Consumer outrage: Emotional reactions to unethical corporate behavior

Jörg Lindenmeier a,⁎, Christoph Schleer b, Denise Pricl c

a WHL Graduate School of Business and Economics, Hohbergweg 15-17, 77933 Lahr, Germany
b imug (Institute for Market-Environment-Society), University of Hanover, Brühlstr. 11, 30169 Hanover, Germany
c Banque LBLux S. A., Corporate Finance, Rue Jean Monnet 3, 2016 Luxembourg, Luxembourg

A B S T R A C T

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

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1. Introduction

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

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

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

2. Defining consumer outrage

This paper regards consumer outrage as both a negative moral emotional reaction to unethical corporate behavior and a facet of moral outrage that is prevalent in the marketplace. Batson, Chao, and Givens (2009) classify moral outrage as a prototypical moral emotion and according to Haidt (2003, p. 853), moral emotions are “linked to the interests or welfare either of society as a whole or at least of persons other than the judge or agent.” Disinterested elicitors and tendencies toward pro-social action constitute moral emotions (Haidt, 2003).
Consumer outrage differs from basic everyday emotions. Moral emotions are complex constructs linked to welfare concerns meaning that unlike basic emotions, they usually require interpretation and appraisal (Simpson, Carter, Anthony, & Overton, 2006). Batson et al. (2009) thus treat moral outrage as an effect in response to a violation of moral standards, thereby distinguishing moral outrage from personal anger and emphatic anger. Other authors consider anger and moral outrage to be distinct constructs (e.g., Skitka, Bauman, & Mullen, 2004).

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

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

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

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

3. Review of literature on outrage

The literature includes a broad range of perspectives on moral outrage, including research from the philosophical (Garver, 2006) and linguistic (Bruthaux, 2009) traditions. These studies relate only loosely to the focus of the current study although social psychology and research on collective behavior are more closely connected. Several authors regard moral outrage as a component of the sacred value protection model (e.g., Darley & Pittman, 2003), according to which moral communities hold certain values sacred (Skitka et al., 2004). Members of moral communities reject violations of sacred values, and transgressions elicit outrage, which in turn arouses retaliatory behavior.

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

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

4. A model of consumer outrage

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

H1. Consumer outrage is a compound emotion that consists of an affective component (an affective response to an event involving unethical corporate conduct) and a cognitive component (perceived disconfirmation of moral norms). \( H_{1a} \): The affective response has a positive and direct effect on consumer outrage. \( H_{1b} \): The perceived disconfirmation of moral norms has a positive and direct effect on consumer outrage.

4.1. Disconfirmation of moral norms

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

Consumers may consider different reference standards over the course of their cognitive evaluation processes (Cadotte et al., 1987). Goals, norms, and expectations represent the main categories of reference standards (Niedrich, Kiryanova, & Black, 2005). Here
the moral-equity dimension of the multidimensional ethics scale (Reidenbach & Robin, 1990) serves as the reference standard. Early childhood lessons about fairness, right, and wrong form the basis for the moral-equity norm and hence consumers should refer back to this norm spontaneously.

**H2a.** The perceived moral inequity of corporate behavior has a positive and direct effect on the disconfirmation of moral norms.

**H2b.** The moral-equity norm has a positive and direct effect on the disconfirmation of moral norms.

This study assumes that perceived moral inequity directly influences consumer outrage in line with empirical findings about consumer satisfaction (Oliver & DeSarbo, 1988). Perceived moral inequity presumably has a positive effect because of contrast effects (Anderson & Sullivan, 1993). The current study assumes that the moral-equity norm may directly influence consumer outrage. Pathologically outraged persons are high-mindedly moral in their expectations regarding things such as corporate behavior (Kaplan, 1997). Thus, consumers who hold rigid moral standards should experience stronger outrage because they attach more value to the virtuousness and morality of corporate behavior.

**H2c.** Perceived moral inequity has a positive and direct effect on consumer outrage.

**H2d.** The moral-equity norm has a positive and direct effect on consumer outrage.

### 4.2. Moderating effect of affective response

Affective responses may moderate the relationship between perceived moral inequity and consumer outrage in addition to the main effects delineated here. A more pronounced affective response should boost the influence of perceived moral inequity on consumer outrage due to enhanced contrast effects. Ottati and Isbell (1996) report these interaction effects between affective and cognitive constructs in a political science context. This study assumes that affective response does not moderate the relationships between moral-equity norm and moral outrage as well as between disconfirmation perceptions and consumer outrage.

