

CONSUMER FRAUDULENT BEHAVIOR: A CROSS-CULTURAL PERSPECTIVE

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Abstract

The paper contends that although fraud is a global issue that exists in different cultures, fraud triggers are not universal. Drawing on the triangle of fraud and the theory of planned behavior, the paper proposes a conceptual model of consumer fraudulent behavior and suggests that fraud can be motivated by different motives and influenced differently by the societal-level of culture (individualism /collectivism) as well as the individual-level of cultural values (idiocentrism/allocentrism). Thus, understanding cultural variability in fraud could enrich our knowledge about how and why fraud occurs, how it can be better detected and how it can be controlled. Cultural differences are emphasized throughout the main body of the discussion. The article concludes with salient issues for future research.

Introduction

Consumer fraudulent behaviors are serious matters that result in substantial material and psychological costs to organizations, employees as well other consumers (Wilkes, 1978; Lee and Soberon-Ferrer, 1997). Consumer fraud is a growing and global problem. Recent reports have pointed to the pervasiveness of consumer fraud in many countries in North- America, Europe, and Asia. According to the US Office of Consumer Affairs, losses due to fraud and abuse cost companies more than 100\$ billion per year (Lee & Soberon-Ferrer 1997). In Canada, 44% of health and insurance companies have been victims of false or inflated claims, and 83% of Canadian banks have reported such instances as mortgage and loan fraud (Statistics Canada 2008). In Europe, 71% of insurance companies have seen an increase in the number of fraudulent claims over the past three years, and the cost of insurance fraud is estimated to be between €8 to €12 billion per year (Accenture, 2013) In UK, insurers have detected an estimated £983 million in fraudulent insurance claims in 2011 (ABI, 2012). Likewise, in China many instances of fraudulent activities such as fraudulent credit card transactions were reported in the media (The Economist, 2011).

Despite having been identified as a global yet neglected issue, research on consumer fraud remains scarce, and has mostly investigated the fraud issue from a victimized customer

perspective (e.g. Lee & Soberon-Ferrer 1997; Langenderfer and Shimp 2001; Mansfield and Pinto 2008), consequently little attention was drawn to fraudulent consumers (Wilkes 1978; Cole 1989).

Moreover, the few existing studies on consumer fraud have been conducted within western cultures (e.g. Cole 1989, Dean 2004 in U.S) and there are compelling reasons to question their relevance for non-western cultures as finding derived from these studies cannot be generalized to all customers, especially in the context of globalization and multiethnic markets. Furthermore, the effect of culture on deceptive behavior and particularly fraudulent behavior is complex as culture integrates both societal cultural values as well as individual cultural values. For instance, findings from cross-cultural psychology have suggested that –when culture is operationalized at the societal level (collectivism versus individualism), collectivist cultures are more adaptive to deception than individualist cultures (i.e. in collectivistic societies, cultural pressure may exist and be strong enough to press people to lie to save face, or to protect in-group members), however, when culture is operationalized at the individual level (allocentrism versus idiocentrism), the reverse patterns may prevail, suggesting that allocentrics are less inclined to engage in deceptive behaviors compared to idiocentrics who emphasize competition (Triandis & al. 2001; Li et al., 2006).

Although consumer fraud may exist in different cultures, the extent to which a fraudulent behavior is perceived as common or acceptable as well as willingness to engage in fraudulent behaviors may differ across cultures. Therefore, cross-cultural insight into consumer fraud is needed to understand how the more subtle fraudulent behaviors in a specific cultural context could be prevalent in other cultures, and how cultural values may shape different attitudes toward what is perceived as fraudulent and what is not.

Hence, the promise of this paper is to investigate how culture may influence consumers' attitudes and disposition to defraud. In this paper, we conceptualize culture at the societal level (i.e. collectivism vs. individualism) and the individual level (i.e. allocentrism vs. idiocentrism). More specifically we posit that on one hand, cultural norms related to a group or a society may impact consumer willingness to engage in fraudulent behaviors; the more these norms are relaxed, the more the attitude toward the fraud will be tolerant and vice versa. On the other hand, individual cultural values that emphasize keeping harmonious relationship and connectedness with other people (i.e. allocentrics) may weight against holding a positive attitude toward fraud and decrease individual willingness to engage in fraudulent behaviors, whereas cultural values that emphasize competition and dominance (i.e. idiocentrics) can be prone of positive attitude toward fraud.

