketing context: the communicator's likely topic-specific knowledge and general trustworthiness (Brown 1987; Xu and Wyer 2010). It would be interesting to explore the similarities within the price communication clusters. For instance, could a firm's general trustworthiness positively influence all PCTs grouped in the cluster (e.g., of price endings while not having an effect on price cues)? Further, research on price communication has demonstrated that price plays different roles for the type of product e.g., hedonic versus utilitarian consumption. The type of conversational maxim violation might also have a different effect depending on whether the product is hedonic or utilitarian.

Researchers could explore whether price communication clusters that are supposed to be related are actually correlated. In other words, it would be interesting to analyze the discriminate and convergent validity of the clusters. Further, researchers could develop one explanatory mechanism for each cluster and compare these clusters with one another. Additionally, applying different moderators to a specific cluster might mitigate the negative effects of non-cooperative price communication. Future research could explore these ideas.

Marketers habitually view price as a negative aspect for the customer (Völckner, Rühle, and Spann 2012), and therefore seek to reduce its consequences via different types of price communication techniques. A common underlying belief across the PCT literature is that customers are unaware of change in the perception of prices (Morwitz et al. 1998). However, during the payment process, some customers may become aware of the true price, introspect about the PCTs, and eventually make conclusions about the intention of the firm (e.g., being manipulative). Recent actions by the British Office of Fair Trading such as new regulations against unfair pricing practices and unclear surcharges by airlines (guardian.co.uk) or financial institutions (www.justia.com) indicate a rising awareness of some potentially manipulative PCTs.

The transactional view on these PCT practices stand in contrast to the paradigm of relationship marketing, where building trust and loyalty over time with customers is deemed essential to the success of firms (Berry 1995).

This thesis bridges this gap and suggest that marketing communication can be seen as a conversational tool to influence relationships between the marketer and customer, where both parties ultimately take an active role (Schegloff 1997). Price communication is an essential part of the conversation in which information about a product or a brand is conveyed to customers (Christopher 2016). Both marketers and customers use this 'conversation' as a means to achieve their goals (marketing for marketers and consumption for customers). This conceptual framework suggests that being non-cooperative in this conversation can bring unwanted outcomes in the long run. Specifically, failed conversations can result in impaired firm-customer relationships.

To conclude, given the trend towards new variations of more transparent and customer -oriented price communication (e.g., price transparency), there are opportunities for research and practice to evaluate and influence the potential effects of PCTs on firm-customer relationships. This work aims to kick start this endeavor.

6 Conclusion

This chapter offers a general summary, limitations of the research and future research objectives.

6.1 General Conclusions

The quest of understanding the meaning and purpose of morality has been of great interest over centuries to researchers across disciplines such as philosophy, sociology or economy. Even in ancient civilizations thinkers already tried to capture the essence of morality for society and some questioned the purpose of moral or immoral conduct. In the domain of marketing, the question of morality has recently gained more interest and is referred to as marketplace morality. A large amount of research in the field of morality in the marketplace basically consists of unmistakably immoral or clearly moral conduct such as the consumption of counterfeit products, stealing and fraud. In contrast, topics on unquestionably moral behavior in the marketplace embrace pro-social conduct for example donations and helping behavior. However, moral ambiguity in the marketplace has not received the attention it deserves. This thesis addresses the gap.

This thesis explores when and why consumers perceive that the moral line might be crossed. More specifically, this thesis takes a novel look at morality in the marketplace by considering not only clearly morally right or morally wrong consumption experiences, but by considering morally ambiguous situations and explores them from different angles. This thesis offers three essays with each of them investigating a unique consumption situation –the consumer as an actor, the consumer as an observer and the firm as an actor– which explore the perception of moral ambiguity in these different contexts. While all three essays explore a unique market setting, propose a unique mechanism for the phenomenon and use a different methodology to approach the research question, they all unite under the broader umbrella of morally ambiguous situations in the marketplace. Each essay has its own unique contribution, while all three essays taken together also contribute as a whole to the marketing domain.