**H3.** The stronger the affective response to an instance of unethical corporate conduct, the stronger is the effect of the perceived moral inequity on consumer outrage.

### 4.3. Mediating effect of consumer outrage

This study conceptualizes consumer outrage as a compound emotion such that consumers should process the antecedents of consumer outrage as pieces of information. Hence, consumer outrage results from this cognitive information processing in line with cognitive emotion theory (Ortony et al., 1988), which in turn should influence behavioral intentions. Thus, moral outrage should act as a mediating variable (Skitka et al., 2004). Babin, Griffin, and Boles (2004) and Chebat and Slusarczyk (2005) report comparable findings in respect of consumer emotions.

**H4.** Consumer outrage mediates the causal relationships between (a) affective responses, (b) perceived disconfirmation, and (c) the antecedents of disconfirmation perception and behavioral intent.

### 4.4. Behavioral consequences

Moral emotions elicit pro-social action (Haidt, 2003). Research regards boycotting as a pro-social behavior (e.g., Klein et al., 2004) and thus, boycotting qualifies as a consequence of consumer outrage. Boycotting enables consumers to vent their anger by harming companies that engage in unethical conduct (Pagano & Huo, 2007). Additionally, outrage motivates people to restore fairness and justice (Darley & Pittman, 2003) and boycotting represents a means of achieving this goal. Hence, boycotting behavior as a type of prosocial behavior bears resemblance to punitive and preventative political actions. Outrage may trigger communication among consumers too in that boycott supporters try to convince other consumers to join the boycott. Boycott communication may help to accelerate joint action and may be critical for the success of the boycott.

**H5.** Consumer outrage has a positive and direct effect on consumers’ inclination to boycott firms and to engage in boycott communication.

### 4.5. Gender differences

This study also investigates gender differences. Brunel and Nelson (2000) suggest that women and men differ in their moral orientations and specifically concerns related to nurturing have a significant impact on women’s world-view. Women may tend to care more about other people. Women’s outrage should be more pronounced because consumer outrage is a moral emotion linked to the welfare of other people (Haidt, 2003).
H6a. Women experience stronger feelings of outrage than men.

These gender differences in moral orientation may affect the process of consumer-outrage formation as well. Women may not seek a possible justification for unethical corporate practices because they tend to be more affective. Thus, affect may more strongly guide their behavior. In contrast, the authors assume that men are more inclined to rationalize immoral business practices. Hence, with respect to consumer outrage and boycott intentions, affective (cognitive) processes should be more important for women (men).

H6b. Affective response has (disconfirmation and its antecedents have) a more decisive influence on women’s (men’s) outrage formation and boycott intentions.

Women are more inclined to engage in pro-social behavior (Peterson, 2001). Conformity with gender stereotypes may help to explain these behavioral patterns (Granié, 2010). Women’s boycott intentions may be more pronounced given that boycotting is a pro-social behavior (Klein et al., 2004).

H6c. Women feel a stronger inclination to boycott and to engage in boycott communication than men.

5. Method

5.1. Study design

This study uses an authentic instance of unethical corporate conduct to test the research hypotheses. The selected case involves Lidl, a German food store chain that systematically spied on its employees. The company’s workplace surveillance led to outrage among the German population (see Appendix A). The survey for this study took place immediately after the initial press releases regarding the company’s workplace surveillance. Student research assistants distributed the questionnaires in person to consumers between 16 and 65 years of age.

The study employs a quota sampling procedure with gender and age as the quota criteria. The student researchers therefore easily determined which quota criterion a potential participant might meet. The authors sent the student assistants to different towns and areas in southwestern Germany. The authors limited the data collection period to seven days to minimize the impact of learning and reactance effects that may result from repeated exposure to news coverage about the case. Problems were encountered with the response rates among people older than 50 years of age at an early stage and the authors decided to discard these data prior to the analysis. A quota sample of 231 interviewees produced 227 useable responses based on this procedure. Table 1 shows the sample characteristics.

