A COMPARISON OF BUYERS' AND SELLERS' PERCEPTIONS OF ETHICAL BEHAVIORS WITHIN THE BUYER-SELLER DYAD

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This paper examines the difference between buyers and sellers with respect to ethical sensitivity and the perceived impact of ethically questionable behavior on the buyer-seller relationship. The results of a survey sent to buyers and sellers indicate that buyers are more ethically sensitive than sellers. In addition, buyers tend to view the impact of ethically questionable behavior (on the buyer-seller relationship) as more negative than do salespeople. Additional results and implications for salespeople are provided.

INTRODUCTION

Ethics has been an area of interest among researchers within the business discipline for many years. However, the ethically questionable behavior by accountants, financial analysts, and executive officers associated with companies like WorldComm, Enron, Tyco, Peregrine, CityGroup, Merrill Lynch, Credit Suisse First Boston, Arther Andersen, and ImClone (just to name a few) has heightened the level of interest in this area.

Within the marketing discipline, researchers have studied ethics to describe, explain, and predict ethical behavior. While several studies have examined differences in perceptions of ethics based on gender, education, age, and other individual and organizational factors, few studies have examined differences between buyers and sellers. The purpose of this paper is to explore perceptual differences between buyers and sellers with respect to ethically questionable behavior within the buyer-seller dyad. In addition, this paper examines differences between buyers and sellers with respect to the impact of ethically questionable behavior (within the buyer-seller dyad) on intentions to choose a supplier.

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Literature Review

Although the recent ethical scandals associated with accountants, financial analysts, and corporate executives have drawn great public attention, the ethical behavior of salespeople continues to be of interest. This interest is fueled by the nature of the sales job and the opportunities it presents for ethically questionable behavior.

Salespeople are responsible for developing and maintaining relationships, gathering market information, and generating revenue. Fulfilling these roles, especially gathering market information and generating revenue, often places salespeople in ethical dilemmas. In addition, the lack of direct supervision and the relative independence of a sales position may increase the frequency of ethical dilemmas and the temptation of the salesperson to behave unethically (Anderson 1991; Caywood and Laczniak 1986; Levy and Dubinsky 1983). Following are examples of ethical dilemmas salespeople may confront.

- Salespeople pressed by their companies to retrieve competitive information may be tempted to seek confidential information (about their competitors' offerings or programs) from their customers.
- Salespeople pressured to meet sales goals may be tempted to sell a product to a customer even though

the salesperson knows it's not the right solution for the customer.

- Salespeople may use power (e.g., they are a sole supplier) to obtain concessions from a buyer.
- Salespeople who are likely to exceed their sales goals in a given time period may slow down or otherwise delay orders because they fear their quotas will be raised in subsequent periods if they surpass their goals.

Although ethical dilemmas present themselves in several areas of a salesperson's job, the majority of ethical dilemmas occur within the confines of the buyer-seller dyad (Chonko and Hunt 1985). Salespeople's resolution of these dilemmas is important to the extent that ethical behavior affects the buyer-seller dyad.

Trust is an integral component to successful and enduring buyer-seller relationships (Morgan and Hunt 1994). Specifically, buyers must be able to trust the salespeople with whom they do business. Other research has demonstrated a link between ethical behavior and trust building within the buyer-seller dyad. Unethical behavior exhibited by salespeople in a buyer-seller dyad will adversely affect trust and the relationship between the buyer and seller (Lagace, Dahlstrom and Gassenheimer 1991.) Buyers will place greater trust in salespeople who behave ethically, even if a particular unethical behavior doesn't have a direct negative impact on the buyer. As a result, they are more likely to form enduring relationships with ethical salespeople than with unethical salespeople.

It seems unlikely that salespeople would engage in unethical behavior to deliberately damage their relationships with customers. It is more likely that salespeople engage in unethical behavior because they don't believe they will get caught, they don't believe the relationship will be affected, or because they don't believe the behavior is unethical. Understanding ethical perceptions of salespeople, how they compare with those of their customers, and their understanding of the impact of ethical behavior on the buyer-seller relationship should help researchers and practitioners explain and reduce unethical behavior among salespeople.

Previous research regarding ethical perceptions of salespeople has focused on personal and organizational factors (McLaren 2000). Individual factors studied include gender, age, and education. The majority of the research on gender and ethical perceptions (in the sales area) has found that men and women do not differ. Men are as likely as women to perceive a particular behavior (of a salesperson) as ethical or unethical (McClaren 2000; Hoffman, Howe and Hardigree 1991; Lagace, Dahlstrom and Gassenheimer 1991).

