# The Influence of Consumer and Brand Social Responsibility on Brand Loyalty in Quick-Service Restaurants

**Allen Z. Reich**

**Virginia Polytechnic Institute and State University**

**Doctor of Philosophy**

**Hospitality and Tourism Management**

**Chair: Dr. Ken McCleary**

**Committee Members:**

**Dr. Mahmood A. Khan**

**Dr. Joseph M. Sirgy**

**Dr. Muzaffer Uysal**

**Dr. John Williams**

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**Blacksburg, Virginia**

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**Abstract**

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Social responsibility and ethics have been shown to have a positive influence on consumer behavior, however the vast majority of related research has measured this relationship indirectly through scenario analysis of hypothetical firms rather than consumers' perceptions of real-world firms. This dissertation focused on a real-world application of the theory.

Each simple-regression hypothesis that specified a positive relationship was supported. These results show that Brand Social Responsibility Image not only positively influences Brand Loyalty, but also influences the perception of both Product Quality and Service Quality. Concurrently, it was found that both Product and Service Quality Image influenced Brand Loyalty. When controlling for the effect of other variables, some of the relationships proved to be weaker than expected.

Additionally, the moderating effect of Inclination to Reward Brand Social Responsibility Image (RSRI) was examined for the relationships between Brand Social Responsibility Image (BSRI) and Product Quality Image (PL), BSRI and Service Quality Image (SQ), and for BSRI and Brand Loyalty (BL). The moderating influence of (RSRI) on the relationships between BSRI and PL and

between BSRI and BL were greatest for low levels of BSRI. Inclination to Reward Brand Social Responsibility Image (RSRI) appeared to moderate the relationship between Brand Social Responsibility Image (BSRI) and Service Quality Image (SQ) at high levels of BSRI, but not at low levels.

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### The Influence of Consumer and Brand Social Responsibility on Brand Loyalty in Quick-Service Restaurants

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The knowledge I've gained through my time at Virginia Tech has and will benefit me in many ways. Primarily, it has provided me with a basic knowledge of research that will allow me to produce considerably better work than before I began this journey. Additionally, everything I now read is viewed from a much different perspective, one of the knowledge of a scientific process, the need to comprehensively study that which has been proposed, and the value of the information to current readers and to future research efforts.

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# Chapter One

## Introduction

Managers of restaurants and other businesses make strategic decisions that they hope will improve their firms' image and thereby help them achieve an advantage over rival firms (Sirgy, 1996; Tse, 1988). More specifically, these image-enhancing decisions have the objective of increasing the loyalty of existing customers and aiding in attracting new customers (Aharoni, 1993; Armstrong & Collopy, 1996; Barsky & Labagh, 1992;). Strategic decisions focused on enhancing a firm's image have historically included the selection of target markets (Bojanic & Shea, 1997; Clark & McCleary, 1995; Crawford-Welch, 1991; Francese, 1993; Grant & Weaver, 1996; Lockshin, Spawton, & Macintosh, 1997; McCleary & Whitney, 1994; Swinyard & Struman, 1986; Wind, 1978), plus the adoption or modification of products (Dube', Renaghan, & Miller, 1994; Jacobson & Aaker, 1987; Morgan, 1993), prices (Curry & Riesz, 1988; Greenleaf, 1995; Zeithaml, 1988), location decisions (Hiemstra & Kim, 1995; Swinyard & Struman, 1986), promotional efforts (Johar & Sirgy 1991; Kopalle & Lehmann, 1995; McCleary & Weaver, 1991; Uysal & Jurowski, 1993), and operating policies (Headley & Choi, 1992; Patterson, Johnson, & Spreng, 1997; Price, Arnould, & Tierney, 1995; Zeithaml, Berry, & Parasuraman, 1996).

The implementation of these strategies will subsequently form much of the basis from which the firm's image is created

(James, Durand, & Dreves, 1976; Park, Jaworski, & MacInnis, 1986). The importance of image is underscored by Brown and Dacin's (1997) suggestion that if there is something about a firm that is unknown, what *is* known, the consumer's image of the firm, fills the void. The focus of this dissertation, social responsibility, was studied to help determine if its perception as a meaningful image-enhancement strategy (Carroll, 1999) squares with reality.

## Research Problem

Strategic decisions of business managers have followed issues in society and in some cases, created issues that led to changes within society (Zeithaml & Zeithaml, 1984). An issue of growing importance that has received limited attention in hospitality literature, is social responsibility (Parsa & Khan, 1993). A content analysis of hospitality journals produced only a minimal number of empirical articles directly focused on the concept of social responsibility. These articles are "Age/Experience and Gender as Factors in Ethical Development of Hospitality Managers and Students", (Freedman & Bartholomew, 1990), "Organizational Citizenship Behaviors: Their Relationship to Organizational Effectiveness" (Walz & Niehoff, 2000), and "Are Hotels Prepared for the Environmental Consumer?" (Gustin & Weaver, 1996). The basis for this literature search was that articles had to focus on the responsibility of firms toward

stakeholders (i.e., social responsibility value expressions), as opposed to articles that covered topics related to social responsibility. For example, "Job Satisfaction, Job Involvement, Job Security, and Customer Focus of Quick-Service Restaurant Employers" (Dienhart & Gregoire, 1993) does encompass social responsibility issues, but does not focus on the topic from a values-oriented social responsibility perspective.

Social responsibility is closely aligned with the study of ethics (Litz, 1996) and morals (Logsdon & Yuthas, 1997). It is very similar to Quality-Of-Life issues as researched by Sirgy (1996) in that Q-O-L research focuses on measurable improvements in a firm’s strategies toward consumers and other stakeholders. It is also associated with the constructs of social responsiveness (Beliveau, Cottril, & O’Neill, 1994) and social performance (Stanwick & Stanwick, 1998; Wartick & Cochran, 1985). Lozano (1996) uses business ethics as a term superordinate to social responsibility. With ethics being a value (Fritzsche, 1995), and values being abstract ideals (Rokeach, 1965), social responsibility, according to Lozano (1996), would be a value hierarchically lower in order than that of ethics. Conversely, Carroll (1991) uses social responsibility as a concept superordinate to that of ethics. The extent of the symbiotic relationship between ethics and social responsibility can be seen in the following quote from an article focused on consumer ethics: “Because ethical issues are so intricately intertwined in

a firm's interactions with consumers, and because of the increased public and regulatory concern regarding the environmental and social effects of business operations, the study of ethical behavior in a business context has drawn a great deal of attention in academic research" (Erffmeyer, 1999, p. 4).

The definition of social responsibility depends on the perspective of those involved. That is, how it is defined by a particular researcher. Definitions could be conceptual (general) or operational (specific to the present study). In many instances the definitions provided by researchers for the various related terms (ethics, quality-of-life, social responsiveness, social performance, etc.) are quite similar. For purposes of this research, the following operational definition (based on research provided in Chapter Two) was used: Social responsibility can be viewed as the visible manifestation of a firm's ethics and is related to actions that seek to improve the environment and the quality-of-life of people and other living things. *Brand* social responsibility image would therefore be based on the perception of designated constituencies, and is inextricably linked to the study of ethics.

Social responsibility and ethics have been shown to have a positive influence on consumer behavior (Clarke & Bell, 1999), however the vast majority of related research has measured this relationship indirectly through scenario analysis of hypothetical firms rather than consumers' perceptions of real-world firms

(Reidenbach & Robin, 1988, 1990; Reidenbach, Robin, & Dawson, 1991). Will a real-world application of the theory produce the same results as a study based on hypothetical firms? Would validity and perhaps a better understanding of the social responsibility of a firm result from attempting to describe consumers' perceptions and behavior concerning real-world firms' relevant SR actions? Managerial knowledge of the role of social responsibility in the hospitality industry is also critical because there is a correlation between its perceived importance and the attitude and behaviors of industry leaders (Pinkston & Carroll, 1996). With all its potential and perceived benefits, social responsibility, even in general business research, has been limited (Erffmeyer, et al., 1999).

The possibility of social responsibility being a fad, rather than a trend, was partially refuted in a study by Pava & Krausz (1996) when they found the ratio of positive to negative correlations (12 to 1) between corporate social responsibility and financial performance. Legislative support is evidenced by the creation of the Environmental Protection Agency (EPA), the Equal Employment Opportunity Commission (EEOC), the Occupational Safety and Health Administration (OSHA), and the Consumer Product Safety Commission (CPSC) (Carroll, 1991). Owen and Scherer (1993) provided further support by stating that since managers must fight for every advantage, a brand's social responsibility image must be seriously considered in strategic plans. Media-wise,

within the last decade at least three environmentally-oriented magazines have been started (Buzzworm, E, and Garbage) (Pizzolato & Zeringue, 1993). People are worried about pollution, depletion of the ozone layer, medical waste washing up on shore, and the healthfulness of the food they eat. Social responsibility issues are not only becoming important, they are “affecting people’s lifestyles” (Pizzolato & Zeringue, 1993, p. 442). The Investor Responsibility Research Center classified social responsibility as the third greatest stockholder concern, following only profitability and business viability (Donnelly, 1995). Firms such as Marriott have added corporate value statements that go beyond mission statements in describing the importance of fair treatment of employees, customers, and local communities (Marriott Hotel Corporation, 2000).

Since the responsibility for society must rest with someone, and individuals and the government cannot fulfill every need, businesses and civic organizations are increasingly being looked upon to take care of their societal constituents. While the construct of social responsibility can be applied to individuals or organizations (for-profit and not-for-profit), the trend appears to be toward business. This is shown in the work of Lozano (1996), when he wrote that the change of focus of the ethical behavior issue from individuals to businesses “is the (ethical!) recognition that in increasingly complex societies many of the most important human actions and those with the

greatest impact are performed by corporations and other organizations" (Lozano, 1996, p. 228).

Because the interest in social responsibility is growing (Parsa & Khan, 1993), it should be of value to managers and owners of hospitality firms to have empirical information on the potential influence of a firm's level of social responsibility effort. Therefore, this research studied the importance of consumer social responsibility orientation and brand social responsibility image in the determination of brand loyalty. The business domain of interest was quick-service restaurants.

Even though there are a few existing studies focusing on the value of social responsibility, Beleiveau, et al. (1994) found that industry specific research is still necessary. His justification was that differences in consumer perceptions can be significant across industries and even for firms within specific industries. Research on social responsibility has generally focused on the corporate domain (i.e., corporate social responsibility). Since corporations can be composed of single or multiple brands, the "corporate" domain can only infrequently be used to categorize brands within the corporation. Doing so could lead to ambiguous assertions for the various brands within the specified corporation. Consequently, this dissertation narrowed its focus to the social responsibility of a single brand. It is hoped that this research strategy will improve the precision of the study and of inferences derived from its findings.

This research is based on the following *a priori* assumptions:

- A consumer's loyalty for a particular quick-service restaurant brand will be influenced by the consumer's social responsibility orientation and by the brand's social responsibility image.
- The relationships between brand social responsibility image and the constructs of product quality, service quality, and brand loyalty will be moderated by the consumer's inclination to reward social responsibility image.

## Research Objectives

The objective of interest is to learn if brand social responsibility image influences brand loyalty. It is hoped that this would be of value both to those concerned about society and those concerned about showing the highest reasonable profit. If brand loyalty for socially responsible firms exists, is it isolated in certain segments of customers (i.e., those with a greater inclination to reward businesses with greater social responsibility images)? Though there have been studies that showed significant effects of demographic variables on ethical predispositions (Fullerton, Kerch, & Dodge, 1996), there is also a large body of evidence showing that the influence is either weak or tenuous (Antil, 1984; Singhapakdi, Vitell, & Franke, 1999). For this reason, demographic attributes will not be

considered in this study’s model. Finally, is there a difference between the importance of product quality and service quality relative to social responsibility image in the determination of brand loyalty?

Specific research objectives are to determine:

1) the relationship between consumers' social responsibility orientation and their inclination to reward brand social responsibility image;

2) if the inclination to reward brand social responsibility image moderates the relationship between brand social responsibility image and the brand’s a) image for product quality and b) image for service quality;

3) the influence of brand social responsibility image on the brand's image for product quality and for service quality;

4) if the inclination to reward brand social responsibility image moderates the relationship between brand social responsibility image and a) attitude-based brand loyalty and b) behavior-based brand loyalty;

5) the influence of brand social responsibility image on attitude-based brand loyalty and on behavior-based brand loyalty;

6) the influence of a brand's product quality image on attitude-based brand loyalty and on behavior-based brand loyalty; and

7) the influence of a brand's service quality image on attitude-based brand loyalty and on behavior-based brand loyalty.

## Research Questions

1) Does a consumer's social responsibility orientation influence their inclination to reward social responsibility?

2) Does a consumer's inclination to reward brand social responsibility image moderate the relationship between brand social responsibility image and the brand's a) image for product quality and b) image for service quality?

3) Does brand social responsibility image influence the brand's image for product quality and service quality?

4) Does a consumer's inclination to reward brand social responsibility image moderate the relationship between brand social responsibility image and a) attitude-based brand loyalty and b) behavior-based brand loyalty?

5) Does brand social responsibility image influence attitude-based brand loyalty or behavior-based brand loyalty, or both?

6) Does a brand's product quality image influence attitude-based brand loyalty or behavior-based brand loyalty, or both?

7) Does a brand's service quality image influence attitude-based brand loyalty or behavior-based brand loyalty, or both?

## The Model to be Studied

The model to be tested needs to reflect the objectives of the study. Several well-tested theoretical models were examined

for their adaptability to the present study, most notably those of Ajzen and Fishbein (1980), Fishbein (1967), Howard (1983), and Sheth, Neuman, and Gross (1991). An additional model researched by Brown and Dacin (1997) that appears to be relevant to the present study was also considered.

The three models developed by Ajzen and Fishbein (1980), Fishbein (1967), and Howard (1983), are important to this research because they studied the relationship between attitude and behavior-based surrogates. Models similar to those above were also researched by Cohen, Fishbein, and Ahtola (1972), Rosenburg (1956), Sherif, Sherif, and Nebergall (1965), and many others.

Portions of the Sheth, et al. (1991) model were considered because of their proposed relationships between customer values and market choices. Their basic model includes five different consumption values (functional, emotional, social, epistemic, and conditional) and three different market choices (to buy versus not to buy, the type of product to buy, and the brand to buy). Each of the five consumption values can be considered individually or in any combination, depending on the purposes of the research. From their framework, emotional values encompass this study’s construct of brand social responsibility image, while functional values encompass that of product and service attributes. Of Sheth, et al.’s (1991) three options for choice, their third option, brand to buy, encompasses the dimension of brand loyalty.

The Brown and Dacin model (1997) was considered for the present research because it studies the direct (and indirect effects) of corporate social responsibility on behavior. Interestingly, the authors suggest that positioning on corporate social responsibility image was an alternative to positioning on product quality.

The primary focus of the model proposed in this dissertation is the influence of brand social responsibility image on brand loyalty. Brand loyalty has typically been viewed as either having two dimensions, attitude and behavior, or as the relationship between these two dimensions (Jacoby & Chestnut, 1978). To learn about other factors that could influence the decision, four additional variables were included: 1. consumer social responsibility orientation, 2. inclination to reward social responsibility image, 3. brand image for product quality, and 4. brand image for service quality.

Consumer social responsibility orientation was used to learn of the cognitive importance of social responsibility to quick-service restaurant consumers. Consumers' inclination to reward social responsibility image was studied to determine its influence as a moderator of the relationship between brand social responsibility image and the constructs of product quality, service quality, and brand loyalty.

Finally, it was thought necessary to provide an assessment of the value of brand social responsibility image relative to

other key variables used in the consumer decision process. For this reason, brand image for product quality and service quality were included in the model. The requirements for these additional constructs included, first, that they be important in determining brand loyalty, and second, that they provide a reasonably consistent differentiation between quick-service restaurants (i.e., product and service quality for specific quick-service brands are relatively consistent, increasing the likelihood of valid comparisons between them) (McDowell, 1995). Chaudhuri and Holbrook (2001) noted that brand differentiation (e.g., product and service quality) is not only highly correlated to market share, but that brand loyalty increased the likelihood of greater market share. These constructs also provide a comparative measure for each firm that is more stable than the more abstract image of social responsibility (Keller, 1993).

Therefore, the constructs of interest were:

◆ Consumer Social Responsibility Orientation **(CSRO)**, an exogenous/independent construct comprised of consumers' attitudes related to social responsibility.

◆ Inclination to Reward Brand Social Responsibility Image **(RSRI)**, an independent and moderating construct denoting a consumer's willingness to "reward" a firm based on its social responsibility image.

◆ Brand Social Responsibility Image **(BSRI)**, an independent construct denoting a consumer's perceptions of a brand's image related to social responsibility.

◆ Brand Image for Product Quality **(PQ)**, an independent construct that includes the major variables used in determining a consumer's perception of the quality of product attributes of quick-service restaurants.

◆ Brand Image for Service Quality **(SQ)**, an independent construct that includes the major variables used in determining a consumer's perception of service quality for quick-service restaurants.

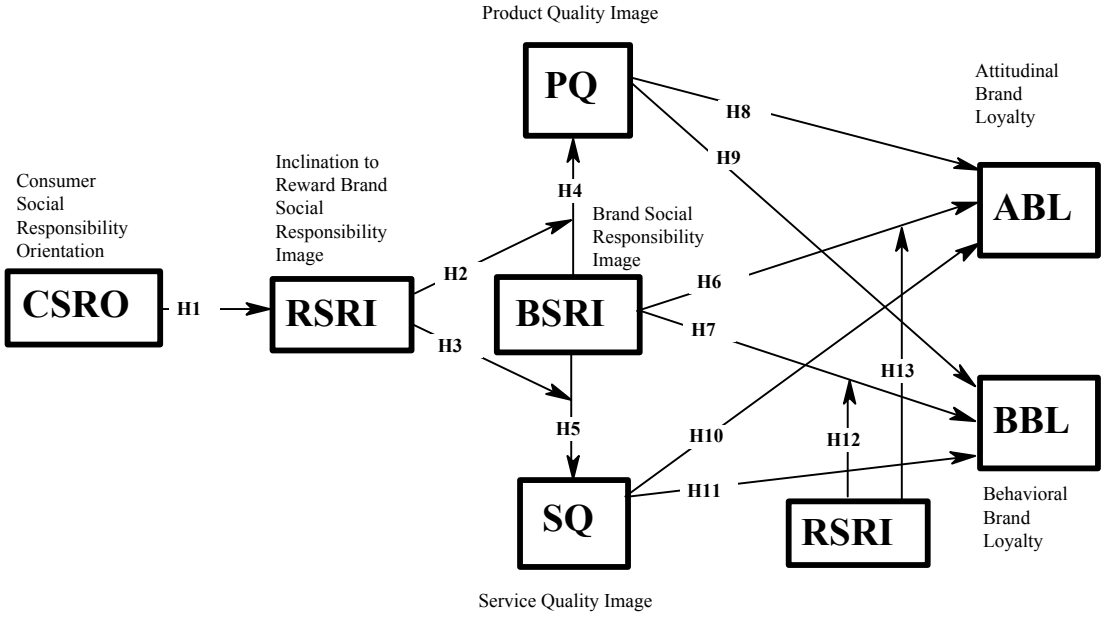
◆ Attitude-based Brand Loyalty **(ABL)**, a dependent variable, measured by consumers' affective/cognitive loyalty toward selected quick-service restaurants.

◆ Behavior-based Brand Loyalty **(BBL)**, a dependent variable, measured by consumers' purchase habits at selected quick-service restaurants.

Hence, the following is the model to be tested in this study (See Figure 1.1).

**Figure 1.1**

**The Influence of Consumer Social Responsibility Orientation and Brand Social Responsibility Image on Brand Loyalty in Quick-Service Restaurants**



## Hypotheses

Empirical and theoretical support for the hypotheses is included in Chapter Two (discussions of the model's constructs). Based on the application of factor analysis in Chapter 4, the number of hypotheses and their order will change.

H1: There is a positive relationship between CSRO and RSRI.

H2: RSRI moderates the relationship between BSRI and PQ.

H3: RSRI moderates the relationship between BSRI and SQ.

H4: There is a positive relationship between BSRI and PQ.

H5: There is a positive relationship between BSRI and SQ.

H6: There is a positive relationship between BSRI and ABL.

H7: There is a positive relationship between BSRI and BBL.

H8: There is a positive relationship between PQ and ABL.

H9: There is a positive relationship between PQ and BBL.

H10: There is a positive relationship between SQ and ABL.

H11: There is a positive relationship between SQ and BBL.

H12: The relationship between BSRI and ABL is moderated by RSRI.

H13: The relationship between BSRI and BBL is moderated by RSRI.

## Contributions of This Research

There has been a relatively limited amount of research focused on the value of a brand's social responsibility efforts. If, as noted in this chapter, social responsibility is a growing consumer concern, then information on this topic could prove helpful to hospitality business decision-makers. The question of the potential influence of social responsibility image on the sales of a convenience product (quick-service restaurant) in the service industry is certainly worthy of research, especially in light of studies that have shown positive influences for other industries.

Additionally, if there is in fact a positive statistically significant relationship between brand social responsibility image and brand loyalty for quick-service restaurants, this may serve to convince operators that social responsibility (in its many manifestations) is an important construct in decision-making. If there is not a statistically significant relationship, then managers considering social responsibility initiatives might focus their efforts inward, perhaps on employees rather than on customers or the general public.

As the world's resources become more scarce, it is important that individuals and businesses take a more proactive role in minimizing their detrimental effects on society. With the decreasing participation of the government in social programs,

research that could motivate restaurant managers to pursue socially responsible strategies would be a socially responsible effort.

## Abbreviations and Definitions of and Major Terms

ABL: attitude-based brand loyalty

BBL: behavior-based brand loyalty

BL: brand loyalty

BSRI: brand social responsibility image

CSP: corporate social performance

CSRO: consumer social responsibility orientation

PQ: product quality (image for product quality)

RSRI: inclination to reward social responsibility image

SQ: service quality (image for service quality)

SR: social responsibility

Brand Image: The business's overall (holistic) image in the minds of patrons.

Corporate Social Performance: "the identification of the domains of an organization's social responsibility, the development of processes to evaluate environmental and stakeholder demands and the implementation of programs to manage social issues" (Thomas & Simerly, 1994, p. 959).

Brand Social Responsibility: An "organization that is 'socially responsible' not only meets its basic obligations and responds to societal demands, but it also actively pursues long-term goals

that are good for society (even though society may not yet be demanding these specific behaviors)" (Pizzolatto and Zeringue (1993, p. 442). A "practice which benefits both society and business" (L'Etang, 1994, p. 111). "The company's philosophy emphasizes viewing philanthropic behaviour as a useful measure of corporate performance." (Goll & Zeitz, 1991, p. 203).

Ethics: A "system of moral principles, rules of conduct recognized in respect to a particular class of human behavior values relating to human conduct, the rightness and wrongness of certain action, and "just" or "right" standards of behavior between parties in a situation" (Fullerton, et al., 1996, p 806).

Values: According to Rokeach (1968) values are considered "to be a type of belief, centrally located within one's total belief system, about how one ought or ought not to behave, or about some end-state of existence worth or not worth attaining. Values are thus abstract ideals, positive or negative, not tied to any specific attitude object or situation, representing a person's beliefs about ideal modes of conduct and ideal terminal goals (also referred to as generalized adjectival and terminal values). Some examples of ideal modes of conduct are to seek truth and beauty, to be clean and orderly, to behave with sincerity, justice, reason, compassion, humility, respect, honor, and loyalty. Some examples of ideal goals or end-states are security, happiness, freedom, equality, ecstasy, fame power, and states of grace and salvation. A person's values, like all beliefs, may be

consciously conceived or unconsciously held, and must be inferred from what a person says or does" (Rokeach, 1968, p. 124).

## Plan of the Dissertation

This dissertation consists of five chapters: 1. Introduction, 2. Literature Review, 3. Research Methods, 4. Results, and 5. Analysis. This first chapter presented the research problem, objectives, questions, hypotheses, and the model for the research. Chapter two consists of background on social responsibility and a review of how the constructs of the proposed model have previously been studied. Chapter three focuses on the research methods selected for this study.

# Chapter Two

## Literature Review

Since the dissertation's model is concerned with the measurement of attitudes, seminal research on this subject was reviewed. Next is a discussion of brand social responsibility research. This includes such topics as the historical view of social responsibility, marketing-related philosophies, definitions, types of social responsibility, its impact on consumers, its incorporation into strategy, and the opposition to social responsibility as a business strategy. This is followed by a review of literature of the constructs of the study's model: brand social responsibility image, consumer social responsibility orientation, inclination to reward social responsibility image, product quality, service quality, attitude-based brand loyalty, and behavior-based brand loyalty.

### Attitude Measurement

The primary purposes of this dissertation are to measure the attitudes of consumers related to social responsibility in quick-service restaurants and to determine the influence of this attitude on brand loyalty. The in-depth study of attitude moves marketers from the overt questions of *why* consumers purchased one product over another, to the more subtle and psycho-social questions of *how* the purchase decision is made (Grapentine, 1997). The understanding of the various components of attitude

that are involved with the purchase decision provides marketers with the foundation for the development of both business-level (major product and market decisions) and functional-level (departmental) strategies (Kotler, 1991; Reich, 1999).

Attitude has been expressed by seminal theorists in quite similar terms:

◆ Attitude is, "a relatively enduring organization of beliefs around an object or situation predisposing one to respond in some preferential manner" (Rokeach, 1968, p. 112). Before consumer attitude toward any particular phenomena can be measured, the consumer must first be aware of the existence of the phenomena, and second, have beliefs about it (Rokeach, 1968).

◆ "Attitudes are enduring and organized structures of social beliefs that predispose individuals to think, feel, perceive, and behave selectively toward referents or cognitive objects" (Kerlinger, 1980, p. 5). Later, he attempted to broaden this definition somewhat by focusing on individuals' orientation to their environment. Attitude (social attitude[1]), he wrote, "expresses the psychological orientation of people to their social environment" (Kerlinger, 1984, p. 1).

◆ "Attitudes refer to the stands the individual upholds and cherishes about objects, issues, persons, groups, or institutions" (Sherif, Sherif, & Nevergall, 1965, p. 4). An

[1] Kerlinger's work on attitude focuses on *social* attitude, rather than attitudes directed inward, such as those related to self, personal traits, or motives.

individual's attitudes can vary not only based on their beliefs, but also based on differences in experience and involvement. These factors are important to attitude formation since an individual with little experience will have minimally substantiated beliefs regarding a particular topic (such as social responsibility), and therefore will be more likely to be noncommittal or neutral.

Closely linked to attitude are values, beliefs, and behavior (Fritzsche, 1995). *Values* are general beliefs concerning what is good or bad, desirable or not desirable, that are shared by societies (Scott & Lamont, 1973). They are not directed toward any specific element, but used to assess a broad range of objects and situations. In other words, values form the foundation for related beliefs and attitudes (Fritzsche, 1995). *Beliefs* are cognitions about the acceptance of something as true/real, false, good or bad. They are the basic unit of people's cognitive structure (Scott & Lamont, 1973). Two or more beliefs related to a phenomena form an individual's attitude toward the phenomena. Since attitudes are predispositions to action, their activation *may* result in *behavior* (Rokeach, 1968; Rosenberg, 1956) (See Figure 2.6 toward the end of this chapter). Sherif, et al. (1965) supported this when they expressed that when events do or do not agree with one's attitude, the behavior that results is highly predictable. Behavior (action) in this instance, is based on the "rational and systematic" (Ajzen and Fishbein, 1980, p. 5) use of

available information, rather than on unconscious motives. That is, in normal dealings with others, humans have a choice of how and whether to act.

## Brand Social Responsibility

Cognitively, social responsibility is a general belief or value that refers to a broad range of normative obligations (Enderle & Tavis, 1998). Examples include, but are not limited to the following: contributing money or time to local charitable organizations, being environmentally conscious, acting ethically toward internal and external stakeholders (Carroll, 1991), and the morality of the actions of individual managers (Enderle & Tavis, 1998; Gustin & Weaver, 1996; Lozano, 1996; Webb, 1996). Most articles on social responsibility appear to refer to corporate social responsibility. Rather than focus on the corporate domain which could include numerous brands, this dissertation focused on the social responsibility of a single brand.

### A Historical View of Societally-Conscious Marketing

Throughout most of history, the term selling was used in place of the process of marketing. Unfortunately, selling has been synonymous with lying, connivery, and treachery (Kotler & Armstrong, 1990). The ancient Roman word for selling was translated as *cheating*. It is interesting to note that both

Plato, in The Republic, and Aristotle, in Politics, viewed the trader (salesperson) as an immoral person, low in social standing, and often physically too weak to be of value for worthwhile professions (Kelley, 1956).

While the study of social responsibility appears to be a relatively recent phenomena, its origins are as old as written history (Pava, 1996). Its first known appearance was in ancient Jewish talmudic law (circa 3,000 to 1,000 BC). The term, "lifnim mishurat hadin," translated as "beyond the letter of the law" (Pava, 1996, p. 941), essentially says that viewing ownership as the sole basis for business dealings is wrong. Modern support for this early philosophy is provided by Clark (Pava, 1996). He stated that, "if men are responsible for the known results of their actions, business responsibilities must include the known results of business dealings, whether or not these have been recognized by law or not" (Pava, 1996, p. 223).

**Marketing Management Philosophies and Social Responsibility**. Authors of most basic marketing textbooks propose that marketing has progressed through various stages or marketing management philosophies (Kotler & Armstrong, 1990; McCarthy & Perreault, 1993), the culmination of which is a focus on societal needs. Each of these stages are philosophical and/or operational concepts used by managers to further the business's objectives (Houston, 1986). Some authors refer to these as eras rather than philosophical options (Pride & Ferrell, 1993). While the lists of

these concepts may vary slightly, the following are characteristic of most authors' writings (Kotler & Armstrong, 1990; Lamb, Hair, & McDaniel, 1994; McCarthy & Perreault, 1993):

- production concept - Make as much of a product as possible, because you can sell all you make.
- selling concept - People will only buy products if they are heavily promoted.
- product concept - People will buy the highest quality product within their price range.
- marketing concept - Businesses should offer products that satisfy specific customer demands and are equal to or better than the competition (or priced less than a superior competitor's product offering). The first apparent use of the term *marketing concept* in management writings was by Peter Drucker (1954). Its first use in marketing writings was in 1960 by R. J. Keith (Houston, 1986) and in the same year by Eugene McCarthy (Rayburn, Cooke, & Abercrombie, 1985).
- societal marketing concept - This term encompasses the marketing concept with the addition of: in a manner that either benefits or does no harm to society (people or the environment). The societal marketing concept was an outgrowth of consumerism, partially motivated by the idea that managers must often satisfy not only their direct customers, but also other constituents in their markets

(Rayburn, et al., 1985). According to Rayburn, et al., (1985), the first mention of this concept was in 1978 by Stanton.

## General Perspective of Social Responsibility

In addition to the financial responsibility managers have for their firms, there are also social responsibilities that must be met (Pava, 1996). These social responsibility issues may be directly tied to managerial decisions, such as the serving of safe food, or indirectly, such as strengthening a community by providing funds for charitable organizations. A driving force behind the support of social responsibility in business is the fact that: 1) laws cannot cover every possible future contingency (e.g., a technological advancement that provides opportunities for both the honest and dishonest, or a newly discovered food bacteria that can only be killed by the use of chemicals that are not mandated by current sanitation regulations); 2) new laws cannot be passed quickly enough to protect the public from the ill effects of future societal ills; and 3) a substantial information and knowledge gap exists between managers and legislators, giving the manager greater lead time to deal with any potentially detrimental issue (Lozano, 1996; Pava, 1996).

While it is hoped that business managers will take proactive and altruistic approaches in their social responsibility strategies, many companies are actually utilizing them in immoral

ways (L'Etang, 1994). Rather than attempting to do what is good and primarily for the benefit of society, many firms are either reactive in responding to societal pressures or are simply adopting them for public relations purposes. The danger with this approach is that when the public is no longer concerned with the issue, the firm may discontinue acting in a socially responsible manner or worse go back to activities that may harm society. An additional concern is that a firm could communicate that it is acting in a socially responsible manner, when it is doing otherwise (Robertson & Nicholson, 1996).

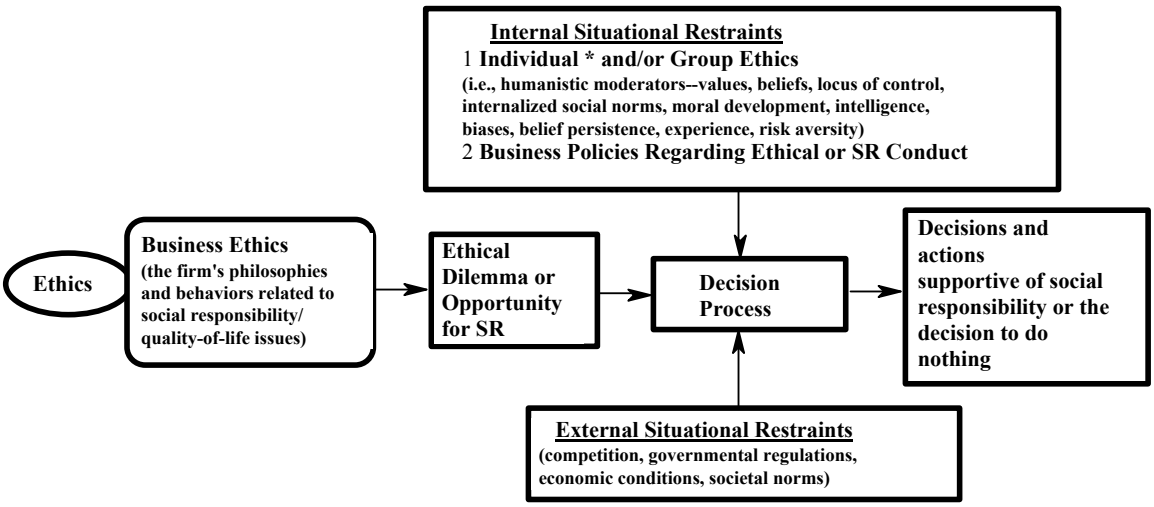
## Problems in Defining Brand Social Responsibility

The exact contextual boundaries of a business's social responsibility (SR) efforts appear to be unclear. Robertson and Nicholson (1996) use SR to describe relations with the firm's environment, as opposed to an internal orientation (e.g., operations, human resources, or stockholders). Goll and Zeitz (1991) and Robertson and Nicholson (1996) similarly expressed that social responsibility focused on external groups. In contrast, Kraft and Singhapakdi (1991) and Dutton (1997) used SR to refer to actions concerning both internal and external groups (i.e., toward employees and external stakeholders). Dutton (1997) found that internal and external social responsibility produced mutual benefits. As firms became more responsible toward employees, this in turn improved the firms' image for social

responsibility, which helped the firm attract better employees. Sirgy (1996), rather than focusing on the term corporate social responsibility, uses *quality-of-life* (QOL), "a construct of societal development" (Sirgy, 1996, p. 241), to describe SR-related actions of the firm toward both consumers and others affected by the firm's marketing decisions.

Social responsibility is also clearly related to *ethics*, specifically the ethical philosophies of a firm's managers and the ethical treatment of a firm's stakeholders (Litz, 1996). Kraft and Singhapakdi (1991), Poitras (1994), and Strong and Meyer (1992) use ethics and social responsibility as synonyms. Lozano (1996) uses *business ethics* as a term superordinate to *corporate responsibility*. Carroll (1991) posited that social responsibility was a multi-dimensional construct that should include the major responsibilities of business managers. These dimensions included: economic, legal, ethical and philanthropic activities. Under this concept, social responsibility is superordinate to ethics. Based on its treatment by researchers, social responsibility can be utilized in a number of different contexts depending on how the term is defined. Figure 2.1 details the relationship between some of the above terms in a process model.

**Figure 2.1** **Social Responsibility Decision Process and its Terminological Basis**




* Individual ethics may be exercised without input from other organizational members. This could arise in one or more of the following situations: the manager is authoritative, the decision making process is highly centralized, when a true simple organizational structure exists, or when the decision is routine or of minimal magnitude.

In group dynamics, individual ethics may be:
• an intervening variable in the case of a democratic top manager who takes some degree of a leadership role in the organization's ethical conduct or allows others to manage the organization's ethical behavior

• a moderating variable when the top manager allows subordinate managers and/or employees to make most of their own ethically-related decisions, as long as they support the organization's mission.

Adapted from: Brady, F. N., & Hatch, M. J. (1992). General causal models in business ethics: An essay on colliding research traditions. Journal of Business Ethics, 11, p. 308. Strong, K. C., & Meyer, G. D. (1992). An integrative descriptive model of ehtical decision making. Journal of Business Ethics, 11, p. 90.

## Brand Social Responsibility Defined

The concept of Social Responsibility in businesses (corporate or brand social responsibility), though widely discussed in the general business literature, is less frequently defined Carroll (1999). The challenge of understanding the term is to understand the context in which it is used. That is, while

the concept of social responsibility is relatively easily understood, an operational definition must be developed for specific circumstances (Jacoby & Chestnut, 1978). For example, conceptually, social responsibility refers to being considerate of the needs of others, even when this action consumes resources (Pava, 1996). Operationally, brand social responsibility could be defined as customers' perceptions of the firm's efforts at helping its community, or it could be based on factual data (e.g., percentage of profit set aside for socially responsible activities, average hours of volunteerism by employees, etc.). The following definitions or references to social responsibility have been reviewed in an attempt to conceptually understand the term and to provide information for operationalizing the concept for this research. While authors have not always provided explicit definitions, they have at the minimum, ascribed general meanings to the term (authors are listed alphabetically):

- Angelidis and Ibrahim (1993, p. 8) defined corporate social responsibility as “corporate social action whose purpose is to satisfy social needs.”
- Beliveau, Cottrill, and O’Neill (1994) used the term corporate social responsiveness as a synonym for corporate social responsibility.
- Brown and Dacin (1997) did not define corporate social responsibility directly, but wrote the following: “there is

increasing attention directed at strategies designed to showcase CSR. For example, some companies focus on environmental friendliness, commitment to diversity in hiring and promoting, community involvement, sponsorship of cultural activities, or corporate philanthropy" (Brown & Dacin, 1997, p. 70).

- Brown and Perry (1995, p. 199) defined corporate social performance as "a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs and observable outcomes as they relate to the firm's societal relationships."
- Carroll (1991) in an article focusing on identifying the constructs of social responsibility, referred to the corporate social performance concept with the same dimensions included in the Brown and Perry (1995) article. The author also wrote that the two concepts are essentially the same, with the exception that one is slightly more performance oriented.
- In an article focused on the history of corporate social responsibility, Carroll (1999) researched the concept and various definitions. The author described a socially responsible firm as "one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation" (Carroll, 1999, p. 4).

◆ Enderle and Tavis (1998) attempt to develop an updated conceptualization of the study of ethics through a more definitive explanation of corporate responsibility. They provide three responsibilities for the firm: economic (e.g., taking care of stakeholders), social (e.g., engage in cultural activities), and environmental (e.g., consume fewer resources). For each of these responsibilities, there are three different levels of performance: first, “basic ethical norms” (e.g., do not kill, cheat, rob, or exploit stakeholders); second, “positive obligations beyond the minimum,” doing good as necessary to maintain confidence and trust in the firm (a reactive stance); and third, being “moral actors--individuals as well as companies--are characterized by aspiring to ethical ideals, if they are to overcome purely re-active behavior and take a pro-active stance” (p. 1135). Under this premise, a firm must act responsibly, according to societal norms in the three areas. Beyond this, it can choose its level of responsibility, acting either reactively or proactively.

◆ Etzioni (1990) referred to social responsibility in the following: social responsibility “assumes that people have a dual nature; while they do have self-serving desires, they do not pursue them mindlessly. Instead, an individual’s ‘judging self’ examines desires and evaluates them according to several criteria, the most important of which are moral and social values” (p. 32). Self-serving, here, refers to the economics

component, whereas the judging self includes the social component.

- Goll and Zeitz (1991) in a questionnaire identifying various aspects of corporate ideology, measured the social responsibility construct with the following items:
  - "Top management believes and values monitoring new opportunities which can enhance the company's ability to solve social problems"
  - "The corporation believes in performing in a manner consistent with the philanthropic and charitable expectations of society"
  - "The company's philosophy emphasizes viewing philanthropic behavior as a useful measure of corporate performance" (p. 203).
- Helms & Hutchins (1992) provided a multi-discipline definition. "Ethics are defined as the study of standards of conduct and moral judgment; the system or code of morals of a particular philosopher, religion, group or profession; or the branch of philosophy dealing with values relating to human contact with respect to the right and wrong of certain actions and to the goodness and badness of the motives and ends of such actions" (p. 39).
- Hunt and Kiecker (1990) in their research of relevant literature found that business ethics and social responsibility were generally considered as synonyms. They personally did not

agree with this practice and felt that an interpretation expressed by Robin and Reidenbach (1987) was closer to the true meaning of the two terms. Robin and Reidenbach (1987) differentiated between the two concepts, with ethics being the philosophy of moral conduct, and social responsibility a contract between the firm and the society in which it operates.

◆ Logsdon and Yuthas (1997) focused on the ethics and moral development of organizations. The authors do not literally define SR, but express what it includes in the following, “By virtue of their position of power and authority over organizational members, resources, and processes, top managers hold the primary responsibility for interpreting the institutional and organizational aspects of CSR and for embedding them within their organizations” (Logsdon and Yuthas, 1997, p. 1216). They add that just as how an individual’s moral and ethical development can be determined by how he or she treats others, an organization’s moral and ethical development can be determined by how it treats its stakeholders.

◆ Lozano (1996) said that, “corporate responsibility...can be summed up as the recognition that organizations have certain obligations to society and that these can be more important than their economic operations” (p. 229).

◆ Pava (1996) defined social responsibility in an article comparing the classical and pro-social views of the topic. “The core belief is that business managers, even in their role as

managers, have responsibilities to society beyond profit maximization. Managers, in pursuing their primary goal of increasing shareholder value, have social responsibilities in addition to meeting the minimal requirements of the law" (Pava, 1996, p. 941).

