

Contextual Bias in Ethical Judgment of Marketing Practices

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ABSTRACT

Human judgment is susceptible to contextual biases, yet most ethical models in marketing do not indicate how context influences decision making. The authors illustrate how ethical judgments of marketing practices can be influenced by contextually induced frames of reference. Scenarios describing ethical or unethical marketing practices are used in two experiments to prime subjects who subsequently rated the ethics of a target scenario. The target tends to be rated as more ethical by subjects primed with descriptions of unethical practices, and less ethical by subjects primed with descriptions of ethical practices. Moreover, this contrast effect is contingent upon the interplay of innate and induced moderating factors. Subjects with high needs for cognition that are unaware of the potential bias induced by contextual priming are prone to the contrast effect. Awareness of the priming-induced bias mitigates contrast effects among high need for cognition subjects. Implications for ethical decision making and further psychological research in marketing are discussed. ©1996 John Wiley & Sons, Inc.

Unethical behavior in marketing may occur under three circumstances. First, the behavior may precede cognitive consideration of the ethics of the act. Second, ethical implications may be considered before an act is performed, but the marketer may choose to behave unethically. Third, ethical implications may be considered before an act is performed, but circumstances may lead to a biased assessment of ethical implications. Thus, the marketer may unwittingly fall prey to poor judgment and engage in inadvertently unethical behavior.

The present study concerns a process underlying this third circumstance. Because all judgments are made within some given set of conditions or context, it was suspected that circumstantially induced biases may be pervasive in ethical decision making. If confirmed, this would certainly help to explain why good people sometimes seem to make unethical decisions.

Adaptation-level theory (Helson, 1964) provides insight into the influence of context (prevailing conditions and prior judgments) upon current evaluations. Contrast and assimilation effects are among the most recognized phenomena analyzed in this paradigm. Contrast occurs when prior evaluations accentuate perceived differences between current and previous stimuli. For example, a shopping mall may seem noisy to a person who just came from a library, but quiet to someone who just came from a sporting event. Assimilation occurs when prior evaluations reduce differences between current and previous stimuli. The present study focuses on contrastive effects of context on ethical judgments of marketing practices, and the boundary conditions within which such effects appear to operate.

Although contrast effects have been documented in a variety of situations (see, for example, Bettman & Sujan, 1987; Levin & Gaeth, 1988; Manis & Armstrong, 1971; Puto, 1987; Qualls & Puto, 1989; Sherman, Ahlm, & Berman, 1978; Thaler, 1985; Thaler & Johnson, 1990), it is uncertain whether analogous results should obtain for ethical judgments in marketing. Ethical decisions may be unique by merit of their seriousness and moral consequences, and hence may not be subject to the same psychological mechanisms that govern other types of decisions. For example, rational decision makers tend to prefer alternatives that maximize utility (or expected utility) in economic decisions. Yet when moral considerations weigh into the decision, a rational person may prefer an alternative that suboptimizes utility in favor of doing the right thing. Hence it seems plausible, but not certain, that ethical judgments should be prone to contextual influences that bias other types of judgments.

Despite the possibility that ethical decisions may be prone to contextually induced bias, ethics models in marketing have generally failed to specify how context influences judgments. The Hunt and Vitell (1986) general theory of marketing ethics maintains that ethical judgments emerge from evaluations based upon standards (deontol-

ogy) and outcomes (teleology). Although marketing personnel have multiple deontological standards (Mayo & Marks, 1990; Vitell, Rallapalli, & Singhapakdi, 1993), only a few are likely to be evoked in a given decision-making problem. Prior experiences may activate elements of the deontological norms and provide a context for assessing the target behavior (cf. Manis et al., 1988). Ferrell and Gresham (1985) offer a complementary approach that suggests that individual and environmental factors influence ethical decision making. Wotruba's (1990) model focuses on the determinants of ethical behavior among salespersons and sales managers. These models recognize that situational factors and personal characteristics influence judgments, yet they do not specify how contextual factors influence evaluations. Hence, it would seem desirable to examine the role of contextual sources of bias in the formation of ethical judgments.

