The Evaluation of Service Quality by Socially Responsible Customers

Somyot Wattanakamolchai

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Approved:

Dr. Suzanne K. Murrmann, Chair
Dr. Nancy G. McGehee
Dr. Mahmood A. Khan
Dr. Denver E. Severt

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(ABSTRACT)

The socially responsible customer segment is growing. Increasingly, customers are concerned about social, political, and environmental issues. These concerns have been shown to affect their attitudes towards the quality of goods and services as well as their buying behaviors. Nevertheless, there is a paucity of empirical research in the service literature on socially responsible customers.

This study investigates the role that social responsibility plays in measuring service quality. Both qualitative and quantitative techniques were used in this study. Focus group and in-depth interviews were conducted to develop a scale measuring the social responsibility dimension in the evaluation of service quality. Confirmatory factor analysis and a multiple regression method were then utilized to test four hypotheses postulated in the study.

The social responsibility scale consisted of eight items and was shown to be highly reliable. This scale along with the 22 items from the perception part of SERVQUAL formed the Socially Responsible Customer (SRC) SERVQUAL instrument used in this study. A total of 803 respondents completed the survey. The results of confirmatory factor analysis showed that social responsibility was a salient dimension of service quality and highly socially responsible customers used the concept of social responsibility more pronouncedly than the others when evaluating service quality. The social responsibility dimension alone significantly explained the variance in service quality. However, after accounting for the existing five SERVQUAL dimensions, the social responsibility dimension does not add a significant increment to the variance explained by the service quality regression model.

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CHAPTER ONE

INTRODUCTION

1-1   PROBLEM STATEMENT

Current literature regarding service quality measurement focuses on how to develop

appropriate dimensions and instruments that can be utilized both across all service industries and

within each specific service industry (Carman, 1990; Cronin & Taylor, 1992, 1994; Getty &

Thompson, 1994; Parasuraman, Berry, & Zeithaml, 1991, 1994; Parasuraman, Zeithaml, &

Berry, 1988, 1994; Schneider & White, 2004; Stevens, Knutson, & Patton, 1995; Teas, 1993;

Thompson, Cook, & Heath, 2001). However, current research has not determined whether

different customer segments may judge service quality with unique dimensions in addition to

existing rudimentary dimensions of service quality. Specifically, socially responsible customers

may use social responsibility as an additional dimension to evaluate service quality.

1-2   BACKGROUND

Services are a growing section of the internal economy and a primary sector in which

major industries such as hospitality and tourism are located. Executives understand the need to

maintain the provision of good service quality as expected by their customers, but it is not an

easy goal to achieve. Maintaining a high level of service quality in any organization involves a

number of factors including training, effective facilitation of equipments, thorough internal and

external communication and commitment of company and employee. Reaching the goal of high

service quality entails many steps beginning with identifying the properties' current service

1

performance and ending with finding appropriate measures to maintain and evaluate high service quality.

Those who are not familiar with service quality literature tend to believe that there is one universal benchmark that companies can use to compare their organizational performance. Unfortunately, such a benchmark does not exist. Each customer has varying levels of expectations. To judge whether an organization provides good quality of service, customers will compare what they *perceive* with what they *expect* (Oliver, 1980; Parasuraman et al., 1991; Parasuraman, Berry et al., 1994; Parasuraman et al., 1988). If their perception meets expectation, then that particular service is judged as having achieved satisfactory quality. Thus, it is important for companies to know what customers expect from them regarding the company's service quality. If customer expectations are already met, companies should seek to maintain their service level. But if their service performance still falls below customers' expectations, the service gap needs to be realized and remedied.

Many models and theories regarding how to measure service quality have been introduced in the past 30 years. Schneider & White (2004) suggested that three prominent dimensional models used to measure service quality were developed by Parasuraman, Zeithaml, and Berry; Grönroos; and Gummesson. Parasuraman and his colleagues (1988) developed the most commonly used model known as SERVQUAL which consisted of five dimensions. These dimensions serve as a foundation for this study as the basic dimensions used by general customers to evaluate service quality.

The concept of SERVQUAL was first introduced in 1985 as part of the Service Quality Gap model. Later in 1988, PZB introduced SERVQUAL as an instrument to measure service quality. There have been a number of succeeding researchers who have challenged this model.

The degree and directions of challenges vary. Some believe that this model is not reliable and valid enough to measure service quality (Cronin & Taylor, 1992, 1994; Teas, 1993). Some argue that there should be more or fewer dimensions in the model (Finn & Lamb, 1991; Kasper, van Helsdingen, & De Vries, 1999). Others agree with the principle of SERVQUAL dimensions and scales, but they propose that there should not be a universal instrument to measure service quality for all types of companies in the service sector. As a result of the latter, many adapted and modified SERVQUAL models can be found in the literature in the past decade. Examples include but are not limited to LODGQUAL (Getty & Thompson, 1994), DINESERV (Stevens et al., 1995), LIBQUAL (Thompson et al., 2001), and ECOSERV (Khan, 2003), and are used to measure the quality of service provided by such diverse entities as lodging industry, restaurants, libraries, and ecotourism providers respectively.

This study will come out of a perspective that is not critical of the effectiveness of SERVQUAL being used across a wide range of service industries. As Parasuraman and his colleagues (1988) suggested, SERVQUAL is adaptable to a variety of industries simply by modifying the terminology used in the survey instrument. However, the study will set out to show that Parasuraman and his colleagues' SERVQUAL lacks a dimension that some customers currently utilize to measure service quality. In particular, one apparent concern of some of current customers is how companies take care of their stakeholders (e.g. employees, community, environment and customers.) It may be an accurate assumption that customers in general perceive service quality based on similar dimensions. But various unique segments may also have additional dimensions based on their characteristics or beliefs. In other words, while some scholars have questioned the universalistic nature of SERVQUAL across different services industries (Figures 1.1 and 1.2), the purpose of this study is to determine whether it can be used

across customer segments. Specifically, socially responsible customers which are continually growing for the services industry will be the focus of this study. This customer segment has received increased attention from service-related companies. The researcher believes that customers who are socially responsible are likely to expect socially responsible services from service providers, and the existing SERVQUAL model is unable to capture the expectations of socially responsible customers. Differently put, the existing dimensions of service quality introduced in SERVQUAL (tangibles, reliability, responsiveness, assurance, and empathy) are not the only criteria that socially responsible customers use to measure service quality. As such, even though the score from the existing SERVQUAL instrument may suggest that the services provided already meet customer expectations in actuality, the delivered service may still not be perceived as having achieved satisfactory quality in this segment's minds. This is why this study proposes the Socially Responsible Customer (SRC) SERVQUAL model. The researcher postulates that customers who are socially responsible expect the same from their service providers and that as such they use social responsibility as an additional dimension when judging the service quality.
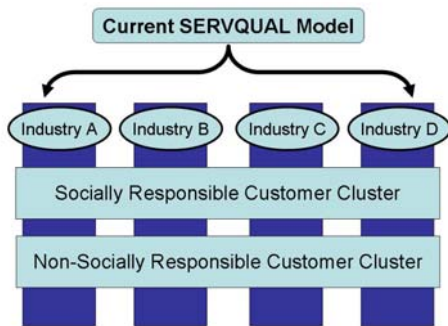
Figure 1.1: Current SERVQUAL Model   Figure 1.2: SRC SERVQUAL Model
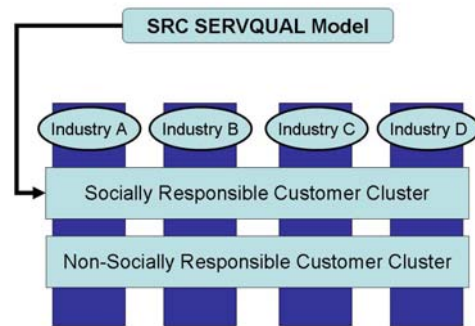
1-3   PURPOSES OF THE STUDY

This study has the following primary purposes.

1) To explore whether different market segments of customers use a different number of dimensions in judging service quality, specifically between general customers and socially responsible customers.

2) To identify whether social responsibility is part of the dimensions underlying service quality in the mind of the socially responsible customer.

3) To investigate the role social responsibility plays in measuring service quality in the case of socially responsible customers.

4) To provide service industries with a clearer understanding of how socially responsible customers evaluate the services they provide.

5) To explore the relative importance of the inclusion of the social responsibility dimension as compared to other preexisting dimensions.

1-4   IMPORTANCE OF THE STUDY

As mentioned above, the socially responsible customer segment is growing. Increasingly, customers are concerned about social and political issues such as ethical conduct, human rights and fairness as well as environmental issues such as global warming and pollution These concerns have been shown to affect their attitudes towards the quality of goods and services (Hurst, 2006) as well as their buying behaviors (Mohr, Webb, & Harris, 2001; Reich, 2002). However, the existing SERVQUAL model was not designed to capture this demand from customers. SERVQUAL was developed from focus-group interviews on five services sectors, most of whom were financially-related firms. Moreover, the model was developed in the late

1980s at a time when the economy of the United States as well as other major parts of the world was in a down turn. Specifically, the worse event during that time was Monday, October 19, 1987, later known as Black Monday. On that day the Dow Jones Industrial Average (DJIA) fell 22.6%. As a result, most companies, especially those trading in the stock market, became severely affected. People were panicked and concerned about investments. Tanimoto (2004) suggested that during an economic downturn, interest in social responsibility rapidly fades, as does customer expectations for social responsibility from companies with whom they are dealing. This may explain why social responsibility was not raised as one of the dimensions of service quality when Parasuraman and his colleagues conducted focus-group interviews in the late eighties. Instead, those participants came up with dimensions related to financial stability like reliability, credibility, security, access, and assurance. However, it is questionable that socially responsible customers will support those companies which are not socially responsible regardless of any excuse. Therefore, the researcher believes that Parasuraman and his colleagues' focus groups did not include socially responsible customers or that at that time social responsibility was not in their frame of reference when discussing service quality as delivered by a company.

Another similar segment consists of those who care primarily about environmentally-friendly goods and services (Towers, 2005), but it is expected that these green customers will expand their concerns to other issues such as ethics and fair trade in the near future (The Global Development Research Center, 2006; Wagner, 1997). The United States Travel Data Center reported that 41 million US travelers claim to be concerned about the environment. Various organizations have formed with a goal of encouraging people to become socially responsible customers. These include the Green Restaurant Association and the Green Hotel Association.

Another important factor creating greater levels of awareness of social and environmental issues is the development and advancement of public media. One good example is the advent of internet technology. Many websites have been developed to raise awareness about socially responsible consumption, including greenconsumer.com and greenconsumerguide.com. Another prevalent trend is known as the green procurement of products and services. In other words, customers are now concerned whether the production process of services and products is environmentally and socially responsible (Hughes, 2003).

Because of the rapid growth of these two segments, companies are turning their attention to these customers and considering a variety of socially-responsible policies and strategies. Corporate social responsibility has become a strategic advantage and that may help companies attract these socially responsible customers (Bagnoli & Watts, 2003). In order to provide a better quality of service to this segment, companies need to know how these customers perceive service quality. Thus, this study sets out to test the SRC SERVQUAL model, with the idea that this model will help companies to more effectively measure service quality from the socially responsible customer segment's perspective.

1-5 RESEARCH QUESTIONS

1 Is social responsibility a salient dimension of service quality?

2 Do highly socially responsible customers use the same criteria in evaluating quality of services they receive as those utilized by their less socially responsible counterparts?

3 Do socially responsible customers use social responsibility criteria to measure service quality?

4   How important is the dimension "social responsibility" compared to the other

    dimensions in the evaluation of service quality undertaken by socially responsible

    customers?

Some of the research questions are contingent on the answers to some prior questions. If

some lower-numbered items are not satisfied, the higher-numbered questions will no longer be

relevant.

1-6   THE PROPOSED SRC SERVQUAL MODEL

The following figures are graphic presentations of the conceptual model guiding the

present study.
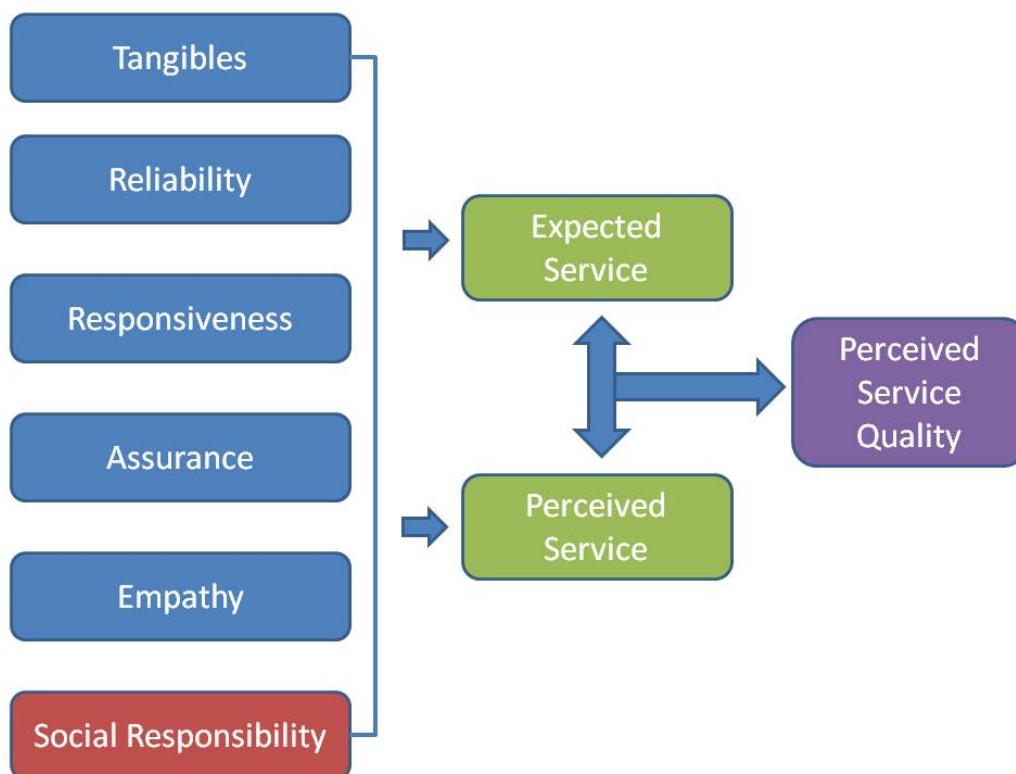
Figure 1.3: Proposed SRC SERVQUAL Model

Figure 1.4: Proposed Additional Dimension of Service Quality

Utilized by Socially Responsible Customers

1-7   RESEARCH METHODOLOGY

This study employed both qualitative and quantitative techniques. Focus groups and interviews were used to gain insights from socially responsible customers regarding how they used a social responsibility dimension to evaluate service quality. Based on this information, a scale to measure the dimension of social responsibility was developed. Then, a self-administered online questionnaire was utilized to collect data. In order to capture the target population, the researcher used a convenience sampling survey method. The samples were Virginia Tech faculty and staff members. Statistical analyses included descriptive statistics as well as bivariate and multivariate statistics including t-tests, chi-square test, confirmatory factor analyses, and multiple regression techniques. Detailed methodology is presented in chapter three.

1-8   RESULTS OF THE STUDY

A total of 803 surveys were received in the main study, yielding a response rate of 16.06%. The data analyses showed that hypotheses one and two were supported while hypotheses three and four were disconfirmed. Specifically, second-order confirmatory factor analysis showed that social responsibility was a salient dimension of service quality. Additionally, a multi-sample, second-order confirmatory factor analysis suggested that highly socially responsible customers used social responsibility in a stronger magnitude than those indicating lower social responsibility when they evaluated service quality. However, controlling for the five existing dimensions, social responsibility did not add significantly to the prediction of service quality. Finally, reliability, not social responsibility, was the most important dimensions in the evaluation of service quality.

1-9   CONTRIBUTIONS OF THE STUDY

The results of this study are expected to contribute to the extant literature as follows:

1. This is the first study that attempts to explore whether highly socially responsible customers use identical or different dimensions in judging service quality compared to less socially responsible customers.

2. The results will help clarify the needs of socially responsible customers regarding services they purchase.

3. The SRC SERVQUAL instrument will equip service firms with accurate guidelines to improve/adjust their service to match socially responsible customer's needs.

1-10   ORGANIZATION OF THE STUDY

The first chapter gives an overview of the research. This includes the background and the importance of the study as well as its contributions. Also, it addresses the definitions of concepts and constructs to be used in the present research. The second chapter presents the current literature related to the concepts utilized to form research questions. The chapter's content lays out a theoretical foundation for the study. Specifically, the review explains a number of concepts including general service concepts, service quality measurement, the SERVQUAL instrument, corporate social responsibility, and socially responsible customers. The researcher's SRC SERVQUAL model is presented at the end of the chapter. Chapter three addresses how the research was conducted. Simply put, it provides a methodological blueprint for the study. How the data were collected and analyzed is discussed in detail. The fourth chapter provides the results of the study based on the statistical techniques mentioned in the previous chapter. The summary of the whole study is presented in the last chapter. In addition, applications and limitations of the present study as well as recommendations for future research are also included.

1-11   DEFINITIONS OF CONCEPTS AND CONSTRUCTS

Assurance is "knowledge and courtesy of employees and their ability to inspire trust and confidence (Zeithaml, Parasuraman, & Berry, 1990, p. 26)"

Empathy is "caring, individualized attention the firm provides its customers (Zeithaml et al., 1990, p. 26)."

Highly socially responsible customers are those customers whose average score derived from the Consumer Social Responsibility Orientation Scale (Creyer & Ross, 1997; Reich, 2002) is 4.00 or above.

Less socially responsible customers are those customers whose average score derived from the Consumer Social Responsibility Orientation Scale (Creyer & Ross, 1997; Reich, 2002) is below 4.00.

Reliability is an "ability to perform the promised service dependably and accurately (Zeithaml et al., 1990, p. 26)."

Responsiveness is "willingness to help customers and provide prompt service (Zeithaml et al., 1990, p. 26)."

Service is "an activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems (Grönroos, 1990, p. 27)."

Service quality/perceived service quality is the performance of service firms as discerned by customers. It can be measured using perception-only or perception-minus-expectation scores (Parasuraman et al., 1988).

Social responsibility is an obligation to perform promised service legally, ethically, environmentally-friendly and at a fair price (adapted from Carroll (1979)).

Socially responsible customers are those people "who take into account the public consequences of his or her private consumption or who attempt to use his or her purchasing power to bring about social change (Webster, 1975, p. 188)."

Tangibles consists of "appearance of physical facilities, equipment, personnel, and communication materials (Zeithaml et al., 1990, p. 26)."

1-12   SUMMARY

Previous researchers in the field of service quality focused their studies on how to develop appropriate dimensions and instruments that can be utilized to measure service quality across all services industries or within each specific services industry. As such, it was assumed that all customer segments used the same criteria in evaluating service quality. However, based on related literature, this study posits that different segments of customers may use different dimensions. Specifically, the study proposes that socially responsible customers use social responsibility as an additional dimension when they evaluate the quality of services they have consumed.

CHAPTER TWO

LITERATURE REVIEW

2-1   INTRODUCTION

Before discussing the inclusion of social responsibility as the sixth dimension underlying

service quality utilized by socially responsible customers, related existing literature will be

reviewed. This review includes general service concepts, service quality measurement,

SERVQUAL instrument, corporate social responsibility, and socially responsible customers.

The chapter concludes with an introduction and discussion of the researcher's SRC SERVQUAL

model.

2-2   GENERAL SERVICE CONCEPTS

Due to its elusive nature, no consensus exists on how to define services in the extant

literature. Murrmann and Suttle (1993) found thirty-three definitions of services in the Random

House Unabridged Dictionary alone. Each definition is likely to have its benefits and drawbacks

(Grönroos, 1990). Scholars have defined services based on a variety of perspectives. Most

researchers view services as a process or system having an input, throughput and output

(Boulding, Kalra, Staelin, & Zeithaml, 1993; Lovelock & Wirtz, 2004; Murrmann & Suttle,

1993; Zeithaml & Bitner, 2000).   Further, the researcher's choice of definition will influence

the context of services they explore as well as the analysis approach they employ in their studies.

