AN EMPIRICAL INVESTIGATION ON COLLEGE STUDENTS' E-CONSUMER ETHICS

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ABSTRACT

The purpose of this study was to explore students' perceptions and attitudes toward Internet aberrant behaviors and to examine the differences of E-ethics across cultures. More than five different cultures were compared in this study. Results indicated that consumers' Machiavellianism had significant, negative relationship on their E-ethics, while their attitudes toward Internet were not significantly related with E-ethics. In addition, culture differences were not influential to consumers' E-ethics in this study.

INTRODUCTION

In topics of ethics, few researches focused on the consumer side, this situation not only took place in normal market environment but also on the Internet. This study presented here defined E-ethics as Internet users' (consumers') E-ethics. There have been very few studies that took consumers' ethical attitudes toward Internet into consideration. Different values of the consumers might be affected from their different cultural environments. To understand the difference of ethics and values from Taiwan and other countries, the nationality was considered in this study. There are four purposes in this study: (1) discussing consumers' aberrant behaviors on the Internet; (2) discussing consumers' own ethical attitudes toward Internet; (3) discussing consumers' attitudes toward e-commerce, and (4) discussing cultural differences toward E-ethics.

LITERATURE REVIEW

Consumer Ethics

Vitell and Muncy's study published in 1992 was the first study that investigated consumers' ethical beliefs across a wide cross-section of the population in order to investigate consumer ethical judgments and the factors that may relate to these judgments [8]. The authors developed a consumer ethics scale that examines the extent to which consumers believe that certain questionable behaviors are "wrong" or "not wrong," i.e., unethical or ethical. Consumer beliefs to demographic and attitudinal information are also concerned. They developed four distinct types of consumer behaviors. Vitell [7] noticed that consumers tended to believe that it was more unethical to actively benefit from an illegal activity than to passively benefit. In addition, he pointed out that the Hunt-Vitell model is the only one that can be

readily applied to individual consumer behavior, and is the most appropriate theoretical model for testing research questions involving consumer ethics. There are two major ethical evaluations showed in the Hunt-Vitell model: a deontological evaluation and/or a teleological evaluation [1].

Consumers' Internet-related Misbehaviors

Freestone and Mitchell [3] pointed out that unethical consumer practices cut greatly into company profits, and these misdemeanors include: fraud, piracy, pornography, cyber stalking, online pharmacies, organ sales and identity theft. Freestone and Mitchell [3] used a sample of 219 generation Y consumers and identified 23 aberrant behaviors that were grouped into five factors: illegal, questionable activities, hacking related, human Internet trade and downloading. The results showed that Generation Y consumers are more permissive of software piracy and many commented they feel that they are doing no direct harm to sellers as they cannot see the direct economic consequences of their actions, and said that they are the victim of inflated software, music or movie prices, blaming the industry for keeping price artificially high.

RESEARCH FRAMEWORK & HYPOTHESES

Research framework

With the rapid development of the Internet, some scholars started to discuss the Internet-related misbehaviors of consumers. For example, Freestone and Mitchell [3] researched the attitudes towards E-ethics of generation Y. Downloading music, films or software are common behaviors in the present Internet environment. It's hard to define whether these behaviors are legal, ethical or not. Muncy and Vitell [8] mentioned that attitude is an important factor contributing to the ethical judgments made by consumers. Most researches on consumer ethics were conducted in general marketing environment, few works on consumer ethics have been done on Internet about internet-related behaviors. In the framework, the E-ethic was measured by five factors of Internet aberrant behaviors [3]. There are illegal activities, questionable activities, human Internet trade, downloading material and hacking related activities. The research framework of this study is shown in Figure 1.
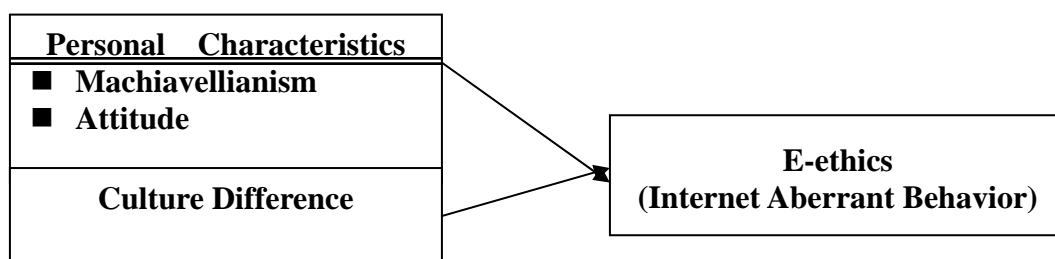

Figure 1.   Research Framework

Research hypotheses

H1: Personal characteristics are influential to consumers' E-ethics.
H1a: There is a negative relationship between consumers' Machiavellianism and their E-ethics.
H1b: There is a positive relationship between consumers' attitude toward Internet and their E-ethics.
H2: Culture difference is influential to consumers' E-ethics.

