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Cultural and religiosity drivers and satisfaction outcomes of consumer perceived deception in online shopping
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## Cultural and religiosity drivers and satisfaction outcomes of consumer perceived deception in online shopping

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#### Abstract

**Purpose** – The purpose of this paper is to develop and test a model that focuses on the cultural and religiosity drivers and satisfaction outcomes of consumer perceptions about online retailers' deceptive practices. It specifically investigates: the role of cultural orientation and religiosity in forming consumer ethical ideology; the link between the consumer's ethical ideology and his/her perceptions regarding the deceptive practices of online retailers; and the effect of perceived deception on consumer satisfaction.

**Design/methodology/approach** – The paper is based on a quantitative survey conducted among 468 Egyptian consumers aged 18 and above. These were measured on a five-point Likert scale. To test the hypothesized relationships among the constructs of the model, structural equation modelling was employed. **Findings** – The study confirmed that power distance, uncertainty avoidance, and religiosity are important in forming idealistic attitudes, while both individualism and masculinity lead to an egoistic attitude. Idealism was observed to have a positive association with consumer perceived deception, while egoism was found to negatively affect consumer perceived deception. Finally, it was revealed that the perceptions of consumer about the deceptive practices of online retailing decrease consumer satisfaction.

Originality/value – This research puts together in a single model both antecedents and outcomes of the perceptions of consumer about the deceptive practices of online retailing; concurrently examines the role of cultural orientation, religiosity, and ethical ideology of the consumer in forming ethical attitudes and responses; focuses on the instrumental role of cultural characteristics on consumer ethical perceptions from the perspective of the individual, rather than the society as a whole; and provides useful examination of the effects of perceived deception on consumer satisfaction.

**Keywords** Trust, Religiosity, Cultural orientation, Ethical ideologies, Importer commitment, Importer relationship performance

Paper type Research paper

#### 1. Introduction

The commercial use of the internet is still increasing, and online shopping more and more becomes a part of our day-to-day life (Van Noort *et al.*, 2008; Agag and Elbeltagi, 2013). Unfortunately, fraudulent practices, misleading advertisements, and misrepresentations of information on the internet also continue to increase. The rapid growth of electronic commerce (e-commerce) has created fertile ground for online fraud and deception (Xiao and Benbasat, 2011). The rapid rise in the number of consumer complaints related to online fraud and deception bears this out: in 1997, the National Fraud Information Centre (www.fraud.org) received fewer than 1,000 internet fraud complaints and over 262,000 complaints in 2013. Furthermore, the average loss in 2013 was \$781,841,611, much higher than the average loss in 1997 (\$895).



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Research in traditional settings shows that deceptive company policies negatively impact consumers' attitudes and behaviours in the marketplace (Ingram *et al.*, 2005; Jehn and Scott, 2008; Ramsey *et al.*, 2007). However, relatively little attention has explicitly been given to consumers' reactions to deceptive practices of online retailers (Roman, 2010; Riquelme and Roman, 2014). Considering the potentially very highnegative impacts of perceived deception and dissatisfaction (e.g. e-WOM, intention not to repurchase) on business success (Kwon and Sung, 2012), it is critical for online and traditional retailers to gain a better understanding of consumers' perceptions of deceptive practices and how consumers' characteristics influence such perceptions of deception in each channel.

Although culture, defined as the collective programming of the mind that distinguishes the members of one category of people from those of another, has been inextricably linked with people's ethical values at the country level (Hofstede, 2002), prior research, with some exceptions (e.g. Yoo and Donthu, 2001), has placed moderate emphasis on the ethical implications of an individual's cultural orientation. Consumer ethics are the moral principles that guide consumers in obtaining, using, and disposing of goods and services and help us to understand how consumers make judgements in questionable situations like fraud and shoplifting (Riquelme and Roman, 2014). In fact, most consumer ethics studies have failed to include religion as part of the determinants of ethical judgements despite calls for further research on the effect of religion (Goodwin and Goodwin, 1999). To bridge the gap between cultural and religiosity orientation and consumers' perceptions regarding the deceptive practices of online retailers this study investigates the effect of the consumer's ethical ideology (i.e. idealism and egoism) on his/her perceptions of the deceptive practices of online retailers.

This paper aims to contribute to the marketing literature by developing and testing a comprehensive model that focuses on the antecedents and outcomes of consumer perceptions of online retailing deceptive practices. Specifically, the research objectives are:

- to investigate the role of consumer cultural orientation and religiosity in forming ethical ideologies;
- to examine the effect of the consumer's ethical ideology (i.e. idealism and egoism) on his/her perceptions of the deceptive practices of online retailers; and
- · to evaluate the effect of consumer perceived deception on consumer satisfaction.

The structure of this paper is organized as follows: Section 2 provides theoretical background of the study. Section 3 presents the research model and hypotheses. Sections 4 and 5 is followed by methodologies and statistical data analysis. The discussion and implications part is mentioned in Section 6. The study is concluded in Section 7.

#### 2. Literature review

#### 2.1 Perceived deception

In the marketing field, deception has received special attention in the areas of advertising and personal selling/traditional retailing. Deception in the context of marketing practices is "unethical and unfair to the deceived" (Roman, 2010; Elbeltagi and Agag, 2016). Prior research on deceptive advertising has focused largely on identifying the specific types of claims that lead consumers to make erroneous judgments and its consequences on consumers' beliefs and behavioural intentions

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(e.g. Roman, 2010; Darke and Ritchie, 2007). For instance, findings from Darke and Ritchie (2007) showed that deceptive advertising engenders consumers' distrust. Earlier research in retailing and personal selling has identified "the exaggeration of the features and benefits of a product" and "selling items through high-pressure selling techniques" as common examples of deceptive or manipulative tactics (Ramsey *et al.*, 2007; Román and Ruiz, 2005). Results from this stream of research parallels those obtained by advertising researchers in that deceptive selling actions have been found to decrease customer satisfaction and trust.