The first essay contributes to the consumer psychology and marketing literature in the following way. More specifically, divergent reactions to the same social transgressions of another person, display a noteworthy psychological question. Why do people feel embarrassed for the wrongdoing of others and attempt to repair for them in some situations, while very similar others do not trigger the same reaction? It is demonstrated that a distinct social environment and its impact on social emotions at least in part explain such conflicting responses. This article contributes to the

literature on a few fronts. First, it is demonstrated that people can feel embarrassment merely by association with totally strangers, which depends on perceived distinctiveness, and that an individual may actually act on these emotions. Second, the reasons for this reparatory behavior for someone else's wrongdoing is not merely driven by empathy for the victim, but by egocentric motifs to deal with embarrassment. If empathy for the victim were the main driver of reparation behavior, then the individual would repair in distinct as well as non-distinct social context. However, results show a difference in reparation behavior depending on the social context. Lastly, these findings suggest that vicarious embarrassment is experienced quite differently from personal embarrassment (embarrassment felt because of a personal faux pox) and unfolds in contrasting environments. While personal embarrassment is higher, when one's on social transgression is observed by an in-group audience (non-distinct context), in contrast, the results demonstrate that vicarious embarrassment is experienced higher with an out-group audience (distinct context). The research has a few limitations that could be addressed in future studies. Although people were asked to imagine and feel situational closeness, hypothetical situations were used, and intentions to repair were measured. Future studies can measure real behavior. In addition, group membership was operationalized by having the same (versus different) nationalities and football teams. Manipulated group formations should be explored by future research. In conclusion, social emotions such as embarrassment are as common in the marketplace as they are flexible in the human mind. Learning when people are more or less likely to feel these emotions depending on the social context could help us reach a more complete understanding of how these emotions affect behavior.

The second essay addressed the opposing views on certain consumption experiences pose an interesting psychological question: Why do some consumers find some experiences appealing while others find them rather appalling? This paper provides direct evidence that group membership and its impact on the cognitive accessibility of moral considerations at least partially explains the divergent preferences. By focusing on legal but morally ambiguous consumptions experiences, it is investigated whether there is a systematic bias that helps explain why some people find some consumption activities attractive while others find them morally repulsive. Specifically, it is proposed that out-group consumers are more prone to choose consumption activities that in-group consumers often find morally questionable because moral considerations

come more easily to the mind of in-group than out-group consumers. In a series of three experiments, the results show that in-group consumers were more likely to engage in a morally ambiguous experience, such as going on a Favela Jeep Tour or taking a selfie while smiling in front of the 9-11 Memorial. Further, evidence is provided that moral considerations, which come more easily to the mind of in-group consumers than out-group consumers, help explain the phenomenon. When the moral connotation of an activity is acceptable (experiments 1 and 3) or when moral judgments are made cognitively accessible to both in- and out-groups prior to choice (experiment 2), the discrepancy in preferences between these groups disappears.

This article contributes to the literature on a few fronts. First, instead of focusing on consumption experiences that are clearly moral (e.g., donations to charity; Lee et al. 2014) or immoral, most often illegal (e.g., shoplifting; Babin and Babin 1996; Cox et al. 1990), this paper targets legal, prevalent, but morally ambiguous consumption experiences. Second, it demonstrates how group membership and the accessibility of moral judgments can in part explain divergences in opinions toward these experiences. Over and above sensitivity to moral issues, the group a consumer belongs to when assessing a consumption experience (in-group vs. out-group) has a significant impact on their willingness to engage in or avoid that experience because of their cognitive access to moral considerations (or lack thereof). Although there is some anecdotal and empirical evidence suggesting an association between group membership and blatant moral transgressions (e.g., intergroup violence; Leidner and Castano 2012; Leyens et al. 2007; Waytz and Epley 2012), this essay is the first to provide direct evidence of the underlying role of moral considerations in legal but morally ambiguous actions.

The third essay has the following conclusions. Marketers habitually view price as a negative aspect for the customer (Völckner, Rühle, and Spann 2012), and therefore seek to reduce its consequences via different types of price communication techniques. A common underlying belief across the PCT literature is that customers are unaware of change in the perception of prices (Morwitz et al. 1998). However, during the payment process, some customers may become aware of the true price, introspect about the PCTs, and eventually make conclusions about the intention of the firm (e.g., being manipulative). Recent actions by the British Office of Fair Trading such as new regulations against unfair pricing practices and unclear surcharges by airlines (guardian.co.uk) or financial institutions (www.justia.com) indicate a rising