Two experiments were conducted to investigate the contrast effect and its moderators in ethical decision making. The first experiment shows how contrast effects operate in the evaluation of ethical dilemmas. The second experiment shows how innate and induced factors that determine the extent of processing can jointly influence ethical judgments. A discussion of the implications for ethical decision making, training, and research in marketing concludes the article.

EXPERIMENT 1

Adaptation-level theory provides insight into the influence of context (prior judgments) upon current evaluations (Manis & Armstrong, 1971). According to the theory, contrast occurs when prior evaluations accentuate perceived differences between current and previous stimuli. Contrast effects have been examined in several settings, yet their influence upon ethical decisions has received limited attention (Parducci, 1968). L.L. Martin and colleagues (1986; L.L. Martin, Seta, & Crelia, 1990) developed a set/reset model to describe contrastive judgments. According to the model, persons attempt to form unbiased opinions of events, and this opinion is referred to as a set. When contextual stimuli are present, the individual considers similarities between the stimuli and the focal event. Information that is shared by the contextual stimuli and the focal event is eliminated (i.e., reset) from the evaluation of the focal event. As a result, the evaluations of the focal event stand in contrast to the contextual stimuli.

In Experiment 1, the proneness of ethical decision making to contrast effects is assessed. Descriptions of either ethical or unethical marketing practices served as contextual priming stimuli. When ethical scenarios are presented before an ethically questionable practice, the questionable practice should be evaluated as relatively unethical. By contrast, when unethical scenarios precede the questionable practice, the practice

should be viewed as relatively ethical. Thus, an experiment was designed to test the hypothesis that

H1: A given marketing practice will be evaluated as less ethical when judged in the context of ethical practices, and more ethical when judged in the context of unethical practices.

Subjects

Subjects were 106 undergraduate students (61 males, 44 females, 1 gender not reported) recruited from a business school subject pool at a large university in the midwestern U.S. Marketing majors accounted for 21%, 54% were other business majors, and the remaining 25% were nonbusiness or undecided majors. Course credit was offered as an incentive to participate. Complete data were obtained from all but one subject ($N = 105$).

Although the student subjects generally lacked workplace experience, their reactions to the experimental scenarios should be illustrative of the theoretic principles hypothesized to underlie ethical judgment. Moreover, the authors believe that it is meaningful and important to study college students as a subject population because they will be responsible for consequential ethical decisions when they assume positions in the business community.

Stimuli

The influence of context (prior judgments) was manipulated via printed scenarios taken from Dabholkar and Kellaris (1992). Half of the subjects received two priming scenarios that had produced *low* ethical ratings in the Dabholkar and Kellaris (1992) study:

- (1.0) While attending a trade show, salesman X passed by a competitor's exhibit which was temporarily unattended. With intent to do damage to his competitor, X took all the free product samples from his competitor's booth. X felt that this was not exactly "stealing" because the samples were there to be taken for free anyway. "Besides," he thought, "if they're stupid enough to leave their exhibit unattended . . ." When the competitor returned, he discovered that the product samples were missing and no more were available for prospective buyers attending the trade show.
- (2.0) One of salesman Y's competitors installed a new electronic ordering system that allowed customers to call a computer over an 800 number and place orders using a touch tone phone. Salesman Y instructed his secretary to call his competitor's 800 number repeatedly and input numbers at random. As a result of these "prank calls," the competitor's phone bill increased sig-

nificantly, it took many man-hours to correct the mess caused by the random numbers that were input, and the competitor's legitimate customers had difficulty placing orders because the line was tied up with prank calls. Note that, strictly speaking, what Y did was not illegal *per se*.

Other subjects received two priming scenarios that had produced relatively *high(er)* ethical ratings in the Dabholkar and Kellaris (1992) study:

- (1.1) Salesman X worked for a wholesale beverage company. He called on a new retail store buyer who was unfamiliar with the products X sold. In order to acquaint the buyer with the product line, salesman X gave him some product samples to "take home and try." The buyer hesitated to take the samples, but the salesman insisted. "This way you will be able to make honest recommendations to your customers."
- (2.1) Salesman Y has a B.A. degree in psychology, and an M.B.A. in marketing. As a student, he had learned many psychological "tricks" that he could use in personal selling. He had also been trained extensively in assessing customers' needs. In one situation, he was not really sure if his company's product was best suited to a prospect's need, but he used a psychological technique and closed the sale. The buyer in this case was an educated, mature professional.