Only recently researchers have paid attention to the topic of deception in online retailing. Riquelme and Roman (2014) found out that consumers have the knowledge about hints or abnormalities related to review manipulations, as well as the vigilance and capability to avoid being misled by the manipulated reviews. Grazioli and Jarvenpaa (2000) conducted a laboratory experiment with 80 MBA students. Half of the subjects accessed a real commercial site, and the other half accessed a copy of the site forged by the researchers. The forged site contained several malicious manipulations (e.g. false quotes from professional magazines were created, the site size, and sales were grossly exaggerated), designed to increase trust, and ultimately increase the likelihood that visitors would buy from it. Their results revealed that deceptive manipulations can alter the decision-making processes of individuals, and suggested that even sophisticated, technologically competent individuals fail to detect the fraud manipulations. Later, Miyazaki and Fernandez (2001) evaluated consumers' concerns regarding online shopping. Four major concerns emerged from a sample of 189 consumers. One of them was online retailer fraud, which referred to consumers' concerns regarding fraudulent behaviour by the online retailer, such as purposeful misrepresentation or non-delivery of goods. Interestingly, Grazioli and Jarvenpaa (2003) conducted a content analysis of 201 cases of internet deception, which revealed that deceivers selected deceptive tactics based on the characteristics of their targets as well as their own purported identities. Among the four types of e-commerce deception (i.e. B2C, B2B, C2B, and C2C), those by online businesses against consumers was found to be the most frequent. Roman (2010) stated that when consumers perceive that the risks pertaining to security, privacy, fraud, or reliability are low, their perceptions of expected benefits increase, thereby increasing their desire to repurchase from the same online retailer.

This study particularly focuses on consumer's perceptions of product-related deceptive practices, rather than on actual deceptive practices. Building on early studies in advertising deception (Compeau *et al.*, 2004), as well as recent work on internet deception (Riquelme and Roman, 2014; Lu *et al.*, 2013), we contend that perceived deception refers to the extent to which the consumer believes that the online retailer does not use deceptive or manipulative practices with the intent to persuade consumers to purchase the website's offerings.

#### 2.2 Cultural orientation

Cultural orientation is operationalized using Hofstede's (1980) quadruple typology, namely, power distance (i.e. the degree to which an individual accepts injustices in how power is exercised), uncertainty avoidance (i.e. the extent to which an individual can cope effectively with vague situations, as well as adopt rules that help him/her to clear such ambiguities), individualism (i.e. the degree to which an individual is concerned mainly with his/her own personal interests), and masculinity (i.e. the extent to which an individual emphasizes strength, competition, and performance as drivers of life).

Consumer ethical ideologies have mainly been examined from the perspective of idealism (i.e. following moral absolutes when making ethical judgments) and relativism (i.e. taking moral actions depending on the nature of a specific situation and the individuals involved) (Leonidou et al., 2013), which respectively, correspond to a deontological (i.e. evaluating whether an action is right or wrong by referring to norms or the law) (Xu and Ma, 2015) or teleological (i.e. making moral judgments based on the desirable perceived consequences of an action) (Xu and Ma, 2015) approach to ethics (Al-Kahtib et al., 2005; Leonidou and Kvasova, 2013; Malloy et al., 2014). This study focuses on the idealism construct, because it is more theoretically connected with the power distance and uncertainty avoidance of the individual (Leonidou et al., 2013). It also examines the construct of egoism, which is most closely associated with a person's degree of individualism and masculinity (Leonidou et al., 2013).

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## 2.3 Consumer satisfaction

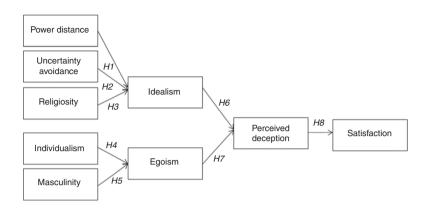
Marketing research has adopted satisfaction to measure customer satisfaction after a purchase (Oliver, 1980). Previous research has stressed the differences between consumer expectations and actual satisfaction and how satisfaction affects purchasing intention. Consumer satisfaction helps businesses establish long-term relationships with consumers and has a significant influence on purchase intentions (Bai et al., 2008; Lee et al., 2008; Rose et al., 2012). In information systems (IS), satisfaction is conceptualized as end user satisfaction with systems and a crucial criterion for IS success. Satisfaction is noted in many IS studies as the response of end-users towards system attributes and service quality (Khalifa and Liu, 2004). Satisfaction and attitudes are both affective measures (LaTour and Peat, 1979) that are used interchangeably. However, scholars have argued that attitudes include a satisfaction measure (Hong et al., 2006), whereas others believe that satisfaction is an attitude (Lee, 2010; Shiau and Luo, 2012). Therefore, we define satisfaction as the customers' post-purchase comparison between pre-purchase expectation and performance received (Oliver, 1980).

## 3. Conceptual model and hypotheses

A great deal of research has been carried out to understand the role of cultural orientation (e.g. power distance, uncertainty avoidance, individualism, and masculinity) and religiosity in forming consumer ethical ideology (idealism and egoism) as well as the influence of consumer's ethical ideology on his/her perceptions regarding the deceptive practices of online retailers (e.g. Swaidan et al., 2008; Leonidou et al., 2013; Khalifa and Liu, 2004; Loi *et al.*, 2012; Ramsey *et al.*, 2007; Vitell *et al.*, 1993; Fatoki, 2014; Kung and Huang, 2013; Agag and Elbeltagi, 2014; Agag et al., 2016; Agag and El-Masry, 2016a,b). Three factors, namely, power distance, uncertainty, religiosity, individualism, and masculinity (Leonidou et al., 2013; Swaidan et al., 2008; Malloy et al., 2014) stand out as important factors forming online customer ethical ideology. Consumer ethical ideology influence on consumer perceptions regarding the deceptive practices of online retailers. Finally, the deceptive practices of online retailers influence on consumer satisfaction. Figure 1 presents the research model, which theorizes that two dimensions of an individual's cultural orientation, namely, power distance and uncertainty avoidance as well as religiosity, influence idealism, while another two cultural dimensions, that is, individualism, and masculinity, affect egoism. Both idealism and egoism are in turn assumed to have an effect on consumer perceptions about the deceptive practices of online retailing. This perceived deception is expected to influence the level of consumer satisfaction.