There have been a variety of service definitions provided by scholars and organizations over the

last five decades. Some of those are presented in table 2.1. It is believed by both researchers and

practitioners that it may be impossible, and moreover, even unnecessary to find an agreed upon

definition of services. On the other hand, understanding the characteristics of services may be more useful to its study (Grönroos, 1990). However, for the purpose of this study, the definition of services provided by (Grönroos, 1990) was chosen because it is a comprehensive definition that can cover the important core of services. He defined service as "an activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems" (Grönroos, 1990, p. 27).

Researchers have identified various characteristics of services. Once again, these attributes are based on how each researcher perceives services. Mills and Margulies (1980) mentioned that there are two salient characteristics of services; they are intangibility and close interaction between customers and service producer. Albrecht (1985) suggested three attributes of services (intangibility, heterogeneity, and inseparability). Barrington and Olsen (1987) identified nine characteristics of services which can be divided into two categories. The first is service product characteristics which comprise of three attributes: intangibility, a temporal nature, and heterogeneity. The other is dynamics of service delivery consisting of six attributes; they are short channel of distribution, inseparability of production and consumption, fluctuations in demand, necessity of face to face interaction and information exchange, imprecise demands, and difficulties in ensuring reliability and consistency. Grönroos (1990) suggested that there were four basic characteristics of services: intangibility, a series of activities rather than things, inseparability, and customer participation. Becker (1992) found in her study that service characteristics include intangibility, heterogeneity, and inseparability/customer participation. Murrmann and Suttle (1993) said that there are five major characteristics of services; they are

intangibility, heterogeneity, inseparability, perishability, and customer participation. Even

though scholars do not agree upon the number of the characteristics that describe services, the

two most frequently mentioned attributes of services are intangibility and inseparability or

Table 2.1: Definitions of Service

Source	Definitions
1. Committee on Definitions of the American Marketing Association (1960, p. 21)	Activities, benefits, or satisfactions which are offered for sale, or provided in connection with the sale of goods
2. Regan (1963, p. 57)	Services represents either intangibles yielding satisfactions directly (transportation, housing), or intangibles yielding satisfactions jointly when purchased either with commodities or other services (credit, delivery)
3. Blois (1974, p. 9)	An activity offered for sale which yields benefits and satisfactions without leading to a physical change in the form of a good
4. Gummesson, (1987, p. 22)	Something which can be bought and sold but which you cannot drop on your foot. This definition was originally provided by The Economist.
5. Quinn, Baruch & Paquette (1987, p. 25)	All economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort, or health) that are essentially intangible concerns of its first purchaser

Table 2.1: Definitions of Service (continued)

Source	Definitions
6. Grönroos (1990, p.27)	An activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems
7. Kotler (1991, p. 455)	Any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product
8. Kasper, Van Helsdingen & De Vries (1999, p. 13)	Originally intangible and relatively quickly perishable activities whose buying takes place in an interaction process aimed at creating customer satisfaction but during this interactive consumption this does not always lead to material possession
9. Zeithaml & Bitner (2000, p. 2)	Deeds, processes, and performance

customer participation ((Becker, 1992; Clemenz, 2001). Intangibility refers to an elusive and psychological nature of the service. This attribute leads to difficulties in service measurement (Murrmann & Suttle, 1993). Inseparability results from the close link between service production and consumption. Services are first sold, then produced and consumed. And most, if not all, of the time, customers will have to participate to a certain degree in the production process. This customer participation leads to a notion of partial employee in the management literature (D. E. Bowen, 1986; Clemenz, 2001; Mills & Margulies, 1980).

Further, scholars have attempted to classify services into small segments or groups. They believe that controlling for the heterogeneity of services would enable them to obtain a clearer understanding of services. However, like its definitions and characteristics, there is no agreed upon classification of services. Researchers suggested various schemes to classify services. The majority of these schemes utilize the degree of interactions between service providers and customers, the degree of service complications and the degree of intangibility to classify services. The typology offered by Mills and Margulies (1980) used seven dimensions to divide services organizations into three types; they are maintenance-interactive, task-interactive, and personal-interactive. The details of each type are summarized in table 2.2.

Bowen's study (1990) suggested that there are three distinct groups of services based on seven characteristics which are

- level of customization

- employee/customer contact

- importance of people

- differentiation

- ability of the customer to switch firms

- services affecting people or things, and

- continuous versus discrete transactions.

The first of the three groups of Bowen's taxonomy is labeled High-contact, customized, personal services, which includes full service restaurants, full service hotels, examinations by a doctor, and hospital stays. The second group is named Moderate contact, semi-customized, non-personal services which include such service as a photographic film developing service. The last

Table 2.2: A Typology of Service Organizations (Mills & Margulies, 1980, p. 262) [Reproduced with permission of American Marketing Association in the format Dissertation via Copyright Clearance Center.]

Dimensions		Maintenance Interactive banks, insurance	Task Interactive advertising, engineering	Personal Interactive schools, professionals
	Examples			
Information				
Information quantity		Low	Moderate	High
Information quality		High	Moderate	Low
Confidentiality		Low	Moderate	High
Decision				
Employee decisions		Simple	Complex	Complex
Importance		Low	Moderate	High
Feedback (client to employee)		Immediate	Slow	Slow
Time				
Interface duration		Brief	Moderate	High
Total time in direct contact		High	Moderate	High
Problem awareness				
Client knowledge about problem		High	Moderate	Low
Client ability to evaluate services		High	Moderate	Low
Client expectations vs. service capabilities		High	Moderate	Low
Transferability				
Substitutability of employee		High	Moderate	Low
Power				
Perceived power of employee with respect to client		Low	Moderate	High
Employee status to client		Low	High	High
Employee authority with client		Low	High	High
Attachment				
Employee identification with client		Low	Moderate	High
Conflict potential		Low	Moderate	High

group is labeled Moderate contact, standardized services, which include cafeterias, fast food restaurants, budget hotels, movie theaters, and theme parks.

Based on Grove, Fisk, and John's concept of perceiving services as theater, Lovelock and Wirtz (2004) classified services into four types ranging from higher to lower level of contacts between service providers and customers. These consist of people processing (e.g. services

directed at people's bodies such as transportation, health care, lodging, and physical therapy),

mental stimulus processing (e.g. services directed at people's mind such as advertising,

education, and management consulting), possession processing (e.g. services directed at physical

possessions such as repair and maintenance, retail distribution, refueling, and landscaping and

gardening), and information processing (e.g. services directed at intangible assets such as

accounting, banking, insurance, research and securities investment).

2-3   SERVICE QUALITY MEASUREMENT

The definition of service quality is as controversial as the definition of services. Once

again it depends on how researchers approach the concept. Schneider and White (2004) stated

that service quality originated from the same root concept as product quality even though both

types of qualities are not exactly perceived the same way. When the service industry is growing,

quality of service has received more attention and research interest. Kasper and his colleagues

(1999) suggested that there are five approaches that researchers use to study quality; they are

transcendent, product-based, user-based, manufacturing-based, and value-based approaches. In

the services literature, user-based is the most commonly-used approach. This user-based

approach suggests that quality is subjective and only determined by customers. Some scholars

believe that service quality is a discrepancy between customer's expectation and perception of

services (Grönroos, 1984, 1990; Oliver, 1980; Parasuraman et al., 1991; Parasuraman, Berry et

al., 1994; Parasuraman et al., 1988). However, there is still controversy surrounding how to best

measure this discrepancy. Some have suggested that the discrepancy could be measured through

difference scores, which will be calculated later by researchers (Parasuraman et al., 1991;

Parasuraman, Berry et al., 1994; Parasuraman et al., 1988). As such, both expectation and

performance scores need to be questioned. On the other hand, some believe that when asking for performance scores, customers will almost always make a discrepancy judgment between expectation and perception inside their head, so only the performance scores or the direct measure of difference scores is more appropriate to measure service quality (Brown, Churchill, & Peter, 1993; Cronin & Taylor, 1992, 1994; Teas, 1993). If expectation scores are to be used, another controversial issue arises. What kind of expectation should be assessed, an ideal, predictive or normative expectation? And when should this data be collected, pre-service, during a service encounter or after service encounter (Brown, 1997)?

When evaluating services quality, researchers suggest various dimensions as criteria. The American and Nordic schools are the two major schools of thought in the area of service quality. The first group consists of researchers from North America and the second group is researchers from the Scandinavian region including Sweden, Norway, and the Netherlands. Grönroos (1990) suggested that there are six dimensions of good perceived service quality; they are professional and skills, attitudes and behavior, accessibility and flexibility, reliability and trustworthiness, recovery, and reputation and credibility. Perhaps the most widely accepted dimensions are those introduced by Parasuraman and his colleagues (1985; 1988), who suggested in 1985 that there are ten dimensions customers use to evaluate services quality:

- Tangibles (appearance of physical facilities, equipment, personnel, and communication, and communication materials)

- Reliability (ability to perform the promised services dependably and accurately)

- Responsiveness (willingness to help customers and provide prompt services)

- Competence (possession of the required skills and knowledge to perform the services)

- Courtesy (politeness, respect, consideration, and friendliness of contact personnel)

- Credibility (trustworthiness, believability, honestly of the services provider)

- Security (freedom from danger, risk, or doubt)

- Access (approachability and ease of contact)

- Communication (keeping customers informed in language they can understand and listening to them), and

- Understanding the customer (making the effort to know customers and their needs).

Parasuraman et al. redefined the dimensions in 1988, collapsing them to five dimensions; Tangibles, Reliability, Responsiveness, Assurance, and Empathy. In addition, they developed an instrument to measure service quality through these five dimensions, called SERVQUAL. Despite criticisms, SERVQUAL is still the most commonly used instrument in the service industry today.

2-4   SERVQUAL INSTRUMENT

Parasuraman, Zeithaml, and Berry (1985) introduced a conceptual model which service companies can use to strategically achieve service excellence known as the gap model (figure 2.1). The model is divided into provider and customer variable components. The provider variable component includes four possible gaps. A gap in this model is a discrepancy between any two concepts in question. Gap 1 occurs when service companies do not know what customers expect from them. It can be closed or narrowed by encouraging interactive communication among different parties in the service firm as well as the customers. Gap 2 refers to the incorrect specification of service quality standards. This gap can be narrowed by either installing organization's commitment to service quality, standardizing service through
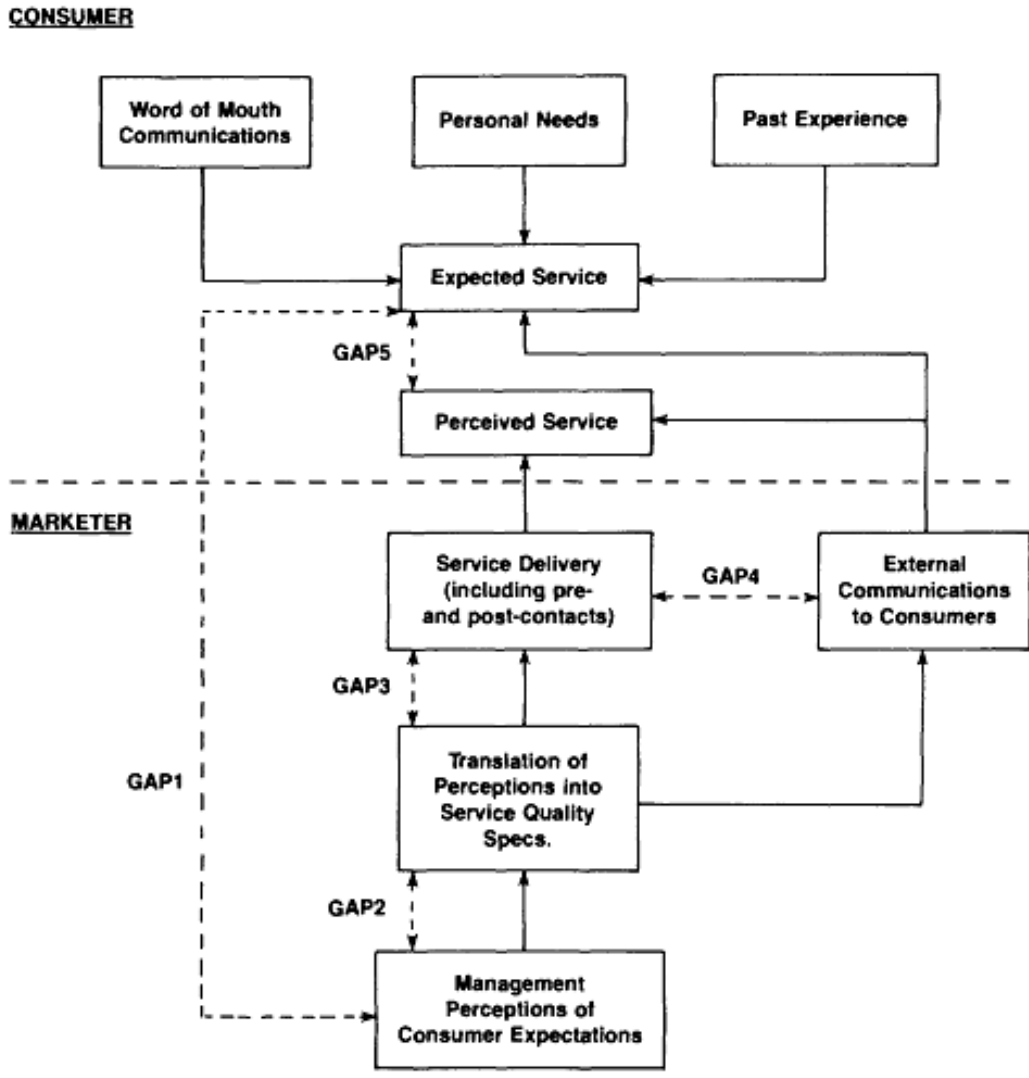
Figure 2.1: Gap Model (Parasuraman et al., 1985, p. 44)
[Reproduced with permission of Academy of Management (NY)
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technology, and/or taking on the task of setting service-quality goals. Gap 3 relates to the service

performance of service employees. It can be closed or narrowed by implementing good training.

Gap 4 refers to the discrepancy between service delivery and external communications to

customers. This gap can be narrowed by providing interactive communications between

companies and customers as well as avoiding giving customers any unrealistic promises (over-

promising). Finally, Gap 5 refers to the discrepancy between customer expectations and

customer perceptions of the provided service. They labeled this discrepancy as perceived service quality. Also, PZB suggested that if Gaps 1 - 4 are closed, Gap 5 will automatically be narrowed and closed.

Additionally, PZB suggested that customers use ten dimensions as criteria to judge service quality; they are tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding the customers. These ten dimensions resulted from focus-group interviews that were conducted on 4 service sectors; retail banking, credit cards, securities brokerage, and product repair and maintenance (Parasuraman et al., 1985). Subsequently, PZB introduced SERVQUAL as an instrument to measure service quality. Using additional focus-group interviews on 5 service sectors, the same previous sectors plus long-distance telephone companies, they collapsed their original dimensions into five, which were tangibles, reliability, responsiveness, assurance, and empathy (Parasuraman et al., 1988).

They also developed an instrument to measure perceived service quality, SERVQUAL. Based on many prior researchers' concepts as well as the results of their focus group interviews, Parasuraman and his colleagues (1988) believed that perceived service quality "stems from a comparison of what they feel service firms should offer (i.e., from their expectations) with their perceptions of the performance of firms providing the services (p. 16)." As such, SERVQUAL instrument contains two major sections. The first part aims to measure customer's expectations and the second is to assess customer's perceptions of the service firm's performance. Expected service is what the service provider would offer while perceived service is what the service provider has offered. Both parts of SERVQUAL consist of a set of 22 statements. These items are based upon 5 dimensions underlying service quality as mentioned above. They are measured on a seven-point Likert scale, with one being strongly disagree and seven being strongly agree.

SERVQUAL has been challenged by many scholars from various perspectives. Some

argue that it is not a magic tool to measure service quality in all service sectors (Carman, 1990).

Some doubt its reliability and validity (Cronin & Taylor, 1992, 1994; Teas, 1993). Others

criticize that there should be either more or fewer dimensions and/or items in measuring service

quality (Finn & Lamb, 1991; Kasper et al., 1999). As a result, PZB published two reassessments

and refinements of SERVQUAL to respond to those criticisms (Parasuraman et al., 1991;

Parasuraman, Berry et al., 1994). Even though they suggested some wording modifications and

added new items, the original 5 dimensions and the instrument structure mostly remained intact.

Specifically, Carman's study (1990) showed that SERVQUAL's five dimensions were

stable, but were not generic across all service industries. Some items of the SERVQUAL

instrument may need to be reworded and customized when applied in different sectors. Further,

he argued that the approach that SERVQUAL used to measure the service expectation might not

be appropriate. He suggested that customers might do the calculation of perception-minus-

expectation scores in their head, so the instrument should ask directly for those difference scores,

not for expectation and performance score one at a time. Additionally, to reflect a more accurate

result, the relative importance of each dimension should be identified by each evaluator. As

such, each dimension can be weighted accordingly during the score calculation process.

A study conducted by Cronin and Taylor (1992; 1994) revealed that perception scores

alone can better predict overall service quality than perception-minus-expectation scores as

administered by the original SERVQUAL instrument. This result is well supported by the

current literature which states that service quality is a form of attitude. Unlike satisfaction, it is

not a result from a comparison between expectation and performance. Cronin and Taylor call

this perception-based instrument SERVPERF. Their SERVPERF uses the same 22 items of the perception part of SERVQUAL.

Teas (1993) stated that the SERVQUAL instrument was very problematic. It lacked discriminant, criterion, and construct validity. He claimed that this might lead to respondents' misinterpretations of the question asked and result in inaccurate measurement. He also agreed with Cronin and Taylor that a performance-only scale was a better predictor than SERVQUAL's perception-minus-expectation scores. Teas proposed an evaluated performance (EP) perceived quality model as an alternative to SERVQUAL. This EP model of perceived quality uses a mathematical equation to calculate the individual's perceived quality of service.

In response to other researchers' arguments regarding the reliability and validity of SERVQUAL instrument, Parasuraman and his colleagues published two articles in 1991 and 1994. They reassessed and refined SERVQUAL in four major areas. First, they put all six negatively worded items back to a positive format. Second, they added two new items and refined six original items to better capture the five dimensions. Third, they changed the verb "should" to "will" in all items of the expectation part to avoid the unrealistically high expectation scores. The new "will" version was aimed to ask what the customer would expect from the service firms. Finally, they added another part to SERVQUAL. This new part asked customers to allocate a total of 100 points across the five dimensions according to how relative important they consider each to be. Despite the strong argument about its exclusion, PBZ insisted that the expectation part should still be included in the SERVQUAL instrument. Specifically, the expectation part will serve as a diagnostic tool for service firms. So, companies will know where specifically to improve their service quality.

In fact, some researchers reported positively about the use of SERVQUAL instrument as well as its reliability and validity (Babakus & Mangold, 1992; Kang, James, & Alexandris, 2002; Y. L. Lee & Hing, 1995). Moreover, the SERVQUAL model also inspired many researchers to develop a variant instrument to measure service quality in different contexts. Examples include but are not limited to LODGQUAL (Getty & Thompson, 1994), DINESERV (Stevens et al., 1995), INTSERVQUAL (Frost & Kumar, 2000), and LIBQUAL (Thompson et al., 2001) and are used to measure the service quality in the settings of lodging industry, restaurants, internal service quality, and libraries respectively.

2-5   CORPORATE SOCIAL RESPONSIBILITY

Carroll (1999) stated that the notion of corporate social responsibility (CSR) has a long and varied history. But no one has been able to identify the origination of the term. If being socially responsible simply means that each company should take care of its stakeholders, this concept dates back to the day in which the first company was established. No company can survive if it is not responsible to its stakeholders, particularly its shareholders, employees and customers. Smith (2003) suggested that social responsibility dated back as long as the existence of American companies. The only difference through time is the degree and the number of stakeholders that companies mention in their respective corporate social responsibility policies.