METHODOLOGY

Questionnaire Design and Sample

The questionnaire of this study was administered via the Internet. This questionnaire included questions related to MACH IV, consumers' attitude toward Internet, and Internet related aberrant behaviors. Questions of MACH IV scale are developed by Christie and Geis [2]. Consumer attitude toward Internet's questions are derived from Vitell and Muncy's attitudinal statements of their questionnaire in 1992[8]. Questions about Internet related aberrant behaviors are adopted from Freestone and Mitchell [3]. These questions were analyzed and divided into five dimensions: illegal activities, questionable activities, hacking related activities, human Internet trade, and downloading material. The final aspect of this questionnaire consisted of some demographic questions.

Taiwan and Southeast Asia were selected because their religion backgrounds are the same, Buddhism, and education and social thoughts are affected by the Confucianism. College students were selected to be sample population because they have a relatively open access to computers and the Internet for most of their lives.

Measures

Internet related aberrant behaviors were measured with 23 items taken from Freestone and Mitchell [3] in order to measure consumers' E-ethics. Their scales divided into five dimensions: illegal activities (α = 0.88), questionable activities (α = 0.72), hacking related activities (α = 0.71), human Internet trade (α = 0.71), and downloading materials (α = 0.78) by factor analyzing. Higher score denoted that an individual has high ethics toward Internet. Machiavellianism was measured by using the Mach IV scale developed by Christie and Geis [2]. Cronbach's α of this scale was 0.79. In sum, high score denoted that an individual has positive attitude toward Internet.

DATA ANALYSIS

Questionnaires were collected via Internet during April and May 2005. The final sample was 365 for an effective response rate of 99%. Gender was almost equally balanced (49.9% male; 50.1% female). Most of respondents' age ranged from 20 to 29 years old. Education level is focused on undergraduate and graduate students (57.5% undergraduate; 39.5% graduate). Most respondents spend 2 to 5 hours a day browsing the Internet (56.2% respondents). Respondents' nationality in the majority is Taiwan (74%) followed by Indonesia (14%).

In this study, it yielded four factors explaining consumers' Internet related aberrant behaviors. There are "illegal activities", "Questionable activities", "Human Internet Trade", and "Downloading material". Dimensions of illegal activities, questionable activities, human Internet trade, and downloading material's cronbachs' α were 0.9416, 0.9053, 0.8247, and 0.9524, respectively. MACH IV scale's cronbach's α was 0.62. The scale of consumers' attitude toward Internet whose cronbach's α was 0.73.

Regression and ANOVA Analysis

The purpose of these analyses was to empirically test the two hypotheses; it was first necessary to explore regression analysis by using four dimensions (Illegal activities, Questionable activities, Human Internet trade, and Downloading material) and a whole Internet aberrant activities as the dependent

variables and Machiavellianism and attitude toward Internet as the independent variables. Further, ANOVA analysis was carried out using culture as the independent variable and using these five dimensions as the dependent variables to measure culture differences.

The results of the regression analysis for five models were all significant. The first model used all items of Internet aberrant behaviors' scale as the dependent variables. The second model's dependent variable was dimension of illegal activities. H1a and H1b were also supported in this model. Dimension of questionable activities was a dependent variable in the third model which had 2.7% explanation power, 10.188 for its F-value, and was significant (p = 0.002). Independent variables' betas in this model are -0.332 (MACH) and 0.091 (Attitude), and only MACH variable was significant (p = 0.002). H1a and H1b were supported in this model but the relationship between consumers' attitude toward Internet and their E-ethics was not significant. The fourth model used human Internet trade as dependent variables. Attitude variable was not significant (p = 0.411) and had opposite relationship compared to the H1b. It indicated that consumers who have positive attitude toward Internet have low E-ethics, and high percentage agreeing human Internet trade. Hence, only H1a was supported in this model. The final model used dimensions of downloading material as dependent variables. H1a and H1b were supported but the relationship between consumers' attitude toward Internet and their E-ethics was not significant in this model.