- Pizzolatto and Zeringue (1993) placed Corporate Social Responsibility in a hierarchy of social responsibility-related factors:
  - social obligation - "when an organization meets its economic and legal responsibilities but does not go beyond these, it is meeting its 'social obligation'."
  - socially responsive - "A business behaves in a 'socially responsive' manner when it goes beyond its mere obligation by also willingly reacting to societal requests and demands."
  - social responsibility - "an organization that is 'socially responsible' not only meets its basic obligations and responds to societal demands, but it also actively pursues long-term goals that are good for society (even though society may not yet be demanding these specific behaviors)" (p. 442)
- Woods (1991) described Corporate Social Performance (the results of socially responsible activities) as "a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies,

programs, and observable outcomes as they relate to the firm's societal relationships" (p. 691).

As seen from the foregoing, the definitions of both social responsibility and ethics vary only slightly, depending on the purpose, perspective, or philosophical orientation of those involved. Where ethics focuses heavily on the moral aspects of a decision including that of cognition, judgment, and moral development, social responsibility appears to focus on the direct and indirect impact of those decisions on others (i.e., the tangible actions of the firm). Based on the above, social responsibility can be viewed as the visible manifestation of a firm's ethics and is related to actions that seek to improve the environment and the quality-of-life of people and other living things. Brand social responsibility image would therefore be based on the perception of a firm's socially responsible actions by designated sample/stakeholder groups.

## A Trend or A Fad?

Social responsibility can be viewed from various perspectives, including the size of its impact on the firm, the timing or immediacy of impact, and whether it is a growing trend with some degree of permanence or simply a fad that will soon fade from memory (Pearce & Robinson, 1991; Yesawich, 1984). The issue of business social responsibility by nature of the wealth of recent non-hospitality research surrounding it is an important

trend of the past several decades, one that modern business managers must learn to deal with (McMillan, 1996).

Having been empirically shown to result in financial gains, its significance to business is more than just a popular social issue (Pava & Krausz, 1996). In a summary of 21 empirical studies by Pava and Krausz (1996), twelve showed a positive correlation between social responsibility and various measures of financial performance, eight showed neither a negative or positive correlation, and only one of the studies showed a negative relationship. One possible reason for the ambiguity is that the measurement of social responsibility was "inconsistent, and sometimes questionable" (Maignan & Ferrell, 1999, p. 8). One survey showed that 77 percent of Americans' purchase decisions are affected by a firm's reputation for social responsibility (Pizzolatto & Zeringue, 1993), another said that 82 percent would pay more for products that were environmentally friendly (Gustin & Weaver, 1996). Vitell, Lumpkin, and Rawwas (1991) found that an individual's ethical orientation was a significant predictor of their consumer beliefs.

In a study of financial performance and social responsibility, Wokutch and Spencer (1987) developed a two by two matrix (compliance with laws and philanthropic activities). The quadrants consisted of 1. Philanthropy/legal compliance, termed Saints; 2. No Philanthropy/legal compliance, termed Pharisees; 3. No Philanthropy/no legal compliance, termed Sinners; and 4.

Philanthropy/no legal compliance, termed cynics/repenters. Over a five-year period, Saints and Repenters had the best financial performance (i.e., giving is good for both ethical and unethical firms). The worst financial performance was observed for the Sinners, firms with both a poor SR record and no contributions.

Conversely, Aupperle, Carroll, and Hatfield (1985) found that firms that are socially responsible may be at a less than favorable financial position relative to firms that do not emphasize such expenditures. Though general research on the subject is not unequivocal in its endorsement of social responsibility, it appears to be weighted in favor of firms that actively pursue it.

## Levels of Social Concern: What Constitutes Social Responsibility?

Is serving healthful food or providing a clean room in a hotel being socially responsible or simply a societal or even legal obligation? Is recycling being socially responsible or just being responsive to the public's demand for environmental stewardship? Pizzolatto and Zeringue (1993) proposed that there are three levels of corporate social concern: social obligation, social responsiveness, and social responsibility, each successively more assertive in their actions. If a business is obeying laws related to the health and safety of society, it is abiding by its *social obligation*. From national laws imposed by the Environmental Protection Agency to state and local statutes,

firms must be aware of applicable laws so that they do not break them. Something that is happening with increasing frequency is that actions that were once legal are now becoming illegal. For example, in some cities, the burning of wood or charcoal has been banned or limited.

Though there are few laws that require hospitality or other firms to dispose of nontoxic materials in a certain fashion, many firms have done so because the public expects it. This, according to Pizzolatto and Zeringue (1993) is *social responsiveness*. Whether through recycling, waste reduction, or the use of environmentally-friendly products, firms are satisfying their stakeholders. Some, of course, are doing this because of public demand, while others are more concerned about its impact on profitability (Carroll, 1999).

Beyond meeting the demands of customers and other publics is the concept that a business should seek out areas in its society (or the world) that need help--*social responsibility*. This is probably one of McDonald's strengths. It is assumed that their Ronald McDonald Houses have improved the lives of many families with ill children. But they have also improved the image of its namesake business (its brand). Likewise, Walmart has been recognized for their social responsibility because of their broad-based efforts, including public recycling bins, adopt-a-highway, adopt-a-beach, tree planting and community cleanup and beautification (Pizzolatto and Zeringue, 1993). The authors

conclude with a typology created by Ryuzaburo Kaku, chairman of Canon, Inc. He said that, “corporations work to achieve different goals, and their actions generally reflect one of four philosophies: (1) Pure capitalism in which a corporations’ main goal is to achieve wealth; (2) A common destiny shared by management and labor--in which management and workers work as equals; (3) A common destiny shared by the corporation and the whole community--in which corporations commit themselves to the wealth of their whole community or even nation; and (4) A common destiny shared by the corporation and the whole of humankind in which the corporations work for coexistence with the whole of humankind and is borderless in its thinking” (Pizzolatto and Zeringue, 1993, p. 446).

## Types of Brand Social Responsibility

Brand Social Responsibility can be exercised in various forms, but primarily through the activities of being environmentally friendly, assisting with charitable/philanthropic activities, and interacting in an ethical manner with local, national, and world communities, customers, and employees (Brown & Dacin, 1997; McMillan, 1996; Pinkston & Carroll, 1996; Robertson and Nicholson, 1996). Being environmentally responsible could include recycling, waste reduction, and other efforts to minimize the business's impact on the environment (Gustin & Weaver, 1996; Lozano, 1996). Charitable efforts include

participation by donating money, food and beverages, facilities, personal time, or the use of one's business or personal name (Webb, 1996). These activities are often grouped under the title of cause-related-marketing (Brown & Dacin, 1997).

In an article focusing on Xerox and the Calvert Group (an investment firm) Dutton (1997) found that firms were turning their social responsibility and philanthropy inward towards employees by giving them paid time off to volunteer for their favorite charities. She said that buzzwords like "ethics, honesty, truth and trust are nice sentiments, but they don't mean a thing unless they permeate the organization" (p. 19). Socially responsible and ethical management encompasses activities such as diversity in hiring practices and employee relations (e.g., an enjoyable place to work/high moral, fair pay, and equal treatment and opportunity for employees) (Brown & Dacin, 1997; Kraft & Singhapakdi, 1991; Lozano, 1996).

Bowie (1991) recommended that there be reciprocal responsibilities among the corporation's stakeholders. The concept being that if each supports the other, all will be stronger for it. Under the concept of ethics, Sirgy (1996) added the importance of providing customers with the highest quality product possible relative to the concept [A product that "facilitates a healthful focal behavior" (p. 243)].

## The Impact of Social Responsibility on Consumers

The question of how Brand Social Responsibility affects product evaluation was studied by Brown and Dacin (1997). Their research focused on differences between the impact of Corporate Social Responsibility (CSR) and Corporate Ability (CA) associations ("associations related to the company's expertise in producing and delivering its outputs" p. 69). In their first study, hypothetical scenarios were analyzed by students. The results showed that corporate ability associations had a significant affect on product evaluations by influencing perceptions of product attributes and the holistic/overall image of the firm. The authors felt that social responsibility did not impact product attributes directly, but rather did so indirectly by impacting the firm's holistic image. Brown and Dacin's (1997) second study replicated the first, except with actual companies. The major change from the first study was that Product Social Responsibility became a significant predictor of Product Evaluation.

## Brand Social Responsibility and Strategy

Managers' perceptions of internal and environmental situational factors will vary according to their personal schemas (Ireland, Hitt, Bettis, & De Porras, 1987) and the competitive perspective with which they view the marketplace (e.g., comparison with direct competitors or industry success factors, or with the firm's historical performance) (Tse, 1988). Because

of this phenomena, the brand social performance of a firm will vary according to the perception of its importance by managers responsible for its related planning and implementational activities.

Thomas and Simerly (1994) found variations in perceptions based on differences in functional experience. For example, firms led by managers with backgrounds in marketing and sales (output tasks) had a higher corporate social performance than did those with backgrounds in production or engineering (throughput tasks). Here, the functional experiences that fostered the development of each of these managers' values, influenced their psychological need to act (or not act) in a socially responsible manner.

Robertson and Nicholson (1996) found a three level hierarchy of social responsibility policy. First is the intent to act in a socially responsible manner as seen in corporate rhetoric such as in mission statements or corporate policies. Though there are many mission statements that include statements of social responsibility (Campbell & Yeung, 1991), Thompson and Hood (1993) found that only 12 percent of firms had specific social responsibility-related policies. Second is the implementation of social responsibility activities. Third is both the implementation and monitoring of the social responsibility endeavors. As learned in strategic planning, without setting objectives and controlling (monitoring, measuring, and

correcting) strategies, both effectiveness and efficiency are sacrificed (Olsen, Tse, & West, 1992).

## The Means-End Chain and Social Responsibility

The focus of this dissertation is on social responsibility, an emotional value or construct that is extrinsic, rather than intrinsic, to the product that is actually purchased (Sheth, Newman, & Gross, 1991; Zeithaml, 1988). The means-end chain model offers a vehicle to help understand and explain the role of social responsibility in consumer behavior. The means-end chain is designed to model the cognitive structure of the mind based on successively higher levels of abstraction, with attributes (concrete and abstract) being the lowest, followed by consequences (functional and psycho-social), and values (instrumental and terminal) (Gutman, 1982; Reynolds & Gutman, 1984) (See Figures 2.2 and 2.3). The means-end chain model helps to clarify the consumer's motivations for purchasing a product. The motivations begin with the actual product itself (food) and its quality and proceeds to the physical and psychological consequences related to consumption, and finally to the possible values associated with the consumption experience (e.g., social responsibility). Gutman (1997) noted that the means-end chain uncovers goals other than what was intended by the initial action. In other words, the focus of the means-end chain is to

uncover not only *what* the consumer wants, but *why* he or she wants it (Pieters, Baumgartner, Allen, 1995).

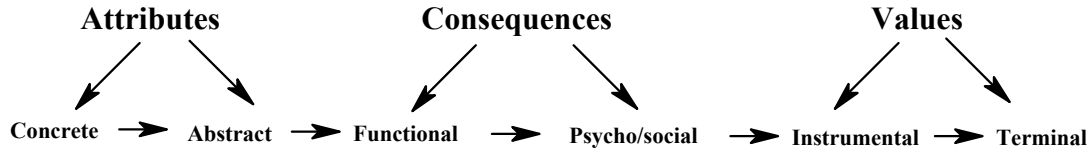
**Figure 2.2**

**Means-End Chain**

- Concrete Attributes: Highly objective, concrete aspects of the product, such as weight or size, serving and preparation methods, and cost.
- Abstract Attributes: Intangible aspects of the product such as quality, taste, appearance, and so forth.
- Functional Consequences: Consequences flow from the consumption of the product or service (Valette-Florence & Repacchi, 1991). Functional consequences refer to physical outcomes.
- Psycho-social Consequences: These consequences refer to emotional outcomes from consumption of the product or service.
- Instrumental Values: Modes of behavior that will ultimately lead to the achievement of terminal values (Gutman, 1982). “An instrumental value is therefore defined as a single belief that always takes the following form: “I believe that such-and-such a mode of conduct (for example, honesty, courage) is personally and socially preferable in all situations with respect to all objects” (Rokeach, 1968, p. 160).
- Terminal Values: The ultimate goals a consumer is trying to achieve in their life (Gutman, 1982). While Gutman does provide definitions for two types of values, he does not make a distinction between the two in his model (p. 65). Rokeach (1968) states that terminal values can be expressed in the following form, “I believe that such-and-such an end-state of existence (for example, salvation, a world at peace) is personally and socially worth striving for” (p. 160).

**Figure 2.3**

## The Means-End Chain Model




Adapted from: Gutman, J. (1982). A means-end chain model based on consumer categorization processes. Journal of Marketing , 46(2), 60-72.

### Wendy's Means-End Analysis

| | Product-oriented means-end chain | Image-oriented means-end chain |
|---|---|---|
| **Concrete attributes :** | **Food, Inexpensive, Fast** | **Morality/ethics** |
| **Abstract attributes :** | **Quality** | **Dave (honest, nice guy)** |
| **Functional consequences :** | **Filling, Energy** | **Help Dave help others** |
| **Psycho/social consequences :** | **Not starving** | **I help others** |
| **Instrumental values :** | **Able to function better** | **Compassion** |
| **Terminal values :** | **Recognition for personal performance** | **Social harmony, self respect, sense of accomplishment** |

While the means-end chain is hierarchical, it does not "represent prototypical orientations" (Reynolds & Craddock, 1988, p. 45). That is, not every consumer will utilize every level when

considering a purchase. While some consumers may consider values such as ethics and social responsibility in their decision, others will not. According to the means-end chain, a product is essentially a combination of bundles of customer utilities (Gutman, 1982). The means are the “physical aspects of products” (p. 60), while ends are the desired outcomes or values of the purchase or action.

Gutman wrote that, “The model is based on two fundamental assumptions about consumer behavior: (1) that values, defined here as desirable end-states of existence, play a dominant role in guiding choice patterns, and (2) that people cope with the tremendous diversity of products that are potential satisfiers of their values by grouping them into sets or classes so as to reduce the complexity of choice” (Gutman, 1982, p. 60).

**Gathering Means-End Data**. The interviewing technique, referred to interchangeably as laddering, protocol probing, or hierarchical value mapping (HVM), is the most frequently used method of gathering data for means-end analysis (Gengler, Klenosky, & Mulvey, 1995). The HVM is created based on individual’s responses to a reasonably rigorous series of questions about the attitudes involved in purchase behavior for various types of products. The process encourages respondents to openly discuss the positive consequences and values considered during purchase deliberations (Graeff, 1995).

**Empirical Means-End Chain Studies Related to SR**. The following literature review highlights studies using means-end chain analysis to assess the various levels of customer motivations for social responsibility and related issues.

◆ MEC and Recycling: In an article highly relevant to the study of social responsibility, Bagozzi and Dabholkar (1994) used laddering methods derived from the means-end chain to assess consumers' motives for recycling. One hundred thirty-three consumers were queried by telephone, using a random digit dialing procedure. Examples of lower order goals included reduce waste and save the environment. Intermediary goals included curtail pollution and saving the planet. The ends of the laddering process (values) yielded the following goals: "1. promote health or avoid sickness, 2. achieve life-sustaining ends, and 3. provide for future generations" (Bagozzi and Dabholkar, 1994, p. 313). In addition to the means-end analysis, the researchers found that attitudes and past behavior intervene between goals and intentions.

◆ MEC and Ethics: Pitts, Wong, and Whalen (1991) used a pretest/posttest experimental design to study differences in consumer perception of a seller's prior ethical behavior. After all subjects were given a survey to measure terminal values (pretest), two different treatments were given and a second measurement was taken (posttest). The two treatments consisted of unethical behavior by the firm that *did not* affect the respondent

and unethical behavior by the firm that *did* affect the respondent. The posttest measurement focused on ethical evaluation (consequences), ethical orientation (instrumental values), and on purchase intentions. The results showed statistically significant differences between the two groups. The group that was told that the firm's unethical behavior had affected them were less likely to select this firm in the future.

- MEC and Usage Rate: Federica and Perkins (1992) found that light drinkers of wine tend to view self-satisfaction as the end goal, while heavier users had more complex psychological motivations and had end goals of social interaction. The idea that light users may have different end goals than heavy users could be a consideration in the study of social responsibility in quick-service restaurants. Perhaps social responsibility would play less of a role for light users of quick-service restaurants.
- MEC and Think/Feel Products: Claeys, Swinnen, and Abeele (1995) empirically tested individuals' knowledge structures and found significant differences between think products (rational motivation) and feel products (emotionally motivation). Think and feel are also referred to respectively as informational/transformational.
- MEC and Self-relevant Product Consequences: In a study of 120 customers, Graeff (1997) found that most customer inferences about a product's promotions were about self-relevant product consequences (the customer's attempt to move up the means-end

chain), and that inferences about self-relevant product consequences had a stronger influence on brand attitudes than did inferences about concrete attributes. Therefore, *theoretically*, people that value social responsibility could be influenced by a firm's socially responsible efforts to a greater extent than its ability to satisfy the basic needs supplied by the product. Concurrently, a consumer who values social responsibility and is willing to reward a firm's social responsibility image may have a better perception of a firm's products and services.

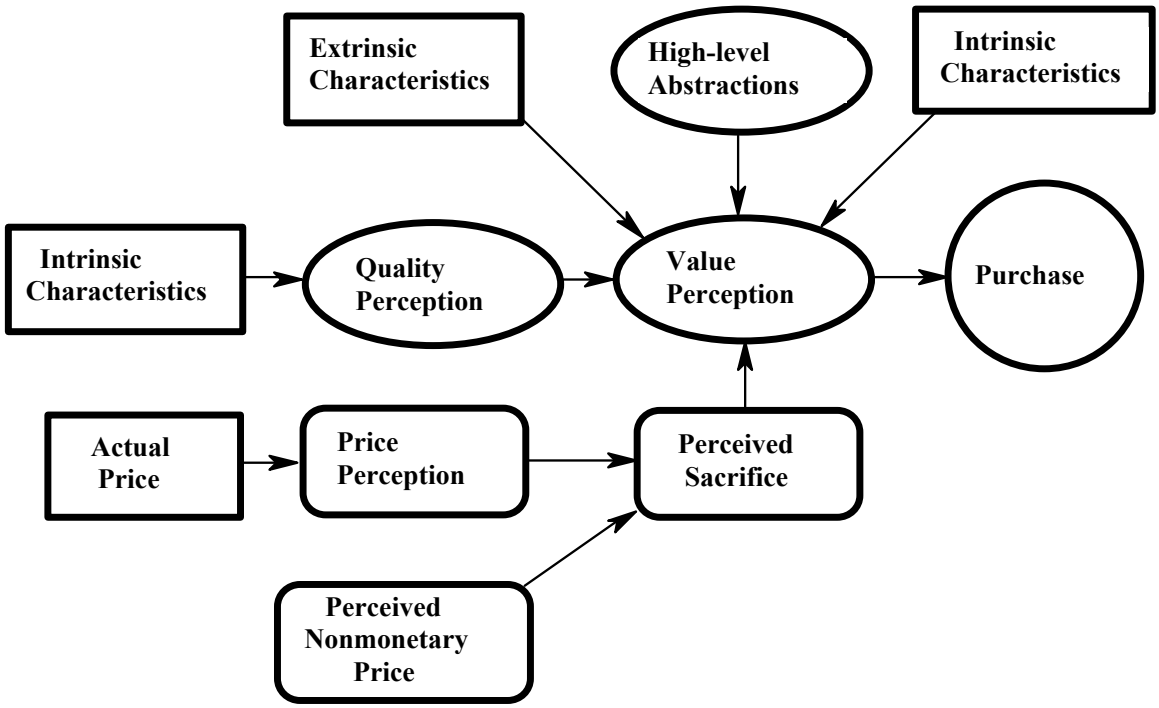
◆ MEC, Quality, and Price: Figure 2.4 is a means-end chain that shows the relationship between price, perceived quality, and perceived value (Zeithaml, 1988). It is an adaptation of a model proposed by Dodds and Monroe. The significance of this model for social responsibility is that an increase in the value of *perceived nonmonetary price* and *higher level abstractions*, can increase both perceived quality and perceived value. Hence, the implications are that higher social responsibility image can lead to perceptions of higher quality and value. Components of the model are defined as follows:

- ❖ objective price is the actual price of the product or service;
- ❖ perceived monetary price is based on the customer's opinion of the objective price, i.e., expensive;
- ❖ perceived nonmonetary price includes time costs, search/energy costs, and psychic costs (how it makes the customer feel);
- ❖ perceived sacrifice is the totality of what is paid, both monetary and nonmonetary price;
- ❖ extrinsic attributes are external such as brand name and level of advertising;

- intrinsic attributes pertain directly to the product or service;
- perceived quality, as opposed to objective or mechanistic quality, is the humanistic or subjective response of an individual to an object;
- perceived value may be interpreted differently by each individual, but is generally a relationship between perceived quality and perceived costs;
- high-level abstractions include the consequence and value components of the means-end chain (i.e., the customer is seeking an emotional payoff).

**Figure 2.4**

**A Means-End Chain Relating Price, Quality, and Value**




Adapted from Zeithaml, C. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. Journal of Marketing , 52, p. 4.

## Opposition to Social Responsibility: The Classical View

While it has been said that “the ethos of business is changing in ways that make it increasingly less at odds with human ethics” (Lloyd, 1990, p. 6) there are still many businesspeople clinging to the philosophy that “the company is a primitive, non-moral species, motivated in the first place by a will to survive and, in the second place, by greed” (Lloyd, 1990, p. 8). Even Levitt (1958) in, “The Dangers of Social Responsibility” expressed the feeling that social responsibility was not compatible with a capitalistic society. Similarly, Friedman (1962; Friedman, 1970), said that the sole responsibility of management is to maximize shareholder value. Friedman and his wife (Friedman & Friedman, 1980) felt that not only is the business manager’s attempt at social responsibility a form of taxation without representation, it is also outside the manager’s area of expertise. The manager and shareholders are better off if those such as the Red Cross, American Cancer Association, and the Salvation Army tend to the ills of society. In support of this classical view was a study focusing on the role of social responsibility in the personal success of managers (Hunt and Kiecker, 1990). The authors found that there were “neither penalties nor rewards” derived from social responsibility efforts (P. 239).

While there are certainly academic arguments to be made for having managers focus on what they do best, if society, as corporate stakeholders, demands (through financial reward) that

firms be good corporate citizens, then this is a skill that should be developed (Litz, 1996; Pava & Krausz, 1996). One of the strongest arguments against this conservative view (also referred to as the orthodox view) of social responsibility was made by Bowie (1991) when he offered that in a free society, people have the responsibility to show their gratitude by helping to make the society stronger. In a survey of 1,227 business executives, 28 percent agreed with the classical view (Pinkston & Carroll, 1996).

## Visibility of Socially Responsible Deeds

A critical aspect of social responsibility is that it will be of more or less importance to businesses based on: the degree of exposure of various functional/operational tasks (e.g., a restaurant with an exhibition kitchen); the business's historical use of social responsibility as a means of public relations, advertising, and other forms of promotion; the desire by its management to act in a socially responsible manner (L'Etang, 1994); and the level of scrutiny of private or public groups with a vested interest in the business's activities (e.g., local governments, racial or ethnic minorities, environmental groups, or unions) (Paul & Lyndenberg, 1992). Since the vast majority of tasks of quick-service restaurants are visible to customers, several of their operational activities related to social responsibility are also visible. These include cooking methods

[such as the amount of deep frying or microwaving of foods], types and freshness of foods used, preparation and storage methods, take-out or delivery packaging, hiring and promoting from diverse groups, cleanliness, sanitation, merchandising efforts for charities, and so forth.

In addition to visible efforts related to social responsibility, there are also activities that are not usually visible to customers. Examples include managers of a firm giving money to a charitable cause, acting internally to protect the environment (using a frying oil that lasts longer or purchasing goods in recyclable containers), or providing employees with benefits (such as, insurance, tuition reimbursement, a safe working environment) beyond those mandated by law (Robertson & Nicholson, 1996).

Because individuals' perceptions vary, attitudes formed based on viewing or hearing a firm's promotion of its socially responsible activities will vary as well (Sherif, et al., 1965). Studies have shown that after listening to the same communication, individuals' responses were grouped in three categories: 1) those changing toward the communicator's point of view; 2) those not changing their attitude; and 3) those changing away from the communicator's point of view. The third category is sometimes referred to as the boomerang effect. For one reason or another, perhaps oversell or going against an individual's frame of reference or personal beliefs or values, the communication

influences some people to believe the opposite of what the communicator intended. The reliability of these response categories is so high that they are often used as measures of communication success (Sherif, et al., 1965).

**Rewards of Non-visible SR Acts**. This dichotomy of visible and non-visible efforts raises the point that a firm can act in a socially responsible manner, but if it does not communicate this to its target customers or to its general public, these activities do not directly affect consumer behavior (L'Etang, 1994; Litz, 1996; Pava & Krausz, 1996). In spite of this loss of external impact, a positive and indirect affect would be possible if the socially responsible activities improved morale or the productivity of employees. This could occur if employees subsequently took better care of customers and proudly told friends and acquaintances who they worked for and possibly about their firm's socially responsible actions.

Related to this issue is the possibility that while a firm may indeed be highly socially responsible, if it does not make its efforts known, it may minimize societal pressure on competing firms to actively pursue socially responsible strategies. If this is true, then publicizing one's firm's socially responsible efforts would not be a wholly self-serving act, but one at least partially premised on motivating others to do the same.

## CONSTRUCTS OF THE MODEL

### Brand Social Responsibility Image (BSRI)

It has been generally established that a firm's social responsibility (SR) has a positive influence on consumer behavior (Creyer & Ross, 1997). Research related to a firm's social responsibility has often centered on the impact of the firm's SR efforts on the firm's financial performance (Aupperle, Carroll, & Hatfield, 1985; Carroll, 1999; Webb, 1996). A question that has been addressed less often is the manner in which social responsibility influences consumer behavior (Beliveau, Cottrill, O'Neill, 1994).

Of note is the finding that very few studies have utilized consumers for the measurement of social responsibility image. Rather than focus on the consumer's image of a firm's social responsibility efforts, many researchers have utilized various expert, performance-based, or managerial measures of SR (Maignan & Ferrell, 2000; Roman, Hayibor, & Agle, 1999; Sharfman, 1996). Frequently utilized expert-based measures of SR include Fortune magazine's annual Survey of Corporate Reputations, and the Kinder, Lydenberg, Domini, & Co. (KLD) index. Fortune magazine's Survey of Corporate Reputations is based on responses from executives, outside directors, and corporate analysts (Beliveau, et al., 1994; Stanwick & Stanwick, 1998). The measurement scale consists of an ordinal ranking of the top ten firms in an industry based on the following eight categories: "financial

soundness, long-term investment value, use of corporate assets, quality of management, innovativeness, quality of products or services, use of corporate talent and community and environmental responsibility" (Beliveau, et al., 1994, p. 735). Performance-based SR measures include the Toxic Release Inventory (TRI) index, the Corporate 500 Directory of Corporate Philanthropy, the Pollution Control Index published by the Council of Economic Priorities, and measures of corporate criminality (Griffen, & Hahon, 1997; Maignan & Ferrell, 2000). Managerial based assessments have tended to measure SR attitudes/perceptions of the firms' managers, rather than the actual practices of the business (Maignan & Ferrell, 2000).

Unfortunately, the justification for this indirect research strategy has rarely been offered. In one study focusing on the relationship between social responsibility effort and financial performance, the justification was offered that outcomes were being sought, rather than image (Ruf & Muralidhar, 1998). An argument could be offered that, while SR outcomes and performance are important to society, it is the *image* of the firm's efforts rather than *actual efforts* that drives sales, profits, and consumer behavior. Consequently, in a study of the relationship between SR efforts and profitability or behavior-based outcomes, a firm's SR outcomes and performance should theoretically be less relevant than consumers' knowledge and image of those outcomes.

One potential challenge with the measurement of social responsibility image is the fact that consumers tend to associate the size of the business with its corporate social performance (Stanwick & Stanwick, 1998). Previously, Simonson (1989) had found that choice decisions were based not only on the strength of attributes viewed as important, but also on segment dominance (termed the *dominance effect*). From the dominance perspective, McDonald's has a considerable advantage in the quick-service restaurant segment. Based on empirical research, Burger King and Wendy's have a significant advantage in the area of goods/food quality (McDowell, 1995).

Hence, McDonald's being the biggest, may by virtue of this fact, be viewed as being more socially responsible than its primary competitors. It could also be viewed as being the most socially responsible based on promotional strategies (Davis, 1994). On one hand, this issue raises a strong challenge for locating or developing a valid BSRI scale for this research. Another view is that since the average consumer will not know everything that a firm actually does regarding SR efforts, it is their *perception* of what the firm does that has the potential to impact consumer behavior (in this case, brand loyalty).

Variables selected by researchers vary from highly focused (limited dimensionality, single or a minimal number of attributes) to broad (increased dimensionality and multiple attributes). Beliveau, et al. (1994) used a single variable to

measure corporate social responsibility. Antil (1984) used 40 variables. Conceptually, these variations are all acceptable as long as construct validity and the purposes of the research are achieved. The following literature review will focus on the various constructs and variables used to measure a business's social responsibility image.

Beliveau, et al. (1994) argued that many of the studies focusing on the relationship between financial performance and corporate social responsiveness (responsibility) had significant problems. Primarily that the models in these studies are "under-specified" (Beliveau, 1994, p. 731). That is, corporate social responsiveness may be driving factors other than simply profit. Three variables were considered in their model; institutional theory (the social interaction of the firm with stakeholders), economic theory (financial performance), and managerial reputation (a component of agency theory). Corporate social responsiveness was measured with a single variable, community and environmental responsibility, taken from a frequently used measure of corporate social responsibility, the Fortune magazine annual survey of corporate reputations. The sample frame consists of executives, outside directors, and security analysts assumed to have knowledge of competing firms (Ruf & Muralidhar, 1998). This variable was selected because of its use in a prior similar study, except that it did not include the variables of institutional theory and managerial reputation. This prior study

had an $R^2$ of .294 (i.e., the model explained about 29% of the variance). Beliveau, et al.'s regression model (with the three previously noted independent variables) had an $R^2$ of .4131. The conclusion was that the addition of factors other than financial performance produced a stronger model.

Brown and Dacin (1997) studied the impact of corporate ability and corporate social responsibility on consumer product responses (primarily, corporate evaluation and product evaluation). The impetus behind their research was to study the differential effect of a company's reputation for producing quality products and its reputation for social responsibility directly on corporate evaluation (an overall opinion of the company) and indirectly on product evaluation (through corporate evaluation). Partial justification for the research was that as consumers make product choices, they will generally do so with some degree of missing information. That is, they do not know everything there is to know about the product. What supplants this void is information about the company's ability to produce a quality product and the company's reputation for social responsibility. For study #1, factor analysis yielded two items for both corporate ability, (technological innovativeness and manufacturing ability) and corporate social responsibility (community involvement and corporate giving to worthy causes). No statistical measures of reliability were provided. Study #2 included three items for each construct. Corporate ability was

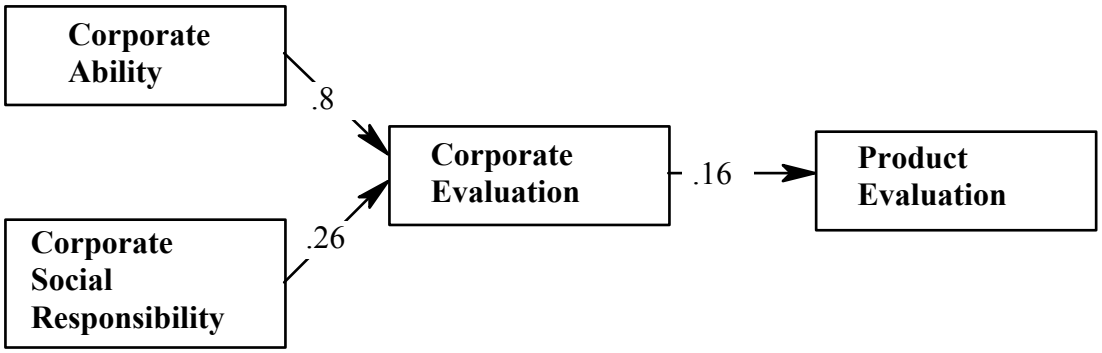
measured with leadership in industry, research and development capability, and progressiveness of company. Corporate social responsibility associations was measured with 1) concern for the environment, 2) involvement in local communities, and 3) corporate giving to worth causes. **(This three-item SR scale was incorporated in the dissertation's measure of brand social responsibility image.)** The sample consisted of university undergraduates. Items were measured on a 7-point semantic differential scale with anchors of *very unfavorable* and *very favorable*.

Three studies were implemented, however only the two described here are applicable to this dissertation. The difference between study number one and two was that the first study utilized hypothetical firms (internal validity) and the second study focused on actual firms (external validity). Figure 2.5 presents their model and the results for study number one. The authors stated that the results for both studies were essentially the same. While the relationship between corporate social responsibility (CSR) and corporate evaluation (CE) was positive (study #1, .26; study #2, .18), its strength was less than that for the relationship between corporate ability and corporate evaluation (study #1, .80; study #2, .41). The decrease in the strength of the relationship between CSR and CE from study #1 to study #2 seems logical based on the study’s research design. In study #1, respondents were provided information on a

hypothetical firm. Since respondents did not have prior knowledge of the firm, there should be no artifact or halo effect. That is, responses should be based on the scenario, rather than prior knowledge. Even though study #2 included a scenario upon which responses were based, the fact that the scenarios were linked to well known companies may have created an artifact effect and perhaps influenced this study's results. This appears acceptable since the purpose of study #2 was to test the model on actual firms. The indirect relationship between CSR and product evaluation was weak, however, it was positive. The authors used the all-inclusive term, product, with no distinguishing between products and services. The positive relationships in the Brown and Dacin (1996) study support this dissertation's hypotheses related to there being a positive relationship between Brand Social Responsibility Image and the consumer's perception of the brand and its products. **H4: There is a positive relationship between BSRI and PQ. H5: There is a positive relationship between BSRI and SQ. H6: There is a positive relationship between BSRI and ABL. H7: There is a positive relationship between BSRI and BBL.**

**Figure 2.5**

**Corporate Social Responsibility and Product Evaluation**




Adapted from Brown, T. J., & Dacin, P. A. (1997). The company and the product: Corporate associations and consumer product responses. *Journal of Marketing, 61*(1), 68-84.

Maignan and Ferrell (1999) studied the antecedents and consequences (benefits) of corporate citizenship. They defined corporate citizenship as “the activities and organizational processes adopted by businesses to meet their social responsibilities” (Maignan & Ferrell, 1999, p. 456). The sample consisted of business decision makers. The authors developed a corporate citizenship scale exclusively for this study. They based this scale on Carroll’s four dimensions of corporate social responsibility (Carroll, 1999).

## Corporate Citizenship

### Economic Citizenship

1. Our business has a procedure in place to respond to every customer complaint.
2. We continually improve the quality of our products.
3. We use customer satisfaction as an indicator of our business performance.
4. We have been successful at maximizing our profits.
5. We strive to lower our operating costs.
6. We closely monitor employees' productivity.
7. Top management establishes long-term strategies for our business.

### Legal Citizenship

1. Managers are informed about relevant environmental was.
2. All our products meet legal standards.
3. Our contractual obligations are always honored.
4. The managers of this organization try to comply with the law.
5. Our company seeks to comply with all laws regulating hiring and employee benefits.
6. We have programs that encourage the diversity of our workforce (in terms of age, gender, or race).
7. Internal policies prevent discrimination I employees' compensation and promotion.

### Ethical Citizenship

1. Our business has a comprehensive code of conduct.
2. Members of our organization follow professional standards.
3. Top managers monitor the potential negative impacts of our activities on our community.
4. We are recognized as a trustworthy company.
5. Fairness toward coworkers and business partners is an integral part of our employee evaluation process.
6. A confidential procedure is in place for employees to report any misconduct at work (such as stealing or sexual harassment).
7. Our salespersons and employees are required to provide full and accurate information to all customers.

### Discretionary Citizenship

1. The salaries offered by our company are higher than industry averages.
2. Our business supports employees who acquire additional education.

3. Our business encourages employees to join civic organizations that support our community.
4. Flexible company policies enable employees to better coordinate work and personal life.
5. Our business gives adequate contributions to charities.
6. A program is in place to reduce the amount of energy and materials wasted in our business.
7. We encourage partnerships with local businesses and schools.
8. Our business supports local sports and cultural activities.

The hypotheses of interest are H5--The more proactive the corporate citizenship, the greater the customer loyalty, and H8--The greater the customer loyalty, the greater the business performance (success). Two separate samples were tested. Hypothesis 5 was supported at $p < .01$ for each sample with loadings of .25 and .23 (LISREL). Hypothesis 8 was supported in sample number 2 with $p < .01$ at .43. Sample number 1 for this hypothesis was not supported (.03, p not significant). The authors did not provide justification for this disparity, but went on to assume that there was in fact a positive relationship between customer loyalty and business performance. One can only assume that the authors took this stance based on the results from sample number 2 and prior research that was cited to support H8.

In a related study, Lerner and Fryxell (1994) studied the relationship between various CEO orientations (customer, community, stockholder, government and employees) and their actions in addressing these groups' expectations. The results of their research has minimal applicability to the current study, however their efforts at scale development are of interest.

Through a panel of judges and principle component analysis, the authors developed a scale for community involvement. Their scale is presented because of its apparent rigorous development, acceptable factor loadings, and because it was designed to measure social responsibility orientation of the business. The scale and factor loadings follow:

**CEO Community Orientation**

1. Financially support charitable and philanthropic activities (.82)
2. Support the arts and cultural activities (.81)
3. Financially support colleges and universities (.74)
4. Respond to requests for support from social service agencies (.63)

In a summarization of the work of Walker Research, Gildea (1994) reported that if products are equal, 47 percent of consumers would buy from the firm with the best social record. In a different question, of the 75 percent that refused to repatronize a firm, the reason in 53 percent of the cases was poor service. (Depending on the breadth one applies to the definition of social responsibility, poor service could be construed as not acting in a socially responsible manner toward consumers.) Though no information was provided related to research methods (scale development, reliability, validity, etc.) the logic and extent of the items selected for the study merit

noting in this literature review. The challenge to using this scale for the present study (in addition to the aforementioned statistical problems) is that consumers may not have the knowledge necessary to provide valid responses to several of the items. Social responsibility was measured with the following items:

**Corporate Social Responsibility Image**

1) Makes products that are safe
2) Does not pollute air or water
3) Obeys the law in all aspects of business
4) Promotes honest/ethical employee behavior
5) Commits to safe workplace
6) Does not use misleading or deceptive advertising
7) Stated policy banning discrimination
8) Environmentally friendly packaging/containers
9) Protects employees against sexual harassment
10) Recycling program within company
11) No past record of questionable activity
12) Responds quickly to customer problems
13) Waste reduction program within the company
14) Provides/pay portion of medial coverage
15) Energy conservation program within company
16) Placement assistance for displaced workers
17) Gives money to charitable/educational causes
18) Only biodegradable/recyclable materials
19) Friendly/courteous employees
20) Continually tries to improve quality

## Consumer Social Responsibility Orientation (CSRO)

## and

## Inclination to Reward Brand Social Responsibility Image (RSRI)

The number of Americans considered to be socially conscious varies depending on the source of the data. A Gallop poll showed that 75 percent of Americans thought of themselves as environmentalists (Osterhus, 1997). Another researcher suggests that the size of this market could be up to 20 percent of all consumers (Ottman, 1992). The actual answer would depend upon the chosen sample and the measurement scales used to obtain these data. Whether the true figure is closer to 75 or to 20 percent, consumers with moderate to high levels of social responsibility orientation (also referred to as pro-social consumers, environmentalists, or green consumers) appear to be a sizable market for business.

The justification for studying consumers' ethical/socially responsibility predispositions is that for the socially responsible actions of the brand to have an impact on the consumer, the consumer must have some affinity for (positive attitude/loyalty toward) the brand's actions (Fullerton, Kerch, & Dodge, 1996). Without such an attitude, the likelihood that the brand's SR actions would influence consumer behavior would be minimized.

According to Stephenson, Galbraith, and Grimm (1995) many studies have shown that individuals consider themselves to be

more ethical/socially responsible than their peers. This finding supports the perception that self ratings of ethical behavior are higher than ratings of the same individuals based on the opinions of others. Since it would be quite difficult to design a research study based on the perception of respondents by those who know them, then continue the data collection with the respondents whose ethical orientation was just measured (by those who know them), another measurement device must be sought. With rare exceptions, the vast majority of ethics-related research reviewed for this dissertation utilized scenarios focused on the actions of others as the predominant means of measuring an individual's ethical predispositions.

Whalen, Pitts, and Wong (1991) suggested that consumer's ethical expectations and judgments form the criteria for behavior-based decisions just as more traditionally research factors, such as product quality, price, value and so forth. These authors considered a consumer's ethical orientation as the "baseline" from which evaluations of ethical situations would occur. Also of interest in their research is the concept of the degree of impact of the ethical/unethical action on the consumer. This phenomena was researched through *vicarious* and *personal* ethical issues. Vicarious ethical issues are those that do not affect the consumer, the opposite of personal ethical issues.

Whalen, et al. created a model showing the relationships between personal predispositions (ethical orientation and locus

of control), ethical evaluative criteria, and outcomes. This study used a single item scale to measure consumer ethical orientation: "It is impossible to conduct profitable business in this country and follow strict ethical standards." The item was measured with a 5-point Likert scale. As with any univariate scale, understanding is sacrificed for parsimony. Likewise, purchase intention was also measured with a single item: "Would you still patronize this company in your neighborhood?" Since the study focused on hypothetical firms and situations, scenarios were provided and followed by a scale to measure the ethicality of a firm’s actions. The items included in the scale follow (a 7-point Likert scale was used):

**Corporate Ethicality**

1. Do actions violate the law?
2. Do actions violate any moral obligation?
3. Do actions violate any special obligations stemming from the type of marketing organization in question?
4. Do actions infringe on the inalienable rights of the consumer?