The paper is organized in the following fashion; first consumer fraud is defined, and a typology of consumer fraudulent behaviors is addressed. Second, the underlying determinants of intention to engage in fraud namely consumer attitude toward frauds, incentives/pressures and perceived opportunities are reviewed based on the triangle of fraud framework and theory of planned behavior. Next, culture conceptualized at both societal and individual levels, and is introduced as a moderator. Then, cultural differences in fraud across cultures are discussed throughout the paper. Finally, we conclude with a discussion about managerial implications and further research avenues.

Consumer fraud conceptualization

In broad terms, Gardener et al. (1999) defined fraudulent consumer behavior as an “intentional deception under the guise of legitimate consumer behavior” (p. 49). In marketing literature, various terms have been used to refer to fraudulent behaviors perpetuated by consumers such as shoplifting (Cole 1989, Babin and Babin 1996), fraudulent return (Harris 2008) and

cheating (Wirtz and Kim 2004). In this light, most of research has addressed fraudulent behaviors in the retailing industry, however little attention has been directed to fraud perpetrated against financial institutions such as banks and insurers that are also privileged targets of fraudsters (Statistics Canada 2008). Therefore, in this paper, we focus on financial frauds namely bank fraud (Hoffmann and Birnbrich, 2012) and insurance fraud (Tennyson, 2011). Bank fraud can be defined as the attempt to defraud a financial institution to obtain any of the moneys, funds, credits, assets, securities or other property owned by or under the custody or control of a financial institution, by means of false or fraudulent pretenses, representations, or promises (Ngai et al., 2011). A sample of fraudulent activities committed against banks may include fraudulent applications for credit cards, worthless deposits, loan fraud and mortgage fraud. Insurance fraud refers to a deliberate deception perpetrated against an insurance company or agent for the purpose of financial gain and includes illegitimate claims, claim exaggeration and reporting fake incidents (Lesch and Byars 2008).

Notwithstanding these approaches in defining consumer frauds, in many cases the distinction between fraudulent and non-fraudulent behaviors has been ambiguous and unspecified. For instance, failing to report a favorable billing or claim error has been considered a fraudulent behavior (e.g. Cole, 1989); while such behavior is unethical, consumers cannot be solely accountable for the companies' failures to redress these issues especially when they are not initiated by the consumer. Even subtle differences in how concepts are implicitly or explicitly conceptualized may result in incongruent theoretical arguments and empirical conclusions. In this regard there is a need to define clearer boundaries to distinguish between what is fraudulent and what is not, and to categorize the array of fraudulent activities into a typology that provides a more comprehensive view of how to define and classify consumer fraudulent behaviors. In the next section, we develop and integrate a typology of consumer frauds.

Overt fraud vs. Covert fraud

Covert fraudulent behaviors are frauds that are not obvious to public or a third party (e.g. insurer) and are relatively difficult to detect, whereas overt frauds are relatively easier to observe and detect (Kelly, 2011; Tsow 2006; Paul and Townsend, 1997).

In fact, this distinction between overt and covert frauds was discussed in the literature in a more subjective way. However we suggest that such distinction can be based on more objective criteria that take into account the nature of the manipulated aspect in a committed fraud. For instance, the manipulation theory (McCornack, 1992) posits that a fraudulent claim may result from the manipulation of the claimed amount (i.e. quantity), the severity of the reported injury (i.e. relevance), the beneficiary of the claim (i.e. quality) or making equivocal claims (i.e. manner). One can argue that, as falsifying a claim amount or the beneficiary of the claim (quantity and quality) could be relatively easier to observe and detect compared to a manipulation of the relevance or the manner that are more ambiguous aspects, frauds resulting from the manipulation of the former aspects can be associated with overt frauds, whereas the latter aspects because they are ambiguous in nature and not easy to detect, are characteristics of covert frauds.

Soft fraud vs. Hard fraud

Financial frauds can be classified also as hard or soft. Hard frauds are related to a deliberate attempt to either stage or invent an accident, injury, theft, arson, or other type of loss that would be covered under an insurance policy, whereas soft frauds occur when a customer exaggerates a legitimate claim (Tennyson, 2011). Soft frauds may also occur when people purposely provide false information to influence the underwriting process in their favor when applying for insurance

(William and Bruce, 2008). Furthermore soft frauds are more frequent and more costly to their companies than hard frauds (Viaene and Dedene, 2004).

