WHY WE BOYCOTT:

CONSUMER MOTIVATIONS FOR BOYCOTT PARTICIPATION

AND MARKETER RESPONSES

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Abstract

While boycotts are increasingly relevant for management decision-making, there has been little research of an individual's motivation to boycott. We propose a conceptualization of boycotting and report a study of an actual boycott of a multinational firm that was prompted by factory closings. Consumers who viewed the closures as egregious were more likely to boycott the firm, though only a minority did so. Consistent with our hypotheses, moderators of the relationship between perceived egregiousness of the firm's act and the boycott decision were four sets of variables, reflecting: the desire to promote change, the scope for self-enhancement, rationalizations that inhibit boycotting, and costs to the boycotter of participation. Implications for marketers, NGOs, policymakers and researchers are discussed.

The boycott is the way we take our cause to the public. For surely if we cannot find justice in the courts of rural California, we will find support with our brothers and sisters throughout the nation.

Cesar Chavez in <u>Why We Boycott</u> (United Farm Workers of America 1973)

We've taken significant actions to improve the lives, opportunities and working conditions of the people who make our product around the world, and regularly invest in the communities where we do business. And we do this so that consumers can buy Nike products with the knowledge that these products have been manufactured under safe and fair working conditions.

Nike's response to criticism in Naomi Klein's <u>No Logo</u> (Nike 2000)

…forty percent of citizens worldwide have at least thought about punishing a specific company over the past year they viewed as not behaving responsibly… globally over one in five report actually avoiding a company's products or speaking against the company to others. A similar number report having at least considered doing so. The finding reinforces what a number of companies have already found out the hard way—that both corporate reputation and sales are at risk when customers have negative perceptions of a company's behavior.

Millennium Poll of 25,000 citizens in 23 countries (Environics 1999)

Boycotts are an intriguing form of consumer behavior, unwelcome to marketers yet consistent with the marketing concept. With greater public attention to corporate social responsibility and increased vulnerability of brands and corporate reputations, social-issue boycotts have become increasingly relevant for management decision-making. As a source of consumer power and a mechanism for the social control of business, they also have significant public policy implications. There has been little research, however, into those factors that influence an individual's motivation to participate in a boycott, notwithstanding the need for a better understanding by marketers, boycott organizers and policymakers.

Consumer boycotts have been defined as "an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace" (Friedman 1985, p. 97). The "urging" and organization of a boycott typically come from a pressure group or non-governmental organization (NGO). Boycotts are thus a subset of a broader category of consumer behavior where social and ethical issues are an influence on purchase decisions (e.g., environmentalism). Hence, a better understanding of boycott participation is likely to inform our understanding of ethical influences on buyer behavior in general (Smith 1990, 1999).

Because boycotts often are organized by NGOs pursuing a cause or broader socio-political agenda, they can represent a form of social control of business. This role is not uncontroversial, though its legitimacy may be said to rest on the fact that boycott participation by individual consumers is typically voluntary (less so where picketing of stores is involved, for example). Smith (1990, p. 140) has described boycotts as the "organized exercising of consumer sovereignty by abstaining from purchase… in order to exert influence." More colloquially, consumers use their "purchase votes" in the marketplace to "elect" the sort of society they wish to be part of (Dickinson and Hollander

1991; Smith 1990). In this sense, boycotts are in keeping with the idea of consumer choice as a major rationale for capitalism. Boycotts are also consistent with the marketing concept; on the face of it, marketers of products targeted by a well-supported consumer boycott have failed to have a sufficient customer focus (Kohli and Jaworski 1990).

In this article, we provide a conceptualization of boycotting and report an empirical study of an actual boycott and management responses to it. To the best of our knowledge, this is the first quantitative academic study of consumer boycott motivations conducted during a real boycott. Recent research has framed boycotts as social dilemmas and recognized the important role of reference group influence (Sen, Gurhan-Canli and Morwitz 2001). We offer a broader analysis and characterize boycotts somewhat differently. Our starting point is the observation that boycott participation is in large measure driven by the perceived egregiousness of a firm's actions, as evidenced by our opening quotations as well as the boycott literature (Friedman 1999, Smith 1990, Smith and Cooper-Martin 1997). We confirm this in our preliminary empirical work, reported below: consumers who find a company's action to be egregious are more likely to boycott than those who do not.

But this explanation fails to capture the complexity of an individual's motivation to participate in a boycott. As such, it has limited normative value either for marketers subject to boycott or for boycott organizers. For one thing, many individuals who believe that a firm has carried out an egregious act nevertheless resist the call to boycott. From this perspective, our goal is as much to explain why some people do *not* boycott, as it is to explain why others do. In this paper, we demonstrate that there are multiple motivations influencing participation in a boycott. These motivations serve to moderate the link between perceived egregiousness and the boycott decision. Figure 1 shows our framework. The moderating variables that we identify thus provide a basis both for strategies to encourage boycott participation, and for strategic responses by managers.

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Insert Figure 1 Here
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The first set of variables, which we label "promote change", captures the moral outrage (Smith 1990) often associated with boycott participation and a boycotter's desire to change the world—or, at least, the practices of the target firm. "Self-enhancement", the second set of variables, acknowledges the psychosocial dimension of boycott participation, including the boycotter's possible feeling of guilt at consuming a boycotted product or potential opportunity to increase self-esteem through association with the boycott. This set of variables highlights the possibility of boycott participation motivated by factors largely unrelated to the specific grievances of a particular boycott and helps explain why some boycotts linger and often for many years after firms ostensibly have addressed the grievances

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originally inspiring the boycott. "Rationalizations", the third set of variables, comprises potential rationalizations for not participating in a boycott, such as harms that might result from the boycott and the temptation to free-ride—recognizing that any individual consumer will benefit from gains of the boycott regardless of whether he or she participates (Sen, et al. 2001). Finally, there are "costs", the sacrifice entailed by a consumer's boycott decision, which, at the very least, is a self-imposed restriction on consumer choice.

In the next section, we expand upon our conceptualization of boycotts, discussing their historical origins and successes over the years, the boycott literature, and the link to the literature on corporate social responsibility (CSR) influences on buyer behavior (e.g., Brown and Dacin 1997; Drumwright 1994; Sen and Bhattacharya 2001). This discussion establishes the need for a better understanding of boycott participation and sets the stage for our empirical studies. Next, a preliminary study confirms the influence of perceived egregiousness on boycott participation and identifies multiple motivations for participation. Building on this study and the literature, we then identify hypotheses that are tested through field research conducted in collaboration with a firm during the course of a boycott. Our discussion of the main study's findings examines both motivations for boycott participation and the effectiveness of possible management responses to the boycott. We conclude by identifying implications for managers, boycott organizers and policymakers, as well as directions for further research.

CONSUMER BOYCOTTS

Historical Origins and Recent Trends

Consumer boycotts have a venerable, if controversial heritage. The term originated in 1880 with the ostracism of Captain C.C. Boycott, an Irish land agent, over the treatment of his tenants, but the practice dates back at least as far as the 14th century (Smith 1990). Friedman (1999) notes that the boycott has been described approvingly as a very American tactic of social protest and equally has been condemned for sucking the life-blood from trade and commerce.

Historically, boycotts have contributed to some spectacular successes and permitted relatively powerless groups to assert their rights (Sharp 1973). The colonialists' boycott of British goods led to the repeal of the Stamp Act by the British government in 1766 (Friedman 1999), while boycotts were the key to unionization in the United States at the turn of the century (Wolman 1916). Gandhi organized boycotts of British salt and cloth as part of a strategy of non-violent direct action that ultimately gave rise to Indian independence in 1947 (Bondurant 1965). Rosa Parks' refusal to give up her seat on a city bus to a white man triggered the Montgomery bus boycott of 1955; this boycott nearly bankrupted the bus company and was supported by more than 90% of blacks until bus segregation was ended in the city. Friedman (1999) describes this as the most influential consumer boycott in American history, having marked the beginning of the modern civil rights movement in the United States and launched Rev. Martin Luther King, Jr. as its

leader. The late 1960's boycott of Dow Chemical's Saran Wrap because of Dow's manufacture of napalm may not have ended the Vietnam War, but Dow did discontinue napalm production (after allegedly having submitted a deliberately uncompetitive tender) and the boycott tainted the firm's reputation for years, perhaps decades, afterwards (Vogel 1978). Around the same time, the California grape boycott enabled the formation of a union for American farm workers and forced substantial concessions from the growers (Brown 1972). Meanwhile, the boycott of Barclays Bank over its involvement in apartheid South Africa was said to be a major contributing factor in its 1986 decision to withdraw from that country, despite it being the largest bank there (Smith 1990).

In the 1990s, the business press appeared to agree both that consumer boycotts work and that they were increasing in number. The Economist (1990, p. 69), for example, concluded: "Pressure groups are besieging American companies, politicizing business and often presenting executives with impossible choices. Consumer boycotts are becoming an epidemic for one simple reason: they work." Recent prominent consumer boycotts include the European boycott of Shell over its plan to dump the Brent Spar oil platform at sea; the U.S. boycotts of Texaco over alleged racial remarks by senior management and of Mitsubishi over alleged sexual harassment in the workplace; and the multi-country boycott of Nike over alleged sweatshop conditions at Asian suppliers. All four have achieved many if not all of their organizers' goals. Commenting on the Shell boycott after the company abandoned sea disposal, The Economist (1995, p. 15) suggested that "it may be no bad thing… for consumers to ask for a higher standard of behavior from the firms they buy from." Shell's problems were compounded by public reactions to reports of environmental harm as a result of its operations in Ogoniland, Nigeria, and the company's apparent failure to use its influence to prevent the execution by Nigerian authorities of Ken Saro-Wiwa, who had been protesting for Ogoni rights. Criticism of Shell by environmentalists and human rights activists and the associated boycotts were said to be key contributors to a fundamental transformation in how the company strives to live up to its social and ethical responsibilities (Cowe 1999; Shell 1998).

Anecdotal evidence suggests that boycotts are increasingly successful and focused to a greater extent on corporate practices. (The incidence of boycotts and their success are inherently hard to quantify because of difficulties in identifying calls for boycotts by NGOs and the understandable reluctance of firms to report sales declines due to boycotts or to publicize concessions to boycott organizers.) This shift away from boycotts with broader socio-political goals (e.g., civil rights) to a more narrow focus on corporate practices reflects both the increased power and scope of the modern transnational corporation and, paradoxically, the heightened vulnerability of corporate reputation and brand image (Economist 2001). These trends lend weight to the claim that boycotts represent votes in the consumer marketplace, thereby increasing the pressure for CSR and providing a mechanism for social control of business. But boycotts also may be socially harmful. Shell's decision to dismantle the Brent Spar oil platform on land, as a result of

the boycott, was almost certainly *less* socially responsible than the planned disposal at sea, and Greenpeace admitted that it had overestimated the pollution risk of the platform (Schoon 1995). Either way, the threat of a boycott is an ever-greater potential challenge for marketers of consumer goods and services and of increasing relevance to NGOs and policymakers.