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Figure 1.
Suggested research model



#### 3.1 Cultural orientation and ethical profile

Power distance is the first dimension of an individual's cultural orientation and reflects the degree to which a culture believes how institutional and organizational power should be distributed (equally or unequally) and how the decisions of the power holders should be viewed (challenged or accepted) (Hofstede, 1997). In other words, people in high-power distance cultures place more emphasis on aspects of authority, such as family, religion, and legislation, and defer to those with low-power distance. They are inclined to conform to societal norms and comply with the opinions of their superiors (Hofstede, 2002). They transfer their reliance on formal standards to guide appropriate ethical behaviour in all aspects of life, including consumption situations, which is an attitude found in idealistic people (Vitell *et al.*, 1993; Loi *et al.*, 2012). In addition, as individuals characterized by high-power distance blindly obey higher authority (Singhapakdi *et al.*, 1999), they are also likely to blindly follow higher moral duty and norms, which are the essence of idealism (Forsyth, 1980; Swaidan *et al.*, 2008). A direct positive relationship between power distance and idealism is supported by (Leonidou *et al.*, 2013). Consequently, we may hypothesize that:

## H1. Power distance has a positive effect on idealism.

Another cultural dimension refers to uncertainty avoidance, that is, the extent to which a culture feels threatened by ambiguous, uncertain situations and tries to avoid them by establishing more structure (Hofstede, 1997). Individuals characterized by a high degree of uncertainty avoidance are particularly concerned with security in life, prefer clear hierarchical structures, do not appreciate deviations from standard practices, and are likely to show intolerance towards abnormal ideals and behaviour. They tend to adopt such rules and norms, so as to avoid uncertainty in their actions and clear any ambiguities (Schlegelmilch and Roberston, 1995; Swaidan *et al.*, 2008). In their attempt to confront uncertainty surrounding ethical issues, individuals with high-uncertainty avoidance tend to adopt a more idealistic stance, because they believe that desirable outcomes can only be obtained if the right algorithm of actions is followed Forsyth (1980). Uncertainty avoidance impacts positively on idealism (Leonidou *et al.*, 2013) which is empirically confirmed by Ndubisi *et al.* (2014). Thus, one would expect that:

#### H2. Uncertainty avoidance has a positive effect on idealism.

Religiosity is defined as the faith that a person has in God (McDaniel and Burnett, 1990) and greatly influences the beliefs and conducts of individuals (Light *et al.*, 1989).

In fact, Hunt and Vitell general theory of marketing ethics regards religion as an important factor that impacts the ethical judgments of consumers. Despite the importance of religiosity in understanding consumers' ethical behaviour, there appear to be only a few studies in ethics research that incorporate the religiosity construct (Vitell, 2009). In Egypt, religion is seen as a much more important moral muscle, which has a major impact on consumers' behaviour. For example, the State Mufti in Egypt commented that "although the Al-Quran did not specifically state any rulings on cigarettes and smoking but due to its danger (sic) our health; the theologians have reached a broad agreement in the conclusion that cigarettes and smoking are unlawful or haram". High levels of religiosity can be indicative of a stronger sense of community, belonging, and moral standards (Wiebe and Fleck, 1980; Jamal and Sharifuddin, 2015). Barnett et al. (1996) investigated the relationship between religiosity and moral philosophies. They reviewed evidence indicating that more highly religious people tend to be more traditional and have more conservative moral standards than less religious people. Malloy et al. (2014) investigated the relationship between religiosity and ethical ideology. They reviewed evidence indicating that religiosity was positively associated with idealism and negatively associated with relativism. Barnett et al. (1996) and Putrevu and Swimberghek (2013) hypothesized and found directional support for a positive relationship between

H3. Religiosity has a positive effect on idealism.

Individualism is the third cultural orientation dimension, defined as the degree to which members of a culture are concerned with their own interests and the welfare of their immediate family (Singhapakdi *et al.*, 1999). Moreover, individualists enter into society to further their own interests, without taking the interests of the wider society into consideration (Singhapakdi *et al.*, 1999). Accordingly, they often question established ethical standards, are less susceptible to external influences when facing an ethical dilemma, and tend to interpret the ethicality of decisions and actions from the position of self-promotion and self-importance (Singhapakdi *et al.*, 1999). In fact, it was proved empirically that a strong desire to act individualistically is positively related to egoistic behaviour (Leonidou *et al.*, 2013). Based on the above argumentation and evidence, we may posit that:

religiosity and idealism. Consistent with their study, the following hypothesis is proposed:

H4. Individualism has a positive effect on egoism.

The final factor of cultural orientation is masculinity, that is, the extent to which an individual expects men to be more assertive, ambitious, and materially oriented than women (Hofstede, 1997). High-masculinity individuals' value material success and assertiveness, are unlikely to be influenced by formal codes of ethics, and are not relationship-oriented. They are mainly driven by personal achievement and personal recognition and tend to place their own self-interest above the interests of others (Hofstede, 1997). All these characteristics indicate that an individual with a high degree of masculinity is likely to develop a high level of egoism, since egoists are characterized by a rational self-interest, self-centred, and self-actualization approach (Tsalikis and Fritzsche, 1989; Leonidou *et al.*, 2013). It could be asserted therefore that:

H5. Masculinity has a positive effect on egoism.