This dissertation studied the overall ethical/social responsibility image of a brand, rather than the image of ethics based on a specific action. Therefore, even though this ethical evaluation scale (in the context of a scenario or situation specific situation) was not likely to be included in the dissertation's scale, its close relationship to a construct proposed in this dissertation’s model merits its inclusion. The correlation between ethical evaluation (reverse scored) and

purchase intention was -.45 ($p < .01$). The relationship between a consumers' ethical orientation and purchase intention was a -.07. The insignificance of this relationship is logical because without knowledge of the firm's ethics, purchase intention cannot be validly measured. The model did not attempt to measure the indirect impact of ethical orientation on purchase intention with ethical evaluation as a mediating/intervening variable.

Curren and Harich (1996) studied the ethical predispositions of students and faculty for colleges of business versus humanities. Two scales, one for ethics and one for social responsibility, were used, both of which were developed by Clark in 1966. The scales were measured with 5-point scales, from definitely approve (1) to definitely disapprove (5). They were referred to as scenarios, but only the summaries were provided. No reliability coefficients were provided.

**Personal Ethics Scale**

1. Price fixing of heavy electrical equipment products
2. Following superior's orders even if they seem unethical
3. Use of insider information for quick gain to avoid personal bankruptcy
4. Setting back speedometers on automobiles, other extravagant claims to make sale
5. Lowball bidding in construction and making margin by using inferior materials
6. Outside sales people padding expense account
7. Promotion of less capable person because (s)he is relative of biggest customer
8. Biased favorable newspaper coverage of firm that sold defective goods and refused exchanges, but advertises heavily in paper
9. Auditor's report concealing bribe to union officials given to avoid going out of business

10. Pirating competitor’s employee to learn trade secrets
11. Recommending bad investments to client because brokerage firm has heavy inventory in these bonds

**Social Responsibility Scale**

1. Price fixing of heavy electrical equipment products
2. Refusal to exert economic pressure in a foreign country to ease racial tension
3. In face of layoffs, discharge older, more highly paid employees
4. Hiring underprivileged at substandard wages to make profit
5. Selling restricted foreign goods through Canadian subsidiary to avoid government boycott
6. Corporate contributions to colleges without stockholder approval
7. Refuse to allow inexperienced foreign students apprenticeship in accounting firm because it is a burden

In a highly referenced and possibly seminal article on the socially responsible consumer, Antil (1984) found that 81 percent of the respondents have favorable attitudes toward social responsibility. He created the following 40 item scale based on existing scales and information from a literature search. There are at least two potential problems with this scale. First, while it represents environmental concerns quite adequately, it does not encompass the wider range of potential attitudes people might have about social responsibility. For example, the responsibility of offering a product of appropriate quality under safe or sanitary conditions, and the equal and respectful treatment of customers and employees are ignored. Secondly, the scale is over twenty years old. If consumer attitudes toward social responsibility have changed during this time, then the scale’s validity would be reduced. An additional potential problem with the Antil scale is that adding its 40 variables to an already

extensive survey instrument may overwhelm respondents (Dube', et al., 1994).

**Socially Responsible Consumption Behavior (SRCB)**

1. People should be more concerned about reducing or limiting the noise in our society.
2. Every person should stop increasing their consumption of products so that our resources will last longer.
3. The benefits of modern consumer products are more important than the pollution which results from their production and use.
4. Pollution is presently one of the most critical problems facing this nation.
5. I don't think we're doing enough to encourage manufacturers to use recyclable packages.
6. I think we are just not doing enough to save scarce natural resources from being used up.
7. Natural resources must be preserved even if people must do without some products.
8. All consumers should be interested in the environmental consequences of the products they purchase.
9. Pollution is not personally affecting my life.
10. Consumers should be made to pay higher prices for products which pollute the environment.
11. It genuinely infuriates me to think that the government doesn't do more to help control pollution of the environment.
12. Nonreturnable bottles and cans for soft drinks and beer should be banned by law.
13. I would be willing to sign a petition or demonstrate for an environmental cause.
14. I have often thought that if we could just get by with a little less there would be more left for future generations.
15. The Federal government should subsidize research on technology for recycling waste products.
16. I'd be willing to ride a bicycle or take a bus to work in order to reduce air pollution.
17. I would probably never join a group or club which is concerned solely with ecological issues.
18. I feel people worry too much about pesticides on food products.
19. The whole pollution issue has never upset me too much since I feel it's somewhat overrated.
20. I would donate a day's pay to a foundation to help improve the environment.
21. I would be willing to have my laundry less white or bright in order to be sure that I was using a nonpolluting laundry product.

22. Manufacturers should be forced to use recycled materials in their manufacturing and processing operations.
23. I think that a person should urge his/her friends not to use products that pollute or harm the environment.
24. Commercial advertising should be forced to mention the ecological disadvantages of products.
25. Much more fuss is being made about air and water pollution than is really justified.
26. The government should provide each citizen with a list of agencies and organizations to which citizens could report grievances concerning pollution.
27. I would be willing to pay a 5% increase in my taxes to support greater governmental control of pollution.
28. Trying to control water pollution is more trouble than it is worth.
29. I become incensed when I think about the harm being done to plant and animal life by pollution.
30. People should urge their friends to limit their use of products made from scarce resources.
31. I would be willing to pay one dollar more each month for electricity if it meant cleaner air.
32. It would be wise for the government to devote much more money toward supporting a strong conservation program.
33. I would be willing to accept an increase in my family's total expenses of $120 next year to promote the wise use of natural resources.
34. Products which during their manufacturing or use pollute the environment should be heavily taxed by the government.
35. People should be willing to accept smog in exchange for the convenience of automobiles.
36. When I think of the ways industries are polluting I get frustrated and angry.
37. Our public schools should require all students to take a course dealing with environmental and conservation problems.
38. I would be willing to stop buying products from companies guilty of polluting the environment even though it might be inconvenient.
39. I'd be willing to make personal sacrifices for the sake of slowing down pollution even though the immediate results may not seem significant.
40. I rarely ever worry about the effects of smog on myself and family.

Berger and Kanetkar (1995) in a study of environmental sensitivity found that consumers' environmental experience and concern are more sensitive to firm's relevant actions than those without relevant experience or concern. It was also discovered

that the effect on sensitivity for respondents with high levels of both experience and concern was significantly greater than that which could be accounted for by simply a combination of the two constructs (i.e., a multiplicative, rather than additive effect). The scale used to measure consumer attitude toward the environment, the Socially Responsible Consumer Behavior scale (SRCB), was developed by Antil and Bennett in 1979. The coefficient alpha for the scale for this study was .86. A 7-point (-3 to +3) semantic differential measurement scale was used with respondents' mean scores indicating their environmental attitude.

**Socially Responsible Consumer Behavior Scale (SRCB)**

1. The benefits of modern consumer products are more important than the pollution which results from their production and use.
2. Pollution is presently one of the most critical problems facing this nation.
3. I don't think we are doing enough to encourage manufacturers to use recyclable packages.
4. Natural resources must be preserved even if people must do without some products.
5. All consumers should be interested in the environmental consequences of the products they purchase.
6. Pollution is not personally affecting my life.
7. Consumers should be made to pay higher prices for products which pollute the environment.
8. Non-returnable, non-recyclable bottles and cans for soft drinks and beer should be banned by law.
9. I have often thought that if we could just get by with a little less there would be more left for future generations.
10. The whole pollution issue has never upset me too much since I feel it is somewhat overrated.
11. Manufacturers should be forced to use recycled materials in their manufacturing and processing operations.
12. Commercial advertising should be forced to mention the environmental disadvantages of products.
13. Much more fuss is being made about air and water pollution than is really justified.

14. Trying to control water pollution is more trouble than it is worth.
15. People should limit their use of products made from scarce resources.
16. We are doing enough to save scarce natural resources from being used up.
17. People should be willing to accept smog in exchange for the convenience of automobiles.
18. When I think of the ways industries are polluting I get frustrated and angry.
19. I become incensed when I think about the harm being done to plan and animal life by pollution.
20. I rarely every worry about the effects of pollution on myself or my family.

Singhapakdi and LaTour (1991) in a study of socially responsible consumption orientation and voting intentions on new environmental laws, found that social responsibility consumption behavior was a very good predictor of social responsibility behavior. Social responsibility consumption (SRC) was measured using a 40 item scale developed by Antil (1984). The SRC scale was administered prior to intention treatments to lessen the likelihood of contamination.

Fullerton, et al. (1996) measured consumer ethical predisposition through scenario analysis (15 different scenarios) accompanied by a single item, six-point Likert scale--unacceptable to acceptable. Respondents' scores were based on the grand mean of the one sentence scenarios. The Cronbach alpha for this scale design was relatively high at .814.

Creyer and Ross (1997) studied consumers' attitudes towards the ethical behavior of firms, focusing on the constructs of 1) importance of ethicality, 2) consumer expectations of a firm's ethicality, and whether they would 3) reward or 4) punish firms

for their ethical or unethical behavior. A seven-point semantic differential measurement scale was used with anchors of *disagree completely* and *agree completely*. **The researchers' scales for importance of ethicality and reward of ethical behavior were used for the dissertation's study.** To ensure internal consistency, factor analysis was performed and resulted in each item loading on the assigned construct. An unspecified number of items were deleted. The coefficient alpha for three of the constructs varied from .7 to .91, punishment was .61. The specific reliability coefficients for the three highest Alphas were not provided. The authors stated that because Nunnally upgraded his 1967 assertion of a coefficient alpha from .6 to .7 for exploratory studies, the construct of punishment for unethical behavior at .61 could only be used as long as the level of statistical significance was increased (This would increase the chances of not finding a significant effect.).

Items were measured on a 7-point Likert-type scale with 1 being *disagree completely* and 7 designating *agree completely*. Each construct's overall score was based on an average of its items (index of cognitive structure). The construct of interest in this study, the consumer's willingness to reward ethical behavior, had a mean of 5.04. The remaining constructs had means of 4.97 (expectation of ethical behavior), 5.26 (an important concern), and 5.03 (willingness to punish unethical behavior).

The survey was self-administered by parents of elementary school children. A $2.00 donation was given to the parent-teacher organization for each completed survey. The findings suggest that: a firm’s ethics are important in the purchase decision; consumers expect ethical behavior on the part of firms; consumers who perceive ethics as being important are willing to pay more for (reward) ethical firm’s products. If consumers are in fact willing to reward social responsibility, the RSRI construct should increase the explanatory power of the brand's brand social responsibility image.); and that consumers may buy from unethical firms, but they will do so at lower prices (punish). A primary advantage of acting ethically, according to the authors, is if the difference between competing brands is marginal, then ethically offers an opportunity for differentiation.

The results of this research support the theory that 1) ethically oriented consumers have a greater propensity for rewarding ethicality; and 2) a firm's ethical image increases the consumer's perception of the product and subsequently, their willingness to reward the firm's ethical behavior. This dissertation tested the above theory through the following hypotheses: **H1: There is a positive relationship between CSRO and RSRI, H2: RSRI moderates the relationship between BSRI and PQ, H3: RSRI moderates the relationship between BSRI and SQ, H12: The relationship between BSRI and ABL is moderated by RSRI, and H13: The relationship between BSRI and BBL is moderated by RSRI.**

Two of the following scales were included in their study:

**Importance (to the consumer) of the Ethicality of a Firm's Behavior.**

**(<u>This scale was adapted for this dissertation to measure Consumer Social Responsibility Orientation</u>.)**

1. It really bothers me to find out that a firm that I buy from has acted unethically.
2. I really care whether the stores I patronize have a reputation for ethical behavior.
3. Whether a firm is ethical is not important to me in making my decision what to buy.
4. I really care whether the companies whose products I buy have a reputation for unethical behavior.
5. It is important to me that the firms I deal with do not have a reputation for unethical behavior.
6. It really pleases me to find that a firm I buy from has acted ethically.
7. I really care whether the stores I patronized have a reputation for unethical behavior.
8. Whether a firm is unethical is not important to me making my decision what to buy.
9. I really care whether the companies whose products I buy have a reputation for unethical behavior.
10. It is more important to me that the firms I deal with have an ethical reputation.

**Willingness to reward an ethical firm via purchasing behavior.**

**(<u>This scale was adapted for this dissertation to measure Inclination to Reward Brand Social Responsibility Image</u>.)**

11. I would go several miles out of my way to buy from a store that I knew to be extremely ethical
12. I would pay considerably more money for a product from a firm that I knew to be extremely ethical.
13. Firms who are extra ethical should do well in the marketplace.
14. Firms who are ethical should be allowed to earn greater profits than firms normally do.

15. Given a choice between two firms, one ethical and the other not especially so, I would always choose to buy from the ethical firm.

**Willingness to punish an unethical firm via purchasing behavior.**

16. I would go several miles out of my way not to buy from a store that I knew to be extremely unethical.
17. I would pay considerably less money for a product from a firm that I knew to be extremely unethical.
18. Firms which are unethical should do poorly in the marketplace.
19. Firms which are unethical should not be allowed to earn greater profits than firms normally do.
20. Given a choice between two firms, one unethical and the other not especially so, I would never choose to buy from the unethical firm.

**Expectations regarding the ethicality of corporate behavior in today's society.**

21. Firms really should be ethical in all of their dealings in the marketplace.
22. I expect the firms that I deal with to act ethically at all times.
23. All firms will be unethical sometimes; it is normal.
24. It is no big deal if firms are sometimes unethical.
25. Firms have a responsibility not to ever act unethically.
26. All firms will not uphold the highest ethical standards sometimes; nobody is perfect.
27. Firms have a responsibility to always act with the highest of ethical standards.

## Vitell and Muncy's Consumer Ethics Scale

Several researchers have used a consumer ethics scale developed by Vitell and Muncy (1992) (Rallapalli, Vitell, Wiebe, & Barnes, 1994; Rawwas, Patzer, & Klassen, 1995; Rawwas, Vitell, & Al-Khatib, 1994; Vitell, Lumpkin, & Rawwas, 1991). The original Vitell and Muncy scale was first published in a working paper in 1989. It consisted of four dimensions and a total of 18

variables. It was first published in a broadly disseminated form in 1991 (Vitell, et al., 1991). Their 1992 work presented the scale's development process. The 1992 scale consists of the same four dimensions, but with a total of 27 variables instead of 18. It was measured with a 5-point semantic differential scale with anchors of *Strongly believe that it is wrong* (1) (unethical) and *Strongly believe that it is not wrong* (5) (ethical). The purpose of the original study was to identify correlations between consumers' ethical predisposition and their attitudes toward business, salespeople, government, mankind, and toward illegal acts. It was generally confirmed that more ethical consumers were less tolerant of unethical acts of others.

**Vitell and Muncy Consumer Ethics Scale (1992)**

**Dimension 1: Actively benefiting from illegal activity**

1. Changing price-tags on merchandise in a retail store.
2. Drinking a can of soda in a supermarket without paying for it.
3. Using a long distance access code that does not belong to you.
4. Reporting a lost item as "stolen" to an insurance company in order to collect the money.
5. Giving misleading price information to a clerk for an unpriced item.
6. Returning damaged merchandise when the damage is your own fault.

**Dimension 2: Passively benefiting**

7. Getting too much change and not saying anything.
8. Observing someone shoplifting and ignoring it.
9. Lying about a child's age in order to get a lower price.
10. Not saying anything when the waitress miscalculates the bill in your favor.

**Dimension 3: Deceptive, "Legal" Practices**

11. Removing the pollution control device from an automobile in order to get better mileage.
12. Breaking a bottle of salad dressing in a supermarket & doing nothing about it.
13. Stretching the truth on an income tax return.
14. Returning merchandise to a store by claiming that it was a gift when it was not.
15. Taking an ashtray or other “souvenir” from a hotel or restaurant.
16. Using a coupon for merchandise you did not buy.
17. Using an expired coupon for merchandise.
18. Joining a record club just to get some free records without any intention of buying records.
19. Not telling the truth when negotiating the price of a new automobile.
20. Moving into a new residence, finding that the cable TV is still hooked up, and using it rather than signing up and paying for it.
21. Tasting grapes in a supermarket and not buying any.

**IV. No Harm/Indirect Harm**

22. Using computer software or games that you did not buy.
23. Recording an album instead of buying it.
24. Returning an item after finding out that the same item is now on sale.
25. Returning merchandise after trying it and not liking it.
26. Spending over an hour trying on different dresses and not purchasing any.
27. Taping a movie off the television.

## Studies Utilizing the Vitell and Muncy Scale

Please see Appendix 1

## Reidenbach and Robin’s Multidimentional Ethics Scale

Based on the research of many predecessors, Reidenbach and Robin (1988) developed a multidimentional ethics scale consisting of five measures of individual moral development--justice, relativist, egoism, utilitarian, and deontology. Prior to their work, most quantitative ethics research was accomplished with

unidimensional scales (Randall & Gibson, 1990). The primary reasoning behind multidimensionality is that as a construct such as ethics becomes more complex, it will require a much broader measure than more simple constructs (e.g., monetary price) (Cohen, Pant, & Sharp, 1993; Reidenbach & Robin, 1990). Multidimensionality also takes the researcher from the ability to answer *what* respondents are saying to the more scientific process of understanding of *why* they are saying it (Grapentine, 1997).

**Justice Theory**. This is heavily based on Aristotle's *principle of formal justice*, which asserts "that equals ought to be treated equally, and unequals ought to be treated unequally" (Reidenbach & Robin, 1990, p. 650). Justice is based on two philosophies of equality/inequality, procedural justice and distributive justice. Procedural justice refers to the creation of rules that lead toward equality (Hansen, 1992). Distributive justice consists of six principles:

1. to each person an equal share
2. to each person according to individual need
3. to each person according to that person's rights
4. to each person according to individual effort
5. to each person according to societal contributions
6. to each person according to merit

**Relativism**. The moral philosophy of relativism is a normative belief that proposes that since cultures vary, there can be no universally applied ethical rules of conduct. Because of the variance within cultures, relativism can also be applied to individuals (individual relativism), as well as the culture of

broad classes of people. Arguments against relativism include: 1) that, as a philosophy, it does not focus on the main tasks of ethics--the creation and maintenance of conditions that permit people to strive for stability and happiness; 2) because of common needs and fears that there are few differences in moral beliefs between cultures; and 3) simply the acceptance of a belief, does not mean it is ethical.

**Deontology**. People have a responsibility, based on ethical rules, to fulfill the needs of others. For example, parents have the responsibility to care for their children, people should repay debts that they incur, and be honest. The most popular example of deontological moral philosophies is the Kantian Deontology (Immanuael Kant), called the Categorical Imperative. This essentially states that each person's conduct should be moral enough to become an example for all others to follow. The most common critique of deontology is that there will always be exceptions (e.g., all people lie in certain circumstances, such as telling your mother-in-law that the dinner she fixed was great, when it was not).

**Egoism (a form of teleology)**. Here, morality is based on the evaluation of the consequences of people's behavior or actions. Teleology is the basis for Adam Smith's invisible hand. Business operators will be successful to the degree that they satisfy other individuals in a society. When the evaluation of consequences concerns how the actor (the individual who's actions

affect others) was affected, it is termed egoism. It expresses how people should, rather than do behave. Some consider egoism to be ethical only when it promotes the long-term interests of the actor.

**Utilitarianism (a form of teleology).** When the evaluation of consequences concerns how society in general was affected, it is termed utilitarianism. When making a decision, each option should be considered based on what is best for society--that which produces the most utility for society. Utilitarianism is attacked because actions may benefit parts of society, but harm others.

These measures represent normative philosophies rather than descriptive theories (Reidenback & Robin, 1990). Normative philosophies/theories are generally idealized proposals of how people *should* act. Their advantage is that they help researchers identify the different moral philosophies used to determine ethical judgments. Their disadvantage is their limited application for empirical research, relative to descriptive theories.

Reidenback and Robin's first attempt at developing a multidimensional ethics scale (1988) utilized the above normative constructs in an attempt to identify students' patterns of ethical criteria. The pattern of ethics was measured by having the students read three difference scenarios (below), then rating the action/behavior of the individual in the behavior according

to the various scale items. The questioning format was a seven point semantic differential scale. For example (p. 873):

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Fair | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Unfair |
| Just | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Unjust |
| Efficient | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Inefficient |

**Ethical Moral Development Scales**

**Justice Scales**:
1. Just/unjust
2. Fair/Unfair
3. Results/Does not result in an equal distribution of good and bad

**Relativist Scales**:
4. Culturally acceptable/unacceptable
5. Individually acceptable/unacceptable
6. Acceptable/Unacceptable to people I most admire
7. Traditionally acceptable/Unacceptable
8. Acceptable/Unacceptable to my family

**Egoism Scales**:
9. Self promoting/not self promoting
10. Selfish/Not selfish
11. Self sacrificing/Not self sacrificing
12. Prudent/Not prudent
13. Under no moral obligation/Morally obligated to act otherwise
14. Personally satisfying/Not personally satisfying
15. In the best interests of the company/Not in the best interests of the company

**Utilitarian Scales**:
16. Efficient/Inefficient
17. OK/Not OK if action can be justified by their consequences
18. Compromises/Does not compromise an important rule by which I live
19. On balance, tends to be good/Bad
20. Produces the greatest/Least utility
21. Maximizes/Minimizes benefits while minimizes /maximizes harm
22. Leads to the greatest/Least good for the greatest number

23. Results in a positive/Negative cost-benefit ratio
24. Maximizes/Minimizes pleasure

**Deontology Scales:**

25. Violates/Does not violate an unwritten contract
26. Violates/Does not violate my ideas of fairness
27. Morally right/Not morally right
28. Obligated /Not obligated to act this way
29. Violates/Does not violate an unspoken promise

**Scenarios Used in Reidenbach and Robin (1988)**

**Scenario A**: A person bought a new car from a franchise automobile dealership in the local area. Eight months after the car was purchased he began having problems with the transmission. He took the car back to the dealer, and some minor adjustments were made. During the next few months he continually had a similar problem with the transmission slipping.
Each time the dealer made only minor adjustments on the car. Again, during the thirteenth month after the car had been bought,
the man returned to the dealer because the transmission still
was not functioning properly. At this time, the transmission was completely overhauled.
**Action**: Since the warranty was for only one year (12 months from the date of purchase), the dealer charged the full price for parts and labor.
**Scenario B**: A young man, recently hired as a salesman for a local retail store, has been working very hard to favorably impress his boss with his selling ability. At times, this young man, anxious for an order, had been a little over-eager. To get the order, he exaggerates the value of the item or withholds relevant information concerning the product he is trying to sell. No fraud or deceit is intended by his actions, he is simply over-eager.
**Action**: His boss, the owner of the retail store, is aware of the salesman's actions but has done nothing to stop such practice.
**Scenario C**: A retail grocery chain operates several stores throughout the local area including one in the city's ghetto area. Independent studies have shown that prices do tend to be higher and there is less of a selection of products in this particular store than in the other locations.
**Action**: On the day welfare checks are received in the ghetto area of the city, the retailer increases prices on all of his merchandise.

Source: Reidenbach, R. E., & Robin, D. P. (1988) Some initial steps toward improving the measurement of ethical evaluations of

marketing activities. *Journal of Business Ethics, 7*, 871-879, p. 874.

Cronbach's alpha was used to assess the reliability of the instrument. The results were .85 for Scenario A and .87 for both Scenarios B and C. Validity was tested by examining interclass correlations. These were .54 for relativism, .53 for justice, .42 for utilitarian, .31 for deontology, and .20 for egoism.

Scenario A was not used for formal analysis because of the *practice effect*--respondents may have not yet established their evaluative criteria. Additionally, the individual nature of Scenario A (Scenarios B and C dealt with groups) could have caused respondents to personalize the results of the action.

The study showed that individuals did not use a particular ethical philosophy in determining ethical conduct in a marketing situation, nor did they use the same type of ethical philosophy to evaluate different marketing situations. However, individuals did use the same ethical philosophies invoked in evaluating the marketing scenarios as they did in assessing their own ethical conduct/intentions in a similar situation.

## Studies Utilizing the Reidenbach and Robin Scales

Please see Appendix 2

### Brand Image for Product Quality (PQ) and Service Quality (SQ)

One focus of this research is to learn of the effect of brand social responsibility image on brand loyalty relative to a quick-service restaurant brand's tangible product offerings and services. For this research the term product is used to infer tangible aspects of the brand's offering, while services will include factors that assist consumers in the exchange process (Kim, 1996; Lee & Hing, 1995). By its increased usage in research (Kim, 1996; Lee & Hing, 1995), this categorization appears to be gaining in use over the historical classifications of products as goods and services (and sometimes ideas) as seen in the work of Bell (1986) and Murphy & Enis (1986). The term *product* can still be used as the inclusive term for a brand's offerings, whether they be products or services (Hellofs & Jacobson, 1999).

Products and services comprise the most significant variables utilized by researchers in attempting to predict demand (Dube, Renaghan, & Miller, 1994; Stone & Stone, 1997). They are however, not the only variables (Jacobson & Aaker, 1987; Muller, 1997). Demand is also influenced by non-product attributes such as advertising, public relations, cleanliness, atmosphere, and the convenience of the brands' locations (Kim, 1996; Kopalle, & Lehmann, 1995; Morgan, 1993; Reid, 1989; Swinyard & Struman, 1986). Originally, the constructs of product and non-product related variables was going to be used. As research progressed, a perceived problem with this division arose. After analysis of prior research, the terms product and non-product-related

attributes first did not exist and second appeared to be too ambiguous for the present research effort. Even though there is a degree of logic behind the division, no previous foodservice research has been located that utilized these specific constructs.

Because of this perceived problem, product and non-product-related attributes have been replaced with product quality image and service quality image. Product quality will include variables directly related to the physical product. Service quality will include non-product variables related to mechanistic and humanistic factors inherent in the quick-service exchange experience (Carman, 1990).

There is unfortunately a limited body of empirical research on consumer behavior in foodservice and concurrently a limited number of scales focused on restaurant attributes. Consequently, generalized research focusing on product and service attributes will be included. A brief discussion of SERVQUAL will be reviewed because of the wealth of data it offers and the importance of service quality in quick-service restaurants.

While the focus of this research is the quick service restaurant, the attributes used to measure various features of this and other industry segments (i.e., table service restaurants, such as casual dining or fine dining) are not mutually exclusive. For example, the taste of a food product, courtesy of employees, or cleanliness of the facility would be

applicable to the majority of restaurants, regardless of the type of concept.

For any business (such as a restaurant), quality would be assessed based on each consumer's attitude toward a product and its comparison with other products in the customer's evoked set (Zeithaml, 1988). Zeithaml defined perceived quality as follows:

> Perceived quality is (1) different from objective or actual quality, (2) a higher level abstraction rather than a specific attribute of a product, (3) a global assessment that in some cases resembles attitude, and (4) a judgment usually made within a consumer's evoked set (p. 4).

Zeithaml goes on to say that few customers will analyze and measure the objective (i.e., mechanistic) properties of a product. Since the objective assessment is based on verifiable standards, the objective measurement of quality is open to question because of the variability of who is setting the standards.

## Foodservice Attributes

Oh and Jeong (1996) in a study of market segments of quick service restaurants, found that demographic variables (gender, age, income) were not as effective as behavior-based variables in predicting customer satisfaction for quick-service restaurants. The authors utilized 19 variables derived from National Restaurant Association research. The variables were subjected twice to factor analysis, once for expectations and once for perceptions (performance). The product quality attributes for

each factor analysis application, were identical, although the order of loadings differed. These included tastiness of food, food quality, portion size, ingredient freshness, temperature of food, and price of food. Service-related attributes varied only slightly. Customers' expectations for service quality-related attributes included quick food delivery, employees' greeting, responsiveness, and employee attitude. Customers' perceptions of performance for service-related variables included quick food delivery, no waiting, employee attitude, employees' greeting, responsiveness, and menu item availability. Of the two additional variables included in service quality-related variables for the performance factor analysis, no waiting and menu availability, no waiting could be subsumed under responsiveness. This perception is supported by the research of Parasuraman, Zeithaml, & Berry (1988) as they utilized responsiveness in the cognitive sense as promptness. There is no clear justification for menu availability other than the perceived lack of convenience. The results of their research identified an $R^2$ of .37 between the restaurant's performance on product and service quality-related variables and customer satisfaction.

## Factor Analysis for Performance

**(Factors 2 and Factor 3 were adapted for this dissertation to measure service quality image and product quality image respectively.)**

Factor 2: quick food delivery (.86), no waiting (.78), employee attitude (.76), employees' greeting (.76), responsiveness (.63), menu availability (.55), coefficient alpha .89

Factor 3: Tastiness of food (.74), price of food (.74), food quality (.73), ingredient freshness (.70), temperature of food (.66), portion size (.65), coefficient alpha .85

Almanza, Jaffe, and Lin (1994) developed a list of variables to be used in determining consumer satisfaction of a cafeteria. Researchers compiled the list through management and customer interviews. While the authors did not specify the number of initial variables, the final number was 17. The attributes used in the Almanza, et al. study follow. They are in order of their importance for each of the three meals surveyed. The most important attributes in this study across the three meals were: quality of food, convenient location, cleanliness, reasonable prices, and nutritious food. No reliability studies were presented.

**Foodservice Attributes Scale**

**Breakfast**

Quality of food, convenient location, reasonable price, cleanliness, hours of operation, friendly servers, nutritious food, speed of service, size of portions, comfortable seating, variety of menu, non-smoking section, coffee & drinks refill, atmosphere, meeting area, take-out service, decor.

**Lunch**

Quality of food, cleanliness, convenient location, reasonable price, nutritious food, speed of service, variety of menu, non-smoking section, friendly servers, size of portions, comfortable seating, hours of operation, atmosphere, meeting place, coffee & drinks refill, decor, take-out service.

**Dinner**

Convenient location, quality of food, cleanliness, nutritious food, reasonable price, variety of menu, non-smoking area, size of portions, friendly servers, speed of service, comfortable seating, hours of operation, atmosphere, coffee & drinks refill, decor, meeting place, take-out service.

## SERVQUAL

After the popularity of Parasuraman, et al's (1988) SERVQUAL multi-item scale, several hospitality researchers applied it either in its original form or a modified version to restaurants. A problem with its application to foodservice is its lack of attention to one of the most important aspects of a restaurant's product--food (Dube', Renaghan, and Miller, 1994). The reasons for this absence is that the purpose of the SERVQUAL scale was to measure only service (Parasuraman, et al., 1988). The original SERVQUAL article of 1988 specifies, "for measuring customer perceptions of service quality" (p. 5). Also, the firms in their study; appliance repair, retail banking, long-distance telephone, and credit cards; are heavily focused on service, with minimal degrees of tangibility associated with their actual product.

SERVQUAL is based on the difference between customers' expectations and perceptions of firm performance (Quality = $\sum(P_i$-

$E_i$) (Parasuraman, et al., 1988). The total scale reliability for the 1988 study was .92. Convergent validity was measured by comparing customer's scores on the SERVQUAL scale with a single item score on overall quality for the firm. Validity was also tested by comparing the overall SERVQUAL scores to single item questions of recommending the service to a friend and the reporting of problems with the firm. Both of the validity tests were supported. The constructs and variables in the original SERVQUAL model follow. Expectations items are presented first, perceptions are in parentheses.

**SERVQUAL Scale**

**Tangibles**

1. They should have up-to-date equipment. (XYZ has up-to-date equipment.)
2. Their physical facilities should be visually appealing. (XYZ's physical facilities are visually appealing.)
3. Their employees should be well dressed and appear neat. (XYZ's employees are well dressed and appear neat.)
4. The appearance of the physical facilities of these firms should be in keeping with the type of services provided. (The appearance of the physical facilities of XYZ is in keeping with the type of service provided.)

**Reliability**

5. When these firms promise to do something by a certain time, they should do so. (Why XYZ promises to do something by a certain time, it does so.)
6. When customers have probl3ms, these firms should be sympathetic and reassuring. (When you have problems, XYZ is sympathetic and reassuring.)
7. These firms should be dependable. (XYZ is dependable.)

8. They should provide their services at the time they promise to do so. (XYZ provides its services at the time it promises to do so.)
9. They should keep their records accurately. (XYZ keeps its records accurately.

**Responsiveness**

10. They shouldn't be expected to tell customers exactly when services will be performed. (XYZ does not tell customers exactly when services will be performed.) (reverse scored)
11. It is not realistic for customers to expect prompt service from employees of these firms. (You do not receive prompt service from XYZ's employees.)
12. Their employees don't always have to be willing to help customers. (Employees of XYZ are not always willing to help customers) (reverse scored)
13. It is okay if they are too busy to respond to customer requests promptly. (Employees of XYZ are too busy to respond to customer requests promptly. (reverse scored)

**Assurance**

14. Customers should be able to trust employees of these firms. (You can trust employees of XYZ.)
15. Customers should be able to feel safe in their transactions with these firms' employees. (You feel safe in your transactions with XYZ's employees.)
16. Their employees should be polite. (Employees of XYZ are polite.)
17. Their employees should get adequate support from these firms to do their jobs well. (Employees get adequate support from XYZ to do their jobs well.)

**Empathy**

18. These firms should not be expected to give customers individual attention. (XYZ does not give you individual attention.)(reverse scored)
19. Employees of these firms cannot be expected to give customers personal attention. (Employees of XYZ do not give you personal attention.)(reverse scored)
20. It is unrealistic to expect employees to know what the needs of their customers are. (Employees of XYZ do not know what your needs are.) (reverse scored)
21. It is unrealistic to expect these firms to have their customers' best interests at heart. (XYZ does not have your best interests at heart.)(reverse scored)

22. They shouldn't be expected to have operating hours convenient to all their customers. (XYZ does not have operating hours convenient to all their customers.)(reverse scored)

## SERVQUAL and its Utilization for Restaurants

Oh and Jeong (1996) utilized a SERVQUAL type scale that was previously discussed. Lee and Hing (1995) in a study using SERVQUAL purported to focus on restaurant operations (i.e., the production aspects of food and service), focused only on service quality. Stevens, Knutson, and Patton (1995) in "DINESERV; A Tool for Measuring Service Quality in Restaurants," also focused only on service. The authors recommended using their scale on a regular basis for one's restaurant and for competitors'. One must question the value of implementing a restaurant survey instrument without the inclusion of food quality. Bojanic and Rosen (1992) also focused only on service and through factor analysis uncovered a six construct model (tangibles, reliability, responsiveness, assurance, knowing the customer, and access) with a total coefficient alpha of .8695.

One of the few articles to incorporate food in a SERVQUAL-related scale was Dube', Renaghan, and Miller (1994). Through factor analysis, the authors found that the five SERVQUAL constructs were valid measures of customer satisfaction. Unfortunately, no reliability coefficients were provided and it was not specified which of the seven variables selected for operationalization were associated with each of the five

constructs. The statistical technique used was conjoint analysis. In their study, they found the relative importance of food (taste) in the dining experience was 39% of total importance for pleasure occasions and 33.7% for business occasions. The absence of product/goods quality from most SERVQUAL studies raises the question, “Is it possible to measure service quality exclusively, when goods quality may account for a large percentage of a customer’s overall perception of quality?” For example, in completing a SERVQUAL-type questionnaire, what is the bias (measurement error) created by deleting the quality of the good (physical product)--the food? Would the results of SERVQUAL be the same if the food was mediocre or if it were superb (halo effect)?

## Attitude- and Behavior-based Brand Loyalty

A consumers’ attitude is often studied to measure its impact on purchase behavior, however these attitudes can also be used to determine preference, intention, (Ajzen & Fishbein, 1980), loyalty (Chaudhuri, 1999), and brand equity (Keller, 1993). While behavior involves an explicit *action*, by a certain target market, often in a certain context and time; intention and preference are successively more ambiguous, with *intention* being a consumer’s expressed likelihood of purchase and *preference* being an attitude designating a consumer’s affinity toward one brand relative to other brands. *Brand loyalty* expresses various measures of both

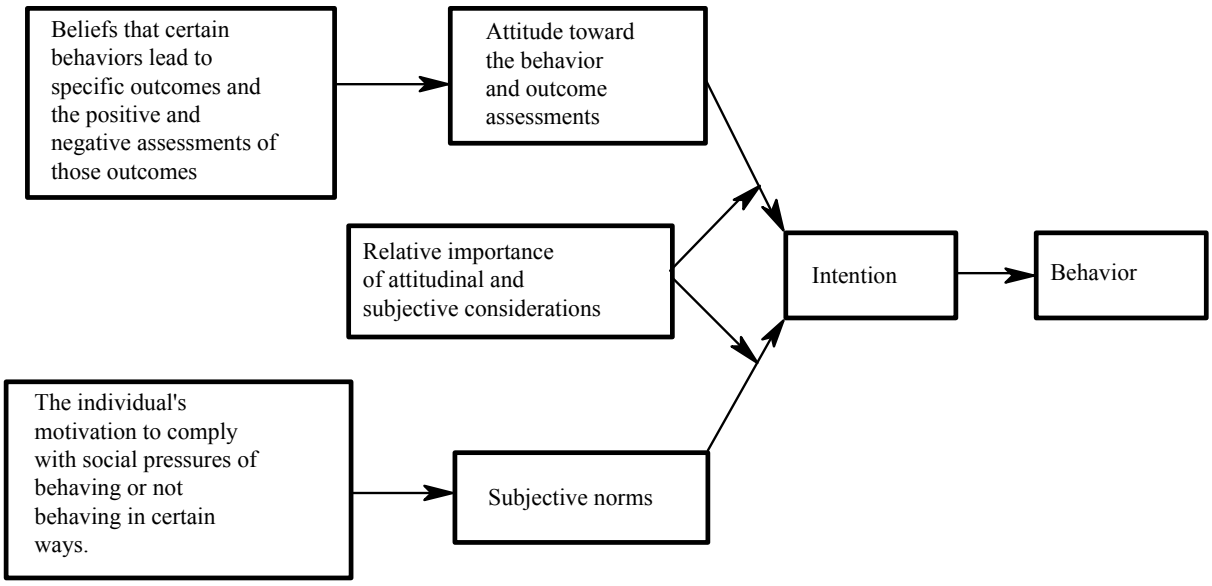
brand attitudes and purchase habits. *Brand equity* concerns the added value of firm's name, based on brand knowledge, awareness, and image.

## Preference

Preference, in consumer marketing, is used to indicate the respondents' attitude toward certain brands or products. (In Figure 2.6, the Ajzen and Fishbein model, preference is subsumed under attitudes toward behavior.) This *brand attitude* may or may not lead to purchase behavior (choice). For example, if respondents with lower levels of age, income and education were asked about their brand attitude/preference toward Ritz Carlton, Holiday Inn, and Motel 6, their preference toward each might exhibit high correlations with the level of service offered by each of the concepts (highest for Ritz Carlton, and successively lower for Holiday Inn and Motel Six). If, however, brand choice or intention were being measured, then the results of the study might be reversed. As context and time, such as a wedding, anniversary, or a New Year's Eve party are considered, the results may change again. The preceding indicates that similar brand attitudes can lead to highly dissimilar results. This highlights the importance of logical adequacy in the construction of theoretical relationships regarding potential consumer actions. It also minimizes the relevance of utilizing preference

as a dependent variable when intention and choice variables are available.

**Figure 2.6** **Factors Determining a Person's Behavior**




Adapted from: Ajzen, I., & Fishbein, M. (1980) . Understanding attitudes and predicting social behavior. Englewood Cliffs, New Jersey: Prentice-Hall, p. 8 .

## Intention

Intention determines the strength of behavior-based tendencies. It is also generally assumed to precede behavior in many, but not all instances. When there is no behavior to measure, then intention is often the most suitable and valid option (Ajzen & Fishbein, 1980). Intention is an acceptable dependent variable if the respondents are aware of brands or products that might be purchased, reasonably inclined to take the specified action, and if the action is supported by subjective norms (the approval of significant reference groups) (See Figure 2.6). The problem with intentions for frequently purchased items is that since consumers are highly likely to purchase the product at some point in the future, intentions will be extremely high for all products in applicable consumers' decision set.

Davis (1994) in assessing the impact of ethical attributions toward environmental advertising found that consumers form attributions based on both the firm and the message the firm communicates, and that these attributions (and the consumer's response) can be predicted by message content. To measure purchase intent, the study utilized two semantic differential scales with anchors of *extremely probable-extremely improbable* and *extremely unlikely-extremely likely*. Justification for the similarity of the two measurement scales was not discussed.

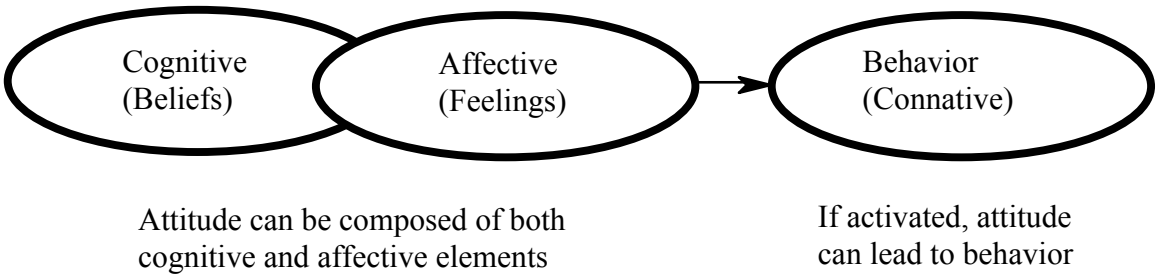
Peterson, Wilson and Brown (1992) studied the impact of customer satisfaction claims on attitudes and purchase intention. Their finding was that customer satisfaction claims, regardless

of the source (i.e., personal *or* legitimate--based on research), had little impact on purchase intention. They did not however study the long-term impact of customer satisfaction claims. This factor could modify the expressed relationships. The authors measured purchase intention with a single-item semantic differential scale with anchors of *very likely to purchase* and *not very likely to purchase* (The number of categories was not specified.). The question was, How likely would you be to purchase the product (service) in the advertisement if it were for sale in your area?