Other research has found little to no relationship between age and ethical perceptions (McClaren 2000; Dubinsky et al. 1992), or between education and ethical perceptions (McClaren 2000; Dubinsky et al. 1992; Dubinsky and Ingram 1984). However, McClaren (2000) speculates that while *level* of education may not be related to ethical perceptions, the *type* of education or training may be. It is possible that salespeople are simply unfamiliar with particular ethical guidelines that may influence buyer-seller relationships.

Other studies have examined the relationship between the existence of ethical guidelines within an organization and the ethical perceptions of its salespeople. Dubinsky et al. (1992) found that salespeople did not believe that policies addressing certain ethical issues about which they were concerned existed. Either the policies did not exist, or the salespeople were not aware of them. One of the conclusions of the study was that managers need to do a better job of communicating the ethical guidelines of the organization to the salespeople. In the absence of a policy or guideline, salespeople must rely on their own perceptions to assess the ethicality of a particular behavior.

As mentioned previously, research has demonstrated a link between ethical behavior and its impact on the buyer-seller dyad. While there has been research regarding the ethical perceptions of salespeople in general, there has been no research that has compared how buyers and sellers within the same industries perceive ethically questionable behaviors. Further, there has been no research that has examined differences between buyers and sellers with respect to their perceptions of how ethically questionable behaviors will impact the buyer-seller relationship.

RESEARCH QUESTIONS

Within the buyer-seller dyad, the role of the salesperson is to create a market exchange between the buyer and the selling organization that promotes and protects the long-run interests of the selling organization. According to previous research, unethical behavior has a detrimental affect on the buyer-seller relationship. Consequently, while unethical behavior may help the seller in the short-run, it will not help the seller in the long-run. It follows then that salespeople should want to avoid behaviors that will be considered by buyers as unethical. The research has shown mixed results with respect to organizations having and communicating ethical guidelines to the salespeople. In the absence of a policy or guideline, salespeople must rely on their own perceptions to assess the ethicality of a particular behavior.

Given that unethical behavior (assuming the behavior is discovered) is detrimental to the interests of both the buyer and seller, it is important to understand 1) what behaviors are considered by buyers and sellers as unethical, 2) the degree to which they are considered unethical, and 3) the impact of those behaviors on the relationship.

For purposes of the present study, ethical sensitivity will refer to the extent to which an individual views a particular behavior as unethical. In other words, a person has greater ethical sensitivity to a particular behavior if they view that behavior as more unethical than the comparative other.

The goal of the present study is to address the questions described above by exploring the extent to which buyers and sellers differ with respect to their ethical sensitivity, and differences between buyers and sellers with respect to the perceived impact of unethical behavior on the relationship. The study also examines if ethical sensitivity will vary based on who (the buyer or seller) initiates and benefits from the particular behavior.

METHODS

Measurement Instrument and Sample Selection

To compare and contrast the ethical sensitivity of buyers and sellers, a survey instrument was created and administered to 150 buyers and 150 salespeople. The survey instrument contained 25 items describing ethically questionable behaviors and asked respondents to:

a. identify the behavior as (1) very unethical, (2) unethical, (3) neither ethical or unethical, (4) ethical, or (5) very ethical,
b. identify the impact a supplier salesperson's exhibition of that behavior would have on their intentions to choose that supplier, and
c. indicate whether their organizations had a written policy addressing the particular behavior.

Of the 25 items included in the survey, 15 reflected behaviors initiated by the salesperson and 10 reflected behaviors initiated by the buyer. The two categories of items were used to assess the extent to which ethical sensitivity varies by the member of the buyer-seller dyad initiating the ethically questionable behavior.

The instrument was developed by borrowing and slightly modifying items from previous work in the area of ethical perceptions, including Dubinsky and Ingram (1984) and Dubinsky and Gwin (1981). Because the items focused on the role of the buyer (e.g., intention to choose the supplier), salespeople were asked to put themselves in the role of a buyer for purposes of responding to the survey instrument.

Of the 300 total surveys sent out, sixty-seven completed surveys were returned from buyers, and fifty-one from sellers. This represents a forty-five percent and thirty-four percent response rate respectively. Following are the results of the analysis of those completed surveys.