All subjects received the same target scenario, which had produced a neutral (i.e., midscale) ethical rating in previous research (Dabholkar & Kellaris, 1992):

- (3) The ABC Wholesale Company developed an interesting promotional program. Any retail account ordering 100 cases or more would receive a free wide-screen T.V. According to a brochure which described the promotional program, the retailer could sponsor a contest or drawing in which the T.V. could be given away as the "Grand Prize." ABC left the administration of the program "details" up to its sales force. Salesman Z, who worked for ABC, told several buyers (at different retail accounts) that if they placed an order for 100 cases, he would have the T.V. shipped to their *home address*. "What you do with it after that is entirely up to you . . ."

Measure

A single-item, 7-point ethics scale (1=*unethical*, 7=*ethical*) followed each scenario (Hawkins & Cohanougher, 1972). It was preceded by the prompt "please indicate your evaluation of salesman X/Y/Z's actions by circling an appropriate number on the scale below." The alternative of

using a multiitem measure of ethical behavior (e.g., Reidenbach, Robin, & Dawson, 1991) was considered. A pretest involving 59 subjects, however, revealed a 0.97 correlation between the single-item measure and the Reidenbach et al. scale. Thus, a simple, single-item measure is preferred because it is highly representative of the multiitem measure, yet is more parsimonious and less likely to fatigue subjects.

Procedure

The questionnaires were administered in a large classroom. Assignments to treatments were made by shuffling versions of the questionnaire to approximate randomization. In addition to the printed instructions that appeared on the questionnaires, subjects were reminded to work independently, and to read/rate the scenarios in the order presented. No violations of these instructions were observed. A debriefing took place immediately after the procedure.

Manipulation Checks

To verify the integrity of the treatments, several checks were performed. First, the within-subjects correlation between ratings of the first and second scenarios was examined, and were found to be positive and significant ($r = 0.64$, $p < 0.001$). This indicates that the ratings of the priming scenarios were similarly low or high within subjects. Next, the average of the priming scenario ratings $[(S1 + S2)/2]$ was compared between low and high ethical priming groups to establish in a single contrast that the low and high ethical priming groups differ statistically ($M_{\text{low}} = 1.59$, $M_{\text{high}} = 4.68$; $t = -16.75$, $p < 0.001$). [This pattern of differences was also observed for both the first ($M_{\text{low}} = 1.56$, $M_{\text{high}} = 5.66$; $t = -18.05$, $p < .001$) and second ($M_{\text{low}} = 1.63$, $M_{\text{high}} = 3.70$; $t = -8.55$, $p < 0.001$) scenarios individually.] Thus, the two sets of priming scenarios provide significantly different ethical vantage points from which to view the target scenario.

Results

The average ethical rating of the target (i.e., third) scenario across all conditions was 3.03. This result is consistent with earlier findings (Dabholkar & Kellaris, 1992), and with the authors' expectations of a neutral (i.e., midscale) central tendency on the ethics scale.

A variance analysis (ANOVA) examined the impact of the contextual priming treatment (low versus high ethical priming groups) on ethical ratings of the target scenario. Results are summarized in Table 1.

Ethical priming produced the anticipated contrast effect on ethical judgments. The practice described in the target scenario was rated as

Table 1a. Experiment 1: Means and Standard Deviations of Ethical Ratings.

	Ethical Ratings (target scenario)	
	Mean	Standard Deviation
TOTAL (N = 105)	3.03	1.72
Ethical Priming Groups		
•Low	3.73	1.74
•High	2.37	1.43

significantly *more* ethical (mean = 3.73) by subjects primed with the relatively unethical scenarios (low ethical priming group), and as *less* ethical (mean = 2.37) by subjects primed with the relatively ethical scenarios (high ethical priming group) $F_{1,104} = 19.03, p < .001 \omega^2 = 0.146$.

Discussion

The data support H1. Consistent with expectations, ethical ratings of the practice described in the target scenario were influenced by context (prior judgments). Subjects primed by scenarios describing unethical practices judged the target practice as significantly more ethical than subjects primed by (relatively) ethical practices. Thus, the same marketing practice seemed more ethical or less ethical in contrast to the contextual vantage point established by prior judgments.