CSR and Consumer Purchase Behavior

Sen et al. (2001) differentiated between "political or social/ethical control boycotts" and "economic or marketing policy boycotts" that typically are aimed at lowering consumer prices (e.g., the California gas boycott). Our interest is primarily in social-issue boycotts, which appear to be both more prevalent and more successful than economic boycotts. They are also more interesting because consumer participation is less self-interested (Smith 1999) and because of their relationship to CSR. CSR refers to the societal obligations of business. However, there is considerable uncertainty about what these obligations actually are (in some quarters, there is a preference for the less subjective concept of corporate social performance (Wood 1991)).

The recent rise to prominence of CSR has multiple explanations. Calls for greater social and environmental responsibility are coming from mainstream quarters of society, as well as protesters at global meetings in Seattle, Genoa and elsewhere (Martin 2002). Along with heightened societal expectations and demands of business, the globalization of large corporations has led to firms confronting very different—and generally much lower—standards of living than they are familiar with in their domestic operations, and often facing conflicts of moral values. More extensive media reach coupled with advances in information technology (e.g., NGO websites) has allowed rapid and widespread exposure of alleged corporate abuses in even remote corners of the world, as Shell learned to its cost when oil spills in Ogoniland were exposed on television documentaries.

Pressure for CSR from NGOs takes many different forms, ranging from meetings with management, to adverse publicity in the media, to shareholder activism, to consumer boycotts and direct action (Smith 2001). When these pressures translate into adverse economic consequences for the firm, corporate social responsibility—as defined by those promoting the change in corporate behavior—becomes in the firm's economic interest. This is most directly evident when the firm is penalized in financial and consumer markets for perceived social responsibility shortcomings. Accordingly, Davidson, El-Jelly, and Worrell (1995) found that product boycott announcements were associated with significant negative stock market reactions. They also found some evidence of changes in corporate behavior as a result of boycotts.

Martin (2002, p. 70) has observed that firms often engage in CSR "precisely because it enhances shareholder value" and, more specifically, that some CSR activities "create goodwill among consumers in excess of their price tag." In 80 studies of the relationship between corporate social performance and corporate financial performance, 42 found a

positive relationship and only four studies found a negative relationship, though these results must be treated with caution because of the major methodological challenges of such studies (Margolis and Walsh 2001). Nonetheless, a positive stock market reaction to a change in packaging policy by McDonald's was attributed to an anticipation of increased sales to customers supporting a socially responsible company (McMillan 1996). Moreover, cause-related marketing and, more broadly, "corporate societal marketing" also provide evidence of a corporate belief that CSR is a source of competitive advantage (Drumwright and Murphy 2001). Thus, simply put, firms may be penalized by consumers for actions that are not considered socially responsible. More positively, firms may be rewarded by increased patronage if they have a reputation for being socially responsible. The increased competitiveness of consumer markets has made this all the more important: "As more and more organizations meet the quality requirements of the marketplace… The consumer will want to know what the company behind the product or service stands for in today's society, and to make certain that they are not contributing to any corporation that is harming society, its resources or its people" (Frank Walker of Walker Information, quoted in Gildea 1994-95, p. 21).

Interest in CSR has prompted a number of marketing scholars to examine its influence on consumer purchase behavior. Studies conducted in the 1970s attempted to identify the characteristics of a putative market segment that would engage in socially responsible consumption (Anderson and Cunningham 1972; Kinnear and Taylor 1973; Kinnear, Taylor, and Ahmed 1974; Murphy, Kangun and Locander 1978; Webster 1975). As part of this research stream, Miller and Sturdivant (1977) investigated consumer reactions to a boycott of a firm over charges of unsafe working conditions and concluded that there was some evidence to suggest that questionable corporate behavior does influence consumer practices. Research by Drumwright (1994) extended this stream of research to organizational buying, showing how and why environmental concern can become an important noneconomic buying criterion.

More recently, Brown and Dacin (1997) examined the relationship between what a person knows about a company ('corporate associations') and perceptions of the company's products. Two types of corporate associations were investigated: corporate ability, related to the company's expertise in producing and delivering its outputs, and CSR associations that reflect the organization's status and activities with respect to its perceived societal obligations. Brown and Dacin (1997, p. 80) found that consumers' knowledge about a company can influence their reactions to the company's products; more specifically, all three of their studies "demonstrate that negative CSR associations ultimately can have a detrimental effect on overall product evaluations, whereas positive CSR associations can enhance the product evaluations."

Various consumer polls lend further support to the claim that corporate social performance can have a positive or negative effect on purchase behavior (e.g., Environics 1999). Sen and Bhattacharya (2001) extend this general

finding by attempting to identify when, how, and for whom specific CSR initiatives work. They find that key moderators of consumer responses to CSR are individual consumer-specific factors, such as consumers' personal support for CSR issues and their general beliefs about CSR, and company-specific factors, such as the CSR issues a company chooses to focus on and the quality of its products. Consumer perceptions of congruence between their own character and that of the company also were found to mediate reactions to a firm's CSR initiatives. It seems reasonable to conclude that the influence of CSR on consumer purchase behavior is equally if not more complex within the context of boycott participation.

Research on Boycott Participation

Various researchers have examined boycotts and attempted to offer explanations for their success or failure. Friedman's (1999) comprehensive study, drawing on more than 100 boycotts, employed instrumentality theory to develop an explanation for boycott success. He suggested that before initiating a boycott, pressure groups should ask themselves if: 1) consumers care about the boycott issues and objectives, 2) the boycott task is likely to be successfully executed, and 3) its execution is likely to lead to the desired consequences specified by the boycott objectives.[1] Meanwhile, Garrett (1987) identified six factors in boycott participation: awareness of consumers, the values of potential participants, the consistency of boycott goals with participant attitudes, the cost of participation, social pressure, and the credibility of the boycott leadership. He proposed a theory of boycott success based on research of 30 boycotts between 1981-1984, suggesting that the determinants are economic pressure (due to lost sales), corporate image pressure (due to adverse publicity), and policy commitment (target's determination not to change the policy in question).

Smith's (1990) case study research identified several factors that influence the effectiveness (defined as a significant reduction in sales) and success (achieving the aims of the boycott organizers) of consumer boycotts. These factors include: the choice of target (e.g., involvement of the firm in the grievance, its visibility, the connection of the product with the grievance, and its substitutability by competitive offerings); the organization and strategy of the pressure group (e.g., dedication to the cause, use of strategic approaches); and responses to the boycott call (e.g., consumers' moral outrage over the grievance, endorsement of the boycott by public figures). More broadly, he suggested that consumers must be concerned, willing and able to act in support of the boycott. He noted, however, that boycotts need not substantially reduce sales to be successful. Firms may comply with boycott demands in response to the moral pressure and concern for the firm's reputation, even absent any impact on sales (also see Friedman 1999).

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[1]More specifically, Friedman (1999) identified execution and consequence considerations for "media-oriented boycotts" (e.g., announcements should be made by well-known organizations), "marketplace-oriented boycotts" (e.g., boycotted products should be easy for consumers to identify), and "surrogate boycotts" (the more political influence the target companies have, the more likely the government will yield to boycott demands).

Sen et al.'s (2001) social dilemma perspective on boycotts was the first attempt to empirically test a theoretical framework that explains an individual's decision to participate in a boycott. They suggest that there is a fundamental question underlying a consumer's boycott decision: is this boycott going to be successful? They find that an individual's participation in a boycott is influenced by his or her perception of the likelihood of the boycott's success and, in addition, the individual's susceptibility to normative social influences (social pressure) and the costs associated with boycotting. There is considerable merit to this perspective but it provides only a partial explanation for boycott participation. In the next section, we propose a more comprehensive view of consumer motivation for boycott participation.

MOTIVATIONS FOR BOYCOTT PARTICIPATION

Friedman's (1985) study of 90 U.S. boycotts between 1970-1980 found that they involved a wide variety of protest groups, target organizations, and social concerns. Although boycotts from the political left are currently common (e.g., boycotts of Nike and Shell), there were Nazi-organized boycotts of Jewish stores prior to the Holocaust (Friedman 1999) and the Southern Baptist Convention called for a boycott of Disney because of that company's position on homosexuality (such as its policy of extending health benefits to same-sex partners of employees). While there are many social issues that might prompt a call for a boycott, boycott organizers typically have either an instrumental purpose (to secure change within the target firm or, through the firm, to pressure government) or an expressive motivation (to vent frustration or punish the target). This distinction between instrumental and expressive boycotts is well established in the boycott literature (Friedman 1999; Smith 1990). Less well understood are the motivations of the individuals who take part.

Perceived Egregiousness

At its core, participation in a social-issue boycott is driven by the individual's perception of egregious conduct by the target firm. Thus, boycotting is a response to a company action viewed as strikingly wrong and perceived as having negative and possibly harmful consequences for one or more parties (e.g., workers, consumers, society at large, and the environment), but not necessarily the boycotter. Boycotting has intrinsically moral characteristics, reflecting an evaluation by the boycotter that the boycott target has violated a moral code.[2] As a result, pressure group calls for a

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[2] James Redpath, in coining the term boycott, referred to a variety of ways by which Captain Boycott and his family were socially ostracized; no one would work for Boycott, speak to him, or supply him with goods or services because of his attempts to forcefully evict his tenant workers after their refusal to accept a cut in wages (Smith 1990). The protests brought wider attention to Irish grievances and ultimately Boycott was forced out of Ireland. The consumer boycott played its part, as Redpath explained (in 1880, quoted in Laidler 1968): "If you see a landgrabber going to a shop to buy bread, or clothing, or even whiskey, go you to the shopkeeper at once, don't threaten him… Just say to him that under British law he has the undoubted right to sell his goods to anyone, but that there is no British law to compel you to buy another penny's worth from him, and that you will never do it as long as you live."

boycott often employ strongly emotive appeals with moral condemnation of the target. For example, a boycott was called of the Adam's Mark hotel chain because in 1999, a Florida Adam's Mark hotel allegedly forced black patrons to wear identifying wrist bands, pay more for rooms, and pay cash deposits not charged to white guests. In calling for the boycott, the president of the NAACP (National Association for the Advancement of Colored People) urged "all Americans of good conscience to stop giving Adam's Mark their money or their business" (Institute for Global Ethics 2001, emphasis added). As another example, a banner at the Nestlé boycott website reads: "Stop bottle baby deaths— boycott Nestlé" (www.babymilkaction.org). Responding to this moral outrage by participating in the boycott requires some sacrifice by the participant—at minimum it is a constraint on consumer choice. The potential for moral concerns to influence economic behavior has been recognized, assumptions of utility maximization within economics and elsewhere notwithstanding (Etzioni 1988; Kahneman, Knetsch and Thaler 1986).