RESULTS

Results - Demographics of Respondents

In addition to the questions regarding ethical behaviors, respondents were asked to provide specific demographic information, including 1) job title, 2) sex, 3) age, and 4) level of education. Table 1 indicates the number of buyers and sellers and the number of males and females within the set of respondents.

The majority of the respondents were male, with only nineteen percent of the respondents being female. The proportion of females among the buyers (twenty-six percent) was almost three times the proportion of females among sellers (ten percent). Table 1 also shows the education backgrounds of the buyer and seller groups. The results show a greater percentage of the sellers had higher levels of education. For example, approximately seventy-five percent of the salespeople had at least a college degree, compared to fifty-five percent of the buyers. Finally Table 1 shows the age breakdown of the buyer and seller groups. In terms of relative proportions, buyers tended to be somewhat younger than the sellers.

Ethical Sensitivity

Ethical behavior items and the intention to choose the supplier items were divided into buyer-initiated and seller-initiated groups and then averaged across respondents. This resulted in four new variables (Mean of Buyer-Initiated Behaviors, Mean of Seller-Initiated Behaviors, and the two corresponding Intention to Choose variables.) The data set was then divided into two groups, buyers and sellers, and the means of these two new variables were compared.

Table 2 shows the mean scores for the four new variables for both buyers and sellers. To determine whether differences exist between buyers' and sellers' ethical sensitivity (as previously described), the difference between means were compared. A difference between mean scores that is statistically significant (at the .05 level), suggests that buyers and sellers differ in their ethical sensitivity (with respect to the corresponding variable.)

In the present study, the differences between the means of the items shown in Table 2 are statistically significant, indicating 1) buyers and sellers differ with respect to their ethical sensitivity, and 2) buyers and sellers differ with respect to their perceptions of the effect ethically questionable behavior has on a buyer's intention to choose a supplier.

Next, the ethical sensitivity of buyers and sellers to each of the ethically questionable behaviors were compared. The mean scores of buyers and sellers on each of the items describing ethically questionable behaviors were computed and their difference (between buyer and seller) were evaluated for statistical significance. The results are presented in Table 3. Of the twenty-five behaviors described, eight (three buyer-initiated and five seller-initiated) were viewed differently (with respect to ethical perceptions) by buyers relative to sellers.

Analysis of Impact of Ethical Behavior on Buyers' Intentions to Choose Suppliers

In addition to ethical sensitivity, the respondents were asked to indicate the extent to which the exhibition of a particular behavior would affect their intention to choose a supplier. The salespeople were asked to place themselves in the role of the buyer while responding to these questions.

As with the behavior items, the means for each of these items were computed across respondents. Then the means of the buyers were compared with the means of the sellers. T-tests were then performed to see if the difference between the means was statistically significant. Table 4 shows the results of the analysis.

The difference between the mean scores of buyers and sellers was statistically significant for fourteen of the twenty-five behaviors, including three of the buyer-initiated behaviors and eleven of the seller-initiated behaviors. In each case the difference was negative, indicating buyers believed the exhibition of the particular behavior would have a more negative effect on intention to choose a supplier than did the sellers.

TABLE 1
Sample Demographics

	Buyers		Sellers		*Total*	
	Count	*%*	*Count*	*%*	*Count*	*%*
Sex						
Male	48	41.73	45	39.13	93	80.87
Female	17	14.78	5	4.35	22	19.13
Total	65	56.52	50	43.48	115	100
Education						
Completed High School	5	4.24	3	2.54	8	6.78
Attended College	25	21.19	10	8.47	35	29.66
Completed College	25	21.19	27	22.88	52	44.07
Attended Grad School	5	4.24	7	5.93	12	10.17
Completed Grad School	7	5.93	4	3.39	11	9.32
Total	67	56.78	51	43.22	118	100
Age						
18-25	2	1.69	3	2.54	5	4.24
26-34	9	7.63	6	5.08	15	12.71
35-45	34	28.81	18	15.25	52	44.07
46-55	19	16.10	17	14.41	36	30.51
>55	3	2.54	7	5.93	10	8.47
Total	67	56.78	51	43.22	118	100

TABLE 2
Mean of Ethical Behavior Responses and Mean of Intention to Choose Supplier Responses by Buyers and Sellers

	Mean			
Variable	**Buyer**	**Seller**	**Difference**	**Sig.**
Buyer Initiated Behavior Items	2.43	2.62	-.19*	.008
Seller Initiated Behavior Items	2.29	2.52	-.24*	.000
Intention to Choose – Buyer Initiated	2.42	2.69	-.26*	.001
Intention to Choose – Seller Initiated	2.21	2.56	-.35*	.000
** Statistically Significant at the .05 level*				

Results - Analysis of the Presence of Policies Regarding Ethical Behavior

For each of the 25 situations, respondents were asked whether their organization had a related policy. Table 5 contains the frequency of related policies as reported by both buyers and sellers. As Table 5 shows, the majority of buyers and sellers reported having no related policy for all but a few of the situations described in the measurement instrument.