#### 3.2 Ethical ideology and perceived deception

Idealism is defined as the degree to which individuals assume that desirable consequences can always be obtained, provided that the right actions are taken

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(Forsyth, 1980). They usually adhere to moral attitudes and universal absolutes when making ethical judgments (Beauchamp and Bowie, 1983). Idealists usually resolve ethical dilemmas by seeking only absolute right or wrong, regardless of the situation and consequences of their decision (Singhapakdi *et al.*, 1999). More idealistic consumers are therefore expected to be less tolerant of marketing unethicality, while less idealistic consumers are likely to be more accepting of questionable marketing practices (Al-Kahtib *et al.*, 2005; Rawwas *et al.*, 1994; Yoo and Donthu, 2002; Leonidou *et al.*, 2013). Based on the above findings, it is expected that consumers who are more idealistic (power distance, uncertainty avoidance, and religiosity) would be more likely to have a positive perceptions about the deceptive practices of online retailing. Accordingly we forward the following hypothesis:

H6. Idealism has a positive effect on consumer perceived deception.

Egoism refers to the extent to which an individual places his/her own well-being over that of others (Beauchamp and Bowie, 1983). For an egoist, an action is ethical when it best promotes his/her long-term interests (Shaw, 1999). Egoism affects ethical judgment ethical judgment, in turn, affects behavioural intentions (Yoon, 2011). Empirical studies have shown that egoistic individuals tend to be more indifferent to the firm's unethical marketing practices, as long as these do not put their own personal interests at risk (Al-Khatib *et al.*, 2004; Rawwas, 2001). This is because egoists possess a kind of emotional isolation that makes them less involved with others, as well as less caring about others in potentially blatant wrongs, such as unsafe products, and deceptive advertising (Tsalikis and Fritzsche, 1989; Leonidou *et al.*, 2013). Hence, we may posit that:

H7. Egoism has a negative effect on consumer perceived deception.

#### 3.3 Perceived deception and consumer satisfaction

We build on the expectancy disconfirmation paradigm (e.g. Oliver and Desarbo, 1988) to propose the influence of deception on satisfaction. This theory holds that consumers make a comparison between product expectations and performance that will result in either confirmation or disconfirmation. Customers' expectations are confirmed when product performance exactly meets expectations. Disconfirmation will be the result of a discrepancy between expectations and performance. Positive disconfirmation occurs when product performance exceeds prior expectations, and negative disconfirmation occurs when expectations exceed performance. Confirmation and positive disconfirmation will be likely to result in satisfaction, whereas negative disconfirmation leads to dissatisfaction.

Consumers' expectations regarding the product (either a physical product or a service) are highly dependent on the information displayed at the site (Coupey, 2001). An online retailer that implements deceptive techniques is more likely to provide unrealistic expectations about the product (among other things). This may result in negative disconfirmation between expectations and product performance, thus leading to customer dissatisfaction with the website. Earlier research in online settings provides empirical evidence for the negative effect of deceptive/manipulative selling tactics on consumer satisfaction (e.g. Roman, 2010; Riquelme and Roman, 2014; Gajendra and Wang, 2014; Limbu *et al.*, 2011). All the above leads us to propose that:

H8. Perceived deception will have a negative influence on consumer's satisfaction with the online retailer.

#### 4. Methodology

#### 4.1 Questionnaire and measurements

The questionnaire for the present study was divided into two main sections. The first section contained questions to measure each construct based on existing measures or adapted from similar scales. The last section of the questionnaire consisted of questions regarding respondents' demographic characteristics, e.g. gender, age, and education level. The research model has six constructs, each having items that are gauged by Likert scale (1 = strongly disagree and 5 = strongly agree).

The scales of the constructs used were derived from multiple literature sources. The constructs comprising cultural orientation (i.e. "power distance", "uncertainty avoidance", "individualism", and "masculinity") were operationalized with three items, each derived from Hofstede's (1980) and Leonidou et al. (2013). Religiosity was measured with a 13-item scale developed by Allport and Ross (1967) and Swimberghe et al. (2011). The first seven items of the scale represent intrinsic religiosity, while the other six represent extrinsic religiosity. An example of an intrinsic religiosity item is, "It is important to me to spend time in private thought and prayer". An example of an extrinsic religiosity item is, "I go to religious service because it helps me to make friends". With regard to ethical ideology, the "idealism" scale was jointly composed by items taken from Leonidou et al. (2013), while the scale of "egoism" was developed using items extracted from Leonidou et al. (2013). Perceived deception was measured with five items from Riguelme and Roman (2014). Finally, consumer satisfaction was measured using four items scale adapted from Anderson and Srinivasan (2003).

The questionnaire was first pilot tested with a convenient sample, and items were revised before finalizing the main survey content. Totally, 83 questionnaires were completed in the pilot test, and we evaluated the results using an item identification analysis procedure that combined descriptive statistics with the identification of extreme values and tests of homogeneity into an acceptability index score that should not exceed 2. The final 42 measurement items obtained from the pilot test were then used for the main study.

#### 4.2 Data collection and sample description

To test our hypotheses, we collected data on online consumers in the retail context of technological products (e.g. personal computers, electronic products). First, technological products are among the most heavily frequented physical-product category acquired through the internet (ComScore Online Spending Report, 2011), which facilitated data collection in the online retail environment. Second, they constitute pure search goods (Bart et al., 2005), that is, they are dominated by product attributes for which full information on dominant aspects can be gathered prior to purchase. Finally, technological products are, in general, high-involvement items, and consumers in these product categories are typically engaged in a problem-solving task of moderate to high complexity (Bart et al., 2005). These tasks and buying processes, the technical complexity of computers- and electronic-specific features, as well as the rapid progress of their innovations, can encourage consumers to seek the assistance and advice of sellers, which in turns increases the importance of the sellers' communication tactics in the consumer's purchase decision process. Also, this research is focused on online shopping sites. The paper does not deal with other internet sites – such as online newspapers, portals, or free down-load sites that exist for purposes other than online shopping and that are advertiser supported.

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The survey was conducted by e-mail. The e-mail message described the research purpose and invited each receiver to participate in the survey by filling in the attached e-questionnaire. Surveying by e-mail possesses numerous advantages over conventional interviewing methods. E-mail surveys offer a more efficient and convenient form of data collection (Best and Krueger, 2002). In addition, an online approach can be more effective for identifying and reaching online shoppers. Participants were solicited through several sources: advertisements posted in the university newspaper, postings in residence halls and computer labs, and announcements displayed on the overhead projectors in a variety of larger university classes. Volunteers who met the study requirement (i.e. of shopping and making purchases online at least once in the previous six months) completed the self-report questionnaire sent by e-mail.