awareness of some potentially manipulative PCTs. The transactional view on these PCT practices stand in contrast to the paradigm of relationship marketing, where building trust and loyalty over time with customers is deemed essential to the success of firms (Berry 1995). Marketing communication can be seen as a conversational tool to influence relationships between the marketer and customer, where both parties ultimately take an active role (Schegloff 1997). Price communication is an essential part of the conversation in which information about a product or a brand is conveyed to customers (Christopher 2016). Both marketers and customers use this 'conversation' as a means to achieve their goals (marketing for marketers and consumption for customers). This conceptual framework suggests that being non-cooperative in this conversation can bring unwanted outcomes in the long run. Specifically, failed conversations can result in impaired firm-customer relationships. To conclude, given the trend towards new variations of more transparent and customer - oriented price communication (e.g., price transparency), there are opportunities for research and practice to evaluate and influence the potential effects of PCTs on firm-customer relationships. This work aims to kick start this endeavor.

Taken as a whole, the hypothesizing and experiential results add to the marketing and consumer psychology literature on a few fronts. As an alternative of concentrating on consumption experiences that are either undoubtedly moral, such as offerings to donation for the good of others, or undoubtedly immoral or illegal conduct, such as stealing, fraud and mistreatment of service employees, this thesis focuses on situations in the marketplace that are considered legal, however they all have a morally ambiguous aspect within them. In doing so, this thesis further advances the field of marketing by demonstrating that over and above moral sympathy, moral concern is a central concept in order to understand how and why consumers judge and react to morally ambiguous behavior themselves, by other consumers, or by firms.

6.2 Limitations and Future Research

This thesis also has some limitations. While exploring different perspectives of moral ambiguity in the marketplace such as the consumer as an observer and his reactions towards the morally questionable behavior of a third party (essay 1), the consumer as the potential actor of morally questionable consumption (essay 2) and the firm as the actor of the morally questionable marketing action, this thesis does not include the

perspective of the firm towards morally ambiguous behavior of a consumer or another company. This could be explored in future research. Further, the consumer marketplace scenarios such as tourism, private parties, eating out in restaurants and pricing of a firm, the thesis does not address other possibly morally ambiguous actions in the marketplace. Also, this thesis only works with experiments in order to demonstrate causality in the first two papers. Correlational and hence more generalizable data across a wider population would be interesting to have for the first two essays. The third essay is a purely conceptual one and hence lacks empirical proof. Future research can explore empirically how price communication techniques affect the perceived morality of the firm. Overall, future research could engage in finding different new morally ambiguous scenarios in the marketplace such as the consumption of offensive advertisings, the consumption of tabloids of famous people in distress or personal misery (or example exploiting publicly the dramatic divorce fights of actors), or the various morally questionable production and marketing techniques of firms that quite often lead to a public debate on what is right and wrong in the marketplace. Such ambiguous moral behavior of a firm could include overpricing scarce products and green-washing just to name a few examples. It would be interesting for future research to explore these marketplace phenomena, and the consumer reactions and psychological mechanisms to why some parties react so different to the same morally ambiguous stimuli in the marketplace.

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7 Appendix

APPENDIX 1 (ESSAY 1)

Table 1: Overview of the Studies

Study	Participants	Context	Moderator	DVs	Process
1A	University students	Nondistinct: University Party from their own University vs. Distinct: University Party from a Rival University	-	Intention to Apologize	Embarrassment; Self-Conscious Emotions
1B	American	Nondistinct: Restaurant in NY vs. Distinct: Restaurant in Paris	-	Likelihood of Paying; Willingness to Pay	Embarrassment; Self-Conscious Emotions
2	American	Nondistinct: American Party vs. Distinct: Moroccan Party	Wrongdoer's Identity: Similar (American) vs. Different (Moroccan)	Intention to Apologize; Likelihood to Send Flowers; Willingness to Spend on Flowers	Embarrassment; Self-Conscious Emotions
3	American	Nondistinct: American Party vs. Distinct: Moroccan Party	Social Presence vs. No Social Presence	Likelihood to Send Flowers; Willingness to Spend on Flowers	Embarrassment; Self-Conscious Emotions
4	American	Nondistinct: Restaurant in NY vs. Distinct: Restaurant in Paris	Victim's Identity: Similar (American) vs. Different (French)	Willingness to Pay	Embarrassment + Self-Conscious Emotions