Having demonstrated that ethical evaluations are indeed biased by prior judgments, the authors sought to identify conditions that mitigate this bias. An important aspect of ethical judgments is the amount of effort they require. For example, marketing researchers that have collected data with questionable psychometric properties (i.e., poor reliability and validity) may deliberate whether to present the information to customers (Mayo & Marks, 1990). Because these decisions involve substantial deliberation, it was suspected that they will be influenced by the individual's willingness to engage in effortful processing (cf. Lynch, Chakravarti, & Mitra, 1991; L.L. Martin et al., 1990). Cacioppo and Petty (1982) refer to the desire to engage in effortful processing as the *need for cognition* (NFC). Persons high in NFC spend more time making their evaluations and are thus more likely to eliminate information shared between the priming scenario and the target ethical dilemma. Thus, persons high in NFC should be more likely to

Table 1b. Experiment 1: Variance Analysis (ANOVA) on Ethical Ratings.

Source of Variation	MS	F	d.f.	p
Ethical Priming	48.165	19.026	1,104	.001
Error	2.532			

contrast current judgments with prior judgments. Individuals with a low NFC should be more likely to avoid elaborative processing, rely on intuition, and use simplifying heuristics and other cognitive shortcuts, and are thus less likely to eliminate information shared with the priming scenarios.

The influence of NFC upon ethical judgments can be attributed to the innate desire to expend effort on the evaluation (cf. L.L. Martin, 1986; Meyers-Levy & Sternthal, 1993). The individual's innate need for cognition, however, is not the only factor that can motivate effortful processing. Persons high in need for cognition dedicate effort to evaluations and thus are prone to eliminate information shared between the priming and target scenarios. Similarly, persons that have been made aware of the potential bias also dedicate effort to the evaluation and eliminate shared information. Consistent with Lombardi, Higgins, and Bargh (1987), consciousness of the priming events motivates individuals to process subsequent information and thereby prompts them to contrast target evaluations with priming conditions.

It is proposed that need for cognition and awareness jointly moderate the contrast effect induced by frames of reference. Individuals low in need for cognition that are unaware of the bias are unlikely to dedicate effort to the decision and thus should not be prone to the contrast effect. Individuals high in need for cognition that are unaware of the bias should dedicate effort to the decision, and thus a contrast effect should obtain. Individuals low in need for cognition that are made aware of the potential bias should also dedicate effort to the evaluation, and contrast their evaluations of the target with the priming scenarios. Individuals high in NFC that are made aware of the potential bias should operate under a different mechanism. These individuals should recognize that the priming information may influence their judgment, but their desire to engage in cognition provides the opportunity to partial out only the information that is associated with the priming scenario. Therefore, the following three-way interaction among ethical priming, need for cognition, and awareness state is proposed:

- H2:** Awareness of the potential for contextual bias will moderate the contrastive effect of prior ethical judgments on current ethical judgments among subjects with high need for cognition (NFC) such that subjects with high (versus low) awareness will be *less* (versus more) prone to the contrast effect.

EXPERIMENT 2

This experiment investigated the interactive influence of prior judgments, NFC, and awareness of the potential for contextual bias upon ethical judgments. Prior judgments and awareness were manipulated

via awareness, and NFC were measured in a $2 \times 2 \times 2$ between-subjects design. The dependent variable and procedure were identical to those used in the previous experiment.

Subjects

Subjects were 139 ($N = 139$) students (85 males, 54 females) attending MBA classes at a southeastern and a midwestern university in the U.S. Of these 29% percent were general MBA students, 25% were marketing majors, 26% were other business majors, and the remaining 20% were pursuing other degrees.

Independent Variables

Prior judgments were manipulated with the use of the same Dabholkar and Kellaris (1992) scenarios used in Experiment 1.

Awareness of contextual bias was manipulated by placing the following text before the target scenario on half of the questionnaires (high-awareness condition): "Before you respond to this final (third) scenario, note that your responses to the first two scenarios may influence how you view the following scenario. Try to evaluate the following scenario *independently*, without letting your responses to the first two scenarios in any way influence how you respond to the following one." Under the low-awareness condition this text was omitted.