The data were collected in Egypt in 2014 from 1 August to 22 November using a convenience sampling approach. A total of 490 questionnaires were returned from 570 questionnaires distributed to. Also, it was a necessary requirement for subjects to participate in the study to have purchased at least an item online in the last six months. This condition to facilitate consumers' evaluations of the online retailer's website and also to avoid potential selection bias (Roman, 2010). Subjects were specifically asked to complete the questionnaire corresponding to the website where they had made their last online purchase in the last six months.

In total, 22 of the questionnaires were incomplete or were unsuitable for use in this study. This resulted in a total of 468 usable responses, or an 82.1 per cent useable response rate. Data were collected from students in major universities in Egypt: 170 from the American university in Cairo; 188 from Alexandria University; and 110 from Menofia University. The sample covers both urban as well as rural areas in Cairo, Alexandria, Upper Egypt, Delta, and the Canal zones and because of this they share, to some degree, different culture, views, customs, traditions, habits, and norms. Student samples have often been used in online shopping research (e.g. Kim *et al.*, 2007). This is justifiable as students are computer-literate, having few troubles in using new technology. Students are potential consumers of electrical goods, having actual online experiences (Yoo and Donthu, 2001), being homogeneous in nature (Jahng *et al.*, 2000), and their technological advances and innovativeness qualify them as a proper sample for online shopping research (Yoo and Donthu, 2001).

Previous IS studies in online shopping conducted their surveys by employing a convenient sampling approach (Li, 2011). Convenience samples are considered valid under two conditions: if the study is exploratory in nature and if the items on the questionnaire are pertinent to the respondents who answer them (Ferber, 1977). This study satisfies both of them. Since this is one of the first attempts to examine the role of cultural orientation in forming consumer ethical ideology; the link between the consumer's ethical ideology and his/her perceptions regarding the deceptive practices of e-retailers; and the effect of perceived deception on consumer satisfaction, this study can clearly be considered exploratory. Also, since it was a necessary condition to fill in the questionnaire to have purchased an item online in the last six months, the scale items are certainly relevant to these respondents. Demographic details of the sample profile are provided in Table I.

#### 5. Results

#### 5.1 Descriptive statistics

A total of 468 respondents were surveyed online. Of these 468 participants, 290 were men (62.0 per cent) and 178 were women (38.0 per cent). The majority of respondents

Variable	Categories	Frequency	Percept (%)	Cultural and religiosity
Gender	Male	290	62.0	drivers
	Female	178	38.0	urivers
Age	< 20	140	30.0	
	20 < 30	180	38.0	
	30 > 40	130	28.0	951
	< 40	18	4.0	931
Monthly income	£1,000 or below	380	80.0	
•	£1,001-£2,000	80	17.0	
	£2,001-£3,000	8	3.0	
	£3,001 or above	_	0.0	
Education	Bachelor degree	270	58.0	
	Diploma	180	38.0	
	Master or doctorate	18	4.0	
	other	_	0.0	
Frequency of online shopping within a year	< 3 times	156	33.0	
	4-6 times	288	61.0	
	7-9 times	16	4.0	
	> 10 times	8	2.0	
Experience	< 2	240	52.0	
	2 < 5	208	44.0	Table I.
	> 5	20	4.0	Sample profile

were aged between 20 and 30 (38.0 per cent), had undergraduate education (bachelor degree) (58.0 per cent), and had engaged in online shopping between four and six times within the previous year (61.0 per cent). The most recent online shoppers experience for the majority of respondents was within the previous two years (52.0 per cent) and the most online shoppers income monthly was £1,000 or below (80.0 per cent). Table I shows the respondents demographics.

#### 5.2 Non-response bias and common method bias

The  $\chi^2$  test for the early and late respondents shows they did not differ significantly (p > 0.05) in gender or age. We therefore excluded the possibility of non-response bias. Evidence of common method bias exists when a general construct accounts for the majority of covariance among all constructs. A principal component factor analysis was performed and the results excluded the potential threat of common methods bias. The first (largest) factor accounted for 31.53 per cent (the variances explained ranges from 14.02 to 31.52 per cent) and no general factor accounted for more than 50 per cent of variance, indicating that common method bias may not be a serious problem in the data set.

#### 5.3 Measurement model

To examine the validity and reliability of our measurement model, we used structural equation modelling (SEM) for confirmatory factor analysis. We applied the partial least squares (PLS) technique, as it is typically used when the investigated phenomenon is new and the study aims at theory generation rather than confirmation (Urbach and Ahlemann, 2010). In addition, a PLS approach, which does not require a normal distribution, as opposed to covariance-based approaches, which do require a normal distribution, was more appropriate because of the distributional properties of our manifest variables.

Finally, the PLS methodology is capable of including both formative and reflective measures simultaneously in a model, which was a constraint we faced with the measures that we used. We assessed the measurement model through tests of convergent validity, discriminant validity, and reliability using commonly accepted guidelines. These results are shown in Tables II and III. We also performed tests for multicollinearity due to the