Of the all the situations, the ones describing discrimination in the vendor selection process and those referring to gifts given from the salesperson to the buyer had the highest frequency of related policies. Although most buyers and sellers reported having a policy for at least one of the situations, nearly thirty-five percent of the buyers and forty-two percent of the sellers reported having no polices for any of the situations.

TABLE 3
Comparison of Ethical Behavior Items Between Buyers and Sellers

	Mean			
Buyer Initiated Behavior Item	**Buyer**	**Seller**	**Diff.**	**Sig.**
The buyer gives the salesperson information on competitors' quotations, then allows them to re-quote.	1.82	2.55	-.73*	.000
The buyer exaggerates the seriousness of a problem to a salesperson in order to get a better price or some other concession.	2.37	2.51	-.14	.340
The buyer fallaciously informs an existing salesperson that the company may use a second source in order to obtain a lower price or other concession.	2.53	2.66	-.13	.452
The buyer solicits quotations from new sources, when a marked preference for existing suppliers is the norm, merely to fill a quota for bids.	2.89	3.20	-.31*	.024
The buyer allows factors such as race, sex, ethnic group affiliation and religious persuasion to enter into salesperson selection.	1.46	1.51	-.05	.728
The buyer discriminates against a vendor whose salespeople use "back-door" selling instead of going through purchasing department.	3.08	3.04	.04	.833
The buyer discriminates on the basis of nepotism (nepotism used here in a broad sense to cover all preferential treatment extended to suppliers who are relatives, friends, or recommended by higher management.)	2.18	2.31	-.13	.400
The buyer, in order to obtain a lower price or other concession, informs an existing supplier that the company may use a second source.	3.64	3.51	.13	.356
The buyer accepts from a supplier gifts like sales promotion prizes and "purchase volume incentives."	2.06	2.58	-.52*	.003
The buyer accepts trips, meals, or other free entertainment.	2.30	2.35	-.05	.760
Seller Initiated Behavior Items				
The salesperson seeks confidential information about competitors by questioning suppliers	2.08	2.80	-0.73*	.000
The salesperson seeks information from the purchaser on competitors' quotations for the purpose of submitting another quotation.	2.17	2.94	-0.77*	.000
The salesperson attempts to get the buyer to divulge competitors' bid in low bid buying situation.	2.15	2.78	-0.64*	.000
The salesperson exaggerates how quickly orders will be delivered to get a sale.	1.76	1.92	-0.16	.191
The salesperson lets it be known that they have information about a competitor if purchasing agent is interested.	2.57	2.56	0.01	.961
The salesperson hints if order is placed, the price might be lower on the next order, when it is not so.	1.77	1.84	-0.07	.584
The salesperson stresses only positive aspects of the product, omitting possible problems the purchasing firm might have with it.	2.39	2.82	-0.43*	.005
The salesperson in a shortage situation allocates product shipments to purchasing agents the seller personally likes.	2.34	2.34	0.00	.983
In reciprocal buying situation, salesperson hints unless order is forthcoming, prospect's sales to firm might suffer.	2.34	2.50	-0.16	.339
The salesperson intends to use economic power of their firm to obtain concessions from the buyer.	2.71	3.00	-0.29	.123
The salesperson has less competitive prices or other terms for buyers who depend on the firm as the sole source of supply.	2.51	2.82	-0.31	.059
The salesperson gives the purchaser who was one of the best customers a gift worth $50.00 or more at Christmas or other occasion.	2.16	2.37	-0.21	.152
The salesperson gives a potential customer a gift worth $50 or more at Christmas or other occasion.	1.97	2.27	-0.30*	.032
The salesperson grants price concessions to purchasing agents of company they own stock in.	1.92	1.88	0.04	.759
The salesperson attempts to sell product to a purchasing agent that has little or no value to the buyer's company.	2.48	2.65	-0.17	.276

* *Statistically Significant at the .05 level*

Table 6 shows the frequency of policies regarding gifts as reported by buyers and sellers. For each of the situations, approximately half of the buyers reported having policies. In contrast, only twenty-five percent or less of the sellers reported having policies in these areas.

