Corporate Social Responsibility (CSR):
Investigating Impacts on Customer Response
at Two Stages of the Tour Experience

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ABSTRACT

Recently, there has been increasing interest in Corporate Social Responsibility (CSR) among governments, business, and consumers (Beckmann, 2007; Carroll & Shabana, 2010). In particular, consumers are already making day to day decisions based on environmental/social considerations and are moving to extend this purchase behaviour into tourism products (Miller, 2003). This interest has spurred on greater investment in CSR related activities, more visibility of CSR activities in the media and more questioning about the worth of such initiatives. As a result, tourism and hospitality organisations are spending more time and money on CSR initiatives including marketing communications (Sheldon & Park, 2011). A critical issue for firms is the selection of appropriate responsible marketing tools that best match the firm's business interests (Piercy & Lane, 2009) and are influential in creating more positive customer response. To date, little is known about which type of responsible marketing tools work more effectively to influence customer evaluations and behavioural outcomes, and under what conditions this influence occurs. This thesis aims to investigate: *how does the ethical responsibility of tour operators influence customer evaluations and behavioural outcomes at different stages of the tour experience?*

The World Travel and Tourism Council (WTTC) defined CSR in tourism as the standard for businesses to responsibly manage all aspects of operations for their impact not only on shareholders, but also on other stakeholders. Tourism companies can consider a range of ethical issues related to areas such as the environment, culture, the community, employee, and customers (Payne & Dimanche, 1996; Tepelus, 2008). However, little is known about how customers will respond to different ethical issues addressed by a tour company. In this regard the tour sector has to date displayed a widespread reluctance to fully embrace responsible tourism activities (Dodds & Kuehnel, 2010). Second, what types of ethical initiatives should a firm select to fulfil its concern about an area of responsibility? Tourism accreditation represents an external initiative and codes of ethics represent an internal initiative. These two popular tourism industry initiatives require investigation for their impact on customer choice (Buckley, 2002). A limited number of scholars have discussed the impact of accreditation

programs on consumer choice in general (e.g., Berghoef & Dodds, 2011) or tourist choice and decision-making (e.g., Bergin-Seers & Mair, 2009), but the impact of a code of ethics remains unexplored. Internal outcomes investigated in this thesis are customer evaluations of the overall quality of the tour operator, trust, and perceived value. Two external outcomes investigated are purchase intention and word-of-mouth communication.

This thesis employed a quantitative approach using a factorial experimental design to investigate the impact of ethical responsibility on customer evaluations and outcomes. Two experimental studies were designed to test different aspects of ethical responsibility at different stages of the tour experience. In Study 1, the pre-booking stage, information about tourism accreditation and codes of ethics was manipulated using a tour brochure for a Thai day tour of elephant trekking as stimulus material. In Study 2, the post-tour stage, information about ethical responsibility toward environmental and employee issues was manipulated using a tour vignette as stimulus material. The empirical data for both studies were collected from Australian samples using an online survey. The main data analysis techniques included factor analysis, analysis of variance, multiple analysis of variance, and structural equation modelling.

At the pre-booking stage (Study 1), analysis showed the direct and positive impacts of tourism accreditation and codes of ethics information on perceived tour program quality (a dimension of the overall quality of tour operators), trust, all dimensions of perceived value, and tour booking intention. By comparison, codes of ethics information appeared to have a stronger impact than tourism accreditation. At the post-tour stage (Study 2), the results demonstrated the direct and positive impact of ethical responsibility toward environmental issues on the perceived overall quality of tour operators, trust, perceived value, and word-of-mouth referrals. Second, a positive 'indirect' effect of ethical responsibility on behavioural outcomes through the mediating effect of a set of customer evaluations was found.

Practical implications for tour operators suggest that environmental issues should be accorded priority and widespread industry implementation of codes of ethics are especially suitable for small-to-medium size companies that are reluctant to embrace such activities. In this regard, better collaboration between the government and the tour operating sectors to promote CSR through the development of ethical codes of conduct that can be applied for all sizes and types of tour operators is suggested.

Keywords: corporate social responsibility, ethical issues, ethical initiatives, tourism accreditation, codes of ethics, tour operators, perceived overall quality, trust, value, behavioural outcomes

STATEMENT OF ORIGINALITY

This work has not previously been submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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CHAPTER 1
INTRODUCTION

1.1 Background to the Research

Corporate social responsibility (CSR) is an important issue for businesses both locally and globally in terms of managing their roles in society as good citizens (Jamali & Mirshak, 2007). The importance and need for CSR has been raised by international organisations, such as the United Nations, bringing together businesses, international agencies, civil societies and governments to combat global issues, including environment, human rights, labour, and anti-corruption (www.unglobalcompact.org). In the tourism industry, the need for CSR has been increasing because of the realisation of negative impacts generated by tourism businesses (e.g., Dodds & Kuehnel, 2010). This growth in the importance of CSR in tourism provides the background for this thesis and is reviewed from a range of perspectives.

Before elaborating on this growth in interest, this thesis outlines how CSR has been conceptualised from various perspectives; however, there remains uncertainty as to how it should be defined and practised in a specific context (Dahlsrud, 2008). It is also unclear whether CSR initiatives that work in one context will work in another context or if customers in a different market place will respond to CSR in the same way. The uncertainty of this debate provides the starting point for investigation in this thesis, while CSR in the tourism context provides the focus. This thesis applies the broad definition of CSR provided by the World Travel and Tourism Council (WTTC, 2002) as "the standard for businesses to responsibly manage all aspects of operations for their impacts not just on shareholders, but also on other stakeholders, such as employees, customers, communities, and the environment" (p. 2).

A pronounced increase in the importance and significance of CSR has been growing for decades (Carroll & Shabana, 2010) and is evident among governments, businesses, consumers, and academics (Beckmann, 2007). For instance: (1) governments are key

drivers of CSR as sources of public policies, rules, and regulations (Albareda, Lozano, Tencati, Midttun, & Perrini, 2008), (2) an increasing interest in CSR has shifted from shareholder concerns (e.g., Friedman, 1970) to stakeholder concerns (e.g., Buchholz, 1991), and (3) there is an increasing consumer demand and response to CSR and ethical products and services (MORI, 2003; The Cooperative Bank, 2007). In particular, consumers are already making day to day decisions based on environmental/social considerations and are moving to extend this purchase behaviour into tourism products (Miller, 2003). In accordance with this market trend, research into the impact of CSR on consumers has become mainstream in the marketing/business/CSR literature (V. Smith & Langford, 2009), where researchers have argued that CSR enhances competitive advantage (e.g., Porter & Kramer, 2006). The empirical findings in the general marketing context have revealed that consumers respond positively to CSR initiatives (e.g., Luo & Bhattacharya, 2006; L. McDonald & Rundle-Thiele, 2008; Mohr, Webb, & Harris, 2001; Ricks, 2005). This thesis extends current knowledge about consumer response to CSR in tourism.

The practice of CSR is not new in the tourism context; rather it is related to the concept of sustainable tourism (Jucan & Jucan, 2010). The two approaches share the same goal in pursuing "sustainability". The principles of sustainable tourism have often been championed by governments. According to the United Nations World Tourism Organization (UNWTO), sustainable tourism comprises environmental, economic, and socio-cultural aspects and can be applied to all forms of tourism in all types of destinations (http://www.unwto.org). In keeping with the principle, CSR can be viewed as "the implementation" to achieve the "principle" of sustainable tourism development (Jucan & Jucan, 2010). In a similar vein, it is argued that CSR is a social license to operate at tourism destinations (P. Williams, Gill, & Ponsford, 2007). CSR 'implementations' promoting sustainable development are evident in many tourist destinations, such as Canada (Hudson & Miller, 2005), South Africa (Spenceley, 2007), Spain (Argandoña, 2010), Thailand (Henderson, 2007), and the UK (Miller, 2001).

Alongside the general growth in CSR implementation among tourism businesses, there has been a positive trend in ethical and responsible tourism (Center for Responsible Travel, 2010; Goodwin & Francis, 2003; Miller, 2003) across a range of tourism sectors. For instance, studies in the accommodation sector have shown positive attitudes and supportive behaviours of customers toward environmentally-friendly accommodation (Fairweather, Maslin, & Simmons, 2005; Firth & Hing, 1999; Manaktola & Jauhari, 2007; W. Lee & Moscardo, 2005). Most travellers believe that tour operators and travel agents should be responsible for ethical issues (Spenceley, 2007; TEARFUND, 2001). In response to this tourist demand, tourism businesses have applied CSR as a marketing and management tool to maintain their image and reputation as well as to reduce the risk and pressure in both the consumer and labour markets (N. Smith, 2003; Tepelus, 2005). In doing this, many tour operators have practised a range of responsible initiatives (Tour Operator Initiatives, 2003). However, little is known about which type, and under which condition, CSR initiatives work more effectively to gain a positive response from customers of tour companies. Indeed, Miller Rathouse, Scarles, Holmes, and Tribe (2010) questioned whether the simple provision of CSR-related marketing materials will change tourist behaviour. This thesis aims to investigate how customers respond to the practice of ethical CSR initiatives in the tour operating sector and provides both theoretical and practical implications for academics and managers. The discussion in the next section explicates details that address the research problem and outlines the research framework.

1.2 Research Problem

In this section, three key issues are addressed in the development of the research problem: (1) a lack of empirical studies investigating the impact of different types of ethical initiatives on customer response in the tourism context (2) a limited approach to evaluating customer response and (3) limited empirical studies about the impact of CSR on customer response at the post-consumption stage.

The first issue highlighted is a lack of CSR-consumer research in relation to ethical responsibility in the tourism context. In the non-tourism context, a large number of empirical studies have reported a positive effect of ethical responsibility on consumers. Examples include the works of Boulstridge and Carrigan (2000); Brink, Odekerken-Schröder, and Pauwels (2006); Creyer and Ross (1997); Deng (2012); and Ellen, Webb, and Mohr (2006). Overall, these researchers have argued that to some extent the ethical behaviours of a company can influence a purchase decision.

The importance of ethics has been discussed from various perspectives in the context of tourism, such as the ethical framework for tourism (Macbeth, 2005), ethical issues, (B. King, Dwyer, & Prideaux, 2006; Hughes, 2001), and the competitive advantage of ethical tourism (Weeden, 2002). The importance of ethical responsibility has been highlighted by international tourism organisations, such as the World Travel and Tourism Council (WTTC). The WTTC has advocated that the CSR activities of tourism operators should go beyond charitable contributions to an adoption of business practices that are based on ethical values. However, research that has investigated how consumers respond to such ethical practices is limited. Available empirical research has shown that with respect to sectors, such as the restaurant sector (e.g., Luria & Yagil, 2008) and the hotel sector (e.g., Keung, 2000), the ethical behaviours of staff and/or a company impact on customer perception.

Ethical initiatives, such as environmental management systems, accreditation programs, and ethical codes of conduct have been implemented (Buckley, 2002; Font, 2002) and evaluated (Cole, 2007; Malloy & Fennell, 1998). However, there is limited empirical research on how consumers respond to an ethically responsible tour company that is practising environmental protection programs (e.g., Bergin-Seers & Mair, 2008, 2009; Foster, 2001), and empirical studies investigating the influence of codes of ethics on consumer response are completely lacking (Kazimierczak, 2006). To date, studies have not investigated which type of initiative is more effective in influencing consumer response. This thesis will fill the gap by expanding the investigation into the effects of codes of ethics, together with accreditation programs. It is also considered advisable for a company to identify which social/ethical issues should be taken into account before

implementing CSR programs (N. Smith, 2003; Porter & Kramer, 2006). Tourism companies can consider a range of ethical issues regarding the environment, culture, community, employees, and customers (e.g., Hughes, 2001; Payne & Dimanche, 1996; Tepelus, 2008); however, little is known about how customers will respond to the different ethical issues addressed by a tour company. This thesis aims to expand knowledge in this area.

The second issue addressed in developing the research problem involves consumer response variables. In their conceptual paper, Bhattacharya and Sen (2004) classified consumer response into two types of outcomes: internal and external. Internal outcomes include variables, such as customer awareness, attributions, attitude, and attachment. Other studies have referred to the internal outcomes for consumers as customer evaluations of a company/product/brand (Brown, 1998; Marin, Ruiz, & Rubio, 2009; Mohr & Webb, 2005; Oppewal, Alexander, & Sullivan, 2006; Salmones, Crespo, Bosque, 2005; Sen & Bhattacharya, 2001; Síngh, Sánchez, & Bosque, 2008). While consumer evaluation standards go beyond product performance to include ethical standards (V. Smith & Langford, 2009), in most of these studies, company/product/brand evaluation is not comprehensively considered. It is argued in the literature that if ethical standards are included in business operations, customer evaluations of a company should be measured more comprehensively using measures such as the perceived ethical performance of a company (e.g., Yang, Chandlress, Lin, & Chao, 2009), value, and trust (Bhattacharya, Korschun, & Sen, 2009). Studies measuring these consumer evaluation variables, such as the internal outcome of CSR in the tourism context, cannot be found. There is no empirical evidence showing how these internal outcomes are associated when customers evaluate responsible tourism products. This thesis explores how customers can evaluate an ethically responsible tour package and a tour company in a more comprehensive manner.

A second type of consumer response that has been defined by Bhattacharya and Sen (2004) is an external outcome which traditionally refers to actual behaviours and/or behavioural intentions, such as word-of-mouth, purchase, and loyalty. While a number of previous studies have examined the direct CSR impact on purchase intention (e.g.,

Mohr & Webb, 2005; Sen & Bhattacharya, 2001; V. Smith & Langford, 2009), empirical research investigating CSR impact on word-of-mouth is limited. This thesis aims to extend knowledge in this area by investigating the impact of ethical responsibility on word-of-mouth communication in the tour context.

The impact of CSR on both internal and external outcomes can be mediated and/or moderated by other factors. For example, relevant internal outcomes can mediate the direct impact of CSR on external outcomes (Bhattacharya & Sen, 2004; V. Smith & Langford, 2009). CSR research has shown that consumer reactions to CSR activities are not homogenous (V. Smith & Langford, 2009). Factors, such as different personal characteristics, levels of company-consumer congruence, and levels of customer support for CSR, also play a significant role in moderating the effects of CSR initiatives on consumer internal and external outcomes (Sen & Bhattacharya, 2001). Tourism studies have demonstrated that tourists in different cultures have different approaches to responsible behaviours (M. Kang & Moscardo, 2006) and different groups of green consumers have different perceptions about green tourism products (Bergin-Seers & Mair, 2009). There is a lack of empirical studies investigating whether different personal traits supporting CSR activities (labelled in this thesis as 'CSR predisposition') will moderate the impact of CSR initiatives and if the moderating effect will exist in the same way for different types of CSR initiatives. This thesis aims to extend current knowledge about the mediation/moderating effect of salient variables, especially on personal traits supporting CSR in the tourism context.

The final issue highlighted involves the consumer decision-making process. According to Neal, Quester, and Hawkins (2002), the 'classic' consumer decision-making process involves five stages: (1) problem recognition (2) information search (3) evaluation and selection (4) purchase, and (5) post-purchase processes including use, evaluation, disposal, and repurchase behaviour. Although initially proposed in relation to the general marketing context, these five processes of consumer decision-making are similar to traveller decision-making (e.g., Sirakaya & Woodside, 2005; Woodside & King, 2001). For example, Woodside and King argued that the purchase and consumption of tourism products is a sequentially staged system for leisure travel

behaviours. That is, prior to a trip, tourists will search for information about a destination, accommodation, activities, and attractions. At a pre-trip stage, factors, such as personal values, previous experience, reference groups, and a company's marketing activities can form travel intentions and influence choice, evaluation and making a decision to purchase. Further, at the post-consumption stage, tourists will evaluate their satisfaction and generate post-consumption intentions based on their experiences.

It is important to investigate the impact of CSR on customer response not only prior to a trip, but also after consumption. Nowadays, consumers in the tourism market place are more interested in the responsible actions of tour operators (Goodwin, 2005). Many tour operators respond by reporting their responsible behaviours (Dodds & Joppe, 2005) and promoting CSR information through accreditation programs and voluntary codes (Buckley, 2002). Consequently, more information about ethical responsibility is now available to the travelling public. However, only a limited number of empirical studies have examined how customers respond to CSR initiatives being practised by a tour company, prior to their purchase of a tour (e.g., Bergin-Seers & Mair, 2008). While research investigating the effects of CSR by tourism businesses at the pre-purchase stage is limited, empirical research exploring how customers evaluate a responsible tour after the tour experience is also deficient. It is argued that the messages alone about CSR activities prior to a purchase of products are not enough to trigger a positive evaluation from customers because consumers learn about CSR activities from the company itself (Schuler & Cording, 2006). In other words, customers also learn about the responsible behaviours of a company from their experience of the trip and the information about ethical responsibility given during the trip. Therefore, investigating whether customers will evaluate a responsible tour/tour company in the same way after a tour experience, as they might before the trip is important. This thesis aims to add to the body of knowledge about how customers respond to ethical CSR initiatives at both the pre-purchase and post-consumption stages of the tour experience.

1.3 Research Question and Objectives

The three issues previously identified in the development of the research problem are (1) a lack of empirical research in ethical CSR-consumer relationship in tourism, (2) a conceptualisation issue of customer internal response and a limitation of customer external response, such as word-of-mouth, and (3) a lack of CSR research at the post-consumption stage. Following these three research issues, the research question is: **"How does the ethical responsibility of tour operators influence customer evaluations and behavioural outcomes at different stages of the tour experience?"** Figure 1.1 depicts an overview of the research question examined in this thesis that highlights the pre-booking and post-purchase stages.

The four research objectives that emerge from this research problem are:

Objective 1: To investigate the direct impact of the ethical responsibility of tour operators on customer evaluations and a behavioural outcome at the pre-booking stage.

Objective 2: To investigate the direct impact of the ethical responsibility of tour operators on customer evaluations and a behavioural outcome at the post-tour stage.

Objective 3: To investigate the moderating effect of CSR predisposition on the relationship of the ethical responsibility of tour operators and customer evaluations and behavioural outcomes, at the pre-booking and the post-tour stages of the tour experience.

Objective 4: To investigate the mediating effect of a set of customer evaluations in the relationship between the ethical responsibility and behavioural outcomes, at the pre-booking and the post-tour stages of the tour experience.

Figure 1.1. An Overview of the Research Question
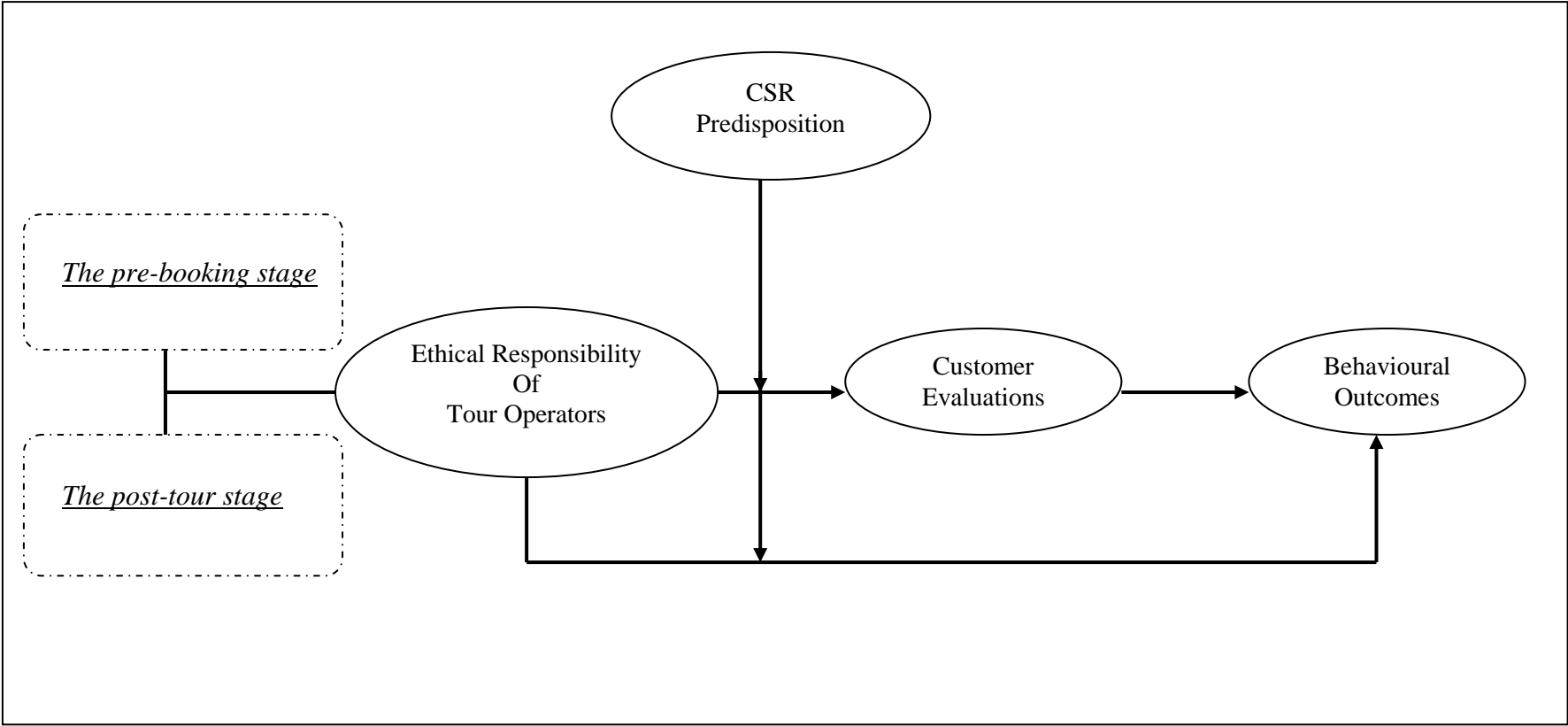
1.4 Justification for the Research

This thesis will identify five major areas to assist the tour operating sector, especially in Thailand, and to fill gaps in the CSR-tourism literature. First, from a marketing and policy perspective, the findings are expected to provide useful information for promoting ethically responsible tourism in Thailand where CSR interest has been increasing. Diethelm Travels, a well-known international tour company (Bangkok-based office), noted that there is an increasing number of responsible tourists worldwide. Also, CSR in Thailand's tourism industry is now not just seen as a fashion, but as a way for tour operating businesses to further create quality tourism experiences which will impress tourists to revisit Thailand as well (www.bangkokpost.com/tourismreview2007/31.html). At the same time, the Tourism Authority of Thailand (TAT), on behalf of the government sector, is actively promoting responsible tourism, such as the Green destination campaign (www.tourismthailand.org). Thailand is a popular destination among international tourists, including Australians, and the tourism industry is the second largest source of revenue for the country (Thitthongkam & Walsh, 2011). Tourism statistics show in 2011 that the tourism sector generated income of approximately AUD24Billion from international tourists (around 19 million in number of arrivals). In particular, there were approximating 840,000 Australian tourists visiting Thailand in 2011, which generated income of approximately AUD1.6Billion. Tourism income generated by Australian tourists in 2011 was the third highest among international source countries, following the amount of income generated by Russian and Singaporean tourists, respectively (www.tourism.go.th). Accordingly, it is expected that the findings from this thesis will provide tour operator owners, tourism associations and government agencies with strategies designed to assist with the development of ethical CSR practices and the promotion of ethical tours to attract future international tourists, especially through the implementation of codes of ethics.

Secondly, the thesis will expand the body of knowledge about CSR-consumer relationships in the tourism context. Substantial theoretical and empirical evidence shows various consumer responses to CSR initiatives that are being practised by non-tourism businesses (V. Smith & Langford, 2009). While the use of CSR in the tourism

context has been discussed widely in conceptual terms, there are limited empirical studies. As shown in Appendix 1.1, most empirical studies have been conducted in the hospitality sector, especially in hotels. Also, most previous research has aimed to investigate the impacts of CSR activities on tourism business performance (e.g., Inoue & Lee, 2011; Rodríguez & Cruz, 2007) and contributions to the community (e.g., Bohdanowicz & Zientara, 2009; McGehee, Wattanakamolchai, Perdue, & Onat, 2009), and to explore the factors that drive managers to engage in CSR practices (e.g., Frey & George, 2010; Lynes & Andrachuk, 2008; Sheldon & Park, 2011). It is important to expand empirical studies to other tourism sectors, such as tour operators, as well as to shift the focus of research from the relationship of CSR and business performance to the relationship of CSR and consumers. More specifically, as discussed in section 1.2, there is a lack of research that includes salient intervening variables, such as perceived ethical performance, perceived value, and trust, measured as customer internal outcomes in the CSR literature. This thesis addresses the neglect of these variables in previous research. The thesis will contribute to knowledge about how the variables can be measured, how they are associated, and how they influence customer external outcomes.

Thirdly, this thesis will contribute to the CSR literature by illuminating which ethical-CSR initiative best influences consumer response in tourism. This contribution relates to the first and the third key issues of the research problem addressed in section 1.2. Ethics has been discussed in the tourism literature since the 1990s (e.g., Hultsman, 1995; Payne & Dimanche, 1996) (See Appendix 1.2 for a list of studies about tourism ethics). Many tour operators have adopted a range of ethical initiatives as discussed in section 1.1; however, no prior empirical tourism study has provided a specific definition or classification of ethical responsibility. This thesis will enhance the concept of ethical responsibility that can be used for future research in relation to the tour operating sector and that can be applied to research in other tourism sectors. More specifically, it is believed that this thesis will be the first empirical study comparing the effects of several specific initiatives on consumer evaluations and behavioural outcomes. It will also be the first study to investigate the effects of such initiatives at both prior- and post-consumption.

The fourth key contribution concerns the research methodology. The non-tourism literature has recognised a large number of studies that have employed various research approaches, such as qualitative methods (e.g., Carrigan & Attalla, 2001), survey methods (e.g., Podnar & Golob, 2007), and experimental approaches (e.g., Mohr & Webb, 2005; Ricks, 2005; Sen & Bhattacharya, 2001) to investigate the impact of CSR on consumer response. Experimental designs have also been widely used for tourism and hospitality research (e.g., Butcher & Kayani, 2008; Sparks & Browning, 2011). A few tourism studies have been found that have used this approach to investigate the effect of CSR initiatives, such as eco-labelling (e.g., Reiser & Simmons, 2005). By using an online brochure as the stimulus material in an experiment, it is expected that this thesis will provide quality empirical results from the investigation into the effect of CSR being practised by tour companies. The research design proposed for this thesis is explained briefly in the next section and the research method and full details of the research design are justified in Chapter 3.

Finally, this thesis will contribute to the conceptualisation of several customer response constructs. The thesis proposes to measure 'the perceived overall quality of tour operators' and 'perceived value' from a more sophisticated perspective and one more tailored to ethical tourism. Overall, this thesis proposes to incorporate *customer perceptions of a company's ethical performance* when measuring the perceived overall quality of tour operators. It is important to argue that service quality should not only be measured by the classic model of Parasuraman, Zeithaml, and Berry (1988) called SERVQUAL, but also by how well a company performs in terms of CSR (Sureshchandar, Rajendran, & Kamalanabhan, 2001). Similarly, to provide a more effective measure of the perceived value of ethical tourism products, it is important to incorporate ethical dimensions of consumer values (e.g., Holbrook, 1996). That is because customers may perceive doing business with an ethically responsible company as a way of enhancing value (Peloza & Shang, 2011). Researchers have found that consumer perceptions of value are significant in ethical decision-making (e.g., Shaw, Grehan, Shiu, Hassan, & Thomson, 2005); however, no empirical study has been found that incorporates 'ethical value' as proposed by Holbrook (1996) when measuring consumer value. A more comprehensive measure of the overall quality of a tour

company and the perceived value developed in this thesis can be applied in relation to other types of responsible tourism companies.