Opportunistic fraud vs. planned fraud

Opportunistic fraud involve some forms of falsification in a claim that has legitimately occurred, whereas planned frauds involve building-up a claim that is completely false for the only purpose of defrauding an insurer (Tennyson, 2011). Overall, an opportunistic fraud is usually undertaken by claimant who did not contemplate the fraud prior to experiencing a loss event, and is often characterized by claim exaggeration rather than outright falsification of a loss which is often the case of a planned fraud (Weisberg and Derrig, 1993).

Theoretical framework

Few theoretical frameworks have been developed in marketing field and attempt to explain why and how consumers may engage in unethical behaviors such as fraud. Consequently, motives and triggers of fraudulent consumer behaviors have not yet been clearly identified. Among few existing works, Wirtz and Kim (2004) posit that perceived injustice and dissatisfaction can be potential triggers of consumer fraud. Likewise, Fullerton and Punj (1993) support that unfulfilled needs and aspirations may lead consumers to engage in unethical behaviors.

Outside marketing literature, fraud triggers were discussed with respect to the concept of fraud triangle (Cressy, 1953) suggesting that fraud could be motivated by three main factors (1) the perceived need or pressure, which refers to consumer financial needs or consumer greed, (2) the perceived opportunity which refers to the fraudulent consumer's beliefs about the easiness to commit the fraud and that he may not be caught, and (3) the attitude/ rationalization which refers to the person beliefs that committing the fraud was justified (i.e. getting even with a perpetrator firm, as a punishment, or "everyone's getting rich, so why shouldn't").

In fact, consumer fraud stems from a complex interplay of motivations and circumstances. Drawing on moral, social and economic foundations, Tennyson (2008) suggests that consumer fraud can be either planned (i.e. which can be related to the rationalization motive) or opportunistic (i.e. which is related to a perceived opportunity to commit the fraud). From this perspective, we argue that theory of planned behavior (Ajzen, 1991) (hereafter TPB) merged to the fraud triangle concept, could be meaningful to study consumer fraudulent behaviors; former explains a planned fraudulent behavior and the latter provide insights into opportunistic frauds. Hence both are complementary theories and can be of potential use to explain why and how consumers may engage in fraudulent behaviors.

Applied to the context of consumer fraud, TPB relates attitude toward fraud, to intention to engage in fraudulent behavior (Carpenter and Reimers 2005). We deemed TPB model (Ajzen, 1991) over other behavioral models (e.g. cognitive appraisal model of Lazarus (1991), and the reasoned action model of Ajzen and Fishbein (1975)) as theory of planned behavior was found to be better than theory of reasoned action (Ajzen and Fishbein, 1975) in predicting unethical behavior such as fraud (Chang, 1998). TPB was tested and validated in many studies related to corruption and showed robustness and strong predictive validity.

Likewise, fraud triangle can be readily applied to consumer fraud in many instances. First, fraudulent consumer may have an incentive to achieve financial gains nourished by greed and the

want to make easy money or being under pressure to satisfy financial needs, which provides a reason to commit fraud. Second, circumstances such as a perceived low risk of detection, the absence or the easiness override controls, ineffective measures of deterrence, can provide an opportunity to commit fraud. Third, fraudulent consumers can be able to rationalize committing fraudulent behaviors, as they can hold a positive attitude toward frauds, such as claiming that the victimized company deserve to be punished allow them to knowingly and intentionally commit fraudulent activities. Thus the fraud triangle encapsulates main triggers that may lead to consumer fraud and help to predict the intention to engage in fraudulent behaviors. Hence, from these propositions P1, P2 and P3 flow:

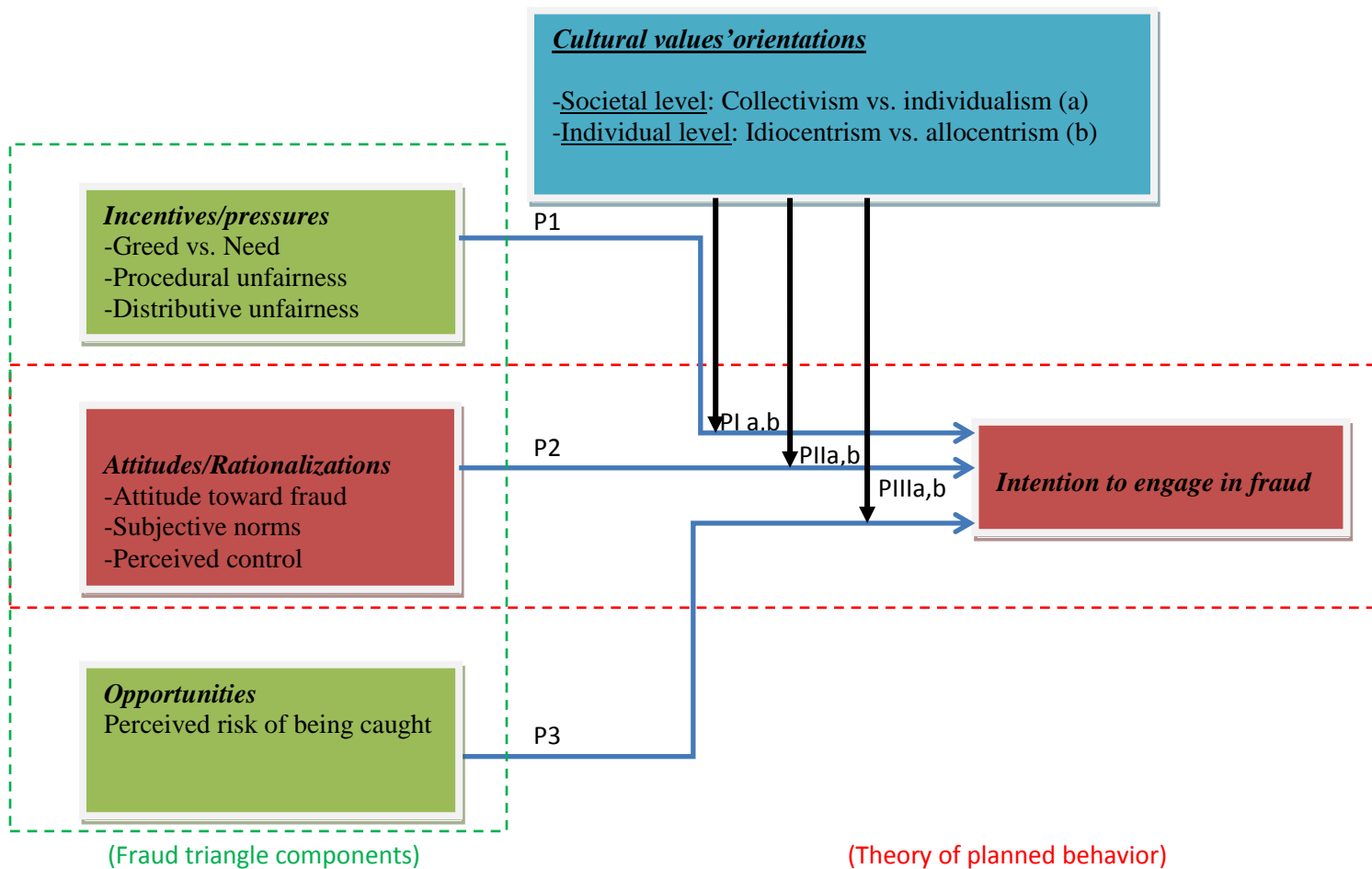
P1: Incentives/pressures have a positive impact on consumer intention to engage in fraudulent behaviors, in such way: the higher level of an experienced greed or need or unfairness is, the higher consumer intention to engage in fraud will be.

P2: Favorable attitude toward frauds will positively influence consumer intention to engage in fraudulent behaviors, in such way: the more positive the attitude toward fraud is, the higher consumer intention to engage in fraud will be.

P3: Perceived opportunities (e.g. low-risk of being caught) will positively influence consumer intention to engage in fraudulent behaviors, in such way: the lower the perceived risk to be caught is, the higher consumer intention to engage in fraudulent behaviors will be.

Furthermore, whether or not, a consumer engages in fraudulent behaviors may also depend on culture that may either deter or foster people's willingness to deceive (Triandis et al., 2001), which suggests that culture may play a moderator role in shaping consumer fraud, that is culture may strengthen or weaken the effects of fraud triggers on consumer intention to engage in fraud. In the next section, we will discuss culture conceptualization and some potential moderator effects among the model relationships.