In a preliminary study using materials from the Nestlé boycott website as stimuli, perceived egregiousness was found to predict boycott participation (Authors forthcoming). Further, the greater the degree to which subjects thought that Nestlé's actions were egregious, the more negative was the brand image. However, while 70% had rated the company practice (as described in the stimulus materials) at or above the mid-point on a composite seven-point scale measure of egregiousness (m = 4.67), only a minority (45%) said they would definitely or probably boycott the company. Answers to open-ended questions suggested that people differ in their reasons for participating in a boycott and that most individuals have multiple motivations. Accordingly, we predict that although perceived egregiousness is key to boycott participation, not all consumers who view the firm's actions as egregious will participate in the boycott because of factors that influence the link between egregiousness and the boycott decision.

H$_{1a}$: Consumers who find the firm's actions to be more egregious are more likely to boycott.
H$_{1b}$: Many consumers who disapprove of the firm's actions and find these actions egregious will not boycott.

Notice that this second prediction is consistent with the claim often made by boycotted firms that sales have not declined significantly, even where there is evidently popular support for the boycott .

Moderating Variables

While we expect there to be a link between the perceived egregiousness of a firm's actions and a consumer's boycott decision, we also draw on economic and psychological theory to hypothesize that this link is moderated by four sets of variables: 1) the desire to promote change; 2) self-enhancement; 3) rationalizations for not boycotting; and, 4) the costs to the boycotter of boycott participation (see Figure 1).

Promote Change. The first set of variables reflects the boycotter's desire to bring about some kind of change and to communicate a message to the target firm. These variables are generally associated with the issue prompting the

boycott and may be instrumental and expressive. They include the desire to change the practices or decisions of the target firm as well as express anger at the target's conduct.

H₂: Beliefs in boycotting to promote change will moderate the relationship between egregiousness and the boycott decision. When these beliefs are strongly held, the relationship between egregiousness and boycotting will be greater than when these beliefs are less strongly held.

As earlier noted, the boycott tactic is not uncontroversial. Disapproval of boycotting by boycott targets is unsurprising. (For example, manufacturers generally were hostile to the boycott at the turn of the 20th century in the U.S. when, prior to unionization, it was the predominant tactic used by labor (Laidler 1968; Wolman 1916).[3]) There may also be a broader disapproval of boycotting because of possible harm to third parties (we return to this idea below when we discuss "rationalizations"). For example, in the widely supported grape boycott of 1965-70, boycott organizers experienced consumer resistance to picketing of "mom and pop" grocery stores and thus concentrated on the large supermarket chains (Brown 1972). There might even be some disapproval of economic decision-making becoming "contaminated" by non-economic criteria, consistent with the writings of neo-classical economists such as Friedman (1970).[4] Such an attitude could explain some of the resistance to socially responsible organizational buying reported by Drumwright (1994), as well as the finding by Sen and Bhattacharya (2001) that consumers might question CSR initiatives if they believed such practices could compromise product quality. Concerns of this kind could translate into doubts about the appropriateness of participation in a boycott for the individual consumer.

Thus, some consumers might be reluctant to boycott under any circumstances. In this vein, Smith (1990) proposed that consumer participation in any <u>specific</u> boycott would be influenced by a <u>general</u> 'willingness to boycott'. As well as possible disapproval of boycotts, Smith (1990) suggested that this general willingness to boycott is also influenced by beliefs about whether boycotts work. He draws on perceived consumer effectiveness, defined in the context of ecologically concerned consumption as the extent to which a respondent believes that an individual consumer can be effective in pollution abatement (Kinnear et al. 1974). In a similar way, Sen et al. (2001) referred to 'perceived efficacy' as the extent to which one believes that each boycott participant can contribute significantly to the achievement of collective goals. Accordingly, we predict that boycotting may be influenced by a general willingness to boycott, reflecting beliefs about the tactic's legitimacy and likely effectiveness:

H₂ₐ: The belief that boycotting is an appropriate means to bring about change will moderate the relationship between egregiousness and boycott decision.

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[3] Boycotts have been treated as per se illegal under the Sherman Act because of their coercive use of market power, though exceptions have been made for boycotts organized for social or political reasons (Mahoney 1984).

[4] The views of Friedman notwithstanding, the Austrian economist von Mises (1949, p. 280) wrote that "consumers are free to boycott a purveyor provided they are ready to pay the costs."

Smith observed (1990) that unless consumers believe that their purchase decisions will have an impact on the boycott issue, then they are unlikely to participate in a boycott except where they feel so strongly about the issue that they do not wish to be tainted by it (described as a desire to have 'clean hands' and discussed further, below). In a related way, the concept of perceived consumer effectiveness has been used to better understand consumer motivations for engaging in particular environmentally conscious behaviors and is thus more recently defined as "a domain-specific belief that the efforts of an individual can make a difference in the solution to a problem" (Ellen, Wiener and Cobb-Walgren 1991, p. 103). This idea has been used to explain an individual's willingness to engage in a specific activity, such as recycling, absent a willingness to engage in other pro-environmental actions. Thus, we might expect consumers to hold beliefs about the likely effectiveness of their participation in a <u>specific</u> boycott as well as in relation to boycotts in general.

H$_{2b}$: The belief that the boycott can change the firm will moderate the relationship between egregiousness and boycott decision.

H$_{2a}$ and H$_{2b}$ are consistent with instrumental motivations for boycott participation. However, beliefs in boycotting to promote change also have expressive characteristics. More specifically, given the moral dimension of boycotts, we might expect some boycotters to believe that boycott participation is desirable <u>for its own sake</u> (some might even subscribe to a 'duty to boycott'), at least relative to an issue of concern to the individual. We might also expect some boycotters to believe that they should ensure that boycott targets understand that their actions are perceived to be egregious. Still others may participate in the boycott simply to vent frustration (Friedman 1999).

H$_{2c}$: The belief that everyone should take part in the boycott will moderate the relationship between egregiousness and boycott decision.

H$_{2d}$: The belief that it is important to let the firm know that one is angry will moderate the relationship between egregiousness and boycott decision.

Self-Enhancement. The second set of variables moderating the relationship between perceived egregiousness of a firm's actions and a consumer's boycott decision is less directly related to the boycott. These psychosocial variables are largely associated with self-enhancement: participation in the boycott may allow boycotters to feel better about themselves.

H$_3$: Self-enhancement factors will moderate the relationship between egregiousness and boycott decision. The more the scope for self-enhancement, the greater will be the relationship between perceived egregiousness and boycotting.

Consumers who become aware of and identify with a call for boycott as a result of apparently egregious behavior by the target firm are likely to feel guilty at continued purchase of the firm's products and may prefer to disassociate themselves from the company engaged in the wrong and thus have 'clean hands' (Smith 1990). This guilt stems in part from the moral characteristic of boycotts. Boycotts are generally a moral rebuke of the target and, by

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implication, potential boycotters may feel under a moral obligation to keep away from the company's products. This moral obligation may result in a feeling of guilt for those who do not participate in the boycott and, thus, individuals will participate to avoid the guilt from doing wrong themselves.

H₃ₐ: The belief that one would feel guilty because of purchasing the target firm's products will moderate the relationship between egregiousness and boycott decision.

The guilt associated with not participating in a boycott may come from within, but it is also likely to be a result of socially embedded expectations, reflecting the role of social pressure. The relevance of social pressure for boycott success is widely acknowledged in the boycott literature (Friedman 1999; Garrett 1987; Rea 1974; Sen et al. 2001; Smith 1990). Rea (1974) insisted that social pressure is critical to enforce a boycott and thus suggested that boycott participation will be greatest for goods and services that are publicly purchased and consumed. Sen et al. (2001) found that boycott likelihood is greater, in the case of both economic and social-issue boycotts, for those more susceptible to normative influence. Accordingly, we predict that:

H₃ᵦ: The belief that one would feel bad if seen by others purchasing or consuming the firm's products will moderate the relationship between egregiousness and boycott decision.

H₃ᶜ: The belief that one's friends or family are exerting pressure to boycott will moderate the relationship between egregiousness and boycott decision.

Participation in a boycott presents the potential boycotter with the prospect of boosting self-esteem: boycott participation represents an opportunity to associate with a cause or social issue or particular group of people, or simply to see oneself as a moral person. The maintenance or enhancement of self-esteem is a fundamental motive in human behavior (Baumeister 1998; Pittman 1998), and people often engage in behaviors towards this end (see, for example, Fein and Spencer 1997). According to Katz (1960), some attitudes carry a value expressive function that provides a means of expressing important aspects of the self-concept, and holding or expressing these attitudes is inherently rewarding because it allows people to enhance their self-esteem (see also Eagly and Chaiken 1998). Thus, boycott participation and allied feelings of "doing the right thing" can be viewed as a method of boosting self-esteem and feeling good about oneself.

H₃d: The belief that one would feel better about oneself by boycotting will moderate the relationship between egregiousness and boycott decision.

Rationalizations. The third set of variables moderating the relationship between perceived egregiousness of a firm's actions and a consumer's boycott decision is comprised of rationalizations that might inhibit boycott participation. These rationalizations are of particular interest to boycott targets who seek to reduce possible support for the boycott. They can also include counterarguments to the boycott that are specifically advanced by the management of the target firm.

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H₄: Rationalizations concerning boycotting will moderate the relationship between egregiousness and boycott decision. The stronger the rationalizations for not boycotting, the weaker will be the relationship between perceived egregiousness and boycotting.

The sacrifice associated with the boycott and its collective action characteristic allow for its treatment as a social dilemma. As with strikes, boycotts require widespread participation to be effective (substantially reduce sales), yet if the boycott is successful (achieves its aims) all will receive the benefits regardless of whether they participated. Thus, some would-be participants might free ride. The logic of collective action is such that "rational, self-interested individuals will not act to achieve their common or group interests" (Olson 1965, p. 2). Accordingly, Smith (1990) claimed that to achieve cooperation, social-issue pressure groups rely on altruism, small group size and solidary incentives (benefits derived by individual members as an intrinsic rather than instrumental function of membership, such as association with people of similar values). Unlike trade unions, boycott organizers are unlikely to have coercive resources to draw on and thus substantial reliance may be placed upon altruism. Again, this is consistent with our conceptualization of boycotting as often having a moral dimension. Because not all potential boycotters will act altruistically, we expect that some will free ride. Sen et al. (2001) identify a role for free riding, but only indirectly.[5] We take the view that the possibility of free-riding means that some individuals are *less* likely to participate in a boycott and hypothesize that free-riding moderates the relationship between perceived egregiousness and the boycott decision.

H₄ₐ: The possibility of free-riding will moderate the relationship between egregiousness and boycott decision.