1.5 Methodology

This section provides an overview of the methodological approach used to investigate the research question and the research objectives. A further explanation of methodological procedures and a more detailed justification are provided in Chapter 3. This thesis employed an experimental design consisting of a large pilot study and two main studies. Study 1 investigated the impact of the ethical responsibility on consumer response at the pre-booking stage. Study 2 examined the impact of the ethical responsibility at the post-tour stage. Because Thailand is a well-known and popular destination that Australian tourists often select for their overseas holidays (www.tourism.go.th), a situation related to the tour operating sector in Thailand was selected as the context for the development of stimulus materials used in the experiment. Adult Australians having an overseas trip and/or thinking about an overseas trip are the study population for this thesis.

The experimental approach was used to assess the relationships between the ethical responsibility of tour operators and customer evaluations of perceived overall quality, trust, and perceived value and behavioural outcomes. The advantage of experimental research is that it can control extraneous factors that might confound the results. An experimental research study can sometimes lack the ability to generalise findings and provide external validity when compared with other research designs, such as the survey method (Malhotra, Hall, Shaw, & Oppenheim, 2002). These issues were acknowledged and remedied by a randomisation of the subjects. External validity was enhanced through the use of an online survey that presents a realistic online tour brochure to simulate a real booking situation.

A pilot study involving 122 subjects selected from a sample of university staff and post graduate students was conducted. This sample was selected as it was convenient for the researcher to collect the pilot data. The thesis also considered several characteristics of

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the sample, such as age and overseas travelling experience. In doing so, it was expected that the sample used for the pilot stage is representative of the sample used for the main studies. During this preliminary stage, stimulus materials were tested for reliability prior to their use in the main studies. Also, measurement scales were assessed for reliability and validity. Both exploratory and confirmatory factor analyses (EFA and CFA) were employed in the scale development process and analysis of variance (ANOVA) and multivariate analysis of variance (MANOVA) were used for testing the manipulations. The results of the pilot study are reported in Chapter 3.

The main stage of research involved two studies. The two studies have several similarities and differences. Both studies were conducted using a factorial experimental design in which the subjects were randomly assigned to different experimental conditions. Both studies assessed the same set of customer evaluation variables. These variables included the perceived overall quality of tour operators, trust, and perceived value. These evaluation variables were assessed for their mediating role in both studies. Both studies investigated the same moderating factor, which is CSR predisposition. In addition, there are three main differences between the two studies. Each study investigated different types of ethical initiatives. While Study 1 investigated the impacts of tourism accreditation and codes of ethics, Study 2 examined whether ethical initiatives regarding the environment and employees have different impacts on consumers. Each study involved different stages of the tour experience. Study 1 was conducted at the pre-booking stage of the tour experience, whereas Study 2 involved the post-tour stage. Study 1 investigated tour booking intention as a behavioural outcome, while Study 2 investigated word-of-mouth communication. Both studies were conducted considering ethical considerations, such as the ethical use of the Green Globe 21 on the tour brochure. Further explanations of each study are provided in Chapter 3 and ethical information is explained in section 3.9.2.

In line with these similarities and differences, three analytical techniques were used to analyse the data for both studies. To test the impact of different ethical initiatives and the effect of the moderating factor, ANOVAs and MANOVAs were employed. Structural equation modelling (SEM) was used to test the mediating effect of customer

evaluations in the relationship between ethical responsibility and behavioural outcomes. Full details of each analytical technique are described in Chapter 3, Section 3.10.3.

1.6 Style and Structure of Thesis

The thesis was written following a style for presenting theses suggested by the American Psychological Association (2010), for example, tables and figures format, tense used, and citation. Figure 1.2 shows this thesis includes six chapters. Following a standard approach for presenting theses (Perry, 1998), the first chapter provides information about overall research. Chapters 2 and 3 provide foundations for research investigation. Chapters 4 and 5 report the results. The final chapter concludes and discusses the integration of key results with previous studies and highlights research contributions.

Figure 1.2. Thesis Structure
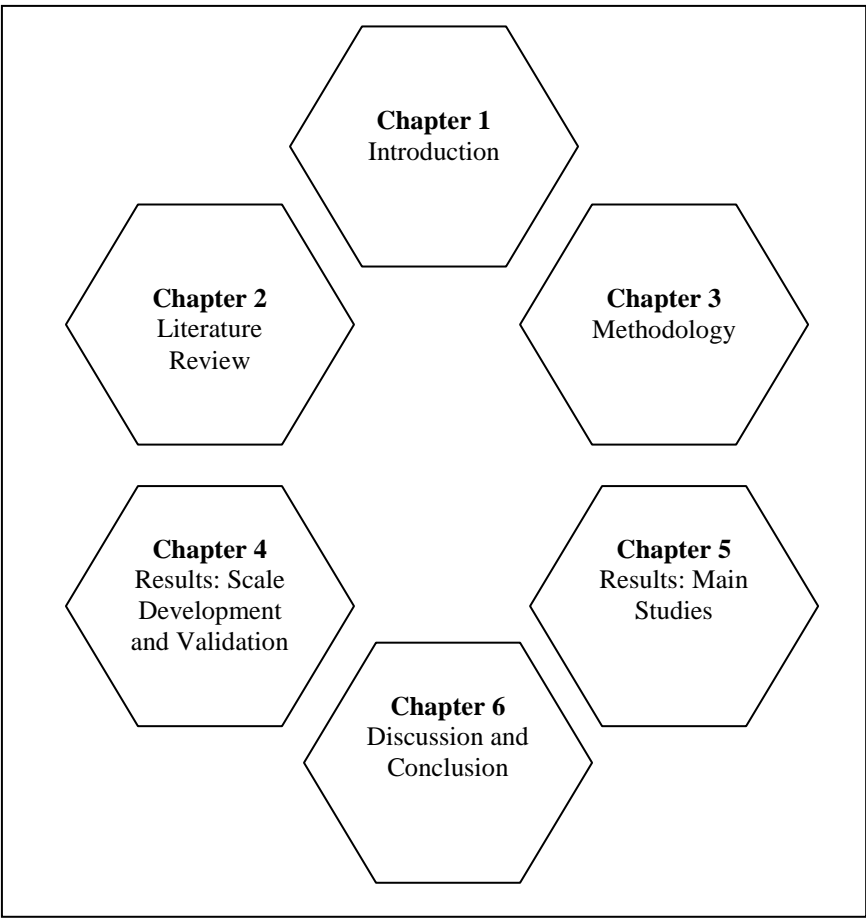
1.7 Definitions and Abbreviations

General terms, which have an explicit meaning within the context of this thesis, are defined in Table 1.1. Further definitions of specific constructs that have been investigated in this thesis are provided in the relevant section of the literature review in Chapter 2. In addition, Table 1.2 presents abbreviations used in this thesis.

Table 1.1. Definition of Terms

Term	Explanation
Corporate Social Responsibility (CSR)	The standard for businesses to responsibly manage all aspects of operations for their impact not just on shareholders, but also on stakeholders, such as the environment, communities, employees, and customers.
Ethical responsibility of tour operators	A tour company's ethical behaviours concerning a range of ethical issues.
External initiative	Activities or practices involving an external organisation to facilitate and/or to approve the standards of ethical practices.
Internal initiative	Activities or practices a company can establish and implement without involvement by a third party.
Tourism accreditation	A process in which tourism companies are certified by a third party, to ensure their responsible operations are meeting certain standards, as prescribed by an accreditation agency.
Codes of ethics	The messages written as guidelines to shape the ethical behaviour of a corporation
Trust	The credibility and benevolence of a tour company.
Tour booking intention	Customer intention to purchase a tour.

Table 1.1. Definition of Terms (Cont.)

Term	Explanation
Environmental issues of concern	Ethical concern toward a range of environmental issues, such as animal rights, climate change, wildlife conservation and protection.
Socio-cultural issues of concern	Ethical concern toward a range of socio-cultural issues, such as human rights, traditions and customs change, and local people, economic support of local people.
Employee issues of concern	Ethical concern toward employee welfare, such as working conditions, labour practices, fair treatment and payment.
Perceived overall quality of tour operators	Customer perceptions of overall quality of a tour operator comprising three factors: perceived tour program quality, perceived ethical performance, and perceived tour guide performance.
Perceived value	Customer perceptions of value of tourism products prior to a purchase and after consumption experience viewed from multiple aspects comprising price, hedonic, ethical, and expressive.
Word-of-Mouth Communications	The communication between customers about a product, service, or company in which the sources are considered independent of commercial influence.
CSR predisposition	A customer's personal traits regarding their beliefs and feelings about the importance of CSR, and the behavioural support for socially responsible activities.

Table 1.2. Abbreviation of Terms

Abbreviation	Term
CSR	Corporate Social Responsibility
UN	United Nations
UNWTO	United Nations World Tourism Organization
WTTC	World Tourism and Travel Council
TOI	Tour Operator Initiatives
FTO	The Federal Tour Operators
UNEP	United Nation Environmental Program
TAT	Tourism Authority of Thailand
THA	Thai Hotels Association
TOURQUAL	Perceived Overall Quality of Tour Operators
WOM	Word-of-Mouth
EFA	Exploratory Factor Analysis
CFA	Confirmatory Factor Analysis
SEM	Structural Equation Modelling
ANOVA	Analysis of Variance
MANOVA	Multivariate Analysis of Variance
EthPerf	Perceived ethical performance
T-Quality	Perceived tour program quality
Eth-Exp	Ethical-Expressive Value

1.8 Delimitations

In this section, the boundaries of the thesis are outlined. It should be noted that limitations regarding the research method used will be explained later in Chapter 3 and other limitations found after data collection will be described in Chapter 6. There are four delimitations that may affect the generalisability of the results of this thesis. The first involves the scope of CSR selected for the investigation. Seminal work by Carroll (1979) proposed that the scope of CSR comprises four key domains: economic, legal, ethical, and philanthropic. However, only the domain of ethical responsibility was examined in this thesis. That is, because ethics has been widely discussed in the tourism literature, but little is known about how customers respond to an ethical company. The

second delimitation is the investigation of the tour operator sector in the Thailand tourism context. Thailand was chosen as the research location for the 'tour' as it is considered as being representative of less developed countries which provide similar tour products, such as elephant trekking and hill tribe visits. The researcher's familiarity with the destination is also a reason for the selection of Thailand. The third delimitation involves the selected sample. Samples used in both studies of this thesis were drawn from the Australian population which might not be wholly representative of 'international tourists' travelling to Thailand. The final delimitation addressed relates to the measure of the perceived overall quality of tour operators construct. The perceived overall quality of tour operators was conceptualised as a multidimensional construct comprising three dimensions: perceived tour program quality, perceived ethical performance, and perceived tour guide performance. However, the perceived tour guide performance was excluded from measurement consideration. That is because this thesis has attempted to assess the same dimensions of overall quality for both stages of the tour experience and it was considered difficult to measure the perceived tour guide performance at the pre-booking stage.

1.9 Chapter Summary

This chapter introduces the thesis and provides a brief overview of key elements of the thesis chapters to follow. The explanations of the research problem provide a need for investigating the impact of ethical-CSR responsibility on customer response in the tourism context wherein the tour sector is the focus. The thesis has been justified on both theoretical grounds and for its practical usefulness to managers. The growing importance of CSR within the tourism domain underscores the significance of the research to be undertaken in this thesis. Key aspects of the methodology are briefly explained to show that two large scale studies have been undertaken following well established and robust procedures. Also, relevant information, including thesis structure, definitions of useful terms, and abbreviations used in the thesis are outlined. The following chapters will present a foundation for thesis (Chapters 2 and 3), key results (Chapters 4 and 5), and research discussion and conclusion (Chapter 6). The next chapter presents a literature review that provides a theoretical foundation for the thesis.

CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

In the introductory chapter, the background to this thesis included a brief discussion that highlights the growing interest of CSR in the global context. At the same time as this growth of interest in CSR is occurring, it was pointed out that academic research has also grown but has been found lacking in three important respects. These gaps in the literature further highlighted the importance of extending current knowledge about CSR-consumer relationships, particularly in the tourism context. The research question has been stated as: *How does the ethical responsibility of tour operators influence customer evaluations and behavioural outcomes at different stages of the tour experience?* In this chapter, the literature that provides the theoretical foundations for the study and highlights the research gaps for the investigation in this thesis is presented. Figure 2.1 illustrates the structure of the literature review covering eight key aspects.

First, an overview of the CSR concept and related theories is presented and CSR domains are discussed using a popular framework of four key domains of responsibility. A more specific aspect of CSR is discussed in relation to the tourism context, particularly to the tour operating sector and how researchers have investigated the value of CSR to firm performance and consumer response is examined. The impact of CSR on consumer response is highlighted and the gaps identified in the literature that lead to the development of the research problem for this thesis are also addressed. Following this review, the overall research framework presenting literature relating to variables used in the two specific studies designed to resolve the research problem is established. It needs to be highlighted at this time that two different stages of the tour experience are investigated to reflect the different stages of the customer decision-making process. Finally, in terms of consumer response, a set of customer evaluations and behavioural outcome variables are identified. Literature relating to the impact of CSR on each

variable is also highlighted, together with the mediating effects of a set of customer evaluations and a key moderating variable. Specific research models and hypotheses are illustrated at the end of this chapter.

Figure 2.1. The Outline of Literature Review

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│ CSR Domains   │       │ CSR in Tourism│       │  CSR Impacts  │
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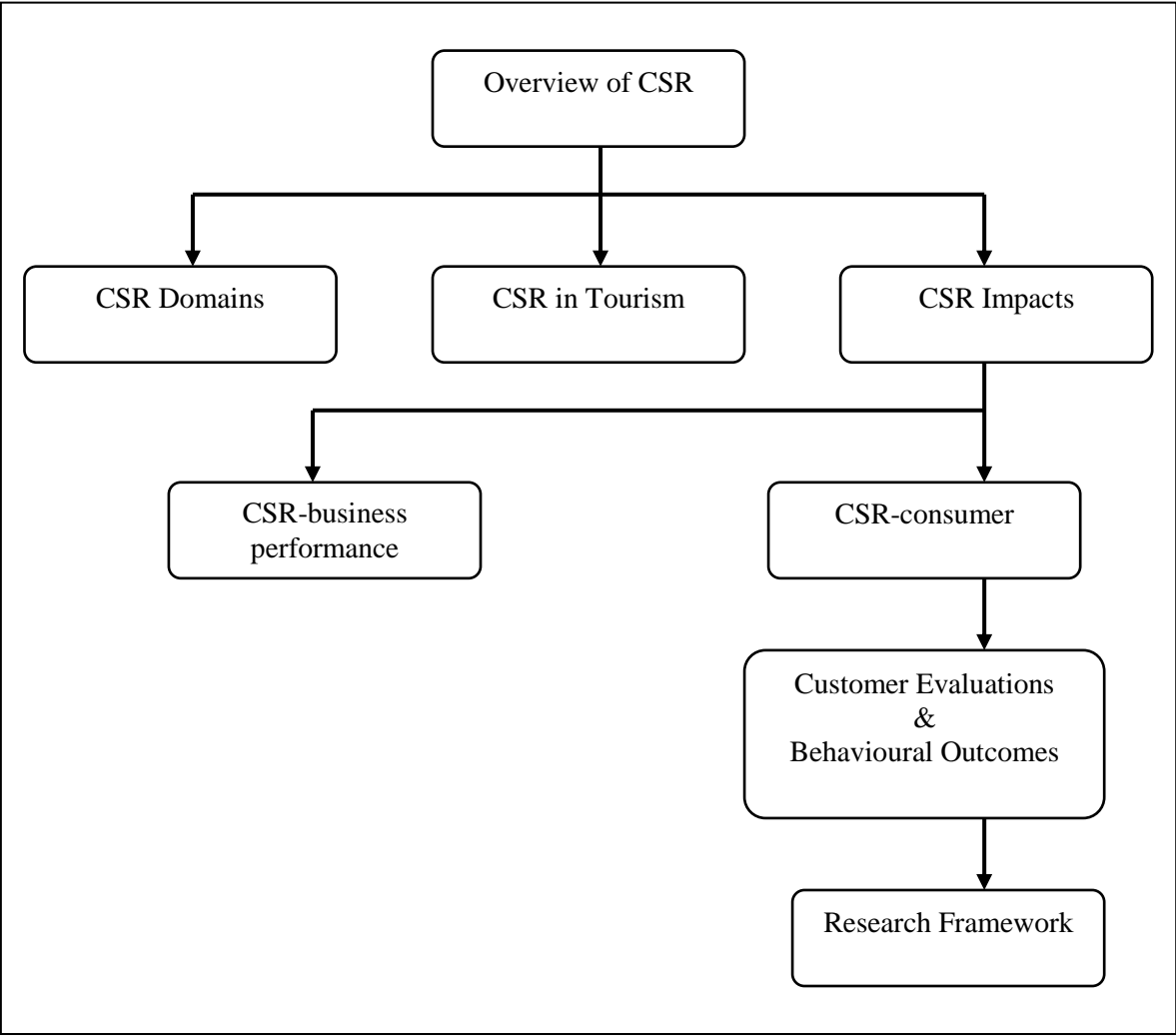
2.2 Overview of Corporate Social Responsibility (CSR) Theory

Using the contentious nature of CSR as a starting point, numerous researchers have treated CSR differently as a term or a stream of research (e.g., Friedman, 1970; Carroll, 1991; Wood, 1991) and have taken different views on its definition, its domains, and its relationship to other concepts (e.g., corporate social performance, corporate citizenship). Authors, such as Friedman (1970), took a restricted view of a firm's responsibilities to society. Friedman argued that generating share value is the only responsibility a company has to consider. Other authors, such as Buchholz (1991), took a broader view of a firm's responsibilities. In some cases, this broader role is well defined but in other cases it is more open to interpretation. For instance, McWilliams and Siegel (2001) described CSR as "actions that appear to further some social good beyond the interest of the firm and that which is required by law" (p.117). This definition leaves it open for the readers to determine the scope and direction of any such social good. The Centre for Responsible Business defined CSR as "achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment" (http://www.haas.berkeley.edu/ responsiblebusiness/). Here the author has specified players in the CSR relationship. In another example, Frooman (1997) identified stakeholders in a generic sense but indicated that the action affecting a stakeholder's welfare must be "substantial". Table 2.1 presents key schools of thought highlighting the range and complexity of CSR.

2.2.1 The development of corporate social responsibility

This section addresses the scope of CSR by reviewing the literature relating to relevant domains of CSR. There has been no consensus on the definition of CSR and its scope varies widely; however, the approach taken in Carroll's (1979) three-dimensional conceptual model of corporate performance has become a basis of CSR studies for some scholars (e.g., Schwartz & Carroll, 2003; Wartick & Cochran, 1985). Other researchers have proposed different perspectives for understanding the notion of CSR in the 2000s (e.g., Meehan, Meehan, & Richards, 2006; Lantos, 2001) though there have been fewer attempts to define CSR since the 1980s (Carroll, 1999).

Table 2.1. The Development of the CSR Concept

Authors	Domains/Boundaries/Scope of CSR
Friedman (1970)	The responsibility of firms is to increase company financial performance.
Carroll (1979)	CSR comprises four main dimensions: economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility.
T. Jones (1980)	CSR is a process of taking a responsibility of constituent groups in society and going beyond law and union contract.
Wartick and Cochran (1985)	CSR is an important dimension of corporate social performance. It comprises four aspects of responsibility: economic, legal, ethical, and philanthropic responsibility.
Wood (1991)	Three principles of CSR are embedded at the institutional, organisational, and individual levels: legitimacy, public responsibility, and managerial discretion.
Buchholz (1991)	CSR has shifted from economic responsibility to ethical responsibility, and now ecological or environmental responsibility.
Lantos (2001)	The boundaries of CSR are ethical, altruistic, and strategic.
McWilliams and Siegel (2001)	CSR is a company's action to do good for society regardless of self-interests and that which is beyond legal compliance.
Schwartz and Carroll (2003)	CSR contains three overlapping domains: economic, legal, and ethical responsibilities.
Marrewijk (2003)	CSR comprises economic, environmental, and social responsibility.
Ketola (2008)	CSR model integrates ethical corporate values, discourses, and actions concerning environmental, social, and economic issues.
Vaaland, Heide, and Gronhaug (2008)	CSR deals with stakeholder issues related to environmental, ethical, and social phenomena.

In the 1970s, several authors discussed the role of business in society as having to do more than maximise profits (Carroll, 1999); however, the seminal work of Carroll (1979) has continued to provide a clear focal point for understanding CSR. According to Carroll (1979), CSR comprises four responsibilities: economic, legal, ethical, and discretionary. In later work, Carroll (1991) proposed the pyramid of CSR and included these four domains of social responsibility in an hierarchical relationship. He argued that economic responsibility must be positioned at the base of the pyramid and must be acknowledged before the other responsibilities as it is the responsibility of a company to maximise a firm's financial performance and to maintain a company's competitive position in the market. Legal responsibility was placed second on the pyramid as companies have to ensure they comply with all levels of regulation. The next level, ethical responsibility, refers to how businesses should perform according to accepted ethical and moral norms. The final domain, philanthropic responsibility, referring to a company's voluntary activities that can relieve social illnesses, was placed at the top of the pyramid. Philanthropic responsibility differs from the other domains because whereas the first three responsibilities are obligatory, Carroll explained communities may not expect companies to perform philanthropy at all times.

In many previous studies, the concept of CSR has been discussed based on the work of Carroll (1979). For instance, Wartick and Cochran (1985) adopted Carroll's original four domains as the principles of social responsibility in their corporate social performance model. They incorporated the domains of legal, ethical, and discretionary as "public responsibility", which refers to micro- and macro-levels of social concerns. A number of authors have agreed with Carroll's (1979) proposition that corporate social responsibility includes four domains, but other authors, such as Wood (1991) argued for a slightly different framework. Wood suggested corporate social responsibility should be viewed across three principles: legitimacy, public responsibility, and managerial discretion. However, Wood's framework also supported Carroll's pyramid of CSR to the extent that businesses wanting sustainable growth should be responsible to the law and its regulations. Businesses should also be responsible for issues that arise as a consequence of their business activities and a manager, as an individual, has the decision-making powers to exercise choices regarding social responsibility. A further

example, in the work of Schwartz and Carroll (2003), proposed an alternative to the four-domain approach and moved to a three-domain model comprising economic, legal, and ethical responsibilities plus three sub-domains. This new approach excludes philanthropic responsibility as a core domain because the authors accepted that it is not a core responsibility of business. They argued that philanthropic activities are closely related to a company's economic interest. This dual approach to CSR presents an overlap between the three domains (economic, legal, and ethical) and results in three sub-domains of legal/ethical, economic/legal, and economic/legal/ethical.

2.2.2 Other CSR-related concepts and theories

CSR closely relates to a number of other theories dealing with essentially the same relationship between business and society. These theories are: business ethics (BE), stakeholder management (SM), sustainability (SUS), and corporate citizenship (CC) (Schwartz & Carroll, 2008). Table 2.2 summarises these theories at the end of this section.

Corporate social performance (CSP) was described by Carroll (1979) as an integrative model combining corporate social responsibility, social responsiveness, and social issues. CSP has been used interchangeably with CSR (Wartick & Cochran, 1985). As discussed in the previous section, Wartick and Cochran's CSP model was developed based on Carroll's pyramid of CSR, but involves three approaches of principle, process, and policy. At the level of principle, they incorporated economic and public responsibilities. Social responsiveness is incorporated as a process in a CSP model for CSR implementation and to develop the response to social issues. Social issues have to be identified and analysed in accordance with policy to enhance responses to such issues. Describing social issue management as a policy has proved to be too restrictive for some researchers. For example, Wood (1991) suggested the CSP model may well be more effective when the last dimension (social issue management) is described as policies, programs, and observation outcomes related to the firm-society relationship.

A second concept, stakeholder management (SM) was defined by Clarkson (1995) as corporate-stakeholders relationship management, which means managers have to define obligations and responsibilities to customers, shareholders, employees, and other constituencies (Clarkson, 1995). In this management process, Vaaland et al. (2008) aligned with Clarkson (1995) and defined CSR as the management of stakeholder concerns. This new definition of CSR responds to the needs of stakeholders (Reich, 1998). Stakeholders can be classified as primary or secondary in the marketing context and a stakeholder model is seen as being very important for the implementation of social responsibility (Maignan, Ferrell, & Ferrell, 2005).

Corporate citizenship (CC) represents a third concept related to CSR that was defined by Carroll (1998) as corporate practices addressing the relationships between companies and all important stakeholders. It is used in this context as an analogy for CSR, business ethics, and corporate social performance (Carroll, 1998; Waddock, 2008). More specifically, corporate citizenship shares the four dimensions of responsibilities with CSR. Carroll (1998) indicated that all groups of stakeholders in a society expect corporations to be profitable (economically responsible), to obey the law (legally responsible), to engage in ethical manners (ethically responsible), and to engage in corporate contributions (philanthropically responsible). Similar to CSR, corporate citizenship has been included for its value to increase positive responses from consumers in the marketing context (Maignan & Ferrell, 2001).

Many researchers have indicated the Triple Bottom Line (TBL) is also an interchangeable term with corporate social responsibility (e.g., Henriques & Richardson, 2004; Jamali, 2006; Marrewijk, 2003; Norman & MacDonald, 2004; Waddock, Bodwell, & Graves, 1993). Elkington (1999) suggested the TBL refers to three business principles: economic, environmental, and social. Likewise, Marrewijk perceived these values as three dimensions of CSR showing business principles that go beyond shareholder interest. Similarly, Henriques and Richardson argued that the principle of TBL is not just to maximise the profits, but is also to enhance the well-being of society in order to create sustainability.

The final field falls under the umbrella heading of business ethics. Business ethics has been closely related to key aspects of CSR and the terms have been used interchangeably (e.g., Carroll, 1999, 2000; DeGeorge, 1997; Ferrell, Fraedrich, & Ferrell, 2008; Joyner & Payne, 2002; Schwartz & Carroll, 2008). In the 1970s, business ethics arose as an emerging field (DeGeorge, 1997). Although it is impossible to define "business ethics" with a particular meaning, most definitions of business ethics embrace rules, standards, or moral principles (Ferrell et al., 2008), and the conception of right and justice (Carroll, 1991). In this sense, business ethics closely aligns with ethical responsibility, the third domain of CSR (e.g., Carroll, 1991; Schwartz & Carroll, 2008).

In summary, the concept of CSR has been defined and discussed in section 2.2.1. Conceptual definitions of concepts related to CSR have been comprehensively examined since the 1970s. The literature has recognized those concepts share the same goal of pursuing sustainable relationships between businesses and the society; nevertheless, the term 'corporate social responsibility' has retained popularity (Carroll & Shabana, 2010). This thesis broadly defines CSR as the standard for businesses to responsibly manage all aspects of operations for their impact not just on shareholders, but also on the environment, employees, communities, and customers. The pyramid of CSR proposed by Carroll (1991) classifying CSR into four key domains is a key focus for a further discussion on CSR domains in this thesis.