Defining CSR has been as controversial as determining its origin. Scholars have tried for years to develop a good definition and measure, but there is still no consensus on either issue (Whitehouse, 2006). Two schools of thought exist regarding to whom companies should be socially responsible. Proponents of the shareholder theory regard owners or shareholders of companies as the most important group. In other words, maximizing profits are considered the

main responsibility of any businesses (Frederick, 2003). This school of thought has led to studies investigating the linkages between CSR and firm performance and profitability (Aupperle, Carroll, & Hatfield, 1985; Cochran & Wood, 1984; Wu, 2006). Proponents of the competing stakeholder theory suggest that all stakeholders of the firms, i.e., employees, shareowners, customers, suppliers, are important (Carroll & Buchholtz, 2006; Heath & Norman, 2004). Even though not all stakeholder groups receive equal attention, they all are groups for which companies need to be responsible. The model proposed in this research draws on previous literature of the latter group, specifically customer stakeholder (Drumwright, 1994; Mohr et al., 2001). Commonly used definitions of corporate social responsibility are presented in table 2.3.

For the purpose of this study, social responsibility of a service firm shall be defined as an obligation to perform promised service legally, ethically, environmentally-friendly and at a fair price. This definition is based on two major concepts widely accepted in the literature. First, social responsibility is considered an obligation, not an option (Davis & Blomstrom, 1975; J. W. McGuire, 1963). Second, four perspectives regarding social responsibility of a corporation exist; they are economical, legal, ethical, and discretionary (philanthropic) issues (Carroll, 1979; Carroll & Buchholtz, 2006). It is important to note that for the purposes of this study, the scope of "economical" includes only the issues that matter from customers' standpoint. Additionally, the discretionary component has been excluded. It is not that the discretionary issue is not important, but it is irrelevant to the purpose of the research at hand. Moreover, a component identified as an ecological concern has been added to the definition, as the environment has become a major concern among socially responsible customers. This concept will be explained in detail later in the socially responsible customer section.

Table 2.3: Definitions of Corporate Social Responsibility

Source	Definitions
1. Davis (1960, p. 70)	Businesses' decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest
2. McGuire (1963, p. 144)	The idea of CSR supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations
3. Davis & Blomstrom, (1975, p. 39)	The obligation of decision makers to take actions which protect and improve the welfare of society as a whole along with their own interests
4. Epstein (Epstein, 1987, p. 104)	Relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects upon pertinent corporate stakeholders. The normative correctness of the products of corporate action have been the main focus of CSR

Table 2.3: Definitions of Corporate Social Responsibility (continued)

Source	Definitions
5. Wood (1991, p. 693)	A business organization's configuration of principles of social responsibility, process of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationship
6. Hopkins (2003, p. 214)	Treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. The aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders both within and outside the corporation.
8. Kotler and Lee (2005, p. 3)	A commitment to improve community well-being through discretionary business practices and contributions of corporate resources
7. Carroll & Buchholtz (2006, p. 39)	The social responsibility of business encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time

Carroll & Buchholtz (2006) stated that economic responsibility means that each company should produce goods or services that society wants and to sell them at **fair prices**—"*prices that*

represent the true value of the goods and services delivered [emphasis added] and that provide business with profits adequate to ensure its perpetuation and growth and to reward its investors" (p. 35). The researcher believes that almost all customers are only concerned with the first part underlined and italicized phrase above. Thus, in this study, the term "fair prices" will be used instead of "economical" when referring to the definition. At the variable level, fair prices mean the prices that represent the true value of the goods and services delivered.

Regarding the discretionary concept, a good company image resulting from big donations to community or charity involvement may affect customers' buying decisions, but it should not affect the evaluation process of the quality of services customers purchase. Customers are not likely to perceive service quality as better or worse based on the contributions companies make to the society. Differently put, discretionary issues may influence buying behavior, but it should not influence the perception of service quality.

Socially responsible services should be measured based on how service is produced and delivered. Do companies overcharge customers for the services? Are services provided in a legal, ethical, and environmentally-friendly way? For instance, if company A overcharges Mr. B for its service, it is reasonable to speculate that Mr. B may not be satisfied with the services provided. This is because with an increase in charges, he expects to receive service of a higher quality. If Ms. C's hotel room is not equipped with water sprinkler and smoke detector according to the law, it is possible for Ms. C to think that her stay at that hotel is not of good quality. Her life is at risk. If gas station D hires minors to provide service to its customers during night time, it is also possible for those customers to perceive service delivered as lower quality. This is because it is unethical and perhaps illegal for the gas station to employ child labor for a job and time like that. For socially and ecologically responsible customers, seeing

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recycled toilet papers in restaurants' bathrooms will surely influence their overall service perception of those restaurants in a positive way. On the other hand, to donate $1,000 to hurricane victims will not make anybody perceive the donors' service as being better. Service quality is normally perceived and judged based on the times of production and/or delivery. Legal, ethical, and environmentally-friendly issues as well as fair prices can be and are perceived during these times. But philanthropy can occur at any time and customers normally may not know and will not tie it with the quality of service.

Having vague or scattered definitions of corporate social responsibility leads to problematic measurement issues. Scholars have developed a number of corporate social responsibility measures based on varying definitions (R. H. Anderson, 1979; Carroll, 1979, 1991, 1998, 2000; Carroll & Buchholtz, 2006; Graafland, Eijffinger, & Smid, 2004; Hopkins, 2005). Instruments such as the Fortune data (Abbot & Monsen, 1979; J. B. McGuire, Sundgren, & Schneeweis, 1988), the Domini Social Index (Statman, 2000), the PRESOR Index (Singhapakdi, Vitell, Kraft, Rallapalli, & Kraft, 1996), and philanthropic contributions have been used to measure corporate social responsibility. Moreover, researchers in different countries tend to measure corporate social responsibility in different ways (Márquez & Fombrun, 2005). Despite this plethora of corporate social responsibility measures, some researchers still believe that more reliable and valid instruments need to be developed (Wartick, 1998). In this present research, a new scale to measure social responsibility dimension is developed. Details will be discussed in chapter 3.

2-6 SOCIALLY RESPONSIBLE CUSTOMERS

Socially responsible customers are not a new segment in the business society. This segment has existed in the industry for a long time. Studies investigating the customer group date back to the 1970s (Berkowitz & Lutterman, 1968). Research focusing on profiling this segment has continually been conducted in the last 40 years (W. T. J. Anderson & Cunningham, 1972; Antil, 1978; Mitchel, 1983; Pickett, Kangun, & Grove, 1993; Roberts, 1995; Vassilikopoulou, Siomkos, & Mylonakis, 2005; Webster, 1975). Since this notion of socially responsible customers appears dominantly in the discipline of marketing, most, if not all, studies on the topic tend to revolve around customers' decision and buying behaviors (Creyer & Ross, 1997; Singhapakdi, 1999). Though not much research regarding this socially conscious segment has been conducted in the service quality literature, the researcher reasonably believes that these people are very likely to perceive service quality in a unique way. Specifically, they should expect firms to provide socially responsible service.

Many scholars have defined socially responsible or socially conscious customers. Webster (1975) defined the socially conscious customer as "a customer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social change. (p. 188)." Mohr et al. (2001) defines a socially responsible customer as "a person who is basing his or her acquisition, usage, and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society. (p. 47)." Roberts (1995) views ecologically-concerned customers as a subset of socially responsible customers. As such, he defines the socially responsible customer as "one who purchases products and services which he or she perceives to have a positive (or less negative) impact on the environment or uses his/her purchasing power to express

current social concerns". This ecological-conscious group is concerned about the impact of service or products on the environment. And there is a potential that this group will also be concerned about social issues in the near future (The Global Development Research Center, 2006).

Though this socially responsible customer segment is believed to be small, Webster (1975) suggested that its size is large enough to warrant exploitation. Webster's idea has been supported by continuing studies on this customer segment that marketing researchers and practitioners have conducted over the last five decades (W. T. J. Anderson & Cunningham, 1972; Carrigan & Attalla, 2001; D'Souza, Taghian, Lamb, & Peretiatko, 2007; Gildea, 1994/1995; Kinnear, Taylor, & Ahmed, 1974; Maignan, 2001; Mayer, 1976; Memery, Megicks, & Williams, 2005; Mohr et al., 2001; Roberts, 1996a, 1996b; Tucker, Dolich, & Wilson, 1981; Verschoor, 2006; Webb, Mohr, & Harris, 2008; Webster, 1975). It is projected that this group will continue to grow and receive increased attention. There are many reasons for this growing trend. First, severe social and environmental disasters such as tidal waves and global warming as well as increased media coverage have provoked more interest and concern from the public regarding environmental and social issues (Ottman, 1993; Roberts, 1996a). Second, the dominant and influential baby boomer generation is getting older and their aging has changed their values somewhat. Dychtwald & Gable (1990) assert that middle age is the period when people start caring about social responsibility. Lastly, as individuals in this group shift focus from careers to family and spiritual matters, increased attention will be placed on the future of their children and grandchildren. Thus, they will use a longer-term approach to make decisions about products and services that they consume (Edmonson, 1992).

For market segmentation purposes, researchers have tried to profile socially responsible customers. The relationship between demographic characteristics and socially responsible attitudes has been studied. The results showed that demographic attributes alone cannot be used as predictors of socially responsible customers. However, many researchers found out that these socially responsible customers shared certain attributes including having higher level of education, high income, prestigious occupation and belonging to the upper middle class (Arbutnot, 1977; Kinnear et al., 1974; Memery et al., 2005; Roberts, 1996b; Van Liere & Dunlop, 1980).

Additionally, many scales have been developed in order to identify socially responsible customers. The first widely-used scale in the literature of socially responsible customers was the Socially Responsible Scale. This instrument was developed by Berkowitz, a psychology researcher, and his colleagues (Berkowitz & Daniels, 1964; Berkowitz & Lutterman, 1968). It is an eight-item, five-point Likert scale. The Socially Responsible Scale had been used extensively to assess socially responsible consumption in marketing (W. T. J. Anderson & Cunningham, 1972; Tucker et al., 1981; Webster, 1975) as well as to identify a socially responsible person (Jolibert & Baumgartner, 1981; Peter, 1979; Reed, Jernstedt, Hawley, Reber, & DuBois, 2005; Witt & Silver, 1994). More recent scales include the Socially Conscious Customer Index (Webster, 1975), the Socially Responsible Customer Behavior Scale (Roberts, 1996b), and the Self-identified Socially Responsible Customer Behavior Scale (Webb et al., 2008). However, these newer scales are not as widely used in the literature and therefore not as validated as the Socially Responsible Scale.

Another approach that can be used to identify a socially responsible customer is through measuring their attitudes towards the company they are buying products or services from.

Singhapakdi and Latour's study (1991) suggested that social responsibility behavior can be predicted by socially responsibility consumption behavior. In other words, a customer who only patronizes socially responsible organizations is more likely to be a socially responsible individual. Many studies have been conducted using this approach to identify socially responsible customers and to explore their intentions to buy based on their attitudes (Creyer & Ross, 1997; Fullerton, Kerch, & Dodge, 1996; Reich, 2002; Singhapakdi & LaTour, 1991).

2-7   SRC SERVQUAL MODEL

The proposed SRC SERVQUAL model (figure 2. 2) aims to better capture the service quality evaluation undertaken by socially responsible customers. This model is an extension of PZB's SERVQUAL model. Based on social responsibility and socially responsible customer literature, it is proposed that socially responsible customers will use social responsibility criteria as an extra dimension when they evaluate the quality of service they purchase.
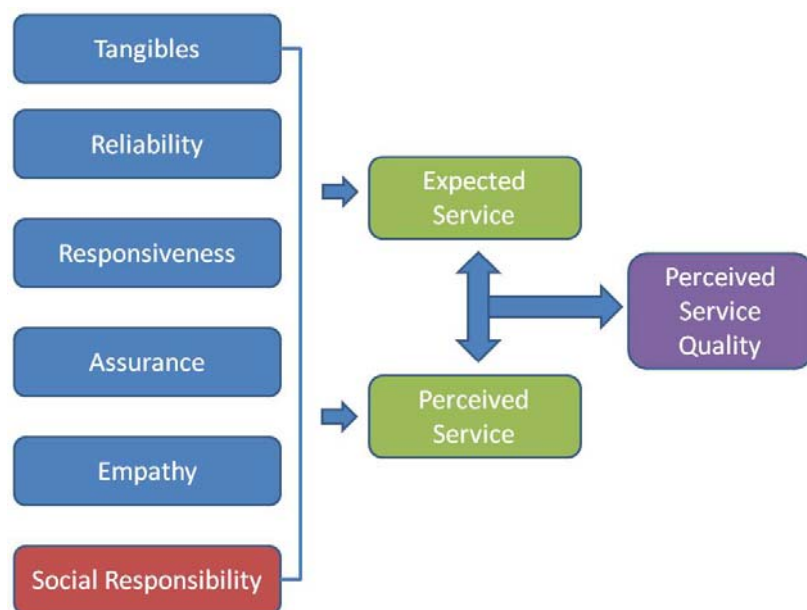
Figure 2.2: Proposed SRC SERVQUAL Model

Figure 2.3: Proposed Additional Dimension of Service Quality

Utilized by Socially Responsible Customers

2-8   CONTRIBUTIONS OF THE MODEL

As the socially responsible customer segment is growing, it is receiving more and more attention from companies. Studies indicate that this segment is expressing concerns regarding the social conduct of companies it supports. Socially responsible customers are ready to use their decisions and buying power to reward or punish companies that are socially irresponsible when providing products and services (Folkes & Kamins, 1999; Gelb, 1995; Kassarjian, 1971). Thus, it is good for companies to know what this segment expects of them and how they perceive the quality of goods and services currently provided by the companies. This proposed SRC SERVQUAL model suggests that the socially responsible segment will use social responsibility as one of the dimensions when judging service quality. If companies employ this model, they

will have a better understanding of perceived service quality from this segment's perspective than if they use the existing SERVQUAL model.

2-9   SUMMARY

This chapter reviews literature pertaining to the present study. It includes the general concept of service, service quality, SERVQUAL instrument, corporate social responsibility, and socially responsible customers. The reviews provide a foundation for the proposed SRC SERVQUAL model. Socially responsible people are a growing sector of customers and they have unique demands regarding socially and ecological issues when they consume products and services. The proposed SRC SERVQUAL model will help service companies better understand the needs of this customer sector.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3-1   INTRODUCTION

This chapter will provide information regarding the research design and methodology used in this study. Four research questions and corresponding hypotheses are explored. The study uses a self-administered online questionnaire to collect data regarding customers' perceptions towards evaluation of service quality. The survey instrument consists of four major parts. A convenience sample is used to capture the target population, which is socially responsible customers. Three statistical techniques will be employed to analyze the data in this study.

3-2   RESEARCH QUESTIONS AND HYPOTHESES

3-2-1 Research Questions

1. Is social responsibility a salient dimension of service quality?

2. Do highly socially responsible customers use the same criteria in evaluating quality of services they receive as those utilized by their less socially responsible counterparts?

3. Do socially responsible customers use social responsibility criteria to measure service quality?

4. How important is the dimension "social responsibility" compared to the other dimensions in the evaluation of service quality undertaken by socially responsible customers?

3-2-2   Hypotheses

3-2-2-1 Hypothesis 1

In evaluating service quality, researchers have suggested various dimensions that customers use as judging criteria. Schneider and White (2004) suggested that there were three preeminent dimensional models: those developed by Parasuraman, Zeithaml, Berry; Grönroos; and Gummesson. However, the most widely accepted dimensions are those introduced by Parasuraman and his colleagues (1985; 1988). Initially, they suggested in 1985 that there were ten dimensions used by customers to evaluate services quality. In 1988, the ten dimensions were collapsed into five; Tangibles, Reliability, Responsiveness, Assurance, and Empathy. However, all of the dimensions introduced in the literature are assumed to be used by all customer segments, regardless of their unique needs and wants. The researcher argues that different customer segments may use different sets of dimensions to evaluate the quality of service they consume. In this particular study, the researcher attempts to explore whether this segment of customers uses social responsibility as an additional dimension when they evaluate service quality. Before doing so, the researcher seeks to demonstrate that social responsibility is a dimension that customers may use to evaluate service quality. Therefore, the following hypothesis is proposed:

Hypothesis 1: Social responsibility is a salient dimension of service quality.

3-2-2-2 Hypothesis 2

Researchers have tried to develop an instrument to measure service quality for three decades. Their main focus revolved around either a universal instrument to be used across all services industries or an instrument for each specific services industry (Carman, 1990; Cronin &

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Taylor, 1992, 1994; Getty & Thompson, 1994; Parasuraman et al., 1991; Parasuraman, Berry et al., 1994; Parasuraman et al., 1988; Stevens et al., 1995; Teas, 1993; Thompson et al., 2001). But what has been overlooked is the fact that different segments of customers may evaluate service quality with a different set of dimensions. This particular research attempts to prove that, in addition to existing rudimentary dimensions, socially responsible customers may also use social responsibility as a dimension to evaluate service quality. Therefore, the following hypothesis is proposed:

Hypothesis 2: Highly socially responsible customers use social responsibility in a different magnitude when evaluating service quality than less socially responsible customers.

3-2-2-3 Hypothesis 3

The literature on socially responsible customers suggests that this segment of customers will demand socially responsible goods and services. They are concerned about the impact of services or products on the community as well as the environment. Further, they will actively use their buying power to reward or punish the companies that are not socially responsible (Mohr et al., 2001; Roberts, 1995; Webster, 1975). In order to exercise their purchasing power appropriately, it is reasonable to postulate that these socially responsible customers utilize social responsibility as one of the dimensions when they evaluate the quality of service they consume. Thus, the researcher proposes the following hypothesis:

Hypothesis 3: Highly socially responsible customers use social responsibility criteria as an extra dimension to measure service quality.

3-2-2-4 Hypothesis 4

The literature on socially responsible customers suggests that this group of customers has unique needs and concerns that will influence their consumption behaviors (Edmonson, 1992; Roberts, 1996b; Webb et al., 2008). Specifically, they will attempt to express their social and environmental concerns through their buying powers (Mohr et al., 2001; Roberts, 1995; Webster, 1975). As such, the researcher is inclined to believe that social responsibility should be the most important dimension when socially responsible customers evaluate service quality. Even when the services they have consumed comprise of all the other dimensions, if those services are not responsibly produced, this segment of customers will indicate that the services lack quality. Therefore, the following hypothesis is proposed.

Hypothesis 4: Compared to the other dimensions, "social responsibility" is the most important dimension in the evaluation of service quality undertaken by highly socially responsible customers.

3-3   STUDY DESIGN

The following steps were taken during the preparation and development of questionnaire items as well as the collection of data.

1. The development of Social Responsibility Dimension scale.

A focus group and semi-structured interviews were utilized to find out how socially responsible customers view service quality. The informants in this phase were highly socially responsible customers to be recruited through a snowball sampling technique. Zikmund (2003) suggested that this technique is useful when a researcher is trying to locate members of rare populations. First, a focus group was conducted. Then, additional individual interviews was

carried out. Using more than one method to collect data (method triangulation) will enhance the trustworthiness of the information gathered (Decrop, 2004). Based on the information gained through qualitative techniques, a scale for the social responsibility dimension was developed.

2. A pretest of the questionnaires to verify content validity.

A scale that has face or content validity is expected to accurately measure the construct that it is intended to measure. Zikmund (2003) suggested that content validity can be confirmed by subjective agreement among professionals in the field. In this study, business professors who actively conducted research in the field of social responsibility were requested to comment on the understanding of the question items. The focus was given to the new social responsibility scale because the others were existing instruments.

3. A pilot study.

According to the comments from the previous step, the original questionnaire was revised. Then, an invitation to complete the revised survey online was sent out to 50 VT faculty and staff members. This pilot study was aimed to verify the reliability of the scale items as well as to test the potential response rates for the main study.

4. The main study

A recall research approach was employed in this research. Respondents were asked to recall any service they purchased within the last three months and evaluate it based on the items asked on the self-administered questionnaire. This study was conducted through Survey Monkey, an online survey platform. It was believed that the online survey was relatively time efficient for respondents and also offered a level of novelty which might encourage response rates (Pechlaner, Zehrer, Matzler, & Abfalter, 2004). Further, the sample was computer literate

and e-mail addresses for the sample were publicly available. A modified Dillman's technique was utilized in the data collection process. Invitation mails with a link to the questionnaire were sent out to the selected sample. Two follow-up e-mails with a survey link were sent one and two weeks after the invitation e-mail.