## Behavior

Since attitudes (and their cognitive and affective components) are predispositions to action, their activation may result in behavior (Rokeach, 1968; Rosenberg, 1956) (See Figure 2.7). Sherif, Sherif, and Nevergall (1965) supported this when they wrote that when events do or do not agree with one's attitude, the behavior that results is highly predictable. Behavior (action) in this instance, is a human social behavior based on the "rational and systematic" (Ajzen and Fishbein, 1980, p. 5) use of available information, rather than on unconscious motives. That is, in normal dealings with others, humans have a choice of how and whether to act.

**Figure 2.7** **Attitude/Behavior Model**




Behavior is partitioned because not all attitudes will lead to action (Peter & Olson, 1990). For example, a person may have a positive attitude about a certain restaurant's environmental efforts and a predisposition to support environmentally friendly destinations, however, because they do not like the restaurant's food or because the location is not convenient, there is no predisposition toward action. This attitude/behavior situation would be representative of position 8 in the Attitude and Behavior Analysis Matrix (See Figure 2.8)--Positive Cognitive and Affect, Neutral Conative/Behavior. In other words, as consumers are confronted with any situation, the *totality* of their attitudes, both cognitive and affective, will be summoned to determine whether action is desirable or necessary.

**Figure 2.8**

## Attitude and Behavior Analysis Matrix

| Affect and Cognitive | Conative/Behavior: Negative | Conative/Behavior: Neutral | Conative/Behavior: Positive |
|---|---|---|---|
| Negative | 1 Dislike firm's brand and purchases competing brand | 2 Dislike the firm's brand, but does not purchase any brand of the product | 3 Dislike the firm's brand, but still purchases it |
| Neutral | 4 Unaware or has no feeling about the firm's brand, and purchases a competing brand | 5 Unaware or has no feeling about the firm's brand, and does not purchase any brand of the product | 6 Aware of the firm's brand, has no strong feelings about it, but still purchase it |
| Positive | 7 Like the firm's brand, but purchases a competing firm's brand | 8 Like the firm's brand, but does not purchase any brand of the product | 9 Like the firm's brand and purchases it |

Adapted from: Peter, J. P., & Olson, J. C. (1990). Consumer Behavior and Marketing Strategy (2nd ed.). Homewood, Illinois: Irwin, p. 28.

Fishbein and Ajzen (1975) take a similar view of the relationship between the attitude components and behavior. In their *theory of reasoned action*, they do not refer to the attitude toward a certain phenomena, but to the attitude toward the behavior and the social pressures (subjective norms) that may influence the behavior. For example, in some situations, such as special occasions or circumstances, an individual's attitude

toward an object may have little impact on behavior. Some people may dislike salad, but eat it because it is good for their health. Therefore, certain attitudes toward the phenomena could be measured, but have little influence on behavior. In a content analysis article, Wicker (1969) found the relationship between attitude and behavior to be relatively weak. Variables other than attitude that could potentially influence behavior include: “conflicting attitudes; competing motives; verbal, intellectual, and social abilities; individual differences, such as personality characteristics; normative prescriptions of proper behavior; alternative behaviors available; and expected or actual consequences of the behavior” (Ajzen & Fishbein, 1980, p. 25). The concept of attitude toward behavior and normative prescriptions of proper behavior (subjective norms) are presented above in Figure 2.7, Factors that Determine a Person's Behavior.

## Brand Loyalty

Brand loyalty is defined in various ways by different researchers. In an article by Tidwell & Horgan (1992, p. 346) brand loyalty was expressed as “a portion of repeat purchase behavior that finds a basis in terms of internally stored structures of information: brand-related beliefs, states of affect, and behavior-based intentions." Brand loyalty has also been defined as “a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future,

despite situational influences and marketing efforts having the potential to cause switching behavior” Yoo, Nonthu, & Lee, (2000, p. 197). Similarly, Burgess and Harris (1998) in referencing Oliver, said that brand loyalty is "a deeply-held predisposition to rebuy or repatronize a preferred brand or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 6). In other words, price decreases of competing products or increases in price of a product to which a consumer is loyal will have less impact on a loyal, than on a non-loyal consumer. Brand loyal consumers are less price sensitive and are therefore more amenable to paying full price than their less loyal counterparts. Price promotions can increase the likelihood of brand switching for loyal consumers, but without some degree of product superiority this strategy generally fails to garner their repeat purchases (Yoo, et al., 2000). Teas and Grapentine (1996) wrote that brand loyalty simplifies the purchase decision process by not only lessening the need for information acquisition, but also by limiting the number of firms in the consideration set and the inherent risk of the purchase.

Chaudhuri and Holbrook (2001) among many others (Burgess and Harris, 1998; Chaudhuri, 1999; Dick & Basu, 1994; Iwasaki & Havitz, 2000; Oppermann, 2000; Pritchard, Havitz, & Howard, 1999) feel that both brand attitudes and buying habits encompass the measurement of brand loyalty. Chaudhuri and Holbrook (2001) and

Pritchard, et al., (1999) measured brand loyalty as two distinct constructs--purchase/behavior-based loyalty and attitude-based loyalty, while most researchers combined the two measures into one construct. An apparent few feel that past purchases alone denote brand loyalty (Baldinger & Rubinson (1996) (Baldinger and Rubinson were reporting on the thoughts of others. Their own opinion on this topic is concurrent with the apparent majority.)

In one of the most referenced sources on brand loyalty, Jacoby and Chestnut (1978) wrote that even though there had been considerable research into brand loyalty, measurement of the construct was questionable. This feeling was based on the authors' perceived ambiguity of the meaning of brand loyalty, and the concurrent problems of establishing validity and reliability for an ambiguous construct. Their statements are understandable because of the complexity of the brand loyalty construct. However, if one defines what it is that is being measured and this operationalization concurs with a strong body of existing research, the construct becomes a bit less ambiguous.

The authors listed 53 tested indices for operationalizing 1) attitude-based loyalty, 2) behavior-based loyalty, and 3) for composites of the attitude and operationalizations. Attitude-based components included both cognitive (the product tastes good) and affective (positive or negative feelings about product attributes) beliefs. As a group of consumers progress from various cognitions to affections to behavior, the number of

consumers in this original group are theorized to become smaller (i.e., not everyone who has certain attitudes toward a brand will purchase the brand.) Additionally, the type of product being purchased will impact the decision process, that is, time/effort and risk, through which the consumer progresses before the ultimate purchase is made.

In the development of a definition of brand loyalty, Jacoby and Chestnut (1978) offer that there is the need for both conceptual and operational definitions. The conceptual definition is an attempt to describe or explain what it is we mean when we use the term. The construct is simply a "higher order" concept that exists separate from science (Jacoby & Chestnut, 1978, p. 78). Its basis is one of generalizability and abstraction, rather than the greater precision required for operational definitions. The generalizability of the concept allows researchers to logically relate the findings of one study to other contexts. This reduces the need to test all theories in all situations. Operational definitions are based on the means used to measure the concept. For example, if brand loyalty is operationalized as frequency of purchase, then this is the definition of brand loyalty. The definition offered was that brand loyalty is "(1) the biased (i.e., nonrandom), (2) behavior-based response (i.e., purchase), (3) expressed over time, (4) by some decision-making unit, (5) with respect to one or more alternative brands out of a

set of such brands, and (6) is a function of psychological (decision-making, evaluative) processes" (pp. 80-81).

Some of the brand loyalty measures in the Jacoby and Chestnut (1978) monograph follow (Many of the indices not included below were based on frequency distributions.):

Behavior-based Indices of Brand Loyalty

- Proportion-of-Purchase Measures

  Market Share (with cutoffs of 50%, 67%, or 75% for individual consumer's purchases)
  Dual and Triple Brand Loyalty (loyal to two or three brands)
  FRA (the acronym was not explained) (the summed purchases from the top five brands, with loyalty being the brands with purchases greater than the mean of the five)

- Sequence-of-Purchase Measures

  Divided Brand Loyalty (purchases from Brands A and B in some specific order--ABABAB)
  Unstable Loyalty (AAABBB)

- Probability-of-Purchase Measures

  Repeat Purchase Probability (relative frequency of purchase of a brand over previous purchases)

Attitude-based Indices of Brand Loyalty

Brand Preference (Which brand do you prefer?)
Brand Name Loyalty (I make my purchase selection according to my favorite brand name, regardless of price.)
Intent-to-Purchase Measure (intent is measured by an intent-to-purchase continuum)

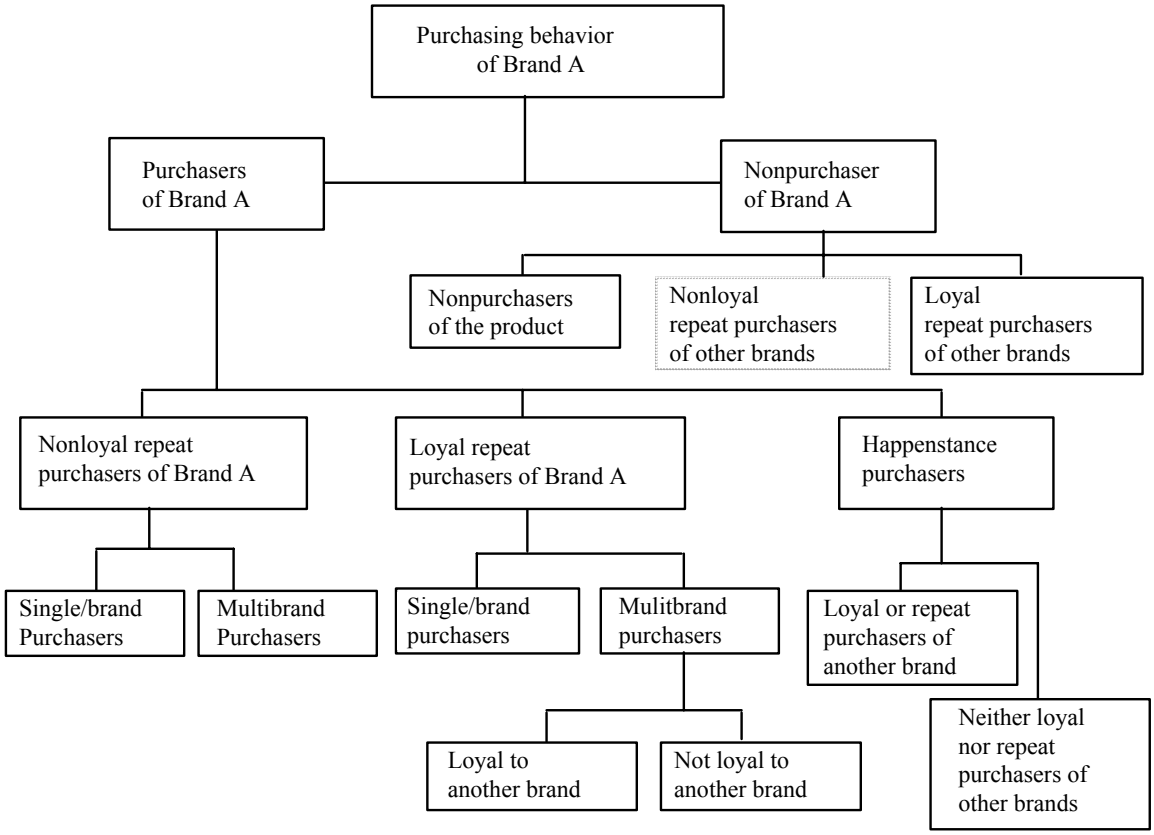
Composite Indices of Brand Loyalty

Brand Insistence (exclusive purchase attitude with insistence on desired brand in an out-of-stock situation)
Price Until Switching (the price is increased until the consumer discontinues purchasing the product to which he or she is loyal) (Jacoby and Chestnut, 1978, pp.35-53)

Jacoby and Chestnut (1978) in an attempt to better understand the concept of loyalty prepared a sequential model that exposes the various categories of loyal and nonloyal consumers (See Figure 2.10). Loyal purchasers are divided into two groups, those that exclusively purchase the brand (unibrand purchasers) and those that purchase from several brands (multibrand purchasers). Multibrand purchasers were further divided into those that are loyal to another brand and those that are not loyal to another brand. The model recognizes that brands have nonloyal repeat consumers that may almost exclusively purchase the brand's product or purchase from several brand's. In other words, brand loyalty is only one way of categorizing repeat purchase behavior.

**Figure 2.9**

**The Market Share for Brand A**
**Segmented According to Purchaser Behavior**

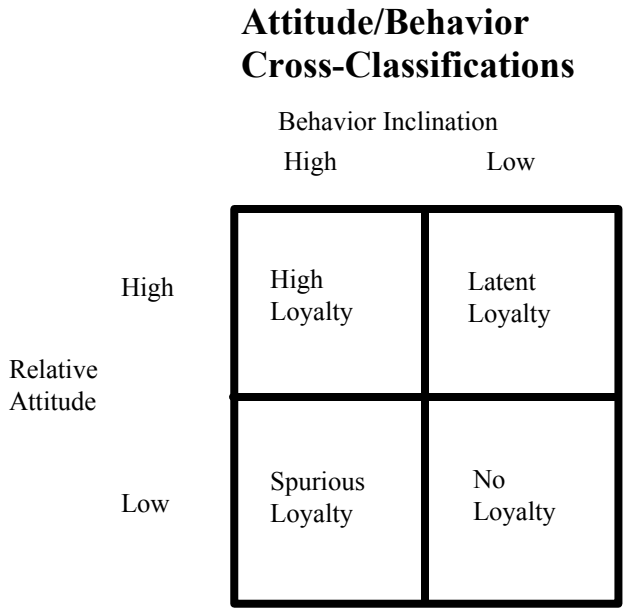



Adapted from: Jacoby, J., & Chestnut, R. W. (1978). Brand loyalty: Measurement and management. New York: John Wiley.

Dick and Basu (1994) agreed that the attitude/behavior relationship was a logical direction for brand loyalty research. They proposed that the relationship be viewed as causal and more importantly, simultaneously. While this opinion is not shared by the majority of researchers, it can be logically supported--neither attitude or repeat purchase behavior on their own fully explain brand loyalty. The opposing argument is that the results,

when measured as a relationship, may also suffer from validity concerns (e.g., attitudinally loyal consumers may not be loyal based on their behavior). The two loyalty components were cross-classified by means of a 2x2 matrix to expose four consumer loyalty possibilities (See Figure 2.10). Dick and Basu (1994) wrote that because of subjective norms, there were problems with the utilization of intentions in loyalty measurement (See the Ajzen & Fishbein (1980) figure under intentions above). Intentions may not be realized because of situational factors (e.g., the desires of others or social image incongruencies). This concern can be overcome by utilizing behavior rather than intentions.

**Figure 2.10**




Adapted from: Dick, A. S., & Basu, K. (1994). Customer loyalty: Toward an integrated conceputal framework. Journal of the Academy of Marketing Science, 22(2), 99-113; Iwasaki, Y., & Havitz, M. E., (1998). A path analytic model of the relationships between involvement, psychological commitment, and loyalty. Journal of Leisure Research, 30, 256-280.

The theory behind the attitude and behavior loyalty matrix was empirically supported through cluster analysis of travelers by Pritchard and Dennis (1997).Truly loyal travelers were found to be the most satisfied with the quality of services provided, followed by latently loyal travelers. Truly loyal travelers were found to be most influenced by service that was perceived to be personal and empathetic. Aaker (1996) in a conceptual article on brand equity, wrote that customer satisfaction with both products and services was an important indicator of loyalty. He suggested

the following items for measuring satisfaction and loyalty: Were you dissatisfied vs. satisfied vs. delighted with the product or service during your last use experience?; Would you buy the brand on the next opportunity?; Is the brand the only vs. one of two vs. one of three vs. one of more than three brands that you buy and use?; and Would you recommend the product or service to others?

The work of Pritchard and Dennis (1997), Aaker (1996), and Pritchard, et al., (1999) support the hypotheses that product quality and service quality lead to brand loyalty. **H8: There is a positive relationship between PQ and ABL. H9: There is a positive relationship between PQ and BBL. H10: There is a positive relationship between SQ and ABL. H11: There is a positive relationship between SQ and BBL.**

Baldinger and Rubinson (1996) wrote that while loyalty can be measured by different means, repeat purchases have been one of the most frequently used methods. In their article, the authors disagreed with the behavior-only operationalization of brand loyalty, finding that the a consumer's favorable attitude toward a brand positively influenced purchase behavior. Brand loyal consumers were divided into three groups: High Loyals to the Brand--over a 50 percent probability of purchasing the brand; Moderate Loyals to the Brand--a 10 percent to 50 percent probability of purchasing the brand, and Low Loyals/non-buyers to the Brand--a 0 percent to 9 percent probability of purchasing the

brand (Baldinger & Rubinson, 1996, p. 3). These authors also referred to, but did not support the concept that brand loyalty was positively correlated with market share (i.e., a low market share firm will not enjoy the level of brand loyalty of a high market share firm). This concept was referred to as Double Jeopardy effect.

Baldinger and Rubinson (1996) performed a second survey of the original respondents to see how brand loyalty changed over time and whether the change differed for large and small brands. This portion of the study showed that small firms could develop brand loyalty as well as large firms. Evidence of this was a lack of consistency between the loyalty retention rates of small versus large firms. This fact questions the Double Jeopardy effect. The switching activities of the respondents follows:

- **Low Loyals** - 87 percent remained in this category, 9 percent switched to Moderates, and 4 percent switched to High Loyals.
- **Moderate Loyals** - 33 percent remained in this category, 20 percent switched to High Loyals, and 47 percent switched to Low Loyals.
- **High Loyals** - 53 percent remained in this category, 25 percent switched to Moderate Loyals, and 23 percent became Low Loyals.

An analysis of the relationship of loyalty strength to propensity to switch showed that there was a very high likelihood ($R^2$.85) that loyal consumers would continue purchasing from firms to which they are loyal (Baldinger and Rubinson, 1996). In other

words, loyal consumers of a firm are less likely to switch if their degree of loyalty is high. While consumers may be loyal in their behavior (purchases), it is the degree of their loyalty (attitude) that determines whether they are likely to consistently purchase from the firm in the future. Based on their analysis, the authors suggested that firms who attempt to utilize sales promotions to achieve brand loyalty would find temporary success. The overall conclusion was that because of the vital importance of attitude in determining switching behavior, that loyalty must be tracked utilizing both attitude- and behavior-based components.

Chaudhuri (1999) specified three advantages of having brand loyal customers, they: 1) require less advertising; 2) have the greatest level of repeat purchases; and 3) they are willing to pay a premium for the product or service. In Chaudhuri's 1999 study, brand loyalty was measured with a four-item, 7-point Likert scale (1 = Strongly disagree - 7 = Strongly agree): 1) I make my purchase selection of bath soap according to my favorite brand name, regardless of price; 2) I have more than one preferred brand of bath soap and I make my selection based on price, availability, and other factors; 3) I like to change brands often for the sake of novelty or variety; and 4) my choice of bath soap is based largely on price. Items 2, 3, and 4 were reverse scored, with item number item 2 measuring multiloyalty, item 3 measuring habit and item 4 measuring price sensitivity.

The coefficient alpha for the scale was .761. When item number 3, habit, was deleted, the coefficient alpha increased to .833. In a later study Chaudhuri and Holbrook (2001) divided brand loyalty into purchase loyalty and attitude-based loyalty. Purchase loyalty was operationalized as I will buy this brand the next time I buy (product name) and I intend to keep purchasing this brand (reliability .90) **(The two purchase loyalty items were included in the behavior-based brand loyalty scale for this dissertation).** Attitude-based loyalty was measured by, I am committed to this brand and I would be willing to pay a higher price for this brand over other brands (reliability .83). Purchase loyalty influenced market share, but not the relative price the consumer was willing to pay, while attitude-based loyalty influenced relative price, but not the firm's market share. Interestingly, market share was not correlated to relative price.

Iwasaki and Havitz (1998) conceptually tested the hypothesis that commitment and involvement were antecedents of behavior-based loyalty. Commitment has been based on various elements, such as confidence in the product, the need for cognitive consistency, and the complexity of the purchase decision (Pritchard, et al., 1999). Attitude-based loyalty, somewhat paralleling but not wholly agreeing with the work of Dick and Basu (1994), was viewed as a two-item construct consisting of, 1) attitude strength toward the brand, with dimensions of

informational consistency, position involvement, and confidence, and 2) attitude differentiation, with dimensions of informational complexity, confidence, and volitional choice. It was suggested that behavior-based loyalty be operationalized as 1) duration of use, 2) frequency of brand use, 3) intensity of brand use, 4) sequence of brand use, 5) proportion or percentage of brand use, and 6) probability of brand use over time.

Fornell (1992) studied, among other things, the influence of customer complaints on loyalty. The concept was that it may be possible to turn a complaining customer into a loyal one. The ability to turn a complaining customer into a loyal one was possible in some industries, but not in others. Loyalty was measured by intention to repurchase (behavior) and by tolerance of price increases (attitude). Yoo, et al. (2000) studied the relationship between brand equity and the constructs of perceived quality, brand loyalty, and brand associations/awareness. Brand loyalty was found to have a significant antecedent relationship with brand equity ($R^2$ = .69). Brand loyalty was measured with the following items: 1) I consider myself to be loyal to X, 2) X would be my first choice, 3) I will not buy other brands if X is available at the store. The variance extracted, a LISREL equivalent to reliability, (Hair, et al., 1995, p. 642).) was .75. The variance extracted should exceed .50 for the construct.

Reynolds and Arnold (2000) studied the relationships between the constructs of salesperson and store loyalty, and the

relationship of these two constructs with various other consumer attitudes and actions--word-of-mouth promotion, share of purchases, competitive resistance, and satisfaction. Store loyalty was found to promote word-of-mouth promotions, satisfaction was an antecedent of store loyalty, and salesperson loyalty was positively correlated to store loyalty. Store loyalty was measured with a four item scale that achieved a reliability coefficient of .80, 1) I am very loyal to (store name), 2 & 3) Share of purchases (two items) (The two items were not explicitly provided, but based on the research of others, this was likely based on the ratio of total purchases to store purchases), and 4) I shop at other stores if the price is lower. **(This scale was adopted for attitude- and behavior-based constructs of brand loyalty for this dissertation. Other items were added to the brand loyalty scales from research in this chapter.)**

Pritchard, Havitz, and Howard (1999) in examining the role of commitment as a precursor of loyalty, found that it was in fact highly correlated. Commitment was operationalized as preference, social image, and free choice. Attitude-based loyalty was measured with the following four items, 1) I consider myself to be a loyal patron of XYZ airline; 2) If I had to do it over again, I would fly with another airline; 3) I try to fly with XYZ airline because it is the best choice for me; and 4) To me, XYZ is the same as other airlines. Attitude was measured with a 7-point semantic differential scale anchored with (1) *strong agree*

and (7) *strong disagree*. Behavior-based loyalty was measured as follows, using a proportion-of-purchase scale: 1) Please estimate how many times during the last 12 months you have flown with XYZ; 2) Please estimate how many times during the last 12 months you have used airlines in general. Behavior-based loyalty was calculated as the ratio of flights with XYZ to times flown.

Ganesh, Arnold, and Reynolds (2000) studied the differences between switchers and stayers. They found weak relationships between loyalty and the two consumer groups. Loyalty was measured with the following scale: 1. I would highly recommend my bank to my friends and family. 2. I am likely to make negative comments about my bank to my friends and family. 3. In the near future, I intend to use more of the services offered by my bank. 4. If my current bank were to raise the price of my checking account, I would still continue to be a customer of the bank. 5. If a competing bank were to offer a better rate or discount on their service, I would switch. 6. As long as I live in this neighborhood, I do not foresee myself switching to a different bank. **(Item #1 was included in the attitude-based brand loyalty measurement scale.)** In a conceptual piece, Aaker (1996) also suggested that recommendation of the product or service be utilized as a measurement of loyalty.

## Brand Equity

This research stream offers some interesting insights into social responsibility image because it focuses on the value of a brand's image. Brand equity, a broader extension of image, is defined by Simon & Sullivan as "the incremental discounted future cash flows that would result from a product having its brand name in comparison with the proceeds that would accrue if the same product did not have that brand name" (Keller, 1993, p. 1). A more concise definition was offered by Keller, "the differential effect of brand knowledge on consumer response to the marketing of the brand" (Keller, 1993, p. 2). Brand equity, according to Keller (1993) is composed of two major dimensions, *brand awareness*--recall and recognition, and *brand image*--associations of increasing abstraction and scope (attributes, benefits, and attitudes) that customers hold in their memory which are linked to the brand. Brand associations are important because these are part of the *associative network memory model*, a system of nodes and links (Keller, 1993). Information is stored in the nodes, and the nodes are connected by means of linkages. As either new information is entered or existing information is accessed, the nodes are activated. Consequently, the manner in which a consumer has linked various pieces of information about a business (favorability, strength, and uniqueness) influences the consumer's perception of the business. In a related experiment that supports this concept, Alba and Chattopadhyay (1986) found that increasing the salience (i.e., importance) of one brand can

limit the recall of competing brands (brand loyalty appears to be related to salience/importance). This was found to be true even in instances when the competing brands would normally be contained within the consumer's normal evoked set. Brand equity has also been considered to be composed of "brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets" (Yoo, et al., 2000, p. 196).

## Summary

This chapter began with a review of the measurement of attitude and general research on social responsibility (e.g., history, marketing-related philosophies, definitions, social responsibility as a strategy, and so forth). This was followed by a review of literature of the constructs in the study's model: brand social responsibility image, consumer social responsibility orientation, inclination to reward social responsibility image, product quality, service quality, and brand loyalty (attitude-based and behavior-based).

# Chapter 3

## Research Methods

The primary purpose of this dissertation was to study the influence of a brand's social responsibility image on consumers' brand loyalty for quick-service restaurants. This chapter first presents a review of the research's objectives, research questions, model, and hypotheses. This is followed by the research design.

### Objectives

Specific research objectives were to determine:

1) the relationship between consumers' social responsibility orientation and their inclination to reward brand social responsibility image;

2) if the inclination to reward brand social responsibility image moderates the relationship between brand social responsibility image and the brand's a) image for product quality and b) image for service quality;

3) the influence of brand social responsibility image on the brand's image for product quality and for service quality;

4) if the inclination to reward brand social responsibility image moderates the relationship between brand social responsibility image and a) attitude-based brand loyalty and b) behavior-based brand loyalty;

5) the influence of brand social responsibility image on attitude-based brand loyalty and on behavior-based brand loyalty;

6) the influence of a brand's product quality image on attitude-based brand loyalty and on behavior-based brand loyalty;

7) the influence of a brand's service quality image on attitude-based brand loyalty and on behavior-based brand loyalty; and

8) the influence of brand social responsibility image on brand loyalty relative to product quality and service quality.

## Research Questions

1) Does a consumer's social responsibility orientation influence their inclination to reward social responsibility?

2) Does a consumer's inclination to reward brand social responsibility image moderate the relationship between brand social responsibility image and the brand’s a) image for product quality and b) image for service quality?

3) Does brand social responsibility image influence the brand's image for product quality and service quality?

4) Does a consumer's inclination to reward brand social responsibility image moderate the relationship between brand social responsibility image and a) attitude-based brand loyalty and b) behavior-based brand loyalty?

5) Does brand social responsibility image influence

attitude-based brand loyalty or behavior-based brand loyalty, or both?

6) Does a brand's product quality image influence attitude-based brand loyalty or behavior-based brand loyalty, or both?

7) Does brand's service quality image influence attitude-based brand loyalty or behavior-based brand loyalty, or both?

8) Does brand social responsibility image have a greater or lesser influence on brand loyalty than does product quality and service quality?

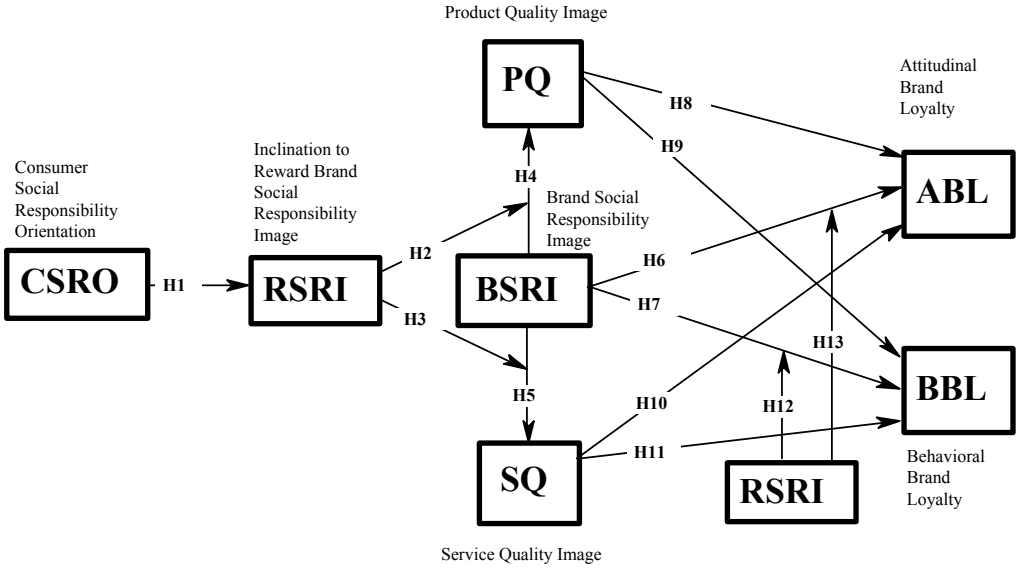
## The Model to be Studied (See Figure 3.1)

The constructs of interest are:

- Consumer Social Responsibility Orientation **(CSRO)**
- Inclination to Reward Brand Social Responsibility Image **(RSRI)**
- Brand Social Responsibility Image **(BSRI)**
- Product Quality Image **(PQ)**
- Service Quality Image **(SQ)**
- Attitude-based Brand Loyalty **(ABL)**
- Behavior-based Brand Loyalty **(BBL)**

**Figure 3.1**

**The Influence of Consumer Social Responsibility Orientation and Brand Social Responsibility Image on Brand Loyalty in Quick-Service Restaurants**



## Hypotheses

Theoretical support for the hypotheses is included in Chapter Two.

H1: There is a positive relationship between CSRO and RSRI.

H2: RSRI moderates the relationship between BSRI and PQ.

H3: RSRI moderates the relationship between BSRI and SQ.

H4: There is a positive relationship between BSRI and PQ.

H5: There is a positive relationship between BSRI and SQ.

H6: There is a positive relationship between BSRI and ABL.

H7: There is a positive relationship between BSRI and BBL.

H8: There is a positive relationship between PQ and ABL.

H9: There is a positive relationship between PQ and BBL.

H10: There is a positive relationship between SQ and ABL.

H11: There is a positive relationship between SQ and BBL.

H12: The relationship between BSRI and ABL is moderated by RSRI.

H13: The relationship between BSRI and BBL is moderated by RSRI.

## Research Design

According to Green, Tull, & Albaum (1988) research design includes the "overall operational pattern or framework of the project that stipulates what information is to be collected, from which sources, and by what procedures" (p. 96). Luck and Rubin (1987) refer to research design as "a statement of only the

essential elements of a study, those that provide the basic guidelines for the details of the project" (p. 51). The following topics were covered in the research design phase of this study: scale development, scale dimensionality, scale items, data collection, validity testing, reliability testing, sample and size, data reduction and coding, and finally, data analysis.

## Scale Development

This section includes discussions of scales utilized to measure the study's constructs. Researchers *construct* sets of variables they feel will validly measure that which is technically unobservable (the construct). The constructed scale can then be compared with other scales that profess to measure the same construct (Nunnally & Bernstein, 1994). Several of the scales have been modified to better suit the objectives of this research. This practice is acceptable as long as the original scale was appropriately developed and tested, and the modification does not significantly nor theoretically alter the underlying structure of the original scale (Chan, Wong & Leung, 1998; Rawwas, Vitell, & Al-Khatib, 1994; Wee, Tan, & Cheok 1995).

### Constructs and Scale Items

The following includes the constructs of the model, their definitions, and the proposed means of operationalizing the constructs. The questionnaire is located in the appendix.

The four most important variables--consumer social responsibility orientation, a consumer's inclination to reward social responsibility image, brand social responsibility image, and brand loyalty were measured on a 7-point scale. This is how they were measured in the scales from which they were adapted from. Oh and Jeong (1996), in their study based on discomfirmation theory, measured product and service quality on a 5-point scale. Parasuraman, Zeithaml, & Berry's (1988) SERVQUAL research, one of the most commonly referenced uses of discomfirmation theory and a premise of the Oh and Jeong (1996) study, utilized a 7-point scale. Because all of the most significant constructs will be measured with 7-point scales, it was decided to use a 7-point measurement scale for each variable in the model. Therefore, product and service quality were also be measured with 7-point scales. This decision recognizes the fact that because of differences in respondents' discrimination between 7 categories and 5, comparisons of the results of a 7-point scale with the prior results of a 5-point scale must be made with caution. For a comparison between the original scales and those proposed for this study, see Appendix 3.

◆ **Consumer Social Responsibility Orientation (CSRO),** an exogenous (independent) construct comprised of consumers' attitudes and actions related to social responsibility.

Creyer and Ross (1997) studied consumers' attitudes towards the ethical behavior of firms, focusing on the constructs of 1) the consumer's perceived importance of ethicality, 2) consumer expectations of a firm's ethicality, and 3) whether they would reward or 4) punish firms for their ethical or unethical behavior. A seven-point semantic differential measurement scale was used with anchors of *disagree completely* and *agree completely*. A variation of the researchers' scale for importance of ethicality was used to measure consumer social responsibility orientation. The researchers did not specify the Cronbach's Alpha for each of the four constructs, but did note that punishment was over .6 and that each of the remaining constructs were over .7. As a test of convergent validity this scale asks the same questions in negative and positive ways. The scale below is a modified version of the Creyer and Ross (1997) study that was used for the present research. Modifications included substituting restaurants for broader terms such as firms or companies, replacing the term ethics with the term social responsibility, and the reduction of highly similar items while retaining controls on convergent validity and reliability. Items 2, 7, 9, and 10 from the original scale that pertain to reputation were eliminated because they have already been queried

in two items (#s 4 and 5 in the original scale, see #s 3 and 4 in the revised scale). The retention of these two items still allows for the testing of convergent validity. Item 8 was eliminated because it is already being asked in item #3 in the original scale (item #2 in the revised scale).

Proposed Scale Items

Consumer Socially Responsible Orientation - Modified from a scale developed by Creyer and Ross (1997)

1. It really bothers me to find out that a restaurant that I buy from has not acted in a socially responsible manner.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

2. Whether a restaurant is socially responsible is not important to me in making my decision what to buy.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

3. I really care whether the restaurants I buy from have a reputation for socially responsible behavior.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

4. It is important to me that the restaurants I deal with do not have reputations for being socially irresponsible.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

5. It really pleases me to find that a restaurant I buy from have acted in a socially responsible manner.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

◆ **Inclination to Reward Brand Social Responsibility Image (RSRI)**, a construct denoting a consumer's willingness to "reward" a firm based on its social responsibility image.

The following scale is from the same study used to measure Consumer Social Responsibility Orientation (Creyer and Ross 1997). The researchers did not specify the Cronbach's Alpha for this scale, but did note it was over .7. A seven-point semantic differential measurement scale was used with anchors of *disagree completely* and *agree completely*. The scale below was adapted with only minor revisions. These include substituting restaurants for broader terms such as firms or companies and replacing the term ethics with the term social responsibility.

Proposed Scale Items

Inclination to Reward Socially Responsible Behavior - Based on a scale developed by Creyer and Ross (1997)

1. I would go several miles out of my way to buy from a restaurant that I knew to be highly socially responsible.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

2. I would pay more money for a product from a restaurant that I knew to be highly socially responsible.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

3. Restaurants that are extra socially responsible should do well in the marketplace.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

4. Restaurants that are socially responsible should be allowed to earn greater profits than restaurants normally do.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

5. Given a choice between two restaurants, one socially responsible and the other not especially so, I would always choose to buy from the socially responsible restaurant.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

◆ **Brand Social Responsibility Image (BSRI),** an independent construct denoting the image of the brand as a socially responsible member of the community.

Brown and Dacin (1997) studied the influence of corporate ability and corporate social responsibility on consumer product responses (primarily, corporate evaluation and product evaluation). The impetus behind their research was to study the differential effect of a company's reputation for producing quality products and its reputation for social responsibility directly on corporate evaluation and indirectly on product evaluation (through corporate evaluation). Partial justification for the research was that as consumers make product choices, they will generally do so with some degree of missing information. That is, they do not know everything there is to know about the

product. What supplants this void is information about the company's ability to produce a quality product and the company's reputation/image for social responsibility. Items were measured on a 7-point semantic differential scale with anchors of *very unfavorable* and *very favorable*. Corporate social responsibility associations for their second study was used for the external measurement of BSRI.

Maignan and Ferrell (1999) studied the antecedents and consequences (benefits) of corporate citizenship. They found, among other things, that the more proactive the corporate citizenship, the greater the customer loyalty. The authors developed a corporate citizenship scale based on Carroll's four dimensions of corporate social responsibility (Carroll, 1999). The scale includes the "four to five key stakeholder groups-employees, consumers, owners, community, and, perhaps, the environment (if you do not fold this into the community category)" (Carroll, 2000, p. 5).

Proposed Scale Items - The original Brown and Dacin (1997) scale is being used.

Brand Socially Responsibility Image

Please answer the following based on your perceptions of the firm's image (Note: It is your perceptions that we are interested in, rather than your specific knowledge of the firm's actions.):

1. _____(brand) has a concern for the environment

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable |

Image Image

2. _____(brand) is involved in local communities

Very Very
Unfavorable 1 2 3 4 5 6 7 Favorable
Image Image

3. _____(brand) gives to worthy causes

Very Very
Unfavorable 1 2 3 4 5 6 7 Favorable
Image Image

4. _____(brand) attempts to improve the quality of its products and services.

Very Very
Unfavorable 1 2 3 4 5 6 7 Favorable
Image Image

5. _____(brand) attempts to keep its restaurant clean.

Very Very
Unfavorable 1 2 3 4 5 6 7 Favorable
Image Image

6. The quality-of-life that _____(brand) offers its employees is higher than that of similar restaurants.

Very Very
Unfavorable 1 2 3 4 5 6 7 Favorable
Image Image

7. _____(brand) is socially responsible.

◆ **Product Quality (PQ)**, an independent construct that includes the major variables used in determining a consumer's perception of product attributes of quick-service restaurants.

Oh and Jeong (1996) utilized disconfirmation theory to study consumer market segments of quick-service restaurants. The results of their factor analysis for customer performance for product and service quality-related variables was used with limited modification. The original item, *price of food* (as were all other expectation items) was measured based on the customer's expected level of performance relative to the ideal level of performance. To improve face validity (respondent's understanding of the question) and because product quality is the construct being measured, the *price of food* item will be measured relative to quality. That is, *price of food* was replaced with the product's value position, *value* (I received my money's worth.). In essence, this is what the authors state that they are measuring.

The authors did not comment of the inclusion of food quality in their product scale. Since it measures the scale's construct, it would be redundant, unless utilized in the measurement of convergent validity (a form of construct validity). For purposes of this study, it will be included in the questionnaire as a measure of convergent validity. A five-point measurement scale from *very low performance* (1) to *very high performance* (5) was used. For reasons discussed in the introduction to these scales,

a 7-point scale will be used for each construct in this dissertation's study. The Chronbach alpha for product quality-related variables was .85.

Proposed Scale Items

Product Quality - Factor 1 in the Oh and Jeong (1996) study with only the semantic/wording modification noted above:

Please rate the specified firms' performance on the following criteria:

Brand (McDonald's, etc.)

1. Tastiness of food

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

2. Portion size

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

3. Ingredient freshness

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

4. Temperature of food (hot food hot, cold food cold)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

5. Value (I received my money's worth.)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

6. Food Quality

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high |

Performance Performance

◆ **Service Quality (SQ),** an independent construct that includes the major variables used in determining a consumer's perception of brand image for service quality.

The results of Oh and Jeong's (1996) factor analysis for customer performance for service quality-related variables were used with the some exceptions. The Cronbach alpha for service quality was .89. The variable *responsiveness*, was provided without its method of operationalization. Responsiveness could be construed to be emotive/affective in nature (e.g., having empathy for the consumer during the exchange), rational/cognitive (e.g., quickly and efficiently responding to the consumer's requests), or both. Based on the operationalization of responsiveness as rational/cognitive by Parasurman, et al., (1988), a major premise of the Oh and Jeong (1996) study, the rational approach could be taken. However, because the variables quick food delivery and no waiting are included in the scale and encompass responsiveness, the responsiveness item was deleted. Menu availability was eliminated because lack of availability is a rare occurrence in the quick-service restaurant under consideration.

It could be argued that this study should be using the full SERVQUAL scale, or at least the five dimensions of this scale, to measure service quality. Even though SERVQUAL has been quite popular, it is not the only scale utilized for the measurement of

service quality (Bonn, Ohlin, & Brand, 1994; Sparks & Bradley, 1997). Other scales have been developed without the multidimensionality of SERVQUAL, but which serve the purposes of the specific research being implemented. Additionally, the purpose of this research is not to learn about differences between expectations and performance.

Proposed Scale Items

Service Quality - Factor 2 in the Oh and Jeong (1996) study with modifications as presented above:

Please rate the specified firms' performance on the following criteria:

Brand (McDonald's, etc.)

1. Quick food delivery

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

2. No waiting

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

3. Employees' greeting

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

4. Prompt service from the cashier

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

5. Employee attitude

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

◆ Attitude-based Brand Loyalty **(ABL)**, a dependent variable, measured by consumers' feeling of loyalty toward selected quick-service restaurants.

◆ Behavior-based Brand Loyalty **(BBL)**, a dependent variable, measured by consumers' purchase habits at selected quick-service restaurants.