A related consideration is whether would-be participants believe their participation will make a difference. Our earlier discussion of perceived consumer effectiveness reflects beliefs about the effects of any one individual's actions in combination with beliefs about whether others will act in a similar way. The fact that individual purchase decisions are typically small relative to the markets in which they are made is at the heart of the economic theory of perfect competition. In the competitive model, buyers and sellers have no monopoly power because their actions have no influence on price. In the case of a boycott, the fact that agents are small suggests that they undertake costly actions that can be rationally expected to yield no benefit. Voting behavior is similar to boycotting in this respect and, economic and political theory notwithstanding, both assuredly do happen. Voting behavior is often explained as being motivated by a sense of civic duty or a desire to participate in the political process (Riker and Ordeshook 1968; Romer 1996). As the foregoing discussion indicates, we suggest that with boycotts a moral obligation provides a strong

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[5] They find that the relationship between expectation of overall participation and the likelihood of an individual participating in a boycott is moderated by the extent to which the individual believes his contribution can make a difference (perceived efficacy). They suggest that if individuals believe they can make a difference (high perceived efficacy) they are less likely to free ride.

counter to the possible small-agent rationalization for not participating. Nonetheless, we anticipate that some

individuals might conclude that their participation in a boycott is too little to make a difference.

> **H$_{4b}$:** The belief that one's purchases are too small to make a difference will moderate the relationship between egregiousness and boycott decision.

As well as costs to the individual boycotter of boycott participation, there are also potential costs for those

associated with the boycott target, such as the firm's employees. The management of firms targeted by a boycott often

draw attention to these costs. In the case of boycotts over involvement in apartheid South Africa, firms often noted that

these boycotts hurt most those they were intended to help, i.e., black South Africans (Smith 1990). Multinational firms

that source products from low-wage economies have made similar arguments. Hence, in contrast to the moral pressure

to support the boycott, there is the moral concern about potential harm that might be caused by the boycott.

> **H$_{4c}$:** The belief that boycotting will harm parties associated with the boycott target will moderate the relationship between egregiousness and boycott decision.

Costs. Fairly obviously, the direct cost of boycotting will also factor into the individual's boycott decision,

because boycott participation involves some individual sacrifice.

> **H$_5$:** The cost of boycotting will moderate the relationship between egregiousness and boycott decision. There will be a weaker relationship between egregiousness and boycotting for those with a high cost of boycotting.

Brand Image

Consistent with our preliminary study and as shown in Figure 1, we expect that egregiousness is likely to affect

brand image: consumers who feel a firm has done wrong will have a more negative image of the firm compared to those

who do not judge its actions as egregious (also see Dawar and Pillutla 2000; Smith and Cooper-Martin 1997).

> **H$_{6a}$:** There will be a direct relationship between egregiousness and brand image; the greater the perceived egregiousness, the more negative will be the brand image.

We also expect that boycotting will damage brand image, above and beyond the direct effects of egregiousness.

It is well established within social psychology that actions have the ability to intensify attitudes in the direction of the

behavior. Both cognitive dissonance theory (e.g., Festinger 1957) and self-perception theory (e.g., Bem 1972) would

predict that undertaking an action would lead to behavior-consistent attitudes. Thus, independently of egregiousness

perceptions, consumers who boycott are likely to devalue their perception of the brand once they have boycotted,

simply because they did boycott.

> **H$_{6b}$:** The relationship between egregiousness and brand image will be mediated by boycott decision.

METHODS

14

Overview

We tested our hypotheses in the context of an actual boycott of Bremmer, a European-based multinational firm (name disguised). The announcement of two factory closings prompted a call to boycott within the home country of the firm by a group of Bremmer employees and various pressure groups, including an NGO well known for its campaigning against globalization. Consumers were asked to boycott all of the firm's products, but two product brands received most media attention: the brand made in the factories to be closed (Brand A), and Bremmer brand name products that were made in other factories (Brand B). Bremmer had other brands, but only some consumers were aware that it produced these brands. The boycott was a major event that received extensive media coverage and attracted substantial participation.[6] Corporate tracking studies conducted by Bremmer's research firm incorporated questions formulated by the authors reflecting the preceding hypotheses. This unique research opportunity permitted measures during a "real" event and avoided the problems associated with eliciting or simulating genuine moral outrage in a laboratory setting.

The Study

Subjects. A nationally representative random sample of 1,216 adult consumers participated in the study via a telephone survey (response rate was 40%). Interviews were conducted in May and June 2001. A stratified sampling approach was taken to ensure that the sample demographics matched those of the population. Females represented 52.6% of the sample and the average age was 46 years old. Professionals represented 12% of the sample; mid-to low-level managers and technicians, 15%; clerical workers, 11%; unskilled workers, 22% and unemployed or retired, 32%.

Measurement. Brand image was measured by asking respondents to indicate on a 3-point scale (from "poor" to "very good") their opinion of the firm (the brand for many of Bremmer's products). A set of questions then probed for awareness and perceptions of the controversy. Respondents were asked if they had heard about the factory closings. ("There have been recent reports in the press about planned factory closings and job losses in the Bremmer group. Have you heard about them?") They were also asked three questions that measured their perceptions of the egregiousness of the closings. For the first two, respondents were asked to rate their confidence in the managers of Bremmer to: "Not close factories except when necessary" and "Ensure that the factory closings take place in the best possible way for the workers" (on a 4-point scale of "no confidence at all" to "complete confidence"). The third question asked for agreement on a four-point scale from "not at all" to "completely" to the statement, "Bremmer must close certain

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[6] Our confidentiality agreement precludes direct identification of the boycott target and hence no cites are provided here (although, in accordance with our agreement, we did identify the target to the reviewers of this paper). The negative media coverage included the company's plant closures being described in the press as "brutal" and the company depicted as a "symbol of corporate greed" (because the company was making closures even though it was profitable). It even extended to criticism by a government minister who decried the closures as "unacceptable".

unprofitable factories to avoid putting its entire candy line (disguised) in danger."[7] Respondents were also asked whether or not they disapproved of Bremmer's action.

The next question asked about boycott participation, categorizing respondents as not boycotting, being tempted to boycott, or as boycotting the firm's products (i.e., boycott decision). Questions tapping the hypothesized moderators were measured on a 1 (strongly disagree) to 10 (strongly agree) scale. See Table 1 for the promote change, self-enhancement and rationalization items. Cost of boycotting was operationalized here as previous purchase frequency, reasoning that those who were heavy purchasers of Bremmer products would pay a higher price for boycotting—by forgoing preferred products—than those who were light purchasers. Respondents were asked how often they generally had bought four different brands. All of these brands were produced by Bremmer, but respondents were not told this. Brands A and B were strongly associated with the firm and the controversy, while brands C and D shared a much weaker association with the firm and the boycott (corporate surveys verified that a large majority of consumers were unaware that these latter two brands were produced by Bremmer).

Bremmer management had communicated two messages about the factory closings that they hoped would reduce negative opinion. These two messages were that three alternative jobs had been offered to each worker in the closing factories, and that Bremmer was looking for other companies that would be willing to create jobs at the sites to be closed. In the survey, respondents were asked if they had heard these messages ("yes" or "no") and whether they were more sympathetic to the firm as a result of these initiatives, on a 1 ("not at all") to 4 ("very") point scale.

RESULTS

The controversy was well publicized: 94.9% of the sample had heard about the factory closings. While the sample overwhelmingly disapproved (80.8%) of Bremmer's factory closings, the majority (60.9%) of those consumers who disapproved were non-boycotters, supporting H_{1b}. An additional 20% of disapprovers were tempted to boycott, but had not yet actually boycotted. Nineteen percent of disapprovers were currently boycotting. As predicted, this finding shows that viewing a firm's actions as wrong does not always lead to boycotting.

The three measures of egregiousness were averaged (Cronbach's a = .73). The mean egregiousness score was 2.79 (recall that responses to these questions were on a four-point scale, which was coded as higher numbers indicating greater egregiousness). While 60.1% of the sample averaged 3 or higher on the 4-point egregiousness scale, only 21.7% of these boycotted (21.1% were tempted), adding further support to H_{1b}.[8] The relationship between perceived

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[7] For the third question, it should be noted that much of the anger associated with the boycott was attributed in the media to reports that Bremmer was making factory closures despite being profitable overall.

[8] Of those in the sample who were high in egregiousness (3 or higher) and who disapproved, 25.5% were boycotting, 20.2% were tempted and 54.3% were not boycotting.

egregiousness and boycotting is .31(standardized; .29 unstandardized); t (1108) = 10.77, p < .001.   Thus we find

support for H_{1a}.

The participation moderators were measured on a 1-to-10 point scale, with 10 indicating higher agreement. A

principle components analysis was conducted on the proposed moderator variables. As expected, four factors were

found, and the items that loaded on each factor were as predicted: promote change (Eigenvalue = 4.02, 25.1% of the

variance), self-enhancement (Eigenvalue = 2.09, 13.05% of the variance), rationalizations (Eigenvalue = 1.64, 10.2% of

the variance), and cost of boycotting (Eigenvalue = 1.02, 6.4% of the variance).

In general, the most strongly endorsed items were the rationalizations, particularly concerns that boycotting

Bremmer would hurt other jobs and lead one to buy foreign (see Table 1). Least strongly endorsed were the self-

enhancement items, particularly those having to do with social pressure. With the exception of the purchase history of

the two peripheral brands, all moderators had effects in the predicted direction, and the moderators were significantly

different across boycott groups (all p's < .001; except for Brand C, p < .10 and Brand D, n.s., see Figures 2a-2d).

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Insert Table 1 and Figure 2 Here
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Moderating Effects. The relationship between egregiousness and boycott decision is hypothesized to depend

on moderating factors. The variable of boycott decision can be treated as either categorical or continuous. Evidence

that this variable is equal interval is found in an examination of the means of each of the proposed moderating variables

(see Figures 2a-2d). In each case the mean for "tempteds" falls in between the means for the non-boycotting and

boycotting groups, equidistant or close to equidistant from the two extreme means. This provides evidence that being

tempted to boycott is a mid-way point between deciding to not boycott or to boycott. Thus, the moderation analyses

were conducted first with boycott decision considered as a continuous dependent variable. A second set of analyses

tested for moderating effects with boycott decision treated as a categorical variable.