Table 2.2. Concepts Related to Corporate Social Responsibility

Construct	Authors	Definitions/Concepts
Corporate Social Performance (CSP)	Carroll (1979)	CSP is an integrative model of corporate social responsibilities, social responsiveness, and social issues.
	Wartick and Cochran (1985)	The CSP model encompasses three related aspects, including the principle of social responsibility, the process of social responsiveness, and the policies developed to address social issues.
	Wood (1991)	CSP is a business organisation's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships (p.693).
Stakeholder Management (SM)	Clarkson (1995)	A corporate-stakeholder relationship management.
	Maignan and Ferrell (2004)	Instrumental and moral justification to respond to stakeholder groups are business duties that motivate CSR.
	Vaaland et al. (2008)	Stakeholder management is a business concern for both responsible and irresponsible behaviors related to environmental, ethical and social issues in a way that creates corporate benefits.
	Maignan et al. (2005)	Stakeholder issues are involved with the CSR process in the area of marketing.

Table 2.2. Concepts Related to Corporate Social Responsibility (Cont.)

Theory	Authors	Definitions/Concepts
Corporate Citizenship (CC)	Carroll (1998)	CC is corporate practices addressing the relationships between companies and all important stakeholders. It contains four facets of responsibilities: economic, legal, ethical, and philanthropic.
	Maignan and Ferrell (2001)	The notion of corporate citizenship practices in consumer marketing incorporates economic, legal, ethical, and discretionary citizenships.
	Waddock (2008)	Corporate citizenship is interrelated with corporate responsibility. Further, it involves the expectations from various pressure groups.
Triple Bottom Line (TBL)	Waddock et al. (1993)	Triple bottom lines of economic, social, and environmental performance are public expectations.
	Elkington (1999)	The three bottom lines of business are economic growth, environmental concern, and social impacts.
	Marrewijk (2003)	Economic responsibility, environmental responsibility, and social responsibility are corporate sustainability/corporate responsibility's dimensions.
Business Ethics (BE)	Carroll (1999, 2000)	Business Ethics falls under an umbrella of the notion of corporate social responsibility. It is a corporate ethical responsibility to do business in right and just ways.
	Schwartz and Carroll (2008)	The main focus of business ethics is the ethical responsibilities of a company, which can be at both individual (managers and employees) and organisational (company) levels.

2.3 Domains of Corporate Social Responsibility

CSR domains can be classified according to a fundamental framework proposed by Carroll (1991). The four CSR domains include economic, legal, philanthropic, and ethical responsibilities. While Carroll's (1991) four domains of CSR have been widely adopted, several authors are critical of this approach. In relation to the conceptualization and measurement of CSR, Carroll's model does not provide a coherent framework due to its lack of systematic integration with other related fields (Wood, 1991). More specifically, Wood argued that economic, legal, ethical, and philanthropic responsibilities can be viewed as domains within which principles are enacted, but not as principles themselves. Similarly, some authors argued that Carroll's CSR model is too abstract and difficult to measure, especially the domain of economic responsibility, which should not be included when measuring CSR (e.g., Turker, 2009). That is because the economic component represents the basic function of all businesses in society. Moreover, in relation to CSR implementation, some authors argue that Carroll's CSR model should be more strategic (e.g., Porter & Kramer, 2006; Galbreath, 2010). That is, a company has to clearly address which group of stakeholders and what social issues need to be the focus for CSR implementation since it is difficult for a company to be responsible for all stakeholders and all issues at one time. Also, authors pointed out that simple models, such as Carroll's pyramid, do not work in all situations. For instance, Carroll's model may not be suitable for businesses in a developing country context (Visser, 2006), as economic circumstances and cultural values will distort the priority given to the order in which sustainability challenges will be addressed. However, in this thesis the categorisation of Carroll's domains is the primary focus rather than the order in which domains should be prioritised for action.

Moreover, the literature regarding the philanthropic and ethical domains is considered to be more advanced in the context of consumer research and as a consequence priority has been given to these two domains. An overview of the economic and legal domains of CSR is provided in this section and a fuller discussion of the two domains (philanthropic and ethical) that are more relevant to this thesis investigation are presented.

The fundamental role of business is to produce goods and services for society (Carroll, 1991). Carroll suggested that by doing so, businesses could fulfil their economic goal of achieving financial well-being. Friedman (1970) argued strongly that the only responsibility of business is to maximise profits. In line with Friedman's argument, some could say that business can create any activity to pursue its financial goal even though some activities might be deemed illegal or unethical. Economic responsibility has been seen as important, but not the only responsibility of business (Carroll & Shabana, 2010). According to the pyramid of CSR proposed by Carroll (1991), economic responsibility is the basis of the business case, but the authors noted that a firm's responsibility is not complete if other responsibilities: legal, ethical, and philanthropic are neglected.

Legal responsibility was positioned by Carroll (1991) as the second component of the CSR pyramid. This component refers to the notion that businesses have to comply with laws and regulations at various levels: such as federal, state, and local. He indicated laws and regulations have been designed to govern business relationships with key stakeholders, such as consumers, employees, the community, and the natural environment (Carroll, 1998). For example, international companies need to perform their business in a manner consistent with the expectation of governments and the laws of host countries. It can be said that businesses that do not obey the law are not acceptable as good businesses and will not have good relationships with their key stakeholders.

2.3.1 Philanthropic responsibility

Carroll (1991) broadly defined philanthropic responsibility as those charitable activities performed by organisations to assist social causes and to improve the quality of life of a community. Philanthropic responsibility has not been embedded in an ethical sense; rather it has been considered as a voluntary-based responsibility which companies should do as good citizens (Maignan & Ferrell, 2001). While authors, such as Carroll (1991) have argued the benefits of philanthropic responsibility as a purely voluntary

action, other scholars have criticised the motives of firms to do good (Lantos, 2001, 2002; W. Smith & Higgins, 2000; Webb & Mohr, 1998). The emergent argument about the conceptualisation of philanthropy continues to pivot on the notion of the firm's motives to engage in philanthropic activity.

According to Lantos (2001), CSR can be embedded with ethical, altruistic, or strategic motives. It can be observed from Lantos's work that altruistic and strategic CSR are similar to the philanthropic responsibility proposed by Carroll (1991). A conclusion can be drawn that any form of philanthropic activity may be based on either altruistic or strategic motives. Aligned with altruistic motives, Lantos (2001) agreed with Carroll (1991) that philanthropy is rooted in genuine voluntary caring. They concurred that as a good citizen, a company helps to enhance the community's quality of life and as well, alleviates social problems by giving their resources back, regardless of whether the firm will gain financial benefits. Activities, such as unconditional donations can be considered as altruistic philanthropy (Dean, 2003/2004); however corporate philanthropy has often been perceived as a quasi-altruistic act (W. Smith & Higgins, 2000). Accordingly, philanthropic responsibility can be strategic in terms of motive.

A number of authors have discussed philanthropic responsibility in terms of strategic motive (e.g., Lantos, 2001; McAlister & Ferrell, 2002; Porter & Kramer, 2002; Ricks, 2005). A company undertakes strategic philanthropy mainly to improve financial performance (Lantos, 2001). Whereas altruistic philanthropy has been considered to be motivated by the desire to do good for others, strategic philanthropy has been aligned with self-interest motives. Such self-serving philanthropic activities may still generate positive attitudes from customers toward firms (Webb & Mohr, 1998). A different perspective has been presented by Lantos (2001) who has insisted strategic philanthropy cannot be viewed only from the perspective of a financial goal, but that it must also be considered from a marketing perspective (McAlister & Ferrell, 2002). McAlister and Ferrell highlighted strategic philanthropy as a comparison to tactical philanthropy. Strategic philanthropy involves corporate core competencies and abilities and requires a long-term commitment. Ricks argued further that the ultimate goal of strategic philanthropy is to enhance corporate image. An example of strategic philanthropy is "A

Community Renaissance Initiative" launched by the FleetBoston Financial Company. This company combines philanthropic contributions with its expertise in financial service by providing technical advice to local companies (Porter & Kramer, 2002). In contrast, tactical philanthropy involves only financial budgets and planning for short-term goals (McAlister & Ferrell, 2002). Examples of tactical philanthropy are conditional donations (Dean, 2003/2004), cause-related marketing (Varadarajan & Menon, 1988), and corporate sponsorship (McAlister & Ferrell, 2002). Even though philanthropic CSR has been discussed from different perspectives and varies in terms of its activity, it is argued that philanthropic CSR activities impact on both business performance and consumer response. The impacts of philanthropic CSR on businesses and consumers are discussed in Sections 2.6 and 2.7 respectively.

2.3.2 Ethical responsibility

A number of authors have discussed ethical responsibility as part of their conceptualisation of CSR (e.g., Carroll, 1979; Garriga & Melé, 2004; Ketola, 2008; Lantos, 2001; Meehan et al., 2006; Schwartz & Carroll, 2003). In a broad sense, ethical responsibility has been referred to as a firms' responsibility that goes beyond law and regulations (Carroll, 1979), and more specifically, that ethical responsibility is based on ethical principles, moral obligation, norms, justice, rights, and social standards (Carroll, 1991; Lantos, 2001; Schwartz & Carroll, 2003). Other authors, such as Lantos (2001), emphasised that ethical responsibility is a means-end process in which a company has to be responsible not only for its action, but also for all the consequences of its business operations.

Ethical responsibility should embrace the concerns of individuals or groups that might be affected from any business operations (Lantos, 2001). In other words, ethical activities and practices should reflect a concern for all groups of stakeholders (Carroll, 2000). While Lantos focused on external stakeholders, such as the community and consumers, some authors have addressed the importance of internal stakeholders, such as employees and shareholders (Carroll, 2000; Garriga & Mele′, 2004; Peloza & Shang, 2011). Key stakeholders might vary and reflect specific types of businesses, but overall,

it can be said that a company has to consider internal/external stakeholders as well as human and non-human stakeholders.

In summary, when comparing philanthropic responsibility to ethical responsibility, the latter is more obligatory. While stakeholders desire to see that a firm is a good citizen by its practice of philanthropic activities, it is also seen to be a moral obligation for a business to do the right thing as a duty of being a good citizen. Philanthropic responsibility is classified as either altruistic or strategic (Lantos, 2001) or as strategic vs. tactical (McAlister & Ferrell, 2002). However, no previous research has classified types of ethical responsibility. This thesis attempts to extend on current knowledge about ethical responsibility, particularly in the tourism context. CSR in relation to the tourism context is reviewed in the next section. The ethical responsibility of tour operators will then be defined and classified.

2.4 CSR in the Tourism Context

This section extends the discussion of the key concepts and the domains of CSR by reviewing how CSR has been treated in tourism. Three areas of discussion cover: (1) an emergence of CSR in tourism (2) the similarities and differences of CSR in relation to other sustainable tourism approaches and (3) examples of CSR practices.

The need for CSR in the tourism industry has arisen since the realisation by tourism operators of the negative impacts on their businesses (Dodds & Kuehnel, 2010). Growth in tourism can generate a range of negative impacts on local economies, socio-cultural issues, and the environment. Examples of negative impacts include leakage of income to internationally-owned companies (Gunn, 2002), damage to natural resources, social and cultural change, increases in living costs, crime, and sexual harassment, and the exploitation of children for sex tourism (Cooper, Fletcher, Gilbert, & Wanhill, 1998; Kasim, 2006; Tepelus, 2008). A company's engagement in CSR as a means to reduce and protect against such impacts has been perceived as 'a licence to operate' at tourism destinations (P. Williams et al., 2007) and as 'a scheme to pursue long-term sustainability for business' (Kasim, 2006).

The literature has recognised that CSR is similar to other concepts, such as eco-tourism (e.g., Welford & Ytterhus, 1998), community-based tourism (e.g., Wearing & McDonald, 2002), fair trade tourism (e.g., Cleverdon & Kalisch, 2000), and pro-poor tourism (Harrison, 2008). These approaches share a common goal in supporting 'sustainable tourism'; however, CSR differs from the other approaches from several aspects. For example, CSR is driven by tourism operators (Dodds & Kuehnel, 2010); whereas some approaches, such as community-based tourism is driven by the community at host destinations (Blackstock, 2005). While CSR in tourism may develop activities from any one of the four domains of CSR (as discussed in section 2.3) (Jucan & Jucan, 2010), some approaches, such as eco-tourism focus more on how the impacts on just one domain-the environment are managed.

The final area relates to the key question of what CSR activities to implement and how? The literature has presented evidence that tourism businesses have widely implemented activities under the philanthropic domain of CSR. In the hospitality sector, for example, research has found that hotel businesses contribute to the community through their involvement in activities, such as cash donations (Holcomb, Upchurch, & Okumus, 2007; McGehee et al., 2009), support for local conservation programs and other funding initiatives (Merwe & Wöcke, 2007), and building schools (Henderson, 2007). Pub operators in the UK have implemented similar activities, such as an "employee community award scheme" which enables employees to be involved in a charity program or to do voluntary work in return for a company donation (P. Jones, Comfort, & Hillier, 2006). Many tour operators in Canada have contributed to building orphanages, schools and energy projects (Dodds & Kuehnel, 2010). Other examples have included projects supporting rural development and child welfare by the Atlas Voyages tour company (Tour Operator Initiatives, 2003). The WTTC (2002) highlighted the view that CSR initiatives should not just focus on charitable contributions, but should extend to business practices based on ethical values. In accordance to this view, this thesis focuses on CSR activities under the domain of ethical responsibility. In the next section, the definition of ethical responsibility of tour operators is described and the types of ethical responsibility are classified.

2.5 Ethical Responsibility of Tour Operators

As discussed in section 2.4, in the tourism industry, CSR is driven, in part, by the fact that tourism businesses have been charged with being responsible for minimising the negative impacts of tourism. It has been shown that tourists believe that tour operators should be responsible for ethical issues (Spenceley, 2007). This thesis focuses on the tour operating sector because considerable research indicates the tour operating sector is considered to be one of the key players in the tourism industry and the promotion of destination sustainability is a key factor (Carey, Gountas, & Gilbert, 1997). Ethical responsibility refers to a firm's feeling of obligation to be acceptable to its stakeholders for ethical behaviour (Carroll, 1991). In this thesis, ethical responsibility of tour operators comprises two aspects as depicted in Figure 2.2. Ethical issues reflect domains of concern while ethical initiatives suggest a more explicit operationalisation of issues; ethical issues should be first addressed in order to select an appropriate initiative (Porter & Kramer, 2006). Two aspects of ethical responsibility are explained next in this section.

2.5.1 Ethical issues of concern

A range of ethical issues of concern have been discussed in the literature. In the CSR literature, for example, ethical issues regarding consumers, employees, shareholders, and the community as key concerns have been highlighted (Carroll, 1991). In the tourism literature, issues regarding the natural environment, communities, employees, and tourists have been addressed as critical areas of concern for tourism companies (Payne & Dimanche, 1996). Several issues relating to the ecology, marketing, sustainable development, humanistic and social concerns, and education have been included in an ethical framework for tourism services (Hultsman, 1995). In the tour sector, it is considered to be important for responsible tour operators to focus on the three pillars of sustainable tourism-the environment, socio-cultural aspects, and the economy (Tixier, 2009). Research has reported that Canadian tour operators emphasise ethical issues in relation to employees and communities (Dodds & Kuehnel, 2010). Issues relating to suppliers, employees, products, customers, destinations, the

environment, local people and communities are also embraced by tour associations at both international (e.g., Tour Operator Initiatives, 2003) and national levels (e.g., The Federation of Tour Operators, 2006). Several key issues have emerged from this far-reaching discussion of ethical issues regarding the environment, socio-cultural aspects, employees, and customers.

Figure 2.2. The Two Aspects of Ethical Responsibility of Tour Operators
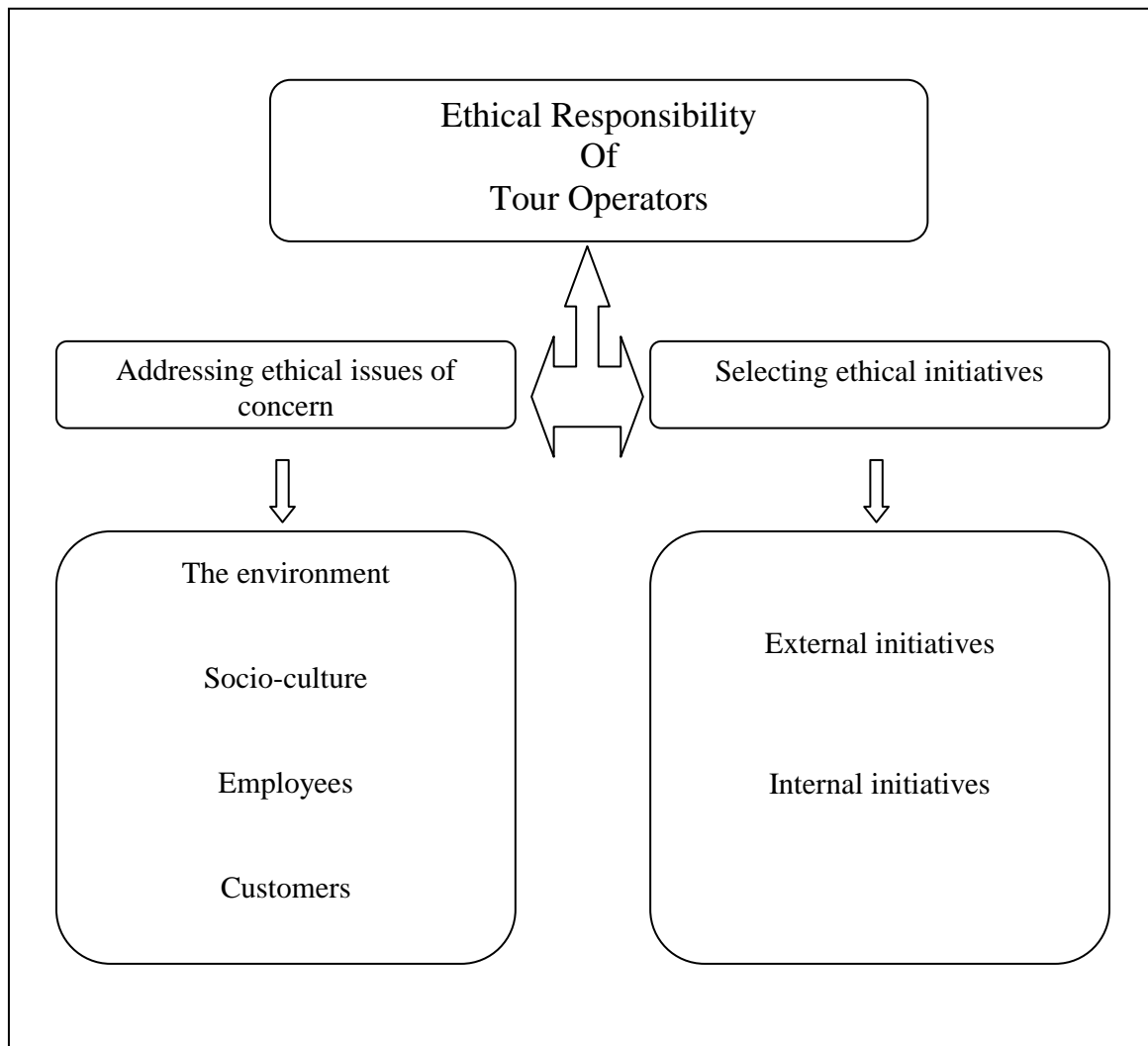
First, ethical issues about the environment are identified as being a prominent topic of discussion in the tourism literature and as a concern for industry (Payne & Dimanche, 1996). The growth in environmental ethics has been highlighted as a response to mass tourism (Holden, 2003, 2005). A responsibility to reduce the impact on the environment has not only been aligned with eco-tourism activities, but also with issues of mass tourism. The implication of environmental ethics for tourism should not be limited to resources, such as land use, forests and water, but should also cover animal welfare and animal rights (Hughes, 2001). Issues such as keeping animals in captivity, encouraging animals to perform, and using harmful training methods are related to animal welfare and animal rights (e.g., Hughes, 2001; Kontogeorgopoulos, 2009).

A second area of concern identified is one regarding socio-cultural issues that relate to the community, humanistic, and social problems (e.g., Carroll, 1991; Hultsman, 1995; Payne & Dimanche, 1996). This ethical area of concern has centred on the movement of tourists from more-developed to less-developed countries and to the changes in the way of life and traditional cultures experienced by local communities (Ahmed, Krohn, & Heller, 1994). While Lansing and Vries (2007) argued that socio-cultural concerns have gained increasing attention, they can be more difficult to evaluate than environmental aspects. Nevertheless, it is still important for tour businesses to take responsibility for socio-cultural issues since tour operators are key intermediary and tourism product suppliers. A key point that has been identified is that the well-being of local people and the relationships between tourists and host communities should be enhanced (Carbone, 2005; Lea, 1993). Research has put forward examples of issues with respect to socio-cultural concern such as the exploitation of children and women (Hemingway, 2004; Karlen, 2002; Tepelus, 2008), local economic support, and cultural differences between tourists and hosts (e.g., Payne & Dimanch, 1996; Ahmed et al., 1994).

One aspect identified for attention is that employees working in the tourism firms should also be treated ethically (Payne & Dimanche, 1996). Some authors have argued for the importance of employee welfare and human rights in the workplace (e.g., Cassel, 2001; B. George & Varghese, 2007; Ross, 2004). Regardless of geography and race, employees should have equal rights for opportunity in employment and receive fair

treatment (B. George & Varghese, 2007). Some of these issues, such as labour standards and working conditions are also referred to in the fair trade tourism literature, in terms of the transparency of trading operations (Cleverdon & Kalisch, 2000). Other common issues included are unfair payment, poor work conditions, and a lack of skill development and training (Payne & Dimacnhe, 1996; B. George & Varghese, 2007). As a result, it is essential for tour operators to take responsibility for employee concerns to ensure that the tourism products offered to customers are not tainted by the human rights violation of their employees (B. George & Varghese, 2007).

Finally, it must be noted that customers or tourists have the right to receive service, based on the ethical behaviours of the tourism industry and of service providers (Payne & Dimanche, 1996). In the tour operating sector, a wide range of unethical behaviours have been discussed that mostly relate to inbound tourism. Some Chinese tourists to Australia have encountered unethical behaviours of tourism businesses, such as the downgrading of tour itineraries, requests for tips by guides, low service quality, and charging excessively high prices in souvenir shops (B. King et al., 2006). Similar studies conducted in Australia have shown that the unethical behaviour of tour operators and other related businesses disadvantages tourists and the issue needs a solution (Keating, 2009; March, 2008). Researchers have also argued that marketing strategies and information promoted to tourists should be ethical (e.g., Dunfree & Black, 1996; Lovelock, 2008; Wheeler, 1995).

In summary, to implement their obligations for ethical responsibility, tour operators should first address the relevant ethical areas under consideration. A company can choose to focus on one or several aspects of its commitment to social/ethical issues (Du, Bhattacharya, & Sen, 2010). In this thesis, four main areas including the environment, socio-cultural issues, employees, and customers are identified for further investigation. In relation to consumer response, previous studies have shown that customers evaluate companies/products positively if they are treated in an ethical way during service consumption (e.g., Howe, Hoffman, & Hardigree, 1994; Roman, 2003). However, little is known whether customers will positively evaluate a tour service if a tour company behaves ethically toward other ethical issues that are not directly related to the

customers themselves. Also, little is known about which ethical issue will have a stronger impact on customer response after the tour experience. This thesis explores these questions, through a study of ethical responsibility toward three ethical issues: the environment, socio-culture, and employees. Literature regarding the effects of ethical responsibility toward these three ethical issues on customer response will be reviewed further in order to develop the research model for the post-tour stage that is discussed in sections 2.8 and 2.9.2. The next section discusses the second aspect of ethical responsibility: ethical initiatives.

2.5.2 Ethical initiatives

This section extends the discussion about the ethical responsibility of tour operators to focus more specifically on what occurs in practice. As mentioned earlier in section 2.5, in conjunction with indentifying ethical issues of concern, a tour company needs to select an appropriate initiative. There are many forms of corporate actions on sustainability. According to Sheldon and Park (2011), the range of specific forms of CSR activities can be grouped into six categories including (1) destination governance (e.g., promote environmentally responsible travel and create green label with third party-audited), (2) green practices (e.g., reduce, reuse, and recycle), (3) community and social (e.g., support volunteers and support local economy), (4) education (e.g., awareness program for travellers), (5) business practices (e.g., do business with green companies and be ethical), and (6) human resources (e.g., hire local residents). Many activities in each category can be viewed as economic or philanthropic in nature and are not the focus for this thesis investigation (see section 1.8, for a description of delimitations). Furthermore, activities such as energy reduction or recycling are oriented toward property management, rather than tour operations. Moreover, accreditation programs and codes of ethics can be adopted to include activities, such as green practices, but the outstanding characteristic of accreditation and codes of ethics is that they can also be used as marketing tools to promote CSR (Buckley, 2002). This thesis focuses on corporate actions under the ethical domain by classifying ethical initiatives into two types. Accordingly, the suitability of codes of ethics and accreditation schemes is outlined next.

In this thesis, ethical initiatives are classified into two simple but mutually exclusive categories based on their source of execution; ethical initiatives may be initiated externally by another party outside the firm or internally within the firm.

External initiatives refer to activities or practices that involve a third organisation to facilitate and/or to approve standards of ethical practice. A company will be accredited or certified to ensure quality of practice by meeting the set standards. If compliant, a company can then use certification, accreditation, logos, or labels to promote its ethical or responsible behaviour. Available research has indicated that investing in external initiatives frequently requires a large financial investment from the company seeking accreditation and involves sophisticated processes, such as environmental certification programs (Font, 2002). A company can lose its accreditation or certification and is not allowed to use logos or labels if the standards of practice are not maintained. The ISO 14001 and the Green Globe 21 are examples of ethical initiatives at an external level and they are shown in Table 2.3.

In contrast, internal initiatives refer to activities or practices that a company can establish and implement without the involvement of a third party. Unlike external initiatives, a large financial investment is often not required to implement internal initiatives. This advantage enables small-to-medium size businesses to undertake ethical initiatives. However, promoting internal initiatives to customers may be more difficult than promoting external initiatives. This is because logos or labels representing external initiatives maybe more obvious and easier to recognise than the practical evidence provided by internal initiatives. Some specific internal initiatives, such as environmental reporting and codes of conduct can be used to promote the ethical responsibility of a company. Other examples of internal initiatives are shown in Table 2.3.