The unit of measurement in this study was customers and the unit of analysis was their perceptions towards services they have consumed.

3-3-1 Population and Samples

The target population of this study is socially responsible customers. Unfortunately, currently there is no complete list of socially responsible customers available. Thus, the researcher used a convenience sample. Specifically, Virginia Tech faculty and staff members were the target population in this study. Even though demographic characteristics cannot be used as sole predictors of socially responsible customers, previous researchers have found that these customers share certain attributes including higher level of education, high income, and prestigious occupation as well as belonging to the upper middle class (Arbutnot, 1977; Kinnear et al., 1974; Memery et al., 2005; Roberts, 1996b; Van Liere & Dunlop, 1980). The sample of Virginia Tech faculty and staff members was expected to mirror the socially responsible customers in terms of these demographic characteristics. This study aimed to have an approximate amount of 400 returned surveys with half of the respondents being socially responsible customers. Based on previous online surveys utilizing Virginia Tech faculty and staff members as samples, the response rates ranged between 15 – 20% (K. Lee, 2006). Thus, the researcher determined a sample size of 2,500 for this study. The Virginia Tech University Directory was used as the sampling frame. Systematic sampling technique was employed to

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select the individuals included in the sample. Specifically, every third name on the university

directory's faculty and staff section was selected as the sampling interval.

3-3-2 Measures

To identify socially responsible customers, the social responsibility scale developed by

Berkowitz and Lutterman (1968) were employed. It was measured on a five-point Likert scale

asking respondents to state the degree to which they agreed with each of the eight statements. The

traditional five dimensions of services were measured using the SERVPERF instrument introduced

by Cronin and Taylor (1992; 1994). SERVPERF is part of SERVQUAL, originally developed by

PZB (1988) and refined by PBZ (1991). The SERVPERF instrument consists of twenty-two,

seven-point Likert scale items. A new scale to measure the social responsibility dimension was

developed. It included four items measured on a seven-point Likert scale. These items were

expected to cover the construct of social responsibility as defined in this study. Finally, a single

item was used to measure an overall service quality perception.

3-3-2-1 Measurement to Identify Socially Responsible Customers

In order to test the hypotheses proposed in this study, an attempt was made to identify

socially responsible customers. This study used two types of scales to measure a customer's

attitude regarding social responsibility. They were the Socially Responsible Scale developed by

Berkowitz and his colleagues (Berkowitz & Daniels, 1964; Berkowitz & Lutterman, 1968) and

the Consumer Social Responsibility Orientation Scale which was first introduced by Creyer and

Ross (1997) and later revised by Reich (2002).

The Socially Responsible Scale is the first widely-used scale in the literature of socially

responsible customers. It is an eight-item, five-point Likert scale. Four items are worded in a

positive direction and the other four are worded negatively. This Socially Responsible Scale has been used extensively to assess socially responsible consumption in marketing (W. T. J. Anderson & Cunningham, 1972; Tucker et al., 1981; Webster, 1975) as well as to identify a socially responsible person (Jolibert & Baumgartner, 1981; Peter, 1979; Reed et al., 2005; Witt & Silver, 1994). The Socially Responsible Scale was assumed to be a reliable and valid indicator of socially conscious consumption tendencies by several researchers (Leigh, Murphy, & Enis, 1988). However, some other scholars argued against its use in marketing behavioral research. They claimed that the scale could only measure an attitude or personality of a socially responsible person but could not assess his or her buying behaviors (W. T. J. Anderson & Cunningham, 1972; Webster, 1975). As such, many new scales to directly identify socially responsible buying behaviors have been developed such as the Socially Conscious Customer Index (Webster, 1975), the Socially Responsible Customer Behavior Scale (Roberts, 1996b), and the Self-identified Socially Responsible Customer Behavior Scale (Webb et al., 2008). In this research, the researcher utilized this Socially Responsible Scale. It was chosen because the scale was used solely to identify socially responsible customers, not to predict socially responsible consumption. In addition, evaluating service quality is an attitudinal, not a behavioral activity (Cronin & Taylor, 1992; Olshavsky, 1985; Parasuraman et al., 1988). Thus, the problematic issue of the scale in socially responsible consumption research should not interfere with the results of this study.

1. The Socially Responsible Scale

	Strongly Disagree				Strongly Agree
1. It is no use worrying about current events or public affairs; I can't do anything about them anyway.	1	2	3	4	5
2. Every person should give some of his time for the good of his town or country.	1	2	3	4	5
3. Our country would be a lot better off if we didn't have so many elections and people didn't have to vote so often.	1	2	3	4	5
4. Letting your friend down is not so bad because you can't do good all the time for everybody.	1	2	3	4	5
5. It is the duty of each person to do his job the very best he can.	1	2	3	4	5
6. People would be a lot better off if they could live far away from other people and never have to do anything for them.	1	2	3	4	5
7. At school I usually volunteered for special, projects.	1	2	3	4	5
8. I feel very bad when I have failed to finish a job I promised I would do.	1	2	3	4	5

Source: Berkowitz & Daniels, 1964; Berkowitz & Lutterman, 1968

The Consumer Social Responsibility Orientation Scale was first introduced by Creyer and Ross (1997) as a 27-item questionnaire. It was originally used to measure 4 dimensions; willingness to reward, willingness to punish, importance of ethical behavior, and expectation about ethical behavior. Later in 2002, Reich modified the seven-item measurement of expectation about ethical behavior into a five-item instrument to measure socially responsible orientation of a restaurant customer. The Consumer Social Responsibility Orientation Scale utilized in the present study was different from Reich's study in 3 ways. First, the instrument in this study was measured on a five-point Likert scale, with one being strongly disagree and five being strongly agree. Second, the term "restaurant" was replaced with "the service provider".

Last but not least, items 2 and 3 of the scale were negatively worded to enhance the reliability of the scale as suggested by Churchill (1979).

2. The Consumer Social Responsibility Orientation Scale

	Strongly Disagree				Strongly Agree
1. It really bothers me to find out that the service firm that I buy from has not acted in a socially responsible manner.	1	2	3	4	5
2. Whether a service firm is socially responsible is not important to me in making my decision of what to buy.	1	2	3	4	5
3. I don't really care whether the service firms I buy from have a reputation for socially responsible behavior.	1	2	3	4	5
4. It is important to me that the service firms I deal with do not have reputations for being socially irresponsible.	1	2	3	4	5
5. It really pleases me to find that the service firms I buy from have acted in a socially responsible manner.	1	2	3	4	5

Source: Creyer and Ross, 1997; Reich, 2002

3-3-2-2 Measurement of Five SERVQUAL Service Dimensions

Parasuraman and his colleagues (1988) suggested that customers use five dimensions as criteria to judge service quality; they are tangibles, reliability, responsiveness, assurance and empathy. They also introduced SERVQUAL as an instrument to measure service quality. Based on prior research, Parasuraman and his colleagues (1988) believed that perceived service quality is the discrepancy between customer's expectation and perception of services they have consumed. As such, the SERVQUAL instrument contains two major sections. The first part aims to measure customer's expectation and the second is to assess customer's perception of the service firm's performance. However, some other researchers argued that perception score alone can better predict the service quality than the perception-minus-expectation scores (Carman,

1990; Cronin & Taylor, 1992, 1994; Teas, 1993). This was also supported by the studies conducted by Cronin and Taylor (1992; 1994). In their research, they used only the perception question items from the original SERVQUAL instrument. They called this perception-only instrument "SERVPERF".

In this study, the SERVPERF scale was used due to two reasons. First, this study focused only on customer recall. It would not be appropriate to attempt a post hoc measurement of customer service expectations up to three months after they have consumed the service. Second, this study did not aim to develop a diagnostic tool for service companies. Rather it attempted to explore whether socially responsible customers use an additional dimension to evaluate service quality. The primary argument that Parasuraman and his colleagues (1994) made for the inclusion of the expectation component was a diagnostic tool for service firms. So, companies had an idea what specific portion of their services should be improved.

SERVPERF consists of 22 statements, measured on a seven-point Likert scale, with one being strongly disagree and 7 being strongly agree. In this study, the generic term "the service provider" was used instead of a specific service company name.

Tangibles dimension

	Strongly Disagree						Strongly Agree
1. The service provider has up-to-date equipment.	1	2	3	4	5	6	7
2. The service provider's physical facilities are visually appealing.	1	2	3	4	5	6	7
3. The service provider's employees are well dressed and appear neat.	1	2	3	4	5	6	7
4. The appearance of the physical facilities of the service provider is in keeping with the type of services provided.	1	2	3	4	5	6	7

Reliability dimension

	Strongly Disagree						Strongly Agree
1. When this service provider promises to do something by a certain time, they do so.	1	2	3	4	5	6	7
2. When you have problems, the service provider is sympathetic and reassuring.	1	2	3	4	5	6	7
3. The service provider is dependable.	1	2	3	4	5	6	7
4. The service provider provides its services at the time it promises to do so.	1	2	3	4	5	6	7
5. The service provider keeps its records accurately.	1	2	3	4	5	6	7

Responsiveness dimension

	Strongly Disagree						Strongly Agree
1. The service provider tells you exactly when services will be performed.	1	2	3	4	5	6	7
2. You receive prompt service from the service provider's employees.	1	2	3	4	5	6	7
3. Employees of the service provider are always willing to help customers.	1	2	3	4	5	6	7
4. Employees of the service provider are never too busy to respond to your requests promptly.	1	2	3	4	5	6	7

Assurance dimension

	Strongly Disagree						Strongly Agree
1. You can trust employees of the service provider.	1	2	3	4	5	6	7
2. You can feel safe in your transactions with the service provider's employees.	1	2	3	4	5	6	7
3. Employees of the service provider are polite.	1	2	3	4	5	6	7
4. Employees get adequate support from the service provider to do their jobs well.	1	2	3	4	5	6	7

Empathy dimension

	Strongly Disagree						Strongly Agree
1. The service provider gives you individual attention.	1	2	3	4	5	6	7
2. Employees of the service provider give you personal attention.	1	2	3	4	5	6	7
3. Employees of the service provider know what your needs are.	1	2	3	4	5	6	7
4. The service provider has your interests at heart.	1	2	3	4	5	6	7
5. The service provider has operating hours convenient to you.							

3-3-2-3 Measurement of Social Responsibility Dimension

Based on the literature, how to measure social responsibility of a corporation is as controversial as how to define it. Thus, there is still no consensus on appropriate variables in general, let alone in the services research context. In this study, a newly-developed measure of social responsibility based on qualitative techniques was used. First, the literature regarding socially responsible customers was reviewed. Based on this review, questions for focus group and in-depth interviews were developed. Snowball sampling was used to contact and invite participants for both types of interviews. First, the leader of a community group nearby was contacted, and asked to suggest some names of socially responsible consumers within the area. Each referred person was then contacted and requested to participate in the qualitative phase of the study. These people also helped recommend some of their acquaintances who are patrons of socially responsible products and services. In total, one focus group and two individual interviews were conducted. The focus group lasted approximately one hour while the two interviews were about 45 minutes each and all of them were tape recorded. Besides the moderator, another professionally-trained associate was present in the focus group identifying the major topics discussed during the session. All the focus group and individual interviews

were later transcribed and cross-validated. Both individual interviewees reinforced what the

focus group participants mentioned in the meeting. Based on the transcript and notes from the

other associates, themes were developed. These themes were in accordance with what have been

stated in the literature. There were four themes that emerged; economic, legal, ethical, and

discretionary obligations. Grounded on the interview results, eight items were developed to

capture the social responsibility dimension of service quality. This scale utilized a seven-point

Likert scale. The reason why a seven-point scale was chosen was because the current

SERVPERF instrument used a seven-point scale to measure the existing dimensions. Thus,

these new items should fit into the existing SERVPERF instrument format.

Social responsibility dimension

	Strongly Disagree						Strongly Agree
1. Employees of the service provider are treated fairly.	1	2	3	4	5	6	7
2. The service provider treats all customers equally.	1	2	3	4	5	6	7
3. The service provider provides services that are likely to promote environmental sustainability (e.g. protect natural resources).	1	2	3	4	5	6	7
4. The service provider uses as many local resources as possible when producing services (e.g. local products and employees).	1	2	3	4	5	6	7
5. Services are charged at a fair price.	1	2	3	4	5	6	7
6. The service provider abides by the law when providing their services.	1	2	3	4	5	6	7
7. Services are provided in a safe and accessible environment for customers.	1	2	3	4	5	6	7
8. Services are provided in a safe and accessible environment for employees.	1	2	3	4	5	6	7

3-3-2-4 Measurement of Overall Service Quality

Even though a single item scale may not be a good approach to measure a concept, it lays a foundation to assess the convergent validity of related multiple-item scale (Parasuraman et al., 1988). McCleary and Weaver (1982) stated that a scale will have concurrent validity if both individual items and the one-item scale regarding the same concept invoke a response in the same direction. Many researchers have used a one-item scale in their studies for this validity assessment purposes (Clemenz, 2001; Cronin & Taylor, 1992, 1994; Parasuraman et al., 1991; Parasuraman et al., 1988). Therefore, a one-item measure of overall service quality was employed to assess the validity of each service dimension measured by multiple-items scales. Overall service quality was measured on a ten-point, Likert scale, with one being poor and ten being excellent.

Overall service quality perception

	Poor									Excellent
1. Rating of overall service quality	1	2	3	4	5	6	7	8	9	10

3-3-3 Statistical Analysis

The data collected was divided into three groups. The first group consisted of all data collected. The second group comprised only data from highly socially responsible customers. The last group consisted of data collected from less socially responsible customers. To distinguish the socially responsible customers from their counterparts, the researcher used a cutting score that reflected the mean derived from the Social Responsibility Scale and/or the Consumer Social Responsibility Orientation Scale. Those having an average score of the cutting value point or higher were considered highly socially responsible customers and the others as less socially responsible. To test hypothesis one, the combined data (Group 1) was utilized.

Both second and third groups were used to test hypothesis two. The group(s) of data to be used to test hypotheses three and four will depend on the result of hypothesis two. It was initially proposed that if both groups of customers utilize social responsibility as part of the dimensions to evaluate service quality in the same degree, the first group of data would be used. On the other hand, if socially responsible customers use the social responsibility dimension in a different magnitude, the second group of data would be used.
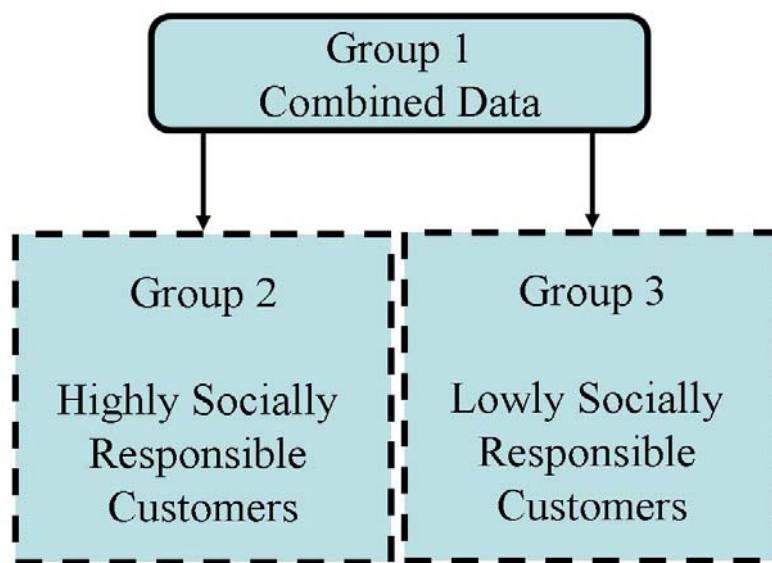
Figure 3.1: Respondent Classification

HYPOTHESIS 1: Social responsibility is a salient dimension of service quality.

A second-order confirmatory factor analysis was utilized to prove whether social responsibility is another underlying factor of service quality or not. Differently put, this analysis would show whether the social responsibility items remained the items in an additional dimension or whether they belonged to the existing five dimensions. The path diagram is shown in Figure 3.2 on the next page.
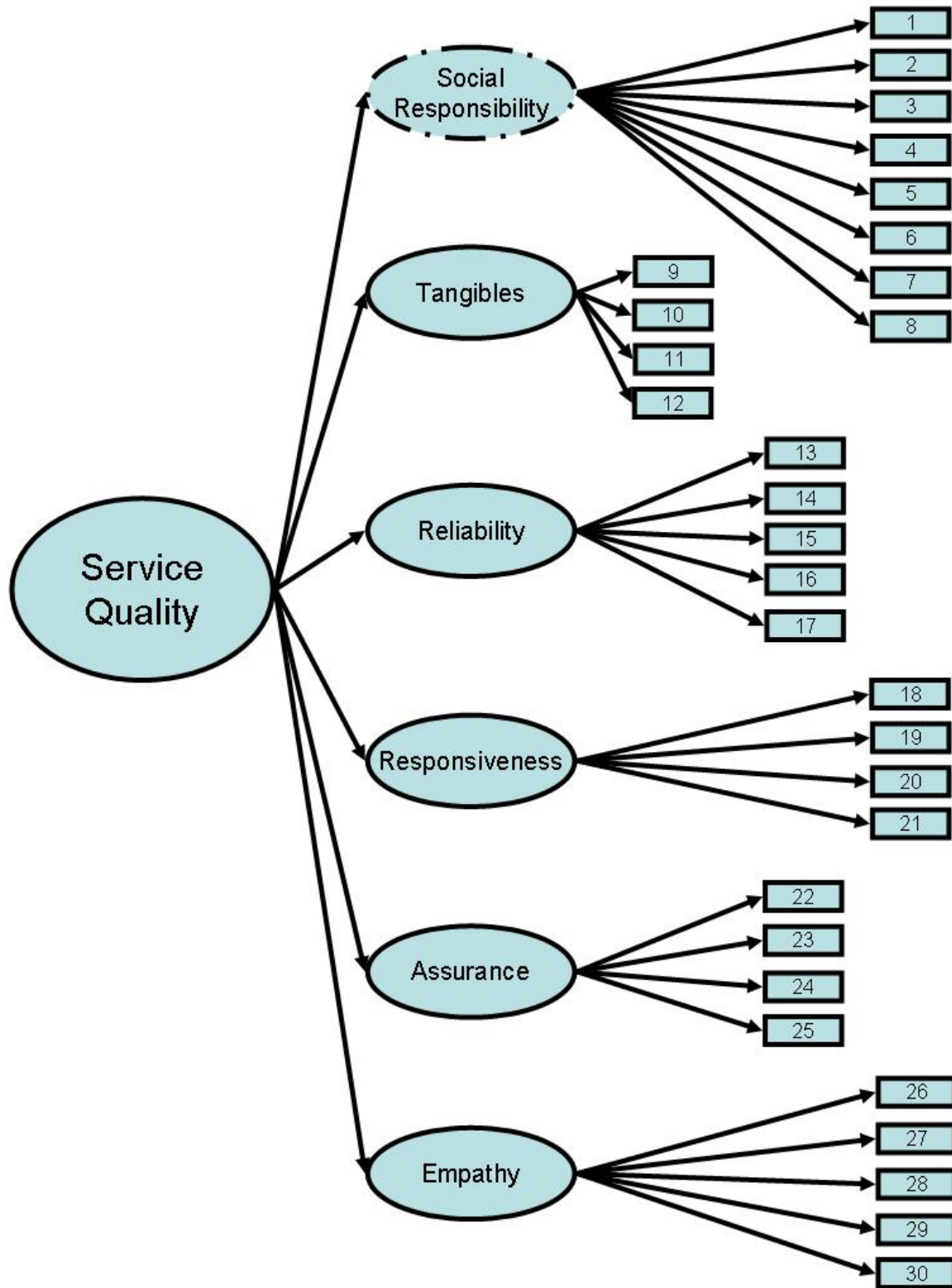
Figure 3.2: Diagram for the Second-Order Confirmatory Factor Analysis (Assuming That Social Responsibility Is Measured on an Eight-Item Scale.)