The standard test of moderating effects is to include both egregiousness and the proposed moderating variable,

plus an interaction term of these two variables, in a regression equation. Predictor variables were centered (raw score –

mean) as suggested by Cohen and Cohen (1983). As can be seen in Table 2, the results support the presence of

moderating effects. All four of the promote change variables showed a significant interaction. For the self-

enhancement factors, the more psychological variables ("guilt" and "feel better") showed significant interactions, but

the more social variables ("feel bad if others saw me" and "friends and family pressure me") did not. (Recall from

Table 1 that these latter two variables also received the lowest ratings.) The rationalizations showed significant

interactions, except for "buying foreign" (boycott-induced harm). For purchase history, the interaction terms were significant for the two brands that were easily associated with the firm and the controversy.[9]

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Insert Table 2 Here
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A second set of analyses allowed for an examination of the form and magnitude of the moderating effects. In this case, boycott decision was treated as a dichotomous variable, with tempteds excluded from the analyses. Table 3 shows the percentage of boycotters at low (<=2) and high (>=3) levels of egregiousness and at low (<=3) and high (>=8) levels of each of the moderators. Log-linear analyses showed significant interactions for all 16 of the moderators (all p's < .001). The form of these interactions is also as predicted (see Table 3). Not only is the interaction between the moderators and egregiousness significant, the magnitude of the moderating effect is large. For example, at low levels of believing that by boycotting one can change Bremmer's decision, the likelihood of boycotting increases from 2.1% to 7.4% between low and high egregiousness groups. At high levels of this belief, a shift from low to high egregiousness moves likelihood of boycotting from 36.8% to 68.0%.

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Insert Table 3 Here
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Brand Image. Tracking data indicated that during the year prior to public knowledge of the intended factory closings, Bremmer's image was extremely positive: 96% had a "very good" or "good" opinion of the firm, and 2% had a "poor" image. This positive rating had dropped to 68% by the start of our data collection and the percent holding a negative opinion rose to 30% during the same time period. Thus, the controversy did damage an almost universally positive image.

We predicted that egregiousness would have a direct effect on brand image and an indirect effect through the boycott decision. Egregiousness did, in fact, predict brand image: higher egregiousness was inversely related to brand image (β = -.33, p < .001; standardized coefficients are reported here for ease of comparison), supporting H_{6a}. As reported above, egregiousness also predicted the boycott decision (β = .31, p < .001). When both egregiousness and the boycott decision predict brand image, both are significant (β = -.24, p < .001, and β = -.27, p < .001), and the direct path from egregiousness to boycotting drops significantly (from -.33 to -.24, t = 2.19, p < .05). Thus, support is found

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[9] The item-by-item regressions raise the possibility of omitted variable bias. To ensure that this does not materially affect the results, regressions were also run with the other moderators included as controls. This did not affect our findings.

for the partial mediation of boycotting on the relationship between egregiousness and brand image (Baron and Kenny 1986). This finding suggests that boycotting itself—above and beyond the effects of perceived egregiousness—affects brand image, supporting H_{6b}. The effect of boycotting on brand image stays significant even if all 16 moderator variables (and egregiousness) are included in the regression ($\beta = -.17$, $p < .001$). (Note that an alternative model, in which brand image mediates the relationship between egregiousness and boycott decision, was not supported.)

From a different angle, among those who were high in egregiousness (3 or above on the 4-point egregiousness scale), 72% of boycotters assigned a "poor" rating to Bremmer, while only 24.2% of non-boycotters gave this rating. Note that these figures are much higher than the pre-boycott, full sample "poor" rating of 2%.

Thus, we find support for H_{2a}, H_{2b}, H_{2c}, and H_{2d}; and for H_{3a} and H_{3d}, but support is not found for H_{3b} and H_{3c} (the social pressure moderators). H_{4a} (the free ride rationalization) and H_{4b} were supported, along with H_{4c} when operationalized as concern that the boycott will harm other Bremmer jobs, but not when it is operationalized as concern about buying foreign. (Note that the loglinear analyses using the dichotomous variable and low/high levels of egregiousness and the moderators, produced significant interaction effects for all moderators.) H_5, H_{6a} and H_{6b} were also supported.

Other Results

Corporate Messages and Egregiousness. We investigated whether corporate messages concerning the factory closings were related to perceived egregiousness. Those who had heard that Bremmer found three alternative jobs for each factory worker gave significantly lower egregiousness ratings than those who had not heard this communication ($m = 2.58$ and 2.86, respectively, $t(1203) = 5.04$, $p < .001$). Similar results were found for the message that Bremmer had tried to find other firms to buy the factories and employ the workers ($m = 2.65$ and 2.86, respectively, $t(1204) = 4.29$, $p < .001$). Further, for those who had heard either message, a positive reaction to the message was inversely related to egregiousness ($r = -.32$, $p < .001$ and $r = -.19$, $p < .001$ for other jobs and other firms, respectively). While responsiveness to corporate messages was related to egregiousness it was not a moderator of the relationship between egregiousness and boycott decision (interaction terms were non-significant). Thus, it appears that corporate messages pertaining to the egregious act can be effective in reducing perceived egregiousness. It might require other types of messages, perhaps regarding boycott efficacy, to disrupt the relationship between egregiousness and boycotting. This issue will be addressed in the implications section.

Demographics. There was no correlation between age and egregiousness or age and the boycott decision ($r = -.04$, n.s. and $r = -.06$, n.s., respectively). The relationship between the boycott decision and gender, however, was significant ($\chi^2 = 11.01$, $p < .01$), with 19% of women boycotting compared to 13% of men. Table 4 shows the

differences between men and women on egregiousness, image of Bremmer and the moderator variables. Women tended to be stronger on the moderators predicted to promote boycotting, such as the belief that boycotts are effective or that they would feel good if they boycotted, but they were also more likely to free ride. Interestingly, given the general gender difference pattern that emerged, women had a more positive image of Bremmer. It is possible, however, that because the brand is primarily targeted toward women, women's perceptions of the firm were higher than men's before the boycott.

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Insert Table 4 Here
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DISCUSSION

The study investigated a fairly typical example of a high profile social-issue boycott (insofar as any boycott can be described as "typical"). The boycott target had been widely condemned, including extensive negative coverage in national print and broadcast media. The study respondents were well aware of the issue leading to the boycott and overwhelmingly disapproved of the company's actions. It was surely a situation marketers would prefer to avoid.

The perceived egregiousness of the firm's actions was key to boycott participation. The more egregious a consumer perceived the firm's actions to be, the more likely was that consumer to participate in the boycott. But perceived egregiousness notwithstanding, most of the sample was <u>not</u> participating in the boycott.[10] This outcome was as we had predicted and was consistent with our exploratory study. Moreover, the level of boycott participation reported in the study was consistent with retail audit evidence of sales declines across the firm's product categories.[11] While both were low relative to disapproval levels and measures of perceived egregiousness, they represented substantial lost sales in a highly competitive market. Negative stock market reactions to boycott announcements may well be warranted (Davidson, El-Jelly, and Worrell 1995) and clearly it is vital for managers to understand why perceived egregiousness sometimes translates into participation and sometimes does not. Such an understanding would also help NGOs develop more effective strategies and tactics in calling boycotts.

Our study found four sets of moderators of the relationship between perceived egregiousness and boycott decision: a desire to promote change, self-enhancement considerations, rationalizations that inhibit boycotting, and the costs of boycotting. All but three of the specific moderator variables appear to influence boycott decisions as predicted, with implications for managers and others, as later discussed. The self-enhancement variables of social pressure ("feel

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[10] As further, indirect evidence of perceived egregiousness, a national poll at the time of the boycott had found that nearly nine out of ten people judged it "unacceptable" for profitable companies to make people redundant.
[11] While two of the authors saw this evidence, the firm declined to make this information public.

bad if others saw me" and "friends and family pressure me to boycott") did not appear to influence boycotting behavior in the manner predicted and these proposed moderator variables received the lowest ratings overall. This might suggest that the role of social pressure in boycotting (e.g., Garrett 1987; Rea 1974; Sen et al. 2001; Smith 1990) has been overstated. Alternatively, social pressure might have greater effect with products that are more publicly consumed or respondents might be less willing to admit to being influenced by others (especially within the context of a telephone interview) or may not be aware of this influence (Cialdini and Trost 1998). Nonetheless, the other, more inner-directed self-enhancement variables ("feel guilty if I bought", "feel better about myself") did appear to influence boycotting as expected.

Results were also mixed with respect to boycott-induced harm, a potential rationalization variable that might inhibit boycott participation. Concern for whether participation in the boycott might harm those associated with the boycott target was evident with regard to the target's employees ("boycotting will put other Bremmer jobs at risk"). However, the possible perception of the boycott causing harm by resulting in the purchase of foreign products did not appear to influence boycott decisions in the manner predicted. This might be because the perceived harm of buying foreign is less central to the issue of factory closures or more diffuse generally.

Clearly, some moderators of the relationship between perceived egregiousness and boycott decision were stronger than others. The strongest moderators overall appear to be the firm-directed promote change variables ("change the firm" and "angry and want the firm to know"), the inner-directed self-enhancement variables ("feel guilty if I bought", "feel better about myself"), and the small agent and boycott-induced harm rationalizations ("my purchases would not be noticed" and "put other Bremmer jobs at risk") (see Table 3). The effects of these variables would seem to be particularly important in identifying effective strategies and tactics for NGOs using boycotts and the firms that are targeted. As we would expect, the cost of boycotting also appears to be a strong moderator, with marked effects for frequent purchasers of the brands at the center of the controversy.

In addition to the significant direct cost of the boycott for the firm as a result of boycott participation, there are indirect costs to consider. The study found evidence of harm to the firm's brand image and these effects are not restricted only to those participating in the boycott.

Finally, the differences with respect to gender are consistent with prior research indicating that women are more likely to express stronger ethical concern (Ford and Richardson 1994; Smith and Cooper-Martin 1997). However, it might also be because women are Bremmer's primary target in most of its product categories and thus the boycott is more salient. Regardless, the finding points to the appropriateness of gender targeted communications by both the boycotted firm and the boycott organizer.

IMPLICATIONS

Management Implications

Preparing for Boycotts. Boycotts may have serious adverse consequences for firms, extending beyond any direct loss of sales to include longer-term impacts on corporate reputation and brand image. The role of perceived egregiousness in boycott participation means that there is less likelihood of being targeted by a boycott if a firm does not engage in activities that might be viewed as unacceptable. Hence, to avoid social-issue boycotts, at least, firms are well advised to conduct social audits. Some leading CSR proponents already do this, for a variety of reasons. Shell, for example, attempts to measure and publicly report its corporate social performance relative to key performance indicators (Shell 2001). Frequent dialogues with stakeholders (including NGOs) help Shell identify potential issues that might prompt a boycott. Because there are different and sometimes conflicting views of what is socially responsible corporate conduct, the best efforts of management can never entirely eliminate the possibility of a call for a boycott. However, boycotts are unlikely to be widely supported if management is familiar with the broader norms of society and the firm acts in a manner that is consistent with the social contract between it and the rest of society (Dunfee, Smith and Ross 1999).

Our moderator variables and the need for preparation in anticipation of a boycott also lend further weight to arguments for relationship marketing, brand building and providing superior customer value (Day 1998; Webster 1994). Superior customer value increases the potential costs for a would-be boycotter and thus reduces the likelihood of perceived egregiousness being translated into boycott participation. Good customer relationships are likely to facilitate communication with customers, providing alternatives to boycotting for customers who wish to express anger at the firm for engaging in perceived unacceptable behavior. Good customer relationships and investments in branding might also be a "form of insurance" and counteract information about egregious conduct, as Dawar and Pillutla (2000, p. 224) suggest may be the case in the context of product-harm crises.