Reynolds and Arnold (2000) studied store loyalty and its relationships with the constructs of loyalty toward the salesperson, word-of-mouth promotion, share of purchases, competitive resistance, and satisfaction. Store loyalty was measured with a four item scale that achieved a reliability coefficient of .80, 1) I am very loyal to (store name), 2 & 3) Share of purchases (two items) (The two items were not explicitly provided, but based on the research of others, this was likely based on the ratio of total purchases to store purchases), and 4) I shop at other stores if the price is lower. A 7-point semantic differential scale was used, however anchors were not specified for these particular items. From this scale, items #1 and #4, were adopted for the attitudinal brand loyalty scale (Chaudhuri, 1999; Fornell, 1992; Yoo, et al., 2000). For clarity, Item #4 will be modified to reflect willingness to remain loyal in spite of price increases, rather than loyalty being based on

willingness to switch for a lower price (Fornell, 1992). Ganesh, Arnold, and Reynolds (2000) studied the differences between switchers and stayers. One measurement of loyalty was, I would highly recommend my bank to may friends and family. In a conceptual piece, Aaker (1996) also suggested that recommendation of the product or service be utilized as a measurement of loyalty. The recommendation item will be added to attitudinal brand loyalty scale.

For the measurement of behavior-based loyalty, items #2 and #3, share of purchases from Reynolds and Arnold (2000), were condensed into a single-item scale representing percentage of purchases (Iwasaki and Havitz, 1998; Jacoby & Chestnut, 1978). To allow for reliability testing for this single item scale, two additional loyalty indicators were added. Consideration of the brand as the first choice to buy from, a behavior-based intentions item, was adapted from Zeithaml, Berry, and Parasurman's (1996) measurement of consumer loyalty. Chaudhuri and Holbrook (2001) measured purchase loyalty with "I will buy this brand the next time I buy Brand X" and "I intend to keep purchasing this brand." Their second measure will be included in the behavior-based brand loyalty scale.

Proposed Scale Items

Attitudinal Brand Loyalty - Based on Reynolds and Arnold, 2000 and Pritchard, Havitz and Howard, 1999)

1. I am very loyal to Brand X.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

2. I would continue to dine at Brand X even if the price was higher.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

3. I would highly recommend Brand X to my friends.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

4. To me, Brand X is the same as other quick-service restaurants.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

<u>Behavior-based Brand Loyalty - Based on Reynolds and Arnold, 2000)</u>

1. The percentage of my quick-service dining purchases at Brand X is:

1 - 0% up to 9%;

2 - 10% up to 25%;

3 - 25% up to 40%;

4 - 40% up to 55%;

5 - 55% up to 70%;

6 - 70% up to 85%;

7 - 85% up to 100%

2. The next time you go to a fast food restaurant, how likely is it to be Brand X ?

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Very Unlikely | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Very Likely |

3. I intend to keep buying from Brand X.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Very Unlikely | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Very Likely |

## A Comparison of the Original Scales with the Dissertation's Scales

See Appendix 3

## Pretesting

The questionnaire was tested for validity, reliability, and time for completion on hospitality students prior to implementation on the selected sample frame (See Appendix 4).

## Data Collection

The sampling plan selected was a convenience sample, a method that is commonly used in ethics-based research (Brown & Dacin, 1997; Creyer & Ross, 1997; Rallapalli, Vitell, Wiebe, & Barnes, 1994). Rallapalli, et al., (1994) wrote that convenience samples are acceptable as long as the study is exploratory and the respondents are familiar with the questions being asked. Since this is a new model, essentially exploratory in nature, it is also more efficient to test it first on a convenience sample

before testing it with more expensive mail survey on a probability or random sample. Contrarily, Luck and Rubin (1987) argue that the convenience sample produces statistics that *approximate* the population, and therefore should not be assumed to be as accurate probability sampling techniques.

## Validity Testing

According to Nunnally and Bernstein (1994) there are three primary types of validity, each with variations. These are construct, predictive, and content validity.

*Construct validity* exists if different measures can be used to obtain the same results (i.e., if the different measures are correlated) (Nunnally & Bernstein, 1994). *Convergent validity* (a form of construct validity) exists if the scale is highly correlated with another scale that proposes to measure the same thing (Vogt, 1993). Convergent validity was tested internally by means of single-item scales that measure Inclination to Reward Socially Responsible Behavior, Brand Social Responsibility Image, Product Quality, Service Quality, and Brand Loyalty. A direct measurement (single item scale) of Consumer Social Responsibility Orientation appears to offer too great a chance for social desirability bias to allow for an accurate measurement of convergent validity.

*Discriminant validity* (a form of construct validity) is high when a construct does not correlate with another distinct

construct (Vogt, 1993). Discriminant validity would generally be measured internally. This could be an important consideration in this study because of the possibility of the halo effect or social desirability effect/bias (respondents exaggerating their social responsibility orientation, rather responding truthfully). To control for this type of error, Cohen, Pant, & Sharp (1993) recommend asking respondents how they think peers would respond to the same situation. In their 1993 study, respondents consistently expressed the view that their potential actions would be more socially desirable than their peers (results of *t*-test, $p < .0001$ to .0005 on 5 of 6 scenarios). Discriminant validity was measured as in the Cohen, Pant, and Sharp (1993) study with a single item scale by asking respondents how they believe their peers would respond to consumer social responsibility orientation situations.

*Predictive validity* determines how well the independent variable (predictor variable) is correlated with the dependent variable (criterion variable) (Nunnally & Bernstein, 1994). This is an empirical test, as validity in this case is the actual correlation between the predictor and the criterion variables. It is not critical whether the dependent variable is measured before the independent variable (prediction), at the same time (concurrent validity), or afterwards (postdiction). Predictive validity is also referred to as empirical validity, criterion validity, and statistical validity. There are two primary

relationships that were tested for predictive validity, the relationships between a) Consumer Social Responsibility Orientation and Inclination to Reward Social Responsibility image, and b) Brand Social Responsibility Image and the two dimensions of Brand Loyalty. There are specific hypotheses for each of these relationships.

Vogt (1993) writes that *concurrent validity* exists if a scale correlates with another scale that is believed to be valid. Davis & Consenza (1988) feel that concurrent validity is essentially the affirmation of one's research with that of others implemented at about the same time. Since several of the scales for this study are business specific (i.e., McDonald's), correlations with the similar measures of other firms or brands were not found. However, comparisons can be made with other similar studies focused on generic firms (industries).

*Content validity* is not a statistical measurement, but one based on the judgment of experts in the field (Vogt, 1993). It determines whether the items used measure what they profess to measure. Considerations for content validity include checking "for ambiguity, clarity, triviality and sensible construction, as well as to make sure that the items reflected (sic) the construct of interest" (Singhapakdi, Vitell, Rallapalli, & Kraft, 1996, p. 1134.. For this study, content validity were measured by asking members of this dissertation’s committee and others, their opinion of the logic of the proposed scales.

*Face validity* is a non-statistical measurement that determines whether the measurements are logically or conceptually valid. There is some disagreement between researchers over the definition of this term. Singhapakdi, et al. (1996) write that this can be tested by presenting experts with the applicable scales and asking them what they think it measures. Nunnally and Bernstein (1994) feel that face validity is instead determined by the potential respondent's opinion of the validity of the scale, primarily the operationalization of scale items. Because of the major similarities between Singhapakdi, et al's (1996) understanding of face validity and that of construct validity, The Nunnally and Bernstein (1994) explanation of the term will be used. Face validity was measured by people with the same characteristics as those in the specified sample.

## Reliability Testing

Where validity focuses on the accuracy of the data, reliability concentrates on the consistency that can be exhibited from the study's design. A research design can lack validity, but be very reliable (i.e., provide consistently incorrect data). Contrarily, a research design cannot be valid, but lacking in reliability (Davis & Consenza, 1988).

Cronbach's Alpha (also referred to as coefficient alpha or the coefficient of reliability) is one of the most common measures of scale reliability (Nunnally & Bernstein, 1994). It is

based primarily on the average correlations of items in a particular scale, but also on the number of items in the scale. Split-half testing was commonly used before computer programs simplified the computation of coefficient alpha. Retesting with the same people is another reliability test, however its accuracy is questionable since the first administration of the survey instrument generally influences the second. According to Nunnally and Bernstein (1994) a .7 correlation coefficient is the level of acceptance for exploratory studies. They referred to the .7 level as achieving “modest reliability” (Nunnally & Bernstein, 1994, p. 265). When important decisions will be based on the results of the research, measurement of reliability should be increased to .8 (Nunnally & Bernstein, 1994). The Cronbach Alpha was examined for each multi-attribute scale in the study.

**Response Bias.** As individuals attempt to answer survey questions, they will interpret the question and their potential response according to their personal value systems. For example, they could consider how their response, and therefore themselves, will be viewed by researchers. They may also be attempting to upgrade or protect their self-image by responding in a socially desirable manner (socially desirability response bias) (Sherif, Sherif, & Nevergall, 1965).

For the sake of time, wanting to be agreeable, or the inability to adequately discriminate between response categories, there is also a tendency for individuals to respond to dissimilar

questions in a similar manner (Rokeach, 1973). For example, if a respondent casually views the vast majority of items in a scale to be important and responds without carefully reading each item, the knowledge gained by the research will likely be minimized. This inclination to respond similarly, a form a response bias, is also known as *end-piling* (Madrigal & Kahle, 1994). Among the means of limiting end-piling are: varying the polarity of response categories (e.g. for one question the right end would be positive, for the next question, the left end would be positive); making sure that the questions promote differential responses; and asking a single question to ascertain which of the similarly valued categories is most important (Madrigal & Kahle, 1994).

**Nonresponse Bias.** In any survey there will be some unknown number of people that will not respond. To avoid minimizing the reliability of the study, the number of nonrespondents must be limited or controlled in some manner. Some types of nonresponse bias include noncoverage, not-at-home, inability to respond or being unwilling to answer certain questions, and nonrespondents (Dillon, Madden, & Firtle, 1990; Emory & Cooper, 1991). *Noncoverage* or *Not-at-home nonrespondents* should not be a problem since this is a convenience sample. *Inability to respond* or unwillingness to answer certain questions should not be a problem for this study because of the relative simplicity of the questions and the relative privacy of a self-administered survey. If incentives are offered for responding, willingness to respond

may increase. A study by Jobber and Mirza (1991) found that the inclusion of the incentive (a bookmark, for example) was more effective at increasing the response rate than future rewards. For this study, incentives included first and second prizes of $125 and $75 respectively, and a $1 donation to the Flagstaff Family Food Center (an organization in Flagstaff, Arizona that helps feed the needy). *Nonrespondents* can be minimized by increasing the salience of the topic, sponsorship of the survey, follow-up, incentives, and personalization (Paxson, 1995). The fact that the survey is studying social responsibility should increase participation. Since this is a convenience sample, it was not necessary to distinguish nonrespondents from respondents.

## Sample and Sampling Frame

The sample refers to the people, places, or objects chosen to represent the population being studied. The first requirement for this study is that the selected sample include quick-service restaurant patrons. The sampling plan was a convenience sample with a mix of consumers from intercept interviews and students enrolled in hotel and restaurant management courses at Northern Arizona University. The intercept interviews took place at a large grocery store and at a regional hospital (employees of the hospital).

## Sample Size and Response Rate

Sample size is based primarily on the number necessary for proper statistical analysis for the selected technique. In one article it was suggested that for studies with relatively homogeneous samples, 200 to 500 responses are generally adequate (Almanza, et al., 1994). This estimation did not take into account the type of statistics being utilized. For regression, the primary technique being utilized in this research, both very small and large samples must be viewed with caution (Hair, et al., 1995). The rule-of-thumb is to have a minimum of 5 observations, but ideally 15 to 20, for each independent variable. With an index being created from each construct, this would yield the equivalent of seven variables. Therefore, according to Hair, et al. (1995), approximately 140 responses should be more than adequate for the present research.

## Data Reduction and Coding

The data collected was examined for incomplete questionnaires and consistency (e.g., misunderstandings about how a question should have been answered or end piling). Subsequently, the responses were coded to allow for data entry into statistical software programs. Coding refers to translating each response into a numerical representation. Since all responses, except for a ratio purchase behavior item, were closed ended and on a 7-point scale, coding was essentially incorporated into the questionnaire.

## Data Analysis

The purpose here was to analyze the hypothesized relationships and strength of each construct in its respective model (Hair, et al., 1995). One technique was used in the analysis, simple regression. To allow for the use of simple regression with multi-item scales, a summated index based on the variables in each construct was created through the SPSS statistical software package.

Inclination to Reward Brand Social Responsibility Image (RSRI) as a moderating variable was measured as follows:

1. RSRI and Brand Social Responsibility Image (BSRI) were transformed into dichotomous categorical variables.
2. These two variables were then utilized as independent variables in three separate ANOVA tests with products quality, service quality, and brand loyalty as dependent variables.
3. The results provided four conditions which influenced the mean outcomes of product quality, service quality, and brand loyalty. These were High-Brand Social Responsibility Image/High-Inclination to Reward Brand Social Responsibility Image, H-BSRI/L-RSRI, L-BSRI/L-RSRI, and L-BSRI/H-RSRI.

## Summary

Chapter 3 presented the research design for the dissertation. This included scale development, a questionnaire, data collection, validity and reliability testing, sample and sample frame, sample size and response rate, data reduction and coding, and data analysis. The questionnaire was pretested on junior and senior level students at a School of Hotel and Restaurant Management in the Southwestern United States.

# Chapter 4

## Results

The previous chapter presented the research design that was implemented. This chapter will present the results of the study, more specifically, data transformation, the pretest/scale refinement, data collected, factor analysis, the new model, reliability and validity testing, and the testing of the study's hypotheses.

### Data Transformation

Variable #2 (Whether a restaurant is socially responsible is not important to me in making my decision of what to buy) was reverse scored and therefore was recoded (i.e., 1=7, 2=6, 3=5, 4=4, 5=3, 6=2, 7=1). Variable #27 (Of the times you purchase fast food, approximately what percentage is at McDonald's?) required a decision rule to allow for its transformation from a ratio scale to an interval scale (Raj, 1982). The decision rule for this variable follows: 1 = 0%; 2 = 1% through 20%; 3 = 21% through 40%; 4 = 41% through 60%; 5 = 61% through 80%; 6 = 81% through 99%; 7 = 100%.

**Pretest and Scale Refinement**

A pretest of the questionnaire was conducted on 90 students in human resource management classes at Northern Arizona University's School of Hotel and Restaurant Management. The objective was to examine the reliability of the scales selected to measure the constructs of Consumer Social Responsibility Orientation, Inclination to Reward Brand Social Responsibility Image, Brand Social Responsibility Image, Product Quality Image, Service Quality Image, Attitude-based Brand Loyalty, and Behavior-based Brand Loyalty. The method selected to examine scale reliability was Cronbach's alpha, a method utilized by Chaudhuri (1999). Vogt (1993) defines Cronbach's alpha as a measure of internal reliability that "indicates how much the items in an index are measuring the same thing" (p. 53). The process Chaudhuri (1999) used consisted first of obtaining the Cronbach's alpha (herein after, alpha), for all variables in a scale. Subsequently, items were removed until the desired level of alpha was achieved. Nunnally and Bernstein (1994) referred to the .7 level as achieving “modest reliability” (p. 265). However when important decisions will be based on the results of the research, measurement of reliability should be increased to .8 (Nunnally & Bernstein, 1994). Because this dissertation is testing a new model with scales modified from the research of others, modest reliability or .7 or higher is the minimum alpha

level to be accepted. The following are the initial Cronbach alphas with modifications:

◆ Consumer Social Responsibility Orientation (CSRO) had an initial Chronbach alpha of -.30. This was for variables 1 (It really bothers me to find out that a restaurant that I buy from has not acted in a socially responsible manner), 2 (Whether a restaurant is socially responsible is not important to me in making my decision of what to buy), and 3 (It really pleases me to find that a restaurant I buy from has acted in a socially responsible manner). Variable 4 (Overall, I tend to be more socially responsible than friends and coworkers.), a variable used to test for discriminant validity, was not included in the measurement of alpha for this scale. The justification for this is that where Cronbach's Alpha "indicates how much the items in an index are measuring the same thing" (Vogt, 1993, p. 53), discriminant validity is tested by seeing if the discriminant variable does *not* correlate with other items in the scale (Vogt, 1993). Therefore, since variable 4 is an attempt to measure something different than the other items in the scale, it was not included in the alpha measurement. The highest alpha, -.99, was achieved by the elimination of variable 3 and the retention of variables 1 and 2.

◆ The four variable (variables 5, 6, 7 & 8) Inclination to Reward Social Responsibility Image scale had an initial alpha of

.58. The best alpha produced by removing one variable (v7) was .69. Without variable 8, the alpha increased to .83. Because the cognitive belief being queried in variable 8 (Given a choice between two restaurants, one socially responsible and the other not especially so, I would always choose to buy from the socially responsible restaurant) was similar to that of variable 5 (I would go several miles out of my way to buy from a restaurant that I knew to be highly socially responsible), variable 8 was eliminated. Therefore, variables 5 and 6 were retained.

- The alpha for Brand Social Responsibility Image scale was .87.
- The alpha for Product Quality Image scale was .83.
- The alpha for Service Quality Image scale was .79.
- The alpha for Attitude-based Brand Loyalty scale was .84.
- The alpha for Behavior-based Brand Loyalty scale was .85.

## The Study's Revised Questionnaire

See Appendix 5

## Data Collected

A total of 175 surveys were collected. The sampling plan selected was a convenience sample, a method that is commonly used in ethics-based research (Brown & Dacin, 1997; Creyer & Ross, 1997). A total of 85 intercept surveys were collected (45 from

shoppers at Basha's Grocery Store, a prominent regional multi-unit chain, 27 from employees at a regional hospital, and 13 from faculty and staff in the School of Hotel and Restaurant Management). Incentives were provided in the hope of increasing the likelihood of participation. The incentives included a drawing for a first prize of $125.00 and a second prize of $75.00, plus a $1.00 donation was given to the Flagstaff Family Food Center for each survey completed. The collection strategy of intercept interviews for this study was not highly successful. It was found that the vast majority of businesses in Flagstaff, Arizona had policies that prohibited intercept interviews of patrons. Therefore, another source of surveys for the study was sought. Civic organizations and churches were considered, but not selected because of their potential positive bias in a social responsibility survey. Subsequently, ninety surveys were collected from students in introductory hospitality classes and hospitality technology classes at a school of hospitality management. Table 4.1 presents a t-test used to see if there were any significant differences between the intercept surveys and those of students. The t-test was performed on each of the constructs in the study: Consumer Social Responsibility Image (CSRO), Inclination to Reward Brand Social Responsibility Image (RSRI), Brand Social Responsibility Image (BSRI), Product Quality Image, Service Quality Image, Attitude-based Brand Loyalty (ABL),

and Behavior-based Brand Loyalty (BBL). The results showed that there were no significant differences at the .05 level ($p < .05$) between the responses of students and intercept respondents for the constructs of the study. Levene's test for equality of variances showed that equal variances were assumed. Therefore, significance levels used to measure differences between Intercepts and Students were those associated with equal variances assumed, rather than equal variances not assumed. The mean provided is the weighted average for each group based on the number of items in the scale and the categories used to measure each item (e.g., for CSRO there were two items and 7 categories; 2 times 7 equals a maximum mean of 14, versus the actual means of Students of 10.1222 and Intercepts of 9.9647).

**Table 4.1 t-test for Differences Between Intercept and Student Surveys**

**Group Statistics**

| | Students or intercepts | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Consumer Social Responsibility Orientation (CSRO) (2 items) | Students | 90 | 10.1222 | 2.35037 | .24775 |
| | Intercepts | 85 | 9.9647 | 2.67905 | .29058 |
| Inclination to Reward Social Responsibility Image (RSRI) (2 items) | Students | 90 | 9.8444 | 2.53032 | .26672 |
| | Intercepts | 85 | 9.7059 | 2.80231 | .30395 |
| Brand Socially Responsibility Image (BSRI) (7 items) | Students | 88 | 31.3409 | 7.75766 | .82697 |
| | Intercepts | 81 | 30.5185 | 7.91535 | .87948 |
| Product Quality Image (PQ) (6 items) | Students | 89 | 24.1011 | 7.01305 | .74338 |
| | Intercepts | 83 | 25.3373 | 6.70325 | .73578 |
| Service Quality Image (SQ) (5 items) | Students | 88 | 21.4318 | 5.63200 | .60037 |
| | Intercepts | 80 | 22.2625 | 4.99048 | .55795 |
| Attitude-based Brand Loyalty (ABL) (3 items) | Students | 89 | 7.9438 | 4.83679 | .51270 |
| | Intercepts | 82 | 8.2927 | 3.87613 | .42805 |
| Behavior-based Brand Loyalty (BBL) (3 items) | Students | 88 | 9.1705 | 4.01498 | .42800 |
| | Intercepts | 78 | 10.1282 | 4.19758 | .47528 |

(The Independent Sample Tests for Figure 4.1 are on the following page.)

**Independent Samples Test**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Consumer Social Responsibility Orientation (CSRO) | Equal variances assumed | .453 | .502 | .414 | 173 | .679 | .1575 | .38044 | -.59338 | .90841 |
| | Equal variances not asmd. | | | .412 | 167.148 | .681 | .1575 | .38186 | -.59638 | .91141 |
| Inclination to Reward Social Responsibility Image (RSRI) | Equal variances assumed | .660 | .418 | .344 | 173 | .732 | .1386 | .40320 | -.65727 | .93439 |
| | Equal variances not asmd. | | | .343 | 168.739 | .732 | .1386 | .40438 | -.65974 | .93687 |
| Brand Socially Responsibility Image (BSRI) | Equal variances assumed | .006 | .941 | .682 | 167 | .496 | .8224 | 1.20620 | -1.5589 | 3.20376 |
| | Equal variances not asmd. | | | .681 | 165.230 | .497 | .8224 | 1.20722 | -1.5611 | 3.20595 |
| Product Quality Image (PQ) | Equal variances assumed | .152 | .697 | -1.180 | 170 | .240 | -1.2362 | 1.04760 | -3.3042 | .83175 |
| | Equal variances not asmd. | | | -1.182 | 169.894 | .239 | -1.2362 | 1.04594 | -3.3009 | .82848 |
| Service Quality Image (SQ) | Equal variances assumed | 1.589 | .209 | -1.008 | 166 | .315 | -.8307 | .82435 | -2.4582 | .79688 |
| | Equal variances not asmd. | | | -1.014 | 165.896 | .312 | -.8307 | .81961 | -2.4488 | .78753 |
| Attitude-based Brand Loyalty (ABL) | Equal variances assumed | 2.503 | .115 | -.518 | 169 | .605 | -.3489 | .67391 | -1.6792 | .98151 |
| | Equal variances not asmd. | | | -.522 | 165.877 | .602 | -.3489 | .66790 | -1.6675 | .96981 |
| Behavior-based Brand Loyalty (BBL) | Equal variances assumed | .632 | .428 | -1.501 | 164 | .135 | -.9578 | .63787 | -2.2172 | .30175 |
| | Equal variances not asmd. | | | -1.497 | 159.618 | .136 | -.9578 | .63959 | -2.2209 | .30540 |

(Note to Figure 4.1: All measurement scales consisted of 7 categories with one being low and 7 being high. The anchors varied with the scale. Please see the questionnaire in appendix 5 for further clarification.)

## Descriptive Statistics

See Appendix 6

## Factor Analysis

Factor analysis was utilized to determine if the 28 variables selected for the study loaded on their proposed constructs and concurrently to learn if the number of variables could be reduced. (As a result of the pretest, a total of four variables were removed to increase the alpha scores.) The results of factor analysis (See Table 4.2) showed that the item loadings were not compatible with the study's proposed model (See Figure 4.1). The original model contained the constructs Consumer Social Responsibility Orientation (CSR0) (v1 and v2) in the current iteration) and Inclination to Reward Social Responsibility Image (RSRI) (v4 and v5 in the current iteration). (Variable 3 was included as a test of discriminant analysis and not as a part of the CSRO scale.) Factor analysis showed these variables loading on the same factor (component). These findings contradict those of Creyer and Ross (1997) who found CSRO and RSRI to be separate scales. This contradiction is possibly based in part on the

reduction in scale items for the two scales from fifteen (ten for CSRO, five for RSRI) in the Creyer and Ross (1997) study, to four in the present study (two each for CSRO and RSRI.

**Table 4.2 Factor Analysis for the 28 Items in the Dissertation's Model**
**(Only factors/components with eigenvalues above 1 were included.) (a)**

| | Component | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| v1. It really bothers me to find out that a restaurant that I buy from has not acted in a socially responsible manner. (RSRI) | | | | | .754 | |
| v2. Whether a restaurant is socially responsible is not important to me in making my decision of what to buy. (RSRI) | | | | | .493 | |
| v4. I would go several miles out of my way to buy from a restaurant that I knew to be highly socially responsible. (RSRI) | | | | | .860 | |
| v5. I would pay more for a product from a restaurant that I knew to be higly socially responsible. (RSRI) | | | | | .860 | |
| v6. McDonald's has a concern for the environment. (BSRI) | | .594 | | | | |
| v7. McDonald's is involved in local communities. (BSRI) | | .779 | | | | |
| v8. McDonald's gives to worthy causes. (BSRI) | | .766 | | | | |
| v9. McDonald's attempts to improve the quality of its products and services. (BSRI) | | .677 | | | | |
| v10. McDonald's attempts to keep its restaurant clean. (BSRI) | | .539 | | | | |
| v11.The quality-of-life that McDonald's offers its employees is higher than that of similar restaurants. (BSRI) | | .755 | | | | |
| v12. McDonald's is socially responsible. (BSRI) | | .760 | | | | |
| v13. Tastiness of food. (Variables 13 to 23 concern McDonald's. See questionnaire for directions for respondents.) (PQ) | .466 | | .667 | | | |
| v14. Portion size. (PQ) | | | .675 | | | |
| v15. Ingredient freshness. (PQ) | .369 | | .717 | | | |
| v16. Temperature of food. (PQ) | | | .788 | | | |
| v17. Value (The price relative to the food's quality.). (PQ) | | | .532 | | | |
| v18. Overall food quality. (PQ) | .361 | | .758 | | | |
| v19. Quick food delivery. (SQ) | | | | | | .807 |
| v20. No waiting. (SQ) | | | | .425 | | .703 |
| v21. Employees' greeting. (SQ) | | | | .841 | | |
| v22. Employee attitude. (SQ) | | | | .798 | | |
| v23. Overall service quality. (SQ) | | | | .798 | | |
| v24. I am very loyal to McDonald's. (ABL) | .822 | | | | | |
| v25. I would highly recommend McDonald's to my friends. (ABL) | .811 | | | | | |
| v26. I would continue to dine at McDonald's even if the price was higher. (ABL) | .781 | | | | | |
| v27. Of the times you purchase fast food, approximately what percentage is at McDonald's? (BBL) | .766 | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **v28. In the future, I intend to keep buying from McDonald's! (BBL)** | .773 | | | | | |
| **v29. The next time you go to a fast food restaurant, how likely is it to be McDonald's? (BBL)** | .854 | | | | | |
| Extraction Method: Principal Component Analysis.<br>Rotation Method: Varimax with Kaiser Normalization. | | | | | | |
| a Rotation converged in 7 iterations. | | | | | | |

Based on factor analysis, the constructs of Consumer Social Responsibility Orientation and Inclination to Reward Social Responsibility Image were combined into one construct. Because the highest loadings were for the *inclination to reward* factors (v4 = .860, v5 = .860), this new construct was labeled as Inclination to Reward Social Responsibility Image (RSRI). Consumer Social Responsibility Orientation had the following loadings, v1 = .754 and v2 = .493. Variable #2 (Whether a restaurant is socially responsible is not important to me in making my decision of what to buy) had the lowest factor loading. A possible reason for this is that since the item was reverse scored, respondents may not have carefully read the statement. Hair, et al. (1997) suggest that factor loadings of +/- .30 meets the minimal standard for inclusion in a factor matrix, while loadings above +/- .50 are "practically significant" (p. 384).

Likewise, the variables in the Attitude-based Brand Loyalty and Behavior-based Brand Loyalty constructs loaded on the same factor (v24 = .822, v25 = .811, v26 = .781, v27 = .766, v 28 =

.773, v29 = .854). This construct was labeled as Brand Loyalty (BL).

The decision to measure brand loyalty as two distinct constructs was based on the work of Jacoby and Chestnut (1978), Chaudhuri and Holbrook (2001), and Pritchard, Havitz and Howard (1999). Jacoby and Chestnut (1978) in a frequently referenced monograph, listed 53 tested indices for operationalizing 1) attitude-based loyalty, 2) behavior-based loyalty, and 3) composites of the attitude and behavior measures. These researchers simply presented their conceptualization of the subject and the results of various studies. In reviewing Chaudhuri and Holbrook's (2001) and Pritchard, et al's., (1999) justification for the two-construct brand loyalty measurement, it was found that their decisions were based on the conceptual needs of the research, rather than on empirical justification (i.e., not through a statistical technique such as factor analysis). Chaudhuri and Holbrook (2001) stated that, "our notion of brand loyalty in this study includes both purchase loyalty and attitudinal loyalty" (p. 3). They did not however test their "notion" to see if there were in fact two distinct constructs. Pritchard, et al's., (1999) justification was that most authors had viewed brand loyalty as a single construct and that there was a need to develop the attitudinal component of brand loyalty.

The justification used for this dissertation's research was the same as that of Chaudhuri and Holbrook (2001) and Pritchard (1999). However, the application of factor analysis, at least for this study, showed that the two perceived constructs of Attitude-based Brand Loyalty and Behavior-based Brand Loyalty are in fact a single construct.

The following is a brief comparison between the Chaudhuri and Holbrook (2001), Pritchard, et al., (1999) and this dissertation's operationalization (referred to below as Reich) of attitude and behavior-based constructs:

Chaudhuri and Holbrook: Attitude-based Brand Loyalty
1. I am committed to this brand.
2. I would be willing to pay a higher price for this brand over other brands.

Pritchard, Havitz and Howard: Attitude-based Brand Loyalty
1. I consider myself to be a loyal patron of XYZ airline.
2. If I had to do it over again, I would fly with another airline
3. I try to fly with XYZ airline because it is the best choice for me.
4. To me, XYZ is the same as other airlines.

Reich: Attitude-based Brand Loyalty
1. I am very loyal to (Brand).
2. I would highly recommend (Brand) to my friends.
3. I would continue to dine at (Brand) even if the price was higher.

Each of the three attitude-based brand loyalty scales measure both affective and cognitive beliefs toward loyalty. Affective loyalty is measured through questions about feelings of loyalty (e.g., I am committed to this brand and I am loyal),

where as cognitive beliefs are measured through price considerations and through a comparison between airlines).

Chaudhuri and Holbrook: Behavior-based Brand Loyalty
1. I will buy this brand the next time I buy (product name).
2. I intend to keep purchasing this brand.

Pritchard, Havitz and Howard: Behavior-based Brand Loyalty was calculated as the ratio of flights with XYZ to times flown.
1. Please estimate how many times during the last 12 months you have flown with XYZ.
2. Please estimate how many times during the last 12 months you have used airlines in general.

Reich: Behavior-based Brand Loyalty
1. Of the times you purchase fast food, approximately what percentage is at (Brand).
2. In the future, I intend to keep buying from (brand)!
3. The next time you go to a fast food restaurant, how likely is it to be (Brand)?

The Chaudhuri and Holbrook (2001) Behavior-based Brand Loyalty scale focuses on intentions, Pritchard, Havitz and Howard (1999) focuses on the actual purchase, while Reich includes both intentions and purchase behavior.

Contrarily, Chaudhuri (1999) and Reynolds and Arnold (2000) measured brand loyalty with single-construct scales. Dick and Basu (1994) conceptually supported the concept of a single-construct brand loyalty measure. Chaudhuri did not offer justification for the single-construct loyalty measure. Reynolds and Arnold only offered that loyalty, based on psychometric evaluation, was a unidimensional construct. Dick and Basu (1994) wrote that considering loyalty as a psychological construct separate from behavior has created problems with past research

efforts. Additionally, they posited that viewing attitude and behavior as a single construct allowed for the consideration of causal relationships with loyalty and antecedents (e.g., quality and satisfaction).

Chaudhuri's (1999) single-construct three-item scale included: 1) I make my purchase selection of bath soap according to my favorite brand name, regardless of price; 2) I have more than one preferred brand of bath soap and I make my selection based on price, availability, and other factors; and 3) my choice of bath soap is based largely on price. Reynolds and Arnold (2000) measured store loyalty as follows with a single-construct four-item scale: 1) I am very loyal to (store name), 2 & 3) Share of purchases (two items), and 4) I shop at other stores if the price is lower. Items 2 and 3 above were not explicitly provided, but based on the research of others, this was likely based on the ratio of total purchases to store purchases.

For Service Quality (variables 19 through 23), variables 19 (Quick food delivery) and 20 (No waiting) loaded on factor 6, whereas the remaining three items v21 (Employee greeting), v22 (Employee attitude), and v23 (Overall service quality), loaded on factor 4 (See Table 4.7). This scale was based on the results of Oh and Jeong's (1996) factor analysis. However, the removal of two items (responsiveness and menu availability) and the addition of one item (overall service quality), may have accounted for the

different factor loadings. It appears that quick food delivery and no waiting were perceived by respondents as different from greeting, attitude, and overall service quality. No waiting had a relatively high secondary loading (.454) with variables 21, 22, and 23. For this dissertation, "quick food delivery" and "no waiting" will be considered as a second dimension of Service Quality related to speed of service. Therefore, both dimensions of Service Quality measure were retained.

Interestingly, three of the six variables used to measure product quality image had marginal secondary loadings on factor 1, Brand Loyalty. These variables were 13 - Tastiness of food, 15 - Ingredient freshness, and 18 - Overall food quality.

Table 4.3 presents the variance explained for the six factor loadings with eigenvalues above one. Brand Loyalty (factor 1) accounted for 35.9 percent of the variance. The second highest loading was for Brand Social Responsibility Image (factor 2), which accounted for 10.3 percent of the variance. Subsequent loadings were Product Quality Image (factor 3), the first dimension of Service Quality Image (factor 4) (v21. Employee's greeting, v22. Employee attitude, and v23. Overall service quality), Inclination to Reward Brand Social Responsibility Image (factor 5), and the second dimension of Service Quality (factor 6) (v19. quick food delivery and v20. no waiting).

**Table 4.3 Total Variance Explained for the Six Components (Factor Loadings) with Eigenvalues Above One**

| | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|---|---|---|
| **Component** | **Total** | **% of Variance** | **Cumulative %** | **Total** | **% of Variance** | **Cumulative %** | **Total** | **% of Variance** | **Cumulative %** |
| **1 (BL)** | 10.063 | 35.938 | 35.938 | 10.063 | 35.938 | 35.938 | 4.896 | 17.486 | 17.486 |
| **2 (BSRI)** | 2.889 | 10.317 | 46.256 | 2.889 | 10.317 | 46.256 | 4.048 | 14.458 | 31.944 |
| **3 (PQ)** | 2.491 | 8.897 | 55.152 | 2.491 | 8.897 | 55.152 | 3.688 | 13.172 | 45.115 |
| **4 (SQ)** | 1.677 | 5.990 | 61.142 | 1.677 | 5.990 | 61.142 | 2.912 | 10.399 | 55.515 |
| **5 ((RSRI)** | 1.603 | 5.726 | 66.869 | 1.603 | 5.726 | 66.869 | 2.430 | 8.680 | 64.194 |
| **6 (SQ)** | 1.139 | 4.067 | 70.935 | 1.139 | 4.067 | 70.935 | 1.887 | 6.741 | 70.935 |
| Extraction Method: Principal Component Analysis. | | | | | | | | | |

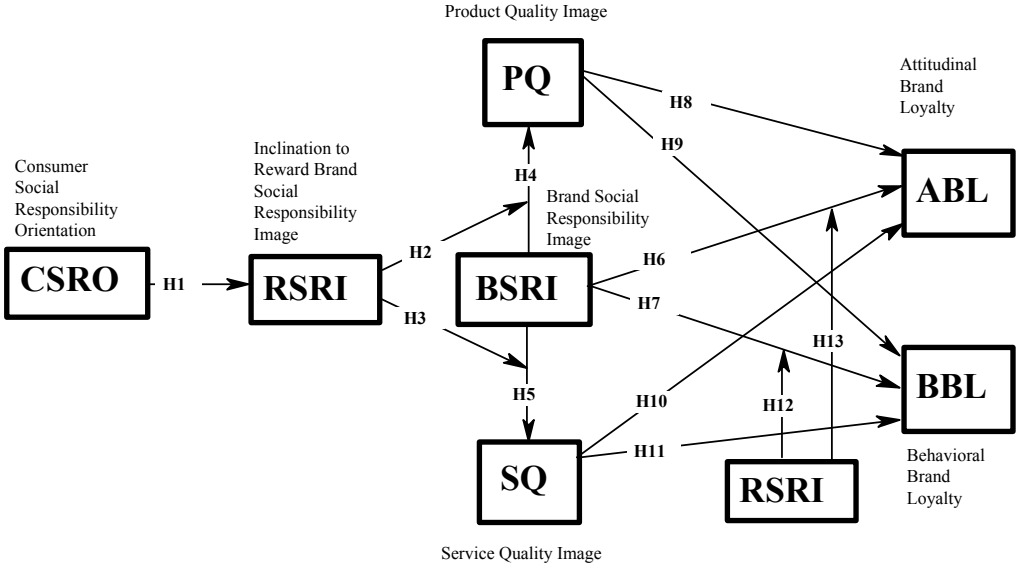
## New Model

As a result of factor analysis, the original model (See Figure 4.1) was modified. Consumer Social Responsibility Orientation and Inclination to Reward Social Responsibility Image were collapsed into one construct--Inclination to Reward Social Responsibility Image (RSRI). Attitude-based Brand Loyalty and Behavior-based Brand Loyalty were also collapsed into one construct--Brand Loyalty (BL). This action reduced the number of hypotheses from thirteen to eight, but did not modify the content of those that remained. That is, even though four of the original constructs were collapsed into 2 constructs, 1) the study still tests the influence of consumer social responsibility orientation through the consumer's inclination to reward social responsibility image, and both attitude-based and behavior-based constructs, and 2) all variables in the applicable scales were

retained. The new model and new hypotheses are contained in Figure 4.2. The text of the original and new hypotheses follow.

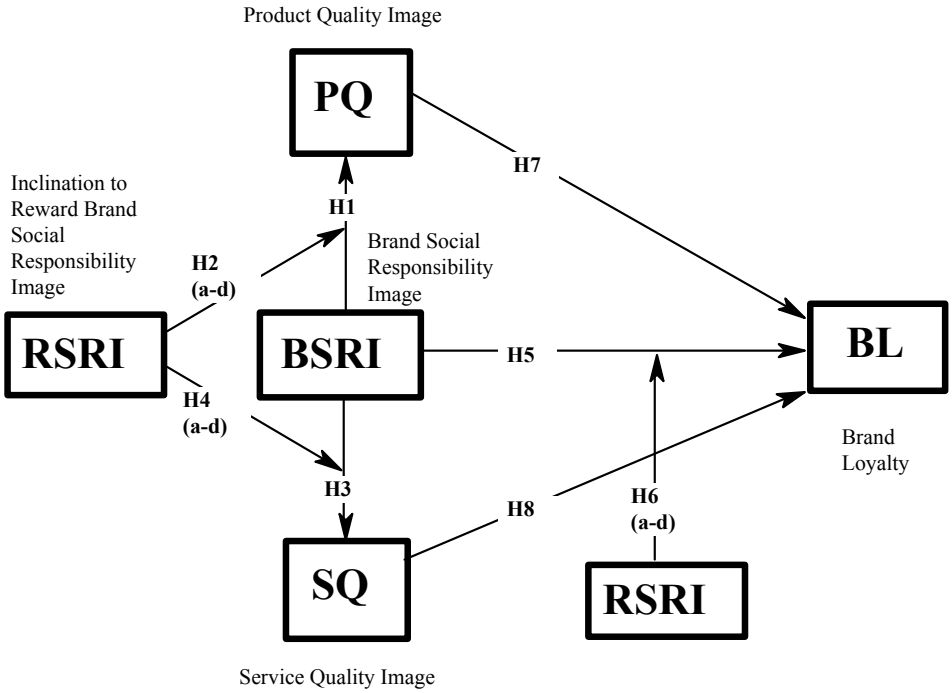
**Figure 4.1**

**The Influence of Consumer Social Responsibility Orientation and Brand Social Responsibility Image on Brand Loyalty in Quick-Service Restaurants**



## Figure 4.2 The Study's New Model and Hypotheses

**The Influence of Consumer and Brand Social Responsibility on Brand Loyalty in Quick-Service Restaurants**




## Original and New Hypotheses

### Original Hypotheses

H1: There is a positive relationship between CSRO and RSRI.

H2: RSRI moderates the relationship between BSRI and PQ.

H3: RSRI moderates the relationship between BSRI and SQ.

H4: There is a positive relationship between BSRI and PQ.

H5: There is a positive relationship between BSRI and SQ.

H6: There is a positive relationship between BSRI and ABL.

H7: There is a positive relationship between BSRI and BBL.

H8: There is a positive relationship between PQ and ABL.

H9: There is a positive relationship between PQ and BBL.

H10: There is a positive relationship between SQ and ABL.

H11: There is a positive relationship between SQ and BBL.

H12: The relationship between BSRI and ABL is moderated by RSRI.

H13: The relationship between BSRI and BBL is moderated by RSRI.

## New Hypotheses

Based on the results of factor analysis, the number of hypotheses was reduced from 13 to 8. Additionally, since the test of the moderating relationships was performed with ANOVA rather than regression, sub-hypotheses were added.