Figure 1: Conceptual framework



Culture as a moderator

There is very little evidence concerning cultural differences in the tendency to commit frauds. However previous works in deceptive behaviors and corruption suggest that deception is higher to occur in collectivist cultures, compared with individualist cultures (Triandis, 2001; Li et al., 2006). These findings was explained by the fact that in collectivist societies, people may lie or engage in deceptive behaviors as a way to save face in close relationships, and to maintain harmonious relationships within the group. In such context, fraud becomes approved and accepted. Likewise, we argue that consumers in a collectivist culture may perpetuate a fraud if they believe that committing fraud may help to saving face or to protect the union within the family (i.e. threatened by financial needs) or to maintain the group's cohesiveness or to protect the beloved ones.

Culture at the societal level: collectivism vs. individualism

The individualism-collectivism paradigm was recognized to be the key dimension of cultural variability (Hofstede, 1980). Individualism and collectivism are two critical variables used to

compare cultures conceptualized at the societal and national level. Hofstede defines individualist cultures as being those societies where individuals are primarily concerned with their own interests and the interests of their immediate family. Collectivist cultures, in contrast, assume that individuals belong to one or more "in-groups" (e.g., extended family, clan, or other organization) from which they cannot detach themselves. The "ingroup" protects the interest of its members, and in turn expects their permanent loyalty.

Overall, individualism describes tendencies to orient values and actions towards independence, competition, and oneself or one's immediate family, while collectivists perceive themselves as interdependent members of an "in-group," a collection of people perceived as sharing the same fate (Triandis 1993) so they tend to act cooperatively in their group's interest (Hofstede 1980,1991). In other words, the collectivist orientation, motivates people to serve their group's interest; individualists will do so only if it is perceived to benefit the self.

With respect to cultural differences in fraud and corruption outlined at the societal level, in their pioneer study, Triandis et al., (2001) have combined the transparency international corruption index and the country individualism index values (Hofstede, 1980), to conclude that countries with collectivist cultures are more corrupt than individualist cultures.

Culture at the individual level: allocentrism vs. idiocentrism

Triandis et al. (1985) suggest that culture should be investigated also at the individual level. They proposed two cultural traits that correspond to individualism and collectivism at the individual level namely idiocentrism which can be found frequently in individualistic cultures, and characterize people whose values and behavior are similar to the values and behavior of people in individualist cultures, and allocentrism which can be found in collectivist cultures and characterize people whose values and behavior are similar to the values and behavior of people in collectivist cultures. It has been recognized that idiocentrics and allocentrics exist in all cultures, and within a country there are idiocentrics and allocentrics, but there are more allocentrics in collectivist culture and idiocentrics in individualist culture.

Most allocentric consumers were found to be more assertive to group harmony, respect and interdependence, and connectedness that are characteristic of a collectivistic society (Yang 2004). Conversely, idiocentric consumers are more likely to emphasize personal freedom, self-expression and independence from the dominant social patterns. They search for competition, challenging occupations; autonomy, recognition, pleasure, dominance, and advancement that are characteristic of an individualistic society (see Dutta-Bergman and Wells, 2002 for a review).

In this light, allocentrism refers to person-level collectivism, whereas idiocentrism refers to person-level individualism. More specifically, allocentrics tend to emphasize the interdependent-self more often, leading to a greater concern for norms, obligations, and duties than do idiocentrics, while idiocentrics tend to sample the independent self, more often, leading to a greater consideration of attitudes, personal needs and rights than do allocentrics.

Manifestly, these differences in values orientation may have great implications on why individuals may engage in fraudulent behaviors. In this regard, Triandis et al., (2001) claim that idiocentrics are more likely to lie than allocentrics, as they are more inclined to competition. The greater the competitiveness of idiocentrics is, the greater their tendency to deceive.

Cultural differences in incentives/pressure

Incentives for illegitimate financial gain can be associated with greed and materialism pertaining to achieve personal gains at expense of others (Tunley, 2010). In this regard, greed was found to be commonplace in societies that are more tolerant to inequalities such as individualistic cultures, and less frequent in collectivistic societies (Ballor, 2013). Likewise, Wong (1997) investigated the relationship between the individualism/collectivism dimension and materialism and found that individuals who were high in collectivism were correspondingly low in materialism. Taken together, one can argue that the incentive/pressure motive is more influential to commit frauds in collectivist societies than individualist ones. Hence, the following hypothesis P1a is offered:

PI a: Collectivism/individualism will moderate the relationship between perceived incentives/pressure and intention to engage in fraudulent behaviors, in such way: the impact of perceived incentives/pressure on intention to engage in fraudulent behaviors is stronger in individualistic cultures than in collectivist ones.