Responding to Boycotts. One key to successful management response to boycotts is the recognition that the moderator variables may be open to influence. The firm-directed promote change variables appear to be particularly important ("change the firm's decision" and "angry and want the firm to know"). Communications intended to convey that the firm is unlikely to change its decision on the perceived egregious policy might well lessen the likelihood of boycott participation. However, this has to be balanced against the possible negative effects of stonewalling (Dawar

and Pillutla 2000). We might further speculate that acknowledging consumer anger would also reduce the likelihood of boycott participation, though this was not directly investigated.[12]

A marketing campaign could attempt to assuage the guilt that would-be boycotters might otherwise experience (advertisers of products in categories such as candy and ice cream are accustomed to developing campaigns with guilt reduction in mind). However, other self-enhancement moderators may be more difficult for firms to influence. We believe that the boost to self-esteem that might come from boycott participation has to do with associating with the values of the NGO calling the boycott and, for some boycotts, anti-capitalist values in general (Klein 2000). If correct, this rejection of the values of business would be very difficult to counter, at least for any particular firm. It might also explain why some boycotts linger (e.g., Nestlé, Nike), long after the firm has addressed the problems that gave rise to the boycott. *The Economist* (2001) has argued that business as a whole has to more effectively present its case.

As well as attempts to influence the promote change and self-enhancement variables, boycott targets might also try to increase the rationalizations and the perceived costs of boycotting that appear to reduce the likelihood of boycott participation. Firms experiencing product crises, such as recalls, are advised to cut back on advertising. In the case of boycotts, however, increased advertising might be beneficial if it increases the direct costs of boycott participation and reminds the would-be boycotter of what he/she would be missing. More important, perhaps, is communicating potential harms of the boycott. Often, boycott targets have reasons for pursuing a policy that some NGOs might not consider socially responsible (e.g., testing of products on animals may be necessary to ensure the safety of some pharmaceutical products). Boycott targets might also try to encourage free-riding and the would-be boycotter's sense of being a small agent. (Obviously, however, great care must be exercised in suggesting to consumers that they are unimportant!) In the boycott we studied, management responses included communication of its attempts to mitigate the harm of its actions, and these did succeed in reducing perceived egregiousness and thus boycott participation.

As important, managers cannot assume that nonboycotters are unaffected by the boycott. A key insight from identifying the role of the moderating variables is to acknowledge that nonboycotters may well strongly disapprove of the company's practice but this is not reflected in sales data; they may not be boycotting because they don't believe the boycott would change the firm's policies, for example. However, brand image is harmed all the same, as reflected in support for H_6 (see Figure 1). Thus consumer research is a vital supplement to monitoring of sales data.

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[12] It should be noted that boycotts do not necessarily disappear even after firms appear to have met boycotters' demands. Apparently, consumers are not always aware of or respond to NGO calls ending the boycott, as in a recent boycott of Adobe (Infonic 2002). This apparent reluctance to respond to an NGO call to end the boycott might be due to the continued effect of the non-instrumental moderating variables (e.g., "angry and want the firm to know").

In light of our findings and recommendations for managers, we offer a variant of the well-known ATR (Awareness, Trial, Repurchase) model that can be used by managers facing boycotts. Our AEB (Awareness, Egregiousness, Boycott) model offers a framework for diagnosing potential responses to a boycott. Figure 3 depicts the model, with data from the Bremmer boycott. The first step in determining a boycott response is to measure awareness. For many boycotts that are called, awareness is extremely low, and given low consumer awareness, the boycott can be monitored, but not responded to immediately. Two exceptions to this are: 1) the call for a boycott, even though unheard by most consumers, could serve as a wake up call to managers that they are committing an egregious act and that changes should be made; 2) early monitoring shows that the boycott is gaining momentum (perhaps through media coverage) and could point to higher future levels of consumer awareness.

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Insert Figure 3 Here
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If awareness levels are high or growing, perceived egregiousness should be measured in order to understand the degree of disapproval and the specific aspects of the firm's actions that consumers find objectionable. Managers can then make decisions about whether or how to communicate changes to current practice, ameliorating actions (e.g., the offer of other jobs to factory employees) or reasons behind their actions (e.g., to protect other jobs in the firm by staying competitive)—all the while conscious of the possibility of perceived egregiousness harming brand image directly as well as potentially resulting in boycotting. If boycott participation is found to be higher than desired, managers can develop communications aimed at the moderators between perceived egregiousness and participation. This must be done with care (and continuous marketing research) to avoid the appearance of stonewalling or of treating consumers as unimportant.

Implications for NGOs and Policymakers

In contrast to boycott targets, NGOs might use the boycott effectively by influencing the moderator variables and increasing the likelihood of perceived egregiousness being translated into boycotting. NGOs need to emphasize the promote change and self-enhancement variables and fight the rationalizations and costs that appear to inhibit boycott participation. Thus, the AEB model might also be employed by NGO's to increase boycott participation.

Again, the more influential promote change variables appear to be firm-related ("change the firm's decision" and "angry and want the firm to know"). NGOs would appear to be well advised to promote the boycott as being likely to change firm policy and as a way that consumers can express their anger to the firm about the egregious practice. Even if an NGO has an instrumental motivation and is trying to change the firm's policies, it may find that it can rally

support for the boycott by playing up the guilt associated with consuming the boycotted product. This requires awareness of the egregious firm conduct and the boycott (see Figure 3) and the creation of a sense of stigma associated with the boycotted product(s). This stigma may be achieved in many boycotts via picketing of the target or stores that sell its products, as well as issuing flyers advertising the boycott and providing detailed information on the NGO's website. Picketing, especially if it gains media coverage, is also a way by which consumers might learn more about the NGO and its values, which in turn may create an opportunity to boost self-esteem. Also potentially helpful in boosting self-esteem is the use of celebrity endorsers by boycott organizers. Boycotts as well as brands may benefit from celebrity endorsement. For example, Bianca Jagger lent her support to the ExxonMobil boycott, called over its opposition to the Kyoto Protocol (Whitney 2001).

Finally, in fighting the rationalizations and costs of boycotting, NGOs might stress that everybody's participation is important. This could lessen the free-riding and small-agent problems and increase word-of-mouth support for the boycott. To minimize direct costs of boycott participation, NGOs might acknowledge the sacrifice required, but emphasize the importance of the cause. Fact-based rebuttals to company arguments about boycott-induced harms would also be required. For example, the NGO could report statistics on the number of displaced employees that have found alternative employment in the case of boycotts called over factory closures.

For policymakers, there might be evidence here of scope for less direct regulatory intervention with a greater role for market mechanisms as consumer use their "purchase votes". Policymakers might wish to facilitate this, perhaps with efforts to improve the amount and quality of information available to consumers. The trend of increased corporate reporting of social impacts could be encouraged and possibly monitored, if not regulated. Equally, the accuracy of claims by NGOs might also need to be monitored. There is a caveat, however. The notion of purchase votes is less accurate to the extent that our study finds evidence of non-instrumental motivations for boycott participation or, at least, motivations that are largely unrelated to the boycott issue itself. For example, if consumers participate in a boycott to boost self-esteem by identifying more closely with NGO values, the boycott target may be unfairly penalized.

Study Limitations and Directions for Further Research

The implications of our research findings need to be considered in light of the study limitations. First, there are undoubtedly some limitations that stem from conducting research in the field and, more specifically, the exigencies of researching an actual boycott while it was in progress. While many of our measures were informed by our prior study, we did not have the luxury of piloting some measures and did not have absolute discretion over the content and administration of the survey. We formulated questions for inclusion consistent with our hypotheses, but some changes were made by Bremmer and its research firm in line with their data collection objectives. We would have

preferred different purchase frequency measures positioned at the outset of the questionnaire and, while we have confidence in the egregiousness measure, would have liked the opportunity to pretest it during the boycott and prior to survey administration. Nonetheless, we believe that these limitations do not materially influence our results. On balance, they are minor relative to the opportunity afforded for research on consumer motivations during the course of a boycott and the benefits of access to the related longitudinal data as well as the survey reported. Moreover, although the response rate of 40% suggests there is a possibility of nonresponse bias, we are confident that this is not a major limitation: participation was secured by asking respondents to participate in "a survey on some companies", there was no reference during respondent recruitment to Bremmer or the boycott.

Second, there are issues of generalizability. Our study is of a particular boycott on a specific issue. It is possible that the egregious act in this case—factory closings—has a greater self-interest element than other issues that prompt boycotts, such as animal rights or the use of sweatshop labor by overseas suppliers. Even though those surveyed were unlikely to have worked for Bremmer, they might have seen participation in this boycott as a way of sending a message to other firms, including their own employers. If this is the case, what is the effect on boycotting? While this might well affect perceived egregiousness, we see no obvious reason to suspect that this would change our results about *moderators* of the relationship between perceived egregiousness and the boycott decision. Ultimately, this can only be verified by studies of other boycotts.

The high profile of the boycott studied is also noteworthy. However, to the extent that we are interested in explaining why people do not boycott, the boycott's prominence is all the more useful. Nonetheless, it is possible that our results are only applicable to boycotts that achieve a threshold level of support and not to the many calls for boycott that are largely ignored by consumers (and can be safely ignored by management too).

Finally, with respect to generalizability, it is acknowledged that while our data are from a nationally representative sample, they are from a specific European country with particular national characteristics. American consumers might have responded differently to this issue because of economic and cultural differences. There is less job security in the U.S. relative to Europe and thus perhaps greater acceptance of factory closures, even if carried out by profitable firms. (Boycotts certainly have been organized in the U.S. over the export of jobs to low-wage economies, though.) We might therefore anticipate greater levels of perceived egregiousness and more support for a boycott over factory closures in Europe than in the U.S. Again, this difference refers to main effects while our interest primarily is in moderators of the relationship between egregiousness and boycott decision. Whether the strength of the moderators differs due to national differences can only be ascertained by future research on boycotts in other countries. For

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example, the tradition of boycotting is more established in the U.S. than in Europe and thus we might anticipate stronger beliefs in boycott efficacy and a greater overall willingness to take part in boycotts within the U.S.

A third limitation is that we might anticipate additional moderators acting on the relationship between egregiousness and boycott decision. Possible candidates are moderator variables that are boycott-target specific, notably, the pre-boycott CSR reputation of the boycott target (Sen and Bhattacharya 2001) or its trustworthiness.