HYPOTHESIS 2: Highly socially responsible customers use social responsibility in a different magnitude when evaluating service quality than less socially responsible customers.

To test hypothesis two, multi-sample, second-order confirmatory factor analysis technique was utilized. This analysis demonstrated whether there is any difference in dimensions utilized by highly socially-responsible and less socially-responsible customers.

HYPOTHESIS 3: Highly socially responsible customers use social responsibility criteria as an extra dimension to measure service quality.

To test hypothesis three, a multiple regression technique was employed. Specifically, the researcher utilized a two-step hierarchical method as depicted in figure 3.3. In the first step, the five existing dimensions were simultaneously entered into the model, and the social responsibility dimension entered in the second step. The result of this two-step model revealed how much more variance the additional dimension contributes to the overall model (Hair, Black, Babin, Anderson, & Tatham, 2005; Pedhazur, 1997).

HYPOTHESIS 4: Compared to the other dimensions, "social responsibility" is the most important dimension in the evaluation of service quality undertaken by highly socially responsible customers.

The analysis for this question was based on the comparison of standardized regression coefficients of each dimension in the regression model.
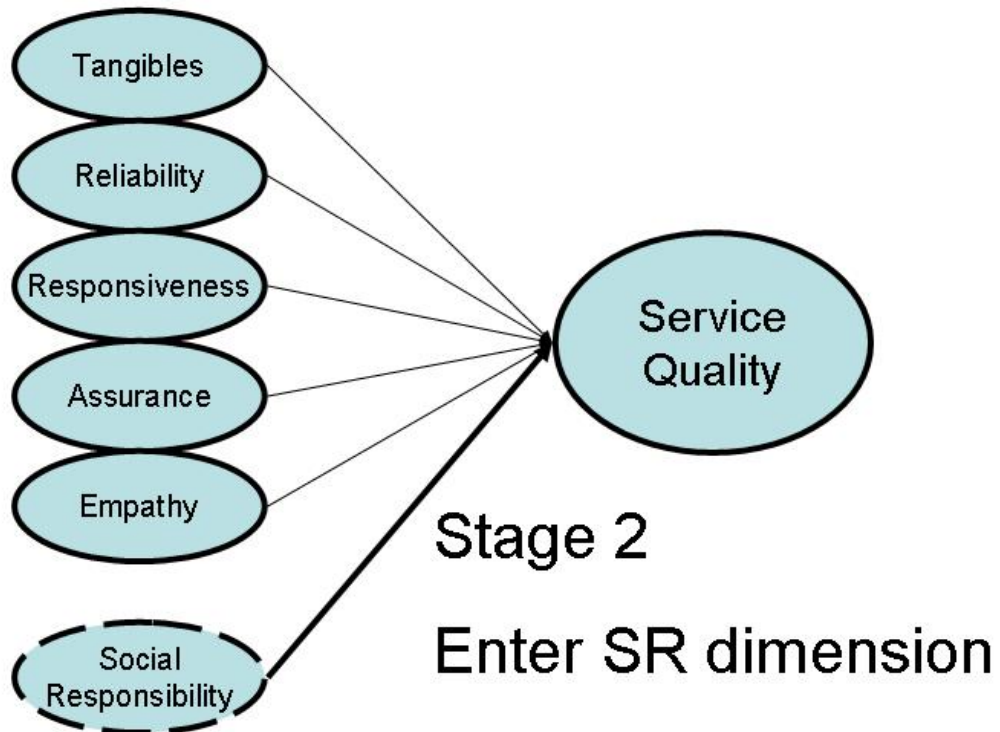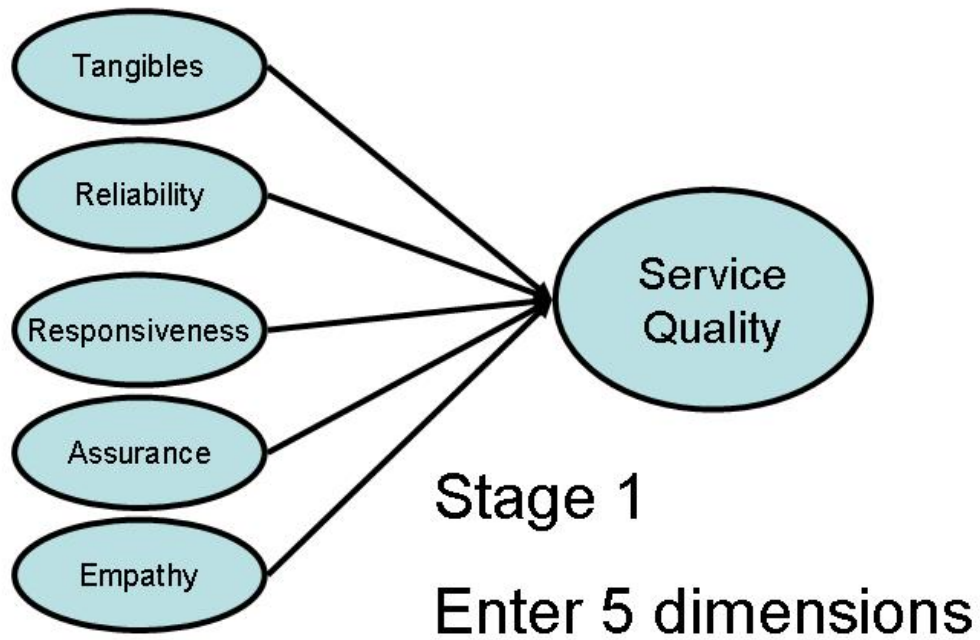
Figure 3.3: Two-Step Hierarchical Multiple Regression

3-3-4 Questionnaire Pretesting

Given the fact that the pre-existing SERVPERF instrument had been tested many times for its reliability and validity, only the Socially Responsible Scale, the Consumer Social Responsibility Orientation Scale, and the instrument measuring social responsibility dimension were pre-tested. The items were reviewed and tested for face and content validity by five business professors who actively conducted research in the field of social responsibility. The feedback was incorporated in the design of the pilot study.

3-3-5 Pilot Study

3-3-5-1 Data Collection

The pilot study was conducted to test the reliability of survey scales and to help forecast the response rates. Like the main study, the pilot study was conducted online through the SurveyMonkey web survey platform. SurveyMonkey is a user-friendly online survey provider. Respondents can access the questionnaire on SurveyMonkey via their preferable web browser. Data were recorded online after respondents completed the survey. The sample for the study was randomly selected from the same sampling frame of the main study, which is Virginia Tech Faculty and Staff Directory. Five hundred people were e-mailed and invited to participate in the survey. Sixty-four people took the survey, yielding a response rate of 12.8%. As similar to the pretest step, only part of the study's questionnaire was tested in the pilot study. To assess the convergent validity of the Socially Responsible Scale and the Consumer Social Responsibility Orientation Scale, a global measure of self-evaluated socially responsibility attitude was included; "I am a socially responsible customer." All of the responses were useable for the

Socially Responsible Scale and the Consumer Social Responsibility Orientation Scale while only

45 surveys could be used for the analysis of the social responsibility dimension.

3-3-5-2 Pilot Study Results

The majority of the respondents were male (53.2%). Most of them (62.2%) were either

between 31-40 or 51-60 of age. Almost 40% held a doctoral degree. The majority (76.6%)

reported that they had never researched the social responsibility of a firm before using their

services. Table 3.1 showed a complete profile of respondent's characteristics from the pilot

study.

Table 3.1

Demographic Statistics for Pilot Study (n = 47)

Characteristic	Frequency*	Percent
Gender		
Male	25	53.2
Female	22	46.8
Age		
20 or less	0	0.0
21 – 30	3	6.7
31 – 40	14	31.1
41 – 50	9	20.0
51 – 60	14	31.1
60 and above	5	11.1
Education		
High school or GED	6	12.8
College graduate	8	17.0
Master's degree graduate	13	27.7
Doctoral degree graduate	18	38.3
Other	2	4.3
Have researched social responsibility of service providers		
Yes	11	23.4
No	36	76.6

*Note: Demographic variables not totaling 47 represent missing values.

The data were then used to calculate the Cronbach alpha or reliability coefficient for the three scales tested in the pilot study. In exploratory research, Nunnally and Bernstein (1994) suggested that a coefficient of 0.70 or above is considered acceptable while Hair and colleagues (2005) indicated a bit lower threshold (0.60). Of course, the higher the Cronbach alpha, the better the scale is in terms of its reliability. Table 3.2 indicated that the Socially Responsible Scale was not at all reliable (0.354). On the other hand, the Consumer Social Responsibility Orientation Scale and the measurement scale of social responsibility dimension were both of high reliability. This was supported by the correlations among the scale items and its corresponding global measure as shown in table 3.3. Unlike those in the Consumer Social Responsibility Orientation Scale, all items in the Social Responsibility Scale did not have statistically significant correlations with their global measure. As such, only the Consumer Social Responsibility Orientation Scale would be used to identify a highly socially responsible customer in the main study. Regarding social responsibility dimension, only item one "Employees of the service provider are treated fairly" was not significantly correlated with the global measure of service quality. Other items were significantly correlated at 0.01 level. However, if item one were dropped out of the social responsibility dimension scale, the scale's Cronbach alpha would have decreased from 0.847 to 0.832. Thus, it was decided that item one remain in the scale for the main study.

Table 3.2

Statistics and Reliability Estimates for Pilot Study Scales

Scale Items	Number of items	Cronbach's Alpha
Social Responsibility Scale[*]	8	0.354
Consumer Social Responsibility Orientation Scale[*]	5	0.841
Social Responsibility Dimension[**]	8	0.847
(excluded item 1)	7	0.832

[*] n = 64
[**] n = 45

Table 3.3

Correlations among Each Item and Its Corresponding Global Measure (Pilot Study)

Scale Items	Correlation
Social Responsibility Scale	
1. It is no use worrying about current events or public affairs; I can't do anything about them anyway.	0.039
2. Every person should give some of his time for the good of his town or country.	0.088
3. Our country would be a lot better off if we didn't have so many elections and people didn't have to vote so often.	0.019
4. Letting your friend down is not so bad because you can't do good all the time for everybody.	0.045
5. It is the duty of each person to do his job the very best he can.	-0.014
6. People would be a lot better off if they could live far away from other people and never have to do anything for them.	-0.036
7. At school I usually volunteered for special, projects.	0.004
8. I feel very bad when I have failed to finish a job I promised I would do.	0.286[*]
--- Summated score	0.133
Consumer Social Responsibility Orientation Scale	
1. It really bothers me to find out that the service firm that I buy from has not acted in a socially responsible manner.	0.452[**]
2. Whether a service firm is socially responsible is not important to me in making my decision of what to buy.	0.376[**]
3. I don't really care whether the service firms I buy from have a reputation for socially responsible behavior.	0.490[**]
4. It is important to me that the service firms I deal with do not have reputations for being socially irresponsible.	0.403[**]
5. It really pleases me to find that the service firms I buy from have acted in a socially responsible manner.	0.476[**]
---Summated score	0.557[**]

[*]Correlation is significant at 0.05 level.
[**] Correlation is significant at 0.01 level.

Table 3.3 (Continued)

Correlations among Each Item and Its Corresponding Global Measure (Pilot Study)

Scale Items	Correlation
Social Responsibility Dimension	
1. Employees of the service provider are treated fairly.	0.254
2. The service provider treats all customers equally.	0.461[**]
3. The service provider provides services that are likely to promote environmental sustainability (e.g. protect natural resources).	0.321[**]
4. The service provider uses as many local resources as possible when producing services (e.g. local products and employees).	0.334[**]
5. Services are charged at a fair price.	0.610[**]
6. The service provider abides by the law when providing their services.	0.495[**]
7. Services are provided in a safe and accessible environment for customers.	0.726[**]
8. Services are provided in a safe and accessible environment for employees.	0.334[**]
--- Summated score	0.609[**]

[*] Correlation is significant at 0.05 level.
[**] Correlation is significant at 0.01 level.

3-3-5-3 Cutting Score Determination for Pilot Study

It was necessary to select a cutting score that could be used to identify respondents representing highly socially responsible customers. To do this, the mean score for Consumer Social Responsibility Orientation was calculated. Figure 3.4 showed that the mean was 3.96 for the pilot study. For the ease of customer distinction between highly and less socially responsible customers, the number was rounded up to 4.0. Thus, those customers who had a scale mean of 4.0 or higher would be considered highly socially responsible customers. On the other hand, less socially responsible customers were those having a scale mean of lower than 4.0.
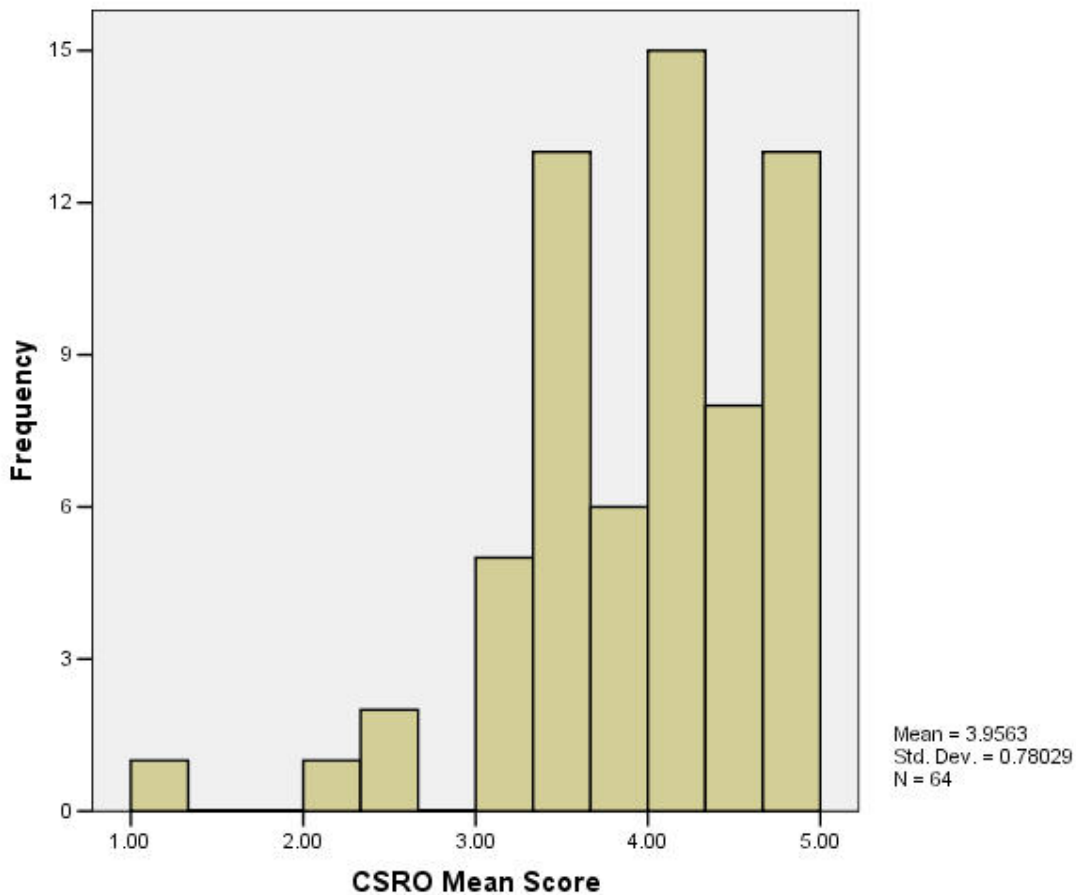
Figure 3.4: Consumer Social Responsibility Orientation Mean Frequencies (Pilot Study)

3-3-6 Main Study

A SurveyMonkey web research platform was used in the main study. Since the pilot study suggested a useable response rate of 9% from this sample frame, 5,000 individuals were contacted and invited to complete the questionnaire. The samples were systematically randomly selected from the Virginia Tech Directory. E-mails were sent out in two rounds, one week apart. A total of 803 questionnaires were completed, of which 379 responded in the first e-mailing and 424 in the second e-mailing. To reduce measurement error, standardized measure for non-response bias was utilized. Specifically, an extrapolation method was used in this study. This method assumed that those who responded later would share similar characteristics to those who never responded (Armstrong & Overton, 1977; Pace, 1939). Respondents were divided into two groups, those who responded after the first e-mailing round and those who responded later. Four major characteristics of the respondents in the two groups were compared including age, gender, education and whether they have ever researched social responsibility of service providers.

The independent-sample t-test and χ^2 results in table 3.4 showed that there was no significant difference between the two groups that responded to a different e-mailing round regarding their age (p = 0.738), gender (p = 0.149), and whether they have ever researched social responsibility of service providers (p = 0.341). However, the education profile of the two groups are statistically different from each other (p = 0.022). Specifically, those who responded after the first e-mailing were more likely to have higher education than those who responded later. Actually, many researchers had indicated that higher educated individuals tended to respond to a survey request earlier than those with less education (Clausen & Ford, 1947; Scott, 1961; Wallace, 1954). This difference could also be explained by the socially responsible customer literature indicating that socially responsible customers tended to have higher education than

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Table 3.4

Independent-sample t-tests and Chi-Square Comparing Characteristics of Respondents in the Two E-mailing Rounds

Dependent Variable	Independent Variable		N	Mean	SD	t	χ^2	df	P
Age	Mailing Round	1	222	45.50	11.515	-.335	-	431	.738
	Mailing Round	2	212	45.86	10.478				
Gender	Mailing Round	1	227	-	-	-	2.088	1	.149
	Mailing Round	2	217	-	-				
Ever researched social	Mailing Round	1	227	-	-	-	.906	1	.341
responsibility information	Mailing Round	2	218	-	-				
Education	Mailing Round	1	226	-	-	-	11.422	4	.022
	Mailing Round	2	216	-	-				

their counterparts. And a socially responsible individual was reasonably believed to swiftly respond to a help request when they were asked. Also, the difference here may indicate that those socially responsible customers in the samples had decided to complete the questionnaire and those who did not may be less socially responsible. Given the fact that this study aimed to target those who were highly socially responsible, the difference in education should not affect the results of the study.

3-4   SUMMARY

This chapter presented the design and development of the current study. It covered the research questions, hypotheses, scale development, construct measurements, data collection, and statistical analytical plans. It also included the detailed results of pilot study. Validity and reliability of the newly developed and adapted scales were also discussed.

CHAPTER FOUR
DATA ANALYSIS

4-1   INTRODUCTION

This chapter presents the results of preliminary data analysis as well as hypothesis testing. Two major statistical programs were employed to analyze the collected data in this study. LISREL8.51 was used for confirmatory factor analysis and SPSS15.0 was used for descriptive statistics, reliability testing, and regression analysis.

4-2   DESCRIPTIVE STATISTICS FOR THE MAIN STUDY

Invitation e-mails were sent to 5,000 faculty and staff members at Virginia Tech. A total of 803 surveys were returned online, yielding a response rate of about 16.0%. Most (795) respondents completed the Consumer Social Responsibility Orientation Scale (15.9%), but only 449 completed the items regarding service quality evaluation and personal characteristics (9.0%). Of the 449 respondents, 63.3% were female and 36.7% were male. The highest percentage of respondents was between 41 and 50 years of age. Only one respondent was younger than 21 and nobody was older than 80. Most of the respondents hold at least a master's degree (57.5%). A total of 136 individuals (30.6%) indicated that they had researched the social responsibility of service providers. The majority reported recalling a good service in the questionnaire (62.6%). Table 4.1 provides the complete profile of respondents' characteristics.

Table 4.1

Demographic Statistics for Main Study (n= 445)

Characteristic	Frequency*	Percent
Gender		
Male	163	36.7
Female	281	63.3
Age		
20 or less	1	0.2
21 – 30	38	8.8
31 – 40	111	25.6
41 – 50	131	30.2
51 – 60	120	27.7
60 – 70	28	6.4
71 – 80	5	1.1
80 or above	0	0.0
Education		
High school or GED	38	8.6
College graduate	116	26.2
Master's degree graduate	145	32.8
Doctoral degree graduate	109	24.7
Other	34	7.7
Have researched social responsibility of service providers		
Yes	136	30.6
No	309	69.4
Have recalled _____ service		
Good	280	62.6
Bad	167	37.4

*Note: Demographic variables not totaling 445 represent missing values.