ANOVA analysis was used to test for hypothesis 2. More than five different cultures were compared in this analysis: Taiwan, China, U.S. & U.K., Indonesia and Malaysia, and other countries. As whole, other countries had the highest mean score for 4.13 and China the lowest for 3.63 (Internet aberrant behaviors) of these countries. Toward illegal and questionable activities, respondents in other countries also had the highest (4.53 and 4.11), and China had the lowest E-ethics (4.12 and 3.43) of these countries. Indonesia and Malaysia's respondents had the highest (3.71) and China had the lowest (3.07) E-ethics of these countries toward human Internet trade. Downloading material had opposite situation, respondents in other countries had the highest (2.5) and U.S & U.K. had the lowest (1.5) E-ethics. Further, in these five sections, Taiwan's respondents also had high E-ethics except in human related activities. In general, respondents in other countries had high and China had low E-ethics. Most other countries are from South East Asia, which society is more traditional and conservative; while consumers in China did not develop a collective, ethics-oriented mind-set because of their communistic society. Additionally, downloading material on the Internet is popular in developed countries, i.e., U.S & U.K., their respondents had low E-ethics in this section. Culture difference is significant influential to consumers' E-ethics only in dimension of illegal activities (p = 0.029). In general, H2 was not supported by ANOVA analysis.

CONCLUSION AND DISCISSION

This study examined students' ethics toward Internet (E-ethics). Most respondents are undergraduate and graduate students age 20 to 29 years old. This study divided the Internet aberrant behaviors into four dimensions: illegal, questionable, human Internet trade, and downloading materials. More than 50% respondents agreed illegal activities are wrong; on the other hand, few respondents agreed human Internet trade and downloading material are wrong. Human Internet trade is related to basic human needs of maintaining health and having children, and that's why low percentage respondents viewed these are not wrong. Downloading material is likely to be very prevalent in this modern life. Freestone and Mitchell [3] indicated that Generation Y consumers seem permissive of software piracy and many commented they feel that are doing no direct harm to sellers as they cannot see the direct

economic consequences of their actions. No matter what countries the respondents are, they all thought these activities are not wrong.

Toward Research Question, overall, a significant relationship was found between personal characteristic and E-ethics. Consumers' Machiavellianism had negative relationship with their E-ethics in all five multi-regression models. It was proved that the more Machiavellian a person is, the less ethical he or she will be. Same results were found by Kenhove, Vermeir, and Verniers [5]. Nevertheless, consumers' attitude toward Internet didn't have significant positive relationship with their E-ethics except model 1 (Internet aberrant behaviors) and 2 (Illegal activities). In addition, it even had opposite relationship in model 4 (Human Internet trade). H1b was not significant and had opposite relationship in this study. This may be due to the difference between male and female adolescents' attitude toward Internet.

H2 was examined by ANOVA analysis which revealed that culture differences toward E-ethics were not significant except in dimension of illegal activities. Respondents of this study are mainly from Taiwan, Malaysia, Indonesia, and China which are all Asian countries. Traditions and customs of these countries are nearly the same. Ku [6] indicated that Southeast Asian countries shared some political and economic similarities with Taiwan in the 1950s, but the level of Taiwan's development in the 1990s has gone far beyond that of most countries in Southeast Asia. The similar culture background between Taiwan and Southeast Asia may be a reason which results in the same E-ethics level among the people. Additionally, the ANOVA's description showed that other countries (mainly from Southeast Asia) had higher E-ethics than others except in dimension of human Internet trade. In general, China has lower E-ethics than others except in dimension of Downloading materials. It may be that Southeast Asia has low level of economic development and China is a communistic society.

Overall, few studies talked about consumers' E-ethics, and combined these three scales (Internet aberrant behavior, Machiavellianism, and Attitude toward Internet) to test the relationship toward E-ethics. According to the result in this study, students in Taiwan averagely have higher E-ethics than U.S. and U.K. Despite this, there should be strengthening consumer education and Internet restraints in order to reduce these Internet aberrant activities.

Further research should target on younger and older respondents, especially since Internet culture can be considered global, transcending national and cultural boundaries [4]. In addition, comparisons of consumers' E-ethical beliefs with wider various personality variables would add to the limited knowledge in this area. Ultimately, future research should investigate whether consumers have actually participated in these behaviors, or been victims of the aberrant behaviors on the Internet.

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