**H1**: There is a positive relationship between BSRI and PQ.

**H2**: RSRI moderates the relationship between BSRI and PQ.

Notations for Moderating Relationships

High BSRI - High RSRI will be referred to as H-BSRI/H-RSRI

High BSRI - Low RSRI will be referred to as H-BSRI/L-RSRI

Low BSRI - High RSRI will be referred to as L-BSRI/H-RSRI

Low BSRI - Low RSRI will be referred to as L-BSRI/L-RSRI

**H2a**: Under conditions of H-BSRI/H-RSRI, PQ will be relatively high.

**H2b**: Under conditions of H-BSRI/L-RSRI, PQ will be moderate.

**H2c**: Under conditions of L-BSRI/H-RSRI, PQ will be relatively low.

**H2d**: Under conditions of L-BSRI/L-RSRI, PQ will be moderate.

**H3**: There is a positive relationship between BSRI and SQ.

**H4**: RSRI moderates the relationship between BSRI and SQ.

**H4a**: Under conditions of H-BSRI/H-RSRI, SQ will be relatively high.
**H4b**: Under conditions of H-BSRI/L-RSRI, SQ will be moderate.
**H4c**: Under conditions of L-BSRI/H-RSRI, SQ will be relatively low.
**H4d**: Under conditions of L-BSRI/L-RSRI, SQ will be moderate.

**H5**: There is a positive relationship between BSRI and BL.

**H6**: The relationship between BSRI and BL is moderated by RSRI.
**H6a**: Under conditions of H-BSRI/H-RSRI, BL will be relatively high.
**H6b**: Under conditions of H-BSRI/L-RSRI, BL will be moderate.
**H6c**: Under conditions of L-BSRI/H-RSRI, BL will be relatively low.
**H6d**: Under conditions of L-BSRI/L-RSRI, BL will be moderate.

**H7**: There is a positive relationship between PQ and BL.

**H8**: There is a positive relationship between SQ and BL.

## Reliability

As noted in Chapter 3, a Cronbach alpha of .7 is the level of acceptance for exploratory studies. However, if important decisions will be based on the results of the research, the measurement of reliability should be increased to .8 (Nunnally & Bernstein, 1994). The desired level of alpha for this study was .7 or higher. The reliability of each of the scales was tested using Chronbach's Alpha. The alphas of all scales except

Inclination to Reward Social Responsibility Image (RSRO), were between .88 and .93. RSRI produced an alpha of .73 which is acceptable for this initial study of the model (See Table 4.4).

**Table 4.4 Cronbach Alpha for the Model's Constructs**

| Scale | Alpha |
|---|---|
| **Inclination to Reward Brand Social Responsibility Image** | **.73** |
| 1. It really bothers me to find out that a restaurant that I buy from has not acted in a socially responsible manner. | |
| 2. Whether a restaurant is socially responsible is not important to me in making my decision of what to buy. | |
| 3. Overall, I tend to be more socially responsible than friends and coworkers. (Because this is being used only for the determination of discriminant validity, it was not included in the measure of Cronbach alpha.) | |
| 4. I would go several miles out of my way to buy from a restaurant that I knew to be highly socially responsible. | |
| 5. I would pay more money for a product from a restaurant that I knew to be highly socially responsible. | |
| **Brand Social Responsibility Image** | **.88** |
| 1. McDonald’s has a concern for the environment. | |
| 2. McDonald’s is involved in local communities. | |
| 3. McDonald’s gives to worthy causes. | |
| 4. McDonald's attempts to improve the quality of its products and services. | |
| 5. McDonald's attempts to keep its restaurant clean. | |
| 6. The quality-of-life that McDonald's offers its employees is higher than that of similar restaurants. | |
| 7. McDonald’s is socially responsible. | |

**Product Quality Image** **.89**

1 Tastiness of food.

2. Portion size.

3. Ingredient freshness.

4. Temperature of food.

5. Value (The price relative to the food's quality.).

6. Overall food quality.

**Service Quality Image** **.93**

1. Employees’ greeting.

2. Employee attitude.

3. Overall service quality.

**Brand Loyalty** **.93**

1. I am very loyal to McDonald's.

2. I would highly recommend McDonald's to my friends.

3. I would continue to dine at McDonald's even if the price was higher.

4. Of the times you purchase fast food, what approximately what percentage is at McDonald's? (For example, a number between 0 and 100) _____% (Note: A decision rule for this question was created where 1 = 0%; 2 = 1% to 20%; 3 = 21% up to 40%; 4 = 41% up to 60%; 5 = 61% up to 80%; 6 = 81% up to 99%; 7 = 100% (See Pretest and Scale Refinement for more information).

5. In the future, I intend to keep buying from McDonald's

6. The next time you go to a fast food restaurant, how likely is it to be McDonald's?

## Validity

Content and face validity were accomplished through the reviews of experts in scale construction (academic faculty members) and from input from consumers (students and academic staff). The questions were viewed as valid and understandable for the study. Convergent validity exists if a scale is highly correlated with another scale that proposes to measure the same thing (Vogt, 1993). Convergent validity was examined internally by testing the correlation of single-item scales that measure Brand Social Responsibility Image, Product Quality Image, Service Quality Image, and Brand Loyalty with the items used to measure each construct. Table 4.5 shows that in each case convergent validity was supported--the variable used to test this form of validity was highly correlated with each other variable in its scale.

**Table 4.5 Tests for Convergent Validity**

**Brand Social Responsibility Image**

Variable used to test convergent validity:
V12. McDonald's is socially responsible.
Correlation Coefficients and Significance Levels between V12 and other variables in the scale:
V6. .506, p < .000
V7. .596, p < .000
V8. .576, p < .000
V9. .613, p < .000
V10. .496, p < .000
V11. .665, p < .000

**Product Quality Image**

Variable used to test convergent validity:
V18. Overall food quality.
Correlation Coefficients and Significance Levels between V18 and other variables in the scale:
V13. .753, p < .000
V14. .580, p < .000
V15. .702, p < .000
V16. .637, p < .000
V17. .580, p < .000

**Service Quality Image**

Variable used to test convergent validity:
V23. Overall service quality.
Correlation Coefficients and Significance Levels between V23 and other variables in the scale:
V19 .402, p < .000
V20 .511, p < .000
V21. .785, p < .000
V22. .828, p < .000

**Brand Loyalty**

Variable used to test convergent validity:
V24. I am very loyal to McDonald's
Correlation Coefficients and Significance Levels between V24 and other variables in the scale:
V25. .838, p < .000
V26. .770, p < .000
V27. .569, p < .000
V28. .670, p < .000
V29. .701, p < .000

Discriminant Validity. Validity of the Inclination to Reward Social Responsibility Image (RSRI) scale was determined by

discriminant validity (RSRI is the new construct, based on combining the original Consumer Social Responsibility Orientation and RSRI). This was thought to be an important consideration in this study because of the possibility of the halo effect or social desirability effect/bias (respondents exaggerating their social responsibility orientation, rather responding truthfully). To control for this type of error, Cohen, Pant, & Sharp (1993) recommend asking respondents how they think peers would respond to the same situation. Subsequently, a single item was added to the RSRI scale "Overall, I tend to be more socially responsible than friends and coworkers." Discriminant validity was measured by examining the strength of the correlation of this single item to the remaining items in the CSRO scale (See Table 4.6). The discriminant variable had correlation with item #1 (It really bothers me to find out that a restaurant that I buy from has not acted in a socially responsible manner.) of .370 with a significance level of $p < .000$. The correlation coefficient between the discriminant variable and item #2 (Whether a restaurant is socially responsible is not important to me in making my decision of what to buy.) was .209 with a significance level of $p < .006$. The discriminant variable had correlation with the item #4 (I would go several miles out of my way to buy from a restaurant that I knew to be highly socially responsible.) of .395 with a significance level of $p < .000$. The discriminant

variable had correlation with the item #5 (I would pay more money for a product from a restaurant that I knew to be highly socially responsible.) of .353 with a significance level of $p < .000$. Therefore, because correlations were significant, discriminant validity was not shown with this particular test. It is however, worth noting that the correlations for this test were approximately half of those from the tests for convergent validity of the remaining constructs in the model. Therefore, even though there was not a statistical difference between the discriminant variable and the other variables in the RSRI scale, the strength of their relationship was weaker than that seen in the tests of convergent validity.

**Table 4.6**
**Test for Discriminant Validity**
**Inclination to Reward Social Responsibility Orientation**
**Intra-scale Correlations**

Variable used to test discriminant validity:
V3. Overall, I tend to be more socially responsible than friends and coworkers.
Correlation Coefficients and Significance Levels between V3 and other variables in the scale:

| | |
|---|---|
| V1. | .370, $p < .000$ |
| V2. | .209, $p < .006$ |
| V4. | .395, $p < .000$ |
| V5. | .353, $p < .000$ |

Another test of discriminant validity is to compare the correlation of one scale (the one for which discriminant validity is being tested) with that of each other scale in the study. In this test, Inclination to Reward Social Responsibility Image

(RSRI) did not correlate at $p < .05$ with any other scales of the model, although its correlation with Service Quality was close to this standard (See Table 4.7). Therefore, discriminant validity for the RSRI scale was shown. The correlations of the study's other constructs with RSRI were BSRI = -.061 ($p < .435$), PQ = .025 ($p < .748$), SQ = .151 ($p < .051$), and BL = -.089 ($p < .256$). All scales except for RSRI were correlated with each other at $p < .000$.

**Table 4.7**
**Test for Discriminant Validity**
**Inclination to Reward Social Responsibility Orientation**
**Inter-scale correlations**

Correlation Coefficients and Significance Levels between V5 and other variables in the scale:

| | |
|---|---|
| BSRI. | -.061, p < .435 |
| PQ. | .025, p < .748 |
| SQ. | .151, p < .051 |
| BL. | -.089, p < .256 |

Discriminant validity was also assessed by means of factor analysis (principal components, varimax rotation). Except for Service Quality, which had loadings on two different factors (See Table 4.2), each construct loaded on a separate factor/component (Celly & Frazier, 1996). Thus in this test, discriminant validity was upheld.

## Hypothesis Testing

The primary purpose of this research was to study the influence of consumer social responsibility orientation and brand social responsibility image on brand loyalty. In this effort thirteen hypotheses were developed to learn about various relationships. Based on the results of factor analysis, Consumer Social Responsibility Orientation (CSRO) and Inclination to Reward Brand Social Responsibility Image (RSRI) were collapsed into one construct, referred to as RSRI, and Attitude-based Brand Loyalty and Behavior-based Brand Loyalty were collapsed into one construct, referred to as Brand Loyalty (BL) (See Factor Analysis in this chapter for a further explanation). This reduced the number of constructs from seven to five and the number of hypotheses from thirteen to eight (with sub-hypotheses for three of the eight hypotheses). Support for the hypotheses selection is provided in Chapters 2 and 3.

The primary statistical techniques selected to test the hypotheses were Simple Regression and ANOVA. The decision to use regression was based on research by Brown and Dacin (1997). Most of the hypotheses in this dissertation state that a positive relationship exists between two specified constructs. This was measured by the correlation coefficient (r) and its associated level of significance (p). The correlation coefficient provides the direction of the relationship, that is, positive (+) or

negative (-) and the degree of correlation. The closer the correlation coefficient (r) is to 1, the higher the correlation between the two variables. The significance level (p) represents the likelihood that the results were obtained by chance. For example, $p < .05$ means that if the study were undertaken 100 times, the results should be the same in 95 of the studies (100 - 5 = 95). The significance level selected for this study was $p < .05$. For further understanding of the relationships, the coefficient of determination ($r^2$) was also provided. The coefficient of determination ($r^2$) is the square of the correlation coefficient and specifies how much of the variance in the dependent variable is explained by the independent variable. For example, in hypothesis H1, Brand Social Responsibility Image (BSRI) explains 30.7% of consumers' perception of product quality.

The moderating relationships were analyzed with a 2 x 2 ANOVA. Both Inclination to Reward Brand Social Responsibility Image and Brand Social Responsibility Image were transformed into dichotomous categorical variables (median split), then utilized in separate tests to predict Products Quality, Brand Loyalty, and Service Quality. The results of the testing of each hypothesis will now be presented.

**H1: <u>There is a positive relationship between Brand Social Responsibility Image and Product Quality Image</u>.**

The hypothesis of a positive relationship between Brand Social Responsibility Image (BSRI) and Product Quality Image (PQ) was supported. The correlation coefficient (r) was .554 with a coefficient of determination ($r^2$) of .307 and a significance level of p .000 (See Table 4.8). These results are supported by the work of Brown and Dacin (1997) who found a positive and significant relationship between corporate social responsibility (CSR) and the consumer's perception of both the firm and its products.

**<u>Best Fit Test for Product Quality Image</u>**. As a more conservative test of the strength of Brand Social Responsibility Image in predicting Product Quality Image, a multiple regression test was performed with the remaining variables in the model (See Table 9). This test resulted in a correlation of .710. There were three significant beta weights for the model, Brand Loyalty at .409 (p = .000), Brand Social Responsibility Image at .246 (p = .001), and Service Quality Image at .225 (p = .002). The beta weight for Inclination to Reward Brand Social Responsibility Image was .052 (p = .382). Therefore, Brand Social Responsibility Image is the second best predictor of Product Quality Image. For this model, Brand Loyalty is the best predictor of Product Quality Image.

## Table 4.8 Regression of Brand Social Responsibility Image on Product Quality Image

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .554(a) | .307 | .303 | 5.69339 |
| a Predictors: (Constant), Brand Socially Responsibility Image (BSRI) | | | | |

**ANOVA(b)**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 2387.643 | 1 | 2387.643 | 73.659 | .000(a) |
| | Residual | 5380.833 | 166 | 32.415 | | |
| | Total | 7768.476 | 167 | | | |
| a Predictors: (Constant), Brand Socially Responsibility Image (BSRI) | | | | | | |
| b Dependent Variable: Product Quality Image (PQ) | | | | | | |

**Coefficients(a)**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 9.577 | 1.804 | | 5.308 | .000 |
| | Brand Socially Responsibility Image (BSRI) | .484 | .056 | .554 | 8.583 | .000 |
| a Dependent Variable: Product Quality Image (PQ) | | | | | | |

## Table 4.9 Regression of Brand Social Responsibility Image, Service Quality, Brand Loyalty, and Inclination to Reward Brand Social Responsibility Image on Product Quality Image

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .710(a) | .504 | .492 | 4.80961 |

a Predictors: (Constant), Inclination to Reward Brand Social Responsibility Image, Brand Socially Responsibility Image (BSRI), Brand Loyalty (BL), Service Quality (SQ)

**ANOVA(b)**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 3649.729 | 4 | 912.432 | 39.444 | .000(a) |
| | Residual | 3585.514 | 155 | 23.132 | | |
| | Total | 7235.244 | 159 | | | |

a Predictors: (Constant), Inclination to Reward Brand Social Responsibility Image, Brand Socially Responsibility Image (BSRI), Brand Loyalty (BL), Service Quality (SQ)

b Dependent Variable: Product Quality (PQ)

**Coefficients(a)**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.148 | 2.436 | | 1.702 | .091 |
| | Brand Socially Responsibility Image (BSRI) | .214 | .060 | .246 | 3.545 | .001 |
| | Service Quality (SQ) | .288 | .090 | .225 | 3.191 | .002 |
| | Brand Loyalty (BL) | .336 | .054 | .409 | 6.181 | .000 |
| | Inclination to Reward Brand Social Responsibility Image | 7.605E-02 | .087 | .052 | .878 | .382 |

a Dependent Variable: Product Quality (PQ)

**H2: Inclination to Reward Brand Social Responsibility Image moderates the relationship between Brand Social Responsibility Image and Product Quality Image.**

| Notations for Moderating Relationships |
| --- |
| High BSRI - High RSRI will be referred to as H-BSRI/H-RSRI |
| High BSRI - Low RSRI will be referred to as H-BSRI/L-RSRI |
| Low BSRI - High RSRI will be referred to as L-BSRI/H-RSRI |
| Low BSRI - Low RSRI will be referred to as L-BSRI/L-RSRI |

**H2a**: Under conditions of H-BSRI/H-RSRI, PQ will be relatively high.
**H2b**: Under conditions of H-BSRI/L-RSRI, PQ will be moderate.
**H2c**: Under conditions of L-BSRI/H-RSRI, PQ will be relatively low.
**H2d**: Under conditions of L-BSRI/L-RSRI, PQ will be moderate.

The construct, Inclination to Reward Brand Social Responsibility Image, moderates the relationship between Brand Social Responsibility Image and Product Quality Image. It appears, however to moderate more under conditions of L-BSRI than H-BSRI. In Table 4.10, Descriptive Statistics, it can be seen that the mean for Product Quality Image for BSRI - 1.00 (L-BSRI), RSRI - 1.00 (L-RSRI) is 22.8056, while the mean for Product Quality Image for BSRI - 1.00 (L-BSRI), RSRI4 - 2.00 (H-RSRI) is 19.8649. (The "3" following BSRI and "4" following RSRI, have no significance in this test. They were used to differentiate these constructs from previous iterations, prior to factor analysis).

The means for L-BSRI customers show that for customers inclined to reward brand social responsibility, firms with low brand social responsibility images will have a lower product quality image (19.8649), relative to customers that are less inclined to reward brand social responsibility image (22.8056). Under conditions of both H-BSRI/H-RSRI and H-BSRI/L-RSRI, Product Quality Image is relatively high with similar sample means (27.6053 for H-BSRI/H-RSRI and 26.7895 for H-BSRI/L-RSRI). Figure 4.3 further explains the four different means for Product Quality Image.

In the Tests of Between-Subjects Effects portion of Table 4.10, it can be seen that BSRI is a significant predictor of Product Quality Image ($F = 36.814$, $p = .000$). Additionally, the interaction of BSRI and RSRI is significant ($F = 3.779$, $p = .054$). However, RSRI is not significant ($F = 1.209$, $p = .273$). This is an appropriate finding because it shows that RSRI, the moderating variable, in fact is a moderator, not a mediating variable in this relationship.

Figure 4.3 contains the plot points for BSRI and RSRI, based on Table 4.10. In this figure, the estimated marginal means for Product Quality Image is the Y axis (vertical axis). The plot points for each of the hypotheses are as follows:

• Top right, for H2a, H-BSRI/H-RSRI, the mean for Product Quality Image is 27.6053 (BSRI3 - 2.00; RSRI4 - 2.00).

• Bottom right, for H2b, H-BSRI/L-RSRI, the mean for Product Quality Image is 26.7895 (BSRI3 - 2.00; RSRI4 - 1.00).

• Bottom left, for H2c, L-BSRI/H-RSRI the mean for Product Quality Image is 19.8649 (BSRI3 - 1.00; RSRI4 - 2.00).

• Top left, H2d, L-BSRI/L-RSRI, the mean for Product Quality Image is 22.8056 (BSRI3 - 1.00; RSRI4 - 1.00).

In the Figure 4.3, the right plot points, H-BSRI for both H-RSRI and L-RSRI, are near to each other (27.6053 versus 26.7895). This indicates that there is very little difference in McDonald's Product Quality Image between groups that both view it as having a high brand social responsibility image, but differ in their inclination to reward brand social responsibility image (H-RSRI, the top right plot point, versus L-RSRI, the bottom right plot point). Contrarily, for groups that view McDonald's as ranking low in brand social responsibility image (the left plot points), those who rank high in inclination to reward brand social responsibility image (L-BSRI, H-RSRI), rated McDonald's Product Quality Image lowest at 19.8649 (the bottom left plot point), while those that ranked low in inclination to reward brand social responsibility image rated McDonald's Product Quality Image higher at 22.8056 (the top left plot point). Thus, the difference in Product Quality Image ratings between the H- and L-RSRI groups was greater for those that viewed McDonald's to have a low brand social responsibility image (22.8056 - 19.8649 = 2.9911) than for

those who viewed it as having a high brand social responsibility image (27.6053 - 26.7895 = .8635).

Additionally, there is an interaction effect. The H-RSRI plot points (beginning at a low of 19.86 and increasing to a high of 27.60), increase at a rate faster than that of the L-RSRI plot points (beginning at 22.81 and increasing to a high of 26.79). At low levels of BSRI, H-RSRI results in a lower perception of product quality relative to L-BSRI/L-RSRI. At high levels of BSRI, H-RSRI results in a higher perception of product quality relative to H-BSRI/L-RSRI. This shows that the relationship between Product Quality Image and Brand Social Responsibility Image is dependent on the level (High or Low) of Inclination to Reward Brand Social Responsibility Image.

**H2a:** Under conditions of H-BSRI and H-RSRI the sample mean for Product Quality Image was 27.6053. This is out of a total scale of 42 (six items in the scale with a seven-point measurement scale; 6 x 7 = 42). In other words, consumers who are inclined to reward brand social responsibility image and who concurrently view a brand as being socially responsible will perceive the brand's product quality image to be higher than consumers from the remaining three groups (conditions). This hypothesis is supported with the following caveat. The sample mean for the H-BSRI/H-RSRI group though relatively high, is not substantially

greater than consumers who view the brand as being socially responsible, but have a low inclination to reward brand social responsibility image (a sample mean for product quality image of 27.6053 for the H-BSRI/H-RSRI group, versus 26.7895 for the H-BSRI/L-RSRI group).

**H2b:** Under conditions of H-BSRI and L-RSRI, the sample mean for Product Quality Image was 26.7895. Consumers who view the brand as being socially responsible and have a minimal inclination to reward brand social responsibility image also have a relatively high perception of the brand's product quality. Therefore, this hypotheses is supported with the same caveat as H2a.

**H2c:** Under conditions of L-BSRI and H-RSRI, the sample mean for Product Quality Image was 19.8649. Consumers who view the brand's social responsibility image as low and are inclined to reward brand social responsibility image have the lowest perception of the brand's product quality. This hypothesis was supported.

**H2d:** Under conditions of Low BSRI and Low RSRI, the sample mean for Product Quality Image was 22.8056. Consumers who view the brand's social responsibility image as low and have a minimal inclination to reward brand social responsibility image have a relatively low perception of the brand's product quality. This hypothesis was supported.

**Table 4.10: ANOVA Tables for Product Quality Image as the Dependent Variable and Brand Social Responsibility Image and Inclination to Reward Brand Social Responsibility Image as the Independent Variables. (The potential means for Product Quality Image vary from 6 to 42. This is based on six questions and seven categories for each question--6 x 7 = 42.)**

**Between-Subjects Factors**

| | | N |
|---|---|---|
| + | | |
| BSRI3 | 1.00 | 73 |
| | 2.00 | 95 |
| RSRI4 | 1.00 | 93 |
| | 2.00 | 75 |

**Descriptive Statistics**
Dependent Variable: Product Quality Image (PQ)

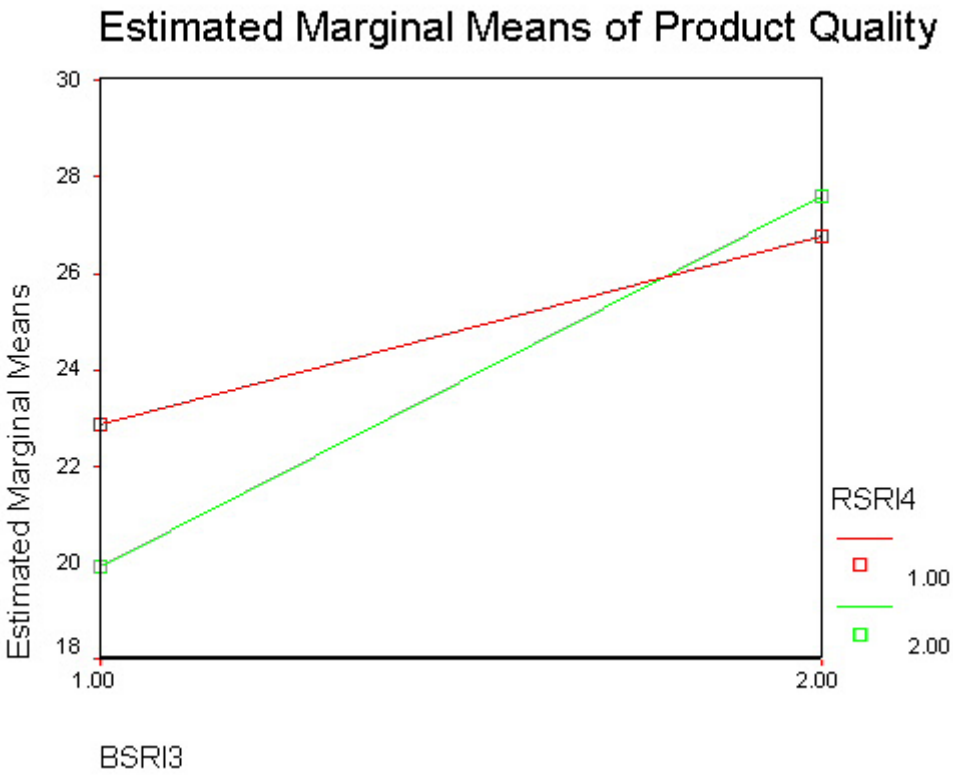
| BSRI3 | RSRI4 | Mean | Std. Deviation | N |
|---|---|---|---|---|
| 1.00 (L-BSRI) | 1.00 (L-RSRI) | 22.8056 | 6.49756 | 36 |
| | 2.00 (H-RSRI) | 19.8649 | 6.59192 | 37 |
| | Total | 21.3151 | 6.66641 | 73 |
| 2.00 (H-BSRI) | 1.00 (L-RSRI) | 26.7895 | 5.03820 | 57 |
| | 2.00 (H-RSRI) | 27.6053 | 6.86369 | 38 |
| | Total | 27.1158 | 5.81609 | 95 |
| Total | 1.00 | 25.2473 | 5.94295 | 93 |
| | 2.00 | 23.7867 | 7.73775 | 75 |
| | Total | 24.5952 | 6.82040 | 168 |

**Tests of Between-Subjects Effects**
Dependent Variable: Product Quality Image (PQ)

| Source | Type III Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Corrected Model | 1561.960(a) | 3 | 520.653 | 13.758 | .000 |
| Intercept | 95491.784 | 1 | 95491.784 | 2523.260 | .000 |
| BSRI3 | 1393.203 | 1 | 1393.203 | 36.814 | .000 |
| RSRI4 | 45.763 | 1 | 45.763 | 1.209 | .273 |
| BSRI3 * RSRI4 | 143.022 | 1 | 143.022 | 3.779 | .054 |
| Error | 6206.516 | 164 | 37.845 | | |
| Total | 109396.000 | 168 | | | |
| Corrected Total | 7768.476 | 167 | | | |
| a R Squared = .201 (Adjusted R Squared = .186) | | | | | |

**Figure 4.3**

**Profile Plots**




**H2a**: Under conditions of H-BSRI/H-RSRI, PQ will be relatively high.

**H2b**: Under conditions of H-BSRI/L-RSRI, PQ will be moderate.

**H2c**: Under conditions of L-BSRI/H-RSRI, PQ will be relatively low.

**H2d**: Under conditions of L-BSRI/L-RSRI, PQ will be moderate.

**H3: <u>There is a positive relationship between BSRI and SQ</u>.**

The hypothesis of a positive relationship between Brand Social Responsibility Image and Service Quality Image was supported. The relationship had a correlation coefficient (r) of .534 and a coefficient of determination ($r^2$) of .285 (p .000)

(See Table 4.11). The image of the brand for social responsibility influences the consumer's perception of the firm's service quality. These results are supported by the work of Brown and Dacin (1997) who found a positive and significant relationship between corporate social responsibility (CSR) and the consumer's perception of both the firm and its products.

**Best Fit Test for Service Quality Image**. As a more conservative test of the strength of Brand Social Responsibility Image in predicting Service Quality Image, a multiple regression test was performed with the remaining variables in the model (See Table 12). This test resulted in a correlation of .630. There were three significant beta weights for the model, Brand Social Responsibility Image at .314 (p = .000), Product Quality Image at .274 (p = .002), and Inclination to Reward Brand Social Responsibility Image at .184 (p = .004). Brand Loyalty was not significant at .142 (p = .080). Therefore, Brand Social Responsibility Image was the best predictor of Service Quality Image when controlling for the effect of model's other variables.

## Table 4.11 The Regression of Brand Social Responsibility Image on Service Quality Image

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .534(a) | .285 | .281 | 4.55584 |
| a Predictors: (Constant), Brand Socially Responsibility Image (BSRI) | | | | |

**ANOVA(b)**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1348.039 | 1 | 1348.039 | 64.948 | .000(a) |
| | Residual | 3383.173 | 163 | 20.756 | | |
| | Total | 4731.212 | 164 | | | |
| a Predictors: (Constant), Brand Socially Responsibility Image (BSRI) | | | | | | |
| b Dependent Variable: SQ | | | | | | |

**Coefficients(a)**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 10.487 | 1.454 | | 7.214 | .000 |
| | Brand Socially Responsibility Image (BSRI) | .367 | .045 | .534 | 8.059 | .000 |
| a Dependent Variable: SQ | | | | | | |

**Table 4.12 The Regression of Brand Social Responsibility Image, Product Quality Image, Brand Loyalty, and Inclination to Reward Brand Social Responsibility Image on Service Quality Image**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .630(a) | .397 | .381 | 4.14324 |

a Predictors: (Constant), Inclination to Reward Brand Social Responsibility Image, Product Quality (PQ), Brand Socially Responsibility Image (BSRI), Brand Loyalty (BL)

**ANOVA(b)**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1750.042 | 4 | 437.510 | 25.486 | .000(a) |
| | Residual | 2660.802 | 155 | 17.166 | | |
| | Total | 4410.844 | 159 | | | |

a Predictors: (Constant), Inclination to Reward Brand Social Responsibility Image, Product Quality (PQ), Brand Socially Responsibility Image (BSRI), Brand Loyalty (BL)

b Dependent Variable: Service Quality (SQ)

**Coefficients(a)**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.258 | 2.091 | | 2.037 | .043 |
| | Brand Socially Responsibility Image (BSRI) | .213 | .051 | .314 | 4.155 | .000 |
| | Product Quality (PQ) | .214 | .067 | .274 | 3.191 | .002 |
| | Brand Loyalty (BL) | 9.115E-02 | .052 | .142 | 1.760 | .080 |
| | Inclination to Reward Brand Social Responsibility Image | .211 | .073 | .184 | 2.902 | .004 |

a Dependent Variable: Service Quality (SQ)

**H4: Inclination to Reward Brand Social Responsibility Image moderates the relationship between Brand Social Responsibility Image and Service Quality Image.**

**H4a**: Under conditions of H-BSRI/H-RSRI, SQ will be relatively high.

**H4b**: Under conditions of H-BSRI/L-RSRI, SQ will be moderate.

**H4c**: Under conditions of L-BSRI/H-RSRI, SQ will be relatively low.

**H4d**: Under conditions of L-BSRI/L-RSRI, SQ will be moderate.

The Inclination to Reward Brand Social Responsibility Image moderates the relationship between Brand Social Responsibility Image and Service Quality Image. It however, appears to moderate more at high levels of BSRI than at Low levels of BSRI (See Table 4.13, Descriptive Statistics). Under conditions of both L-BSRI/L-RSRI and L-BSRI/H-RSRI, Service Quality Image is relatively low with similar sample means (19.9143 for L-BSRI/L-RSRI and 19.3514 for L-BSRI/H-RSRI). Conversely, under conditions of H-BSRI/H-RSRI and H-BSRI/L-RSRI, the differences are greater (25.3684 versus 22.3273 respectively). Figure 4.4 contains the plot points for BSRI and RSRI, based on the Descriptive Statistics from Table 4.13 (See Hypothesis 2 for an explanation of the plot points in Figure 4.4).

In the Tests of Between-Subjects Effects portion of Table 4.13, it can be seen that BSRI is a significant predictor of Service Quality Image ($F = 29.414$, $p = .000$). Additionally, the interaction of BSRI and RSRI is significant ($F = 5.376$, $p = .000$). However, RSRI is not significant ($F = 2.542$, $p = .113$). This is an appropriate finding because it shows that RSRI, the moderating variable, in fact is a moderator, not a mediating variable in this relationship.

Additionally, as seen in Figure 4.4, the plot points for Table 4.13, there is an interaction effect. The H-RSRI plot points (beginning at a low of 19.3514 and increasing to a high of 25.3684), increase at a rate faster than that of the L-RSRI plot points (beginning at 19.9143 and increasing to a high of 22.3273). At low levels of BSRI, H-RSRI results in a lower perception of service quality relative to L-BSRI/L-RSRI. At high levels of BSRI, H-RSRI results in a higher perception of service quality relative to H-BSRI/L-RSRI. This shows that the relationship between Service Quality Image and Brand Social Responsibility Image is dependent on the level (High or Low) of Inclination to Reward Brand Social Responsibility Image.

**H4a:** This hypothesis was supported. Under conditions of H-BSRI and H-RSRI the sample mean for Service Quality Image was 25.3684. (Service Quality Image is based on a five-item scale with seven categories for each item. Therefore the highest possible mean for service quality image is 35 (5 x 7 = 35). Consumers who are inclined to reward brand social responsibility image and who concurrently view a brand as being socially responsible will perceive the brand's service quality to be higher than consumers from the remaining three groups (conditions). The closest group to the H-BSRI/H-RSRI group was that of H-BSRI/L-RSRI, which had a sample mean of 22.3273.

**H4b:** This hypothesis was supported. Under conditions of H-BSRI and L-RSRI, the sample mean for Service Quality Image was 22.3273. Consumers who view the brand as being socially responsible and have a minimal inclination to reward brand social responsibility image also have a relatively high perception of the brand's service quality.

**H4c:** Under conditions of L-BSRI and H-RSRI, the sample mean for Service Quality Image was 19.3514. Consumers who view the brand's social responsibility image as low and are inclined to reward brand social responsibility image (H-RSRI) will have the lowest perception of the brand's service quality. This hypothesis was supported with the caveat that while the sample mean of Service Quality Image for the L-BSRI/H-RSRI group is lower than that of the L-BSRI/L-RSRI group, the difference is small.

**H4d:** This hypothesis was supported with the same caveat as H4c. Under conditions of L-BSRI and L-RSRI, the sample mean for Service Quality Image was 19.9143. Consumers who view the brand's social responsibility image as low and have a minimal inclination to reward brand social responsibility image will have a relatively low perception of the brand's service quality.

**Table 4.13: ANOVA Tables for Service Quality Image as the Dependent Variable and Brand Social Responsibility Image and Inclination to Reward Brand Social Responsibility Image as the Independent Variables. (The potential means for Product Quality Image vary from 5 to 35. This is based on six questions and seven categories for each question--5 x 7 = 35.)**

**Between-Subjects Factors**

| | | N |
|---|---|---|
| BSRI3 | 1.00 | 72 |
| | 2.00 | 93 |
| RSRI4 | 1.00 | 90 |
| | 2.00 | 75 |

**Descriptive Statistics**
Dependent Variable: Service Quality Image (SQ)

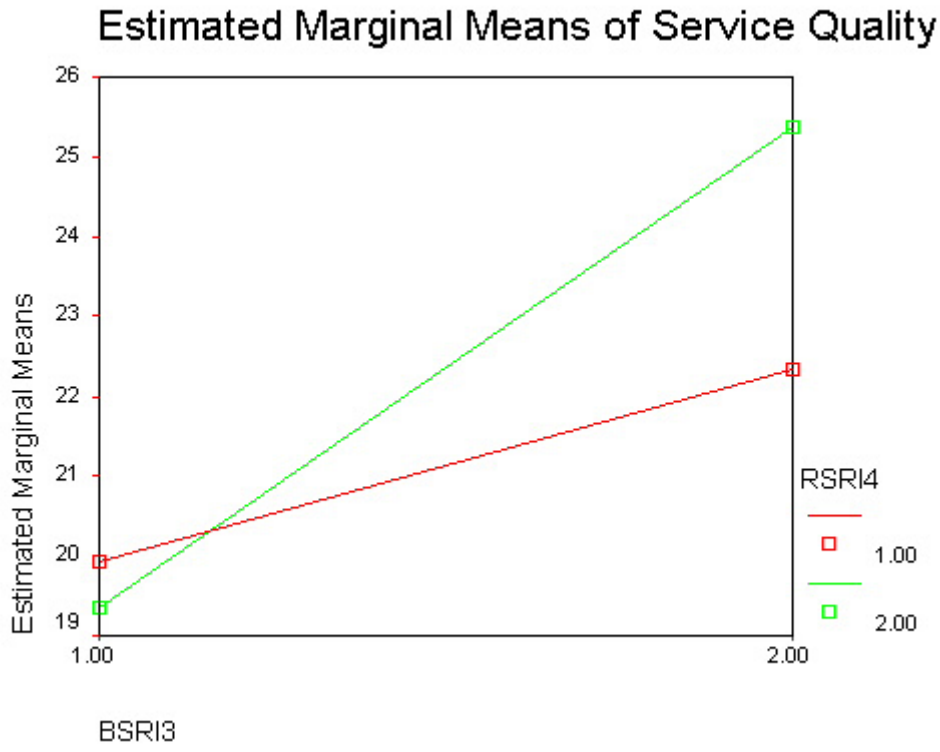
| BSRI3 | RSRI4 | Mean | Std. Deviation | N |
|---|---|---|---|---|
| 1.00 (L-BSRI) | 1.00 (LRSRI) | 19.9143 | 4.93112 | 35 |
| | 2.00 (H-RSRI) | 19.3514 | 5.49351 | 37 |
| | Total | 19.6250 | 5.19869 | 72 |
| 2.00 (H-BSRI) | 1.00 (L-RSRI) | 22.3273 | 4.55442 | 55 |
| | 2.00 (H-RSRI) | 25.3684 | 4.80102 | 38 |
| | Total | 23.5699 | 4.86871 | 93 |
| Total | 1.00 | 21.3889 | 4.82432 | 90 |
| | 2.00 | 22.4000 | 5.94797 | 75 |
| | Total | 21.8485 | 5.37111 | 165 |

**Tests of Between-Subjects Effects**
Dependent Variable: Service Quality Image (SQ)

| Source | Type III Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Corrected Model | 845.086(a) | 3 | 281.695 | 11.670 | .000 |
| Intercept | 75550.155 | 1 | 75550.155 | 3130.000 | .000 |
| BSRI3 | 709.977 | 1 | 709.977 | 29.414 | .000 |
| RSRI4 | 61.357 | 1 | 61.357 | 2.542 | .113 |
| BSRI3 * RSRI4 | 129.769 | 1 | 129.769 | 5.376 | .022 |
| Error | 3886.126 | 161 | 24.137 | | |
| Total | 83495.000 | 165 | | | |
| Corrected Total | 4731.212 | 164 | | | |
| a R Squared = .179 (Adjusted R Squared = .163) | | | | | |

**Figure 4.4**

**Profile Plots**




**H4a**: Under conditions of H-BSRI/H-RSRI, SQ will be relatively high.

**H4b**: Under conditions of H-BSRI/L-RSRI, SQ will be moderate.

**H4c**: Under conditions of L-BSRI/H-RSRI, SQ will be relatively low.

**H4d**: Under conditions of L-BSRI/L-RSRI, SQ will be moderate.

**H5: <u>There is a positive relationship between Brand Social Responsibility image and Brand Loyalty.</u>**

The hypothesis of a positive relationship between Brand Social Responsibility Image and Brand Loyalty was supported. The

relationship had a correlation coefficient (r) of .438 and a coefficient of determination ($r^2$) of .192 (p .000) (See Table 4.14). These results suggest that brand social responsibility image influences the brand loyalty of its customers. This finding is supported by the work of Brown and Dacin (1996) who found a positive relationship between corporate social responsibility image and the consumer's perception of the brand and its products.

**Table 4.14 The Regression of Brand Social Responsibility Image on Brand Loyalty**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .438(a) | .192 | .187 | 7.37502 |
| a Predictors: (Constant), Brand Socially Responsibility Image (BSRI) | | | | |

**ANOVA(b)**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 2066.888 | 1 | 2066.888 | 38.001 | .000(a) |
| | Residual | 8702.551 | 160 | 54.391 | | |
| | Total | 10769.438 | 161 | | | |
| a Predictors: (Constant), Brand Socially Responsibility Image (BSRI) | | | | | | |
| b Dependent Variable: Brand Loyalty (BL) | | | | | | |

**Coefficients(a)**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.382 | 2.407 | | 1.405 | .162 |
| | Brand Socially Responsibility Image (BSRI) | .463 | .075 | .438 | 6.164 | .000 |
| a Dependent Variable: Brand Loyalty (BL) | | | | | | |

**H6: The relationship between Brand Social Responsibility Image and Brand Loyalty is moderated by Inclination to Reward Brand Social Responsibility Image.**

**H6**: The relationship between BSRI and BL is moderated by RSRI.
**H6a**: Under conditions of H-BSRI/H-RSRI, BL will be relatively high.
**H6b**: Under conditions of H-BSRI/L-RSRI, BL will be moderate.
**H6c**: Under conditions of L-BSRI/H-RSRI, BL will be relatively low.
**H6d**: Under conditions of L-BSRI/L-RSRI, BL will be moderate.

The Inclination to Reward Brand Social Responsibility Image moderates the relationship between Brand Social Responsibility Image and Brand Loyalty. It appears, however to moderate more under conditions of L-BSRI than H-BSRI (See Table 4.15). Under conditions of both H-BSRI/H-RSRI and H-BSRI/L-RSRI, Brand Loyalty is relatively high with similar sample means (20.26 for H-BSRI/L-RSRI and 20.06 for H-BSRI/L-RSRI). Conversely, under conditions of L-BSRI/L-RSRI and L-BSRI/H-RSRI, the differences are substantially greater (12.30 versus 17.36 respectively). Figure 4.5 contains the plot points for BSRI and RSRI, based on the Descriptive Statistics from Table 4.15 (See Hypothesis 2 for an explanation of the plot points in Figure 4.3).

In the Tests of Between-Subjects Effects portion of Table 4.15, it can be seen that BSRI is a significant predictor of

Brand Loyalty (F = 19.225, p = .000). Additionally, the interaction of BSRI and RSRI is significant (F = 4.708, p = .000). RSRI as a moderating variable should not be significant in this relationship, however, at an F of 3.996 (p = .047), it is. This could perhaps be explained by the closer relationship between the RSRI and Brand Loyalty constructs than between RSRI and Product Quality Image or Service Quality Image.