4-3   SCALE RELIABILITY

The major scales used in the main study were tested for their reliabilities (Table 4.2). All of them exceeded the suggested value of 0.70 (Hair et al., 2005; Nunnally & Bernstein, 1994). As such, they were believed to reliably measure the constructs they were expected to measure.

Table 4.2

Statistics and Reliability Estimates for Main Study Scales

Scale Items	Number of items	Cronbach's Alpha
Consumer Social Responsibility Orientation Scale (n= 783)	5	0.773
Social Responsibility Dimension (n = 414)	8	0.896
Tangibles Dimension (n = 428)	4	0.882
Reliability Dimension (n = 434)	5	0.963
Responsiveness Dimension (n = 438)	4	0.942
Assurance Dimension (n = 437)	4	0.931
Empathy Dimension (n = 440)	5	0.926

4-4   HYPOTHESIS TESTING

There were four hypotheses to this study. The first two hypotheses were tested using confirmatory factor analysis while the latter two were tested using multiple regression technique. To test the hypotheses, data were processed and prepared for the analysis. First, the respondents were divided into two groups, which were highly and less socially responsible customers. Then, a summated score for each service quality dimension was calculated.

4-4-1   Data Group Division

To confirm the use of a cutting score of 4.0 to distinguish highly socially responsible customers from their counterparts, a mean of the Consumer Social Responsibility Orientation Scale in the main study was calculated. Figure 4.1 showed that the mean was 4.0. This helped confirm the previous decision to use 4.0 as a cutting score.

Based on the cutting score of 4.0, the respondents were divided into two groups. Specifically, 272 respondents were labeled "highly socially responsible customers", previously referred to as data group 2. On the other hand, the other 177 respondents were "less socially responsible customers" or data group 3. The combined data (data group 1) were composed of 449 respondents.
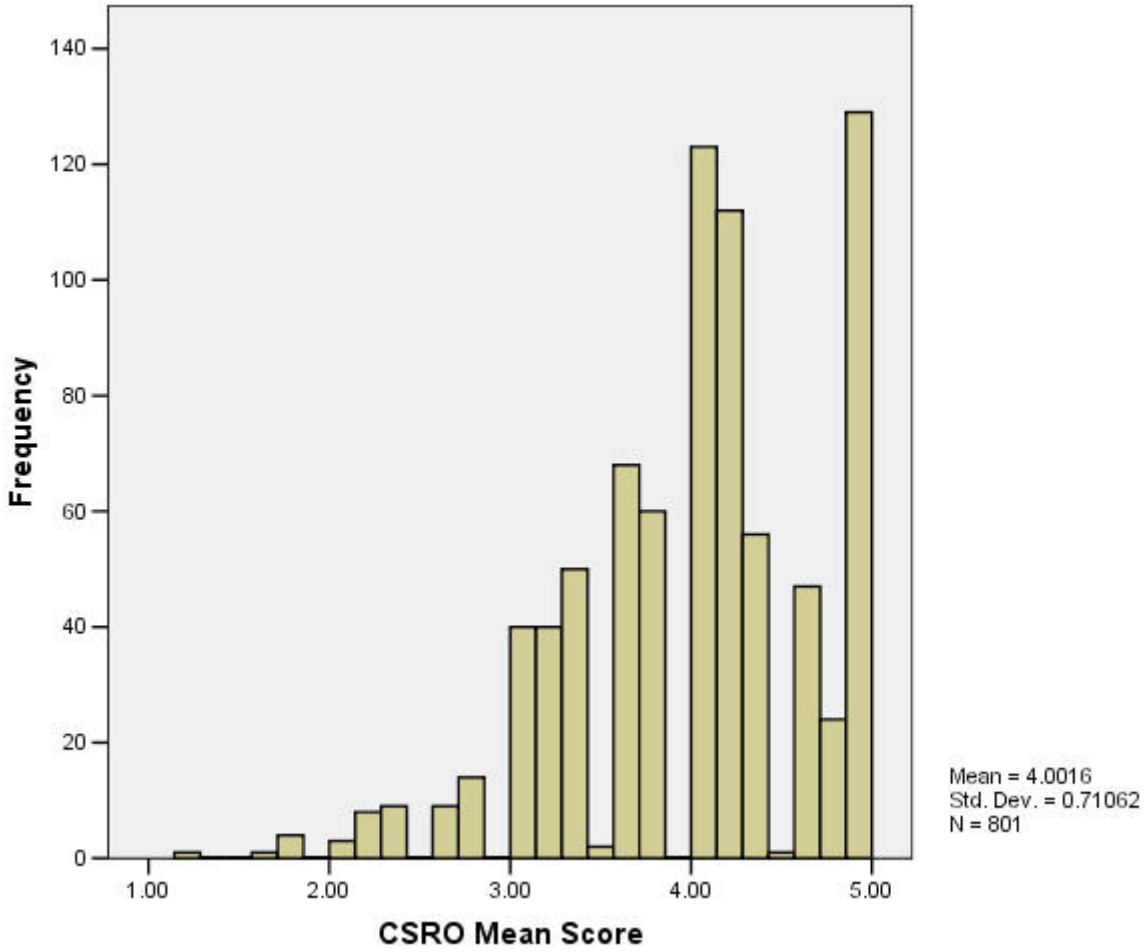
Figure 4.1: Consumer Social Responsibility Orientation Mean Frequencies (Main Study)

4-4-2 Summated Score for Each Service Quality Dimension

For every respondent, a summated score for each service quality dimension was calculated. These summated scores were used in multiple regression analyses. Summated scores were calculated by averaging the values of all items for each dimension of service quality. Thus, each respondent had six summated scores.

A multiple regression method uses correlations between a dependent variable and independent variables as a criterion to determine which variables would be included in the regression model. As such, potential variables for the regression model had to be somewhat correlated. To test the potential of the summated scores for the six dimensions, a correlation matrix was computed. Table 4.3 showed that each summated score was highly correlated with the global measure of overall service quality ($p = 0.01$). This suggested that these summated scores should be able to predict the variance in service quality. However, each summated score (independent variable) was also significantly correlated with one another. This, unfortunately, might cause multicollinearity problem in the regression estimation process leading to the minimization of the prediction power of each independent variable (Hair et al., 2005).

Table 4.3

Means, Standard Deviations, and Correlations

Variable	n	Mean	SD	1	2	3	4	5	6
1. Social responsibility	449	4.85	1.16						
2. Tangibles	448	5.34	1.20	.668					
3. Reliability	449	4.86	1.84	.731	.594				
4. Responsiveness	449	4.85	1.80	.737	.616	.915			
5. Assurance	449	5.07	1.53	.755	.671	.849	.888		
6. Empathy	449	4.84	1.61	.761	.631	.835	.885	.902	
7. Overall service quality	447	6.65	2.88	.682	.582	.855	.864	.828	.840

Note: All correlations are significant at p = 0.01

4-5   RESULTS OF HYPOTHESIS TESTING

The results of second-order confirmatory factor analysis indicated that social

responsibility was a salient dimension of service quality. Also, highly socially responsible

customers tended to use social responsibility dimension to evaluate service quality in a stronger

magnitude than those less socially responsible customers. However, controlling for the five

existing dimensions of SERVQUAL, social responsibility, unfortunately, did not add a

significant increment to the regression model.

4-5-1   Hypothesis 1: Social responsibility is a salient dimension of service quality.

To test this hypothesis, a second-order confirmatory analysis was employed. The

combined data were used in this analysis. The structure and measurement model was presented

in figure 4.2. Based on the χ^2 value, the first derived model (Model 1, Table 4.4) showed a poor

fit between the data and the hypothesized model.   Specifically, the χ^2 value of 2445.30 was not

good because it was very large and statistically significant ($p < 0.001$). Thus, some

modifications were attempted. The modification index suggested that the errors of Social

Responsibility Item 7 and Social Responsibility Item 8 should be correlated. In other words, the

unexplained portion of Social Responsibility Items 7 and 8 shared some common variance. As

such, another model was estimated allowing the unexplained variance of Social Responsibility

Item 7 and that of Social Responsibility Item 8 to be correlated. However, the modified model

(Model 2, Table 4.4) still suggested a poor fit between the data and the model. Even though the

χ^2 of the modified model statistically significantly decreased, the χ^2 was still significant (2286.58,

$p < 0.001$). Another modification was attempted. The error variance of Assurance Item 1 and

that of Assurance Item 2 were allowed to freely correlate with each other. However, the χ^2 result

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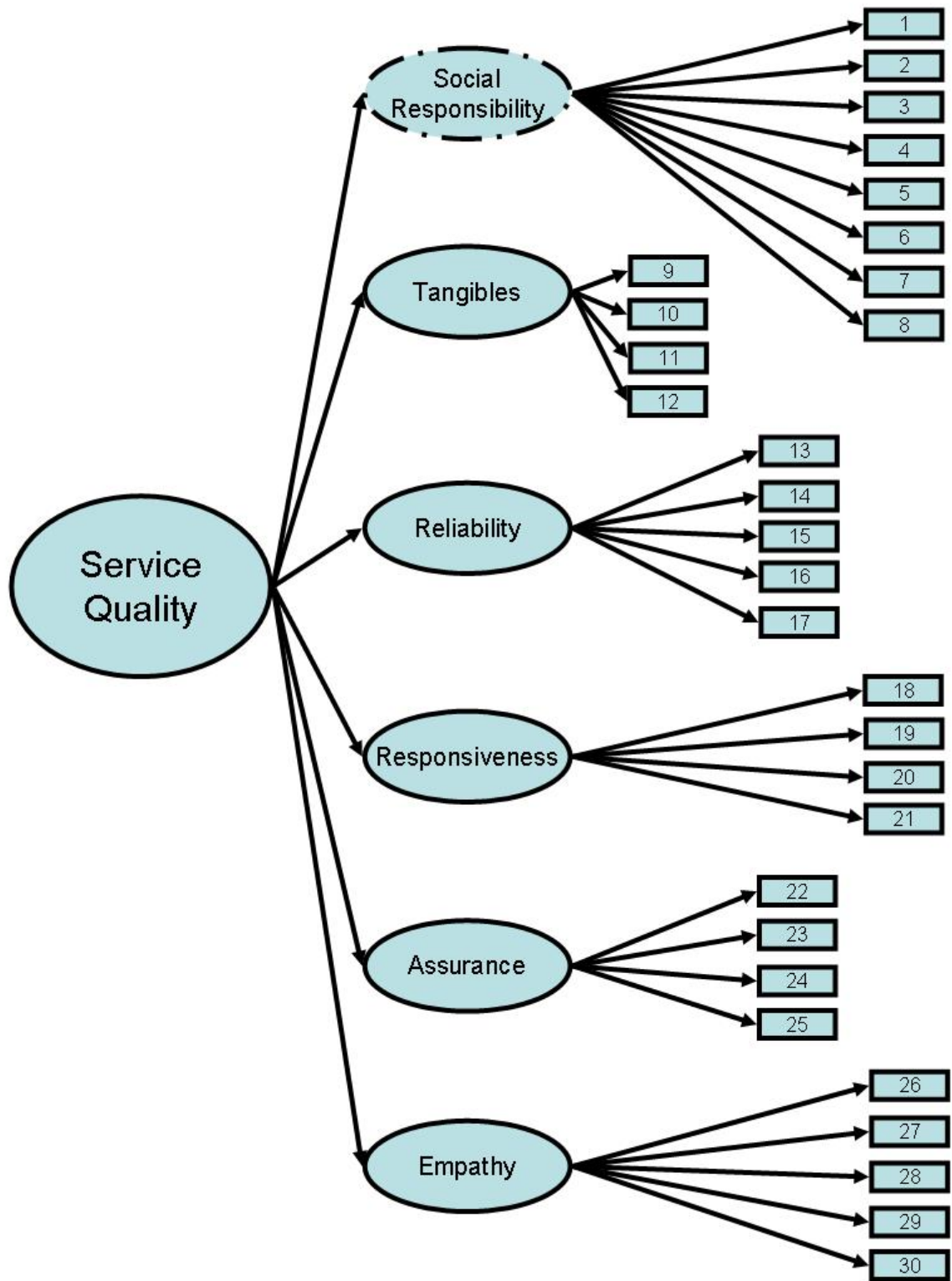
Figure 4.2: Diagram for the Second-Order Confirmatory Factor Analysis (Assuming That Social Responsibility Is Measured on an Eight-Item Scale.)

(Model 3, Table 4.4) still indicated a poor fit between the data and the hypothesized model. To avoid chance capitalization, no further modifications were attempted. A model with more than a few modifications might be driven by the collected data, instead of a hypothesized theory.

Table 4.4

Results of Modification Steps of Confirmatory Factor Analysis Consisting of Six Dimensions of Service Quality

Modification Step	χ^2	df	$\Delta \chi^2$	ECVI	RMSEA	GFI	CFI	PNFI
1. The Original Model	2445.30 (P=0.0)	399		5.75	0.11	0.73	0.88	0.79
2. The Original Model with Correlation of Errors of Indicators SR7 and SR8[*]	2286.58 (P=0.0)	398	158.72	5.40	0.10	0.75	0.89	0.79
3. Model from Step 2 with Correlation of Errors of Indicators Assure1 and Assure2[**]	2204.52 (P=0.0)	397	82.06	5.22	0.10	0.75	0.90	0.80

[*]SR stands for Social Responsibility.
[**]Assure stands for Assurance.

Table 4.5 showed the fit statistics and measurement scale properties of the final model. It indicated that all the loadings of higher factor (Service Quality) to the lower factors (six dimensions) were all statistically significant. This was supported by the high values of completely standardized solution of the loadings ranging from 0.70-1.00. Hair and colleagues (2005) suggested that any loadings above .70 were indicative of a well-defined factor structure.

Table 4.5

Fit Statistics and Measurement Scale Properties (N = 449)

Construct and Indicators	Completely Standardized Loadings*	Construct/ Indicator Reliability	Error Variance
Social Responsibility	**0.83**	**0.70**	**0.30**
1. Employees of the service provider are treated fairly.	0.71	0.50	0.50
2. The service provider treats all customers equally.	0.73	0.53	0.47
3. The service provider provides services that are likely to promote environmental sustainability (e.g. protect natural resources).	0.60	0.37	0.63
4. The service provider uses as many local resources as possible when producing services (e.g. local products and employees).	0.57	0.32	0.68
5. Services are charged at a fair price.	0.77	0.59	0.41
6. The service provider abides by the law when providing their services.	0.83	0.68	0.32
7. Services are provided in a safe and accessible environment for customers.	0.80	0.64	0.36
8. Services are provided in a safe and accessible environment for employees.	0.74	0.55	0.45
Tangibles	**0.70**	**0.48**	**0.52**
1. The service provider has up-to-date equipment.	0.75	0.56	0.44
2. The service provider's physical facilities are visually appealing.	0.85	0.72	0.28
3. The service provider's employees are well dresses and appear neat.	0.81	0.65	0.35
4. The appearance of the physical facilities of the service provider is in keeping with the type of services provided.	0.83	0.70	0.30
Reliability	**0.92**	**0.85**	**0.15**
1. When this service provider promises to do something by a certain time, they do so.	0.94	0.88	0.12
2. When you have problems, the service provider is sympathetic and reassuring.	0.91	0.83	0.17
3. The service provider is dependable.	0.97	0.93	0.07
4. The service provider provides its services at the time it promises to do so.	0.96	0.93	0.08
5. The service provider keeps its records accurately.	0.81	0.66	0.34

Table 4.5

Fit Statistics and Measurement Scale Properties (N = 449) (Continued)

Construct and Indicators	Completely Standardized Loadings*	Construct/ Indicator Reliability	Error Variance
Responsiveness	**0.97**	**0.95**	**0.05**
1. The service provider tells you exactly when services will be performed.	0.82	0.67	0.33
2. You receive prompt service from the service provider's employees.	0.93	0.86	0.14
3. Employees of the service provider are always willing to help customers.	0.92	0.85	0.15
4. Employees of the service provider are never too busy to respond to your requests promptly.	0.92	0.85	0.15
Assurance	**1.00**	**0.99**	**0.01**
1. You can trust employees of the service provider.	0.90	0.81	0.19
2. You can feel safe in your transactions with the service provider's employees.	0.87	0.76	0.24
3. Employees of the service provider are polite.	0.84	0.71	0.29
4. Employees get adequate support from the service provider to do their jobs well.	0.84	0.74	0.30
Empathy	**0.96**	**0.91**	**0.09**
1. The service provider gives you individual attention.	0.93	0.86	0.14
2. Employees of the service provider give you personal attention.	0.91	0.83	0.17
3. Employees of the service provider know what your needs are.	0.87	0.75	0.25
4. The service provider has your interests at heart.	0.89	0.78	0.22
5. The service provider has operating hours convenient to you.	0.66	0.43	0.57

Fit Statistics

Chi-square = 2204.52 (df = 397, p-value = .001)
RMSEA = .10
ECVI = 5.22
CFI = .90
GFI = .75
PNFI = .80

Note: * All *t*-values were significant at $p < .001$.

All the 30 indicator loadings (scale items) were also statistically significant suggesting that they did belong to their hypothesized dimensions.

Regarding fit indices, the large χ^2 of the model (2204.52, significant at 0.001) indicated a poor fit between the data and the hypothesized model as previously mentioned. Specifically, it suggested that there might be a significant difference "between values in the sample covariance matrix and the reproduced implied covariance matrix that was created based on the specified theoretical model" (Schumacker & Lomax, 2004, p. 82). However, some researchers mentioned that it was not unusual for a model with a large sample size to have a significant χ^2 value (Byrne, 1998; Hair et al., 2005; Hoyle, 1995; Schumacker & Lomax, 2004). As such, other fit indices should also be examined. However, the Root Mean Square Residual (RMSEA) of 0.10 was higher than the acceptable value of 0.05. But the Goodness of Fit Index (GFI) of 0.75, the Comparative Fit Index of 0.90, and the Parsimony Normed Fit Index (PNFI) of 0.80 were moderately acceptable. Even though they did not reach the suggested guideline of 0.95-1.00, the values were still considered moderately high. Overall, the fit indices showed that the data somewhat fit the hypothesized model.

However, based on the indicator and factor loadings, it could still be concluded that all indicators (scale items) belonged to their hypothesized dimensions. And all six dimensions were isolated dimensions of service quality. As such, the first hypothesis was supported. In other words, social responsibility was a salient dimension of service quality.

4-5-2 Hypothesis 2: Highly socially responsible customers use social responsibility in a different magnitude when evaluating service quality than less socially responsible customers.

To test this hypothesis, a multi-sample, second-order confirmatory analysis was employed. Data groups 2 and 3 were used in this analysis. The first model was estimated on the assumption that both highly and less socially responsible customers share the same structure and factor loadings between service quality and the six dimensions. However, the χ^2 result of the first derived model (Model 1, Table 4.6) indicated a poor fit between the data and the hypothesized model (χ^2 value of 3022.44, significant at 0.001). Thus, some modifications were attempted. The modification index suggested that the errors of Assurance Item 1 and Assurance Item 2 should be correlated. However, the modified model (Model 2, Table 4.6) showed a worse χ^2 value. Specifically, the χ^2 of the modified model increased to 3236.34 and the values for other fit indices were also worsened. Thus, the original model was retained. Even though the χ^2 value indicated a poor fit, other fit indices suggested a moderate fit. Additionally, all the loadings were statistically significant.

Table 4.6

Results of Multi-sample, Second-Order Confirmatory Factor Analysis (Same Factor Loadings between Groups)

Modification Step	χ^2	df	$\Delta \chi^2$	ECVI	RMSEA	GFI	CFI	PNFI
1. The Original Model	3022.44 (P=0.0)	804		7.33	0.11	0.66	0.87	0.77
2. Model with correlated errors between Assurance item 1 and Assurance item 2	3236.34 (P=0.0)	803	- 21.39	7.81	0.12	0.66	0.84	0.74

Then, another model was estimated on the assumption that highly and less socially responsible customers had significantly different loadings for social responsibility dimension. The chi-square change of 13.83 was statistically significant at one degree of freedom (Table 4.7). As such, it indicated that the factor loadings for social responsibility in the two data groups were significantly different. Specifically, the loading for highly socially responsible customers (0.82) was higher than the lower socially responsible group (0.59). This supported hypothesis two. Highly socially responsible customers used social responsibility dimension in a stronger magnitude when evaluating quality of services they received from those utilized by less socially responsible customers. Table 4.8 presented the detailed loadings of the two models, one based on the combined data and the other on two separate data groups.