The second independent variable (moderator), need for cognition, was measured via the Cacioppo, Petty, and Kao (1984) reduced 18-item scale. Scores on this 9-point measure range from -4 (*very strong disagreement*) to $+4$ (*very strong agreement*). Item 18 in the scale ("I usually end up deliberating about issues even then they do not affect me personally.") was removed because of a low item-to-total correlation ($r = 0.12$). Alpha reliability for the 17-item composite scale was 0.87. Low and high NFC groups were created via median split (median = 1.88). A t test showed the low (mean = 0.94) versus high (mean = 2.50) groups to differ significantly in terms of NFC ($t = -12.22$, d.f. = 137, $p < .001$).

Manipulation Checks

To verify the integrity of the experimental treatments, tests identical to those performed in the first experiment were repeated. First, the within-subjects correlation between ratings of the first and second scenarios was examined, and found to be positive and significant ($r = 0.77$, $p < .001$). Next, the average of the priming scenario ratings $[(S1 + S2)/2]$ was compared between low and high ethical priming groups to establish in a single contrast that the low and high ethical

priming groups differ statistically ($M_{low} = 1.54, M_{high} = 4.99; t = -18.04, p < .001$) Again, this pattern of differences was observed for both the first ($M_{low} = 1.51, M_{high} = 5.72; t = -20.04, p < .001$) and second ($M_{low} = 1.57, M_{high} = 4.27; t = -11.12, p < .001$) scenarios individually, and ratings of the priming scenarios were shown to differ statistically from the *post hoc* control group's rating of the neutral target. Thus, the

Table 2a. Experiment 2: Means and Standard Deviations.

	Ethical Ratings (target scenario)	
	Mean	Standard Deviation
TOTAL (N = 139)	2.80	1.72
Ethical Priming Group		
•Low	3.10	1.68
•High	2.51	1.72
Need for Cognition		
•Low NFC	3.19	1.86
•High NFC	2.42	1.51
Awareness of Contextual Bias		
•Low	3.06	1.88
•High	2.54	1.53
Low Need for Cognition		
•Low Ethical Priming Group	3.24	1.70
•High Ethical Priming Group	2.97	1.32
High Need for Cognition		
•Low Ethical Priming Group	2.80	1.64
•High Ethical Priming Group	2.06	1.29
Low Awareness of Contextual Bias		
•Low Priming Group	3.40	1.90
•High Priming Group	2.71	1.82
High Awareness of Contextual Bias		
•Low Priming Group	2.79	1.39
•High Priming Group	2.32	1.63
Low Awareness of Contextual Bias		
•Low NFC	3.67	2.02
•High NFC	2.59	1.63
High Awareness of Contextual Bias		
•Low NFC	2.82	1.64
•High NFC	2.22	1.34
Low Awareness of Contextual Bias		
•Low Priming Group/Low NFC	3.60	2.10
•Low Priming Group/High NFC	3.25	1.77
•High Priming Group/Low NFC	3.73	2.02
•High Priming Group/High NFC	1.89	1.15
High Awareness of Contextual Bias		
•Low Priming Group/Low NFC	3.28	1.32
•Low Priming Group/High NFC	2.20	1.26
•High Priming Group/Low NFC	2.40	1.82
•High Priming Group/High NFC	2.24	1.44

two sets of priming scenarios again provide different ethical vantage points from which to view the target scenario.

Results and Discussion

Variance analysis assessed the impact of the independent variables on ethical evaluations of the target. Results are summarized in Table 2.

Consistent with H2, the three-way interaction of ethical priming, NFC, and awareness of contextual bias is significant ($F_{1,131} = 8.99$, $p < .03$). This interaction is illustrated in Figures 1(a) and 1(b).