Table 2: Embarrassment Mediates the Link between Distinct Social Context and Likelihood of Putting Money toward the Other American Guest's Bill (Study 1B)

	Embarrassment	Guilt	Shame
Distinct Social Context to the mediator (path a)	1.14***	.29	.83**
Mediator to Reparatory Behavior (path b)	2.15**	1.83*	.08
Indirect effects of Distinct Social Context on Reparatory Behavior (ab paths)	2.45 (1.14)	.54 (.51)	.07 (.72)
Total effect of Distinct Social Context to Reparatory Behavior (path c)	7.81*		
Direct effect of Distinct Social Context to Reparatory Behavior (c-prime path)	4.74		
Bootstrap results: 95% CI range	[.57, 5.04]	[-.41, 1.69]	[-1.38, 1.54]

*$p < .05$ **$p < .01$ ***$p < .001$

Table 3: Embarrassment Mediates the Link between Distinct Social Context and Willingness to Pay toward the Unpaid Bill of the Other American Guest (Study 1B)

	Embarrassment	Guilt	Shame
Distinct Social Context to the mediator (path a)	1.14***	.29	.83**
Mediator to Reparatory Behavior (path b)	3.03***	1.10	.10
Indirect effects of Distinct Social Context on Reparatory Behavior (ab paths)	3.46 (1.38)	.32 (.41)	.08 (.78)
Total effect of Distinct Social Context to Reparatory Behavior (path c)	10.95**		
Direct effect of Distinct Social Context to Reparatory Behavior (c-prime path)	7.09		
Bootstrap results: 95% CI range	[1.12, 6.51]	[-.39, 1.26]	[-1.60, 1.68]

*$p < .05$ **$p < .01$ ***$p < .001$

Table 4: Embarrassment Mediates the Link between Distinct Social Context and Intention to Apologize when the Observer and Wrongdoer Share the Same Observable Traits but not when Traits are Different (Study 2)

Regression Paths	Embarrassment		Embarrassment
(a)	Distinct Social Context to Embarrassment		90**
	Distinct Social Context Vs. Wrongdoer		-1.09*
(b)	Embarrassment to Intention to Apologize		.29***
(c)	Direct Effect		-.02
(ab)	Indirect Effect, 95% CI	American Wrongdoer	.26 (.10) [.08, .48]
		Moroccan Wrongdoer	-.06 (.10) [-.27, .14]
	Index of Moderated Mediation, 95% CI		-.23 (.14) [-.63, -.06]

*$p < .05$. **$p<.01$ ***$p < .001$

Table 5: Embarrassment Mediates the Link between Distinct Social Context and Reparatory Behavior (Study 4)

	Embarrassment	Guilt	Shame
Distinct Social Context to the mediator (path a)	1.77***	.28	1.23***
Mediator to Reparatory Behavior (path b)	.53***	.18*	.07
Indirect effects of Distinct Social Context on Reparatory Behavior (ab paths)	.94 (.17)	.05 (.04)	.09 (.09)
Total effect of Distinct Social Context to Reparatory Behavior (path c)	2.33***		
Direct effect of Distinct Social Context to Reparatory Behavior (c-prime path)	1.25***		
Bootstrap results: 95% CI range	[.62, 1.28]	[-.01, .14]	[-.09, .27]

*$p < .05$ **$p < .01$ ***$p < .001$

APPENDIX 2 (ESSAY 2)

Experiment 1 – Logistic Regression Table: Predictors of Tour Choice

Variable	*B*	*SE*	*OR*	*B*	*SE*	*OR*
Tour (1 = jeep)	-.69*	.34	.50	.32	.42	1.37
Consumption Experience (1 = Intragroup)	-.97*	38	.38	.50	.52	1.66
Interaction				**-3.58*** **	**.96**	**.03**
Has been on a favela tour	-.13	.40	.87	-.29	.42	.74
Has been to Tijuca Forest	-.39	.41	.67	-.47	.42	.63
Has been on a historic tour	.11	.44	1.12	.21	.47	1.24
Has been to a favela in Rio	1.14**	.40	3.15	1.01*	.42	2.75
Has been to a favela elsewhere	-.28	.42	.75	-.52	.46	.60
Age	.01	.03	1.01	.48	.35	1.01
Gender (1 = Male)	.44	.34	1.55	.01	.03	1.62
Education (1 = Secondary School)	-2.09	1.80	.12	-2.98	2.00	.05
Education (1 = High School)	-.97	1.63	.38	-2.09	1.84	.12
Education (1 = Undergraduate)	-.75	1.60	.47	-1.79	1.82	.17
Education (1 = Graduate)	-1.92	1.67	.14	-2.59	1.87	.07
Constant	.61			1.98		
χ^2		28.05			46.66	
df		13			14	

*$p < .05$. **$p < .01$. ***$p < .001$.