Additionally, as seen in Figure 4.5, there is an interaction effect. The H-RSRI plot points (beginning at a low of 12.30 and increasing to a high of 20.26), increase at a rate faster than that of the L-RSRI plot points (beginning at 17.36 and increasing to a high of 20.06). At low levels of BSRI, H-RSRI results in a lower perception of Brand Loyalty relative to L-BSRI/L-RSRI. At high levels of BSRI, H-RSRI results in a higher perception of Brand Loyalty relative to H-BSRI/L-RSRI. This shows that the relationship between Brand Loyalty and Brand Social Responsibility Image is dependent on the level (High or Low) of Inclination to Reward Brand Social Responsibility Image.

**H6a:** Under conditions of H-BSRI and H-RSRI the sample mean for Brand Loyalty was 20.2632. This is a six-item scale with seven categories for each item. Therefore the highest possible mean for Brand Loyalty is 42 (6 x 7 = 42). Consumers who are inclined to reward brand social responsibility image and who concurrently

view a brand as being socially responsible will have a higher level of brand loyalty than consumers from the remaining three groups (conditions). This hypothesis is supported with the following caveat. While relatively high, this group does not appear to be significantly higher than the H-BSRI/L-RSRI group (20.26 versus 20.06 respectively).

**H6b:** Under conditions of H-BSRI and L-RSRI, the mean for Brand Loyalty was 20.0556. Consumers who view the brand as being socially responsible and have a minimal inclination to reward brand social responsibility image have a moderate level of brand loyalty. This hypothesis was supported with the caveat discussed in H6a.

**H6c:** Under conditions of L-BSRI and H-RSRI, the mean for Brand Loyalty was 12.2973. Consumers who view the brand's social responsibility image as low and are inclined to reward brand social responsibility image will have the lowest level of Brand Loyalty. This hypothesis was supported.

**H6d:** Under conditions of L-BSRI and L-RSRI, the sample mean for Service Quality Image was 17.3636. Consumers who view the brand's social responsibility image as low and have a minimal inclination to reward brand social responsibility image will have relatively low level of Brand Loyalty. This hypothesis was supported.

**Table 4.15: ANOVA Tables for Brand Loyalty as the Dependent Variable and Brand Social Responsibility Image and Inclination to Reward Brand Social Responsibility Image as the Independent Variables. (The potential means for Product Quality Image vary from 6 to 35. This is based on six questions and seven categories for each question--6 x 7 = 42.)**

**Between-Subjects Factors**

| | | N |
|---|---|---|
| BSRI3 | 1.00 | 70 |
| | 2.00 | 92 |
| RSRI4 | 1.00 | 87 |
| | 2.00 | 75 |

**Descriptive Statistics**

Dependent Variable: Brand Loyalty (BL)

| BSRI3 | RSRI4 | Mean | Std. Deviation | N |
|---|---|---|---|---|
| 1.00 | 1.00 | 17.3636 | 6.77688 | 33 |
| | 2.00 | 12.2973 | 6.06843 | 37 |
| | Total | 14.6857 | 6.85575 | 70 |
| 2.00 | 1.00 | 20.0556 | 7.50199 | 54 |
| | 2.00 | 20.2632 | 9.52857 | 38 |
| | Total | 20.1413 | 8.34896 | 92 |
| Total | 1.00 | 19.0345 | 7.31429 | 87 |
| | 2.00 | 16.3333 | 8.90996 | 75 |
| | Total | 17.7840 | 8.17869 | 162 |

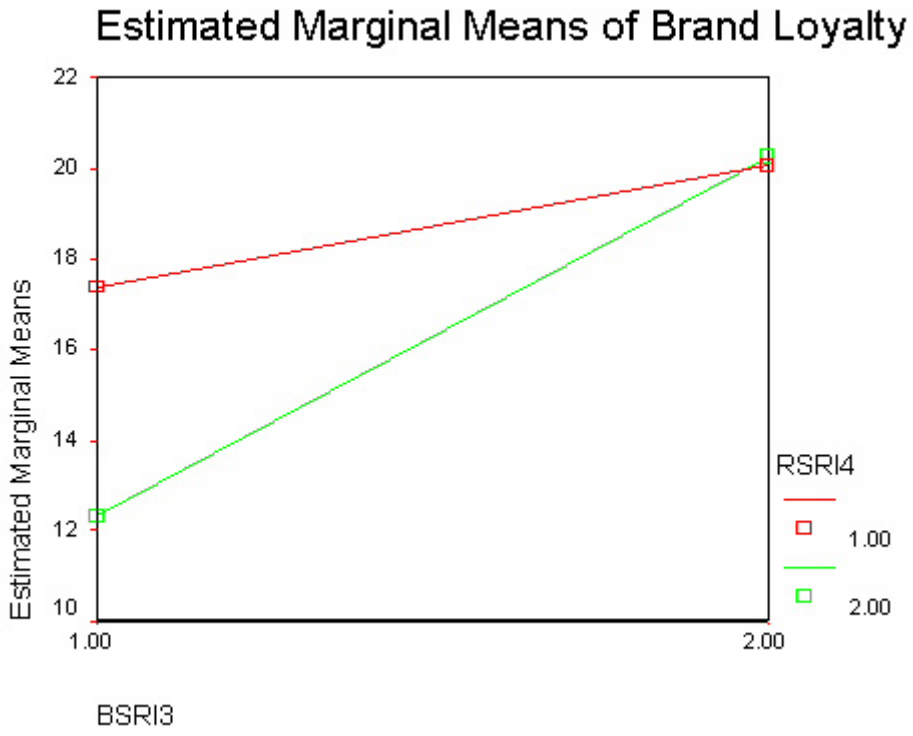
**Tests of Between-Subjects Effects**

Dependent Variable: Brand Loyalty (BL)

| Source | Type III Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Corrected Model | 1631.870(a) | 3 | 543.957 | 9.406 | .000 |
| Intercept | 47934.042 | 1 | 47934.042 | 828.840 | .000 |
| BSRI3 | 1111.819 | 1 | 1111.819 | 19.225 | .000 |
| RSRI4 | 231.072 | 1 | 231.072 | 3.996 | .047 |
| BSRI3 * RSRI4 | 272.252 | 1 | 272.252 | 4.708 | .032 |
| Error | 9137.568 | 158 | 57.833 | | |
| Total | 62005.000 | 162 | | | |
| Corrected Total | 10769.438 | 161 | | | |
| a R Squared = .152 (Adjusted R Squared = .135) | | | | | |

**Figure 4.5**

**Profile Plots**




**H6a**: Under conditions of H-BSRI/H-RSRI, BL will be relatively high.
**H6b**: Under conditions of H-BSRI/L-RSRI, BL will be moderate.
**H6c**: Under conditions of L-BSRI/H-RSRI, BL will be relatively low.
**H6d**: Under conditions of L-BSRI/L-RSRI, BL will be moderate.

**H7: <u>There is a positive relationship between Product Quality Image and Brand Loyalty</u>.**

The hypothesis of a positive relationship between Product Quality Image and Brand Loyalty was supported. The relationship had a correlation coefficient (r) of .603 and a coefficient of determination ($r^2$) of .364 (p .000) (See Table 4.16). As the customers' perception of product quality increases, so does their brand loyalty. Aaker (1996) in a conceptual article on brand

equity, wrote that customer satisfaction with both products and services was an important indicator of loyalty. Pritchard al., (1999) found that commitment, of which confidence in the product or service is a component, is a significant predictor of loyalty. (See Hypothesis H8 for a best fit test for Brand Loyalty.)

**Table 4.16 The Regression of Product Quality Image on Brand Loyalty**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .603(a) | .364 | .360 | 6.48911 |
| a Predictors: (Constant), Product Quality Image (PQ) | | | | |

**ANOVA(b)**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 3930.457 | 1 | 3930.457 | 93.341 | .000(a) |
| | Residual | 6863.688 | 163 | 42.109 | | |
| | Total | 10794.145 | 164 | | | |
| a Predictors: (Constant), Product Quality Image (PQ) | | | | | | |
| b Dependent Variable: Brand Loyalty (BL) | | | | | | |

**Coefficients(a)**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.354 | 1.944 | | -.182 | .856 |
| | Product Quality Image (PQ) | .735 | .076 | .603 | 9.661 | .000 |
| a Dependent Variable: Brand Loyalty (BL) | | | | | | |

**H8: <u>There is a positive relationship between Service Quality Image and Brand Loyalty.</u>**

The hypothesis of a positive relationship between Service

Quality Image and Brand Loyalty was supported. The relationship had a correlation coefficient (r) of .431 and a coefficient of determination ($r^2$) of .186 (p .000) (See Table 4.17). As the customers' perception of service quality increases, so does their brand loyalty. This finding is supported by the work of Pritchard, Havitz, and Howard (1999) who found that loyal travelers were more satisfied with the quality of services provided than travelers who were found to be less loyal. Additionally, loyal travelers were found to be most influenced by service that was perceived to be personal and empathetic. Aaker (1996) in a conceptual article on brand equity, wrote that customer satisfaction with both products and services was an important indicator of loyalty. Pritchard, et al., (1999) found that commitment, of which confidence in the product or service is a component, is a significant predictor of loyalty.

**Best Fit Test for Brand Loyalty**. Finally, it was desired to learn about the individual relative influence and to assess the best overall fit of Brand Social Responsibility Image, Product Quality Image, Service Quality Image, and Inclination to Reward Brand Social Responsibility Image on the dependent construct, Brand Loyalty. A multiple regression test was performed with the four independent constructs and the dependent construct (See Table 4.18). This test resulted in a correlation of .644. There were two significant beta weights for the model, Product Quality Image

at .483 (p = .000) and Inclination to Reward Brand Social Responsibility Image at -.132 (p = .038). The beta weights for SQ and BSRI were .138 (p = .080) and .105 (p = .178) respectively. Therefore, while individually, all three non-moderating independent constructs (PQ, SQ, and BSRI) show reasonably strong correlations with Brand Loyalty, Product Quality Image appears to be the dominant predictor. Therefore, for this model, Product Quality Image is the best predictor of Brand Loyalty.

**Table 4.17 The Regression of Service Quality Image on Brand Loyalty**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .431(a) | .186 | .181 | 7.37130 |
| a Predictors: (Constant), SQ | | | | |

**ANOVA(b)**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1999.738 | 1 | 1999.738 | 36.803 | .000(a) |
| | Residual | 8748.114 | 161 | 54.336 | | |
| | Total | 10747.853 | 162 | | | |
| a Predictors: (Constant), SQ | | | | | | |
| b Dependent Variable: Brand Loyalty (BL) | | | | | | |

**Coefficients(a)**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.107 | 2.496 | | 1.245 | .215 |
| | Service Quality Image (SQ) | .671 | .111 | .431 | 6.067 | .000 |
| a Dependent Variable: Brand Loyalty (BL) | | | | | | |

**Table 4.18 The Regression of Product Quality Image, Service Quality Image, Brand Social Responsibility Image, and Inclination to Reward Brand Social Responsibility Image on Brand Loyalty**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .644(a) | .415 | .400 | 6.36132 |

a Predictors: (Constant), Inclination to Reward Brand Social Responsibility Image, Product Quality (PQ), Brand Socially Responsibility Image (BSRI), Service Quality (SQ)

**ANOVA(b)**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 4450.812 | 4 | 1112.703 | 27.497 | .000(a) |
| | Residual | 6272.282 | 155 | 40.466 | | |
| | Total | 10723.094 | 159 | | | |

a Predictors: (Constant), Inclination to Reward Brand Social Responsibility Image, Product Quality (PQ), Brand Socially Responsibility Image (BSRI), Service Quality (SQ)

b Dependent Variable: Brand Loyalty (BL)

**Coefficients(a)**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.111 | 3.252 | | -.034 | .973 |
| | Product Quality (PQ) | .588 | .095 | .483 | 6.181 | .000 |
| | Service Quality (SQ) | .215 | .122 | .138 | 1.760 | .080 |
| | Brand Socially Responsibility Image (BSRI) | .112 | .083 | .105 | 1.352 | .178 |
| | Inclination to Reward Brand Social Responsibility Image | -.237 | .113 | -.132 | -2.095 | .038 |

a Dependent Variable: Brand Loyalty (BL)

## Summary

Factor analysis (See Table 4.2) showed that the item loadings were not compatible with the study's proposed model (See Figure 4.1 for the proposed model). The constructs Consumer Social Responsibility Orientation (CSR0) (v1 and v2) and

Inclination to Reward Brand Social Responsibility Image (RSRI) (v4 and v5) loaded on the same factor. Because the highest loadings were for the variable measuring Inclination to Reward Brand Social Responsibility Image (v4 = .860, v5 = .860), this new construct was labeled as Inclination to Reward Social Responsibility Image (RSRI). Likewise, the variables for the Attitude-based Brand Loyalty and Behavior-based Brand Loyalty scales loaded on the same factor. This construct was referred to as Brand Loyalty (BL). An explanation of these decisions is in the Factor Analysis section in this chapter. These findings led to the dissertation's new model (See Figure 4.2).

Each hypothesis that specified a positive relationship was supported (H1: BSRI→PQ; H3: BSRI→SQ; H5: BSRI→BL; H7: PQ→BL; and H8: SQ→BL). These results show that Brand Social Responsibility Image not only positively influences Brand Loyalty, but also influences the perception of both product quality and service quality. Concurrently, it was found that both Product and Service Quality Image influenced Brand Loyalty.

There were three hypotheses that tested the moderating effect of Inclination to Reward Brand Social Responsibility Image. The moderating influence of Inclination to Reward Brand Social Responsibility Image (RSRI) on the relationships between Brand Social Responsibility Image (BSRI) and Product Quality Image and between BSRI and Brand Loyalty were highest for low

levels of BSRI. In other words, for Product Quality Image and Brand Loyalty, RSRI appeared to act as a moderating variable only when BSRI was perceived to be low. Consumers rated Product Quality Image and Brand Loyalty lowest under conditions of L-BSRI and H-RSRI. This means if consumers rate BSRI as low and have a high RSRI, they will be inclined to rate the firm's Product Quality Image and their Brand Loyalty as low. Alternatively, when BSRI was high, both high and low treatments of RSRI resulted in similar sample means for both Product Quality Image and Brand Loyalty (i.e., minimal moderating effect).

Inclination to Reward Brand Social Responsibility Image (RSRI) appeared to moderate the relationship between Brand Social Responsibility Image (BSRI) and Service Quality Image at high levels of BSRI. In other words, the perception of service quality was relatively high when both BSRI and RSRI were viewed as being high (25.37). Under conditions of H-BSRI and L-RSRI, Service Quality Image was substantially lower (22.33). Under conditions of L-BSRI, there was very little difference between L- and H-RSRI (19.91 versus 19.35).

Chapter five will include an analysis of the results along with limitations, implications and recommendations for future research.

# Chapter 5

## Discussion

This study has supported the research of Brown and Dacin (1997) and Creyer and Ross (1997) by showing that in addition to being the right thing to do, social responsibility can play a beneficial role in influencing consumer's attitudes toward the brand. It also showed that the consumer's inclination to reward brand social responsibility image moderates the relationship between brand social responsibility image and brand loyalty, and between brand social responsibility image and the constructs of product quality and service quality.

### Findings

1. The original model contained the *a priori* constructs Consumer Social Responsibility Orientation (CSR0) (v1 and v2) and Inclination to Reward Social Responsibility Image (RSRI) (v4 and v5). The decision to include both CSRO and RSRI was based on the findings of Creyer and Ross (1997) who found these to be separate constructs. In the present study, factor analysis showed these constructs (and each of their variables) loading on the same factor. This contradiction may be due to two factors. First, the similarity of the items in each scale (i.e., items in each *a priori* scale deal with consumer's beliefs about social responsibility). Second, the reduction in scale items for the two

scales from fifteen (ten for CSRO, five for RSRI) in the Creyer and Ross (1997) study, to four in the present study (two each for CSRO and RSRI). A fifth item in the present study was added as a test of discriminant validity. Because the highest loadings were for the *inclination to reward* variables, this new construct was labeled as Inclination to Reward Social Responsibility Image (RSRI). The possible reason these items loaded highest in the RSRI scale is that the questions asked about the consumer's potential actions, which resulted in a greater consensus than for the CSRO scale items which measured the consumer's self perceptions. Further research into the reason for the higher RSRI loadings may be an important addition to SR research.

2. Similarly, Attitude-based Brand Loyalty and Behavior-based Brand Loyalty were initially proposed as two separate constructs. Factor analysis showed them both loading on the same factor. The original decision to measure brand loyalty as two distinct constructs was based on the work of Chaudhuri and Holbrook (2001), Pritchard, Havitz and Howard (1999), and Jacoby and Chestnut (1978). Both Chaudhuri and Holbrook (2001) and Pritchard, et al., (1999) based their two-construct decision on conceptual reasoning rather than empirical evidence. The beliefs and behaviors being measured by the Chaudhuri and Holbrook (2001) and Pritchard, et al., (1999) included affective and cognitive

beliefs and intentions and purchase behaviors. The items used in this dissertation's study included affective and cognitive beliefs, and intentions and purchase behavior measures.

Researchers who supported the single-construct brand loyalty measure include Chaudhuri (1999), Dick and Basu (1994), and Reynolds and Arnold (2000). Each of the authors offered conceptual, rather than empirical support for their decision. Based on the results of factor analysis, the single-construct brand loyalty measure was selected for this study.

3. Factor analysis showed that the proposed Service Quality construct consisted of two factors or dimensions. "Quick food delivery" and "No waiting" were identified as a dimension separate from "Employee greeting," "Employee attitude," and "Overall service quality." This is logical because of the potential perceived differences between the two groups of variables. Greeting, attitude and overall service quality are logically related to service. However, it is possible to consider quick food delivery and no waiting either as a secondary dimension of service (speed) or as measures of operational efficiency. For this dissertation "quick food delivery" and "no waiting" were considered as a dimension of Service Quality related to speed of service. Therefore, Service Quality was measured as a two-dimensional construct.

4. The coefficient alphas for all constructs, except for Inclination to Reward Social Responsibility Image (RSRI) at .73, were quite high at between .88 and .93. It is possible that RSRI was lower because of the psychological complexity of the scale (i.e., more emotive or affectively based), relative to constructs such as product quality that appear to be more cognitively based. In measuring RSRI, respondents were asked to consider a diverse group of questions (e.g., the restaurant's social responsibility, its impact on whether they would buy from the restaurant, their social responsibility relative to friends and co-workers, willingness to drive further to a socially responsible restaurant, and willingness to pay more for products from a socially responsible restaurant.

An additional reason for the lower coefficient alpha for RSRI could be that some respondents read variable #2, the reverse-scaled item (Whether a restaurant is socially responsible is not important to me in making my decision of what to buy.) less carefully than other items. When variable #2 was removed, the alpha rose from .73 to .80.

5. There is reasonably strong relationship between how customers perceive a brand's social responsibility image (BSRI) and the quality of its products and services (See paragraph below for

caveat). In simple regression tests, BSRI helped explain 30.7 percent and 27.8 percent of the variance in product quality and service quality perceptions, respectively.

A multiple regression test was used to control for other variables in the model. Brand Social Responsibility Image was significant and had the strongest beta weight in predicting Service Quality Image (a correlation of .314, p = .000). BSRI was the second best predictor of Product Quality Image. BSRI had a beta weight of .246 (p = .001), while Brand Loyalty's beta weight for Product Quality Image was .409 (p = .000).

6. Based on simple regression there was a reasonably strong relationship between the brand's social responsibility image and brand loyalty (See paragraph below for caveat). Product quality had the strongest relationship with Brand Loyalty, with a correlation of .603, service quality was second at .448 and brand social responsibility image third at .438. These findings make intuitive sense in that quick-service restaurants, being convenience products, are generally not sought out for high levels of unique service. Based on the results of this study, consumers' loyalty for fast food restaurants is most closely tied to the product. This inference is further supported by the fact that three of the six items used to measure product quality had acceptable secondary loadings on the brand loyalty construct.

These were v13 - Tastiness of the food (.466), v15 - Ingredient freshness (.369), and v18 - Overall food quality (.361). In spite of this finding, service and social responsibility image do appear to play significant antecedent roles in determining brand loyalty. This was supported in tests to assess the best overall fit for predicting brand loyalty.

When Product Quality (PQ), Service Quality (SQ), Brand Social Responsibility Image (BSRI), and Inclination to Reward Brand Social Responsibility Image (RSRI) were regressed on Brand Loyalty, PQ and RSRI were significant (.483 p = .000; -.132, p = .038, respectively). The indirect relationships between RSRI and BL, without further information is somewhat confounding. Perhaps it is the fact that RSRI was a moderating, not a mediating variable. Alternatively, as was seen in the moderating relationships, a high RSRI and low BSRI resulted in a relatively low mean for BL. The Beta weights for SQ and BSRI were not significant (.138, p = .080; .105, p = .178, respectively).

7. Often, social responsibility is viewed as being simply what the brand does for its community stakeholders. In this dissertation, it was desired to include both internal and external factors/stakeholders in the brand social responsibility image construct. Based on a mean of 4, the present results found McDonald's scoring above the mean on involvement in local

communities, giving to worthy causes, McDonald's attempts to improve the quality of its products and services, and McDonald's attempts to keep its restaurants clean. This makes intuitive sense in that McDonald's uses some of these themes in its advertising efforts and is known for the Ronald McDonald Houses which provide a home away from home for families of hospitalized children. McDonald's was, however, viewed lowest (below the mean of 4) on having a concern for the environment and the quality-of-life it offers its employees. Knowledge of the relative strengths of selected variables can help firm's manage their SR image, rather than allowing it to form ungoverned.

8. The consumer's inclination to reward a brand's social responsibility image (RSRI) appeared to moderate the relationship between brand social responsibility image (BSRI) and the constructs of brand loyalty, product quality and service quality. The degree of moderation for product quality was greatest at low levels of BSRI. That is, when BSRI was low and RSRI was low, product quality was low (22.81). However, when BSRI was low and RSRI was high, product quality dropped by a relatively large margin (19.86). Hence, RSRI appeared to moderate this relationship mainly at low levels of BSRI. Alternatively, at high levels of BSRI, there was very little difference in the sample

mean of product quality at low or high levels of RSRI (26.79 versus 27.61 respectively).

Similarly, the degree of moderation for brand loyalty was greatest at low levels of BSRI. That is, when BSRI was low and RSRI was low, brand loyalty was low (17.36). However, when BSRI was low and RSRI was high, product quality dropped by a relatively large margin (12.30). Hence, RSRI appeared to moderate this relationship mainly at low levels of BSRI. Alternatively, at high levels of BSRI, there was very little difference in the sample mean of brand loyalty at low or high levels of RSRI (20.06 versus 20.26 respectively).

The service quality relationship was essentially the opposite of that of the brand loyalty and product quality relationships. At low levels of BSRI, the sample mean of service quality was relatively similar for low and high levels of RSRI (19.91 versus 19.35 respectively). At high levels of BSRI, there was a much larger difference in the sample mean of service quality between low and high levels of RSRI (22.33 versus 25.37 respectively).

## Implications

The results of this study have useful implications for industry practitioners. While restaurant strategies have focused on improving the perception of both product quality and service

quality (Lee & Hing, 1995), the consideration of social strategies have played a lesser role (Parsa & Khan, 1993). It is hoped that this research will provide additional justification for operators of quick-service restaurants to place an increased emphasis on socially responsible strategies.

1. Of the three strategies tested as antecedents to brand loyalty, 1. product quality, 2. service quality, and 3. social responsibility image, product quality produced the strongest correlation with brand loyalty (r =.603), followed by brand social responsibility image and (r = .438) and service quality (r = .431). Without controlling for other variables, social responsibility was viewed by consumers to be about as important as service quality in their determination of brand loyalty. Consequently, as firms plan their strategies for improvements in product and service quality, they should also consider their image as a socially responsible member of the community.

When controlling for the effect of other variables, product quality was the best predictor of brand loyalty.

2. Another finding of importance to practitioners is that as brand social responsibility image increases, so does the perception of the brand's product quality and service quality. (When controlling for the effect of other variables in the model,

service quality was not significant.) This phenomena is generally termed the halo effect. Consequently, as managers develop strategies that attempt to improve product and service quality perceptions, they should consider the ability of social responsibility to indirectly aid in this effort. Management should not, however, simply rely on its social responsibility image at the expense of product and service quality. McDonald's ads appear to focus more on emotive beliefs (e.g., ads showing a father and son getting together over a McDonald's burger) and sometimes its efforts in the area of social responsibility, at the expense of product and service quality (Zuber, 2001). Social Responsibility should be viewed as a complement to product and service quality rather than as substitute.

3. It was found that a consumer's Inclination to Reward Brand Social Responsibility Image (RSRI) moderates the effect of Brand Social Responsibility Image (BSRI) on the constructs of Product Quality, Service Quality, and Brand Loyalty. The study showed that when brand social responsibility image was low and inclination to reward brand social responsibility image was high, that consumers' perceptions of Product Quality and Brand Loyalty were very low. This means that a firm with low perceived brand social responsibility image that also has customers that are inclined to reward brand social responsibility image (H-RSRI)

will find their Product Quality and Brand Loyalty perceptions suffering. At high levels of brand social responsibility image, there was very little difference in the perception of Product Quality or Brand Loyalty between consumers with high or low levels of inclination to reward brand social responsibility image. This means that even though BSRI may be high and concurrently have a positive influence on product quality and on brand loyalty, the consumer's (high) inclination to reward brand social responsibility image does not increase perceptions of product quality or brand loyalty. For consumers who reward brand social responsibility image, it is only the absence of a high brand social responsibility image that appears to influence perceptions of product quality and brand loyalty.

Consumers who are inclined to reward brand social responsibility image and who concurrently view the brand as being socially responsible, had the highest perception of the brand's service quality. The perception of service quality for this group was substantially higher than that of the high brand social responsibility and low inclination to reward brand social responsibility group. At low levels of brand social responsibility image, there was little difference in the perception of service quality between groups with low or high levels of inclination to reward brand social responsibility image.

The fact that a positive perception of a brand's social responsibility image has a positive influence on the consumer's perception of product quality, service quality, and brand loyalty has been shown in this study. For the brand, its SR image and its image for product quality, service quality, and brand loyalty are moderately controllable variables. Customers' inclination to reward the brand's SR image is a minimally controllable variable. Subsequently, knowledge of certain groups that may be inclined to reward brand social responsibility image may allow practitioners to increase customer's perceptions of service quality by targeting these groups with information about the firm's SR efforts. Conversely, the brand must be aware that low perceptions of social responsibility will result in very low perceptions of product quality and brand loyalty for consumers who are inclined to reward brand social responsibility image.

4. Researchers have measured customers' perceptions of a firm's social responsibility image (Brown & Dacin, 1997; Creyer & Ross, 1997). As practitioners survey customer's perceptions about various brand attributes, they may also consider learning about their customers' inclination to reward brand social responsibility image.

5. It was found that when variables concerned with consumers' social responsibility orientation (CSRO) and their inclination to reward brand social responsibility image (RSRI) were combined in the same construct, the RSRI variables appeared to be the most important. Though consumer SR orientation was seen as important, inclination to reward variables were even more important to the construct, most likely because they help determine consumers' potential actions. The importance of consumers' social responsibility orientation, however, is not being minimized. Knowledge of CSRO should prove valuable in the development of strategies and tactics that will lead to an increased propensity to reward the brand's SR efforts. For example, consumers with high levels of social responsibility orientation will most likely place more salience on a brand's SR efforts than will consumers of lower SR orientations. As this new knowledge is incorporated into consumers' belief structures, such beliefs should lead to an increase in these consumer's inclination to reward the brand's social responsibility image.

6. The correlation coefficient of variable 11 (The quality-of-life that McDonald's offers its employees is higher than that of similar restaurants) with brand loyalty at .362 (r2 .131, p, .000) shows that quality-of-life is somewhat important to consumers. This finding suggests that as part of their social

responsibility efforts restaurant operators might focus on their internal customers in addition to their communities and external customers.

## Future Research

Further research is needed to learn if the constructs of Consumer Social Responsibility Orientation and Inclination to Reward Social Responsibility Image can be measured separately, or are in fact one construct. The same holds true for Attitude-based Brand Loyalty and Behavior-based Brand Loyalty. The model was tested on a convenience sample, which may include some level of bias. Perhaps limiting this bias by testing on a random (probability) sample might find that these results are an anomaly. In support of this dissertation's sampling procedure, the convenience sample is highly appropriate for exploratory research, which this study essentially is, and when the items being measured are relevant to the respondents (Rallapalli, Vitell, Weibe, & Barnes, 1994).

Social responsibility is an issue that appears to be increasing in importance for most segments of society. In a study by Whalen, Pitts, and Wong (1991) a convenience sample of university students were found to be less likely to patronize a firm that exhibited unethical practices. Quick-service restaurants, as indicated by the increasing percentage of

household spending on food away from the home (National Restaurant Association Factbook, 2001), are an important part of the lives of much of America.

Each of the items in the Brand Social Responsibility Image scale merit further study. These include:

1. Brand has a concern for the environment.
2. Brand is involved in local communities.
3. Brand gives to worthy causes.
4. Brand attempts to improve the quality of its products and services.
5. Brand attempts to keep its restaurant clean.
6. The quality-of-life that brand offers its employees is higher than that of similar restaurants.
7. Brand is socially responsible.

Knowledge of which are most important in the determination of a brand's social responsibility image and which have the greatest influence on brand loyalty should be of value to both practitioners and researchers. Even though means are available for each of these variables, there is more to learn from the relative strength of each in determining the brand's SR image and how they might influence brand loyalty and other perceptions of the brand. Consumers' perceptions of one brand's SR image relative to another brand should also be of interest.

The study showed that consumers' inclination to reward brand social responsibility image moderated the relationship between brand social responsibility image and the constructs of product quality, service quality, and brand loyalty. This was shown by analyzing the relative means for four different conditions (H-

BSRI/H-RSRI, H-BSRI/L-RSRI, L-BSRI/L-RSRI, and L-BSRI/H-RSRI) for each of the three moderating relationships. Future testing could identify the reasons for these differences.

Since quality-of-life of the restaurant's employees is viewed as important to customers, it would be interesting to know if an increased emphasis in this area would result in increases in customer satisfaction. Other factors such as changes in staff and quality of supervision that could influence employee morale and hence, brand loyalty, would need to be monitored.

This study focused on quick-service restaurants. It should be of interest to learn if the findings would change for different types of hospitality products, such as hotels and different classes of products (e.g., convenience, shopping and specialty). Might a consumer's reliance on a brand's social responsibility image be a more important consideration as the purchase decision becomes more complex and involved? Could the proposed model be applied to other industries?

This research showed a brand's social responsibility image (BSRI) influences consumer's perceptions of a brand's product quality and service quality. Further research is required to test the validity of this finding (i.e., concurrent validity).

There has been relatively little research into the impact of social responsibility on the hospitality industry (Parsa & Khan,

1993). Hopefully, this study will help lay the groundwork for future research.

## Limitations

The data from this research were drawn from a convenience sample, therefore statistical results cannot be held to the same standard as those from a probability sample. The convenience sample is, however, quite common in ethics research (Brown & Dacin, 1997) and the results have been similar to that found in probability samples (Reynolds & Arnold, 2000).

This dissertation analyzed various relationships using a single firm, McDonald's. The results might be different for other quick-service restaurants, for full-service restaurants (table-service), or for firms in other industries. It is possible there is an artifact effect related to McDonald's being such a well known firm. That is, did the respondents' perceptions of McDonald's derived from advertising and meal experiences influence responses to questions not related to advertising and meals, such as brand social responsibility image. Are there too many potential experiences at McDonald's for the study to be generalizable to other firms? The sample size of 175 is higher than that of Dacin and Brown's (1997) social responsibility research sample of 148, but not at as high as other studies. For example, the Singhapakdi, Vitell, and Franke (1999) and Reynolds

and Arnold (2000) social responsibility studies had sample sizes of 453 and 388 respectively.

A further limitation is that of social desirability bias. In an attempt to give the "socially appropriate" response, it is possible that some individuals responded in a manner that is different from their true beliefs (Erffmeyer, Keillor, & LeClair, 1999, p. 14). The primary test used in this dissertation for social desirability bias was not effective at determining if bias existed.

## Summary

Chapter five presented an analysis of the results from this study. Implications for management, future possible studies and limitations of the research were also included. It is hoped that these results can provide managers with information that supports social responsibility as a worthwhile component of their strategy. It is also hoped that this strategy will not only improve overall consumer satisfaction and brand loyalty, but society as well.

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# Appendices

Appendix 1:

- Studies Utilizing the Vitell and Muncy Ethics Scale

Appendix 2:

- Studies Utilizing the Reidenbach and Robin Ethics Scale

Appendix 3:

- A Comparison of the Original Scales with the Dissertation's Scales

Appendix 4:

- The Dissertation's Pretest Questionnaire

Appendix 5:

- The Dissertation's Questionnaire

Appendix 6:

- Descriptive Statistics

## Appendix 1

### Studies Utilizing the Vitell and Muncy Scale

Vitell, Lumpkin, and Rawwas (1991) utilized a version of the Vitell and Muncy consumer ethics scale developed in the 1989 working paper. The factor structure did not change. They found that elderly consumers tend to be highly ethical in their own predispositions and not accepting of unethical activities of others. The Cronbach Alphas for the consumer ethics scale for this study were .76, .755, .73, and .747 for each of the four dimensions.

**Consumer Ethics Scale (Vitell, Lumpkin, Rawwas, 1991)**
**Dimension 1: Actively benefiting from illegal activity**
1. Drinking a can of soda in a supermarket without paying for it.
2. Using a long distance access code that does not belong to you.
3. Giving misleading price information to a clerk for an unpriced item.
4. Reporting a lost item as “stolen” to an insurance company in order to collect the money.
5. Changing price-tags on merchandise in a retail store.

**Dimension 2: Passively benefiting**
6. Not saying anything when the waitress miscalculates the bill in your favor.
7. Getting too much change and not saying anything.
8. Lying about a child’s age in order to get a lower price.
9. Moving into a new residence and finding that the cable TV is still hooked up, and using it rather than signing up and paying for it.

**Dimension 3: Actively benefiting from questionable action**
10. Stretching the truth on an income tax return.
11. Using a coupon for merchandise you did not buy.
12. Using an expired coupon for merchandise.

13. Not telling the truth when negotiating the price of a new automobile.

**Dimension 4: No harm/no foul**
14. Taping a movie off the television.
15. Returning merchandise after trying it and not liking it.
16. Recording an album instead of buying it.
17. Using computer software or games that you did not buy.
18. Spending over an hour trying on different dresses and not purchasing any.

Rawwas, Vitell, and Al-Khatib (1994) studied the differences in ethical orientation between Egyptian and Lebanese consumers. A MANOVA was performed with the four dimensions of the Vitell and Muncy (1992) scale, plus the ethical dimensions of Machiavellianism, idealism, and relativism as criterion variables and the two consumer groups as predictor variables. Because of the differences in cultural practices, five of the questions in the ethics scale were altered. The results showed that Egyptian consumers were generally more ethical, Machiavellian, and relativistic, but less idealistic. The Cronback Alphas for the four dimensions of the ethics scale follow:

| | Lebanon | Egypt |
|---|---|---|
| Actively benefiting from illegal activity | .63 | .723 |
| Passively benefiting from illegal activity | .592 | .696 |
| Actively benefiting from questionable action | .621 | * |
| No harm/no foul | .761 | .473 |

* There was only one item in this scale for the Egyptian consumer.

**Consumer Ethics Scale**

**Dimension 1: Actively benefiting from illegal activity**
1. Changing price-tags on merchandise in a store.

2. Giving misleading price information to a clerk for an unpriced item.
3. Drinking a can of soda in a supermarket without paying for it.
4. Paying a nominal charge for an international call.

**Dimension 2: Passively benefiting**

5. Lying about a child's age in order to get a lower price.
6. Getting too much change and not saying anything.
7. Not saying anything when the waitress miscalculates the bill in your favor.

**Dimension 3: Actively benefiting from questionable action**

8. Not telling the truth when negotiating the price of a new automobile.
9. Breaking a bottle of salad dressing in a supermarket and doing nothing about it.
10. Observing someone shoplifting and ignoring it.

**Dimension 4: No harm/no foul**

11. Taping a movie off the television.
12. Using computer software or games that you did not buy.
13. Recording an album instead of buying it.
14. Tasting grapes in a supermarket and not buying any.
15. Taking an ashtray or other "souvenir" from a hotel or restaurant.
16. Returning merchandise after trying it and not liking it.
17. Spending over an hour trying on different dresses and not purchasing any.

Rallapalli, et al. (1994) utilized the Vitell, et al. (1991) consumer ethics scale without modifications to find that individuals with a high need for social desirability and strong problem-solving skills tended to act more ethically in consumer decisions. The Chronbach Alphas were for the consumer ethics scale for the four dimensions, respectively, were .88, .82, .81, and .83.

Rawwas, Patzer, and Klassen (1995) used the Vitell and Muncy (1992) scale to compare the ethical attitudes of consumers in Northern Ireland and Hong Kong. Their hypotheses concerned understanding the impact of chaotic colonialism on consumer

ethical orientation. Five questions were modified to reflect cultural differences in the to locations. Cronback Alphas for the four dimensions of the ethics scale were:

| | Hong Kong | Northern Ireland |
|---|---|---|
| Actively benefiting from illegal activity | .683 | .783 |
| Passively benefiting from illegal activity | .615 | .807 |
| Actively benefiting from questionable action | .555 | .554 |
| No harm/no foul | .742 | .644 |

Rawwas (1996) utilized the Vitell and Muncy (1991) consumer ethics scale to assess the ethical beliefs of Austrian consumers. The study found that Austrian consumers were significantly less ethical than their American counterparts. The coefficient alphas, respectively, were .647, .717, .553, and .658.

Muncy and Eastman (1998) examined the relationship between materialism and ethical predisposition. The results showed a negative correlation between the two constructs. Coefficient alphas were not provided.

Chan, Wong & Leung (1998) studied the ethical orientations of Chinese consumers in Hong Kong. Responses were generally similar to those in the U.S., except that they exhibited somewhat lower ethical standards for private situations. Basically, they were heavily influenced by social norms and were more ethical in public than in private. The Vitell and Muncy (1992) scale was used, but five questions were deleted and replaced with those

more relevant to market norms. Coefficient alphas for the four dimensions were stated as being all above .5.

## Appendix 2

### Reidenbach and Robin Ethics Scales

### Reidenbach and Robin's 1990 Extension

In their first multidimensional ethics scale, Reidenbach and Robin (1988) found two primary limitations: that of its normative/prescriptive nature and the overlapping of variables within the five different moral philosophies. In their Reidenbach and Robin (1990) extension, they set out to refine it. The original 29 items which loaded onto five factors were reduced to 14 items loading on three factors. Subsequently, this iteration was administered to 108 small business operators, producing a three factor solution with eight items.

The results of their research also showed that both Likert and semantic differential measurement scales produced the same results.

**The Three Construct Multidimensional Ethics Scale**

**Construct 1 - The Broad-based Moral Equity Construct**

Just ------- Unjust
Fair ------- Unfair
Morally Right ------- Not Morally Right
Acceptable to my Family ------- Not Acceptable to my Family

**Construct 2 - The Relativist Construct**

Culturally Acceptable ------- Culturally Unacceptable

Traditionally Acceptable------- Traditionally Unacceptable

**Construct 3 - The Social Contract Construct**

Violates an Unspoken Promise ------- Does not Violate an Unspoken Promise

Violates an Unwritten Contract ------- Does not Violate an Unwritten Contract

The predictive validity between the individual's ethical judgments and their intention to act in the same manner was reasonably high at an average $R^2$ of .34 (explained 34% of the variance). If only the first construct/dimension, broad-based moral equity, was included, the $R^2$ rose to .53. In Reidenbach, et al.'s 1991 extension, the correlation for this relationship ($R^2$) was .58. Hunt and Vitell (1986, 1993) also found that individual intentions were a function of ethical judgments. Ferrell and Gresham (1985) proposed that other constructs, such as subjective norms, personal values, attitudes, knowledge, and the opportunity represented by the situation, will impact the relationship (correlation and prediction) between the respondent's ethical judgments and their intentions.

Hansen (1992) attempted to refine Reidenbach and Robin 1988 and 1990 efforts at developing a scale to measure individuals' ethical orientation. Hansen gathered responses from a questionnaire utilizing scenarios and Reidenbach and Robin's original 33 item 1988 scale. The results produced a four factor solution (a fifth factor was not "universally interpretable" (Hansen, 1992, p. 533). It was recommended that the fifth

variable, Broad-based Ethical Judgment (okay/not okay if action is justified by the results) be eliminated because it is logically most associated with teleological judgment. Hansen agreed with the criticisms of deontological and teleological judgment of Reidenbach and Robin (1990). The Chronbach Alphas for the three scenarios for each of the four constructs varied from .6657 to .9283.

**Factor Interpretations on Reduced Model**

**Factor 1 Broad-based Ethical Judgment**
Just/Unjust
On balance, tends to be good/Bad
Individually acceptable/Unacceptable
Okay/Not okay if action is justified by results
Culturally acceptable/Unacceptable
Acceptable/Unacceptable to people I most admire
Morally right/Not morally right
Acceptable/Not acceptable to my family

**Factor 2 Deontological Judgment**
He/she is obligated/Not obligated to act this way
He/she is/Not duty bound to act this way

**Factor 3 Social Contract Judgment**
Violates/Does not violate an unwritten contract
Violates/Does not violate an unspoken promise

**Factor 4 Teleological Judgment**
(combining Egoism and Utilitarianism)
Results in positive/negative cost-benefit ratio
Produces the greatest/Least utility
Is/Not in the best interest of the company
Efficient/Inefficient

Cohen, Pant, & Sharp (1993) replicated a slightly modified version of Reidenbach and Robin's 1990 scale to see if it could be generalized to groups other than marketing. The modification consisted of two questions (to test for discriminant validity):

1) The probability that I would undertake the same action is: High.....Low, and 2) The probability that my peers or colleagues would undertake the same action is: High.....Low. The sample consisted of 336 accounting faculty and the results generally validated the Reidenbach and Robin's work. The primary difference was that accountants placed a higher emphasis on the utilitarian decision schema. The survey instrument consisted of several scenarios, each followed by a 7-point semantic differential scale.