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ITEMS	PDI	UAV	REL	IND	MAS	IDE	EGO	DEC	SAT	<i>p</i> -value
PDI1	0.873	0.238	0.102	0.039	0.128	0.103	0.201	0.193	0.241	< 0.001
PDI2	0.892	0.127	0.173	0.211	0.041	0.106	0.352	0.041	0.328	< 0.001
PDI3	0.839	0.267	0.202	0.219	0.001	0.281	0.228	0.311	0.132	< 0.001
UAV1	0.104	0.917	0.132	0.123	0.205	0.215	0.102	0.341	0.202	< 0.001
UAV2	0.212	0.891	0.132	0.231	0.072	0.409	0.403	0.337	0.121	< 0.001
UAV3	0.216	0.793	0.109	0.234	0.233	0.192	0.231	0.241	0.091	< 0.001
REL1	0.428	0.106	0.892	0.174	0.018	0.203	0.009	0.041	0.211	< 0.001
REL2	0.143	0.213	0.891	0.308	-0.201	0.221	0.153	0.290	0.321	< 0.001
REL3	0.204	0.201	0.883	0.214	0.099	0.312	0.035	0.218	0.245	< 0.001
REL4	0.121	0.190	0.944	0.101	0.142	0.318	0.131	0.151	0.348	< 0.001
REL5	0.282	0.112	0.788	0.193	0.011	0.208	0.290	0.121	0.312	< 0.001
REL6	0.323	0.124	0.904	0.241	0.204	0.232	0.341	0.118	0.474	< 0.001
REL7	-0.121	0.202	0.875	0.146	0.103	0.289	0.414	0.138	0.204	< 0.001
REL8	0.241	0.121	0.794	0.002	0.301	0.325	0.303	0.127	0.284	< 0.001
REL9	0.034	-0.203	0.921	0.116	0.193	-0.181	0.219	0.148	0.221	< 0.001
REL10	0.223	0.221	0.783	0.039	0.215	0.303	0.241	0.108	0.112	< 0.001
REL11	-0.132	0.121	0.761	0.123	0.211	0.401	0.048	0.211	-0.289	< 0.001
REL12	0.125	0.113	0.917	0.121	0.123	0.181	0.204	0.140	0.031	< 0.001
REL13	0.171	-0.432	0.801	0.121	0.312	0.311	0.191	0.108	0.519	< 0.001
IND1	0.312	0.211	0.145	0.901	0.226	-0.186	0.021	0.136	0.091	< 0.001
IND2	0.213	0.321	0.103	0.828	0.102	0.228	0.108	0.110	0.212	< 0.001
IND3	0.203	0.214	-0.390	0.824	0.232	0.210	-0.312	0.049	0.161	< 0.001
MAS1	0.032	0.208	0.038	0.019	0.933	0.116	0.102	0.308	0.114	< 0.001
MAS2	0.217	0.083	0.213	0.201	0.781	0.306	0.142	0.201	0.018	< 0.001
MAS3	0.249	0.215	0.302	0.110	0.921	0.201	0.222	0.141	0.124	< 0.001
IDE1	0.033	0.214	0.322	0.103	0.205	0.885	0.134	0.311	0.102	< 0.001
IDE2	0.201	0.031	0.132	0.231	0.109	0.909	0.345	0.125	0.101	< 0.001
IDE3	0.126	0.103	0.139	0.124	0.313	0.782	0.211	0.138	0.411	< 0.001
IDE4	0.218	0.036	0.282	0.024	0.148	0.906	0.218	0.323	0.201	< 0.001
EGO1	0.203	-0.373	0.291	0.208	0.201	0.201	0.883	0.212	0.411	< 0.001
EGO2	0.314	0.202	0.183	0.034	0.319	0.114	0.929	0.118	0.015	< 0.001
EGO3	-0.119	0.101	0.104	0.221	0.192	0.009	0.791	0.041	0.310	< 0.001
EGO4	0.012	0.012	0.128	0.201	0.311	0.126	0.893	0.397	0.032	< 0.001
DEC1	0.312	0.304	0.204	0.021	0.305	0.219	0.001	0.890	0.114	< 0.001
DEC2	0.123	0.212	0.115	0.206	0.174	0.200	0.154	0.798	0.144	< 0.001
DEC3	0.233	0.191	0.202	0.112	0.201	0.025	-0.261	0.797	0.124	< 0.001
DEC4	0.028	0.093	0.201	0.301	0.203	0.173	0.179	0.908	0.151	< 0.001
DEC5	0.223	-0.121	0.233	0.209	0.185	0.287	0.114	0.783	0.302	< 0.001
SAT1	0.112	0.121	0.161	0.033	0.041	0.101	0.048	0.121	0.849	< 0.001
SAT2	0.133	0.103	0.172	-0.121	0.103	0.381	-0.214	0.223	0.931	< 0.001
SAT3	0.271	0.233	0.231	0.121	0.202	0.401	0.021	0.228	0.819	< 0.001
SAT4	0.192	0.221	-0.325	0.101	0.121	0.210	0.411	0.408	0.851	< 0.001
Notes: PDL power distance: UAV uncertainty avoidance: REL religiosity: IND individualism: MAS										

**Table II.**Loadings and cross-loadings of measurement items

Notes: PDI, power distance; UAV, uncertainty avoidance; REL, religiosity; IND, individualism; MAS, masculinity; IDE, idealism; EGO, egoism; DEC, perceived deception; SAT, satisfaction. Italic items are factor loadings

relatively high correlations among some of the constructs. All constructs had variance inflation factors values less than 2.8, which is within the cut off level of 3.0.

All items loaded on to the corresponding latent variable structure and all items exhibit loadings greater than 0.741. All constructs exhibit adequate internal consistency reliability as the Cronbach  $\alpha$  coefficients exceed the 0.7 (Table III).

The measurement model also exhibited significant convergent validity as a crossloading matrix exhibits no cross-loading that exceeds the within row and column loadings. Discriminant validity is considered in two steps. First, the Fornell and Larcker (1981) criterion is used to test whether the square root of a construct's AVE is higher than the correlations between it and any other construct within the model. Second, the factor loading of an item on its associated construct should be greater than the loading of another non-construct item on that construct. Table III shows the result of this analysis and reports the latent variable correlation matrix with the AVE on the diagonal. Therefore we conclude that measurement model exhibits good discriminant validity and meets the Fornell and Larcker (1981) criteria.

#### 5.4 Structural model assessment

The model explains 57 per cent of variance for idealism, 48 per cent of variance for egoism, 61 per cent of variance for perceived deception, and 76 per cent of variance for satisfaction. To test H1-H8, we tested the SEM in Figure 2. The global fit indicators were acceptable, APC = (0.164, p < 0.001), ARS = (0.621, p < 0.001), AARS = (0.603, p < 0.001)p < 0.001), AVIF = (2.561), and GOF = (0.681). Path coefficients and their significance values were estimated and the results are shown in Table IV.