Table 2.3. Types and Examples of Ethical Initiatives Used in Tourism Industry

External initiative	Internal initiative
ISO 14001	Ethical supply chain management
Green Globe 21	Code of conduct/ Codes of ethics
EMAS	Environmental and Social Reporting
Blue Flag	Staff training program
National Ecotourism Accreditation Program of Australia	Customer Education Program
Green Leaf	Offsetting program
	Environmentally Friendly Transport Service
	Environmental Interpretation Program
	Purchasing policies

Sources: Buckley (2002), Dodds & Kuehnel (2010), Font (2002), Font & Tribe (2001), The Federation of Tour Operators (2006), Payne & Dimanche (1996), Sasidharan, Sirakaya, & Kerstetter (2002), Spenceley (2005), Tour Operator Initiatives (2003)

This thesis has selected tourism accreditation as an external initiative and codes of ethics as an internal initiative for investigation because both have become widespread practices in international trade (United Nations, 2007). The two initiatives are also key sources of information about business responsibilities (Font, 2004; B. Stevens, 1994) and are commonly used in marketing campaigns by responsible tour companies. Whether these two initiatives influence customer evaluations and behavioural outcomes at the pre-booking stage of the tour experience is explored.

Tourism accreditation

In this thesis, a definition of the tourism accreditation process that is based on the work of Font (2004) in which tourism companies are certified by a third party to ensure their responsible operations are meeting certain standards, as prescribed by an accreditation agency's guidelines. Tourism accreditation can be communicated in various forms, including eco-labels (e.g. Buckley, 2002; Font, 2002), tourism awards (e.g.,

http://inter.tourismthailand.org/fileadmin/downloads/others/Tourism_awards_8_2010.p
df) or certification (e.g., www.tourismaccreditation.com.au; www.atap.net.au).
Generally, a company that has developed responsible tourism policies or principles
assures and promotes their responsible and ethical responsibility through logos or labels
displaying the accreditation (e.g., www.thailandhilltribeholidays.com). More
specifically, most accreditation practices are involved with environmental issues. For
example, the use of the eco-labels has been widely adopted in the tourism industry to
reflect environmental principles (Buckley, 2002; Middleton & Hawkins, 1998). There
are a variety of eco-labels in use at international, regional, national, and also sub-
national levels (Buckley, 2002; Font, 2002; Sasidharan et al., 2002), such as Green
Globe 21, Blue Flag, National Ecotourism Accreditation Program of Australia, and
Green Leaf. It has been suggested that if an accreditation scheme is adopted, it can
assure tourists of good quality, professional tourism products and services (Cristiana,
2008). However, the degree to which accreditation affects consumer purchasing
decisions and corporate environmental performance remains largely unknown (Buckley,
2002). Subsequently, this thesis aims to investigate whether or not a tourism
accreditation program influences customer evaluations of a tour and intention to
purchase a tour. Literature discussing the influences of accreditation on customer
evaluations and behavioural outcomes is reviewed in sections 2.8 and 2.9.1.

Codes of ethics

This thesis takes the position that codes of ethics refer to the messages written as
guidelines to shape the ethical behaviour of a corporation (B. Stevens, 1994). Codes of
ethics have become a common practice in business organisations as evidenced by
studies published in journals, such as the *Journal of Business Ethics* and *Journal of
Travel Research.* In 1999, UNWTO launched the global code of ethics for tourism with
the aim to promote responsible and sustainable tourism. The content of the global code
of ethics covers many areas of concern. In particular, principles 1, 2, and 4 of the code
incorporate socio-cultural aspects. Principles 3 and 5 present environmental and
community aspects. Principles 6 and 9 involve the issues of customer and employee
rights. The importance of codes of ethics has been discussed in relation to their nature,

content, and implementation. For example, ethics should be perceived as a foundation for sustainable tourism and should be presented in a global code of ethics for tourism (Kazimierczak, 2006). Codes of ethics also reflect the responsibility of tourism businesses and are used as a marketing function to ensure the respect of customs and traditions at destinations (Malloy & Fennell, 1998). Smagulova, Shegebayev, Garkavenko, and Boolaky (2009) found many tour operators promoted their ethical standpoints by creating and adopting various codes.

While it is argued that codes of ethics have the potential to educate and encourage tourists to behave ethically (Heckel, 2001), there are limited empirical studies investigating the impact of ethical codes on tourists, especially when that impact is compared to the influence of accreditation schemes (e.g., Bergin-Seers & Mair, 2008; Chafe & Honey, 2005; Reiser & Simmons, 2005). A need for future research to investigate how codes of ethics influence tourist behaviour has been addressed (Malloy & Fennell, 1998). In response, Cole (2007) investigated the impacts of ethical codes on tourists' compliance with the codes. While Cole found limits to tourist compliance with the codes at a destination, this thesis attempts to find out whether codes of ethics information impact customer decision-making behaviours prior to travel. This research gap is discussed further in sections 2.8 and 2.9.1

While the selection of tourism accreditation and codes of ethics schemes is justified, they do vary in nature and this aspect is acknowledged. An accreditation logo is commonly seen as a marketing tool to promote the environmental performance of a company (Buckley, 2002), while a code of ethics is largely viewed as a managerial tool for a company to shape a company's behaviours (Stevens, 1994). Hence, the purpose often varies. In this sense, it can be expected that customers will be more aware of an accreditation logo as a visible tool to promote CSR. More importantly, these two schemes vary in terms of their inherent nature. That is, while accreditation programs are mostly presented in "logo" form, codes of ethics information is more likely to be presented in "text" form. Moreover, accreditation programs can be adopted for use at local, national, and global levels (Sasidharan et al., 2002) with the same content; however, codes of ethics can be customised to fit local circumstances, depending on the

type and size of businesses at destinations (Mihalic, 2000). Accordingly, it is recognized that in this study codes of ethics information may be possibly easier for customers to understand a company's actions on CSR, due to its textual content.

In brief, the previous sections have reviewed the concept of CSR in the tourism context. A discussion of the ethical responsibility of tour operators has identified two aspects for implementation: *addressing ethical issues* and *selecting ethical initiatives*. This review has shown the scope of research interest for investigating the impacts of ethical responsibility toward three ethical issues of concern. The three issues selected are the environment, socio-cultural issues, and employee welfare. Two types of ethical initiatives are classified as either external or internal. While the discussion has shown a range of external and internal initiatives are practised in the tourism industry, this thesis focuses on tourism accreditation and codes of ethics as external and internal initiatives, respectively. The thesis has the intention to explore which initiative has a stronger impact on customer response prior to the purchase of a tour. The following sections will discuss the impact of CSR on business performance and consumer response.

2.6 Corporate Social Responsibility and Business Performance

In this section, literature relating to the effect of CSR on business performance is briefly reviewed. The review is formed by the question as to whether CSR initiatives enhance a company's tangible benefits, such as the financial bottom line, or any intangible benefits, such as corporate image. The evidence from both non-tourism and tourism research is shown. Research into the relationship between CSR and firm performance has provided mixed results about the efficacy of any CSR activity. Positive relationships have been found between CSR and financial performance in a number of studies (e.g., McGuire, Sundgren, & Schneewies, 1988; Waddock & Graves, 1997). For instance, McGuire et al. analysed the secondary data from a survey of corporations to measure the relationship between CSR and the firms' financial performance. They found that CSR enhances both profits and market value. Verschoor (1998) reported that the ethical responsibility domain of CSR and financial performance are positively related. Conversely, other studies have indicated a weak impact on financial performance due to

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other factors, such as asset age (Cochran & Wood, 1984) and research and development investment (McWilliams & Siegel, 2000).

A large body of research in the non-tourism context has reported a positive impact of CSR activities on a firm's intangible performance, such as corporate image. Philanthropic CSR has been more widely examined than ethical CSR. For example, R. Williams and Barrett (2000) found that a negative corporate reputation is minimised when firms are more frequently associated with philanthropic activities. Some authors have argued that corporate image and competitive advantage are enhanced when philanthropic activities are proactive and embedded in a company's long-term goal (Porter & Kramer, 2002; Ricks, 2005). In addition, previous studies have reported a positive relationship between short-term philanthropic activities, such as donations and corporate sponsorship and corporate reputation (C. McDonald, 2001; Dean, 2003/2004; Javalgi, Traylor, Gross, & Lampman, 1994; Pope & Voges, 2000; Stipp & Schiavone, 1996). In accordance with this evidence of a positive link between CSR and corporate image, Brammer and Pavelin (2006) noted the effects of CSR on corporate reputation will vary depending on the type of business sector.

The review now turns to a discussion of CSR-business performance in the tourism context. With respect to a company's tangible benefits, regardless of specific CSR domains, CSR activities create financial outcomes for tourism business (Nicolau, 2008). A number of studies have highlighted this evidence in the hospitality sector (e.g., Gil, Jimenez, & Lorente, 2001; Inoue & Lee, 2011; K. Kang, Lee, & Huh, 2010; S. Lee & Park, 2009, 2010; Rodríguez & Cruz, 2007). For example, in the work of K. Kang et al. (2010), the effects of positive CSR (the degree of social responsible activities) and negative CSR (the degree of irresponsible activities) on two types of business performance (profit and firm value) were compared across four hospitality sectors: hotel, restaurant, casino, and airline. They reported that positive CSR has a significant positive impact on firm value for the hotel and restaurant businesses, but not for the airline and casino sectors. Other studies have reported a positive relationship between CSR activities and the market value of airlines (S. Lee & Park, 2010). Inoue and Lee found that with regard to different stakeholder issues (employee, customer, community,

and the environment) CSR has a positive impact on both long-term and short-term profitability and varies across the four sectors of hotel, airline, restaurant, and casino. In contrast to this interest within the hospitality sector, the number of empirical studies exploring the relationship between CSR and business performance is limited, especially the financial aspect, in the tour operating sector. Richards, Carbone, and Gordon (2002) stated that CSR plays a key role in improving tour operator performance in terms of other intangible benefits, such as long-term partnerships with suppliers and good relationships with employees and community.

In summary, empirical research findings have shown a positive effect from CSR on both tangible and intangible aspects of business performance. In the tourism context, in particular, research investigating the relationship between CSR and financial performance in the hospitality sector, such as in hotels, is more advanced than in the tour operating sector. It is necessary to note that a direct relationship between CSR and business performance might be not easy to measure for all types of business. Since financial performance can be determined by an increasing number of investors as well as positive support from customers, investigating the effect of CSR should not be limited only to financial performance, but should also include information from the perspective of the customers. It is posited that the positive response of customers to responsible businesses could ultimately generate improved financial performance for a business. Many academics have examined the effect of CSR on other variables relating to customers (V. Smith & Langford, 2009). Extending the knowledge how ethical-CSR influences consumers in the tourism context is the aspect of key interest for this thesis. Literature regarding the relationships between CSR and consumers is discussed in the next section.

2.7 Corporate Social Responsibility and Consumer Response

The discussion in the previous section shows either a positive or an inconclusive link between CSR and business performance, especially from a financial perspective. This section expands the discussion on the impacts of CSR as a basis for investigating CSR-consumer relationships. The discussion is drawn from the non-tourism literature where

conceptual ideas and empirical findings about CSR-consumer response are prominent. The section also highlights how CSR activities influence customer response in terms of internal and external outcomes. The discussion about the effects of different domains of CSR on customer response is also included in this section. The final part of this section discusses a lack of empirical research investigating the impact of CSR on customer response at the post-consumption stage. Key research gaps are highlighted and the overall research framework developed for the thesis investigation is presented later in this section in Figure 2.3.

Previous studies have proposed the conceptual ideas about relationships between CSR activities and consumer response from a range of perspectives (Bhattacharya et al., 2009; Bhattacharya & Sen, 2004; Du et al., 2010; L. McDonald & Rundle-Thiele, 2008; Peloza & Shang, 2011; Piercy & Lane, 2009). In marketing terms, Bhattacharya and Sen proposed direct and indirect relationships between CSR activities and a company's internal and external customer-based outcomes. They modelled variables, such as customer awareness, attributions, attitude, and attachment as internal outcomes and variables, such as loyalty and advocacy as external outcomes of CSR. They also posited that factors, such as customer support for CSR, customer characteristics and company reputation can moderate the impacts of CSR on consumer response. In the context of communication, those internal and external customer outcomes have been also addressed as the outcomes of a company's communication about CSR activities (Du et al., 2010). In the company-stakeholder relationship, customers are viewed as one of the key stakeholders of a company. Authors have argued that CSR activities can create internal outcomes, such as customer value and consumer trust (Bhattacharya et al., 2009; Peloza & Shang, 2011), and behavioural outcomes, such as intention to purchase (e.g., Bhattacharya et al., 2009).

Besides the conceptual ideas, a large number of studies in the non-tourism literature have presented empirical evidence of CSR-consumer internal outcomes (e.g., Becker-Olsen, Cudmore, & Hill, 2006; Berens, Riel, & Bruggen, 2005; Deng, 2012; Du, Bhattacharya, & Sen, 2007; Klein & Dawar, 2004; Pirsch, Gupta, & Grau, 2007). The results overall are positive. For instance, the results from experimental studies indicated

that consumers have higher levels of CSR awareness and more favourable CSR beliefs when a company is recognised as a CSR brand (Du et al., 2007). In other experimental studies, it was found that CSR influences customer attribution in a product-harm crisis situation (Klein & Dawar, 2004) and customers have a more positive attitude towards a company when the image-cause fit and customer involvement are high (Becker-Olsen et al., 2006; Berens et al., 2005). Research has also found a positive relationship between CSR and customer attitudes towards the company (e.g., Pirsch et al., 2007).

Further, some studies have assessed other internal customer outcomes besides attitudes, awareness, and attributions. For example, Luo and Bhattacharya (2006) found a positive relationship between CSR and customer satisfaction. Further, a number of studies have shown positive effects of CSR on customer evaluations of a company/product (Brown, 1998; Marin et al., 2009; Mohr & Webb, 2005; Salmones et al., 2005; Sen & Bhattacharya, 2001; Síngh et al., 2008). In these studies, customer evaluations have been widely measured from a simple perspective in terms of good vs. bad, and favourable vs. unfavourable, for instance. Even though some studies have measured customer evaluations from a more specific aspect in terms of CSR performance (Oppewal et al., 2006), no prior research has assessed customer evaluations from a more comprehensive perspective in terms of perceived overall product/service quality. In addition, previous studies have modelled trust as an internal outcome of CSR activities (Bhattacharya et al., 2009; Du et al., 2010). Some studies have shown empirical evidence about a positive relationship between CSR and trust in a company (Du et al., 2007; Hong & Rim, 2010; Lacey & Kennett-Hensel, 2010). However, in the tourism context, little is known about how CSR affects consumer trust. Further, a small number of studies have proposed a link between CSR and value as a customer internal outcome (e.g., Bhattacharya et al., 2009; Peloza & Shang, 2011; Piercy & Lane, 2009). However, customer value has not yet been empirically assessed as a result of CSR impacts in both the non-tourism and tourism context. This study therefore attempts to investigate unexplored knowledge regarding CSR impacts on customer evaluations of the overall quality of a tour company, trust, and perceived value.

In addition to internal customer outcomes, a range of customer external outcomes, such as loyalty, purchase intention, and word-of-mouth have been proposed as a consequence of CSR impacts (e.g., Bhattacharya & Sen, 2004: Du et al., 2010). Empirical studies have confirmed these conceptual ideas wherein purchase intention has appeared as a common measure of external outcomes (e.g., David, Kline, & Dine, 2005; Klein & Dawar, 2004; Mohr et al., 2001; Mohr & Webb, 2005; Pirsch et al., 2007; Sen & Bhattacharya, 2001). Variables, such as word-of-mouth have rarely been measured in CSR research. For example, Hong and Rim (2010) found that when a company provides information about its CSR activities on corporate websites, there is no positive and direct link between customer perceptions of CSR and positive word-of-mouth. Customers tend to generate positive word-of-mouth only when they have trust in a company. This finding indicated an indirect impact of CSR on word-of-mouth. Empirical evidence showing a positive and direct impact of CSR on word-of-mouth is lacking and this thesis aims to extend the knowledge by assessing word-of-mouth as an external outcome.

This section now turns to highlight the impact of CSR activities under different domains on customer response. The two domains of philanthropic and ethical responsibilities are discussed, even though the philanthropic domain is not investigated for its impact in this thesis. Studies investigating the impact of cause-related marketing (CRM) have been dominant in the CSR literature with respect to philanthropic CSR (e.g., Barone, Miyazaki, & Taylor, 2000; Brink et al, 2006; Ellen et al., 2006; Lafferty, 2007; Lichtenstein, Drumwright, & Braig, 2004; Pracejus & Olsen, 2004; Strahilevitz & Myers, 1998; Webb & Mohr, 1998). Cause-related marketing (CRM) is a philanthropic activity in which customers engage in a designated marketing activity and as a direct result, a company offers to contribute a specific amount of its profits to help a social cause (Varadarajan & Menon, 1988). Information regarding a company's support of social causes has been found to affect customer choice; but findings have also shown that the choice depends on customer perceptions of a company's motivation and trade-off (Barone et al., 2000). That is, customers prefer to do business with a company that has altruistic motives to help social causes and there is no quality or price trade-off. Similarly, Pracejus and Olsen found that hotel and theme park customers prefer to

support a CRM program when brand image fits the social cause that a company intends to assist. In contrast, Brink et al. reported that customers do not have a different attitude toward the brand even if CSR programs are designed to assist a social cause that fits the corporate image. They found no significant impact of brand-cause fit CRM on purchase intention.

The review now turns to discuss the effect of CSR activities under the ethical domain on customers. Studies investigating the effect of ethical-CSR initiatives on a range of customer variables have provided mixed results. On one hand, a number of studies have reported a positive relationship between ethical activities and attitudes toward the brand and company (e.g., Burke, Milberg, & Smith, 1993; Deng, 2012; Folkes & Kamins, 1999; Pelsmacker, Driesen, & Rayp, 2005) and consumer purchase behaviours (e.g., Auger, Devinney, Louviere, & Burke, 2008; Creyer & Ross, 1997; Dickson, 2001; McEachern, Schroder, Willock, & Mason, 2007). For instance, Creyer and Ross revealed that customers care about a firm's ethics and are willing to purchase from ethical companies. However, the ethical behaviour of a company has been known to influence customer purchasing decisions only when product attributes are superior (Folkes & Kamins, 1999). On the other hand, several studies have shown the ethical practices of companies are not always influential factors in the buying decision (e.g., Carrigan & Attalla, 2001; Deng, 2012). Price, value, brand image, fashion trends, and quality have been found to be more influential factors in influencing customer decisions to buy (Carrigan & Attalla, 2001; Iwanow, McEachern, & Jeffrey, 2005; Memery, Megicks, & Williams, 2005). However, no empirical research has shown how ethical responsibility affects customer response and whether different ethical practices have different impacts on consumer response in the tourism context. This thesis will contribute to the body of knowledge in this area.

This thesis also has interest in measuring customer response to CSR at different stages of the decision-making process. Most literature reviewing the effect of CSR on consumer response has been conducted at the pre-purchase and purchasing stages of products and services. However, CSR can also be involved at the consumption of products/experience stage (Beckmann, 2007). The relationship between CSR impact on

customer response at the consumption stage is widely investigated in non-tourism related services, such as banks, (Poolthong & Mandhachitara, 2009; Roman, 2003; Roman & Ruiz, 2005), sports (Lacey & Kennett-Hensel, 2010), and mobile services (Salmones et al., 2005). Little is known about whether CSR can be an influencing factor at the post-purchase of tour products which has been identified as a critical stage for reviewing customer evaluations and behavioural outcomes (Geva & Goldman, 1989). This thesis aims to add to the knowledge in this area by expanding the investigation into two stages of decision making: the pre-booking and the post-tour stages of the tour experience.

In summary, the results of previous studies have provided strong support for the impact of CSR on consumers; however, there is limited knowledge in four areas in which this thesis attempts to make a contribution to both the CSR and tourism literature. First, there is a lack of empirical evidence regarding the impact of CSR on customer internal outcomes, such as customer evaluations of the overall quality, trust, and especially on customer value, even though these variables have been conceptually proposed in previous studies. The thesis argues that it is important to have more information on how these customer internal variables relate when they are assessed concurrently. Second, while previous research has confirmed a positive and direct link between CSR and purchase intention as an external outcome, little is known about whether CSR also has a positive and direct impact on word-of-mouth communication. This thesis will expand an investigation about CSR impact on word-of-mouth at the post-consumption stage. Third, no prior research has empirically investigated whether different CSR initiatives, listed in the ethical domain, will have similar or different influences on customer evaluations and behavioural outcomes. While ethical responsibility can be viewed from two aspects of ethical issues and ethical initiatives as discussed in section 2.5, little is known which ethical issues should be prioritised for the implementation of ethical responsibility. Little is known about which type of ethical initiatives, external or internal, will have more potential to gain or enhance positive customer response for a tour company. Finally, while previous studies have shown that CSR can have positive impacts on different external outcomes at different stages of customer decision-making process, it remains unexplored as to whether CSR will have a positive impact on the

same customer internal outcomes at both pre-purchase and post- consumption of tourism products.

This thesis investigates these research gaps and asks the overall research question: *"How does the ethical responsibility of tour operators influence customer evaluations and behavioural outcomes at different stages of the tour experience?"* Figure 2.3 shows the proposed research framework to be assessed.

According to the overall research framework shown in Figure 2.3, this thesis involves two studies conducted at pre-booking (Study 1) and post-tour stages (Study 2). The similarities and differences between the two studies are emphasised. Both studies share three common objectives (1) to test the effects of ethical responsibility on the same set of customer evaluations (2) to test the mediation effect of a set of customer evaluation variables and (2) to test the moderating effect of a customer's personal traits to support CSR as labelled: CSR predisposition. There are three key differences. First, it should be noted that the ethical responsibility of tour operators comprises two aspects: ethical initiatives and ethical areas/issues of concern (discussed in section 2.5 and shown in Figure 2.2). These two aspects of ethical responsibility are the focus of this thesis. Accordingly, the first key difference between the two studies is that the effects of ethical initiatives (tourism accreditation and codes of ethics) are investigated in Study 1, the pre-booking stage. In Study 2, the post-tour stage, the effect of ethical responsibility toward different ethical issues is explored. Three different ethical issues include the environment, socio-culture, and employees. The second difference between the pre-booking and post-tour stages of the study is the measurement of behavioural outcomes. While intention to purchase a tour is measured at the pre-booking stage, word-of-mouth is measured at the post-tour stage. The rationale for this difference is explained later in section 2.9. The last key difference between the two studies is that two different samples involved are drawn from the same population. The discussion on sampling design is presented in section 3.9.

Figure 2.3. The Overall Research Framework for the Two Stages of the Tour Experience
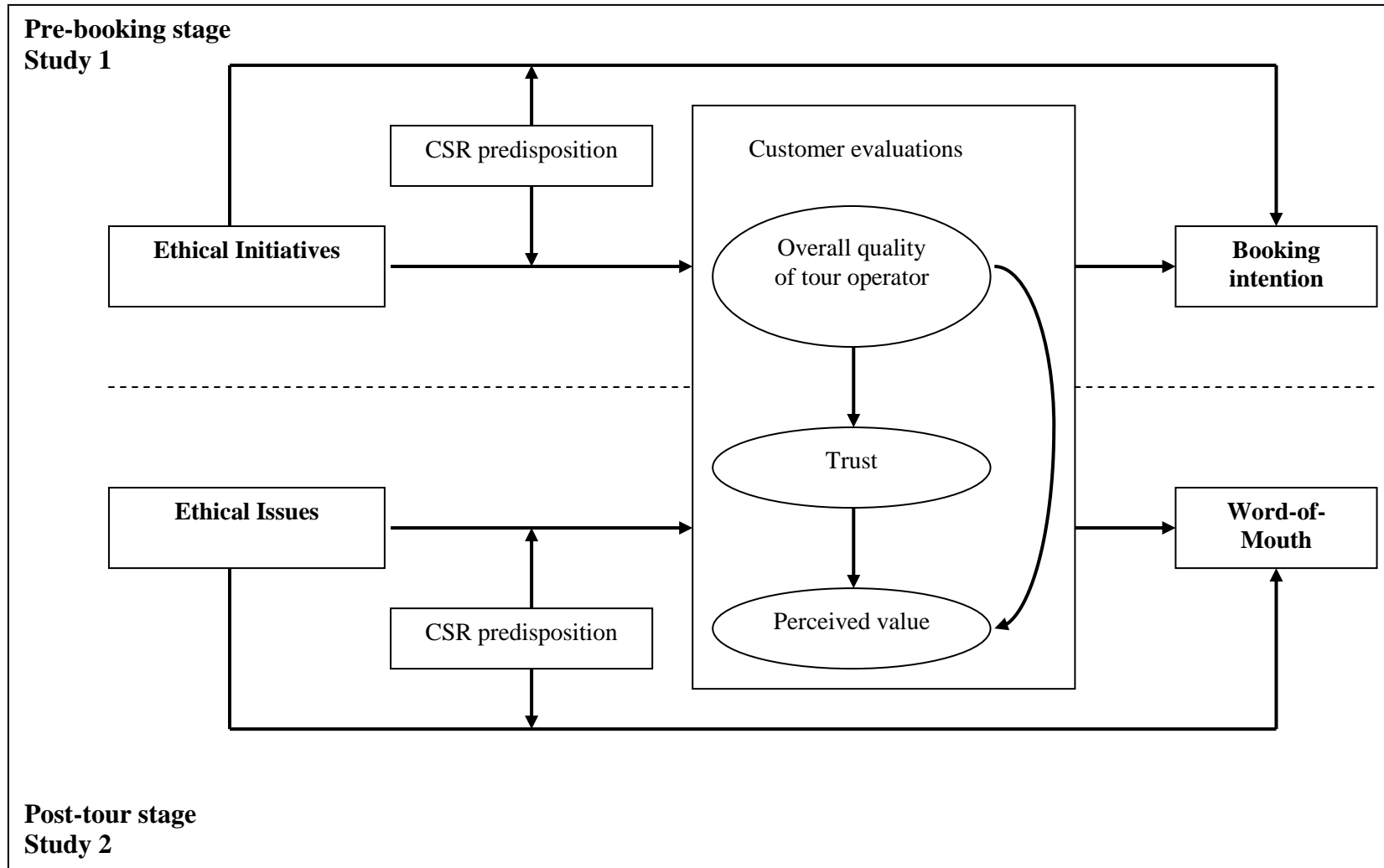
The discussion that follows will turn to specific variables measured in this thesis, as the outcomes of ethical responsibility. The effect of ethical initiatives (tourism accreditation and codes of ethics), and ethical responsibility toward different ethical issues on customer evaluations and behavioural outcomes will also address specific research gaps. The concept of CSR predisposition will be conceptualised and discussed for its moderating effect on the relationship between ethical responsibility and customer evaluations and behavioural outcomes.

2.8 Customer Evaluations

The customer evaluation variables investigated in this thesis are discussed in this section. Customer evaluations include three specific variables: perceived overall quality of the tour operator, trust, and perceived value. The review covers the conceptualisation of each variable and the relationships between CSR and each customer evaluation variable.

2.8.1 Perceived overall quality of tour operators

In this thesis, the literature on service quality and organised tours is used as a guide for the development of the concept of perceived overall quality of tour operators. The quality of a service is different from the quality of a consuming product in that a service is intangible, inseparable, perishable, and variable (Lomine & Edmunds, 2007). Due to its uniqueness, service quality measurement seems to be more sophisticated than the measurement of product quality. Zeithaml (1988) defined perceived quality as customer judgment about the overall excellence or superiority of a product. Parasuraman, Zeithaml, and Berry (1985) highlighted the extent to which service quality is determined by comparing customer expectation with actual performance. Parasuraman et al. (1988) developed the SERVQUAL model as a tool to measure service quality. The SERVQUAL model measures service quality by five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. The SERVQUAL measure has been adapted to measure service quality across settings, such as financial services (Sureshchandar et al., 2001), ecotourism (Khan, 2003), restaurants (P. Stevens, Knutson, & Patton, 1995),

diving tours (O'Neill, Williams, MacCarthy, & Groves, 2000), and all inclusive tours (Atilgan, Akinci, & Aksoy, 2003).