H2, which predicts that high NFC subjects will be less prone to the contrast effect when attention is called to the possibility of contextual bias (high awareness condition), is supported. Among high NFC subjects in the high-awareness condition, ethical ratings of those who received the unethical priming scenario (low ethical priming group mean = 2.20) versus those who received the ethical prime (high ethical priming group mean = 2.22) did not differ statistically ($t = -0.07$, $d.f. = 30$; *n.s.*). A significant contrast effect obtains among high NFC subjects in the low awareness condition ($t = 2.82$, $d.f. = 32$, $p < .004$). Similarly, a contrast effect obtains among subjects low in NFC that were aware of the potential bias ($t = 1.68$, $d.f. = 36$, $p < .05$). For these subjects, mean ethical ratings of the target were 3.25 among those who received the unethical priming scenario, versus 1.89 among those who received the ethical prime.

Among low NFC subjects that were unaware of the potential priming bias, the difference between ethical (mean = 3.73) and unethical frames of reference (mean = 3.60) is not significant ($t = -1.18$, $d.f. = 28$, *n.s.*). A statistically significant contrast effect was observed among low NFC subjects that were made aware of the bias ($t = 1.69$, $d.f. = 36$, $p < .05$). Those receiving the relatively unethical prime rated the target scenario as more ethical (mean = 3.28) than those receiving the ethical prime (mean = 2.40).

In addition to providing support for H2, the results replicate the previous findings. The significant difference in ethical evaluations

Table 2b. Experiment 2: Variance Analysis (ANOVA) on Ethical Ratings.

Source of Variation	MS	F	d.f.	p
A: Ethical Priming	11.724	4.389	1,131	.038
B: Need for Cognition	24.009	8.988	1,131	.003
C: Awareness of Contextual Bias	11.725	4.389	1,131	.033
A · B Interaction	0.645	0.243	1,131	<i>n.s.</i>
A · C Interaction	0.405	0.152	1,131	<i>n.s.</i>
B · C Interaction	2.149	0.804	1,131	<i>n.s.</i>
A · B · C Interaction	12.351	4.624	1,131	.033
Error	349.943			

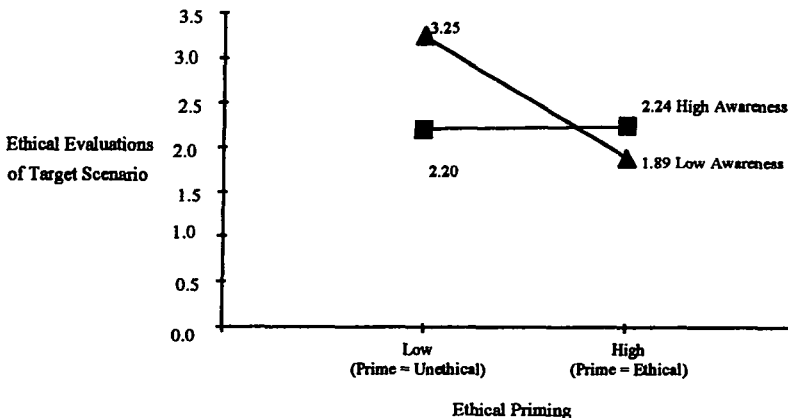


Figure 1a Experimental 2 Mean Ethical Evaluations Among Subjects with High Need for Cognition.

between low (mean 3.10) versus high (mean = 2.51) reference groups ($F_{1,131} = 4.389, p < .04$) provides additional support for H1 (contrast effect).

GENERAL DISCUSSION

Results of the experimentation reported suggest that ethical evaluations, like other classes of human judgment, are prone to contextual

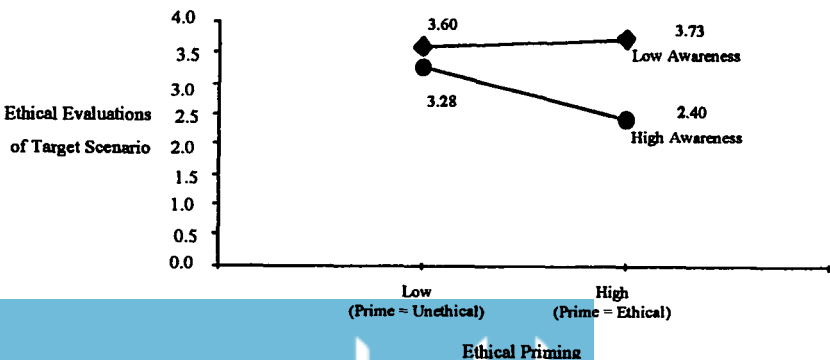


Figure 1b Experiment 2 Mean Ethical Evaluations Among Subjects with Low Need for Cognition.

bias induced by prior judgments. Subjects primed with a description of an unethical marketing practice tended to evaluate a subsequent practice (target) as more ethical; and those primed with a description of an ethically innocuous marketing practice tended to evaluate the same practice as less ethical.