Experiment 1 – Logistic Regression Table: Predictors of Tour Avoidance

Variable	*B*	*SE*	*OR*	*B*	*SE*	*OR*
Tour (1 = jeep)	.73	.40	2.07	-.28	.52	.76
Consumption Experience (1 = Intragroup)	.91*	.41	2.50	-.55	.66	.58
Interaction				**2.35****	**.82**	**10.57**
Has been on a favela tour	-.86	.52	.42	-.85	.54	.43
Has been to Tijuca Forest	.00	.46	1.00	.06	.48	1.06
Has been on a historic tour	1.20*	.52	3.32	1.20*	.53	3.31
Has been to a favela in Rio	-1.34**	.51	.26	-1.25*	.52	.28
Has been to a favela elsewhere	.25	.46	1.29	.44	.48	1.56
Age	-.06	.04	.94	-.06	.04	.94
Gender (1 = Male)	.04	.38	1.04	.05	.40	1.05
Education (1 = Secondary School)	-2.02*	.99	.13	-1.82	1.01	.16
Education (1 = High School)	-2.67***	.70	.07	-2.34**	.72	.09
Education (1 = Undergraduate)	-2.03**	.66	.13	-1.67*	.68	.19
Education (1 = Graduate)						
Constant	2.12			2.51*		
χ^2		41.02			49.72	
df		12			13	

*$p < .05$. **$p < .01$. ***$p < .001$.

Experiment 2 – Logistic Regression Table: Predictors of Tour Choice

Variable	*B*	*SE*	*OR*	*B*	*SE*	*OR*
Moral Consideration (1 = Salient)	-.61*	. 28	.54	-.86*	.41	.42
Consumption Experience (1 = Intragroup)	-.73*	. 34	.48	-.97*	.44	.38
Interaction				**.49**	**.56**	**1.64**
Has been on a favela tour	-.62	.59	.53	-.62	.60	.54
Has been to Tijuca Forest	.71	.42	2.03	.70	.42	2.01
Has been on a historic tour	.42	.49	1.52	.45	.50	1.57
Has been to a favela in Rio	-.99*	.40	.37	-1.01*	.40	.36
Has been to a favela elsewhere	.40	.30	1.49	.40	.30	1.49
Age	-.05**	.02	.95	-.05**	.02	.95
Gender (1 = Male)	.15	.29	1.16	.14	.29	1.15
Education (1 = Secondary School)	-.35	.46	.71	-.33	.47	.72
Education (1 = High School)	-.49	.50	.61	-.46	.51	.63
Education (1 = Undergraduate)	.41	.59	1.50	.42	.60	1.52
Constant	1.28			1.38		
χ^2		42.28			43.05	
df		12			13	

*$p < .05$. **$p < .01$. ***$p < .001$.

Experiment 2 – Logistic Regression Table: Predictors of Tour Avoidance

Variable	*B*	*SE*	*OR*	*B*	*SE*	*OR*
Moral Consideration (1 = Salient)	-.04	. 24	.96	.92*	.40	2.51
Consumption Experience (1 = Intragroup)	-.68*	.28	1.97	1.56***	.41	4.76
Interaction				**-1.54****	**.51**	**.21**
Has been on a favela tour	-.12	.48	.89	-.21	.49	.81
Has been to Tijuca Forest	-.59	.39	.55	-.59	.40	.55
Has been on a historic tour	-.05	.48	.95	-.16	.49	.85
Has been to a favela in Rio	.07	.29	1.08	.10	.30	1.11
Has been to a favela elsewhere	-.37	.25	.69	-.36	.25	.70
Age	.03*	.01	1.03	.03*	.01	1.03
Gender (1 = Male)	-.18	.24	.83	-.19	.24	.82
Education (1 = Secondary School)	.36	.48	1.44	.23	.49	1.26
Education (1 = High School)	.83	.49	2.29	.68	.50	1.98
Education (1 = Undergraduate)	.25	.56	1.29	.10	.57	1.10
Constant	-1.76**			-2.20**		
χ^2		32.64			42.23	
df		12			13	

*$p < .05$. **$p < .01$. ***$p < .001$.