SERVQUAL has been criticised from several perspectives. For example, Cronin and Taylor (1992) suggested that service quality should be measured with a performance-based approach (SERVPERF), rather than an expectation-satisfaction-based approach (SERVQUAL). Both of these approaches can be applied equally well for measuring service quality in the tour operator sector (Hudson, Hudson, & Miller, 2004). Sureshchandar et al. (2001) argued that socially responsible performance should be considered when measuring service quality. In addition, J. Lee, Graefe, and Burns (2004) showed that in a specific context, such as nature-based tourism, information about the destination is also a significant factor for service quality measurement. Moreover, the SERVQUAL model has been adapted for investigations in service quality in many specific contexts, such as ECOSERV for ecotourism (Khan, 2003), DINESERV for restaurants (P. Stevens et al., 1995). Such evidence indicates that measuring "service quality" from an overall service perspective or from one dimension may not be sufficient. These arguments provide this thesis with the foundation to develop the concept of perceived overall quality of tour operators, hereafter called TOURQUAL, which will be used to measure the overall quality of a tour company in a responsible tourism context. It is expected that the development of the TOURQUAL concept and measure will make a contribution to service quality theory.

TOURQUAL is conceptualised as a multi-dimensional construct to measure the perceived overall quality of a tour operator with respect to three dimensions: perceived tour program quality, perceived ethical performance of a company and perceived tour guide performance. The first dimension of TOURQUAL refers to a perception of the tour design as one creating a rich experience for customers. The tour program is an influential determinant of the tourism experience. Attributes, activities, and the itinerary included in a tour are considered as core components of tour programs which can determine the quality of a tour (Geva & Goldman, 1989, 1991). Information about the tour program is a factor that consumers search and evaluate prior to purchasing (Geva &

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Goldman, 1989). Geva and Goldman also argued that the richness of experience offered in a tour program can be evaluated at a post-consumption stage.

The second dimension of TOURQUAL is perceived ethical performance of a tour company. It is broadly defined as customer perceptions of the performance of a tour company with respect to the manner in which a company behaves ethically toward its key stakeholders. Consumers perceive corporate ethics when a company behaves responsibly regarding consumers, employees, the environment, and the local and international community (Brunk, 2010). In addition to the academic viewpoint, organisations in the industry also have noted that the quality of a tour business or a tour company performance can be improved through the role of CSR (TEARFUND, 2001; Tour Operator Initiatives, 2003). In any service sector, CSR is perceived as a critical factor of service quality. For example, Sureshchandar, Rajendran, and Anantharaman (2002) found that social responsibility encourages financial companies to behave ethically in a range of business activities. A company receives a better overall evaluation of service quality from customers and earns their loyalty as a result of being a good company. As discussed in section 2.5, tour operators are important players in the tourism industry and they can engage in CSR to promote responsible tourism products and sustainable development. It is important to include the ethical performance of a tour company when measuring the quality of a tour company.

The third dimension of TOURQUAL proposed in this thesis is perceived tour guide performance. This dimension refers to customer perceptions of the tour guide delivering the best service to the customers. In accordance with the SERVQUAL model, the quality or performance of tour guides can reflect their responsiveness and assurance. These two dimensions of SERVQUAL relate to the human element of service delivery (Sureshchandar et al., 2001). In addition, Geva and Goldman (1989) argued that tour guide performance is also a key factor for a successful tour. Studies into tour guide performance have included the role of the tour guide (Cohen, 1985; Holloway, 1981) and the influence of tour guide performance on tourist evaluation (Huang, Hsu, & Chan, 2010; Mossberg, 1995). Many studies were conducted in package tour settings (e.g., Ap & Wong, 2001; Geva & Goldman, 1991; Huang et al., 2010; Yu, Weiler, & Ham, 2002; Zhang & Chow, 2004). Other studies were conducted in a specific context, such as a

coach tour (Holloway, 1981) or a nature-based tour (Weiler & Davis, 1993). Regardless of the type of tour, it was found that professionalism and expertise of tour guides are essential determinants of excellent performance. That is, tour guides are expected to have good destination knowledge, communication skills, and information giving (Ap & Wong, 2001; Huang et al., 2010; Zhang & Chow, 2004). In a day tour setting, for example, information giving is perceived as a major role of tour guides (Holloway, 1981).

TOURQUAL is conceptualised as a multi-dimensional construct comprising, such aspects as (1) perceived tour program quality (2) perceived ethical performance, and (3) perceived tour guide performance. However, perceived tour guide performance is not measured in this thesis. Evaluation is improbable and it is not considered to be realistic to measure customer perceptions of tour guide performance when customers have not experienced a tour, such as at the pre-booking stage. For practical reasons, TOURQUAL is defined with two factors and both factors (perceived tour program quality and perceived ethical performance) will be measured at both stages of the tour experience.

The effect of CSR on TOURQUAL

First, the literature is reviewed according to the proposed dimensions of TOURQUAL, and then by the decision making stages: pre-booking or post-consumption. The first dimension in TOURQUAL is perceived tour program quality. Previous studies have shown positive relationships between CSR and perceived quality (Bhattacharya et al., 2009; Poolthong & Mandhachitara, 2009; Salmones et al., 2005). According to the conceptual framework proposed by Bhattacharya et al. (2009), CSR activities have a direct impact on functional benefits for stakeholders. In the work of Salmones et al. (2005), functional benefits are perceived as the quality of a mobile service that customers consider when making an overall evaluation of the service. By collecting data from the telephone interviews of approximately 700 respondents, the authors found a high association between CSR and the overall evaluation of the service. Richards et al. (2002) noted the importance of CSR in enhancing the quality for the tour operating businesses. It can be argued that CSR and the quality of tour products are related and

that customers might perceive a higher quality in the tour program as a result of a company's CSR engagement.

The second dimension of TOURQUAL is perceived ethical performance. In addition to product quality, previous studies have also demonstrated positive relationships between CSR and perceived CSR performance (Lacey & Kennett-Hensel, 2010; Oppewal et al., 2006). The empirical results of field survey research showed that a company's engagement with CSR initiatives gradually strengthens customer perceptions of CSR performance of a company (Lacey & Kennett-Hensel, 2010). Similarly, Oppewal et al. reported the enhancement of customer perceptions of CSR performance of a shopping centre involved in CSR activities. Researchers, such as V. Smith and Langford (2009), noted that consumer evaluation standards have shifted from an evaluation of product performance to include ethical standards. It implies the importance of ethical responsibility to customer evaluations of ethical performance of a company. Based on this evidence, the effect of the ethical CSR of a tour company on the two dimensions of TOURQUAL: perceived tour program quality and perceived ethical performance can be predicted.

Specific CSR initiatives, relevant to the two stages of the decision-making process are reviewed in this section. This thesis proposes that *at the pre-booking stage*, two ethical initiatives: tourism accreditation and codes of ethics impact on the perceived tour program quality and the perceived ethical performance. Hjalager (2001) briefly noted a link between certification and higher quality in tourism products. Previous studies have also revealed tourists' positive attitudes and awareness of accreditation programs, such as Green Globe 21 (Reiser & Simmons, 2005; Schott, 2006). While Reiser and Simmons found that having a positive attitude toward the eco-label is not a reliable predictor of tourists' behaviours, other authors have argued that consumers would perceive benefits from accredited tourism products (e.g., Bergin-Seers & Mair, 2008; Buckley, 2002). Similarly, Foster (2000) found that tourism accreditation programs are practised among tourism operators in Victoria, Australia. A survey of 95 accredited operators (34% of whom were tour operators) showed that approximately 43% of tour operators suggested customers perceive industry accreditation as recognition for the

quality of the product. At the same time, Foster (2001) showed that around 16% of Australian tourists had used an accredited operator (a survey of 155 tourists). This group of tourists said they used an accredited company because of the high standard, professionalism, and overall quality. While the effect of accreditation programs on the perceived quality of products/services is evident, studies investigating the effect of accreditation programs on perceived CSR/ethical performance are limited. This thesis will be the first study to investigate whether customers link tourism accreditation with a company's ethical performance.

Studies exploring the effect of codes of ethics on perceived quality are extremely limited. Fleckenstein and Huebsch (1999) noted that ethics and quality are associated to the extent that customers link a better quality of service with the degree of ethical treatment they receive from a service company. Codes of ethics are more closely related to the aspect of ethical performance than to the aspect of product quality. Codes of ethics appear to have a strong impact on the perceived ethical performance of a company. For example, in a study of shopping websites, Yang et al. (2009) found that the more websites illustrate privacy, accuracy, information transparency, and ethical practices, the greater the ethical performance that is perceived by the consumers. This situation implies that customers will perceive the performance of a company as being ethical if they see ethical practices as a part of the product attributes. Recently, researchers have suggested that ethical codes of conduct are related to a company's ethical performance if the codes are qualified (e.g., Erwin, 2011). However, Erwin's work did not investigate whether high and low quality codes affect the level of ethical performance perceived by consumers. This thesis aims to investigate whether the presence or absence of an ethical code has any influence on consumer evaluations of the perceived ethical performance of a company, together with the perceived tour program quality.

It is proposed to investigate the ethical responsibility toward three ethical issues during *the post-tour stage*. Previous research has shown the link between a company's ethical behaviours toward a range of ethical issues and product quality. For example, with respect to the quality of service, in the retail bank service, Poolthong and Mandhachitara

(2009) found that customers expected bank companies to take responsibility in relation to community, employees, the environment, and the products/services offered to customers. Customer expectations of CSR regarding these issues have positive effects on perceived service quality (Poolthong & Mandhachitara, 2009). Researchers have argued that consumers prefer ethical products (e.g., Auger et al., 2008; Loureiro & Lotade, 2005; Pelsmacker et al, 2005). Ethical products include the ethical practices of a company in response to issues, such as fair trade and the environment. Customer preferences for ethical product could be the result of favourable quality. Little is known about whether customers link the quality of tour products with ethical behaviours. The question is do customers care more for the environment than for employees or local communities and vice versa and will CSR practices in this areas influence customer perceptions of the tour program quality.

Observations also have indicated that customers also relate their perceptions of a company's ethical performance with the degree of the company's ethical behaviours toward a range of ethical issues. For example, Mohr and Webb (2005) reported experimental findings that show customers' have positive perceptions towards a company if it is responsible for environmental issues. In his qualitative study, Brunk (2010) found customers rated a company highly on ethical performance, if the company behaves ethically towards employees, the environment, local and international communities, consumers, and the business community. For example, customers reported that the ethical treatment of employees, such as paying above average wages and offering additional social benefits can positively affect consumer perceived ethicality of a company (Brunk, 2010). Little is known about whether a company's ethical behaviours toward different ethical issues will have different impacts on perceived ethical performance of a tour company. That is, which issue is the more beneficial issue for managers to their resources allocate.

This thesis investigates whether customers evaluate TOURQUAL (perceived tour program quality and perceived ethical performance) differently if they have been exposed to a company's ethical responsibility toward ethical issues regarding the environment, socio-culture, and employees during the tour. The investigation will show

ethical responsibility toward which ethical issues have a stronger impact on each of the two dimensions of TOURQUAL.

2.8.2 Trust

Trust is the second evaluation variable this thesis investigates. In the marketing context, credibility and benevolence are most commonly considered as key dimensions of trust (Doney & Cannon, 1997; Ganesan & Hess, 1997). Credibility refers to an ability to keep promises, competencies, and reliability (Ganesan & Hess, 1997) and an ability to perform effectively (Doney & Cannon, 1997). According to Sirdeshmukh, Singh, and Sabol (2002), trust is the customer expectation of the reliable manner in which service providers deliver on their promises. Ganesan and Hess stated that benevolence is based on genuine concern and care for consumers. It means that customers will trust a company if they have realised that it acts sincerely in response to customer interests.

Trust is often investigated in terms of who the customer is actually trusting--staff or firm. The trust that exists between consumers and an individual service provider or staff member is called interpersonal trust and trust that exists between consumers and a company is referred to as organisational trust (Doney & Cannon, 1997; Ganesan & Hess, 1997). These two levels of trust are closely related (Doney & Cannon, 1997). Service providers or salespersons are important sources of consumer trust for a company. Organisational benevolence and interpersonal credibility are significantly related to a consumer's commitment to a company (Ganesan & Hess, 1997). Accordingly, this thesis conceptualises trust as a customer's perception of a company's credibility and benevolence.

The tourism literature has shown the impact of various factors on consumer trust (e.g., Chen, 2006; Fam, Foscht, & Collins, 2004; Sparks & Browning, 2011). When making online hotel bookings, customers search for and evaluate a range of information prior to booking. Fam et al. surveyed the content of information and communication on hotel websites. They found that website features, including information about guarantees of services, reputation of websites, privacy, and information on the company's online

operation influences consumer trust in hotel websites. Recently, an experimental study conducted by Sparks and Browning has reported significant findings that customer reviews on the level of service provided by staff together with information about the hotel, such as testimonials, positively affect customer perceptions of trust in online reviews of hotel websites. These factors are similar to what influences consumer trust in an online travel site (Chen, 2006). Information that a company communicates to customers plays a critical role in building consumer trust in the company. It is important to find out whether information about CSR from the responsible tour company will have a positive effect on trust toward the firm.

The effect of CSR on trust

The links between CSR and consumer trust with a company/brand have been addressed from various perspectives (Du et al., 2010; P. Murphy, Laczniak, & Wood, 2007; Sagar & Singla, 2004; Schwartz, 2005; Swaen, 2002). For example, P. Murphy et al. provided conceptual background on relationship marketing and address the importance of ethics in generating consumer trust in a company. In relation to marketing ethics, Swaen proposed a research model to test the effect of perceived CSR on a range of marketing variables, including trust. Recently, with respect to CSR communication, Du et al. also proposed that trust is an internal outcome that can be enhanced when customers are informed about CSR initiatives and issues. In addition to these conceptual ideas, the relationships between CSR and trust are empirically investigated in a limited number of studies. For instance, corporate engagement with social responsibility is positively related to trust (Brown, 1998). A longitudinal study of sport firms showed that a long term engagement with CSR initiatives is influential in building customer trust in a firm and through this good relationship; desirable customer behaviours (Lacey & Kennett-Hensel, 2010). In relation to the tourism context, even though consumer trust is widely investigated (e.g., Chen, 2006; Fam et al., 2004; Sparks & Browning, 2011), no studies have investigated consumer trust as a result of CSR activities. This thesis aims to extend knowledge about the impact of CSR on consumer trust at both the pre-purchase and post-tour stages of the tour experience.

It is proposed to examine the effects of tourism accreditation and codes of ethics on consumer trust at the pre-purchase stage of a tour. Previous research in the non-tourism context has shown the relationships between ethical initiatives, such as certification and trust (Castaldo, Perrini, Misani, & Tencati, 2009; Perrini, Castaldo, Misani, & Tencati, 2010; Pivato, Misani, & Tencati, 2008). This group of empirical studies was conducted on consumer products. For instance, survey results in the organic food context showed that customer perceptions of certified food companies are positively related to trust (Pivato et al., 2008). Perrini et al. argued that customers are more likely to trust private-label organic certified products. There is also a positive effect of fair trade-labelled products on consumer trust (Castaldo et al., 2009). Several scholars have investigated tourism products and noted that tourism certification programs are vehicles to build trust (Fennell, 2006; Font, Sanabria, & Skinner, 2003), however, there is no empirical work investigating accreditation program-trust relationships at the pre-purchase stage. Studies in the non-tourism context have argued that ethical codes of practice show on an online shopping website can enhance consumer trust (Yang et al., 2009). However, empirical research studying the impact of ethical codes on trust is not found in the tourism literature. This thesis investigates the effect of accreditation and codes of ethics on trust at *the pre-purchase stage of a tour*.

The CSR-trust relationship at the consumption stage is also important. In financial services, ethics is a key determinant of consumer trust in the company (Bejou, Ennew, & Palmer, 1998). Empirical studies have also shown that customers will trust a bank if they are treated ethically by the bank staff (Roman, 2003; Roman & Ruiz, 2005; Ogrizek, 2002). The high level of trust should not be questioned in cases where customers directly benefit from the ethical manners of staff or the company. However, it is questionable whether customers will trust a company in the situation where they do not directly benefit from a company's ethical behaviours. In other words, will customer perception of trust in a company be positive when a company behaves ethically not only toward the customer themselves, but also to other stakeholders? While Du et al. (2010) argued conceptually that consumer trust can be built through a company's communication about its ethical behaviours toward a range of ethical issues, no prior research has explored whether ethical behaviours toward different ethical issues will

build trust. This thesis investigates the impact of a tour company's ethical practices toward issues regarding the environment, socio-culture, and employees on consumer trust *at the post-tour stage*.

2.8.3 Perceived value

The final customer evaluation variable this thesis investigates is perceived value. Perceived value is synonymous with consumer value (Gallarza & Saura, 2006) and it has received attention by consumer researchers in both consumer marketing and the tourism literature. Perceived value has been investigated widely in relation to its conceptualisation (e.g. Zeithaml, 1988; Holbrook, 1996; Woodruff, 1997), especially its dimensionality (e.g. Sheth, Newman, & Gross, 1991; Sweeney & Soutar, 2001) and its relationship with other marketing variables (e.g. Cronin, Brady, & Hult, 2000; Petrick, 2004; Sparks, Butcher, & Bradley, 2008). How researchers have sought to conceptualise perceived value is the first topic for discussion.

Definitions of perceived value vary. For example, Zeithaml (1988) defined perceived value as an overall assessment of the utility of a product as a result of a comparison between a customer's perception of what they receive and what they give. Zeithaml's definition is popular; however, it can be argued that the definition is too broad. To evaluate value when buying products, it is common for customers to compare benefits and sacrifices. An attribute such as price is considered a major factor in determining value. Customer perceptions of value can also be determined by psychological factors. Customer perceived value receives an evaluation at the purchase stage and also at the consumption stage (Woodruff, 1997). Some scholars have defined perceived value from a more comprehensive perspective. Holbrook (1996) suggested customer value can be determined on the basis of the level of an interaction between customers and products. More importantly, customer value varies depending on situations.

The conceptualisation of perceived value has also centred around its dimensionality. Some studies have treated perceived value as a unidimensional construct and measure value in terms of what the customer receives for a price paid (e.g., Oh, 1999). In other

studies value is measured as a multi-dimensional construct (e.g., Sheth et al., 1991; Sweeney & Soutar, 2001). Appendix 2.1 shows a list of studies defining and measuring perceived value as a multidimensional construct. In tourism studies, a multi-dimensional approach is more widely undertaken than a unidimensional approach because it is more holistic and comprehensive (Sánchez-Fernández & Iniesta-Bonillo, 2007). With respect to a multi-dimensional approach, two dominant value models that have been used widely in tourism studies are the PERVAL model developed by Sweeney and Soutar (2001) and Holbrook's (1996) typology of customer value.

The PERVAL has been developed to measure customer value in the retailing context (Sweeney & Soutar, 2001). The model comprises four dimensions of value: quality, emotional, price, and social. Even though this model has been developed for the retailing context, it has been adopted to measure value for some tourism services, such as the GLOBAL model for travel agency (Sánchez, Callarisa, Rodríguez, & Moliner, 2006) and the SERV-PERVAL model for cruise service (Petrick, 2002). The value dimensions of the GLOBAL and SERV-PERVAL models are different; however, they share the same dimensions of quality, emotion, and price. Cognitive elements, such as quality and price as well as affective elements, such as emotion play a fundamental role in value creation for tourism products.

Holbrook's (1996) typology of customer value is another widely adopted model that classifies value dimensions for tourism products. This model is more complex than the PERVAL model and customer value can be classified from the aspects of self-oriented vs. other-oriented, active vs. reactive, and extrinsic vs. intrinsic. There are eight specific types of value: efficient, excellence, play, aesthetics, status, esteem, ethics, and spirituality. Considered from the aspect of self-oriented vs. other-oriented, value is self-oriented when customers prize a product or an experience for their own benefit. For example, Sparks et al. (2008) found that timeshare owners perceive owning timeshare accommodation as fun and relaxation. Young travellers perceive travel as play and as aesthetically pleasing (Gallarza & Saura, 2006). "Play" is a specific type falling under Holbrook's self-oriented value that is similar to the emotional value included in the PERVAL model.

Conversely, value is other-oriented when customers perceive a product or experience beyond the self to some others (Holbrook, 1996). For instance, timeshare owners perceive owning a timeshare as a way of expressing their social status to other people (Sparks et al., 2008). Similarly, young travellers perceive travel as a chance for them to have social interaction and to be a part of significant groups (Gallarza & Saura, 2006). Other-oriented value, such as, status is embedded in social value according to the PERVAL model. This dimension relates to the extent to which tourists associate tourism products with their self-concept and self-expression. In other words, customers select some particular products or services to express who they are or what they value to others, such as family and friends or even to a society (J. Smith & Colgate, 2007). However, Holbrook noted that other-oriented value does not just look beyond the self to other people, but also to other things, such as the planet or even the universe. In this sense, Holbrook considered spirituality and ethics as an other-oriented value. Gallarza and Saura claimed these two dimensions are too difficult to measure in the overall tourism context. While these authors did not provide a reason for their comment, they suggested future research should investigate such factors as dimensions of customer value. It can be assumed that an ethical dimension of value might be suited to a particular situation, such as ethical consumption. N. Smith (1996) highlighted the ethical aspect of value should be measured in the marketing context. In relation to ethical tourism products, it is therefore reasonable to suggest the measurement of perceived value, by including ethical aspect.

In addition to conceptual issues of definition and dimensionality, the issue of whether perceived value should be measured at the consumption stage or prior to purchase is evident in the literature. Traditionally, authors have associated consumer value with the consumption of products or service (Holbrook, 1996; Woodruff, 1997; Moliner, Sánchez, Rodríguez, & Callarisa, 2007; Sheth et al., 1991). This means customer value is evaluated during consumption or at a post-purchase stage. With respect to tourism where the travel experience is extremely important for determining customer value, perceived value is usually measured during or after experiencing the service. Sánchez et al. (2006) argued that for package tours, measuring perceived value of a purchase is as

important as the consumption of experience, since tourists evaluate not only the experience, but also a purchase. This thesis measures perceived value at both the pre-purchase and post- consumption stages of the tour experience.

In summary, this thesis argues that perceived value of the tour product should be defined and measured according to the nature of the tourism experience. First, the tourism experience does not separate purchase from consumption. Secondly, perceived value should not be viewed from a merely rational point of view in terms of value for price. It is also important to consider the experiential view and psychological factors as new keys to customer perceptions of value (Sánchez et al., 2006; J. Smith & Colgate, 2007; P. Williams & Soutar, 2009). In accordance with this broader approach, this thesis adopts parts of Holbrook's (1996) model by considering perceived value from self-oriented and other-oriented aspects. Accordingly, perceived value is conceptualised as the customer perceptions of value of tourism products at any stage of the purchase process viewed from multiple dimensions comprising price, hedonic, expressive, and ethicality. While price represents a dimension seen from a traditional point of view of perceived value, the other three dimensions represent aspects of self-orientation and other-orientation according to Holbrook's model. More specifically, the hedonic dimension is a self-oriented value; whereas the expressive and ethical dimensions present other-oriented values. Price value refers to value for money paid for ethical tour products. Hedonic value refers to positive emotional responses aroused by tour features or the experience. Expressive value refers to tour product features that allow customers to express themselves to other people. Ethical value refers to how customers perceive value in the tourism products providing a sense of morality and doing right things for others. This thesis aims to explore whether different ethical-CSR initiatives will have different impacts on perceived value dimensions and which value dimension is the most important to determine behavioural outcomes.

The effect of CSR on perceived value

The CSR-value relationship is conceptually discussed in the CSR literature (e.g., Bhattacharya et al., 2009; Peloza & Shang, 2011; Piercy & Lane, 2009). With respect to

the company-stakeholder relationship, Bhattacharya et al. considered value as the psychological and functional benefits that stakeholders will achieve as a result of CSR activities. While the work of Bhattacharya et al (2009). focused on value for all groups of stakeholders, other studies have focussed on value for customers. For instance, Piercy and Lane argued from a strategic marketing perspective that CSR activities are essential to create customer value. These authors suggested marketers think about what CSR strategies will be more attractive in creating value for customers. At the same time, authors, such as Peloza and Shang proposed an investigation into whether CSR activities categorised as philanthropic or ethical practices will create self-oriented and/or other-oriented value for organic foods.

While researchers have supported the importance CSR activities in creating customer value, no prior studies in either non-tourism or tourism literature have been conducted to investigate such relationships empirically. A brief review of some conceptual work on this link is presented. With respect to the tourism context, Richards et al. (2002) noted that CSR plays a key role in improving tour operator performance in terms of "added value" to tourism products/services. Tourism products are considered as experiential and can be viewed as symbolic products (J. Smith & Colgate, 2007) through which tourists can express themselves to the others. In support, Peloza and Shang (2011) conceptually argued that CSR impacts on other-oriented value increases in salience for experiential and symbolic products. Values, such as enjoying life, self-identity, being helpful for others, and respecting the environment are important consequences for customers when purchasing and experiencing ethical products (Shaw et al., 2005). This thesis explores the impact of ethical-CSR initiatives on customer value at both the pre-purchase and post-experience stages of the tour experience. The thesis will be the first study to empirically examine the impact of different types of ethical-CSR initiatives on self-oriented and other-oriented values.

At the pre-booking stage, this thesis aims to investigate the impact of two ethical initiatives (accreditation and codes of ethics) on perceived value dimensions. Accreditation programs and codes of ethics are treated as ethical initiatives and at the same time they are sources of information about a company's responsibility. Little is

known whether the information about a company's ethical responsibility communicated through these two initiatives affect customer value at the purchase stage. For example, Brécard, Hlaimi, Lucas, Perraudeau, and Salladarre (2009) argued that the purchase of eco-labelled products is driven by consumer's moral motivation. Customers perceive buying environmentally-friendly products as a good thing to do for the environment. In the tourism context, Bergin-Seers and Mair (2008) reported only a few respondents perceived value for money from accredited tourism products. It remains unexplored whether customers in the tourism market place perceive value for hedonism, self-expression, and ethicality from accredited tours. Moreover, Kazimierczak (2006) argued the importance of codes of ethics for the tourism industry. It is reasonable for this thesis to further investigate the impact of codes of ethics on perceived ethical value. This thesis will also examine the impact of ethical codes of conduct on other dimensions of value, as defined for this thesis.

Customer value is also evaluated at *a post-consumption stage of the tour experience*, especially for tourism products. At the post-tour stage, this thesis extends the investigation of ethical initiatives to understanding how a company's ethical responsibility toward different ethical issues impact perceived value. While there is no previous study examining this aspect of ethical responsibility in tourism, there are a few studies in the non-tourism literature related to ethical issues. For example, Auger et al. (2008) presented findings that indicate customers perceive a higher value for the products of a company that has ethical practices in child labour and working conditions. While previous studies in the non-tourism context have shown that customers expect a company to be responsible for a range of issues regarding the environment, employees, and local communities (Brunk, 2010), it remains unknown how a company's ethical practices toward these ethical issues affect the dimensions of value. For an ethical tour experience, the question is asked: will customers perceive greater value for money, hedonic value, self-expression, and ethicality if they are exposed to a tour company's ethical practices with regard to the environment, local community, and employees. This thesis seeks to answer this question.

