

Customer-firm affiliation matters: The impact of social distance on consumers' moral judgments of performance and immorality

Carolyn Lo
Monash University
Yelena Tsarenko
Monash University
Dewi Tojib
Monash University

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Abstract

This study proposes that there is a discrepancy in moral judgments between non-customers and customers affiliated with the firm of a transgressing leader despite being exposed to the same information about an unethical violation. Drawing on construal level theory, we hypothesize that social distance differentially influences consumers' judgments of the transgressor's professional performance but not judgments of the immoral behavior. Results from two experimental studies consistently demonstrate that customers of a firm (low social distance) form more favorable performance judgments without causing them to construe more lenient immorality judgments. However, social distance affects both performance and immorality judgments when mediating mechanisms (conscious and non-conscious moral reasoning) are accounted for. Our findings contribute to the burgeoning discourse on ethical business transgressions and shed light on the distinct mechanisms that guide consumers' moral judgments.

Keywords: *construal level theory; moral judgments; moral reasoning*

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