The second experiment demonstrates that need for cognition and awareness of the potential for contextual bias mitigate the proneness of subjects to the contrast effect. Results indicate that contrast effects can be substantially reduced by making high NFC subjects aware of the judgmental bias introduced by prior judgments. The ethical judgments of high NFC subjects that received the awareness treatments were not influenced by the priming sequence. A contrast effect occurred among high NFC subjects that did not receive the awareness treatment and among low NFC subjects that were made aware of the bias.

Subjects that were low in NFC and not notified of the potential priming bias had a tendency toward assimilation. Those subjects made aware of the priming bias that were low in NFC evinced contrast effects. It is suspected that the awareness condition motivated persons low in NFC to reevaluate (i.e., reset) their opinions of the target scenario. Findings regarding the low NFC subjects suggest future studies of contextual factors that motivate effortful processing.

Implications for Marketing Decision Making and Training

Although the limitations to generality imposed by the use of student samples are recognized, the psychological principles manifested in the present findings may have practical implications. For example, the principles may be applied to guide managerial efforts to ensure ethical behavior among marketing personnel. Although managers may attempt to direct employee actions through codes of ethics or exemplary behavior, decision makers may not have the opportunity to review these guidelines when making ethical judgments (Caywood & Laczniak, 1986). The present analysis illustrates how the decision-making process can be biased by prior judgments. By making persons high in NFC aware that their prior judgments may influence their current evaluations, the likelihood of unethical judgments (and subsequent actions) is reduced.

This study also indicates that the decision maker's ethical vantage point can influence the evaluation of ethical dilemmas. To the extent that the marketing decision maker relies upon codes of ethics as a frame of reference, this study identified issues that should be emphasized in these ethical codes. Typically, such codes delineate *unethical* behaviors that are proscribed, often using severe ethical infractions as examples (e.g., bribery). Ironically, the present findings suggest that by framing policy in this manner, management may be providing a frame

of reference from which less extreme (but ethically undesirable) activities might be viewed as more acceptable in contrast to the severe exemplars. Perhaps such codes should include exemplars of highly ethical behaviors. If an ethical dilemma arises which is not explicitly covered by company policy, highly ethical examples may increase the probability of a questionable behavior being evaluated more judiciously.

The research reported herein also has implications for training marketing personnel. T.R. Martin (1985) suggests that marketers faced with an ethical dilemma make evaluations and select (un)ethical behaviors through one of three processes. First, the individual may recognize the ethical situation and comply with some standard. Second, the decision maker may appreciate the ethical ramifications of a situation, yet choose to act unethically. Third, the individual may misanalyze the situation and act unethically. Training that addresses contextual biases can reduce the likelihood of unethical acts attributable to this third decision-making process. For example, role-play exercises could be designed to heighten the individual's awareness of contextual biases. This broadened awareness enables persons high in NFC to reduce the influence of context upon future evaluations. Among persons low in NFC, two situations may develop. First, these persons may revert to less elaborative processing after the completion of training. The judgments of individuals low in NFC that are unaware of contextual effects are unlikely to be biased. Alternatively, the ethical training may increase the individual's involvement in deliberating over ethical issues. Heightened involvement along with awareness of contextual effects has potential to reduce judgmental biases. Thus, training efforts should call attention to the influence of context upon ethical judgments.

Finally, this study has implications for how marketing organizations identify ethically sensitive issues. One means for evaluating ethical issues is to develop a survey identifying behaviors that should be formally addressed by corporate policy (e.g., Dubinsky, 1985). Evaluations of a broad range of behaviors—ranging from the clearly unethical to the questionable—may call to attention unethical and illegal behaviors. Policies are then established that prohibit clearly unethical behaviors. Marketers seeking to nurture long-term relationships, however, are likely to recognize that unethical practices should be avoided. These personnel seek guidance in determining the ethics of questionable activities. Because of contrast effects, questionable behaviors may not be viewed as important policy issues, yet these issues may be the most critical impediments to nurturing long-term relationships.