2.9 Behavioural Outcomes

Behavioural outcomes result from the consequences of customer evaluations of services or products. In the tourism literature, behavioural outcomes include variables such as customer loyalty (e.g., Oh, 1999; Petrick, 2004), purchase/re-purchase intentions (e.g., T. Kim, Kim, & Kim, 2009), intention to revisit (Hutchinson, Lai, & Wang, 2009; J. Lee et al., 2004), and word-of-mouth (e.g., Hutchinson et al., 2009; W. Kim, Ma, & Kim, 2006). The variables have been investigated in various contexts, such as hotel (Oh, 1999; T. Kim et al., 2009), natural park (J. Lee et al., 2004), and golf destinations (Hutchinson et al., 2009). This thesis investigates two variables: purchase intention and word-of-mouth communication as the behavioural outcomes of ethical responsibility. While purchase intention is investigated at the pre-booking stage, word-of-mouth is investigated at the post-tour stage. Even though, other variables, such as re-purchase intention are also widely examined after the consumption stage (T. Kim et al., 2009), it is not practical to examine the re-purchase intentions of customers for a tour. That is, it is unlikely that customers will buy a second tour from the same company even though they are satisfied with a tour service (Geva & Goldman, 1989). Also, little is known about the impact of CSR initiatives on word-of-mouth. This section moves to review literature relating to the impact CSR on each behavioural variable outcome.

2.9.1 Tour booking intention

Booking intention is the first behavioural outcome variable examined in this thesis. Tour booking intention is simply defined as the customer's intention to buy a tour. It is recognised that purchase intentions can be determined by various factors. In the non-tourism literature, previous consumer studies have indicated that purchase intentions result from the customer evaluations of service quality (Zeithaml, Berry, & Parasuraman, 1996), perceived value (Chang & Wildt, 1994), and product knowledge (Li, Daugherty, & Biocca, 2002). In the tourism literature, particularly in the hotel setting, purchase intentions is the outcome of antecedents, such as customer perceptions of price, brand image, value (Chiang & Jang, 2006) and trust (Sparks & Browning, 2011). Whereas studies about hotel booking intention are substantial, studies about tour

booking are limited. Geva and Goldman (1989) argued that customers evaluate tour attributes and information prior to their booking, which suggests the need to explore whether or not information about the ethical responsibility of a tour company will affect customer intentions to buy a tour.

The effect of CSR on tour booking intention

Previous research in the CSR literature has shown contradictory results about the impact of CSR on purchasing decisions. One argument stated that CSR does not have a significant impact on purchase intention and factors including price, quality, brand, features, and style are far more important than ethical responsibility (e.g., Carrigan & Attalla; 2001; Iwanow et al., 2005; Memery et al., 2005). A large number of studies have presented a second argument that indicates a significantly positive effect of CSR on purchase intention (e.g., Auger et al., 2008; Brown, 1998; Mohr & Webb, 2005; Pirsch et al., 2007; Sen & Bhattachraya, 2001). For example, experimental research conducted by Sen and Bhattacharya (2001) showed a significantly positive effect of CSR information on purchase intentions. Effective communication about CSR initiatives can influence consumer purchases (Du et al., 2010). However, empirical research that investigates the impact of information about CSR initiatives on purchase intention of the tourism product is lacking.

In tourism, there are mixed views about the efficacy of providing responsible travel information to consumers, in terms of behavioural intentions. First, Amendah and Park (2008) found mixed results when investigating the relationships between highly involved eco-tourists and their willingness to pay more for eco-friendly products. As a consequence, they argued that the provision of more travel information about the environmental friendliness of the destination was critical, at least for this segment. In support, Goodwin and Francis (2003) reported that a provision of social and environmental information in a tour operator's brochure is somewhat important to customer choice evaluation. However, Miller et al. (2010) suggested that changing actual tourist behaviours is difficult. That is, there is a gap between what consumers state they would like or are willing to do and what they do in practice. At the same time,

the authors recognise the potential for changing customer behaviour. A key goal will be to identify what specific actions or forms of responsible information will best facilitate behavioural change in tourists.

Tourism accreditation and codes of ethics are not merely tools for promoting ethical responsibility within a company, but also provide information or knowledge about the ethical responsibility of a company to external stakeholders, such as customers. Knowledge about a company's CSR increases when customers are exposed to information about a company's CSR activities, which in turn, influences their purchase intentions (Wigley, 2008). With respect to tourism accreditation, authors have noted that tourism eco-labels can motivate tourists to act in favour of environmentally responsible tourism companies, by creating choices and/or informing decisions, when selecting a tourism company for their holidays (Buckley, 2002; Sasidharan et al., 2002). Even though eco-labels are not well recognised in some regions and there is low consumer awareness of tourism accreditation among a large proportion of consumers (Goodwin, 2005), many tourists claimed that once they were educated about eco-labels they would use labels to select future tour operators (Chafe & Honey, 2005). A survey of 155 tourists to Victoria, Australia, reported that the majority of tourists are likely to buy a tour if they know that a company is accredited (Foster, 2001). Travellers in the UK are more likely to book a holiday with a company if it has a written code of ethics (Goodwin, 2005). Reports confirmed there is an increasing number of tourists who prefer to book a holiday with a company that is practising a code of ethics (Goodwin & Francis, 2003). Based on these discussions, it can be assumed that the two ethical initiatives: tourism accreditation and codes of ethics positively influence customer intentions to book a tour. This thesis extends investigation by comparing the relative effects of both accreditation and codes of ethics on tour booking intention.

2.9.2 Word-of-mouth communication

Litvin, Goldsmith, and Pan (2008) defined word-of-mouth as "the communication between customers about a product, service, or company in which the sources are considered independent of commercial influence" (p.459). This broad definition and

subsequent measurement of word-of-mouth covers all aspects of communication channels, including new social media. Even though word-of-mouth responses can be either negative or positive (Sundaram, Mitra, & Webster, 1998), when the variable is operationalised, positive word-of-mouth referrals are examined more widely than negative word-of-mouth. This thesis treats word-of-mouth in terms of positive referrals and investigates this construct as behavioural outcomes at the post-consumption stage of the tourism experience.

Word of mouth has been studied in association with customer satisfaction, service quality, and customer value (e.g., González, Comesaña, & Brea, 2007; Hutchinson et al., 2009; J. Lee et al., 2004; Petrick, 2004). For example, customers who are satisfied with the spa service report that they would recommend the service to anyone who asks and would encourage their families and friends (González et al., 2007). Similarly, a market survey has shown that word of mouth referral is very significant to tourism tour operators since most tourists participating in the survey chose a tour operator based on recommendations from their networks, such as friends and families, rather than travel agents (MORI, 2004).

The effect of CSR on word-of-mouth communication

Previous CSR studies have conceptualised the effect of CSR on word-of-mouth, which is described as an external outcome (e.g., Bhattacharya & Sen, 2004). Du et al. (2010) argued word-of-mouth referrals can be enhanced by a company's communication about the social issues the company is supporting. While empirical studies have shown a positive impact of CSR issues on purchase intention (Auger et al., 2008; Dickson, 2001; Sen & Bhattacharya, 2001), there is a lack of empirical research examining the impact of ethical responsibility on word-of-mouth. The tourism context has recognised that customers perceive information about social/ethical issues as important for their overseas holidays and they believe that tour operators should be responsible for ethical issues (TEARFUND, 2000). Chafe and Honey (2005) argued that a majority of tourists are interested in the environmental and socio-cultural issues of the destination they visit. While this evidence shows the importance for a tour operator to be responsible for

ethical issues at destinations, no previous research has studied whether customers will generate positive word-of-mouth if they have a tour experience with an ethical tour company or obtain information during a tour about ethical responsibility of a company. This thesis attempts to make a contribution to this area of knowledge.

2.10 Customer Evaluation Variables as Mediators

The discussion in sections 2.8 and 2.9 reviews the literature related to the direct effect of CSR, and to particular ethical initiatives, on each measurement variable. As shown in Figure 2.3, this thesis also aims to investigate the indirect effect of ethical responsibility of tour operators on behavioural outcomes through a set of customer evaluations. Some previous studies in the non-tourism context have proposed that internal outcome variables, such as functional benefits, value, and trust are interrelated (Bhattacharya et al., 2009). No previous study has empirically and simultaneously investigated this relationship in the CSR literature. Customer variables, including perceived quality, trust, and value are widely investigated in the tourism research (Andreassen & Linstad, 1998; Moliner et al., 2007; Oh, 1999). This thesis extends the knowledge about these variables by investigating their mediating effect in the relationship between CSR and behavioural outcomes at the pre-booking and the post-tour stages of the tour experience.

The CSR literature has put a conceptual argument that CSR initiatives have an indirect impact on behavioural outcomes through customer internal outcomes (e.g., Bhattacharya & Sen, 2004). Bhattacharya et al. (2009) proposed a comprehensive conceptual framework showing that the indirect impacts of CSR on behavioural outcomes can be determined through several key variables, including customer perceptions about a company's responsible behaviours, functional benefits, value, and trust. The authors argued these variables are interrelated. For example, CSR activities affect customer perceptions about a company's responsible behaviours and functional benefits, which in turn influence perceptions of value. Value also enhances consumer trust, which ultimately affects behavioural outcomes. Some empirical studies have tested the mediating effect of several variables as proposed in Bhattacharya et al.'s (2009) model. For instance, in an online shopping context, ethical practices of a

company affect customer perceptions of ethical performance in the first place; customer perceptions of ethical performance, in turn enhances consumer trust (Yang et al., 2009). While Yang et al. did not investigate the effect of trust on behavioural outcomes, Poolthong and Mandhachitara (2009) found that trust plays an important role as a mediator between CSR and external outcomes. That is, a bank's CSR activities affect customer perceptions of service quality, which in turn, enhances trust. Trust then influences customers' positive feeling towards the bank.

Bhattacharya et al. (2009) has proposed value as one of the key mediators in the CSR activities-behavioural outcomes relationship. However, there is a lack of empirical studies in the CSR literature investigating the mediating role of value. Nevertheless, previous findings have shown that customers relate value to ethical consumption (Follows & Jobber, 2000; Shaw et al., 2005). An implication is that demonstrated ethical responsibilities of a company may result in higher consumer value so that customer value will contribute to more favourable customer behavioural outcomes. This thesis investigates the mediating effect of value and the related evaluation variables, as proposed by Bhattacharya et al. (2009) in the CSR-tourism context. The mediating variables tested in this thesis are TOURQUAL, trust, and perceived value and the underlining assumption is that these mediators are interrelated. The interrelationships among these mediating variables are tested at both the pre-booking and post-tour stages of the tour experience.

Studies of the interrelationships among service quality/service performance/company performance, perceived value, and trust are evident in the fields of tourism and service marketing (Chaudhuri & Holbrook, 2001; Zeithaml, 1988). Recognition that perceived quality plays a key role as an antecedent of perceived value, trust and purchase intention particularly occurs *at the purchase stage* (Chiang & Jang, 2006; Cronin et al., 2000; Parasuraman & Grewal, 2000). In the hotel setting, for instance, empirical studies have argued that service quality directly impacts perceived value, which in turn, influences hotel booking intention (Chiang & Jang, 2006; Oh, 2000). Chiang and Jang presented findings that perceived quality does not only affect perceived value, but also influences trust. While a consensus of researchers acknowledged that perceived quality affects

perceived value and trust, there remains more uncertainty in the relationships between perceived value and trust. On one hand, trust is an antecedent of perceived value, and perceived value in turn influences purchase intention for hotel (Chiang & Jang, 2006) and online shopping contexts (Chong, Yang, & Wong, 2003). Conversely, other studies have argued that perceived value is an antecedent of trust, and trust in turn, enhances customer loyalty (e.g., Chaudhuri & Holbrook, 2001; Harris & Goode, 2004). This thesis investigates both mediators in the ethical initiatives-tour booking intention relationship and sheds light on whether trust is an antecedent of perceived value or vice versa.

At *the post-consumption stage*, previous research has illustrated the interrelationships among service quality/service performance/company performance, perceived value, trust, and word-of-mouth (Andreassen & Linstad, 1998; Moliner et al., 2007; Oh, 1999; Sirdeshmukh et al., 2002; Zeithaml, 1988). First, it is widely argued that perceived quality appears to be an antecedent of perceived value and word-of-mouth. For example, in relation to a luxury hotel context, it is argued that at the post-purchase stage of decision making, perceived service quality strongly affects perceived customer value, which in turn influences word-of-mouth intention (Oh, 1999). Likewise, in the context of tour packages, it was found that perceived quality has a positive impact on customer value (Andreassen & Linstad, 1998). Similar results indicating the impact of quality on value and word-of-mouth are found in relation to a cruise ship tour (Petrick, 2004), spa (González et al., 2007), forest visiting (J. Lee et al., 2004), and holiday destination (Žabkar, Brencic, & Dmitrovic, 2010). Second, some studies have investigated the relationship between perceived value and trust. For example, at the post-purchase of a tourism package, it is argued that perceived value positively influences consumer trust for a travel agency (Moliner et al., 2007). Conversely, for airlines, trust creates value in two ways by providing relational benefits derived from interaction with service providers and by reducing uncertainty from service delivery (Sirdeshmukh et al., 2002). These authors also found that trust leads to customer loyalty.

This evidence shows that studies at the post-purchase stage investigating the quality-value-word-of-mouth chain are substantial. Little empirical work has been conducted in

relation to quality-trust-word-of-mouth relationships, and there is a lack of empirical research that investigates the relationships between trust and perceived value at the post-consumption stage of an ethical tour. The interrelationships among overall quality-trust-perceived value as mediators in the ethical responsibility-word-of-mouth relationship, at the post-tour stage of the tour experience are investigated in this thesis.

2.11 CSR Predisposition as Moderator

The CSR impact on consumer response can be moderated by key factors, such as consumer support for CSR and consumer-company congruence (Bhattacharya & Sen, 2004; V. Smith & Langford, 2009). As shown in the overall research framework (see Figure 2.3), this thesis proposes to investigate the moderating effect of CSR predisposition at both the pre-booking and post-tour stages of the tour experience. A broad definition of CSR predisposition is a customer's personal traits regarding their beliefs and feelings about the importance of CSR, and their behavioural support for socially responsible activities.

Previous research has indicated that customers who have different levels of personal support for CSR respond to a company's CSR activities in different ways. Generally speaking, customers who have high expectations and a positive attitude toward CSR are prepared to support responsible companies (Mohr et al., 2001). More specifically, some studies have classified customers based on thoughts, attitudes, beliefs, and expectations towards CSR (Deng, 2012; Vassilikopoulou, Siomkos, & Mylonakis; 2005; Webb & Mohr, 1998). For example, a qualitative study by Webb and Mohr classified customers into four groups based on their thoughts and feelings about philanthropic CSR activity. These four customer groups include sceptics, balancers, attribution-oriented, and socially concerned. The study outcomes confirmed that while consumers in the category of sceptics are predisposed to distrust philanthropic programs, levels of predisposition to trust philanthropic programs are higher among the balancers, the attribution-oriented, and the socially concerned. Experimental results showed that CSR support moderated customer evaluations of a company (Sen & Bhattacharya, 2001). That is, customer evaluations of a company are greater for consumers who are more supportive of CSR,

and high CSR support customers are also likely to boycott a product from irresponsible companies, even where the product quality is high.

Similar studies have been conducted in the tourism literature. For example, cultural differences among tourists are found to create different perceptions of responsible tourist behaviours (M. Kang & Moscardo, 2006). While these authors looked at the cross-cultural difference, Bergin-Seers and Mair (2009) classified tourists into two categories of active and less active based on their green behaviour at home, such as water and energy use, green purchase activities, and transport-related practices. Turning to travel-related behaviours, the authors discovered active green tourists respond more positively than less active green tourists in terms of support for accredited tourism businesses, a change in being more environmentally responsible when travelling, and making donations to help protect the destination environment. No previous studies in tourism research have experimentally explored whether customers who are high vs. low in CSR predisposition will respond differently to different types of ethical initiatives and consistently at the pre-booking and the post-tour stages of the tour experience.

2.12 Research Models and Hypotheses

Following the discussion on CSR-consumer response presented in section 2.7, the overall research model for the two stages of the tour experience has been developed as shown in Figure 2.3. The reviews in sections 2.8 and 2.9 provide background information of customer evaluations and behavioural outcomes, together with the direct impacts of CSR and the specific aspects of ethical responsibility on each variable. The review highlights a lack of empirical research investigating the impact of ethical responsibilities on the overall quality of a tour company, trust, and perceived value at both the pre-purchase and the post-consumption stages of the tour experience. There is a lack of empirical studies of the impact of ethical responsibilities on word-of-mouth, as a behavioural outcome. Little is known about how customer evaluation variables are interrelated and how different levels of customer personal support for CSR have an impact of moderating the direct impact of ethical responsibilities on behavioural outcomes. The overall research framework (see Figure 2.3) illustrates the proposition to

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investigate the mediating effect of a set of customer evaluations and the moderating effect of CSR predisposition. The mediating and moderating effects are discussed in sections 2.10 and 2.11, respectively. Two specific research models aligned with each stage of the tour experience together with a set of hypotheses are presented in the following section.

The research models for the two studies conducted at the pre-booking and the post-tour stages are shown in Figures 2.4 and 2.5, respectively. According to the research models, as mentioned previously at the end of section 2.7, the studies at the pre-booking and the post-tour stages are different in terms of the independent variables (different aspects of ethical responsibility) and behavioural outcomes. That is, *for Study 1, the pre-booking stage*, (see Figure 2.4), it is proposed to investigate the impacts of tourism accreditation and codes of ethics as independent variables. *For Study 2, the post-tour stage* (See Figure 2.5), the study seeks to investigate the impacts of ethical responsibilities regarding environmental, socio-cultural, and employee issues as independent variables. While tour booking intentions will operationalise behavioural outcome in Study 1, it is proposed to use word-of-mouth communication as the behavioural outcome in Study 2. The studies share two similarities. First, the same set of customer evaluations are investigated as a result of the direct effect of ethical responsibility and second, they will be tested for their mediating role in the ethical responsibility-behavioural outcomes relationship. The customer evaluations include perceived overall quality of tour operator (TOURQUAL), trust, and perceived value. It is expected these variables are interrelated similarly in both models. It is proposed that TOURQUAL affects trust and perceived value in the first place. Trust then influences perceived value. Finally, all variables influence tour outcomes (booking intention or word-of-mouth). Second, CSR predisposition is examined for its moderating role in both models.

Figure 2.4. The Proposed Research Model: Study 1, the Pre-booking Stage
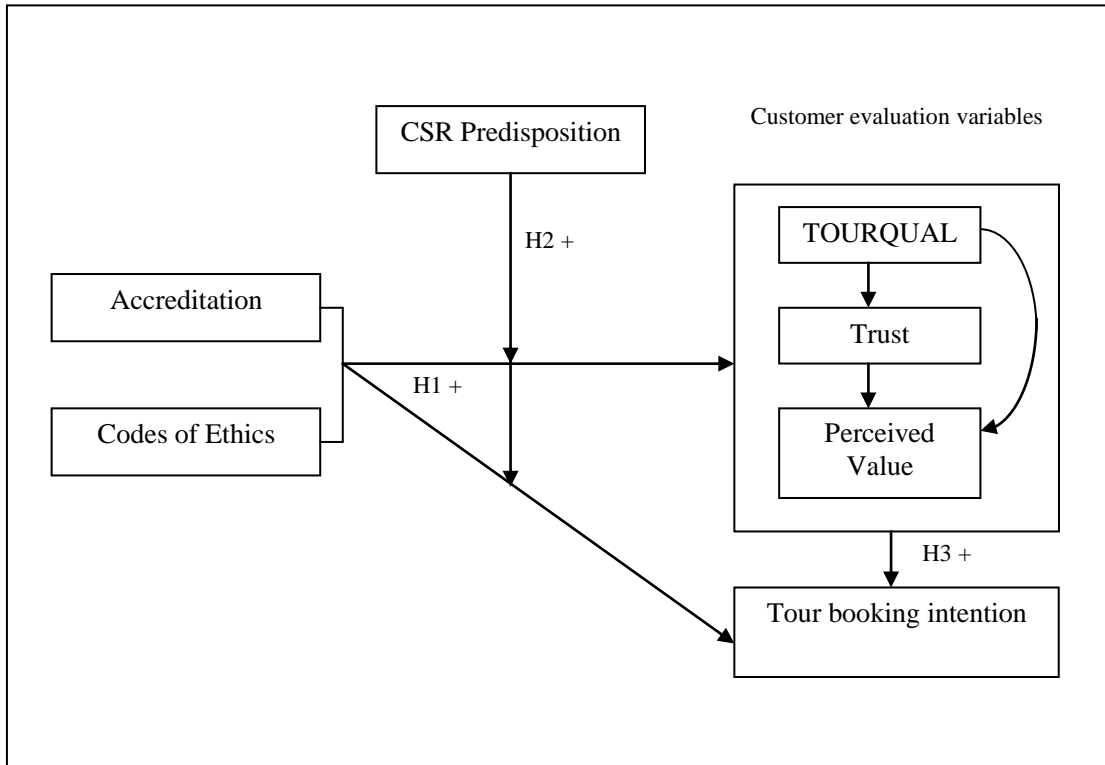
At the pre-booking stage, the hypotheses are stated as:

H1:   *Tourism accreditation and codes of ethics have positive effects on customer evaluations and tour booking intention.*

H1a: Tourism accreditation and codes of ethics have positive effects on TOURQUAL.

H1b: Tourism accreditation and codes of ethics have positive effects on trust.

H1c: Tourism accreditation and codes of ethics have positive effects on perceived value.

H1d: Tourism accreditation and codes of ethics have positive effects on tour booking intention.

H2: *CSR predisposition moderates the effects of tourism accreditation and codes of ethics on customer evaluations and tour booking intention.*

H2a: CSR predisposition moderates the effects of tourism accreditation and codes of ethics on TOURQUAL.

H2b: CSR predisposition moderates the effects of tourism accreditation and codes of ethics on trust.

H2c: CSR predisposition moderates the effects of tourism accreditation and codes of ethics on perceived value.

H2d: CSR predisposition moderates the effects of tourism accreditation and codes of ethics on tour booking intention.

H3: *A set of customer evaluations mediates the effect of both ethical initiatives on tour booking intention.*

Figure 2.5. The Proposed Research Model: Study 2, the Post-tour Stage
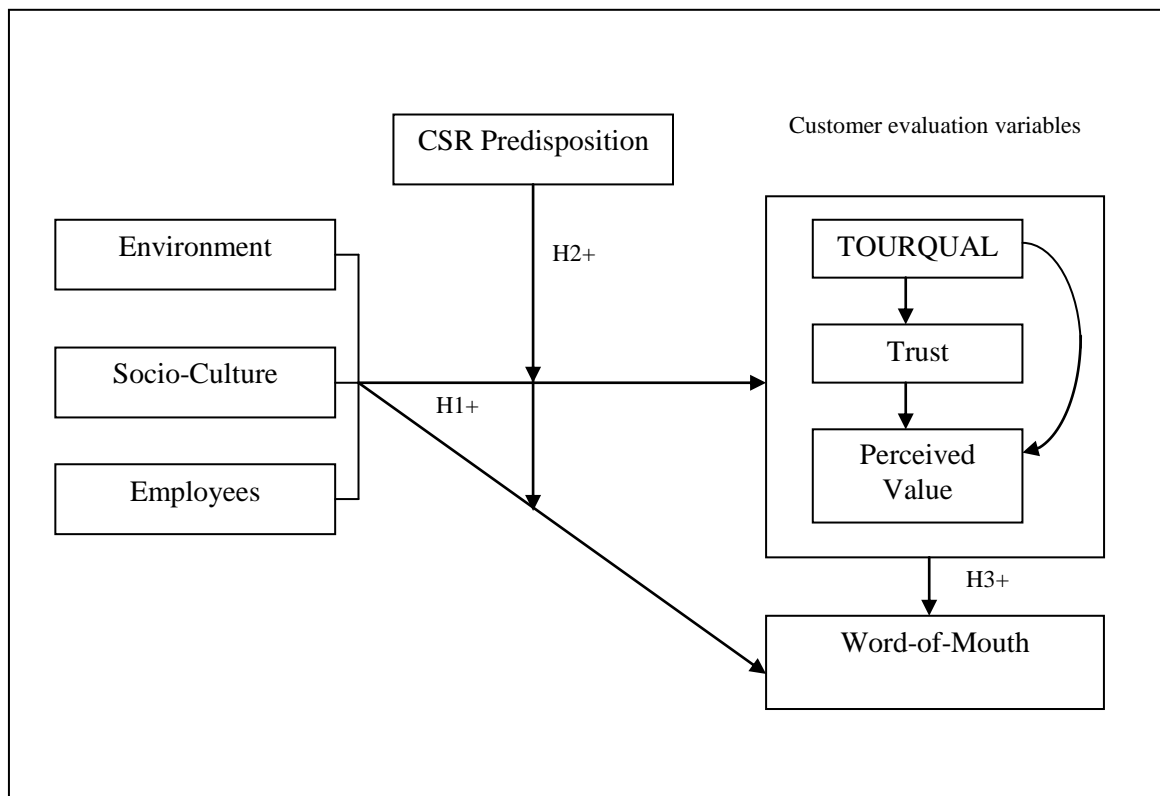
At the post-tour stage, the hypotheses are stated as:

H1: *Ethical responsibility toward environmental, socio-cultural, and employee issues has positive effects on customer evaluations and word-of-mouth.*

H1a: Ethical responsibility toward environmental, socio-cultural, and employee issues has positive effects on TOURQUAL.

H1b: Ethical responsibility toward environmental, socio-cultural, and employee issues has positive effects on trust.

H1c: Ethical responsibility toward environmental, socio-cultural, and employee issues has positive effects on perceived value.

H1d: Ethical responsibility toward environmental, socio-cultural, and employee issues has positive effects on word-of-mouth.

H2: *CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on customer evaluations and word-of-mouth.*

H2a: CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on TOURQUAL.

H2b: CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on trust.

H2c: CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on perceived value.

H2d: CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on word-of-mouth.