H1 examines the effects of power distance on idealism. Power distance is significantly related to idealism (B = 0.32, p < 0.001), thus providing acceptance for H1. Uncertainty avoidance was also found to be a predictor of idealism (B = -0.52, p < 0.001). However, this association appeared to be in the opposite sign to that hypothesized in H2. H3 examines the effects of religiosity on idealism. Religiosity is significantly related to idealism (B = 0.61, p < 0.001), which supports H3.

A positive and significant link between individualism and egoism was found (B=0.42, p<0.001), which is consistent with H4. In support of H5, a positive and significant link between masculinity and egoism was found (B=0.11, p<0.01). A significant positive relationship was revealed between idealism and perceived deception (B = 0.47, p < 0.001), which supports H6. H7 examines the effects of egoism on perceived deception. Egoism is significantly related to perceived deception

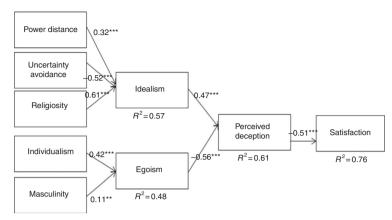
_	Composite	Cronbach		Correlations and square roots of AVEs									
Construct	reliability	α	AVE	PDI	UAV	REL	IND	MAS	IDE	EGO	DEC	SAT	
PDI	0.912	0.851	0.611	(0.890)									
UAV	0.805	0.973	0.701	0.726	(0.921)								
REL	0.794	0.845	0.612	0.627	0.786	(0.864)							
IND	0.880	0.821	0.606	0.684	0.832	0.803	(0.884)						Table III.
MAS	0.871	0.799	0.671	0.731	0.880	0.772	0.769	(0.831)					Results of composite
IDE	0.891	0.742	0.701	0.780	0.820	0.817	0.760	0.672	(0.892)				reliability and
EGO	0.906	0.802	0.731	0.802	0.814	0.801	0.779	0.681	0.707	(0.805)			convergent/
DEC	0.917	0.892	0.630	0.798	0.812	0.786	0.747	0.659	0.790	0.710	(0.709)		discriminant
SAT	0.882	0.921	0.661	0.831	0.899	0.797	0.834	0.812	0.870	0.700	0.701	(0.827)	validity testing

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**Figure 2.** PLS results of research model of main test



**Notes:** n = 468. \*,\*\*,\*\*\*Significant at 5, 1, and 0.1 per cent, respectively

Hypothesis	Standardized	Coefficient results
1: power distance has a direct and positive effect on idealism	0.32	Supported
2: uncertainty avoidance has a direct and positive effect on idealism	0.52	Not supported
3: religiosity has a direct and positive effect on idealism	0.61	Supported
4: individualism has a direct and positive effect on egoism	0.42	Supported
5: masculinity has a direct and positive effect on egoism	0.11	Supported
6: idealism has a direct and positive effect on perceived deception	0.47	Supported
7: egoism has a direct and negative effect on perceived deception	-0.56	Supported
8: perceived deception has a direct and negative influence on satisfaction	-0.51	Supported

**Table IV.**Summary of hypothesis testing results

(B=-0.56, p<0.001). A significant negative relationship was revealed between egoism and perceived deception, which supports H7. In support of H8, a negative and significant link between perceived deception and consumer satisfaction was found (B=-0.51, p<0.001). Table IV summarizes our hypothesis testing results.

Furthermore, Cohen's (1988) effect size  $f^2$  defined as "the degree to which the phenomenon is present in the population" was used to further examine the substantive effect of the research model. Cohen (1988) suggested 0.02, 0.15, and 0.35 as operational definitions of small, medium, and large effect sizes, respectively. Thus, our model suggested that both idealism ( $f^2 = 0.62$ ), perceived deception ( $f^2 = 0.41$ ), and satisfaction ( $f^2 = 0.31$ ) have a large effect size whereas egoism ( $f^2 = 0.23$ ) has a medium effect size.

The study tests the predictive validity of the structural model following the Stone-Geisser  $Q^2$ . According to Roldán and Sánchez-Franco (2012), in order to examine the predictive validity of the research model, the cross-validated construct redundancy  $Q^2$  is necessary. A  $Q^2$  greater than 0 implies that the model has predictive validity. In the main PLS model,  $Q^2$  is 0.71 for idealism, 0.53 for egoism, 0.64 for perceived deception, and 0.72 for satisfaction that is positive and hence satisfies this condition.