The implication is to dedicate resources to the critical issues in ethical decision making. Corporate policy must recognize and prohibit highly unethical and illegal activities. Once this policy is reviewed,

however, marketing personnel should be made aware of the influence of context upon ethical evaluations. This broadened awareness provides the opportunity for the evaluator of an ethical dilemma to reduce an important judgmental bias.

Implications for Future Research

The present findings should be interpreted in light of certain limitations, each of which presents an opportunity for further research. For example, use of student subjects may constrain the generality of the findings. It would seem imprudent to draw conclusions about factors that influence the ethical judgments of marketing personnel on the basis of work with college students. Although the present findings may be strongly suggestive of how marketing decision makers evaluate dilemmas, this is subject to future replication with other subject populations.

A second limitation concerns the use of hypothetical decision scenarios. Decision makers faced with real ethical dilemmas evaluate alternatives and choose courses of action under conditions that differ from those in the present experiments in at least two important ways, i.e., decision makers are usually held accountable for their judgments, and their judgments often have important personal and professional consequences. Although the scenarios used in this study would seem at least somewhat personally relevant to students of marketing, subjects were not held accountable for their judgments. Nor were their decisions personally consequential. Further research is needed to assess the impact of accountability and consequentiality on ethical judgment.

Although the data provide strong evidence of a contrast effect on ethical evaluations, they do not provide unambiguous information on whether one or both of the priming treatment groups experienced contrast. It would be interesting to explore the issue of contrastive directionality (e.g., is contrast stronger or weaker, more or less likely, when the prime is ethical versus unethical?). Future research with a control-group design could provide additional insight into this issue.

This study examined antecedents of ethical judgments, but not behavioral consequences of those judgments. This represents another limitation. To draw implications for ethical behavior one must assume that judgment precedes and determines behavior. There is ample evidence in support of this assumption; however, the correlation between judgment and behavior is normally < 1 . Moreover, under some conditions action can precede cognition (cf. Bem, 1978). Thus, the findings suggest conditions under which biased ethical judgments may occur, but not necessarily conditions under which unethical behaviors will ensue. Future research should examine the behavioral consequences of ethical judgments, as well as the conditions that govern the strength and direction of the link between judgment and action.

The effects observed were consistent with the explanation of why

they should occur, but they do not offer direct evidence of the underlying processes. Meyers-Levy and Sternthal (1993) have recently proposed and examined a two-factor theory of conditions leading to contrast and assimilation. This theory suggests that contrastive judgment is most likely to occur when there is minimal overlap between target and priming scenarios (cf. Lombardi et al., 1987) and when subjects devote substantial resources to the task (L.L. Martin, 1986). The present study is consistent with the two-factor theory, but suggests that alternative factors can motivate persons to dedicate cognitive resources to an evaluation. Moreover, multiple incentives that prompt the dedication of cognitive effort may result in processing that does not yield contrast effects. Future studies could augment the two-factor theory by investigating whether multiple incentives mitigate contextual biases. In addition, future research could trace the processes employed by low versus high NFCs, and thereby provide additional evidence with which to evaluate the authors' hypotheses.

Finally, this study provided subjects with a predetermined frame of reference. Future research should investigate the mechanisms by which various ethical vantage points are spontaneously adopted and the conditions that influence this adoption. An understanding of these mechanisms should enable trainers and educators to encourage marketing professionals and students to adopt frames of reference that result in more ethical decisions.

CONCLUSION

The individual that errs because of biased judgment may perform an act that has the same consequences as one performed by a person who knowingly violates ethical principles. And, like the individual who knowingly transgresses, the innocent transgressor is nonetheless responsible for the consequences of his or her actions. Thus, it is extremely important for marketing decision makers to recognize influences that can cloud and distort ethical judgment. Such recognition would seem essential if inadvertent unethical behaviors are to be avoided.

This study has identified one type of biasing influence, as well as some variables that appear to govern its operation. A better understanding of such influences and the processes by which they shape ethical decisions offers hope for reducing their impact. It is toward this goal that this research is directed.

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