H3: *A set of customer evaluations mediates the effect of ethical responsibility toward different ethical issues on word-of-mouth communication.*

2.13 Chapter Summary

This review of the literature has addressed a number of research issues. The chapter started with a discussion on the CSR concept and how it is widely conceptualised. A discussion on how CSR relates to the tourism context is included in this thesis overview. The discussion has highlighted the lack of empirical research investigating CSR impacts on consumer response in the tourism context, particularly in the tour operating sector. Especially, little is known about whether different types of ethical initiatives and different ethical issues that a company is addressing will create more positive perceptions of overall quality, add value to tour products, enhance trust for a company, and influence favourable customer behavioural outcomes. The review has also questioned whether such impacts will occur at both the pre-booking and post-tour stages of the tour experience. In order to extend the body of knowledge about the CSR-consumer relationship into the tourism literature and make a contribution for the implementation of ethical responsibility for tour operators, the overall research question or problem asks: *How does the ethical responsibility of tour operators influence customer evaluations and behavioural outcomes at different stages of the tour experience?*

The research methodology used to answer the overall research question and for hypothesis testing is explained in the next chapter. Overall, the thesis employs a quantitative approach using a factorial experimental design. Several major analytical techniques include EFA and CFA for measurement scale development. The impacts of different types of ethical initiatives and ethical issues on customer evaluations and behavioural outcomes are tested using ANOVAs and MANOVAs. These two analytical techniques are also used to test the effect of a moderating factor. Finally, for a mediating effect test, SEM is employed. Other important issues such as justification for the method used, research design, measurements, questionnaire design, and the data collection process are covered in the next chapter.

CHAPTER 3
METHODOLOGY

3.1 Introduction

Chapter 2 reviewed literature on CSR and identified a number of research issues. It was established there is a link between CSR and consumer response. However, there is insufficient information about how consumers respond to specific ethical CSR-type initiatives and different types of ethical issues practised in the tour sector. The chapter highlighted the need to investigate how such CSR initiatives impact consumer response prior to and after consumption of the tour experience. Subsequently, the research problem is formulated as: *How does the ethical responsibility of tour operators influence customer evaluations and behavioural outcomes at different stages of the tour experience?* In particular, two research models depicting a number of relationships and a set of hypotheses were developed as shown in Figures 2.4 and 2.5.

This chapter provides an holistic overview of the research methodology that underpins the investigation. The thesis has adopted a quantitative method and utilised an experimental design. The design of the experiments and the development of a survey instrument to enable the testing of the research hypotheses are discussed. Four major areas outlined in 11 sections cover: (1) methodology approach, (2) the operationalisation of the independent variables and measures, (3) the development of stimulus materials and a survey instrument, and (4) data collection design and analytical techniques. It should also be noted that information about the ethical consideration for conducting a survey is included in this Chapter.

3.2 Overview of Research Methodology

In general, to find answers to questions in social science, two distinct research approaches have been widely adopted: qualitative and quantitative. These two approaches are distinct in several ways, including the underlying paradigm for each

approach. A qualitative perspective is an interpretative social science (Neuman, 2006) that focuses on understanding meaningful social actions and socially constructed meanings (Veal, 2006). Often, researchers do not aim to answer a specific research question; rather they emphasise the building of a new theoretical concept or interpretations through in-depth interviews, observation, focus group interviews, and case studies (Neuman, 2006). In this sense, Veal noted qualitative methods are exploratory theory building.

In contrast, a quantitative approach draws from a positivistic paradigm, includes scientific knowledge and is claimed to be objective, and thus free from values, personal opinion, attitudes, beliefs, or bias (Neuman, 2006). A deductive approach is often used wherein researchers investigate empirical social reality using abstract concepts and then move forward to more concrete empirical evidence. Directional research questions and hypotheses tend to be used in this approach. While qualitative research can involve a smaller number of non-representative cases, quantitative research has tended to use a large number of representative cases in order to generalise the findings (Veal, 2006).

A quantitative approach is taken in this thesis. The approach is considered to be suitable for assessment of the statistical associations among variables. Two separate quantitative research designs are the correlational survey and experimental design. Survey research or correlational surveys (Neuman, 2006) have been described as "the systematic gathering of information from respondents for the purpose of understanding and/or predicting some aspect of the behaviour of the population of interest" (Tull & Hawkins, 1993, p. 164). Aspects of behaviour can include intentions, motivations, experiences, or characteristics. Malhotra et al. (2002) argued that survey research is simple to conduct and provides reliable data because the respondents usually have to answer fixed-response questions. They also noted respondents may be unable or unwilling to provide information that is sensitive to their emotions or feelings.

An experimental design is a second quantitative research method that can be used to infer cause-and-effect relationships (Malhotra et al., 2002).While survey research is usually best for large scale issues, an experiment tends to involve a narrower scope and

experiments are not considered to be well suited for jointly examining the impacts of many variables (Neuman, 2006). A key strength of experimental design is that it allows the experimenters to manipulate one or more variables in order to assess the effects on other measured variables (Tull & Hawkins, 1993). In doing so, Patzer (1996) stated that the different values of the manipulations can also be tested simultaneously. This thesis utilises an experimental design which is justified in the following section.

3.3 Justification for Experimental Research

There are two main justifications for the use of an experimental design in this thesis: its effectiveness to test cause-and-effect relationships and its popular use in both the CSR and business contexts. First, although both survey and experimental research are suitable for testing for relationships among variables in the marketing context (Neuman, 2006; Patzer, 1996), an experiment can provide more reliable and valid information than may be possible with a survey method (Patzer, 1996). That is, in survey research the effects of other possible causal factors can confound the relationships among variables (Malhotra et al., 2002). In contrast with an experimental design, the researcher is allowed to manipulate the independent variables (Tull & Hawkins, 1993) and to test the influence of selected factors on dependent variables (Sparks & Browning, 2011). For example, this thesis tested the influence of particular types of ethical initiatives and associated ethical issues on customer response. By manipulating (the levels of) the independent variables, it is possible to randomly assign subjects to treatments. This procedure allows the researcher to control other factors, such as awareness of subjects about other similar types of ethical initiatives that may confound the results and, thereby establishes internal validity (Sternthal, Tybout, & Calder, 1994). An experimental design is more able to infer that a cause-and-effect relationship may exist while controlling for alternative explanations.

Secondly, the experimental method has been widely adopted in CSR and tourism research, as the examples of previous studies show in Table 3.1. This popular usage implies that the experimental method is regarded by researchers as suitable to answer specific questions relating to CSR in the tourism context.

Table 3.1. CSR and Tourism Research Using an Experimental Approach

Author	Independent Variables	Dependent Variables	Types of Design
Auger et al. (2008)	Social product features Labour practice Animal rights The environment	Purchase intention	Choice experiment
Berens et al. (2005)	Corporate ability CSR	Product evaluation	Factorial
Butcher and Kayani (2008)	Goal attractiveness Wait information Cause of delay information	Social regard Word-of-mouth Revisit intention	Factorial
M. Kang and Gretzel (2012)	Information source Narrating styles	Social presence Mindfulness Tourist experience	Factorial
Klein and Dawar (2004)	Product harm crisis CSR Customer attributions	Consumer brand Product evaluation	Factorial
Mohr and Webb (2005)	The environment Philanthropy Price	Company evaluation Purchase intention	Factorial
Pelsmacker et al. (2005)	Fair trade labelled product	Willingness to pay	Choice experiment
Reiser and Simmons (2005)	Promotion of green globe label	Tourist response	A quasi-experiment
Sen and Bhattacharya (2001)	CSR information New product quality information	Purchase intention Company evaluation	Factorial
Sparks and Browning (2011)	Different aspects of the reviews	Trust Consumer choice	Factorial
Yang et al. (2009)	Ethical Performance	Trust	Factorial

The experimental method comprises different forms. First, an experiment can be classified into two main types based on its nature; laboratory and field experiments. A laboratory experiment is conducted in an establishment specifically prepared for the research project. It more often involves an unnatural environment. A high control of extraneous variables and high internal validity has been identified as the major advantages for using a laboratory experiment (Patzer, 1996; Trevino, 1992). Besides controlling for extraneous variables, the researcher is able to control other factors relating to the independent variables. Laboratory experiments are widely used to test the effectiveness of advertising campaigns or new product designs (Zikmund, Babin, Carr & Griffin, 2010). However, it is argued that a causal relationship as a result of the laboratory experiment is low in external validity. Accordingly, a field experiment is suggested for enhancing the external validity of an experiment (Maholtra et al., 2002; Trevino, 1992).

In contrast to laboratory experiments, field experiments are conducted in natural environments where a real situation is selected as an experimental site (Patzer, 1996). This setting of the experiment in a more natural setting provides high external validity. However, as it is difficult to control for all extraneous variables in a real situation or in an actual market place, field experiments can have less internal validity (Patzer, 1996; Trevino, 1992). This thesis involved real-life tour-based scenarios which were adapted to meet experimental conditions. Stimulus materials used in the experiments, such as tour brochures and a day-tour situation were based on real situations existing in the tourism market place. More particularly, the online tour brochure for Study 1 simulated a real life tour booking situation. Study 1 is viewed as a field experiment while Study 2 closely resembles a laboratory experiment.

Four main types of experiment can also be classified based on experimental procedures. The first type is a classical experiment, sometimes called a true experiment. Classical experiments involve the procedures of random allocation of subjects to experimental treatments and a high level of control of extraneous variables through the use of a pretest-posttest and a control group (Maholtra et al., 2002; Neuman, 2006). The second type of experiment is a pre-experimental design which is used in situations where it is

difficult to use the classical design (Neuman, 2006). This type of experiment does not use a randomisation procedure and the control of extraneous variables is not applied (Maholtra et al., 2002). Using this pre-experimental design can make it difficult to provide an accurate conclusion about a causal relationship (Neuman, 2006). The third classification of an experiment is a quasi-experiment which is used in specific situations or when the researcher has limited control of independent variables (Neuman, 2006). Quasi-experiments are less expensive and less time consuming (Maholtra et al., 2002), but it is widely argued that conclusions about cause-and-effect relationships based on the results from this type of experiment seem to be less accurate due to the lack of randomisation and extraneous variable control (Maholtra et al., 2002; Patzer, 1996; Zikmund et al., 2010).

A final type of experimental method is a factorial design. While Neuman (2006) considered factorial designs as one specific form of quasi-experiment, Maholtra et al. (2002) classified a factorial design as a main type of experiment. In general, a factorial design involves simultaneous study of more than one independent or predictor variable and each predictor is permitted to have more than one value (Patzer, 1996; Zikmund et al., 2010). Neuman noted the treatments in a factorial design can achieve the main effects of single-treatment designs and the interaction effects derived from a combination effect of the independent variables. According to these unique characteristics and the resulting advantages of a factorial design, it was considered the most appropriate type of experimental procedure for this thesis, where the main and interaction effects of designed ethical responsibilities were tested. It is important to acknowledge a factorial design also has several disadvantages. First, an experimental design based on scenarios may lack external validity which will limit the ability to generalise the result (Malhotra et al., 2002). This is because the subjects respond to the questions asked in a survey based on particular simulated situations. Second, even though randomisation allows the researcher to control for extraneous factors, it may not be effective if the sample size is small (Malhotra et al., 2002). This thesis is relatively successful in terms of gaining a large sample size as discussed later in section 3.9. Full details about the factorial design used in this thesis and its procedures are presented in the next section.

3.4 Research Design Process

As discussed in the previous section, this thesis employed an experimental approach and used a factorial design to investigate the research question. A comprehensive and robust process was developed to ensure the appropriateness of the scenarios and the effectiveness of the survey instrument for data collection. This process is shown in Figure 3.1. It is important to highlight that the investigation involved a series of pre-tests and a large scale pilot study prior to collection of data for the two main studies. The analysis of data involved several main techniques including EFA, CFA, ANOVAs, MANOVAs, and SEM. Finally, the results will be reported in two chapters: the results from the scale development process in Chapter 4, and the results from hypothesis testing in Chapter 5.

Overall, this thesis has investigated the influence of different aspects of ethical responsibility of tour operators on customer evaluations and behavioural outcomes at the pre-booking and post-tour stages of the tour experience. In particular, Study 1 investigated the influence of two ethical initiatives on customer evaluations and tour booking intention at the pre-booking stage. These two ethical initiatives (tourism accreditation and codes of ethics) were treated as independent variables and each of them was manipulated at two levels. As a result, Study 1 comprised a two-way factorial design. Study 2, the post-tour stage, was conducted to find out whether the ethical responsibilities toward different ethical issues have different impacts on customer evaluations and word-of-mouth communication. The design for Study 2 initially incorporated a three-way factorial design investigating three different ethical issues of concern (the environment, socio-culture and employees) and each independent variable was manipulated at two levels.

Figure 3.1. Research Design Process

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┌─────────────────────┐        ┌─────────────────────┐
│ Research Questions  │───────▶│     Hypotheses      │
└─────────────────────┘        └─────────────────────┘
          │
          ▼
┌─────────────────────┐        ┌─────────────────────┐
│ Experimental method │───────▶│   Factorial design  │
└─────────────────────┘        └─────────────────────┘
                                          │
                                          ▼
                              ┌─────────────────────┐              ┌─────────────────────┐
                              │      Scenario        │ - - - - - -  │      Pre-test       │
                              │    development       │              └─────────────────────┘
                              └─────────────────────┘                         │
                                          │                                   │
                                          ▼                                   │
                              ┌───────────────────────────┐                   │
                              │ Questionnaire Development  │ - - - - - - - - - ┘
                              └───────────────────────────┘
                                          │
                                          ▼
                              ┌─────────────────────┐        ┌─────────────────────┐
                              │      Pilot test      │───────▶│  Scale refinement   │
                              └─────────────────────┘        └─────────────────────┘
                                                                        │
                                                                        ▼
                                                             ┌─────────────────────┐
                                                             │  Collection of data │
                                                             └─────────────────────┘
                                                                        │
                                                                        ▼
                                                             ┌─────────────────────┐
                                                             │   Analysis of data  │
                                                             └─────────────────────┘
                                                                        │
                                                                        ▼
                                                             ┌─────────────────────┐
                                                             │   Present findings  │
                                                             └─────────────────────┘
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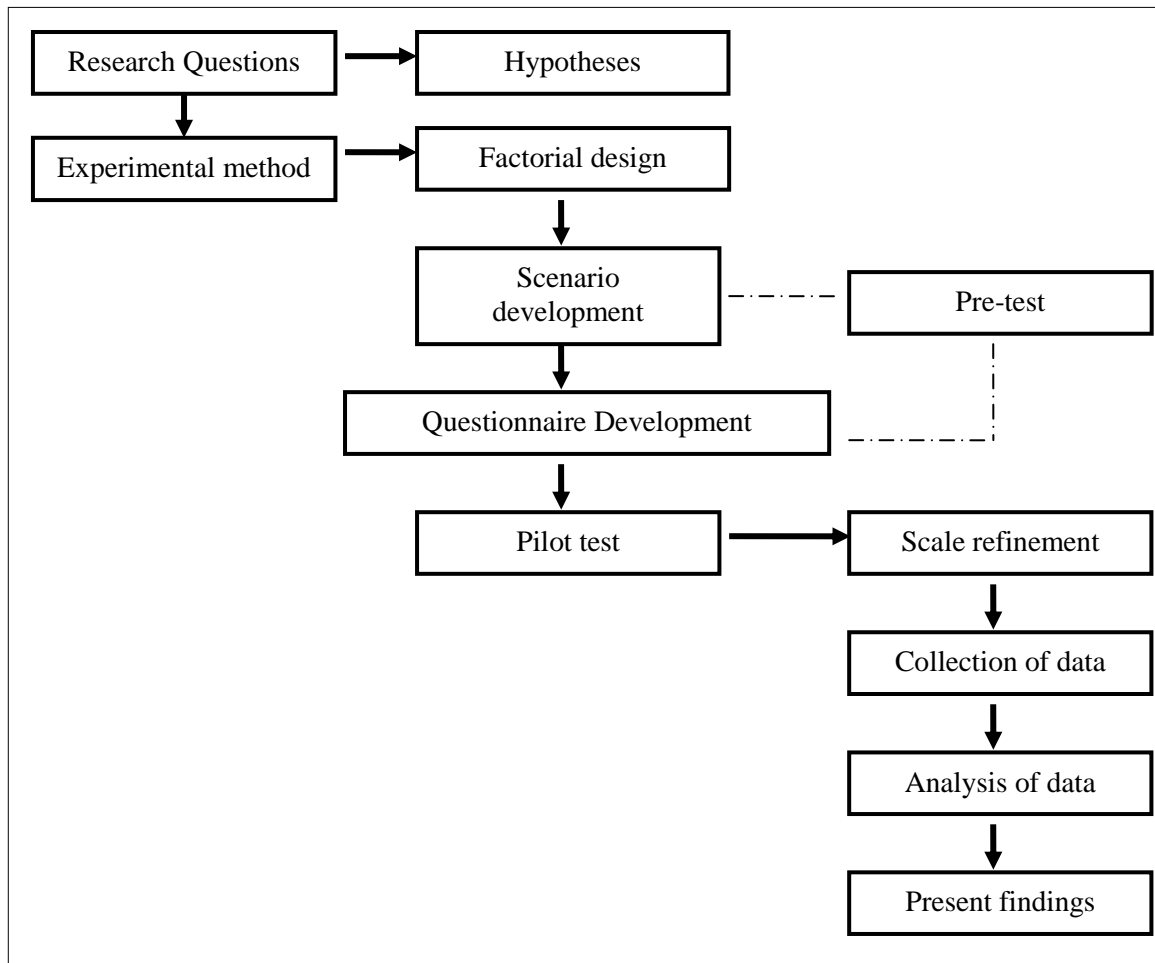
It is necessary to note that a number of similarities exist between the two studies. Where appropriate, the discussion will apply to both studies and where the design is specific to one study, this point of difference will be emphasised. Overall, both studies proposed to obtain similar sample groups from the same population pool. Most of the dependent variables measured in Study 1 were measured again in Study 2. Both studies investigated the mediating effect of a similar set of customer evaluations and included CSR predisposition as a moderator. The operationalisation of the constructs and the stimulus materials used to measure the two sets of independent variables are the main point of difference. The characteristics of the different stages of the tour experience mandate the difference in requirements.

3.5 Operationalisation of Independent Variables

Study 1

As shown in Figure 2.4, two ethical initiatives; tourism accreditation and codes of ethics were manipulated to investigate their influences on TOURQUAL, trust, perceived value, and tour booking intention at the pre-booking stage. The Green Globe 21 label, hereafter called the GG21, was utilised to operationalise tourism accreditation. There are many international and national tourism-related accreditations as discussed in section 2.5.2; however, the GG21 was selected because of its recognition worldwide (Font, 2002; Sasidharan et al., 2002) and its previous use as a stimulus material (e.g., Reiser & Simmons, 2005). To operationalise codes of ethics, four statements were drawn from the guidelines of the Global Code of Ethics proposed by UNWTO and from existing ethical codes used among tour businesses that indicate a set of ethical codes of conduct. The statements are (1) *we conduct tours with low impact on the environment and local cultures, (2) we educate and raise an awareness of socio-cultural issues in the local community, (3) we care about elephant welfare, and (4) we care about employee welfare*. As shown in Table 3.2, each independent variable was manipulated at two levels (presence versus absence). In addition, CSR predisposition was posited to play a moderating role between ethical initiatives and dependent variables. Accordingly, a post-hoc measurement of CSR predisposition was obtained for each respondent and a three-way split of respondents was used to manipulate high versus low conditions. That is, CSR predisposition was measured on a continuous scale and then respondents were classified into three groups based on the mean scores: high, medium, low. The high and low conditions were used in the analysis.

Table 3.2. Operationalisation of Independent Variables for Study 1

Independent Variables/ Moderator	Operationalisation	Manipulation Level
Tourism Accreditation	Green Globe 21 Label (GG21)	Presence vs. Absence
Codes of Ethics	A set of written codes of ethics	Presence vs. Absence
CSR Predisposition	Personal traits to support CSR	High vs. Low

Study 2

Study 2 aimed to investigate the impact of a company's ethical responsibility regarding different ethical issues. It is necessary to note that while four areas of ethical issues were highlighted in section 2.5.1, a four-way factorial design is particularly difficult to execute. Therefore, only three ethical issues of concern could be used in a three-way factorial design. The three independent variables manipulated were three ethical issues of concern regarding the environment (e.g., environmental protection and animal rights), socio-cultural issues (e.g., a protection of traditional culture) and employees (e.g., employee well-being). The environment and socio-cultural aspects are important components of tourism programs offered to customers that S. Smith (1994) termed "the physical plant". Specifically, this thesis has focussed on a particular perspective of environmental ethics which is important for tourism destinations in many countries: animal rights and welfare (e.g., Hughes, 2001; Kontogeorgopoulos, 2009). The tour operating sector is claimed by some to have a negative impact on the environment and socio-cultural issues as well as influencing the long-term sustainability of destinations (Carey et al., 1997; Tapper, 2001). Employees in the tourism sector have often been considered as low-paid labour and they have not been treated fairly (Payne & Dimanche, 1996). Consequently, it is appropriate to investigate whether being responsible for those ethical issues can enhance customer evaluations of a tour and of a

company. Ethical issues relating to customers were excluded from the factorial design. Consumer issues, such as overcharging and downgrading tourism experiences (March, 2008) are important, but less so for the context of this thesis. Research has shown that some customers are not directly influenced by ethical companies if there is no any direct impact on them personally (Deng, 2012). That is, it can be assumed that customers will positively evaluate a tour if they receive ethical treatment from a tour company and vice versa. However, making a conclusion from positive customer evaluations or behavioural outcomes toward a tour company may not be such a simple task in the situation where a company is being ethically responsible and presenting ethical behaviours about ethical issues that do not directly benefit the customers. The examples of a company's ethical behaviours that do not provide direct benefits for customers are ethical treatment for the animals used in a tour, fair treatment for local people and their traditions, and ethical treatment for its employees.

Table 3.3 depicts the operationalisation of ethical responsibility toward three ethical areas of concern related to the environment, socio-cultural issues, and employees. Ethical responsibility toward environmental issues was operationalised as a tour company's ethical behaviours to protect animal welfare and nature. Ethical responsibility toward socio-cultural issues was operationalised as a tour company's ethical behaviours to protect local cultures and to support the local economy. Ethical responsibility toward employee issues was operationalised as a tour company's ethical behaviours toward fair payment and career development. Each independent variable was manipulated at two levels (Best practice vs. No practice). At the best practice level, a tour company conducts a tour incorporating ethical practice with regard to each ethical area of concern. In contrast, at no practice level, a tour company conducts a tour where ethical practice is not incorporated. Similar to Study 1, Study 2 assessed CSR predisposition as a moderator and manipulated at three levels of high, medium, and low wherein high versus low conditions were the focus of an investigation.

Table 3.3. Operationalisation of Independent Variables for Study 2

Independent Variables/ Moderator	Operationalisation	Manipulation Level
Environmental issues	Ethical practices on animal welfare and nature protection	Best practice vs. No practice
Socio-cultural issues	Ethical practices on cultural protection and support for local economy	Best practice vs. No practice
Employee issues	Ethical practices on payment and career development	Best practice vs. No practice
CSR Predisposition	Personal traits to support CSR	High vs. Low

3.5.1 Stimulus material

Scenarios were used as stimulus material in this thesis. Trevino (1992) noted that scenarios or vignettes are commonly used when investigating the judgement or decision-making process in a hypothetical situation. He also explained that in a scenario-based study, written descriptions of real situations are presented to subjects so they can provide responses on a set of rating scales that measure the dependent variables. The scenarios are structured with information regarding the independent variables and randomly assigned to the subjects. Scenario-based studies have been used in tourism and hospitality research (e.g., Butcher & Heffernan, 2006; Crouch & Louviere, 2004; Morley, 1994; Oh, 2000; Sparks & Browning, 2011) and have also been widely used for empirical research in the field of business ethics (Weber, 1992).

Both studies developed the scenario of a tour set in Northern Thailand for several reasons. The first is the researcher's familiarity with the country and its culture as well as having had working experience in the tourism field. More importantly, Thailand is a well-known tourist destination among overseas travellers. The country is considered to be popular as a tourist destination among the proposed sample, and during the last

decade, tourism statistics reported an increasing number of Australian tourists are travelling to Thailand. For example, the number of Australian tourists visiting Thailand increased by nearly 11 per cent from 2009 to 2010 and by approximately 20 per cent from 2010 to 2011 (www.tourism.go.th). Finally, elephant trekking and hill tribe visits were included in both scenarios as the main activities for a day-tour program. These activities have been popular among international tourists, including Australians, since the 1990s (Chudintra, 1993). The employment of elephants for tourism activities is significant in Thailand's tourism industry, especially in the Northern region. It is argued that tour businesses play a key role in promoting elephant welfare (Kontogeorgopoulos, 2009). In developing the scenarios, external validity may be enhanced by using a 'real' company (Sen & Bhattacharya, 2001). This means using a company known to the subjects. However, it was anticipated the use of a real tour operator was likely to be difficult in this thesis because the tour operator may not be known to all subjects. Consequently, both experimental studies employed a fictitious tour operator. Specific details about the stimulus materials for each study are presented next.

Study 1

In many industries it is common for companies to promote their CSR initiatives or activities via forms of advertising, such as tourist brochures, TV advertising, and websites. For example, research conducted in Canada reported the number of companies participating in CSR activities and promoting such behaviours via their websites has been increasing (Basil & Erlandson, 2008). It follows that the potential for a company to deliver information about its ethical responsibility to its customers has also increased. In the tourism industry, a company's brochures, leaflets, and posters are useful sources of environmental information indicating that a tourism company is practising environmentally friendly programs (Bergin-Seers & Mair, 2008). In particular, various tourism accreditation schemes and codes of ethics have been presented on websites and other advertising material to inform customers about company responsibility, for instance the website of a responsible tour company in Thailand (http://www.thailandhilltribeholidays.com). Many tour businesses, especially domestic or local tour operators, continue to use tour brochures to promote their tour programs

(Carey et al., 1997; Wang, Hsieh, & Chen, 2002). Tour brochures can be utilised as a source of information about ethical responsibility, which tourists can explore prior to booking their tours (Bergin-Seers & Mair, 2008). Previous tourism studies also used tour brochures in an experimental design to access the effectiveness of a promotion of eco-labelled tourism products (e.g., Reiser & Simmons, 2005). Accordingly, tour brochures were developed and used as stimuli for Study 1 which involves the pre-booking stage of the tour experience.

For this study, tour brochures were designed to present a day-tour program to visit hill tribe villages and to go elephant trekking in the Northern region of Thailand. To control potential extraneous factors, basic information about a tour program such as price was the same for all four brochures. The full process of brochure development including the assessment of realism and credibility is discussed in sections 3.7.1 and 3.7.2. According to a 2×2 factorial design (presence vs. absence of tourism accreditation and codes of ethics), four different tour brochures were designed representing four different experimental conditions. For example, brochure Number 1 presents a condition where a tour company is accredited and implements codes of ethics. Figure 3.2 illustrates brochure Number 1 displaying the GG21 and four ethical codes of conduct. The other three brochures used for Study 1 are shown in Appendix 3.1.

In brief, Study 1 involved the development of a set of simulated tour brochures to accommodate the manipulation of the selected independent variables. It was proposed that using brochures, two ethical initiatives (tourism accreditation and codes of ethics) would present customers with information about the ethical responsibility of a tour operator and that such information would be significant for customer evaluation at the pre-booking stage.

Figure 3.2. Example of Tour Brochure Used for Study 1

Note: the size of the brochure is compressed to fit the page.

Study 2

It is important to note that the study could not measure the ethical responsibility toward different ethical issues using a real tour company in the market place since existing responsible tour companies may not have all the same practices being investigated in this thesis. A series of written scenarios showing particular ethical practices and using a fictional Thai tour operator setting was developed as stimulus material for Study 2. Reflecting a 2×2×2 factorial design, the eight scenarios show best practice and non-practice situations regarding each ethical issue of concern. Table 3.4 shows the example of the tour scenario Number 1 where the ethical practices toward all three ethical issues are manipulated to reflect best practice. The other seven scenarios used for Study 2 are presented in Appendix 3.2.