The aim of this study was to develop and test a comprehensive model that focuses on the drivers and outcomes of consumer perceptions regarding the deceptive practices of online retailing. First, the fact that power distance had a positive effect on idealism is consistent with the findings of other studies investigating the influence of culture on consumer ethical marketing decision making (e.g. Vitell et al., 1993; Lu et al., 1999; Singhapakdi et al., 1999; Leonidou et al., 2013). These studies found that individuals from cultures with high-power distance (such as Egypt) usually accept the inequality of power, perceive differences between superiors and subordinates, are reluctant to disagree superiors and believe that superiors are entitled to privilege. Consequently, individuals from cultures with high-power distance usually adhere to strict deontological norms, which provide the basis for an idealistic ethical ideology. Second, the findings of this study show the direct effect of uncertainty avoidance on idealism but in a negative way. This unexpected result indicate that, under certain circumstances (e.g. adverse economic conditions, political turbulence, and high-market volatility), the idealistic philosophy of believing in absolute right or wrong may not hold true (see, e.g. the conflicting results of Leonidou et al. (2013). Third, the findings of this study show the direct effect of religiosity on idealism. These results confirm the findings of previous studies that religiosity significantly impacts idealism (e.g. Singhapakdi et al., 1999; Malloy et al., 2014). Thus, more highly religious people tend to be more idealistic and have more conservative moral standards than less religious people. Islamic followers are idealistic because they are brought up according to Egyptian philosophy that asks them to be cautious when making decisions and this helps them to make sure that the outcome of their actions creates fewer mistakes and makes them more idealistic. Fourth, we found that individualism had a positive significant effect on egoism. These results confirm the findings of previous studies that the great concern of highly individualistic members of society in their personal interests and goals may result in egoistic attitudes (Beekun et al., 2002; Leonidou et al., 2013). Fifth, the findings of this study show the direct effect of masculinity on egoism. These results confirm the findings of other studies (e.g. Beekun et al., 2002; Lu et al., 1999) which concluded that more ambitious and highly competitive individuals, striving for material success, are more likely to demonstrate higher levels of egoism. Sixth, the strong positive association between idealism and sensitivity towards deceptive practices of online retailers implies that idealistic consumers are greatly concerned about deceptive practices. This is in line with the previous research which revealed that more idealistic consumers are less tolerant of marketing unethical and deceptive practices, since they assume the inherent rightness or wrongness of an action and do not take into consideration any specific circumstances when making moral judgments (Al-Kahtib et al., 2005; Rawwas et al., 1994). Seventh, our findings also confirm that more egoistic people are less sensitive to the deceptive practices of online retailers and unethical marketing practices, which is consistent with those of previous research on the subject (e.g. Al-Khatib et al., 2004; Rawwas, 2001; Leonidou et al., 2013). Finally, the study also confirmed the prevailing view that firms acting in a deceptive or unethical manner are very likely to affect negatively on consumers satisfaction which is in harmony with the results reported by previous researchers in this field (e.g. Coupey, 2001; Roman, 2010; Kwon and Sung, 2012). In other words, an ethical ideology of individuals impacts not only their ethical judgments of deceptive or unethical firm practices (directly), but also the outcomes of these judgments (indirectly).

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## 6.2 Theoretical application

Our study contributes to the marketing literature in a number of ways: first, several studies conducted in retail settings have recently called for a comprehensive analysis of the relationships between deception and its antecedents and consequences because these relationships may not always be simple and direct. A thorough investigation of the complex interrelationships will prove beneficial for a more complete understanding of the mechanisms that lead to deception and from deception to relational outcomes. This study bridges the existing gap by putting together in a single model both antecedents and outcomes of the deceptive practices of online retailers, as perceived by the individual consumer; second, it concurrently examines the role of cultural orientations and ethical ideologies in forming attitudes on online retailing unethical or deceptive practices and responses by consumers; third, The role of religiosity has been less widely studied. Increasing trends in religiosity Naisbitt and Aburdene (1990) suggest that religiosity may have implications for ethics in marketing and merit further investigation. It reveals the important role of idealism and egoism on shaping an individual's perceived online retailers deceptive practices, and how this is influenced by his/her cultural orientation; lastly, fifth, it provides a detailed examination of the effects of consumer perceptions regarding the unethical or deceptive practices of online retailing on consumer satisfaction.

#### 6.3 Managerial implications

A number of implications can be derived from the findings of this study. Our results highlight the negative consequences of perceive deception on consumer satisfaction to the online retailer. Accordingly, online retailers need to pay close attention to consumers' perceptions of deception. Derived from our conceptualization and measurement of deception, online retailers need to be especially cautious not only with the information content, but also with the information presentation in their websites. Before making decisions about their firm entering a new market (whether domestically or abroad), it is critical for managers to understand customer ethical ideology. As there are cultural variations between countries at the "macro-country" level, it is also possible to have differences in customer cultural profiles at the "micro-individual" level. Thus, identifying these differences in individual cultural characteristics is vital to better understanding the ethical perceptions of various customer segments. For example, in the case of customers with high levels of power distance and uncertainty avoidance that tend to have high-idealistic values; marketers should design marketing programmes emphasizing the ethical image of the company. As a marketing practitioner, gauging the religious commitment and conservatism levels of a target market may be a worthwhile endeavour, before overtly taking sides in controversial public religious, social, and/or political debates.

The findings of this research could also encourage public policymakers, in both governmental (e.g. Ministry of Commerce) and parastatal (e.g. Chamber of Commerce) organizations, to engage in a more thorough investigation of the ethicality of firms in order to establish more appropriate ethical guidelines. Through successive campaigns, they need to convey the message to companies that customers do form expectations about the ethicality of their marketing behaviour, and they should therefore encourage ethicality, not only to protect their public image, but also to boost financial gain. The adoption of relevant guidelines would be one of the means to control companies' ethical practices and ensure that firms act in an honest, transparent, and sensitive way. Public policymakers could also offer programmes aiming to improve ethical awareness and sensitivity among both firms and customers.

#### 7. Limitations and future research directions

Despite the contributions of this study some research limitations need acknowledgement. First, it would be especially interesting to draw comparisons on consumers' ethical perceptions (as well as their antecedents and consequences) between countries with a low- vs high-cultural context, and with developed vs developing economies. It would also be useful to examine differences in consumer perceptions on online retailing deceptive practices with regard to different firms, products, or brands. Second, the ethics literature identifies some factors which influence ethical judgments of consumers (e.g. sex, age, and education). Such research could identify how each variable, individually and cooperatively, impacts consumer ethical evaluations of online retailing. Third, we did not collect data from non-internet shoppers because the focus of this study was online consumers referring to their latest purchase online. It may be an interesting extension, however, to test this conceptual model for other populations like non-online consumers. Fourth, the unexpected negative association observed in this study between uncertainty avoidance and idealism necessitates some further investigation, especially within the context of different economic and regulatory environments, which are usually responsible for creating uncertainties at a broader level. Finally, this study focused on consumers' perceptions of online retailers' deceptive practices. Additional research may analyse to what extent online retailers provide different information (e.g. different levels of deception) to different segments of consumers (e.g. men vs women, older vs younger consumers). Equally, it would be interesting to examine other outcomes of perceived deception, such as customer loyalty, customer trust, and purchase intention.

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