Experiment 3 – Regression Table: Predictors of the Likelihood of Taking the Target Picture

Variable	DV: Likelihood to take a picture at Ground Zero	
	(1)	(2)
Target Picture (1 = Smiley)	10.16* (5.114)	9.954* (5.151)
Consumption Experience (1 = Intragroup)	-4.807 (5.235)	-6.568 (5.868)
Interaction	**-21.18** (7.087)**	**-22.84** (7.236)**
Been to NYC		1.318 (4.304)
Gender (1 = Male)		-4.413 (3.614)
Age		0.440** (0.169)
Income in US$ (1 = 10,000 - 19,999)		11.27 (9.331)
Income in US$ (1 = 20,000 - 29,999)		3.577 (8.509)
Income in US$ (1 = 30,000 - 39,999)		18.10* (8.775)
Income in US$ (1 = 40,000 - 49,999)		8.694 (9.740)
Income in US$ (1 = 50,000 - 74,999)		-1.040 (10.03)
Income in US$ (1 = 75,000 - 99,999)		12.27 (9.534)
Income in US$ (1 = 100,000 - 150,000)		10.87 (10.39)
Income in US$ (1 = Over 150,000)		4.284 (12.60)
Income in US$ (1 = Rather not say)		-3.997 (21.00)
Education (1 = College degree)		-5.347 (3.889)
Education (1 = MBA, MSc, or PhD)		-4.810 (6.591)
Constant	53.91*** (3.779)	37.31*** (10.10)
Observations	363	361
R-squared	0.078	0.135

Standard errors in parentheses

*$p < .05$. **$p < .01$. ***$p < .001$.

Experiment 4 – Regression Table: Predictors of the Likelihood of Taking the Target Picture

Variable	DV: Likelihood to take the target picture			
	(1)	(2)	(3)	(4)
Target Picture (1 = Smiley)	-6.874 (3.518)	-6.129 (3.212)	7.387 (4.721)	8.064 (4.300)
Consumption Experience (1 = Intragroup)	-7.472* (3.524)	-8.100* (3.209)	7.438 (4.827)	7.113 (4.448)
Interaction			-30.18*** (6.868)	-30.08*** (6.293)
Gender (1 = Male)		-0.524 (3.272)		0.242 (3.172)
Age		0.216 (0.123)		0.168 (0.119)
Income in US$ (1 = under 10,000)		-9.872 (12.20)		-11.72 (11.82)
Income in US$ (1 = 10,000 - 19,999)		13.43 (11.32)		7.405 (11.03)
Income in US$ (1 = 20,000 - 29,999)		6.065 (10.98)		1.735 (10.68)
Income in US$ (1 = 30,000 - 39,999)		6.093 (10.98)		3.325 (10.61)
Income in US$ (1 = 40,000 - 49,999)		13.10 (10.93)		7.905 (10.64)
Income in US$ (1 = 50,000 - 74,999)		13.58 (10.50)		7.967 (10.23)
Income in US$ (1 = 75,000 - 99,999)		6.175 (10.83)		2.754 (1051)
Income in US$ (1 = 100,000 - 150,000)		0.482 (11.00)		-2.592 (10.67)

Income in US$ (1 = Over 150,000)		2.642 (12.85)		-4.819 (12.54)
Education (1 = College or more)		-8.508* (3.312)		-7.622* (3.213)
Religion (1 = Christian, 0 = otherwise)		5.300 (3.323)		6.321 (3.226)
Sagrada Familia (reported likelihood)		0.215*** (0.0705)		0.239*** (0.0684)
Grand Palace (reported likelihood)		0.131 (0.0748)		0.0985 (0.0728)
Christ (reported likelihood)		0.238 *** (0.0585)		0.247*** (0.0567)
Constant	52.70*** (3.016)	2.810 (12.17)	45.41*** (3.374)	0.148 (11.80)
Observations	349	349	349	349
R-squared	0.023	0.260	0.075	0.308

