

RESEARCH PROJECTS 2016

Project Title

Morality in the Emerging Marketplace: How Cultural Mindsets Affect Consumer Responses to Firm Transgressions

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Abstract

Multi-national firms have often been accused of causing harm to consumers in emerging markets taking advantage of loose legal frameworks to exploit vulnerable consumers. Yet, judgments of culpability tend to range from mild to extreme. This research examines how cultural mindsets (chronic or situationally induced) within and across national boundaries affects how the morality of a firm's behavior is judged. Cultural mindsets are postulated to affect how people examine such transgressions. An individualist mindset disposes people to extract rule-based principles that are then applied irrespective of the context in which they occur. A collectivist mindset disposes people to think of connections between different aspects of the context. Ironically, the latter makes people not only more harsh in judging transgression that affect their own group relative to others but also makes them share the blame if the transgression comes from a firm that is categorized as belonging to the collective.