DISCUSSION

The results of the present study suggest buyers and sellers differ when it comes to their perceptions of ethical behavior and the impact of unethical behavior on the buyer-seller relationship. The means of the scores of the four variables presented in Table 2 (Behavior and Intention to Choose) are less than three. This indicates

TABLE 4
Comparison of Effect of Ethical Behavior on Intention to Choose Supplier Items Between Buyers and Sellers

	Mean			
Buyer Initiated Behavior Item	**Buyer**	**Seller**	**Diff.**	**Sig.**
The buyer gives the salesperson information on competitors' quotations, then allows them to re-quote.	1.91	3.00	-1.09	.000
The buyer exaggerates the seriousness of a problem to a salesperson in order to get a better price or some other concession.	2.59	2.60	-.01	.953
The buyer fallaciously informs an existing salesperson that the company may use a second source in order to obtain a lower price or other concession.	2.70	2.51	.19	.175
The buyer solicits quotations from new sources, when a marked preference for existing suppliers is the norm, merely to fill a quota for bids.	2.89	3.11	-.22	.082
The buyer allows factors such as race, sex, ethnic group affiliation and religious persuasion to enter into salesperson selection.	1.76	1.88	-.12	.527
The buyer discriminates against a vendor whose salespeople use "back-door" selling instead of going through purchasing department.	2.45	2.77	-.32	.064
The buyer discriminates on the basis of nepotism (nepotism used here in a broad sense to cover all preferential treatment extended to suppliers who are relatives, friends, or recommended by higher management.)	2.20	2.39	-.18	.277
The buyer, in order to obtain a lower price or other concession, informs an existing supplier that the company may use a second source.	3.25	3.08	.17	.159
The buyer accepts from a supplier gifts like sales promotion prizes and "purchase volume incentives."	2.15	2.77	-.62	.001
The buyer accepts trips, meals, or other free entertainment.	2.30	2.69	-.39	.017
Seller Initiated Behavior Items				
The salesperson seeks confidential information about competitors by questioning suppliers	2.20	2.85	-.65	.000
The salesperson seeks information from the purchaser on competitors' quotations for the purpose of submitting another quotation.	2.18	2.81	-.63	.001
The salesperson attempts to get the buyer to divulge competitors' bid in low bid buying situation.	2.07	2.75	-.68	.000
The salesperson exaggerates how quickly orders will be delivered to get a sale.	1.58	2.13	-.54	.000
The salesperson lets it be known that they have information about a competitor if purchasing agent is interested.	2.58	2.49	.09	.527
The salesperson hints if order is placed, the price might be lower on the next order, when it is not so.	1.65	2.17	-.52	.000
The salesperson stresses only positive aspects of the product, omitting possible problems the purchasing firm might have with it.	2.16	2.74	-.57	.000
The salesperson in a shortage situation allocates product shipments to purchasing agents the seller personally likes.	2.33	2.63	-.29	.085
In reciprocal buying situation, salesperson hints unless order is forthcoming, prospect's sales to firm might suffer.	2.17	2.47	-.30	.029
The salesperson intends to use economic power of their firm to obtain concessions from the buyer.	2.34	2.82	-.48	.004
The salesperson has less competitive prices or other terms for buyers who depend on the firm as the sole source of supply.	2.25	2.63	-.37	.021
The salesperson gives the purchaser who was one of the best customers a gift worth $50.00 or more at Christmas or other occasion.	2.34	2.69	-.35	.031
The salesperson gives a potential customer a gift worth $50 or more at Christmas or other occasion.	2.07	2.69	-.62	.000
The salesperson grants price concessions to purchasing agents of company they own stock in.	2.08	2.34	-.26	.138
The salesperson attempts to sell product to a purchasing agent that has little or no value to the buyer's company.	2.30	2.50	-.20	.219