Standard errors in parentheses

*** p<0.001, ** p<0.01, * p<0.05

APPENDIX 3 (ESSAY 3)

Table 1: Clusters of Price Communication Techniques

Price Comm.	Cluster	Description of Price Communication	Examples of Mechanisms	Examples of DV´s	Examples of References
charm prices	price endings	prices that end in 9, 99, or 95 often reducing the left-most digit by one (e.g., instead of $2, using $1,99)	image effect, regulatory focus theory, anchoring, signaling, numerical cognition,	preference, purchase, ad efficacy, perceptions of offer,	Baumgartner and Steiner 2007; Choi, Li, Rangan, Chatterjee and Singh 2014; Choi, Lee and Ji 2012; Manning and Sprott 2009; Schindler 2001; Stiving and Winer 1997; Stiving 2000; Thomas and Morwitz 2005; Schindler and Kibarian 1996,
precise prices		prices that offer the exact specific amount including the digits after the coma (e.g., $1349,34)	triple-code model (visual, auditory, analog), precision effect, numerical processing, anchoring-and-adjustment heuristic	perceptions of offer, willingness to pay,	Coulter, Choi and Monroe 2012; Thomas, Simon and Kadiyali 2010; Janiszewski and Uy 2008;
round prices		prices that offer a non-exact or approximate round number (e.g., $100)	processing fluency, cognitive accessibility, convenience,	evaluation process, purchase (intentions), sales, attractiveness of price	Wadhwa and Zhang 2014; Wieseke, Kolberg and Schons 2016; Lynn, Flynn and Helion 2013, Stiving 2000, Yan and Pena-Marin 2017,
partitioned prices	price structure	split a product's price into two mandatory parts (e.g., the base price of a mail-order product and the surcharge for shipping and handling) instead of charging one all-inclusive price	cognitive psychology of attention, mental accounting, reference dependence, anchoring and adjustment, processing effort, risk aversion, regret aversion, signaling,	demand, purchase (intentions), perceptions of offer, brand image, attitudes towards brand, order size, profit, willingness to pay, recall, attention payed,	Bertini and Wathieu 2008; Cheema 2008; Hamilton and Srivastava 2008;Heath, Chatterjee and France 1995; Lee and Han 2002; Lee, Choi and Li 2014; Lewis,Singh and Fay 2006; Morwitz,Greenleaf and Johnson 1998; Völckner, Rühle and Spann 2012; Balasubramanian, Bhattacharya and Krishnan 2014; Leider and Şahin 2014; Chakravarti, Krish, Paul and Srivastava 2002;Anagol and Kim 2012; Gabaix and Laibson 2006; Brown,Hossain and Morgan 2010; Ellison 2005; Fruchter, Gerstner and Dobson 2011;
temporal framing		reframing of price into its daily equivalence (e.g., $0.87/day)	comparison retrieval and transaction evaluation	evaluations of offer & compliance, price perception	Gourville 1998; Bambauer-Sachse and Grewal (2011), Gourville (1999) Gourville (2003)
transparent prices		a comparable price to give hints and create a connection to the	selective accessibility, information processing,	willingness to pay, purchase (intention),	Adaval and Wyer Jr 2011; Biswas and Blair 1991; Howard and Kerin 2006; Kalyanaram and Winer 1995; Kamins, Dreze