Table 4.7

Results of Multi-sample, Second-Order Confirmatory Factor Analysis (Different Factor Loadings of Social Responsibility Dimension between Groups)

Model	χ^2	df	$\Delta \chi^2$
1. The model with combined data (highly and less socially responsible customer groups)	3022.44 (P=0.0)	804	
2. The model that allows the factor loading of social responsibility to be freely estimated in each group	3008.61 (P=0.0)	803	13.83

Table 4.8

Fit Statistics and Construct (Dimension) Loadings (N = 449)

| Construct | Combined data analysis | | Separate data analysis | | | |
| | | | Highly Socially Responsible Consumer | | Less Socially Responsible Consumer | |
	Completely Standardized Loadings*	Construct/ Indicator Reliability	Completely Standardized Loadings*	Construct/ Indicator Reliability	Completely Standardized Loadings*	Construct/ Indicator Reliability
Social Responsibility	.79	.63	.89	.66	.64	.57
Tangibles	.68	.46	.68	.46	.93	.47
Reliability	.93	.86	.93	.86	.98	.88
Responsiveness	.98	.96	.98	.95	.95	.97
Assurance	.95	.89	.95	.89	.94	.91
Empathy	.94	.90	.94	.90	.93	.87

Fit Statistics
(The model that allows the factor loading of social responsibility
to be freely estimated between highly and less socially responsible customer group)

Chi-square = 3008.61 (df = 803, p-value = .001)
RMSEA = .11
ECVI = 7.30
CFI = .87
GFI = .67
PNFI = .76

Note: * All *t*-values were significant at p < .001.

4-5-3 Hypothesis 3: Highly socially responsible customers use social responsibility criteria as an extra dimension to measure service quality.

Since hypothesis two suggested that highly and less socially responsible customers use a different magnitude of social responsibility dimension in evaluating service quality, data group 2 (highly socially responsible customers) was utilized to test hypotheses three and four. Hierarchical multiple regression technique was used to test hypothesis three. The existing five dimensions of SERVQUAL were entered into the model first. And in the second step, social responsibility dimension was entered. The model with 5 dimensions was statistically significant ($p < 0.001$). It indicated that the five factors explained approximately 80 percent (R^2 of .795) of the variance of the overall rating of service quality. The adjusted R^2 of .791 indicated no over-fitting of the model, and suggested that the result could be generalizable from the perspective of the ratio of observations to variables in the equation (about 50:1 in the final model). All regression coefficients were statistically significant except for the assurance dimension. When adding social responsibility dimension in the second step, though the model was still significant, the result showed that the addition did not yield a statistically significant increment to the model (F-change value of 0.821, $p = 0.366$). In other words, controlling for the five existing dimensions, social responsibility could not statistically increase the predictive ability of the regression model (Table 4.9). Thus, hypothesis three was not supported.

Table 4.9

Results of Hierarchical Multiple Regression Model of the Pre-existing Five Dimensions and Social Responsibility Dimension

Variable	Beta	t-value	Sig.	Tolerance	VIF	R^2	ΔR^2	ΔF	Sig.
Step 1						.795	.795	204.604	.000
Tangibles	.079	2.175	.031	.595	1.681				
Reliability	.394	5.717	.000	.163	6.119				
Responsiveness	.169	2.048	.042	.114	8.788				
Assurance	.009	.117	.907	.131	7.617				
Empathy	.308	4.214	.000	.146	6.860				
Step 2						.796	.001	.821	.366
Tangibles	.090	2.349	.020	.534	1.871				
Reliability	.405	5.786	.000	.159	6.301				
Responsiveness	.169	2.040	.042	.114	8.789				
Assurance	.015	.195	.845	.130	7.676				
Empathy	.319	4.305	.000	.142	7.062				
Social Responsibility	-.043	-.906	.366	.351	2.848				

4-5-4 Hypothesis 4: Compared to the other dimensions, "social responsibility" is the most important dimension in the evaluation of service quality undertaken by highly socially responsible customers.

The confirmatory specification regression method was employed to test this hypothesis using data from group 2 (highly socially responsible customers). Employing a confirmatory method, all service dimensions were entered at the same time. Standardized regression coefficients were compared to ascertain the importance of each dimension. The model with six dimensions was statistically significant ($p < 0.001$). It indicated that the six factors explained approximately 80 percent (R^2 of .795) of the variance of the overall rating of service quality (same as the model with 5 dimensions). The adjusted R^2 of .791 indicated no over-fitting of the model. All regression coefficients were significant except the assurance and social responsibility dimensions (Table 4.10). The tolerance and VIF values suggested that dimensions in this model had a high tendency for multicollinearity. In other words, each of them was highly correlated with one another; therefore, they could not add genuine contributions to the predictive power of the model. Moreover, the coefficient for social responsibility has a negative sign, indicating the impact of multicollinearity (Hair et al., 2005). Among the four significant dimensions, reliability was the most important dimension in evaluating service quality. This supported Parasuraman and his colleagues' work (Parasuraman et al., 1991; Parasuraman et al., 1988). It was followed by empathy, responsiveness, and tangibles. Due to high multicollinearity, the answer to this research question was still questionable. But it was reasonably to conclude that hypothesis 4 was rejected.

Table 4.10

Results of the Confirmatory Specification Multiple Regression Model of the Six Dimensions of

Service Quality

Model						Collinearity statistics	
		Unstandardized coefficient					
	B	Std error	Beta	t-value	Sig.	Tolerance	VIF
Constant	-1.616	.425		-3.803	.000		
Tangibles	.229	.097	.090	2.349	.020	.534	1.871
Reliability	.640	.111	.405	5.786	.000	.159	6.301
Responsiveness	.278	.136	.169	2.040	.042	.114	8.789
Assurance	.029	.148	.015	.195	.845	.130	7.676
Empathy	.589	.137	.319	4.305	.000	.142	7.062
Social Responsibility	-.105	.116	-.043	-.906	.366	.351	2.848

Notes: Dependent variable: overall service quality; adjusted R square = 0.791;
$F_{6,263}$ value = 170.524 ($p < 0.001$)

4-6   POST HOC ANALYSES

In an attempt to thoroughly discuss the results of hypothesis testing in the next chapter, three post hoc analyses were conducted. First, a second-order confirmatory factor analysis was employed to test how well the data supported a model of service quality with the five existing dimensions. The results might provide the grounds to justify an assumption regarding why the data did not fit the hypothesized model of six service quality dimensions in the first hypothesis testing. Additionally, an exploratory factor analysis was utilized to ascertain how many factors are underlying the construct of service quality. Finally, a simple regression model with the social responsibility dimension as the only independent variable was estimated. This analysis should reveal whether highly socially responsible customers used social responsibility as a dimension to evaluate service quality of the services they consumed.

4-6-1   The Second-Order Confirmatory Factor Analysis of Five-Dimension Service Quality Model

The χ^2 result of the model of service quality with five existing dimensions (Model 1 in Table 4.10) indicated a poor fit between the data and the hypothesized model. Specifically, the χ^2 value of 1418.66 was statistically significant ($p < 0.001$). The other fit indices also did not achieve the suggested values, but were high enough to support a moderate fit between the data and the hypothesized model. However, it was inconclusive whether the five-dimension model (Model 1 in Table 4.11) or the six-dimension model (Model 2 in Table 4.11) was better. This was due to only slight difference between the values of their fit indices.

Table 4.11

Results of the Second-Order Confirmatory Factor Analysis

Modification Step	χ^2	df	X^2/df	ECVI	RMSEA	GFI	CFI	PNFI
1. Model with 5 dimensions	1418.66 (P=0.0)	204	6.95	3.39	0.12	0.78	0.91	0.79
2. Model with 6 dimensions	2204.52 (P=0.0)	397	5.55	5.22	0.10	0.75	0.90	0.80

4-6-2   The Exploratory Factor Analysis of Service Quality Construct

Even though the scree plot and eigenvalue criteria suggested that four factors should be derived from the collected data, six factors were estimated as initially hypothesized in the present study. The results indicated that the six derived factors explained about 80 percent of service quality variance (Table 4.12). All tangibles items were factored together (factor 4). Reliability items were grouped together in factor 2 but this factor also included one responsiveness item. Even though the social responsibility items were split into two factors, six items in factor three and the other two in factor five, it could be concluded that all social responsibility items did belong with one another, not the other five existing dimensions. Actually, the two items in factor five were both concerned with environmental/ecological aspect of social responsibility, and this might be why they were factored together in a separate group. On the other hand, responsiveness, assurance, and empathy items were mixed together in factor one, with the exception of one empathy item which was isolated as one-item factor (Table 4.13).

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Table 4.12

Results of the Extraction of Six Dimension Factors (n = 231)

Factors	Eigenvalues	% of variance	Cumulative % of variance
1	18.102	28.207	28.207
2	2.196	18.413	46.620
3	1.397	13.032	59.653
4	1.006	10.192	69.844
5	.833	7.916	77.761
6	.720	3.086	80.847

Table 4.13

VARIMAX Rotated Component Factor Matrix of Service Quality (n = 231)

	VARIMAX-rotated loadings					
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
Factor Label	MIXED	Reliability	SR[*]	Tangibles	SR[*]	Empathy
Variables/items						
Empathy 3	.854					
Assurance 3	.821					
Responsiveness 3	.780					
Assurance 1	.764					
Assurance 2	.750					
Empathy 1	.748					
Empathy 3	.737					
Responsiveness 4	.701					
Responsiveness 2	.682					
Empathy 4	.671					
Assurance 4	.609					
Reliability 1		.777				
Reliability 4		.756				
Reliability 5		.739				
Responsiveness 1		.719				
Reliability 3		.693				
Reliability 2		.618				

Table 4.13

VARIMAX Rotated Component Factor Matrix of Service Quality (n = 231) (Continued)

	VARIMAX-rotated loadings					
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
Factor Label	MIXED	Reliability	SR[*]	Tangibles	SR[*]	Empathy
Variables/items						
Social Responsibility 8			.757			
Social Responsibility 7			.737			
Social Responsibility 6			.730			
Social Responsibility 2			.546			
Social Responsibility 1			.519			
Social Responsibility 5			.519			
Tangibles 4				.824		
Tangibles 2				.780		
Tangibles 3				.776		
Tangibles 1				.468		
Social Responsibility 4					.801	
Social Responsibility 3					.734	
Empathy 5						.545

Note: SR stands for social responsibility.

4-6-3 The Simple Regression Analysis of Service Quality and Social Responsibility Dimension

The results of regression model showed that social responsibility could be used as a sole predictor of service quality. Specifically, it could explain about 50 percent of the variance in service quality (Table 4.14). The regression model was statistically significant as well as all regression coefficients ($p < 0.01$).

Table 4.14

Results of the Simple Regression Model of the Social Responsibility Dimension

Model	Unstandardized coefficient				
	B	Std error	Beta	t-value	Sig.
Constant	-1.659	.560		-2.965	.003
Social Responsibility	1.695	.110	.685	15.437	.000

Notes: Dependent variable: overall service quality; adjusted R square = 0.468; $F_{1,269}$ value = 238.307 ($p < 0.001$)

4-7 SUMMARY

This chapter presented the descriptive statistics for the main study as well as the reliability testing of the main scales used in this study. It also explained how respondents were divided for analysis into two groups (highly and less socially responsible customers) and how summated score for each dimension was calculated. Then, each hypothesis was tested. Second-order confirmatory factor analysis showed that hypothesis one was supported. Social responsibility was a salient dimension of service quality. Hypothesis two was also supported. Multi-sample second-order confirmatory factor analysis showed that highly socially responsible customers used social responsibility in a stronger magnitude than those less socially responsible when they evaluated service quality. However, hypotheses three and four were not supported.

Controlling for the five existing dimensions, social responsibility did not add a significant increment to the prediction of service quality. Also, reliability, not social responsibility, was the most important dimension in the evaluation of service quality. Table 4.15 below summarized the results of hypothesis testing. Post hoc analyses for further discussions were also included in this chapter.

Table 4.15

Summary of the Hypothesis Testing Results

Hypothesis	Results
1. Social responsibility is a salient dimension of service quality.	Confirmed
2. Highly socially responsible customers use social responsibility in a different magnitude when evaluating service quality than less socially responsible customers.	Confirmed
3. Highly socially responsible customers use social responsibility criteria as an extra dimension to measure service quality.	Not confirmed
4. Compared to the other dimensions, "social responsibility" is the most important dimension in the evaluation of service quality undertaken by highly socially responsible customers.	Not confirmed

CHAPTER FIVE

DISCUSSION

5-1   INTRODUCTION

The primary purposes of this study were 1) to explore whether different profiles (market segments) of customers use a different number of dimensions in judging service quality, specifically between general customers and socially responsible customers, 2) to identify whether social responsibility is part of the dimensions underlying service quality in the mind of socially responsible customers, 3) to investigate the role social responsibility plays in measuring service quality in the case of socially responsible customers, 4) to provide service industries with a clearer understanding of how socially responsible customers evaluate the services they provide, and 5) to explore the relative importance of the inclusion of social responsibility dimension as compared to other preexisting dimensions.

As such, the study addressed the following research questions:

1. Is social responsibility a salient dimension of services?

2. Do highly socially responsible customers use the same criteria in evaluating quality of services they receive as those utilized by their less socially responsible counterparts?

3. Do socially responsible customers use social responsibility criteria to measure service quality?

4. How important is the dimension "social responsibility" compared to the other dimensions in the evaluation of service quality undertaken by socially responsible customers?

This chapter presents discussions of each research question. It also covers the implications derived from the study results, limitations of the study, and suggestions for future research.

5-2   RESEARCH QUESTION ONE

Is social responsibility a salient dimension of services?

The first step of the study exploring the social responsibility dimension in the evaluation of service quality was to make a case for whether social responsibility was a salient dimension of service quality. Otherwise, the study would have no merit. This study used second-order confirmatory factor analysis to answer the current research question. Even though the model with six dimensions did not appear to be a good model based on the overall fit indices such as χ^2 value, RMSEA, GFI, CFI, and PNFI, the factor and indicator loadings of each dimension were sufficiently good to lead to a conclusion that social responsibility was a salient dimension of service quality. Moreover, the eight indicators (the social responsibility items) belonged to social responsibility, not the other five existing dimensions.

Actually, the reason why the model with six dimensions was not perfectly supported by the data might primarily be due to the instability of the five existing dimensions of service quality suggested by Parasuraman and his colleagues (1988). Many researchers also reported a failure in confirming the five dimensions of service quality (Cronin & Taylor, 1992, 1994; Finn & Lamb, 1991; Teas, 1993). Specifically, Cronin and Taylor failed to support the stability of the preexisting five dimensions through the use of confirmatory factory analysis, as similar to the method used in this study. They suggested that service quality was unidimensional. Others suggested that there should be either more or fewer dimensions and/or items in measuring

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service quality. For example, a study conducted by Kettinger and Lee (1994) showed that there were four dimensions of service quality (reliability, responsiveness, assurance and empathy). Tangibles was not part of the service quality dimensions. Even research carried out in the same type of services showed various results. Studies in health care services reported varying numbers of service quality dimensions ranging from six to ten (Clow, Fischer, & D., 1995; Headley & Miller, 1993; McAlexander, Kaldenberg, & Koenig, 1994; Walbridge & Delene, 1993). To further reinforce the point, a confirmatory factor analysis model with five existing service quality dimensions was estimated. The fit indices of the first model in table 4.10 on page 88 showed that the model with five dimensions was not fully supported by the data. If the fit indices of the models with five and six dimensions were compared, it was inconclusive regarding which one is better. Additionally, since both models did not use the same sets of indicators (30 indicators in the six-dimension model and 22 indicators in the five-dimension model), it could be questionable to make a conclusion that one model was better than the other.

Another approach to this issue was to run an exploratory factor analysis to ascertain whether those scale items did belong to the hypothesized dimensions. As presented in the post hoc analysis section, the results showed that social responsibility items did belong to one another. They were not factored with any items of the five existing dimensions. On the other hand, all except two items from three dimensions, namely, assurance, responsiveness, and empathy, were mixed and grouped into one dimension. And there was a one-item factor in the model. Actually, in this case, that one item should be deleted and a subsequent round of factor analysis should be run. However, it was beyond the scope of the present study. Based on the various analyses, it was confirmed that social responsibility was a salient dimension of service quality.

5-3   RESEARCH QUESTION TWO

Do highly socially responsible customers use the same criteria in evaluating quality of services they receive as those utilized by their less socially responsible counterparts?

Another issue that the current study attempted to explore was whether highly socially responsible customers used social responsibility in a different degree from those less socially responsible customers. A multi-sample, second-order confirmatory factor analysis was employed. Two models were estimated. It was hypothesized in the first model that all the factor loadings of the six service quality dimensions were exactly the same in both the highly and less socially responsible customer groups. On the other hand, the second model was hypothesized that the factor loading of social responsibility was different between the two groups. Once again, even though the fit indices for both models might not indicate a good fit between the data and the hypothesized models, all the factor and indicator loadings were statistically significant ($p < .001$). But more importantly, the difference value of χ^2 from both models evidenced that the second model was better than the first one ($\Delta\chi^2$ of 13.83, $p < .001$). In other words, highly and less socially responsible customers used social responsibility in a different magnitude when evaluating service quality. Specifically, the factor loading of social responsibility in the group of highly socially responsible customers was 0.82 while it was 0.59 in the group of less socially responsible customers. It indicated that highly socially responsible customers significantly used social responsibility in a stronger magnitude when evaluating service quality than less socially responsible customers. As such, this might trigger an attention from service providers in taking care of the unique needs of socially responsible customers when they provided their services.

5-4 RESEARCH QUESTION THREE

Do socially responsible customers use social responsibility criteria to measure service quality?

Based on the results from the previous data analysis, only the highly socially responsible customer group was used to answer the current and the next research questions. The results of a two-step multiple regression analysis, unfortunately, showed that social responsibility did not add a significant increment to the predictive power of the regression model after accounting for the preexisting five dimensions. However, due to high multicollinearity problem, it was hard to conclude that social responsibility was not part of the dimensions used to evaluate service quality in the mind of socially responsible customers. Actually, if social responsibility was entered first or alone into the model, it could explain approximately half of the variance in service quality (Table 4.13, page 92). Compared to the 80% of service quality variance explained by five preexisting dimensions combined, the predictive power of social responsibility dimension was quite acceptable.

However, high multicollinearity might interfere with the interpretation of the regression model. Specifically, high multicollinearity indicated that two or more variables were highly correlated with each other or one another. As such, the variable could not explain more genuine variance in the dependent variable, in this case service quality (Hair et al., 2005; Pedhazur, 1997). Actually, if stepwise sequential regression was performed, assurance would not be included in the final model either. This indicated that even the existing five dimensions would probably not add a significant increment to the variance of service quality explained by the regression model due to high multicollinearity among the dimensions.

5-5   RESEARCH QUESTION FOUR

How important is the dimension "social responsibility" compared to the other dimensions in the evaluation of service quality undertaken by socially responsible customers?

The current research question was analyzed using confirmatory specification regression method. Given the result of the previous hypothesis, it could be predicted that social responsibility was not the most important dimension in service quality evaluation. Actually, it was reliability which confirmed with the suggestions made by Parasuraman and his colleagues (1988). It was followed by empathy, responsiveness, and tangibles. However, since the regression model was impacted by high multicollinearity, the regression coefficients for social responsibility and assurance were not statistically significant. As such, it might not be appropriate to discuss the importance of these two dimensions. Yet, the results were generally acceptable enough to answer the current research question and to indicate that hypothesis four was not supported.