TABLE 5
The Frequency of Policies Regarding Ethical Behavior

	Policy		No Policy	
Buyer Initiated Behavior Item	**Buyer**	**Seller**	**Buyer**	**Seller**
The buyer gives the salesperson information on competitors' quotations, then allows them to re-quote.	16	2	47	48
The buyer exaggerates the seriousness of a problem to a salesperson in order to get a better price or some other concession.	4	2	59	47
The buyer fallaciously informs an existing salesperson that the company may use a second source in order to obtain a lower price or other concession.	5	3	57	46
The buyer solicits quotations from new sources, when a marked preference for existing suppliers is the norm, merely to fill a quota for bids.	5	2	58	47
The buyer allows factors such as race, sex, ethnic group affiliation and religious persuasion to enter into salesperson selection.	29	22	35	28
The buyer discriminates against a vendor whose salespeople use "back-door" selling instead of going through purchasing department.	8	3	55	47
The buyer discriminates on the basis of nepotism (nepotism used here in a broad sense to cover all preferential treatment extended to suppliers who are relatives, friends, or recommended by higher management.)	20	8	44	42
The buyer, in order to obtain a lower price or other concession, informs an existing supplier that the company may use a second source.	6	3	58	47
The buyer accepts from a supplier gifts like sales promotion prizes and "purchase volume incentives."	32	10	31	40
The buyer accepts trips, meals, or other free entertainment.	30	13	34	36
Seller Initiated Behavior Items				
The salesperson seeks confidential information about competitors by questioning suppliers	10	2	52	48
The salesperson seeks information from the purchaser on competitors' quotations for the purpose of submitting another quotation.	17	2	47	47
The salesperson attempts to get the buyer to divulge competitors' bid in low bid buying situation.	13	1	51	49
The salesperson exaggerates how quickly orders will be delivered to get a sale.	4	5	60	45
The salesperson lets it be known that they have information about a competitor if purchasing agent is interested.	1	4	63	45
The salesperson hints if order is placed, the price might be lower on the next order, when it is not so.	2	6	64	43
The salesperson stresses only positive aspects of the product, omitting possible problems the purchasing firm might have with it.	4	2	60	46
The salesperson in a shortage situation allocates product shipments to purchasing agents the seller personally likes.	3	5	61	43
In reciprocal buying situation, salesperson hints unless order is forthcoming, prospect's sales to firm might suffer.	6	2	64	49
The salesperson intends to use economic power of their firm to obtain concessions from the buyer.	1	4	60	46
The salesperson has less competitive prices or other terms for buyers who depend on the firm as the sole source of supply.	2	4	62	45
The salesperson gives the purchaser who was one of the best customers a gift worth $50.00 or more at Christmas or other occasion.	33	12	31	38
The salesperson gives a potential customer a gift worth $50 or more at Christmas or other occasion.	32	11	32	39
The salesperson grants price concessions to purchasing agents of company they own stock in.	14	8	48	39
The salesperson attempts to sell product to a purchasing agent that has little or no value to the buyer's company.	3	4	31	45

TABLE 6
The Frequency of Policies Regarding Gift Giving Behavior

	Policy		No Policy	
Buyer Initiated Behavior Item	**Buyer**	**Seller**	**Buyer**	**Seller**
The buyer accepts from a supplier gifts like sales promotion prizes and "purchase volume incentives."	32	10	31	40
The buyer accepts trips, meals, or other free entertainment.	30	13	34	36
The salesperson gives the purchaser who was one of the best customers a gift worth $50.00 or more at Christmas or other occasion.	33	12	31	38
The salesperson gives a potential customer a gift worth $50 or more at Christmas or other occasion.	32	11	32	39

that collectively, both buyers and sellers tended to view the behaviors described in the items as more unethical than ethical, and that the exhibition of these behaviors would have a more negative than positive impact on a buyer's intention to choose a supplier.

The difference between the means, as shown in Table 2, is negative for both Ethical Behavior and Intention to Choose. This indicates that buyers perceived the behaviors presented in the items, whether initiated by the buyer or initiated by the seller, as more unethical than did the sellers. Further, it suggests the perceived impact of exhibition of these behaviors on buyers' intentions to choose suppliers will be more negative for buyers than for sellers.

Ethical Sensitivity

The survey instrument used in this study contained several different types of ethically questionablebehaviors for which buyers' and sellers' ethical sensitivity were compared. The results indicated differences in ethical sensitivity between buyers and sellers for several of the ethically questionable behaviors. The items for which the mean differences are statistically significant are presented below. For purposes of discussion, the items have been grouped based on the nature of the behavior. These groups include confidential information, gift giving, deceit, and the use of power.

Confidential Information

- The buyer gives the salesperson information on competitors' quotations, then allows them to re-quote.
- The salesperson seeks confidential information about competitors by questioning suppliers.
- The salesperson seeks information from the purchaser on competitors' quotations for the purpose of submitting another quotation.
- The salesperson attempts to get the buyer to divulge the competitors' bids in low bid buying situation.