		actual price offered (e.g., decoy offer, auction starting offer)	attribution, dual-processing, loss aversion, signaling, assimilation/ contrast theory, anchoring, priming, endowment effect,	perceptions of offer, bidding price, search behavior, brand attitudes,	and Folkes 2004; Kan, Lichtenstein, Grant and Janiszewski 2013; Liefeld and Heslop 1985; Urbany, Bearden and Weilbaker 1988; Weaver and Frederick 2012; Winer 1986; Dayaratna and Kannan 2012; Nunes and Boatwright 2004;Barone, Manning and Miniard 2004; Della, Monroe and McGinnis 1981; Grewal, Monroe and Krishnan 1998;
numerical cues	price cues	a comparable price to give hints and create a connection to the actual price offered (e.g., decoy offer, auction starting offer)	selective accessibility, information processing, attribution, dual-processing, loss aversion, signaling, assimilation/ contrast theory, anchoring, priming, endowment effect,	willingness to pay, purchase (intention), perceptions of offer, bidding price, search behavior, brand attitudes,	Adaval and Wyer Jr 2011; Biswas and Blair 1991; Howard and Kerin 2006; Kalyanaram and Winer 1995; Kamins, Dreze and Folkes 2004; Kan, Lichtenstein, Grant and Janiszewski 2013; Liefeld and Heslop 1985; Urbany, Bearden and Weilbaker 1988; Weaver and Frederick 2012; Winer 1986; Dayaratna and Kannan 2012; Nunes and Boatwright 2004;Barone, Manning and Miniard 2004; Della, Monroe and McGinnis 1981; Grewal, Monroe and Krishnan 1998;
visual cues		using visual representation to influence the perception of the price (e.g., displaying the price in small font sizes, using colors to imply discounts, removing commas $1,499 vs. $1499; removing currency symbols)	processing and encoding, congruency theory, anchoring, processing fluency,	perceptions of offer, purchase (intention), evaluations of offer, choice,	Alba, Broniarczyk, Shimp and Urbany 1994; Cai, Shen and Hui 2012; Coulter and Coulter 2005; Coulter and Norberg 2009; Coulter and Coulter 2010; Bagchi and Davis 2012; Biswas, Bhowmick, Guha and Grewal 2013; Suk, Lee and Lichtenstein 2012;
verbal cues		verbal length of the price, pronunciation speed, and price abbreviation habits or language near the price e.g., using words that are congruent with a (small) magnitude	numerical cognition processes, encoding, architecture of working memory,	price memory, recall ability,	Coulter, Choi and Monroe 2012; Vanhuele, Laurent and Dreze 2006, Coulter and Grewal 2014,

Table 2: Violations of Conversational Maxims in Price Communication

Price Communication Information		Violations of Conversational Maxims					
		none	quality	quantity	manner	relation	Explanation of Maxim Violation
			(truthful info)	(right in quantity)	(clear info, no ambiguity)	(relevant info)	
clusters	PCT	No violations	concealed	concealed	concealed	concealed	
price endings	charm pricing			X			offers too much detailed information causing consumers to use heuristics to estimate the price
	precise pricing			X			offers too much detailed information causing consumers to use associate precise numbers with small numbers
	round prices			X			offers too little information to evaluate the true value of the product
price structure	partitioned pricing				X		gives unclear information about the true value because consumers tend to focus on the base price not the final price.
	temporal framing				X		transmits unclear information because it makes it harder to process the full amount of the price.
	transparency	X					Showing total and partial constellations of costs, offer sufficient relevant

							clear and truthful information to the consumer suggesting openness, honesty and trust. By unpacking the costs, the marketer explains everything they did for the customer in putting that product or service together.
price cues	numerical cues					X	often uses unrelated reference points to anchor the mind of the consumer on a certain number
	visual cues					X	often uses unrelated visual cues to create associations between the visual info and price (order of product and price, colored.)
	verbal cues					X	often uses unrelated verbal cues to create associations between the verbal info and price (e.g., price abbreviation habits or language near the price)

Table3: Stimuli of data collection.

Advertising in Traditional Media (like T.V., Magazines, radio) (1)	❍	❍	❍	❍	❍	❍	❍
Advertising on External Media (like billboards, flyers etc.) (2)	❍	❍	❍	❍	❍	❍	❍
Advertising in Digital Media (like email, internet, mobile phones) (3)	❍	❍	❍	❍	❍	❍	❍
In Store Messages (like placing a product on a separate stand) (4)	❍	❍	❍	❍	❍	❍	❍
Word of Mouth (like product reviews, consumer blogs) (5)	❍	❍	❍	❍	❍	❍	❍
Price (like price tags, price reductions and discounts) (6)	❍	❍	❍	❍	❍	❍	❍
Promotion (like coupons, free samples, buy one get one free, bonuses) (7)	❍	❍	❍	❍	❍	❍	❍
Product Trial (like trade shows, showrooms, demonstrations, samples, tasting) (8)	❍	❍	❍	❍	❍	❍	❍
Other - please fill in and rate: (9)	❍	❍	❍	❍	❍	❍	❍
Other - please fill in and rate: (10)	❍	❍	❍	❍	❍	❍	❍
Other - please fill in and rate: (11)	❍	❍	❍	❍	❍	❍	❍