With respect to allocentrism-idiocentrism conceptualization of culture, as allocentrics make the welfare of the in-group as a requirement of the welfare of the individual, whereas idiocentrics consider firstly their self-interest over the group interest (Triandis, 1995), one can expect that the effect of incentives/pressure on the intention to commit a fraud will be stronger for idiocentrics than allocentrics. From this P1b flow:

PI b: Allocentrism/idiocentrism will moderate the relationship between perceived incentives/pressure and intention to engage in fraudulent behaviors, in such way the impact of perceived incentives/pressure on intention to engage in fraudulent behaviors is stronger in individualistic cultures than in collectivist ones.

Cultural differences in rationalization/attitude toward fraud

Consumer attitude toward fraud is a key determinant of fraud intention. For instance, Colquitt and Hoyt (1997) found that the number of fraudulent life insurance claims is positively related to the percentage of a state's consumers who believe that claim fraud is acceptable. In fact, higher public tolerance to fraud or the perception that fraud is commonplace can lead to more accepting attitudes toward fraud and thus to lower social costs of engaging in it. For instance, an increase of 10 percent in the percent of other nearby consumers who find fraud acceptable leads to a 5.9 percent increase in the chance that a consumer will find fraud acceptable (Tennyson, 1997).

Furthermore, previous studies have demonstrated that exposure to deceptive behaviors can increase an individual's willingness to engage in deceptive behaviors. In one experiment, researchers planted a person in the room who engaged in obvious cheating on the task assigned to the experiment participants. When exposed to this behavior, other participants were themselves much more likely to engage in cheating, but only when the cheater was perceived to be a part of their peer group (Gino et al. 2009). These results suggest that both accepting fraud attitudes and actual fraud behaviors may spread across peer groups, translating into a higher prevalence of fraudulent behaviors.

In this light, one can argue that given that in collectivist societies, people rely more in their peer-group, the acceptance of fraudulent behaviors among peer-groups may lead to a widespread of positive attitude toward fraudulent behaviors and a stronger effect on intention to engage in fraudulent behaviors, whereas as in individualistic societies people feel more independent from their peer-group, a positive attitude toward fraud that is hold by the peer-group may influence at a lesser extent, one's willingness to engage in fraudulent behaviors.

From this PIIa flows:

P IIa: Collectivism/individualism will moderate the relationship between the attitude toward fraud and the intention to engage in fraudulent behaviors, in such way: the effect of attitude toward fraud on intention to engage in fraudulent behaviors will be stronger in collectivist cultures than in individualistic cultures.

Considering culture at the individual level, one can argue that as idiocentrics are competitive, which means that when placed in a situation where accomplishing the task of deception is required, they will deceive (Triandis et al., 2001), it is safe to argue that idiocentrism trait (by contrast to allocentrism) may strengthen the impact of positive attitude toward fraudulent behavior on intention to engage in fraud.

From this PIIb flows:

PII b: Allocentrism/idiocentrism will moderate the relationship between the attitude toward fraud and the intention to engage in fraudulent behaviors, in such way: the effect of attitude toward fraud on intention to engage in fraudulent behaviors will be stronger with idiocentrics than allocentrics.

Cultural differences in perceived opportunities (opportunism and risk)

The intention to engage in fraudulent behaviors is inversely correlated with consumers' perception of the risk to be caught (Cole, 1989). Cultural differences on the individualism-collectivism continuum have been used to explain differences in risk evaluation (Hsee & Weber, 1999). According to Hofstede (1980), collectivistic cultures (i.e. Chilean culture) have a strong uncertainty avoidance, which means ambiguous and uncertain situations are perceived as threatened. In this vein, they are averse to taking risks, especially loss aversion (tendency to strongly prefer avoiding losses to acquiring gains), whereas individualistic cultures have a weak uncertainty avoidance, which means they do not feel threatened by uncertain situation, and therefore they are more inclined to taking risks in order to obtain future gains, than do collectivistic cultures.

From this PIIIa flows:

P IIIa: Collectivism/individualism will moderate the relationship between the perceived opportunities to commit a fraud and the intention to engage in fraudulent behaviors, in such way: the effect of the perceived opportunities on intention to engage in fraudulent behaviors will be stronger in individualistic cultures than in collectivist ones.

