

# A Catalyst for Change: Perceived Economic Inequality as a Determinant of Consumer Switching Behavior

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## **Abstract**

Economic inequality is rising globally, yet how this macro-structural phenomenon impacts consumer behavior remains poorly understood. To address this gap, the present research investigates the relationship between perceived economic inequality and consumers' switching behavior. In three studies using hypothetical and incentive-compatible scenarios with real consequences, we show that when economic inequality is perceived to be high, consumers are more inclined to abandon the default product, brand, or service in favor of an alternative option. Utilizing a process-by-moderation approach, we also provide insights into the underlying mechanism for this effect. Specifically, we demonstrate that this effect occurs because consumers in high economic inequality contexts actively seek to challenge the prevailing status quo. Our findings provide fresh perspectives on how macro-structural economic conditions, such as economic inequality, shape consumer behavior.

*Keywords:* economic inequality, switching behavior, status quo

*Track:* Consumer Behavior