OUT OF SIGHT, OUT OF MIND! THE INTERVENTION OF SUSTAINABILITY MOTIVES AND CORPORATE HYPOCRISY IN A NEARSHORING DECISION

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Abstract

This study concentrates on the consumer-centric effects of sustainability-based motives of nearshoring as a manufacturing location decision and its intersection with corporate hypocrisy through three experiments. First study examines the mediator role of gratitude between sustainability-driven nearshoring motives (economic vs. environmental) and willingness to reciprocate relying upon the social exchange theory. Second and third studies ground on the construal level theory. While Study 2 investigates how perceived corporate hypocrisy reverses the relational mechanism based upon the spatial distance (hypocrisy in the nearshored country – low distance vs. in the formerly offshored country – high distance), Study 3 examines the reversal mechanism based on both the spatial distance to the event and psychological distance to the actor (i.e., brand). The findings reveal that the environmental (vs. socio-economic) sustainability-based nearshoring motive elicits greater gratitude and willingness to reciprocate. Further, perceived corporate hypocrisy in the nearshored country (vs. formerly offshored country) decreases the gratitude more for environmental sustainability-based nearshoring motives, hence willingness to reciprocate diminishes. Lastly, being psychologically close to the brand involved in a hypocritical act is expected to generate less willingness to reciprocate, hence increase the brand avoidance.

Subject Areas: *Branding, Consumer Behaviour, Cross-cultural and International Marketing, Marketing Planning and Implementation, Marketing Strategy*

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