Gift Giving

- The buyer accepts from a supplier gifts like sales promotion prizes and "purchase volume incentives."
- The salesperson gives a potential customer a gift worth $50 or more at Christmas or other occasions.

Deceit

- The buyer solicits quotations from new sources, when a marked preference for existing suppliers is the norm, merely to fill a quota for bids.
- The salesperson stresses only positive aspects of the product, omitting possible problems the purchasing firm might have.

In each of these cases, the mean of the sellers' scores was higher than that of the buyers' scores. This indicates that while both buyers and sellers tended to view these behaviors as unethical, buyers were more ethically sensitive than sellers to these behaviors.

Four of the twenty-five ethically questionable behaviors described in the survey involve the sharing of confidential information about the sellers' competition, including one buyer-initiated and three seller-initiated behaviors. The difference between buyers and sellers mean scores on these four items is statistically significant. The consistency of the direction of that difference across these four items supports the notion that buyers are more ethically sensitive than sellers to the sharing of confidential information.

Two (one buyer-initiated and one seller-initiated behavior) of the eight situations in which the difference between means was statistically significant involve gifts given to the buyer by the seller. In both cases, buyers were more ethically sensitive than sellers. These results indicate buyers are more ethically sensitive than sellers to gift giving in the buyer seller relationship. However, one of the situations in which the difference between buyers and sellers is not statistically significant is "The salesperson gives the purchaser who was one of the best customers a gift worth $50.00 or more at Christmas or other occasion." This evidence suggests that ethical sensitivity does not vary between buyers and sellers with respect to gifts to "best customers," but that buyers are more ethically sensitive than sellers when it comes to giving gifts to "potential customers."

Effect of Ethical Behavior on Intention to Choose Supplier

The results of this study indicated that buyers and seller differ with respect to the impact of the exhibition of ethically questionable behaviors on the buyer-seller relationship. The ethically questionable behaviors for which the mean difference (with respect to impact on the buyer-seller relationship) between buyers and sellers were statistically significant are presented below. Again, for purposes of discussion, the items have been grouped based on the nature of the behavior.

Confidential Information

- The buyer gives the salesperson information on competitors' quotations, then allows the salesperson to re-quote.
- The salesperson seeks confidential information about competitors by questioning suppliers
- The salesperson seeks information from the purchaser on competitors' quotations for the purpose of submitting another quotation.
- The salesperson attempts to get the buyer to divulge competitors' bid in low bid buying situation.

Gift Giving

- The buyer accepts from a supplier gifts like sales promotion prizes and "purchase volume incentives."
- The buyer accepts trips, meals, or other free entertainment.
- The salesperson gives the purchaser who was one of the best customers a gift worth $50.00 or more at Christmas or other occasion.
- The salesperson gives a potential customer a gift worth $50 or more at Christmas or other occasion.

Deceit

- The salesperson exaggerates how quickly orders will be delivered to get a sale.
- The salesperson hints that if order is placed, the price might be lower on the next order, when it is not so.
- The salesperson stresses only positive aspects of the product, omitting possible problems the purchasing firm might have with it.

The Use of Power

- In reciprocal buying situation, salesperson hints unless order is forthcoming, prospect's sales to firm might suffer.
- The salesperson intends to use economic power of his or her firm to obtain concessions from the buyer.
- The salesperson has less competitive prices or other terms for buyers who depend on the firm as the sole source of supply.

Just as with the ethical behaviors, sellers relative to buyers tended to underestimate the negative impact of unethical behavior on the buyer-seller relationship. Four of fourteen situations dealt with the seller asking for or receiving (from the buyer) information about their competitors' bids or other confidential information. While the means for the buyers on these items were each well below 2.5, the means for the sellers were at or close to three (neither negative or positive affect on intention to choose the supplier.) This indicates that many sellers may not believe asking a buyer for confidential information about a competitor will have a detrimental effect on the buyer-seller relationship, even if it is perceived as unethical behavior. Further, even when offered by the buyer, the seller's acceptance of confidential information about a competitor will tend to have detrimental effects on the buyer's intention to choose the seller as a supplier.

Gift giving is another area in which buyers' and sellers' perceptions appear to differ. The analysis indicates the effect of gift giving (as described in the situations) on a buyer's intention to choose a supplier will be perceived as more negative buyers relative to sellers. These results suggest that buyers may accept gifts from sellers while at the same time perceiving the sellers' act of offering the gift as negative and detrimental to the relationship.