All participants answered the questionnaire on their own behalf in written form. This procedure helps to ensure anonymity and resolves the problem of socially desirable responses (Mick, 1996). The questionnaire wording informed the respondents of the authors’ interest in their own opinions regarding a specific corporate behavior and asked them to disregard what other people might think of their opinion. This wording attenuates the incentive to engage in impression management. Thereafter, the questionnaire asked the participants to report their general normative expectations of corporate behavior. The questionnaire then presented the following information:

According to an investigation by Stern magazine, the Discount chain Lidl has systematically spied on its employees. Teams of detectives hired by Lidl meticulously recorded information such as when and how many times employees use the lavatory, if employees have intimate relationships, details of employees’ private lives (e.g., existence of financial problems), and if employees present themselves as incompetent, introverted, or naive.

Participants indicated their immediate affective response and responded to questions related to the remaining constructs depicted in Fig. 1 after reading this information. Finally, the respondents answered questions regarding their socio-demographic characteristics. In addition to asking about age and gender, the survey gathered information about the respondents’ educational achievements and occupations. The results show that 53.4% of the participants had earned a senior high school degree, a level of education somewhat higher than the average for the population. The respondents’ occupations vary widely. The data collection procedure thus created a varied sample. Moreover, preliminary analyses revealed no confounding effects of occupation and education.

5.2. Measures

The measures of the moral-equity norm construct and perceived moral inequity used three items based on the moral-equity dimension of Reidenbach and Robin’s (1990) MES scale. The study includes a subjective measure called the ADM method to capture disconfirmation as applied by Spreng and Page (2003). The measure of affective response relied on the self-assessment manikin (SAM) scale (Bradley & Lang, 1994). The SAM scale uses figurative representations to depict changing emotional states (see Appendix C). These figures draw from the three Mehrabian and Russell (1974) emotion dimensions: valence, arousal, and dominance. Negative affect involves high levels of excitement (arousal) and strong negative feelings (valence) according to Bradley and Lang (1994). Yani-de-Soriano and Foxall (2006) state that moderate feelings of inferiority (dominance) accompany anger. Mehrabian and Russell (1974) argue that these dimensions are mutually independent such that affective response is a formative construct.

The questionnaire includes a single-item measure to address the question of boycott intentions. The “intention to engage in boycott communication” construct uses a three-item scale. The authors developed a consumer outrage scale with five items for the study. Two preliminary studies provided the basis for the scale. Appendix B details these measures.

5.3. Assessment of validity and reliability

Empirical analysis inspects the loadings of the indicators onto their corresponding constructs to assess individual item reliability. All loadings are greater than .70 (see Appendix B). Moreover, composite reliability exceeds the common .70 guideline for all reflective constructs, and the average variance extracted (AVE) is greater than .50 (see Table 2). Hence, all reflective constructs show internal consistency and convergent validity. The comparison of the AVE with all corresponding squared interconstruct correlations confirms discriminant validity.

<table>
<thead>
<tr>
<th>Table 1 Sample characteristics.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (MeanAge = 34.2 years; MedianAge = 32 years)</td>
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<tr>
<td>16-29 years</td>
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<tr>
<td>-------------</td>
</tr>
<tr>
<td>Gender</td>
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<td></td>
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<tr>
<td>Total</td>
</tr>
</tbody>
</table>
The analysis inspects the weights of the items related to affective response and the variance inflation factors (see Appendix B) to evaluate the formative measures (Diamantopoulos & Siguaw, 2006). The analysis correlates the three items with an external accumulative scale (Diamantopoulos & Siguaw, 2006) that measures negative emotion to check for external validity. Overall, the affective response scale shows reasonable reliability and validity.

### 6. Findings

#### 6.1. PLS analysis

To test the relationships proposed, the current study uses partial least squares (PLS) path modeling, specifically, SMARTPLS software (Ringle, Wende, & Will, 2005). PLS is a structural equation model that allows for the analysis of complex, interrelated constructs. The model is estimated using the bootstrapping method with 500 iterations to assess the significance of the path coefficients. The results are presented in Table 2 and Figure 2.

**Table 2**

Average variance extracted, composite reliability, and squared interconstruct correlations.