5-6   IMPLICATIONS OF THE STUDY

As previously indicated, the socially responsible customer segment is growing. Their concerns have been shown to affect their attitudes towards the quality of goods and services (Hurst, 2006) as well as their buying behaviors (Mohr et al., 2001; Reich, 2002). This study was the first of a kind that attempted to explore whether highly socially responsible customers use identical or different dimensions in judging service quality compared to less socially responsible customers. First of all, new scale items to measure a social responsibility construct were developed. Since this new scale proved to have high reliability, other researchers may consider using them when they conduct studies regarding social responsibility in the context of service

quality. Additionally, the study results indicated that social responsibility was a salient dimension of service quality. There are more than five dimensions that customers use to evaluate service quality of the service providers. Moreover, the results also showed that when evaluating service quality, highly socially responsible customers used the concept of social responsibility more pronouncedly than less socially responsible customers did. Even though the results of the present study revealed that the social responsibility dimension did not add a significant increment in explaining the service quality variance after controlling for the five preexisting dimensions, it did not offset the fact that social responsibility was part of the dimensions socially responsible customers used in evaluating service quality.

Besides the contribution to the service quality literature in the context of socially responsible customers, the results of this study also shed some more light on the extant literature regarding SERVQUAL instrument. First, the measurement scale for each dimension proved to have high reliability, supported by high Cronbach alpha coefficients ranging from 0.88-0.96. However, when analyzed together, not all of these five dimensions had criterion validity. Only two dimensions remained stable, namely reliability and tangibles. Items from the other three dimensions were grouped together into one factor. This contradicted with other studies, most of which found tangibles to be unstable (Kettinger & Lee, 1994; Parasuraman et al., 1991). Perhaps this might result from the fact that the present study used combined data collected from customers from various service industries. As some researchers suggested, customers might use different sets of dimensions when evaluating different types of services (Carman, 1990; Getty & Thompson, 1994; Khan, 2003; Thompson et al., 2001). Last but not least, reliability was found to be the most important dimension in an evaluation of service quality. This supported the studies conducted by Parasuraman and his colleagues (1988; 1991). Given the fact that data

from across service industries were used in this study, it might lead to a conjecture that reliability was almost always the most important dimension used in evaluating service quality regardless of service type.

Additionally, though the sampling frame utilized in this study is almost equally divided between males and females, there were significantly more females (63.3%) than males (36.7%) in the study's respondents. The results of this study suggest that women are more likely to respond to an online survey than men. However, future studies are still needed to establish a more solid case regarding this implication.

5-7   LIMITATIONS OF THE STUDY

This study had some limitations. The first limitation was due to the sampling frame of the study. Socially responsible customers were not easily identifiable. Thus, a sample of Virginia Tech faculty and staff were used in this study as a convenient proxy to this segment of customers. And since all of these people were working in an educational institution, these samples might not truly represent the whole population of socially responsible customers who have various occupations. Thus, there might be some concerns about generalization. The next limitation was the fact that using a web survey platform might encounter the issue of accessibility for some people. Not all Virginia Tech faculty and staff members were computer literate or had access to computers on a regular basis. Examples included field employees such as caretakers, plumbers and painters. Thus, only those holding administrative jobs would probably respond to the survey requests. But in reality, field employees could also be socially responsible customers. Additionally, a paper survey might be a better approach to reach these people. Last but not least, the recall design of the research might be problematic. What

customers remembered might not be exactly what they actually experienced at the time of service encounters. Details such as employee appearance and store accessibility might not be correctly recalled.

5-8   SUGGESTIONS FOR FUTURE RESEARCH

Future studies should attempt to use another design of research. A paper survey may access socially responsible customers from a wider variety of occupations. Hence, the samples may more truly represent the socially responsible customer population. In addition, data may be collected right after the service transactions while the customer's service experience is still fresh. Unlike in recall research, respondents should still remember details of the service encounters including servicescapes such as store accessibility. As a result, the reliability and validity of the data should be enhanced.

Additionally, researchers may choose a sample from only a certain type of service industry when conducting the study. Many researchers suggested that customers use different dimensions and scale items to evaluate service quality of different service types (Carman, 1990; Getty & Thompson, 1994; Khan, 2003; Thompson et al., 2001). Social responsibility dimension may be more pronouncedly used in the service industry types that require a long period of service encounters or intense personal interactions such as health care, consulting and catering services.

Another interesting area that can be explored is the linkage between social responsibility and customer satisfaction. Even though it is still controversial whether service quality or customer satisfaction is an antecedent of the other, literature suggests that service quality and customer satisfaction are two related, but yet distinct constructs (Boulding et al., 1993; Carman,

1990; Oh & Parks, 1998; Parasuraman, Berry, & Zeithaml, 1993). Since social responsibility proved to affect how socially responsible customers evaluate service quality, it is very likely that social responsibility may also play a role in shaping satisfaction of this customer segment.

5-9   SUMMARY

This chapter covered the purposes of the study and discussions of all the research questions addressed in this study. Implications and limitations were also presented. Then, it provided suggestions for future research.

5-10   CONCLUSION

This study provided an insight to the construct of social responsibility in service quality evaluation within the context of socially responsible customer segment. Two hypotheses were supported while the other two were rejected. However, the study results revealed that social responsibility was a salient dimension in the evaluation of service quality and could solely be used to predict the variance in service quality. Additionally, the dimension of social responsibility was used in a higher magnitude by highly socially responsible customers in evaluating service quality as compared to those indicating lower social responsibility.

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The Script for Focus Group Interview

Goal of the project: To develop a scale that measures how socially responsible consumers use social responsibility as a dimension to evaluate service quality

WELCOME

* I am a Ph.D. candidate within HTM at VT.

* Make sure you know it is voluntary to participate in the focus group and that the focus group today will be tape recorded so that we won't miss anything. However, your identities will be kept confidential. You can use a pseudonym when referring to each other in this focus group.

* Be very appreciative of your time and opinions.

OVERVIEW OF THE FOCUS GROUP AND SOME GROUND RULES

* Give a brief statement about why the focus group is being conducted. An associate is Ping, who will be taking some notes.

* The ultimate product will be a scale used to measure service quality undertaken by socially responsible consumers.

* The reasons they are invited is because they are socially responsible consumers.

* There are no right or wrong answers. All of their views are important.

* * Think of this of a conversation, not a Q&A session. It's flexible. Please feel free to share your ideas when you want. Don't need to wait to be called on.

LIST OF QUESTIONS/PROBES

1. Just to break the ice a bit, please tell us your name (feel free to use alias/pseudonym) and where you went on your last vacation. (Prompts: when, how long?)

2. What comes to mind when you hear the phrase "service industry"? List the various components! (Prompts: retailing, hospitality, hospitals, etc.)

3. With that in mind, think about the last time you experienced exceptionally good service, regardless of where you had the experience. What happened that makes you describe your experience as exceptionally good?

4. On the other hand, think about a recent experience when you've received poor service. What happened that makes you describe your experience as poor?

5. As you know, you've been invited to join this focus group because you are socially responsible customers, can you tell us how you became socially responsible consumer.

6. As a socially responsible consumer, what things that you think you expect out of a service provider that perhaps non-socially responsible consumers do not?

7. What companies are good examples of socially responsible service providers? Why?

8. Normally, how do you learn about the information regarding the service company whether they are socially responsible?

9. When you hear the word "socially responsible services", what comes to mind? (Prompts: environmentally friendly, fair price, fair to employees, legal, ethical)

10. What is the single most important thing about a service that would make you say right away that the service is socially responsible?

11. What are the other key ingredients of socially responsible services? What kind of information do consumers look for to decide whether the services are socially responsible?

12. Have you ever rewarded or punished any service providers for their level of social responsibility? How? Please explain!

13. Have we missed anything? Is there anything we should have talked about but didn't?

CLOSING

* Express appreciation

Questions for In-Depth Interview

1. What comes to mind when you hear the phrase "service industry"? (Prompts: retailing, hospitality, hospitals, etc.)

2. With that in mind, think about the last time you experienced exceptionally good service, regardless of where you had the experience. What happened that makes you describe your experience as exceptionally good?

3. On the other hand, think about a recent experience when you've received poor service. What happened that makes you describe your experience as poor?

4. As you know, you've been invited to this interview because you are socially responsible customers, can you tell me how you became socially responsible consumer.

5. As a socially responsible consumer, what things that you think you expect out of a service provider that perhaps non-socially responsible consumers do not?

6. What companies are good examples of socially responsible service providers? Why?

7. Normally, how do you learn about the information regarding the service company whether they are socially responsible?

8. When you hear the word "socially responsible services", what comes to mind? (Prompts: environmentally friendly, fair price, fair to employees, legal, ethical)

9. What is the single most important thing about a service that would make you say right away that the service is socially responsible?

10. What are the other key ingredients of socially responsible services? What kind of information do consumers look for to decide whether the services are socially responsible?

11. Have you ever rewarded or punished any service providers for their level of social responsibility? How? Please explain!

12. Have we missed anything? Is there anything we should have talked about but didn't?

Questionnaire for Pilot Study

Thank you for participating in this study. This survey consists of 3 sections and it should take less than 10 minutes to complete. Your valuable responses will help service providers understand the role that social responsibility plays in the evaluation of service quality.

I. Attitudes Regarding Social Responsibility

A. This section asks questions regarding your attitude about social responsibility.

1. Please indicate your level of agreement with the following statements.

	Strongly Disagree				Strongly Agree
1. It is no use worrying about current events or public affairs; I can't do anything about them anyway.	1	2	3	4	5
2. Every person should give some of his time for the good of his town or country.	1	2	3	4	5
3. Our country would be a lot better off if we didn't have so many elections and people didn't have to vote so often.	1	2	3	4	5
4. Letting your friend down is not so bad because you can't do good all the time for everybody.	1	2	3	4	5
5. It is the duty of each person to do his job the very best he can.	1	2	3	4	5
6. People would be a lot better off if they could live far away from other people and never have to do anything for them.	1	2	3	4	5
7. At school I usually volunteered for special, projects.	1	2	3	4	5
8. I feel very bad when I have failed to finish a job I promised I would do.	1	2	3	4	5

2. Please indicate your level of agreement with the following statements.

	Strongly Disagree				Strongly Agree
1. It really bothers me to find out that the service firm that I buy from has not acted in a socially responsible manner.	1	2	3	4	5
2. Whether a service firm is socially responsible is not important to me in making my decision of what to buy.	1	2	3	4	5
3. I don't really care whether the service firms I buy from have a reputation for socially responsible behavior.	1	2	3	4	5
4. It is important to me that the service firms I deal with do not have reputations for being socially irresponsible.	1	2	3	4	5
5. It really pleases me to find that the service firms I buy from have acted in a socially responsible manner.	1	2	3	4	5

3. Please indicate your level of agreement with the following statement.

	Strongly Disagree									Strongly Agree
1. I am a socially responsible customer.	1	2	3	4	5	6	7	8	9	10

II. Evaluation of Service Quality

B. This section asks questions regarding service quality. First, please recall either an example of good service or an example of poor service that you have experienced within the last three months. This service can be provided by any type of the service firm.

1. Did you recall a good or poor service experience?

       ❑ good service

       ❑ bad service

2. Please indicate the name of the service firm.

      _____

3. The following statements relate to your feelings about your recalled service. For each statement, please show the extent to which you believe the service provider has the feature described. With the recalled service in mind, please choose "7" if you strongly agree that its provider has that feature and choose "1" if you strongly disagree. You may choose any of the numbers in the middle that show how strong your feelings are. There are no right or wrong answers—all we are interested in is a number that best shows your perception about the recalled service and its provider. Please note that your recalled service will now be referred to only as "service" and the firm that provided you the recalled service will be referred to as "the service provider".

	Strongly Disagree						Strongly Agree
1. Employees of the service provider are treated fairly.	1	2	3	4	5	6	7
2. The service provider treats all customers equally.	1	2	3	4	5	6	7
3. The service provider provides services that are likely to promote environmental sustainability (e.g. protect natural resources).	1	2	3	4	5	6	7
4. The service provider uses as many local resources as possible when producing services (e.g. local products and employees).	1	2	3	4	5	6	7
5. Services are charged at a fair price.	1	2	3	4	5	6	7
6. The service provider abides by the law when providing their services.	1	2	3	4	5	6	7
7. Services are provided in a safe and accessible environment for customers.	1	2	3	4	5	6	7
8. Services are provided in a safe and accessible environment for employees.	1	2	3	4	5	6	7

4. Please indicate your evaluation of the overall quality of the recalled service by choosing one of the ten numbers to the right of the statement (1="poor" to 10="excellent").

	Poor									Excellent
Rating of overall service quality	1	2	3	4	5	6	7	8	9	10

III. Additional Information

C. Please check the response(s) that best applies to you.

1. What is your gender?
      ❐ Male
      ❐ Female

2. Your year of birth

    _____

3. Indicate your highest level of completed education
      ❐ High school or GED equivalent graduate
      ❐ College graduate
      ❐ Master's degree graduate
      ❐ Doctoral degree graduate
      ❐ Other (please specify) _____

4. Have you ever researched the social responsibility of a firm before using their services?
      ❐ Yes
      ❐ No (Please go to question 7)

5. What kind of information were you looking for when you did the search mentioned in item 4 above? Please check all that apply.

- ❐ rating on a specific website that monitors the social responsibility of companies and businesses
- ❐ Company mission
- ❐ Company policy regarding human resource practices
- ❐ Company policy regarding environmental sustainability
- ❐ Company policy regarding community involvement
- ❐ Company policy regarding customer interaction
- ❐ Existence of employee unions
- ❐ Fair trade certification
- ❐ Other (please specify) _____

6. Where do you normally get information regarding a company's social responsibility? Please check all that apply.

❐ Friends	❐ Social networks
❐ Free websites	❐ Paid websites
❐ Local newspaper	❐ National newspaper
❐ Local television programs	❐ Syndicated/cable television programs
❐ Local radio station	❐ Syndicated radio station programs
❐ Company documents such as annual reports	❐ Alternative sources such as podcasting
❐ Other (please specify) _____	

7. Would you like to register in the drawing for one of the five Kroger gift cards with $40 value each?

- ❐ Yes (Please send an e-mail to somyot@vt.edu with a subject line "gift card registration")
- ❐ No

APPENDIX D

Questionnaire for Main Study

Thank you for participating in this study. This survey consists of 3 sections and it should take less than 10 minutes to complete. Your valuable responses will help service providers understand the role that social responsibility plays in the evaluation of service quality.

I. Attitudes Regarding Social Responsibility
A. This section asks questions regarding your attitude about social responsibility.

1. Please indicate your level of agreement with the following statements.

	Strongly Disagree				Strongly Agree
1. It really bothers me to find out that the service firm that I buy from has not acted in a socially responsible manner.	1	2	3	4	5
2. Whether a service firm is socially responsible is not important to me in making my decision of what to buy.	1	2	3	4	5
3. I don't really care whether the service firms I buy from have a reputation for socially responsible behavior.	1	2	3	4	5
4. It is important to me that the service firms I deal with do not have reputations for being socially irresponsible.	1	2	3	4	5
5. It really pleases me to find that the service firms I buy from have acted in a socially responsible manner.	1	2	3	4	5

2. Please indicate your level of agreement with the following statement.

	Strongly Disagree								Strongly Agree	
1. I am a socially responsible customer.	1	2	3	4	5	6	7	8	9	10

II. Evaluation of Service Quality

B. This section asks questions regarding service quality. First, please recall either an example of good service or an example of poor service that you have experienced within the last three months. This service can be provided by any type of the service firm.

1. Did you recall a good or poor service experience?
   - ❐ good service
   - ❐ bad service

2. Please indicate the name of the service firm.

   _____

3. The following statements relate to your feelings about your recalled service. For each statement, please show the extent to which you believe the service provider has the feature described. With the recalled service in mind, please choose "7" if you strongly agree that its provider has that feature and choose "1" if you strongly disagree. You may choose any of the numbers in the middle that show how strong your feelings are. There are no right or wrong answers—all we are interested in is a number that best shows your perception about the recalled service and its provider. Please note that your recalled service will now be referred to only as "service" and the firm that provided you the recalled service will be referred to as "the service provider".

	Strongly Disagree						Strongly Agree
1. Employees of the service provider are treated fairly.	1	2	3	4	5	6	7
2. The service provider treats all customers equally.	1	2	3	4	5	6	7
3. The service provider provides services that are likely to promote environmental sustainability (e.g. protect natural resources).	1	2	3	4	5	6	7
4. The service provider uses as many local resources as possible when producing services (e.g. local products and employees).	1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
5. Services are charged at a fair price.	1	2	3	4	5	6	7
6. The service provider abides by the law when providing their services.	1	2	3	4	5	6	7
7. Services are provided in a safe and accessible environment for customers.	1	2	3	4	5	6	7
8. Services are provided in a safe and accessible environment for employees.	1	2	3	4	5	6	7
9. The service provider has up-to-date equipment.	1	2	3	4	5	6	7
10. The service provider's physical facilities are visually appealing.	1	2	3	4	5	6	7
11. The service provider's employees are well dressed and appear neat.	1	2	3	4	5	6	7
12. The appearance of the physical facilities of the service provider is in keeping with the type of services provided.	1	2	3	4	5	6	7
13. When this service provider promises to do something by a certain time, they do so.	1	2	3	4	5	6	7
14. When you have problems, the service provider is sympathetic and reassuring.	1	2	3	4	5	6	7
15. The service provider is dependable.	1	2	3	4	5	6	7
16. The service provider provides its services at the time it promises to do so.	1	2	3	4	5	6	7
17. The service provider keeps its records accurately.	1	2	3	4	5	6	7
18. The service provider tells you exactly when services will be performed.	1	2	3	4	5	6	7
19. You receive prompt service from the service provider's employees.	1	2	3	4	5	6	7
20. Employees of the service provider are always willing to help customers.	1	2	3	4	5	6	7
21. Employees of the service provider are never too busy to respond to your requests promptly.	1	2	3	4	5	6	7
22. You can trust employees of the service provider.	1	2	3	4	5	6	7
23. You can feel safe in your transactions with the service provider's employees.	1	2	3	4	5	6	7
24. Employees of the service provider are polite.	1	2	3	4	5	6	7
25. Employees get adequate support from the service provider to do their jobs well.	1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
26. The service provider gives you individual attention.	1	2	3	4	5	6	7
27. Employees of the service provider give you personal attention.	1	2	3	4	5	6	7
28. Employees of the service provider know what your needs are.	1	2	3	4	5	6	7
29. The service provider has your interests at heart.	1	2	3	4	5	6	7
30. The service provider has operating hours convenient to you.							

4. Please indicate your evaluation of the overall quality of the recalled service by choosing one of the ten numbers to the right of the statement (1="poor" to 10="excellent").

	Poor									Excellent
Rating of overall service quality	1	2	3	4	5	6	7	8	9	10

III. Additional Information

C. Please check the response(s) that best applies to you.

1. What is your gender?

     ❐ Male

     ❐ Female

2. Your year of birth

    _____

3. Indicate your highest level of completed education

     ❐ High school or GED equivalent graduate

     ❐ College graduate

     ❐ Master's degree graduate

     ❐ Doctoral degree graduate

     ❐ Other (please specify) _____

4. Have you ever researched the social responsibility of a firm before using their services?

     ❐ Yes

     ❐ No (Please go to question 7)

5. What kind of information were you looking for when you did the search mentioned in item 4 above? Please check all that apply.

❒ rating on a specific website that monitors the social responsibility of companies and
      businesses

❒ Company mission

❒ Company policy regarding human resource practices

❒ Company policy regarding environmental sustainability

❒ Company policy regarding community involvement

❒ Company policy regarding customer interaction

❒ Existence of employee unions

❒ Fair trade certification

❒ Other (please specify) _____

6. Where do you normally get information regarding a company's social responsibility? Please check all that apply.

❒ Friends and family	❒ Social networks
❒ Free websites	❒ Paid websites
❒ Local newspaper	❒ National newspaper
❒ Local television programs	❒ Syndicated/cable television programs
❒ Local radio station	❒ Syndicated radio station programs
❒ Company documents such as annual reports	
❒ Other (please specify) _____	

7. Would you like to register in the drawing for one of the five Kroger gift cards with $40 value each?

❒ Yes (Please send an e-mail to somyot@vt.edu with a subject line "gift card registration")

❒ No