The results also suggest that buyers and sellers perceptions differ when it comes to the effect of deceit on the buyer's intention to choose the supplier. As in the preceding comparisons, the means for both buyers and sellers are less than three and the mean difference in each case is negative. This indicates both buyers and sellers perceived deceit (as practiced by the salesperson) as having a negative effect on the buyer's intention to choose the supplier. However, the fact that the difference between the means is negative (and statistically significant) means buyers perceive deceit as a bigger problem (as it relates to an effect on the buyer-seller relationship) than do sellers. The sellers had a stronger negative response to the direct deceit situations relative to the deceit by omission situation.

Finally, the situations describing the sellers' use of power were also perceived differently by buyers relative to sellers. Again, relative to the sellers, the buyers tended to perceive the seller's behavior in these situations as having a more negative effect on the buyer's intention to choose the supplier.

CONCLUSIONS AND RECOMMENDATIONS

This study has illustrated that buyers are more ethically sensitive than sellers to unethical behavior within the buyer-seller dyad. In addition, sellers underestimate the detrimental effects of unethical behavior on the buyer-seller relationship. Sellers need to exercise caution when engaging in behaviors that could be construed by buyers as unethical. Salespeople may want to give special consideration to behaviors related to confidential information, gift-giving, deceit, and the use of power.

Confidential Information

Both buyers and sellers perceived the sharing of confidential (or competitive bid) information as unethical. However, buyers tended to be more ethically sensitive to this sort of behavior. In addition, they tended to find the exhibition of these sorts of behaviors more troubling to the relationship than did the sellers. This indicates salespeople may want to be more careful when it comes to asking a buyer for information that may be confidential, or accepting such information when offered by the buyer. As the results show, buyers may take a negative view of salespeople who engage in this sort of unethical behavior (as perceived by both buyers and sellers) even when the buyer initiates the behavior.

Gift Giving

The results of this study suggest salespeople tend to be less ethically sensitive to gift-giving in the buyer-seller relationship relative to buyers. Moreover, salespeople may tend to underestimate the negative impact gift-giving may have on a buyer's intention to choose him/her as a supplier. These results, however, tend to be inconsistent with the actual practice. The use of gifts, prizes, meals and other incentives is extremely common in sales. Salespeople take their clients to lunch, treat them to a round of golf, take them to athletic events, and offer incentives for performance. It may be that there is a difference between gift-giving after a relationship has been established and gift-giving before a relationship has been established. The instrument used in the study did not specify whether the buyer should view these situations as occurring within established relationships. However, because the survey included items measuring "intention to choose the supplier," respondents may have felt a relationship between the buyer and seller had not yet been established. Additional research is needed to investigate how ethical sensitivity varies with length (and quality) of the relationship between the buyer and seller. In any case, the results of this study suggest salespeople should use caution when engaging in gift-giving behavior within the buyer-seller dyad.

Deceit

It is no surprise that both buyers and sellers perceive deceit as unethical. Nor it is surprising that both are seemingly more ethically sensitive to direct deceit (e.g., lying) than indirect deceit (omission). What is interesting is that sellers underestimate the negative impact of deceit on the buyers' intention to choose a supplier. Of all of the situations described in the survey, buyers had the strongest negative reaction to the items dealing with deceit. Salespeople should be extremely careful to ensure their behavior cannot be construed by the buyer as deceitful.

Another interesting, but perhaps not unexpected, finding of the study is that buyers tended to be less ethically sensitive to deceitful behaviors initiated by the buyer compared to those initiated by the seller. It may be that buyers were less ethically sensitive because the objective of the buyer-initiated deceitful behaviors was to get a better price. Perhaps buyers and sellers are more accepting of buyers doing what they can to obtain the best price.

The Use of Power

Buyers and sellers did not differ with respect to their ethical sensitivity to the salesperson's use of power within the buyer-seller dyad. However, they did differ with respect to the perceived impact the use of power might have on the relationship. Consistent with the other items discussed above, sellers relative to buyers tended to underestimate the negative impact of these situations on the buyer's intention to choose a supplier.

Overall, salespeople need to develop more accurate perceptions of the ethical sensitivity of buyers, and a better appreciation for the detrimental effects of unethical behavior on the buyer-seller relationship. This research also suggests salespeople need to understand how their buyers' ethical sensitivity compares to their own. Such understanding should help salespeople avoid behaviors they perceive as ethical but their buyers perceive as unethical.

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