<table>
<thead>
<tr>
<th>Mean; Standard deviation</th>
<th>Mode</th>
<th>Composite reliability</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Disconfirmationa</td>
<td>1.8; 1.12</td>
<td>1.3</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(2) Affective responsea</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>.19</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>(3) Moral-equity norm</td>
<td>6.2; 1.02</td>
<td>6.0</td>
<td>.89</td>
<td>.07</td>
<td>.06</td>
<td>.73</td>
<td>.83</td>
<td>.83</td>
</tr>
<tr>
<td>(4) Consumer outrage</td>
<td>5.5; 1.49</td>
<td>5.7</td>
<td>.96</td>
<td>.31</td>
<td>.79</td>
<td>.03</td>
<td>.71</td>
<td>.71</td>
</tr>
<tr>
<td>(5) Perceived moral inequity</td>
<td>6.3; .97</td>
<td>2.3</td>
<td>.88</td>
<td>.40</td>
<td>.25</td>
<td>.07</td>
<td>.51</td>
<td>.71</td>
</tr>
<tr>
<td>(6) Boycott communication/boycott intentiona</td>
<td>3.7; 1.17</td>
<td>4.0</td>
<td>.96</td>
<td>.17</td>
<td>.31</td>
<td>.04</td>
<td>.29</td>
<td>.19</td>
</tr>
</tbody>
</table>

Notes. Numbers in bold denote average variance extracted (AVE). The means, standard deviations, composite reliabilities, AVE, and squared correlations in parentheses correspond to the analysis with boycott intention as the outcome of consumer outrage.

a AVE and composite reliability cannot be calculated for single-item measures and formative measures.

The analysis inspects the weights of the items related to affective response and the variance inflation factors (see Appendix B) to evaluate the formative measures (Diamantopoulos & Siguaw, 2006). The analysis correlates the three items with an external accumulative scale (Diamantopoulos & Siguaw, 2006) that measures negative emotion to check for external validity. Overall, the affective response scale shows reasonable reliability and validity.
modeling approach. PLS estimation provides several benefits (Chin, 1998) unlike covariance-based methods (e.g., LISREL) PLS makes no distributional assumptions and does not require multivariate normal data, entailing only minimal requirements regarding measurement levels, and employing bootstrapping to verify the stability and significance of the parameter estimates. This attribute of PLS is especially useful when the data are skewed (see descriptive statistics in Table 2). Second, PLS maximizes the explained variance of the dependent variables, which makes this method optimal in terms of prediction accuracy. This feature is helpful in predicting boycott intentions. Third, PLS enables the researcher to account for formative measurement models and moderating effects.

Fig. 2 depicts the path coefficients for the consumer outrage model with boycott communication and boycott participation intentions as outcomes. The interpretation of the path coefficients is similar to that for ordinary least squares regression coefficients. Chin (1998) suggests that path coefficients (effect size) should exceed .10 (.02). R²'s of .66 indicate substantial overall model fit, whereas R²'s of .35 are moderate, and R²'s of .17 reveal weak overall model fit (Chin, 1998). Consumer outrage R²'s of .61 and .62 indicate that the proposed model fits the data well.

H1a and H1b posit a positive and direct effect of affective response and disconfirmation on consumer outrage. Examining the direct paths of these constructs as shown in Fig. 2, the authors find support for these hypotheses (the pathways are significant at .15; p < .05 and .36; p < .01). Hence, consumer outrage appears to have an affective basis as well as a cognitive basis. The PLS results indicate that perceived moral inequity has a significant direct effect on outrage (the pathway is significant at .40; p < .01). This result is consistent with H2a, which suggests that perceived moral-equity impacts outrage due to contrast effects.

However, contrary to H3a, the moral-equity norm has no significant direct effect on consumer outrage. In support of H3b and H3c, the moral-equity norm and perceived moral equity have significant direct effects on perceived disconfirmation (the pathways are significant at .60; p < .01 and .12; p < .05). These findings support the disconfirmation paradigm. H1 posits a moderating effect of affective response. As Fig. 2 shows, the named moderation effect is significant at .09; p < .10 such that a stronger affective response increases the strength of the effect of moral inequity on consumer outrage. Additional empirical analysis reveals that affective response does not moderate the effects of disconfirmation and the moral-equity norm on outrage. In line with H5, outrage has a significant effect on consumers’ inclination to boycott a firm (the pathway is significant at .21; p < .01) and to engage in boycott communication (the pathway is significant at .35; p < .01). In addition, disconfirmation and affective response directly influence intentions to engage in boycott communication (the pathways are significant at .10; p < .10 and .34; p < .01). In contrast, disconfirmation has no direct effect on boycott intentions.