However, other studies suggest that Chinese from China (i.e. allocentrics) are more risk seeking than Americans from the United States (i.e. idiocentrics). In searching for possible cultural explanations for differences in risk preference between Chinese and American respondents, Hsee

and Weber (1999) focused on a most important dimension of cultural variation (Triandis, 1995). Weber and Hsee (1998) argued that in collectivist cultures like China, family or other in-group members will step in to help any group member who encounters a large and possibly catastrophic loss. Hence, the following hypothesis PIIb is offered:

P IIIa: Allocentrism /idiocentrism will moderate the relationship between the perceived opportunities to commit a fraud and the intention to engage in fraudulent behaviors, in such way: the effect of the perceived opportunities on intention to engage in fraudulent behaviors will be stronger with allocentrics than idiocentrics.

Conclusion

Consumer fraudulent behavior is an intriguing area in need of further investigation. The promise of this paper is to provide a deeper insight on the psychological processes that shape consumer fraud. In this vein, the paper contends that although fraud exists in different cultures, the fraud triggers are not universal and their impacts on willingness to engage in fraudulent behavior may be impacted by a multilevel cultural effect; the societal level which refers to individualism/collectivism dimension and idiocentrism/ allocentrism which refers to the individual level of culture conceptualization. Hence, understanding cultural variability in fraud will enrich our knowledge about how and why fraud occurs, how it can be better detected and how it can be controlled.

Overall, consistent with cross-cultural psychology literature, the paper suggest that people from collectivist cultures can be more tolerant and adaptive to fraudulent behaviors compared to individualist cultures, as committing a fraud can be perceived as a mean to save face and to protect in group members from deprivation. However allocentrism (individual level of collectivism) may weight against engaging in fraudulent behaviors, as allocentrics have a greater concern for norms, obligations, and duties than do idiocentrics.

In fact, cross-cultural insight into consumer fraudulent behaviors is needed to understand how the more subtle fraudulent behaviors in a specific cultural context could be prevalent in other cultures, and how cultural values may shape different judgments and attitudes toward what is perceived as fraudulent and what is not, and willingness to engage in fraudulent behaviors. Likewise, investigating the effect of culture on fraudulent behaviors is relevant to design more efficient strategies of deterrence, especially if actions are to be taken by international businesses operating in foreign countries as well as social policy makers who attempt to reduce such dysfunctional behavior in growing multicultural societies.

Managerial implications and further research directions

This paper has sought to explore how differences in cultural values' orientations influence ways whereby fraudulent customers may engage in fraudulent behaviors. Hence, an improved understanding of why consumers engage in fraudulent behavior could be helpful in ultimately curtailing many questionable approaches in deterring and detecting frauds (e.g. inefficient approaches that are solely based amount and frequency of claims).

From a theoretical perspective, it will be helpful to develop taxonomy of fraudsters based on main drives to commit fraud and the psychographic characteristics of fraud perpetrators. A significant contribution will be to link different types of fraudulent activities with cultural values, which will help in gaining meaningful insights into how and why some specific fraudulent behaviors may occur in particular cultural contexts.

From a managerial perspective, organizations (especially banks and insurance companies), would take advantages from additional research to improve their techniques in detecting fraud. For instance, the insurance industry used to identify suspicious cases of fraud based on a set of criteria including claim frequency and amount (Tennyson, 2008). However this technique may not be efficient as it relies more on the claim characteristics (e.g. the amount and the frequency of the claim) and neglects the fraudsters' characteristics such as cultural values orientation. Hence by understanding motives to commit fraud combined with the cultural orientation managers can better profile and segment fraud perpetrators and proactively manage controllable variables (e.g. perceived unfairness) to inhibit fraudulent behaviors. This will also help organizations to establish proactive contingency plans to prevent and handle fraudulent behaviors, by using persuasive messages that take into account the cultural context in order to discourage and inhibit such behaviors and to reward constructive behaviors.

From a societal perspective, consumer protection agencies, consumer educators, public educators and policy makers could all benefit from understanding cultural variability in attitude toward fraud and motives to commit a fraud. This will potentially help to design learning and education programs targeting consumers and the public to be effective in sensitizing customers to the illegal and unethical aspects of fraudulent behaviors, the extent of the economic and societal costs associated with consumer frauds, and ultimately to break their silence and indifference toward fraudulent behaviors committed by other consumers through more adapted fraud awareness campaigns targeting people with different cultural background.

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