**Revised Version of Reidenbach and Robin Scale**

1. Just.....Unjust
2. Fair.....Unfair
3. Culturally Acceptable.....Culturally Unacceptable
4. Traditional Acceptable.....Traditionally Unacceptable
5. Acceptable to my Family.....Unacceptable to my Family
6. Self Promoting.....Not Self Promoting
7. Self Sacrificing.....Not Self Sacrificing
8. Personally Satisfying.....Not Personally Satisfying
9. Produces the Greatest Utility.....Produces the Least Utility
10. Maximizes Benefits While Minimizes Harm.....
Minimizes Benefits While Maximizes Harm
11. Lead to the Greatest Good for the Greatest Number.....
Leads to the Least Good for the Greatest Number
12. Violates an Unwritten Contract.....
Does Not Violate an Unwritten Contract
13. Obligated to Act this Way.....Not Obligated to Act this Way
14. Violates an Unspoken Promise.....
Does Not Violate an Unspoken Promise
15. The probability that I would undertake the same action is: High.....Low
16. The probability that my peers or colleagues would undertake the same action is: High.....Low
17. The action described above is: Ethical.....Unethical

## Appendix 3

### Comparison of Original Scales with Dissertation Scales

**Consumer Social Responsibility Orientation**
**Original Scale**
Creyer and Ross, 1997

1. It really bothers me to find out that a firm that I buy from has acted unethically.
2. I really care whether the stores I patronize have a reputation for ethical behavior.
3. Whether a firm is ethical is not important to me in making my decision what to buy.
4. I really care whether the companies whose products I buy have a reputation for unethical behavior.
5. It is important to me that the firms I deal with do not have a reputation for unethical behavior.
6. It really pleases me to find that a firm I buy from has acted ethically.
7. I really care whether the stores I patronized have a reputation for unethical behavior.
8. Whether a firm is unethical is not important to me making my decision what to buy.
9. I really care whether the companies whose products I buy have a reputation for unethical behavior.
10. It is more important to me that the firms I deal with have an ethical reputation.

**Consumer Socially Responsible Orientation**
**Dissertation Scale**
1. It really bothers me to find out that a restaurant that I buy from has not acted in a socially responsible manner.

| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Agree Completely |
|---|---|---|---|---|---|---|---|---|

The remaining items use the same measurement scale.
2. Whether a restaurant is socially responsible is not important to me in making my decision of what to buy.
3. It really pleases me to find that a restaurant I buy from has acted in a socially responsible manner.
4. Overall, I tend to be more socially responsible than friends and coworkers. (Item #4 was added as a measure of discriminant validity.)

**Inclination to Reward Brand Social Responsibility Image**
**Original Scale**
Creyer and Ross, 1997

1. I would go several miles out of my way to buy from a store that I knew to be extremely ethical
2. I would pay considerably more money for a product from a firm that I knew to be extremely ethical.
3. Firms who are extra ethical should do well in the marketplace.
4. Firms who are ethical should be allowed to earn greater profits than firms normally do.
5. Given a choice between two firms, one ethical and the other not especially so, I would always choose to buy from the ethical firm.

**Inclination to Reward Socially Responsible Behavior**
**Dissertation Scale**
1. I would go several miles out of my way to buy from a restaurant that I knew to be highly socially responsible.
Disagree Completely 1 2 3 4 5 6 7 Agree Completely
The remaining items use the same measurement scale.
2. I would pay more money for a product from a restaurant that I knew to be highly socially responsible.
3. Restaurants that are socially responsible should be allowed to earn greater profits than restaurants normally do.
4. Given a choice between two restaurants, one socially responsible and the other not especially so, I would always choose to buy from the socially responsible restaurant.

**Brand Social Responsibility Image**
**Original Scales**
Brown and Dacin, 1997
1. Concern for the environment
2. Involvement in local communities
3. Corporate giving to worth causes.

The following scale was used to develop 3 additional BSRI items/measures related to external stakeholders.
Original Scale
Maignan and Ferrell (1999)
Economic Citizenship
1. Our business has a procedure in place to respond to every customer complaint.
2. We continually improve the quality of our products.
3. We use customer satisfaction as an indicator of our business performance.
4. We have been successful at maximizing our profits.
5. We strive to lower our operating costs.
6. We closely monitor employees' productivity.

7. Top management establishes long-term strategies for our business.

Legal Citizenship

1. Managers are informed about relevant environmental was.
2. All our products meet legal standards.
3. Our contractual obligations are always honored.
4. The managers of this organization try to comply with the law.
5. Our company seeks to comply with all laws regulating hiring and employee benefits.
6. We have programs that encourage the diversity of our workforce (in terms of age, gender, or race).
7. Internal policies prevent discrimination I employees' compensation and promotion.

Ethical Citizenship

1. Our business has a comprehensive code of conduct.
2. Members of our organization follow professional standards.
3. Top managers monitor the potential negative impacts of our activities on our community.
4. We are recognized as a trustworthy company.
5. Fairness toward coworkers and business partners is an integral part of our employee evaluation process.
6. A confidential procedure is in place for employees to report any misconduct at work (such as stealing or sexual harassment).
7. Our salespersons and employees are required to provide full and accurate information to all customers.

Discretionary Citizenship

1. The salaries offered by our company are higher than industry averages.
2. Our business supports employees who acquire additional education.
3. Our business encourages employees to join civic organizations that support our community.
4. Flexible company policies enable employees to better coordinate work and personal life.
5. Our business gives adequate contributions to charities.
6. A program is in place to reduce the amount of energy and materials wasted in our business.
7. We encourage partnerships with local businesses and schools.
8. Our business supports local sports and cultural activities.

**Brand Social Responsibility Image**
**Dissertation Scale**

1. McDonald’s has a concern for the environment.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Very Favorable Image |

The remaining items use the same measurement scale.
2. McDonald’s is involved in local communities.
3. McDonald’s gives to worth causes.
4. McDonald's attempts to improve the quality of its products and services.
5. McDonald's attempts to keep its restaurant clean.
6. The quality-of-life that McDonald's offers its employees is higher than that of similar restaurants.
7. McDonald’s is socially responsible. (Item #7 is included for the measurement of convergent validity.)

**Service Quality**
**Original Scale**

Oh and Jeong, 1996
1. Quick food delivery.
2. No waiting.
3. Employee attitude.
4. Employees’ greeting.
5. Responsiveness.
6. Menu availability.

**Service Quality**
**Dissertation Scale**

Please rate the McDonald’s performance on the following criteria:
1. Quick food delivery.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Very high Performance |

The remaining items use the same measurement scale.
2. No waiting.
3. Employees’ attitude.
4. Employee greeting.
5. Overall service quality. (Item #5 was added as a measure of convergent validity.)

**Product Quality**
**Original Scale**
Oh and Jeong, 1996
1. Tastiness of food.
2. Price of food.
3. Food quality.
4. Ingredient freshness.
5. Temperature of food.
6. Portion size.

**Product Quality**
**Dissertation Scale**
Please rate McDonald's performance on the following criteria:
1. Tastiness of food.
Very low Performance 1 2 3 4 5 6 7 Very high Performance
The remaining items use the same measurement scale.
2. Portion size.
3. Ingredient freshness.
4. Temperature of food.
5. Value (The price relative to the food's quality.).
6. Overall food quality. (Item #6 was added as a measure of convergent validity.)

**Attitudinal Brand Loyalty**
**Original Scales**
Reynolds and Arnold (2000)
(This scale had both attitudinal and behavioral components.)
1. I am very loyal to (store name).
2. I shop at other stores if the price is lower.
Items 3. & 4. Share of purchases (two items) (ratio of total purchases to store purchases)

Chaudhuri and Holbrook (2001)
(Attitudinal and Behavioral loyalty were measured as separate constructs.)
Attitudinal loyalty:
1. I am committed to this brand.
2. I would be willing to pay a higher price for this brand over other brands.
Behavioral loyalty:
1. I will buy this brand the next time I buy (product name).
2. I intend to keep purchasing this brand.

Pritchard, Havitz, and Howard (1999)
1. I consider myself to be a loyal patron of XYZ airline
2. If I had to do it over again, I would fly with another airline
3. I try to fly with XYZ airline because it is the best choice for me
4. To me, XYZ is the same as other airlines.

Ganesh, Arnold, and Reynolds (2000)
1. I would highly recommend my bank to my friends and family.
2. I am likely to make negative comments about my bank to my friends and family.
3. In the near future, I intend to use more of the services offered by my bank.
4. If my current bank were to raise the price of my checking account, I would still continue to be a customer of the bank.
5. If a competing bank were to offer a better rate or discount on their service, I would switch.
6. As long as I live in this neighborhood, I do not foresee myself switching to a different bank.

**Attitudinal Brand Loyalty**
**Dissertation Scale**
1. I am very loyal to McDonald's.
Disagree 1 2 3 4 5 6 7 Agree
Completely Completely
The remaining items use the same measurement scale.
2. I would highly recommend McDonald's to my friends.
3. I would continue to dine at McDonald's even if the price was higher.

**Behavioral Brand Loyalty**
**Original Scales**
Reynolds and Arnold (2000)
(This scale had both attitudinal and behavioral components.)
1. I am very loyal to (store name).
2. I shop at other stores if the price is lower.
Items 3. & 4. Share of purchases (two items) (ratio of total purchases to store purchases)
Chaudhuri and Holbrook (2001)
(Attitudinal and Behavioral loyalty were measured as separate constructs.)
Attitudinal loyalty:
1. I am committed to this brand.
2. I would be willing to pay a higher price for this brand over other brands.

Behavioral loyalty:
1. I will buy this brand the next time I buy (product name).
2. I intend to keep purchasing this brand.

**Behavioral Brand Loyalty**
**Dissertation Scale**
1. The percentage of my quick-service dining purchases at McDonald's is:
1 - 0%
2 - 0% up to 20%;
3 - 20% up to 35%;
4 - 35% up to 50%;
5 - 50% up to 65%;
6 - 65% up to 80%;
7 - 80% up to 100%

2. I intend to keep buying from McDonald's

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unlikely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Likely |

3. The next time you go to a fast food restaurant, how likely is it to be McDonald's?

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unlikely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Likely |

## Appendix 4

### The Study's Pretest Questionnaire

The purpose of this research is to learn about consumers attitudes toward social responsibility and its impact on businesses. It is hoped that the results will convince businesses to increase their socially responsible activities. Please read each question before responding.

Your time is gratefully appreciated.

**Consumer Socially Responsible Orientation**

1. It really bothers me to find out that a restaurant that I buy from has not acted in a socially responsible manner.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

2. Whether a restaurant is socially responsible is not important to me in making my decision of what to buy.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

3. It really pleases me to find that a restaurant I buy from has acted in a socially responsible manner.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

4. Overall, I tend to be more socially responsible than friends and coworkers.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

**Inclination to Reward Socially Responsible Behavior**

1 (5). I would go several miles out of my way to buy from a restaurant that I knew to be highly socially responsible.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

2 (6). I would pay more money for a product from a restaurant

that I knew to be highly socially responsible.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

3 (7). Restaurants that are socially responsible should be allowed to earn greater profits than restaurants normally do.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

4 (8). Given a choice between two restaurants, one socially responsible and the other not especially so, I would always choose to buy from the socially responsible restaurant.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

**Brand Socially Responsibility Image**

Please answer the following based on your perceptions of the firm's image (Note: It is your perceptions that we are interested in, rather than your specific knowledge of the firm's actions.):

1 (9). McDonald's has a concern for the environment.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

2 (10). McDonald's is involved in local communities.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

3 (11). McDonald’s gives to worthy causes.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

4 (12). McDonald's attempts to improve the quality of its products and services.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

5 (13). McDonald's attempts to keep its restaurant clean.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

6 (14). The quality-of-life that McDonald's offers its employees is higher than that of similar restaurants.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

7 (15). McDonald’s is socially responsible.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

**Product Quality**

Please rate McDonald’s performance on the following criteria:

1 (16). Tastiness of food.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

2 (17). Portion size.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

3 (18). Ingredient freshness.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

4 (19). Temperature of food.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

5 (20). Value (The price relative to the food's quality.).

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

6 (21). Overall food quality.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

**Service Quality**

Please rate the McDonald’s performance on the following criteria:

1 (22). Quick food delivery.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

2 (23). No waiting.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

3 (24). Employees’ greeting.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

4 (25). Employee attitude.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

5 (26). Overall service quality.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

**Attitudinal Brand Loyalty**

1 (27). I am very loyal to McDonald's.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

2 (28). I would highly recommend McDonald's to my friends.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

3 (29). I would continue to dine at McDonald's even if the price was higher.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

**Behavioral Brand Loyalty**

1 (30). Of the times you purchase fast food, what approximately what percentage is at McDonald's? (For example, a number between 0 and 100)

_____%

2 (31). In the future, I intend to keep buying from McDonald's

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unlikely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Likely |

3 (32). The next time you go to a fast food restaurant, how likely is it to be McDonald's?

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unlikely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Likely |

33. Gender

Female _____ Male _____

34. Age

1. Up to 20; 2. 21 to 30; 3. 31 to 40; 4. 41 to 50; 5. 51 to 60; 6. 61 to 70; 7. 71+

35. Income

1. up to $15,000 per year; 2. $15,000 to $30,000; 3. $30,001 to $45,000; 4. $45.001 to $60,000; 5. $60,001 to $75,000; 6. $75,001 to $100,000; 7. 100,001 or more

36. Burger King is more socially responsible than McDonald's

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

37. Wendy's is more socially responsible than McDonald's

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

38. I am very loyal to Burger King.

| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Agree Completely |
|---|---|---|---|---|---|---|---|---|

39. I am very loyal to Wendy's

| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Agree Completely |
|---|---|---|---|---|---|---|---|---|

## Appendix 5

### The Study's Questionnaire

The purpose of this research is to learn about consumers attitudes toward social responsibility and its impact on businesses. It is hoped that the results will convince businesses to increase their socially responsible activities.

Your time is gratefully appreciated.

Please take care by reading the questions thoroughly and filling in the bubbles completely. Thank you.

1. It really bothers me to find out that a restaurant that I buy from has not acted in a socially responsible manner.

| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Agree Completely |
|---|---|---|---|---|---|---|---|---|

2. Whether a restaurant is socially responsible is not important to me in making my decision of what to buy.

| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Agree Completely |
|---|---|---|---|---|---|---|---|---|

3. Overall, I tend to be more socially responsible than friends and coworkers.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

**Inclination to Reward Socially Responsible Behavior**

1 (4). I would go several miles out of my way to buy from a restaurant that I knew to be highly socially responsible.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

2 (5). I would pay more money for a product from a restaurant that I knew to be highly socially responsible.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

**Brand Socially Responsibility Image**

Please answer the following based on your perceptions of the firm's image (Note: It is your perceptions that we are interested in, rather than your specific knowledge of the firm's actions.):

1 (6). McDonald's has a concern for the environment.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

2 (7). McDonald's is involved in local communities.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

3 (8). McDonald’s gives to worthy causes.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

4 (9). McDonald's attempts to improve the quality of its products and services.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

5 (10). McDonald's attempts to keep its restaurant clean.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

6 (11). The quality-of-life that McDonald's offers its employees is higher than that of similar restaurants.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

7 (12). McDonald’s is socially responsible.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unfavorable Image | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Favorable Image |

**Product Quality**

Please rate McDonald’s performance on the following criteria:

1 (13). Tastiness of food.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

2 (14). Portion size.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

3 (15). Ingredient freshness.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

4 (16). Temperature of food.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

5 (17). Value (The price relative to the food's quality.).

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

6 (18). Overall food quality.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

**Service Quality**

Please rate the McDonald’s performance on the following criteria:

1 (19). Quick food delivery.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

2 (20). No waiting.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

3 (21). Employees’ greeting.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

4 (22). Employee attitude.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

5 (23). Overall service quality.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very low Performance | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very high Performance |

**Attitudinal Brand Loyalty**

1 (24). I am very loyal to McDonald's.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

2 (25). I would highly recommend McDonald's to my friends.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

3 (26). I would continue to dine at McDonald's even if the price was higher.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Disagree Completely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Agree Completely |

**Behavioral Brand Loyalty**

1 (27). Of the times you purchase fast food, what approximately what percentage is at McDonald's? (For example, a number between 0 and 100)

_____%

2 (28). In the future, I intend to keep buying from McDonald's

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unlikely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Likely |

3 (29). The next time you go to a fast food restaurant, how likely is it to be McDonald's?

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Very Unlikely | 1 | 2 | 3 | 4 | 5 | 6 | 7 Very Likely |

30. Gender

Female _____ Male _____

31. Age

1. Up to 20; 2. 21 to 30; 3. 31 to 40; 4. 41 to 50; 5. 51 to 60;

6. 61 to 70; 7. 71+

32. Income

1. up to $15,000 per year; 2. $15,000 to $30,000;
3. $30,001 to $45,000; 4. $45.001 to $60,000;
5. $60,001 to $75,000; 6. $75,001 to $100,000;
7. 100,001 or more

33. Burger King is more socially responsible than McDonald's

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

34. Wendy's is more socially responsible than McDonald's

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

35. I am very loyal to Burger King.

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

36. I am very loyal to Wendy's

Disagree Completely 1 2 3 4 5 6 7 Agree Completely

## Appendix 6

### Descriptive Statistics

Table A.1 presents descriptive statistics for each of the 28 variables used in the study (v1 through v29). A 7-point semantic differential was used for variables 1 through 29. In addition to the variables in the study's model, demographic information was also gathered. Previous research in ethics and social responsibility has shown conflicting results for the effects of demographics (Antil, 1984; Singhapakdi, Vitell, Franke, 1999). Oh & Jeong (1996) found demographics to be of minimal assistance in the creation of marketing strategies for fast food restaurants. Instead, attitudinal variables were considered more valuable in strategy selection. Consequently, for this study demographics were collected only for potential post hoc analyses and as a possible means of researching or responding to sampling challenges. Of the 170 respondents answering the gender question, 64 were male and 106 were female (See Table A.2). During the intercept sampling, it appeared that females were more drawn to the sign regarding a social responsibility survey than were males. A t-test examining differences in responses for male and female respondents for the key constructs of the study (CSRO, RSRI, BSRI, PQ, SQ, ABL, and BBL) showed that there were no significant differences at the .05 level (See Table A.3). The Levene's test for equality of variances showed that equal

variances can be assumed, therefore the significance levels considered were those associated with equal variances assumed. Frequency distributions were performed for age and income (See Table A.4). The majority of the sample (64.9 percent) were 30 years of age or younger and had household incomes of $30,000 per year or less (51.2 percent). This finding is likely the result of a large number of students in the sample.

**Table A.1 Descriptive Statistics for Items in Each Scale of the Dissertation's Model**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| **v1. It really bothers me to find out that a restaurant that I buy from has not acted in a socially responsible manner. (CSRO)** | 175 | 1 | 7 | 5.50 | 1.38 |
| **v2. Whether a restaurant is socially responsible is not important to me in making my decision of what to buy. (CSRO)** | 175 | 1 | 7 | 4.55 | 1.77 |
| **v3. Overall, I tend to be more socially responsible than friends and coworkers. (CSRO)** | 174 | 2 | 7 | 5.07 | 1.19 |
| **v4. I would go several miles out of my way to buy from a restaurant that I knew to be highly socially responsible. (RSRI)** | 175 | 1 | 7 | 4.89 | 1.46 |
| **v5. I would pay more for a product from a restaurant that I knew to be higly socially responsible. (RSRI)** | 175 | 1 | 7 | 4.89 | 1.43 |
| **v6. McDonald's has a concern for the environment. (BSRI)** | 170 | 1 | 7 | 3.78 | 1.52 |
| **v7. McDonald's is involved in local communities. (BSRI)** | 171 | 1 | 7 | 4.78 | 1.59 |
| **v8. McDonald's gives to worthy causes. (BSRI)** | 171 | 1 | 7 | 5.00 | 1.48 |
| **v9. McDonald's attempts to improve the quality of its products and services. (BSRI)** | 170 | 1 | 7 | 4.25 | 1.49 |
| **v10. McDonald's attempts to keep its restaurant clean. (BSRI)** | 171 | 1 | 7 | 4.71 | 1.38 |
| **v11.The quality-of-life that McDonald's offers its employees is higher than that of similar restaurants. (BSRI)** | 171 | 1 | 7 | 3.95 | 1.42 |
| **v12. McDonald's is socially responsible. (BSRI)** | 171 | 1 | 7 | 4.40 | 1.34 |
| **v13. Tastiness of food. (Variables 13 to 23 concern McDonald's. See questionnaire for directions for respondents.) (PQ)** | 172 | 1 | 7 | 4.09 | 1.53 |
| **v14. Portion size. (PQ)** | 172 | 1 | 7 | 4.34 | 1.33 |
| **v15. Ingredient freshness. (PQ)** | 172 | 1 | 7 | 3.64 | 1.45 |

| | | | | | |
|---|---|---|---|---|---|
| **v16. Temperature of food. (PQ)** | 172 | 1 | 7 | 4.45 | 1.42 |
| **v17. Value (The price relative to the food's quality.). (PQ)** | 172 | 1 | 7 | 4.14 | 1.50 |
| **v18. Overall food quality. (PQ)** | 172 | 1 | 7 | 4.04 | 1.33 |
| **v19. Quick food delivery. (SQ)** | 170 | 1 | 7 | 5.04 | 1.30 |
| **v20. No waiting. (SQ)** | 172 | 1 | 7 | 4.37 | 1.35 |
| **v21. Employees' greeting. (SQ)** | 171 | 1 | 7 | 4.12 | 1.34 |
| **v22. Employee attitude. (SQ)** | 171 | 1 | 7 | 4.08 | 1.39 |
| **v23. Overall service quality. (SQ)** | 170 | 1 | 7 | 4.36 | 1.29 |
| **v24. I am very loyal to McDonald's. (ABL)** | 172 | 1 | 7 | 2.72 | 1.61 |
| **v25. I would highly recommend McDonald's to my friends. (ABL)** | 172 | 1 | 7 | 2.85 | 1.54 |
| **v26. I would continue to dine at McDonald's even if the price was higher. (ABL)** | 171 | 1 | 7 | 2.55 | 1.56 |
| **v27. Of the times you purchase fast food, approximately what percentage is at McDonald's? (BBL)** | 167 | 1 | 7 | 2.66 | 1.16 |
| **v28. In the future, I intend to keep buying from McDonald's! (BBL)** | 172 | 1 | 7 | 3.77 | 1.76 |
| **v29. The next time you go to a fast food restaurant, how likely is it to be McDonald's? (BBL)** | 170 | 1 | 7 | 3.15 | 1.71 |
| **Valid N (listwise)** | 159 | | | | |

**Table A.2 v30. What is your gender?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| **Valid** | **Male** | 64 | 36.6 | 37.6 | 37.6 |
| | **Female** | 106 | 60.6 | 62.4 | 100.0 |
| | **Total** | 170 | 97.1 | 100.0 | |
| **Missing** | **System** | 5 | 2.9 | | |
| **Total** | | 175 | 100.0 | | |

## Table A.3 t-test for Differences Between Male and Female Respondents

**Group Statistics**

| | v30. What is your gender? | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Consumer Social Responsibility Orientation (CSRO) | Male | 64 | 9.6719 | 2.21864 | .27733 |
| | Female | 106 | 10.2358 | 2.63150 | .25559 |
| Inclination to Reward Brand Social Responsibility Image (RSRI) | Male | 64 | 9.3594 | 2.62689 | .32836 |
| | Female | 106 | 10.0283 | 2.65638 | .25801 |
| Brand Socially Responsibility Image (BSRI) | Male | 61 | 32.0492 | 6.57122 | .84136 |
| | Female | 106 | 30.6226 | 8.15032 | .79163 |
| Product Quality (PQ) | Male | 64 | 24.8906 | 5.81492 | .72686 |
| | Female | 106 | 24.5660 | 7.17007 | .69642 |
| Service Quality (SQ) | Male | 62 | 22.1613 | 4.90297 | .62268 |
| | Female | 105 | 21.7619 | 5.45175 | .53204 |
| Attitudinal Brand Loyalty (ABL) | Male | 64 | 8.5469 | 4.42909 | .55364 |
| | Female | 105 | 7.9429 | 4.36073 | .42556 |
| Behavioral Brand Loyalty (BBL) | Male | 62 | 9.7581 | 3.86530 | .49089 |
| | Female | 103 | 9.5922 | 4.26209 | .41996 |

**Independent Samples Test**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Consumer Social Responsibility Orientation (CSRO) | Equal variances assumed | 2.975 | .086 | -1.434 | 168 | .153 | -.5640 | .39333 | -1.34049 | .21254 |
| | Equal variances not asmd. | | | -1.495 | 150.379 | .137 | -.5640 | .37715 | -1.30917 | .18122 |
| Inclination to Reward Brand Social Responsibility Image (RSRI) | Equal variances assumed | .001 | .979 | -1.597 | 168 | .112 | -.6689 | .41876 | -1.49564 | .15778 |
| | Equal variances not assumed | | | -1.602 | 134.130 | .112 | -.6689 | .41760 | -1.49486 | .15701 |
| Brand Socially Responsibility Image (BSRI) | Equal variances assumed | 2.648 | .106 | 1.166 | 165 | .245 | 1.4265 | 1.22365 | -.98950 | 3.84257 |
| | Equal variances not asmd. | | | 1.235 | 147.293 | .219 | 1.4265 | 1.15523 | -.85643 | 3.70951 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Product Quality (PQ)** | **Equal variances assumed** | 2.105 | .149 | .306 | 168 | .760 | .3246 | 1.05968 | -1.76742 | 2.41659 |
| | **Equal variances not asmd.** | | | .322 | 153.927 | .748 | .3246 | 1.00664 | -1.66403 | 2.31321 |
| **Service Quality (SQ)** | **Equal variances assumed** | .809 | .370 | .474 | 165 | .636 | .3994 | .84176 | -1.26262 | 2.06139 |
| | **Equal variances not asmd.** | | | .488 | 139.095 | .627 | .3994 | .81902 | -1.21995 | 2.01872 |
| **Attitudinal Brand Loyalty (ABL)** | **Equal variances assumed** | .123 | .727 | .868 | 167 | .386 | .6040 | .69565 | -.76938 | 1.97742 |
| | **Equal variances not asmd.** | | | .865 | 131.609 | .389 | .6040 | .69830 | -.77732 | 1.98535 |
| **Behavioral Brand Loyalty (BBL)** | **Equal variances assumed** | .410 | .523 | .251 | 163 | .802 | .1658 | .66195 | -1.14126 | 1.47292 |
| | **Equal variances not amd.** | | | .257 | 138.573 | .798 | .1658 | .64602 | -1.11150 | 1.44316 |

## Table A.4 Frequency Distributions for Age and Income

| | | **v31. What is your age at your last birthday?** | **v32. What is you annual household income before taxes?** |
|---|---|---|---|
| **N** | **Valid** | 171 | 162 |
| | **Missing** | 4 | 13 |

## Frequency Tables

**v31. What is your age at your last birthday?**

| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
|---|---|---|---|---|---|
| **Valid** | **Up to 20** | 44 | 25.1 | 25.7 | 25.7 |
| | **21 to 30** | 67 | 38.3 | 39.2 | 64.9 |
| | **31 to 40** | 19 | 10.9 | 11.1 | 76.0 |
| | **41 to 50** | 28 | 16.0 | 16.4 | 92.4 |
| | **51 to 60** | 9 | 5.1 | 5.3 | 97.7 |
| | **61 to 70** | 3 | 1.7 | 1.8 | 99.4 |
| | **71+** | 1 | .6 | .6 | 100.0 |
| | **Total** | 171 | 97.7 | 100.0 | |
| **Missing** | **System** | 4 | 2.3 | | |
| **Total** | | 175 | 100.0 | | |

**v32. What is you annual household income before taxes?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Up to $15,000 | 44 | 25.1 | 27.2 | 27.2 |
| | $15,001 to $30,000 | 39 | 22.3 | 24.1 | 51.2 |
| | $30,001 to $45,000 | 17 | 9.7 | 10.5 | 61.7 |
| | $45,001 to $60,000 | 29 | 16.6 | 17.9 | 79.6 |
| | $60,001 to $75,000 | 16 | 9.1 | 9.9 | 89.5 |
| | $75,001 to $100,000 | 8 | 4.6 | 4.9 | 94.4 |
| | $100,001 or more | 9 | 5.1 | 5.6 | 100.0 |
| | Total | 162 | 92.6 | 100.0 | |
| Missing | System | 13 | 7.4 | | |
| Total | | 175 | 100.0 | | |

Of note is the fact that the only variables with means of less than 3 were variables 24, 25, 26, and 27, all in the McDonald's Brand Loyalty scale. Variables 24, 25, and 26 were in the original Attitudinal Brand Loyalty Scale. Variable 27 measured purchase behavior and was in the original Behavioral Brand Loyalty Scale. The single-item measures of attitudinal brand loyalty for Burger King and Wendy's (I am very loyal to [Brand].) were 2.87 and 3.24 respectively (See Table 4.6). The attitudinal components of Brand Loyalty items for McDonald's were 2.72 (v24), 2.85 (v25), and 2.55 (v26) for a mean of 2.71 (2.72 + 2.8 + 2.55 ÷ 3 = 2.71). Therefore, the attitudinal Brand Loyalty for McDonald's (2.71) is slightly below that of Burger King (2.87) and Wendy's (3.24).

When asked about the social responsibility of Burger King and Wendy's relative to McDonald's, the means were 3.57 (variable 33) and 3.80 (variable 34) respectively (See Table 4.6 for the

mean of social responsibility for Burger King and Wendy's relative to McDonald's). With 4 as the mid-point of the scale, this shows that McDonald's image as a socially responsible firm is better than that of either Burger King or Wendy's. The mean average for McDonald's seven-item social responsibility image scale was 4.41 (variables 6 through 12). However, because the Burger King and Wendy's items asked for social responsibility perceptions *relative* to McDonald's, Burger King's score of 3.57 and Wendy's score of 3.80 cannot be directly compared to the 4.41 of McDonald's.

**Table A.5 Descriptive Statistics for Burger King and Wendy's for Social Responsibility and Loyalty**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| **v33. Burger King is more socially responsible than McDonald's.** | 169 | 1 | 7 | 3.57 | 1.29 |
| **v34. Wendy's is more socially responsible than McDonald's.** | 169 | 1 | 7 | 3.80 | 1.38 |
| **v35. I am very loyal to Burger King.** | 168 | 1 | 7 | 2.87 | 1.65 |
| **v36. I am very loyal to Wendy's.** | 167 | 1 | 7 | 3.24 | 1.83 |
| **Valid N (listwise)** | 165 | | | | |

# Vita

**Allen Z. Reich**
**3892 America West Trail**
**Flagstaff, Arizona 86001**

**Education:**

BBA Management - Southwest Texas State University, 1971
MHM (Master of Hospitality Management) - University of Houston, 1992
CHE (Certified Hospitality Educator) - Educational Institute of the American Hotel and Motel Association, 1993
Ph.D. Hospitality and Tourism Management at Virginia Polytechnic Institute and State University, 2003

**Professional history:**

**Teaching experience**

Northern Arizona University, Fall 1998 - present;
Teaching assignment - Hospitality Human Resources Management (HA345) and Hospitality Marketing Management (365). I developed web classes for each of the previous courses and occasionally taught the senior seminar (capstone) course.

Virginia Polytechnic Institute and State University, Fall 1995 – Fall 1996; Teaching assignment - Hospitality Marketing Management (HTM 4454)

Conrad N. Hilton College of Hotel and Restaurant Management, Fall 1990 - Spring 1995;
Teaching assignments - Hospitality Marketing (HRMA 3361); Marketing Strategies (HRMA 4361); Food, Beverage, and Labor Cost Controls (HRMA 3363); Special Problems (HRMA 4398 + 6398 - various research projects); Marketing Information Systems (HRMA 6397); and Market Analysis (HRMA 6361).

ESC Nante Atlantique - A graduate school for hotel management in Nante, France. In April of 1991, I taught a one week seminar entitled "Marketing Strategies for the Hospitality Industry."

Austin Community College, 1989-1990 - Teacher, Academic Advisor
Various lectures/seminars on marketing and other business-related topics

## Industry Experience

International Hospitality Consultants 1985 to present
(I have not actively sought consulting work since 1990.)
Duties - Specialties include solving operational, marketing and menu problems, and restaurant design. I have consulted for a variety of food and beverage facilities. I am one of the few consultants who can design and draw the complete working plans for a restaurant, develop the menu, write the overall operating policies, construct the restaurant, and train the opening staff.
Sample of Clients: Matt's El Rancho, Alamo Cafe, Cafe Serrano's (8 units), Wiley's Bar and Grill, Balcones Country Club, Trudy's restaurants (4 units - Expert witness, operations assessment), Nova Equipment Company (contract basis-kitchen and restaurant design), Marco's Mexican Restaurants (14 units), Chicken Roaster Restaurants, Hamburger Hamlets (Expert witness, security issues), Frank Halim, J.D. (Expert witness, immigration cases), Comfort Inn Hotels (feasibility study), Woodberry Forest School (private school serving 400,000 meals annually), Virginia School Lunch Program (training manuals), Nicki Pachino's Real Pizza.

Purdy's Hamburger Market & Bakery, Dallas, TX, 1983 to 1996
(A restaurant with a full bakery and meat market. Total of 4 locations.)
Positions - Vice-President, managing partner, silent partner. I sold my ownership in September, 1996.
Duties - I performed most activities necessary to open the restaurant, including designing the restaurant, purchasing the equipment, supervising construction, building the customer counters and walk-in refrigerator, budgeting, paying all bills, and hiring and training the staff. The first restaurant was opened for $100,000. All opening costs were paid off within the first 4 months of operation (an average monthly profit of over $25,000 on $112,000 in sales).

Schlotzsky's Inc., Corporate Headquarters, Austin, TX, 1979-83,
(Specialty sandwich shop with in-house bakery.)
Positions - Operations supervisor (2 years) and general manager of company-owned restaurants (2 years).
Duties - Supervision of 40 franchised restaurants in 7 states, helped open over 45 restaurant in 16 states, trouble-shooter for problem franchises, wrote the rough draft for a company operations manual, helped develop operating systems, and directed the turnaround of the company-owned restaurants. (The average monthly profit was increased by 10% of sales.)

Part-time:
The Deli, Austin, TX, 1977-79, (An Italian-Jewish delicatessen. We had a full menu and wholesaled Italian sausage in Texas. The business is still operating.)
Positions - Part owner, chef (I worked here part-time.)
Duties - Restaurant start-up, management, and preparation of specialty foods.

The Night Hawk Restaurants, Austin, TX, 1978-79 (One of the highest volume restaurants in Texas - opened in 1932 by Harry Akin, past president of the Texas, and National Restaurant Associations, two term mayor of Austin.)
Positions - Assistant manager, and Manager
Duties - Responsibility for most areas of a restaurant with 100 employees, serving over 1,300 customers per day.

Green Pastures, Austin, TX, 1976-78,
(At this time rated as one of the 100 best restaurants in America. A large colonial mansion on 5 acres. Owned by the John Henry Faulk family.)
Position - Sous chef
Duties - Preparation of sauces and a wide variety of southern style and continental foods for in-house dining and catering. I often cooked for Lady Bird Johnson at the LBJ Library and the Lt. Governor and Governor at the state capital and Governor's mansion. Our catering included special dinners for congressmen, members of the president's cabinet, actors such as Kirk Douglas and Helen Hayes, astronauts, and foreign dignitaries, among others. We were also known for our lavish plantation-style Sunday buffet and for weddings.

Lakeway World of Tennis, Austin, TX, 1974-76,
(Owned by the H. L. Hunt family and was headquarters of World Championship Tennis [WTC].)
Position - cook, sous chef
Duties - Preparation of a wide variety of foods from traditional breakfasts and simple lunch buffets and sandwiches, to haute cuisine at night and many special dinners for the world’s best tennis players.

Except for a few years in the construction business, I have worked in the hospitality industry since I was sixteen years old.

**Hobbies, activities, and interests (past and present):**
Toastmasters International-past club president (Area contest award winner), writing, reading, playing guitar, cooking,

building furniture, past volunteer driver for Meals on Wheels.

## Research Recognition

Outstanding Scholar Award, NAU School of Hotel and Restaurant Management, 1999-2000 (The reward was retired.)

I was number 7 on the list of the 10 most prolific authors in the 1990s by total and adjusted appearances in the Journal of Hospitality and Tourism Education. I was 8th on the original list, before a correction was made.

I was included in the top 100 most influential hospitality authors (by citations). (Journal of Hospitality and Tourism Education, 9(4), 74-79.). I was included in an update of this list.

## Teaching Recognition

1993 and 2002 Who's Who of College and University Educators

## Memberships

CHRIE, Council on Hotel, Restaurant and Institutional Education.
NRA, National Restaurant Association.

## Officer/Chair Positions

Vice-President of Rocky Mountain CHRIE
(Council of Hotel, Restaurant, and Institutional Educators)
Chair of the HRM Research Committee
Chair of the Graduation Committee

## Grants

Service-learning grant - 1996: This project was geared to attracting a casual-dining restaurant to a small city in Virginia (Galax).
The grant amount was $3,000.

## Fellowship

The H. J. Heinz Graduate Degree Fellowship - 1998

# Research

## Books

Positioning for Tourism Destinations (1999). Sagamore Publishing, Champaign, Illinois. Part of a series of books on the latest trends in tourism research and applications. The editors are Drs. Mussafer Uysal, Dan Fessenmaier, and Joseph O'Leary.

Marketing Management for the Hospitality Industry: A Strategic Approach (1997). 530 pages, John Wiley. This is the first advanced marketing textbook for the hospitality industry. The rights to publish the textbook in Chinese were sold to the Hwa Tai Publishing company in Taiwan.

The Restaurant Operator's Manual (1990). A combination management theory and "how to" book, detailing the proper methods of opening and operating a restaurant. Van Nostrand Reinhold. $79.95
This book has sold out.

## Books in Progress

1. I am writing a restaurant management textbook based on my Restaurant Operator's Manual. The book will include only essential theory with a heavy emphasis on hands on managerial tasks (Prentice Hall publishers).
2. I in the final contractual stage on a Hospitality Marketing Textbook for Prentice Hall. This will be an adaptation of one of their successful generic marketing textbooks. The publisher has agreed to significant resource support such as video, Web site, and other features.

## Refereed Articles in Publication

Reich, A. Z.
Should strategic marketing management replace strategic management as the planning model for restaurant decision-making,
2002, 5(1), 23-43
Journal of Foodservice Business Research

Reich, A. Z.

Determining a firm's linear market position: In search of an effective methodology.
2001, 25(2), 159-172.
Journal of Hospitality and Tourism Research

Reich, A. Z.
A good battle cry is half the battle: mission statements with a sense of mission.
2000, 12(3), 32-39
Journal of Hospitality and Tourism Education

Reich, Allen Z.
Improving the strategy selection process: The strategic analysis questioning sequence.
2000, 7(1).
Journal of Hospitality & Leisure Marketing

Jurowski, C., & Reich, A. Z.
An explanation and illustration of cluster analysis for hospitality research.
2000, 24(1), 67-91.
Journal of Hospitality and Tourism Research

Reich, A. Z.
The devil is in the details: Improving the effectiveness of an internal analysis.
1998, 10(2), 45-51.
Journal of Hospitality and Tourism Education

Reich, A. Z.
Improving the effectiveness of destination positioning.
1997, 2(1), 37-53.
Tourism Analysis

DeFranco, A., & Reich, A. Z.
Building a foundation for better learning through integrative instructional modeling.
1995, 7(1),
CHRIE Hospitality and Tourism Educator

Reich, A. Z.
Strategic implementation of nutritional programs for foodservice establishments: guidelines, recommendations, and examples.
1995, 1(2), 3-30.
The Journal of Nutrition in Menu & Recipe Development

Reich, A. Z.
Comprehensive strategic planning as a capstone course in hospitality education.
1994, 6(2), 67-70.
CHRIE Hospitality and Tourism Educator

Reich, A. Z., & DeFranco, A.
How to teach so students will learn: practical methods of delivery and presentation techniques.
Part 1: Selected principles of education and delivery techniques.
1994, 6(1),
Hospitality and Tourism Educator.
Part 2: Instructional techniques.
1994, 6(2), 43-47.
Hospitality and Tourism Educator

Reich, A. Z.
Applied economics of hospitality production: reducing costs and improving the quality of decisions through economic analysis.
1993, 12(4), 337-352.
International Journal of Hospitality Management

Reich, A. Z.
How well do you pitch? improving your classroom delivery skills,
May, 1992, 4(3), 67-68.
CHRIE Hospitality and Tourism Educator

Reich, A. Z.
An interactive plan for teaching hospitality marketing: conceptual misconceptions in hospitality marketing instruction,
November, 1991, 4(1),
CHRIE Hospitality and Tourism Educator

**Non-refereed Article** - co-authored with Michael Lefever (PI)
Shared values: no longer dirty words in company success
November, 1991, 10(4)
International Journal of Hospitality Management

**Refereed Presentations**

**Graduate Education and Graduate Students Research Conference** (Refereed)

2000, The influence of social responsibility on consumer behavior.

1998, Improving the Positioning Process

**CHRIE Conference Presentations** (Council of Hotel, Restaurant, and Institutional Educators) (Refereed):

2001

(A Study Proposal)The Influence of Consumer Social Responsibility Orientation and Brand Social Responsibility Image on Brand Loyalty in Quick-Service Restaurants

1999

A New Paradigm for the Positioning Process.

1992

1. Comprehensive Strategic Planning as a Capstone Course in Hospitality Management
2. Using an Integrative Model to Improve Student Conceptualization, with Agnes DeFranco
3. Improving Hospitality Education Through Better Classroom Delivery Skills--The Fundamentals of Presentation and Unique Delivery Techniques, with Agnes DeFranco

1991

Improving Classroom Delivery Skills