6.2. Mediation analysis

The authors test H6, which suggests that consumer outrage acts as a mediating variable, by using the Baron and Kenny (1986) procedure, the Sobel test and the Preacher and Hayes (2004) bootstrapping method (readers interested in current developments in mediation analysis may refer to Preacher & Hayes, 2008 and Zhao, Lynch, & Chen, 2010). The analysis reveals that outrage partially mediates the effects of affective response and disconfirmation on intention to engage in boycott communication. According to the classification of Zhao et al. (2010), these verified partial mediation effects represent complementary mediation effects. With regard to the relationship between disconfirmation and boycott intention, the analysis shows a total or indirect-only mediation effect of consumer outrage.

Furthermore, perceived moral equity has no significant direct effect on behavioral intent, and the PLS results indicate a combined mediation effect of consumer outrage and disconfirmation perceptions. The Baron and Kenny (1986) procedure indicates a total or indirect-only mediation effect of consumer outrage and a partial or complementary mediation effect of disconfirmation. Hence, the findings confirm H2: consumer outrage represents the main mediator of this causal relationship.

6.3. Test of alternative models

H1 posits that consumer outrage has a cognitive as well as an affective basis. To further investigate this hypothesis, the current study tests two alternative outrage models. First, the analysis considers a pure disconfirmation model (see Fig. 3) containing only outrage's cognitive antecedents. Considering outrage's R², the pure disconfirmation model achieves a worse overall fit than does the model depicted in Fig. 1. Analysis validates a pure affect model of consumer outrage as well (see Fig. 3). Considering outrage's R², the pure affect model clearly shows a worse overall fit than the pure disconfirmation model. Thus, cognitive mechanisms are apparently more relevant for outrage formation.

6.4. Analysis of gender differences

In the sample, mean comparison tests reveal that women's consumer outrage is higher than that of male respondents (MWomen = 5.8, MMen = 5.2; t1,226 = 3.03, p < .01). Consistent with H6a, this result may be due to gender-specific differences in moral orientation. In line with H6a, the findings indicate that women's boycott intentions are more pronounced (MWomen = 4.74, MMen = 3.84; t1,226 = 2.94, p < .01). This result suggests that boycotting is a pro-social tendency.

The analysis tests the outrage model for male and female respondents separately to further investigate gender effects. In the sample, the moral-equity norm has no significant effect on women's disconfirmation perceptions contrary to H2b. In the sample, the moral-equity norm has a significant direct effect on women's outrage (the pathway is significant at .10; p < .05) in line with H2d. This significant effect of moral-equity norm on women’s outrage lends further credence to the conceptual model. Furthermore, disconfirmation (the moral-equity norm) does have a significant direct impact on women's (men's) behavioral intentions (the pathway is significant at .19; p < .05 (.15; p < .05) in the sample).

H6b concludes that the effects of cognitive (affective) processes should be more pronounced with regards to men’s (women’s) outrage formation and inclination to boycott a firm. To investigate this hypothesis, the analysis tests the pure affect model and the pure disconfirmation model separately for men and women. In the sample, the pure disconfirmation model explains a greater part of men's boycott intentions (R² = .51) than women's boycott intentions (R² = .35). Furthermore, in the sample, the pure affect model explains a greater part of women's outrage (R² = .44) than men's outrage (R² = .31). Hence, the results of the study suggest that women's (men's) outrage and behavioral intent is more heavily driven by affective (cognitive) constructs.

7. Conclusion and discussion

Whereas prior studies focus their attention on exploring consumers' perceptions of unethical corporate conduct, the present study investigates how unethical corporate conduct affects consumer emotions and subsequent boycotting behavior. The findings of the current study enrich the existing literature about the effects of unethical corporate behavior, boycotting behavior, and moral outrage.
The results of this study suggest that unethical corporate behavior results in consumer outrage and that consumer outrage represents a compound emotion from a process understanding perspective. More precisely, unethical corporate behavior affects consumer outrage through a dual mechanism. Whereas the affective-response construct provides the emotional basis for outrage, the disconfirmation of moral norms represents its cognitive foundation. A test of alternative models reveals that disconfirmation and its antecedents have a stronger impact on consumer outrage than affective response. The extent of cognitive and affective constructs’ impact may vary when different elicitors of outrage are considered. In particular, affective aspects should be more relevant when unethical corporate conduct more directly affects consumers. This study’s findings indicate that consumer outrage represents a major elicitor of consumer boycotting behavior from a predictive understanding perspective. This result may be because consumers regard boycotting as an opportunity to vent their anger and to restore fairness and justice.