Thus, directions for further research include efforts to confirm the generalizability of our findings with alternate measures of egregiousness and more robust purchase history measures (to tap into boycott costs), as well as studies across different issue and country contexts. Such studies could also investigate the possibility of a threshold effect for perceived egregiousness. It would also be interesting to study the possible antecedents of egregiousness in different contexts, such as the interaction between a firm's actions on a particular issue and the broader socio-political context at the time of the call for boycott (it is possible that the heightened sensitivity to factory closings in the country, prior to the boycott studied, substantially increased perceived egregiousness).

Further research might also attempt to establish more definitively the strength of the various moderators. This would provide additional insight to firms on where to focus their efforts in responding to a boycott and guidance to NGOs in promoting a boycott. It would also help address the policy questions associated with claims about boycotts as a mechanism for social control of business via purchase votes (Smith 1990). Studies might also examine whether there are additional moderating variables, such as the pre-boycott reputation and trustworthiness of the targeted firm. Also, research on enduring boycotts might be conducted to test the hypothesis that these boycotts reflect a continued role for self-enhancement variables, when firm-specific promote change variables have become less relevant.

The study also has implications for researchers interested in corporate associations and the influence of CSR-related issues, as well as the more specific topic of consumer boycotts. Our findings with respect to consumer boycotts may well extend to the broader category of ethical influences on consumer behavior, suggesting the scope for exploring the role of a similar set of moderators in the models of Brown and Dacin (1997) and Sen and Bhattacharya (2001), for example. There might also in this context be a role for locus of control, with consumers differing in the extent to which they assert control over their world through consumption behaviors.

Finally, in light of our claims regarding self-enhancement, we believe it is appropriate to identify boycotting as part of a broader form of "symbolic nonconsumption". Writing on possessions and symbolic consumption, Belk (1988, p. 139) has claimed: "That we are what we have… is perhaps the most basic and powerful fact of consumer behavior." What does it mean when consumers choose <u>not</u> to consume a product because of a social issue associated with the

producer of the product? This paper asks why we boycott. Perhaps we boycott because we are also what we do not have.

TABLE 1

Descriptive Statistics

Variable	Mean	S.D.
Promote Change		
Boycotts are an effective means to make a company change its actions.	4.83	3.14
Everyone should take part in the boycott because every contribution, no matter how small, is important.	4.85	3.25
By boycotting, I can help change Bremmer's decision.	4.31	3.34
I am angry and I want Bremmer to know.	5.14	3.59
Self-Enhancement		
I would feel guilty if I bought Bremmer products.	3.35	3.12
I would feel uncomfortable if other people who are boycotting saw me purchasing or consuming Bremmer products.	2.91	2.94
My friends/my family are encouraging me to boycott Bremmer.	2.04	2.31
I will feel better about myself if I boycott Bremmer	3.21	3.07
Rationalizations		
I do not need to boycott Bremmer; enough other people are doing so.	4.49	3.30
I do not buy enough Bremmer products for it to be worthwhile boycotting; it would not even be noticed.	5.26	3.35
One shouldn't boycott because it will put other Bremmer jobs in danger.[a]	6.90	3.07
I don't boycott Bremmer because it is a (country) company and boycotting would lead me to buy foreign products.[a]	5.76	3.47
Purchase History		
Brand A (central)	2.59	.89
Brand B (central)	2.90	.86
Brand C (peripheral)	2.17	1.03
Brand D (peripheral)	1.84	.94

Boycott Level	Percent of Sample	Egregiousness Mean	S.D.
Non-Boycotters	67.4	2.60	.81
Tempteds	16.5	3.00	.66
Boycotters	16.1	3.23	.74
All levels	100.0	2.79	.82

[a] Operationalizations of boycott-induced harm.

TABLE 2

Moderation Analyses: Testing for Interactions

Variable	Egregiousness (b)	Moderator (b)	Interaction (b)
Promote Change			
Boycotts are effective to bring about change	$.25^{***}$	$.08^{***}$	$.02^{**}$
Everyone should take part	$.18^{***}$	$.11^{***}$	$.02^{*}$
By boycotting I can change Bremmer	$.22^{***}$	$.10^{***}$	$.03^{***}$
I am angry and want Bremmer to know	$.20^{***}$	$.06^{***}$	$.02^{**}$
Self Enhancement			
I would feel guilty if I bought	$.23^{***}$	$.08^{***}$	$.03^{**}$
I would feel uncomfortable if others saw me	$.27^{***}$	$.04^{***}$	$.01$
My friends/family encourage me to boycott	$.28^{***}$	$.06^{***}$	$.01$
I will feel better about myself	$.20^{***}$	$.12^{***}$	$.03^{**}$
Rationalizations			
I don't need to boycott, others are	$.28^{***}$	$-.03^{***}$	$-.02^{*}$
My purchases would not be noticed	$.28^{***}$	$-.04^{***}$	$-.03^{***}$
Boycotting will put other Bremmer jobs in danger	$.20^{***}$	$-.09^{***}$	$-.02^{**}$
Boycotting would lead me to buy foreign	$.23^{***}$	$-.06^{***}$	$-.01$
Purchase History[a]			
Brand A (central)	$.28^{***}$	$-.10^{***}$	$-.11^{***}$
Brand B (central)	$.25^{***}$	$-.22^{***}$	$-.12^{***}$
Brand C (peripheral)	$.29^{***}$	$-.01$	$-.03$
Brand D (peripheral)	$.29^{***}$	$-.02$	$-.01$

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

[a]   Note that the purchase history variables are measured on a 4-point scale while the other moderators are measured on a 10-point scale.

TABLE 3

Percent Boycotting: Egregiousness Levels and Moderator Variables

	Low Level of Moderator			High Level of Moderator		
Egregiousness	Low % (n)	High % (n)	Diff	Low % (n)	High % (n)	Diff
Moderator Variable						
Promote Change						
Boycotts are effective to bring about change	0.6[a](159)	12.2 (147)	11.6	25.5 (51)	60.5 (124)	35.0[b]
Everyone should take part	0.6 (178)	7.4 (149)	6.8	37.5 (32)	62.9 (143)	25.4
By boycotting I can change Bremmer	2.1 (191)	7.4 (202)	5.3	36.8 (38)	68.0 (122)	31.2
I am angry and want Bremmer to know	3.1 (191)	10.2 (128)	7.1	21.1 (38)	48.3 (209)	27.2
Self-Enhancement						
I would feel guilty if I bought	3.9 (230)	13.7 (255)	9.8	26.9 (26)	62.1 (87)	35.2
I would feel uncomfortable if others saw me	5.7 (230)	24.6 (297)	18.9	21.4 (28)	45.6 (68)	24.2
My friends/family encourage me to boycott	4.9 (247)	26.7 (359)	21.8	23.5 (17)	60.0 (30)	36.5
I will feel better about myself	2.5 (239)	11.9 (269)	9.4	45.5 (22)	76.9 (91)	31.4
Rationalizations						
I don't need to boycott, others are	9.1 (121)	39.5 (220)	30.4	4.8 (84)	24.0 (100)	19.2
My purchases would not be noticed	6.9 (101)	42.4 (172)	35.5	8.9 (90)	19.6 (138)	10.7
Boycotting will put other Bremmer jobs in danger	28.6 (21)	63.0 (100)	34.4	3.5 (226)	11.7 (230)	8.2
Boycotting would lead me to buy foreign	18.6 (43)	48.3 (172)	29.7	1.9 (159)	16.0 (163)	14.1
Purchase History						
Brand A (central)	5.0 (20)	58.0 (81)	53.0	8.9 (56)	18.9 (53)	10.0
Brand B (central)	20.0 (10)	77.8 (63)	57.8	4.9 (82)	17.9 (95)	13.0
Brand C (peripheral)	7.5 (80)	36.0 (161)	28.5	11.9 (42)	25.5 (51)	13.6
Brand D (peripheral)	7.4 (95)	32.9 (225)	25.5	9.7 (31)	32.0 (25)	22.3

[a] To be read as: 159 respondents were both low in egregiousness and low in the belief that boycotts are an effective way to bring about change. Of these, .6% (i.e., 1) were boycotters.
[b] All loglinear χ^2 results are significant (p < .001).

TABLE 4

Gender Differences

	Males		Females		Difference
Variable	Mean	S.D.	Mean	S.D.	p<
Promote Change					
Boycotts are effective to bring about change	4.47	3.14	5.16	3.11	.001
Everyone should take part	4.50	3.25	5.17	3.23	.001
By boycotting I can change Bremmer	4.00	3.35	4.59	3.32	.01
I am angry and want Bremmer to know	4.85	3.52	5.41	3.63	.01
Self Enhancement					
I would feel guilty if I bought	3.03	2.89	3.63	3.29	.01
I would feel uncomfortable if others saw me	2.82	3.88	2.99	2.99	n.s.
My friends/family encourage me to boycott	1.91	2.18	2.15	2.42	.10
I will feel better about myself	2.90	2.86	3.49	3.22	.01
Rationalizations					
I don't need to boycott, others are	4.23	3.18	4.72	3.40	.05
My purchases would not be noticed	5.18	3.30	5.32	3.40	n.s.
Boycotting will put other Bremmer jobs in danger	6.93	3.03	6.86	3.10	n.s.
Boycotting would lead me to buy foreign	5.76	3.44	5.76	3.50	n.s.
Purchase History					
Brand A (central)	2.46	.89	2.36	.93	.05
Brand B (central)	2.11	.81	2.08	.91	n.s.
Brand C (peripheral)	2.87	.98	2.79	1.06	n.s.
Brand D (peripheral)	3.11	.91	3.19	.96	n.s.
Egregiousness	2.74	.86	2.84	.77	.01
Bremmer Image	1.94	.74	2.11	.78	.01