Additional analysis reveals gender differences. First, the analysis indicates that cognitive processes have a more pronounced effect on men’s outrage formation and inclination to boycott a firm. Moreover, in the sample, women are more outraged than men. These findings may be due to differences in moral orientation according to Brunel and Nelson (2000). Namely, female respondents in the sample assumingly experienced stronger feelings of outrage because they care more about people harmed by unethical corporate conduct than men. Second, in opposition to the disconfirmation paradigm, the moral-equity norm has no effect on women’s disconfirmation perceptions in the sample. This finding indicates that female respondents’ disconfirmation perception is not based on the perceived deviation of corporate conduct’s immorality from the moral-equity norm.

The moral-equity norm in the sample has a significant direct effect on women’s consumer outrage in line with Kaplan’s (1997) research. Apparently, women’s outrage is greater than men’s because they attach more importance to the moral dimension of corporate conduct and are thus more critical to businesses’ moral transgressions. Fourth, consistent with research on the behavioral effects of ethical norms (e.g., Rallapalli, Vitell, & Barnes, 1998), the moral-equity norm has a significant effect on men’s behavioral intentions in the sample. Apparently, contrary to women, men consider the moral-equity norm as a guideline for their behavior. This gender-specific difference may occur because men are more susceptible to normative influences perhaps because ethical norms influence men more than women due to men’s greater “need to identify with or enhance one’s image in the opinion of significant others” (Bearden, Netemeyer, & Teel, 1989, p. 473). Finally, the finding that women are more motivated to join consumer boycotts supports the assumption that boycotting is a pro-social behavior.
8. Limitations, managerial implications, and suggestions for future research

Any interpretation of this study’s results must include limitations. First, this investigation focuses on behavioral intentions which do not necessarily correlate with behavior rather than considering actual behavior. Second, this study’s quota sample does not include older interviewees. Third, despite the short time horizon between the first press release and the survey, learning and re-actance effects may have influenced respondents. Fourth, concerns related to social desirability may have confounded the study results such that participants likely over-reported their inclination to boycott. However, the Lidl case did not trigger widespread calls for boycotts and therefore, the social pressure to engage in boycotting behavior was low.

Companies can hardly control immediate affective responses to unethical corporate conduct. Firms cannot manipulate the moral-equity norm as well. Moral norms are stable over time and therefore not susceptible to corporate communication. Therefore, companies that want to influence consumer outrage must address consumers’ perceptions regarding moral inequity. Substantial changes in corporate conduct in response to activists’ actions (e.g., calls for boycott) are disadvantageous to business objectives and thus do not represent a feasible decision alternative for managers. Consequently, firms should attempt to influence consumers’ perceptions through corporate communication. Corporations have different forms of communicative responses to accusations of unethical behavior at their disposal (Bradford & Garrett, 1995). While no response is detrimental, concessions are an effective communicative response. Nevertheless, managers should keep in mind that concessions may impair a company’s image as a powerful opponent during the course of boycott campaigns and other communicative responses such as excuses may be more appropriate (Hill, Baer, & Morgan, 2000). However, if a boycott group’s accusations are substantive, excuses may result in an unfavorable boomerang effect (Bradford & Garrett, 1995). Companies may also monitor consumer outrage with early warning systems particularly by considering social milieus from which activists are recruited.

This study also offers several possibilities for further research. First, others might consider unethical corporate conduct that is more strongly related to consumption or that directly affects consumers. Here, further research could investigate whether unethical company behavior has different effects on consumer outrage and dissatisfaction and whether outrage and dissatisfaction are distinct constructs. Second, emotional reactions may differ when the primary focus is on persons directly affected by the event, the responsibility of one’s own in-group, or that of a company. This study analyzes only the last scenario. Further studies might include constructs such as sympathy and shame in order to consider the first two variations. Third, additional research may analyze other behavioral consequences of consumer outrage. For example, outrage might spur a desire to take legal action. Fourth, cognitive considerations such as cost-benefit comparisons of boycott participation may moderate the effects of consumer outrage. Fifth, research could investigate how different personality traits affect consumer outrage and subsequent behavior. Here, the research of Jovanović, Lipovac, Stanovejić, and Stanovejić (2011) may provide a promising starting point. Finally, further research should investigate the means of communication that best influence consumer outrage and its behavioral effects.

Appendix A. The Lidl case

At the end of March 2008, the German weekly magazine Stern published an article accusing the German discount grocery chain Lidl of spying on its staff using egregious methods reminiscent of the former East German Stasi secret police. According to Stern reporters, Lidl hired detectives to investigate staff behavior on the job, as well as during their breaks. The surveillance teams installed mini-cameras all over the outlets—even in toilets.

Excerpts from transcripts of internal surveillance documents quoted by Stern summarize the surveillance activities (Spiegel, 2008): “Although Ms. N. has not accomplished much in the food and reduced wares department, she takes her break right on time. She sits together with Ms. L.; they talk about their wages, bonuses and paid overtime. Ms. N. hopes that her pay has been transferred already because she desperately needs money for this evening (reason = ?); “Her circle of friends consists mainly of junkies”; “Ms. T. spoke on the phone with her boyfriend. They are talking about their dinner plans. Even though she knows there are lots of customers”; and “Ms. M. has tattoos on both lower arms.”

The reports triggered outrage among the German public. Some politicians stated that they would refrain from purchasing from Lidl outlets and would sympathize with a Lidl boycott. Lidl initially denied the internal surveillance documents, and a Lidl spokesperson said that the surveillance activities were not aimed at “employee observation but rather to detect possible misconduct” (Spiegel, 2008).

Appendix B

Notes: Unless otherwise noted, the construct measures used seven-point Likert scales from 1 = “Disagree absolutely” to 7 = “Agree absolutely.” Factor loads, weights, and variance inflation factors after the slashes indicate values for the model with boycott intentions as the dependent variable. ** p < .01. *** p < .001.

<table>
<thead>
<tr>
<th>Moral-equity norm</th>
<th>Factor load</th>
<th>Weight</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate behavior toward their employees must be fair.</td>
<td>(Load = .90***/.89*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>Corporate behavior toward their employees must be just.</td>
<td>(Load = .90***/.89*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>Corporate behavior toward their employees must be morally right.</td>
<td>(Load = .73***/.78*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perceived moral inequity of corporate behavior</th>
<th>Factor load</th>
<th>Weight</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>I consider the behavior of Lidl to be unfair.</td>
<td>(Load = .81***/.81*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>I consider the behavior of Lidl to be unjust.</td>
<td>(Load = .86***/.86*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>I consider the behavior of Lidl to be morally wrong.</td>
<td>(Load = .86***/.86*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disconfirmation of moral norms</th>
<th>Factor load</th>
<th>Weight</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall, company X’s behavior deviates strongly from my concept of morality.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>How would you evaluate this deviation? (“Very good” to “Very bad”).</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Affective response</th>
<th>Factor load</th>
<th>Weight</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valence (Weight = .37***/.41***; VIF = 1.37/1.28)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arousal (Weight = .76***/.72***; VIF = 1.37/1.31, reversely coded)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominance (Weight = .19***/.15***; VIF = 1.01/1.05, reversely coded)</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumer outrage</th>
<th>Factor load</th>
<th>Weight</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considering the behavior of company X, how would you describe your emotions?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It’s outrageous!</td>
<td>(Load = .92***/.92*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>It’s scandalous!</td>
<td>(Load = .93***/.90*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>It’s impudent!</td>
<td>(Load = .99***/.93*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>It’s egregiuost!</td>
<td>(Load = .91***/.91*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>It’s impertinent!</td>
<td>(Load = .89***/.88*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Boycott communication</th>
<th>Factor load</th>
<th>Weight</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>I advise my family against buying products at the grocery stores of Lidl!</td>
<td>(Load = .94*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>I will advise my friends and acquaintances against buying products at the grocery stores of Lidl!</td>
<td>(Load = .97*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
<tr>
<td>I will advise my friends and acquaintances to join a boycott of Lidl!</td>
<td>(Load = .93*** )</td>
<td>(.19***/.15** )</td>
<td>1.01/1.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Boycott intentions</th>
<th>Factor load</th>
<th>Weight</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am tempted to boycott Lidl!</td>
<td></td>
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</tbody>
</table>
Appendix C

Self-assessment manikin rating scale for valence, arousal, and dominance (Bradley & Lang, 1994).

References


Yani-de-Soriano MM, Foxall GR. The emotional power of place: the fall and rise of dominance in retail research. J Retailing Consum Serv 2006;13:403–16.