FIGURE 1

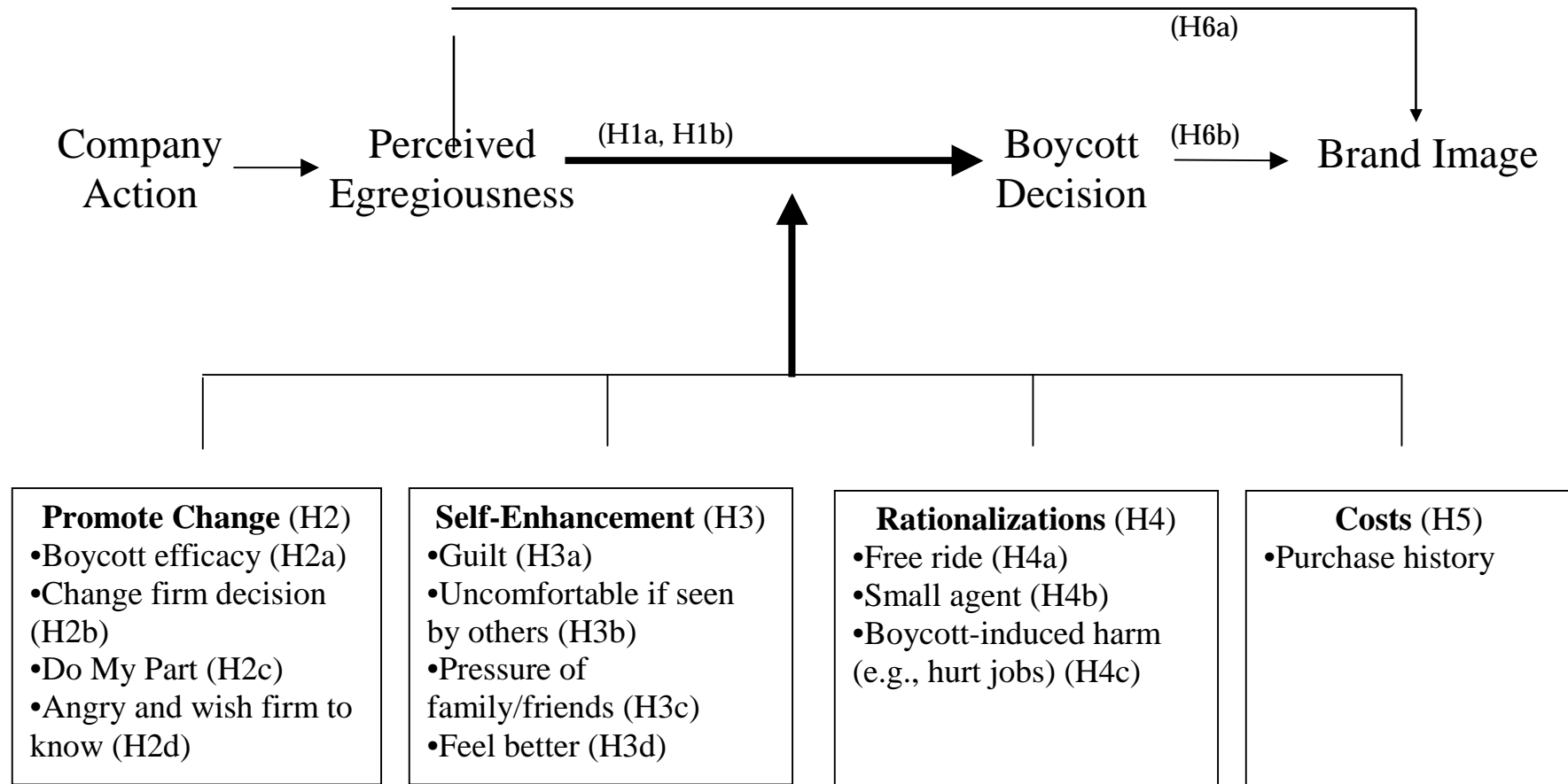**Moderators of Boycott Decisions**

Promote Change by Boycott Group
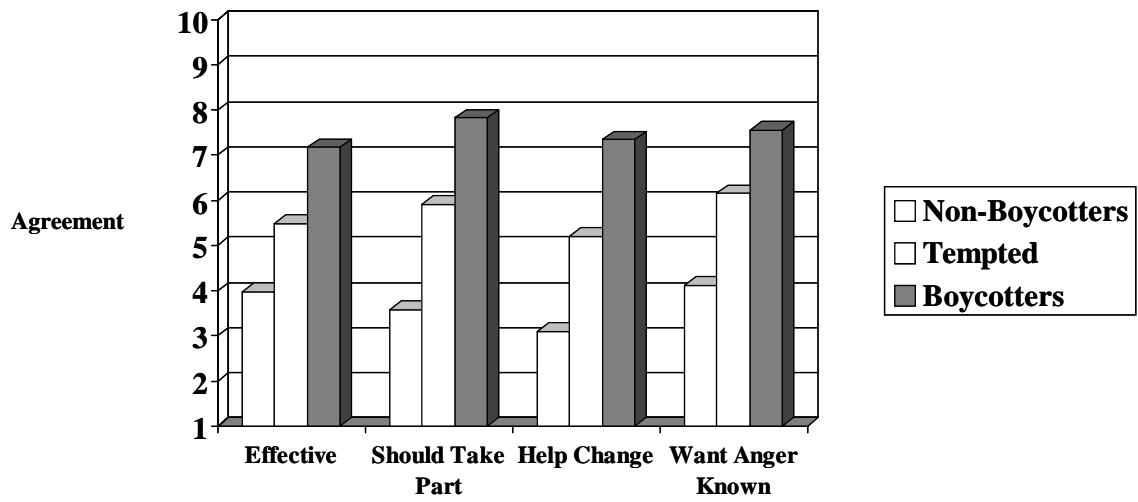

FIGURE 2b
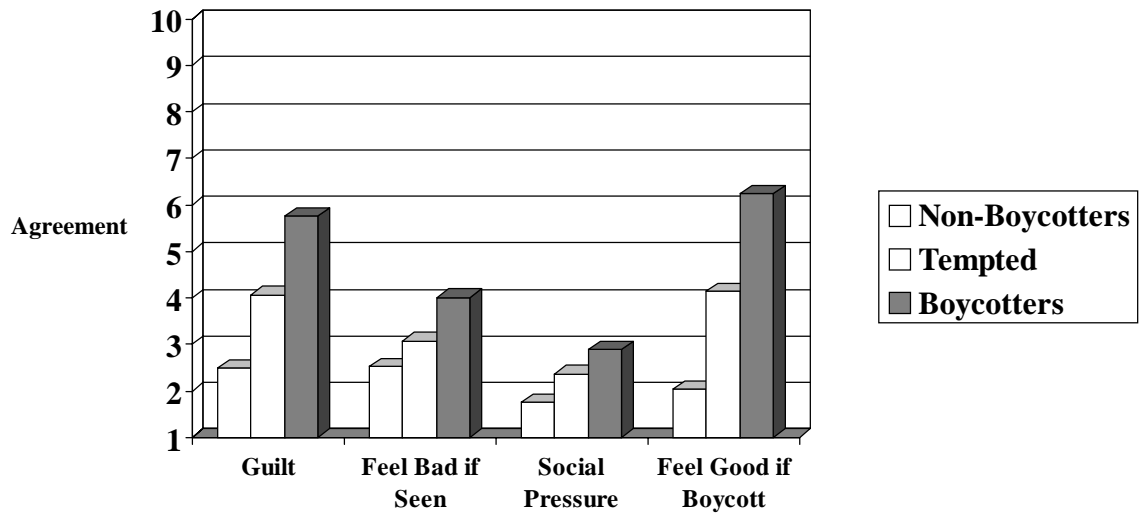
Self-Enhancement by Boycott Group

FIGURE 2c

Rationalizations by Boycott Group
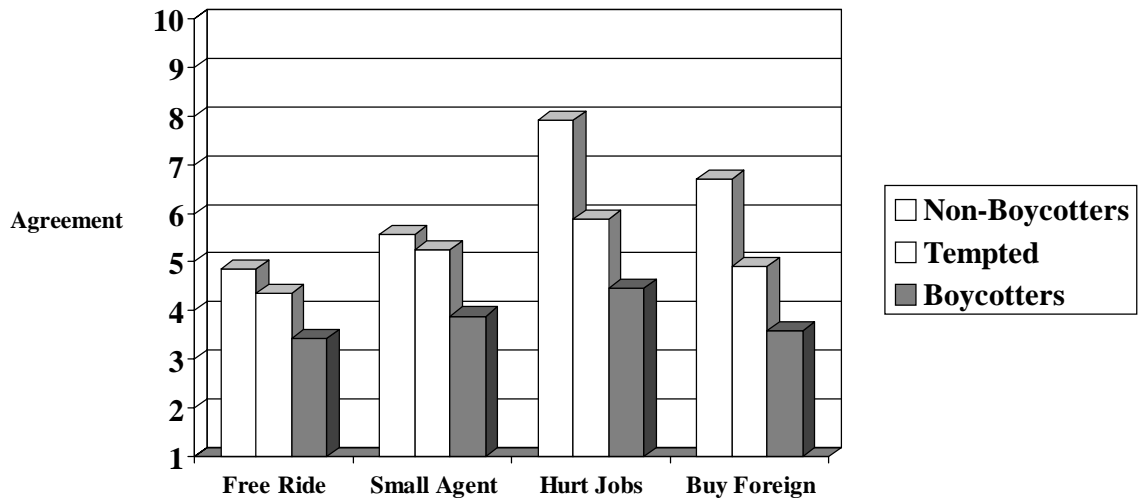
FIGURE 2d

Purchase History by Boycott Group

35
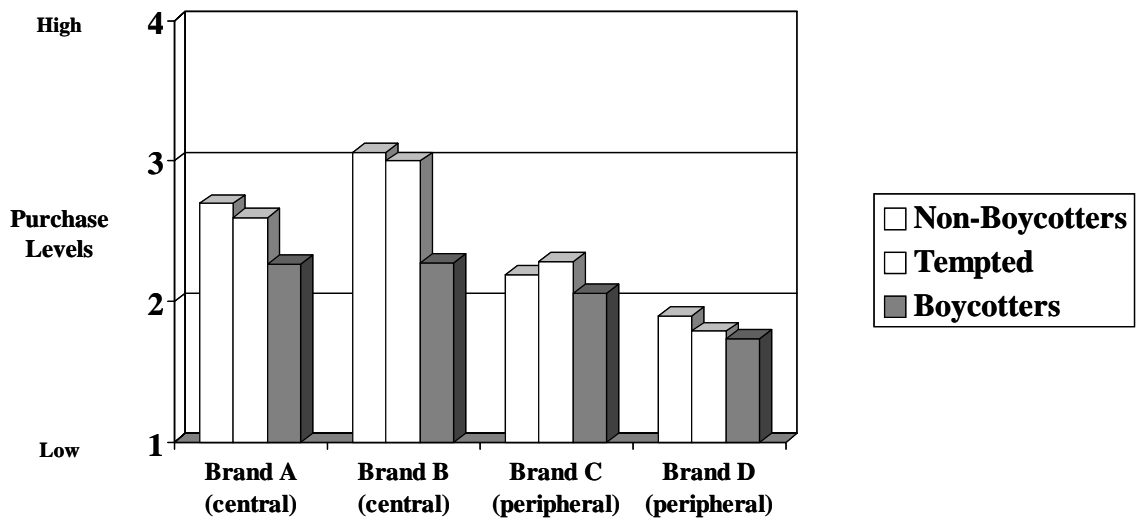
FIGURE 3

AEB (Awareness, Egregiousness, Boycott) Model

Awareness of Contentious Act	Perceived Egregiousness/Disapproval	Boycott Participation

96% →　81% →　16%

•Communicate reasons behind firm's actions
•Take and publicize ameliorating measures

Focus on factors that moderate
the relationship between egregiousness
and boycotting. Possible approaches include:
•Signal that boycott will not lead to change
•Show that expression of anger has been heard
•Increase boycott cost by reinforcing product benefits
•Demonstrate how boycott could cause harm

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