Even though the tour company depicted in the set of scenarios was not an existing company, to enhance and assist in the generation of credible scenarios a range of ethical practices regarding each type of issue was drawn from real life situations in the tourism market place to enhance and assist in the generation of credible scenarios, for instance www.responsibletourism.org, www.responsibletravel.com, and www.irresponsibletourism.info/forum. Also, information from the Tour Operator Initiative (2003) provided rich information for scenario development. Further, everyday language was used to ensure that scenarios were clear and easily understood by respondents. Prior to the main study, scenarios were tested for realism and credibility in a pre-test as presented in section 3.7.1.

Table 3.4. Example of Scenario Used for Study 2

IMAGINE you are travelling in Chiang Mai, a city in Northern Thailand. You have booked a day-tour program to go elephant trekking and to visit a hill tribe at their local village. The full day tour price is $60.

On the day of the tour, you are picked up from your accommodation at 8 AM. You join seven more people in the group and are escorted by a local tour guide to a green rainforest.

At the start of the elephant trek, the tour guide states that the company has a strong code of ethics regarding the environment, ethnic tribe socio-cultural practices, and employee welfare. All three aspects of ethical behaviour are important to the company.

Under the code of ethics, elephants are controlled by the hands only. The guide explains the importance of protecting the animals' welfare by not using a sharp hook, unlike other tours. During the elephant trek, the guide gives you knowledge about the Thai rainforest. The guide explains the Dos and Don'ts, such as staying on the marked trail to protect native rainforest plants. The trek stops for an hour to relax at a river bank.

During this rest, you have a chance to talk to the guide and elephant handler about their jobs. They say that they get treated well by the company, receive a fair payment and the opportunity for special training during the off-peak season. The guide explains that these commitments to employee welfare are part of the company's ethical code of conduct.

When arriving at the hill tribe village, the guide gives you information about the tribe. The guide explains that under the company's code of ethics, visitors to the village are required to follow cultural Dos and Don'ts, such as not giving gifts or money directly to children. As part of the company's code of ethics they have a policy to support the village economy, by hiring the villagers to prepare traditional dishes for your lunch. You have a chance to participate in their daily life activities.

The tour ends at your accommodation at 6 PM.

Note: This example depicts a tour reflecting ethical practices toward all three ethical issues relating to the environment, socio-cultural issues, and employee welfare.

3.6 Operationalisation of Dependent and Moderating Variables

The previous section discussed the manner in which the independent variables were operationalised. This section shifts the discussion to the operationalisation of dependent variables representing a set of consumer responses together with a moderating variable thought to impact the relationships between ethical responsibility and consumer

response. In total, this thesis covered six constructs. Three constructs were customer evaluation variables. Another two constructs were behavioural outcome variables and the last construct was the moderating variable. As shown in Figure 2.3, the same set of customer evaluation variables including TOURQUAL, trust, and perceived value were proposed for assessment in studies 1 and 2. To operationalise behavioural outcomes, tour booking intention was measured in Study 1 (the pre-booking stage) while word-of-mouth was measured in Study 2 (the post-tour stage).

Both single- and multi-item scales can be used to measure variables. Although some authors have argued the adequacy of using a single-item scale in their studies (e.g., Bejou et al., 1998), other researchers have criticised its use. For instance, Churchill (1979) argued that single-item scales provide a low correlation with the attributes being measured, a tendency to be related to other attributes, an inability to provide distinction among people, and measurement error. As a result, using a multi-item scale may diminish these difficulties. A multi-item scale refers to two or more indicators used to measure the same construct. It is argued that measuring the same measurement construct by a multi-item scale is better than using an individual scale in terms of stability and reliability (Neuman, 2006). The reliability of scales can be enhanced only when it is measured using a set of questions to measure the one construct rather than using a single-item indicator (de Vaus, 2002). As a result, each construct in this thesis was measured using a multi-item scale.

Several formats are discussed for use when developing scales for measurement, such as Thurstone, Guttman, and Likert (DeVellis, 2003). In this thesis, the Likert-type scale was employed as it is arguably to be the most widely and successfully used in diverse applications (DeVellis, 2003). The Likert-type scale can vary in terms of scale points. A 5-point scale (e.g., Hartline & Jones, 1996; P. Murphy, Pritchard, & Smith, 2000) and a 7-point scale have been used in many studies. A 7-point scale was preferred over a 5-point scale items for two reasons. The first reason concerns the enhancement of the reliability of the measures. Some researchers have argued that the reliability and validity of scales do not depend on the number of scale points (Matell & Jacoby, 1971); however, some authors have suggested that reliability increases when the number of

scale points increase (e.g., Lissitz & Green, 1975). In addition, in recent years, a 7-point Likert-type format is the more commonly used scale (de Vaus, 2002). A set of scale items used for each measure were adapted from both existing scales and developed from the literature (Churchill, 1979). At the end of this section, Table 3.5 illustrates the measurement constructs and the source of scale items used for both studies. The operationalisation of TOURQUAL is presented next.

TOURQUAL

The perceived overall quality of tour operators (TOURQUAL) was conceptualised as a multi-dimensional construct to measure customer perceptions of the quality of a tour operator based on three aspects: perceived tour program quality, perceived ethical performance of a company and perceived tour guide performance. The definition is drawn from the service quality and organised tour literature. In relation to its broad definition, TOURQUAL comprises three dimensions. However, this thesis measured only two dimensions. Perceived tour guide performance was delimited from the investigation because it was considered it presents significant difficulties to measure this factor when using the experimental approach. For instance, when compared to the other two factors, perceived tour guide performance involved more "human elements" of service quality. For example, customers might need to evaluate how well a tour guide performs from their personal interactions with the guide. Some specific interactions between humans can be explained in an experimental scenario; however, it might require a long explanation. Subsequently, a scenario might be too long and affect the quality of answer. The thesis proposed to assess the dimensions of TOURQUAL at both stages of the tour experience. However, it is believed that perceived tour guide performance cannot be effectively measured at the pre-booking stage where customers do not encounter service from a tour guide. At the post-tour stage, even though the situation is about touring, the elements of SERVQUAL (Parasuraman et al., 1988) such as responsiveness, assurance, and empathy are very difficult to evaluate when a customer has not encountered the service experience.

Accordingly, perceived tour program quality and perceived ethical performance were measured to reflect TOURQUAL. Perceived tour program quality was defined as a perception of the tour design in creating a rich experience for customers. Four items were employed to measure perceived tour program quality and they were developed from the work of Geva and Goldman (1989, 1991). Examples of items are "*This tour seems to provide a rich experience*" and "*This tour comprises a range of things to see and do*". The second dimension used in this thesis to measure TOURQUAL is perceived ethical performance. It was defined as customer perceptions of the performance of a tour company with respect to the manner to which the company behaves ethically towards its key stakeholders. Eight measurement items were drawn from the work of Brunk (2010), Pivato et al. (2008), Sureshchandar et al. (2002), and Yang et al. (2009). Examples of items are "*This tour company operates in an ethical manner*", "*This tour cares about wildlife and nature*", and "*I think this company would behave responsibly toward its employees*".

Trust

Trust was defined as the credibility and benevolence of a tour company. The definition is drawn from the work of Doney and Cannon (1997) and Ganesan and Hess (1997). More specifically, while credibility refers to a company's ability to perform effectively and reliably, benevolence is based on the qualities, intentions, and characteristics to demonstrate genuine concern and care about consumers. Even though it is possible to conceptualise trust as a multi-dimensional construct, in this thesis, trust has been conceptualised as a unidimensional construct. Five existing scale items developed from the works of Ganesan and Hess (1997) and Moliner et al. (2007) were adapted to measure trust in the context of an ethical tour. In particular, three items captured credibility, asking for example, "*I think this tour company would be reliable*" and two items captured benevolence, stating for instance "*I think this tour company would keep its promises*".

Perceived value

Based on the perceived value literature, perceived value was conceptualised as customer perceptions of the value of tourism products at any stage of the purchase process viewed from multiple dimensions comprising price, hedonic, expressive, and ethicality. Price value refers to the value for money paid for ethical tour products. It was measured by four items based on Petrick (2002) and Sweeney and Soutar (2001), for example "*This tour seems to be good value for money*". Hedonic value refers to the positive emotional responses aroused by tour features or experiences. Hedonic value was measured by four items based on Petrick (2002) and Sweeney and Soutar (2001), for example "*This tour is one that I would likely enjoy*". Expressive value refers to tour product features that allow customers to express themselves to other people. It is measured by four items based on J. Smith and Colgate (2007), for example, "*Taking this tour would help me enhance my self-concept*". Finally, ethical value refers to how customers perceive value in the tourism products providing a sense of morality and doing right for others. Ethical value is measured by four items based on Holbrook (1996) and N. Smith (1996), for example "*Taking this tour seems to be the right or good thing to do*".

Tour booking intention

Following Zeithaml et al. (1996), tour booking intention was defined as customer intentions to buy a tour. Purchase intention has been recognised as a consequence of customer evaluation of service quality (Zeithaml et al., 1996), perceived value (Chang & Wildt, 1994), and other variables, such as perception of price, and brand image (Chiang & Jang, 2006). Three scale items measuring tour booking intention were adapted from the work of Chiang and Jang (2006), for example "*If I were in Northern Thailand, I would consider booking this tour with this company*".

Word-of-mouth

Following Litvin et al. (2008), word-of-mouth was defined broadly as "the communication between customers about a product, service, or company in which the sources are considered independent of commercial influence" (p. 459). However, in previous studies it is common for word-of-mouth to be operationalised according to its specific context. Also, positive word-of-mouth is used more widely than negative word-of-mouth. This thesis has followed this point and word-of-mouth was operationalised as positive referrals. Three existing items from González et al. (2007) and Hutchinson et al. (2009) were adapted to measure word-of-mouth in the context of an ethical tour, for example "*I would likely recommend this tour to anyone who asks me*".

CSR predisposition

CSR predisposition was broadly defined customer personal traits regarding their beliefs and feelings about the importance of CSR, and the behavioural support for socially responsible activities. The definition was drawn from previous work on customer attitudes towards CSR. Five items were used to measure CSR predisposition. One item involving attitude was drawn from Sen and Bhattachaya (2001) stating: "*CSR should be the first obligation of tourism business in today's society*". Two items measuring support for responsible companies were drawn from Vassilikopoulou et al. (2005), such as "*I would pay more money for a tourism product that I knew to be socially or environmentally responsible*". Finally, two items following M. Kang and Moscardo (2006) were drawn to measure a support for responsible tourism activities, for example "*If travelling to a developing country, I would try to make sure that some of the money I spend goes into funds for the welfare of local residents*".

Table 3.5. Development and Adaptation of Measurement Scale Items

Measure	Study	Source of Scale	
		Adapted from existing scale	**Developed from the literature**
TOURQUAL			
Perceived tour program quality	1 & 2		Geva and Goldman (1989, 1991)
Perceived ethical performance	1 & 2		Brunk (2010); Pivato et al. (2008); Sureshchandar et al. (2002); Yang et al. (2009)
Perceived value			
Price value	1 & 2	Petrick (2002); Sweeney and Soutar (2001)	
Hedonic value	1 & 2	Petrick (2002); Sweeney and Soutar (2001)	
Ethical value	1 & 2		Holbrook (1996); N. Smith (1996)
Expressive value	1 & 2	J. Smith and Colgate (2007)	
Trust	1 & 2	Ganesan and Hess (1997) Moliner et al. (2007)	
Tour booking intention	1	Chiang and Jang (2006)	
Word-of-mouth	2	González et al. (2007); Hutchinson et al. (2009)	
CSR Predisposition	1 & 2	M. Kang and Moscardo (2006); Sen and Bhattacharya (2001); Vassilikopoulou et al. (2005)	

3.7 Testing of Measurement Scales and Stimulus Materials

This section describes the initial processes of developing the measurement scales and the issues encountered with developing scales. According to Figure 3.3, the processes start with the development of the manipulations and scenarios (as presented in section 3.5) and the development of the measurement of constructs (as presented in section 3.6). Further explanations in this section cover the assessment of the realism and credibility of stimulus materials, the effectiveness of the manipulation checks, and refinement of measurement items.

3.7.1 Pre-tests

This section explains the procedures of scenario design and purification. Pre-tests are important prior to running the main experiment (Perdue & Summers, 1986) and can enhance reliability (Neuman, 2006). A series of pre-tests is necessary for developing the stimuli, setting the strength of the independent variables, and assessing the external validity of the study (Sparks & Browning, 2011). This thesis has taken the following key purposes for conducting pre-tests: (1) to ensure the reliability of each manipulation and to ensure the credibility of stimulus materials and (2) to ensure the effectiveness of an online survey. This pre-test stage involved short interviews with a small group of respondents to generate item scales (Churchill, 1979). Table 3.6 shows the summary of the pre-tests involved in this thesis.

Figure 3.3. Procedure Followed for Refining Scales and Developing Stimulus Materials
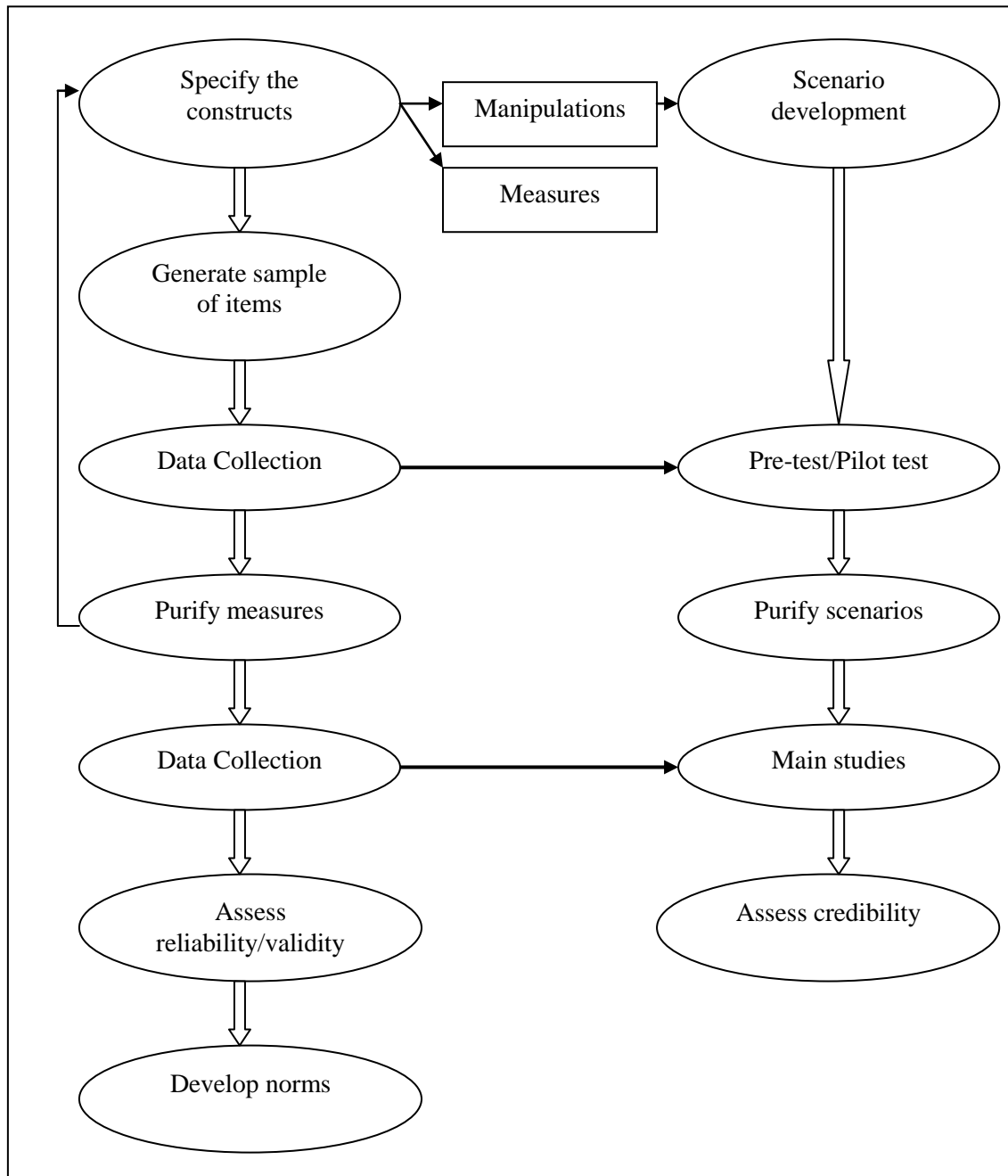
Note: Adjusted from Churchill (1979) and Perdue and Summers (1986)

Table 3.6. The Summary of the Pre-tests Conducted in Each Study

Study	Name	Aim
Study 1	Pre-test 1	To assess credibility of ***tour brochure design*** and precision of wording for manipulations.
	Pre-test 2	To assess the clarity of wording for perceived ethical performance construct.
	Pre-test 3	To assess the effectiveness of major functions of the online survey platform.
Study 2	Pre-test 1	To assess credibility of ***tour scenario description*** and precision of wording for manipulations.
	Pre-test 2	To assess the effectiveness of major functions of the online survey platform.

Study 1

Prior to the execution of Study 1, three pre-tests and a pilot study were conducted. The first pre-test mainly provided a check on the preciseness of wording for manipulation and credibility items together with the reliability of the tour brochure design. Ten PhD candidates at the Department of Tourism, Leisure, Hotel, and Sport Management, Griffith University were participants. The first requirement involved reading a tour brochure followed by manipulation and credibility statements. A check followed to ensure the candidates had a clear understanding of the manipulation checks and credibility questions. An interview of subjects immediately after their exposure to the manipulations may enhance their ability to provide a complete description of their reaction to the manipulations so that bias can be minimised (Perdue & Summers, 1986). An additional check of the features of the brochure, including colours, pictures, font size, format, and word use allowed the researcher to improve the credibility of stimulus materials. As a result of the first pre-test, minor changes to wording of manipulation and credibility statements and the tour brochure features were made, allowing the researcher to proceed to instrument development and pilot testing.

Following the completion of the pilot study as explained later in section 3.7.2, the implementation of a second pre-test was conducted because a change was made to the two constructs which were not assessed at the pilot stage: perceived ethical performance (a dimension of TOURQUAL) and trust. Churchill (1979) suggested purifying some measures after a pilot study can lead to a better specification of a construct. This process involved the participation of seven PhD students. They were asked to read a tour brochure imagining that they are searching for travel information and then to read the eight item statements for the perceived ethical performance variable. They also were asked for their perception of trust after their exposure to the GG21 label and codes of ethics displayed on a tour brochure. Finally, participants were asked whether they had found any statement ambiguous, unclear, or confusing. Minor changes were necessary to improve unclear statements.

A third pre-test was conducted to ensure all major functions of the online survey platform, such as randomisation, next-back buttons, and survey flow worked effectively. Also, this pre-test allowed the researcher to check the average time the respondents spent on completing the survey. This stage involved 20 PhD students at Griffith University. A survey link was copied from Qualtrics software and placed on an email invitation for a pre-test and was sent to the participants' email addresses. The participants were asked to click the link if they were willing to assist. Further, they were asked to answer the survey as if they were participating in a main study. A request for comments and feedback about survey features, understanding of questions, or any other potential issues was also made. As a result of the online survey pre-test, minor flaws were able to be corrected. Respondents took 9 to 12 minutes on average to complete a survey, which showed the survey for the main study would be an appropriate length and would not be too burdensome on respondents.

Study 2

Two pre-tests were conducted prior to the execution of Study 2 to (1) to ensure the credibility of the scenarios and clarify some item statements and (2) to determine the effectiveness of the online survey functions. First, a pre-test of scenarios was conducted.

A scenario indicating condition 1 (Best practices for all three ethical areas) was used as an example for pre-testing. As in Study 1, Study 2 interviewed ten PhD students from Griffith University. They were both international and Australian students. Some of them had experience in the tour guiding business. Some had experience with the type of tour proposed in the scenarios. A scenario together with a set of item statements was presented to the participants. Participants were asked some questions including (1) What you think about the scenarios in terms of the length, realism, and reliability?, (2) What are activities in the scenario that you perceive as best practice?, (3) How could the scenario be improved?, and (4) Did you find any statement confusing, unclear, or ambiguous? As a result of the pre-test, no major change was made.

In addition, online survey functions were pre-tested prior to a main survey. Similar to Study 2, a check was made of important functions such as randomisation, survey flow, timing, and survey features. The process involved 12 PhD students. It was found that randomisation worked effectively. Also, all participants agreed that the survey features looked professional. Even though some grammatical changes were made to some statements, no major change was made.

3.7.2 Pilot study

In addition to the pre-tests described in section 3.7.1, a major pilot study was conducted as a part of the scale development procedure. The thesis identified three main reasons to perform the pilot study: (1) to refine the survey instrument through preliminary reliability tests and to assess the variability of responses to individual items, (2) to check for the effectiveness of manipulations as suggested by Perdue and Summers (1986), and (3) to assess the credibility of the stimulus material. Accordingly, the pilot study used a larger sample than the samples chosen for the pre-tests. Mail surveys were used to collect the pilot data. General considerations for the questionnaire design at the pilot stage are the same as were taken into account when designing the questionnaire for the main studies (See section 3.8 for considerations of the survey design). The pilot surveys used convenience sampling and were distributed to 250 staff and 50 postgraduate students at Griffith University, Australia. The study chose to randomly assign the

subjects to one of the four conditions to minimise a bias effect. A response rate of 43% (130 respondents) was achieved. Eight of 130 returning questionnaires were excluded as they were incomplete. As a result, 122 subjects participated at the pilot stage. They comprised 65% females and 35% males. Subjects ranged in age from 18-24 (11%), 25-34 (25%), 35-44 (26%), 45-54 (24), and over 55 (14%).

The pilot study data was manually transferred to SPSS software version 18 for statistical testing. First, the internal consistency of scale items was measured using the Cronbach alpha coefficient and an exploratory factor analysis (EFA) was performed to refine the measures of constructs and to test for unidimensionality of measures according to the suggestions of de Vaus (2002). Retained item scales as for a result of EFA at the pilot study were further examined for reliability and validity using CFA and the results are reported in Chapter 4. Secondly, the manipulations were tested for their effectiveness and the stimulus material was assessed for its credibility. The results of scale assessment are presented next, followed by the results of manipulation checks and a credibility test.

The results of scale refinement at the pilot stage

This sub-section summarises the results of scale refinement from the pilot study data. The discussion covers encountered issues and solutions. At the pilot study stage, five major constructs including perceived tour program quality, perceived value, tour booking intention, word-of-mouth, and CSR predisposition were measured. Trust was not included at this stage for parsimonious reasons, for example to keep the questionnaire as short as possible. The literature indicates proposed trust scales are well developed. Measurement scale items for each construct were adapted from previous related works and were refined using EFA (Churchill, 1979; DeVillis, 2003). Key criteria and consideration for EFA are discussed in section 3.10.3.1.

Overall, the results from EFA showed that all five constructs were identified as indicated by a significant Bartlett's test of sphericity and the KMO was greater than 0.6 (ranging from 0.7 to 0.79). The items measuring each construct were retained if they loaded at 0.5 or more on a factor and did not load at more than 0.4 on any other factor.

First, perceived tour program quality was first measured by three items and all items were retained with all factor loadings above 0.8 (ranging from 0.82 to 0.85). The factor was satisfied for reliability at alpha level of 0.78. Second, perceived value was initially proposed to comprise four dimensions: price, hedonic, expressive, and ethical. Each dimension was measured by four items. Accordingly, in total, there were initially 16 items measuring perceived value. However, the results from EFA indicated three instead of four dimensions. While there was no refinement suggested for price and hedonic dimensions, items measuring expressive and ethical dimensions loaded together in one factor. As a result, these two factors and items were refined by deleting three cross-loading items (deletion of items was done one at the time). The new factor was labelled "Ethical-Expressive value" and was measured by five items. Subsequently, perceived value comprised three factors measured by 13 items in total. Price value was measured by four items (factor loadings ranged from 0.84 to 0.90). Hedonic value was measured by four items (factor loadings ranged from 0.78 to 0.90). Ethical-expressive value was measured by five items (factor loadings ranged from 0.77 to 0.84). Further, the reliability of each dimension was successful as indicated by Cronbach alpha levels of 0.92, 0.92, and 0.89, respectively.

The third construct was tour booking intention. Tour booking intention was measured by three items and all items were retained with all factor loadings higher than 0.9. The reliability of the construct was successful with a Cronbach alpha level of 0.95. Word-of-mouth was the fourth construct measured at the pilot study. The initial three items measuring word-of-mouth were retained with all factor loadings greater than 0.9. Internal consistency was also achieved, as indicated by a Cronbach alpha level of 0.91. Finally, CSR predisposition was initially measured by nine items. However, four items encountered issues according to the criteria explained in 3.10.3.1, such as low correlation with other items and low communalities. Those four items were deleted one

at the time according to both statistical indicators and theoretical support. Subsequently, five items were retained with all factor loadings greater than 0.7 and reliability was achieved at a Cronbach alpha level of 0.84. Further details about measurement items for all five constructs are included in Appendices 3.3a and 3.3b.

The results of manipulation and credibility checks at the pilot stage

A second key purpose of conducting a pilot study was to check for convergent and discriminant validity of the manipulations and the credibility of stimulus materials, as suggested by Perdue and Summers (1986). According to Perdue and Summers, the effectiveness of manipulations can be assessed at two levels; a basic manipulation check and a more robust confounding assessment. The manipulation check assesses the convergence of measures of the manipulations. That is, the researcher has to ensure that the measurement items expected to measure the same manipulation converge. This approach is the most widely used and reported form of 'manipulation check' suggested in previous studies (e.g., Sen & Bhattacharya, 2001; Sparks et al., 2008). A stronger form of manipulation assessment is termed a 'confounding check' and examines the divergence of unrelated measures and manipulations. For example, it is expected that a set of items used to measure tourism accreditation will not be capable of measuring a code of ethics and vice versa. This approach highlights issues where the manipulation used for one variable may confound the measurement of the second independent variable. Whereas the basic manipulation check is widely tested and reported, a confounding check is reported in a few studies (e.g., Sparks & Browning, 2011). However, to ensure that the manipulations used in the main studies are effective and not severely confounded, both assessments are reported.

At the pilot stage, for manipulation and confounding checks, a two-way ANOVA was conducted as multiple independent variables (tourism accreditation and codes of ethics) were involved. To interpret the results, F values together with partial eta squared (η^2) were reported. Even though Perdue and Summers (1986) suggested Omega squared (ω^2) for an indicator of effect size, it is argued that partial eta squared (η^2) is also appropriate for an interpretation of effect size (Tabachnick & Fidell, 2007). First, an assessment was

made of convergent and discriminant validity for the tourism accreditation manipulation. The ANOVA results showed a main effect of tourism accreditation on a composite score of three items measuring the tourism accreditation manipulation with F (1, 117) = 242.1, ρ <0.001 and η^2 = 0.67. The results showed that subjects who were exposed to a tour brochure displaying the GG21 label had a stronger perception of tourism accreditation (M = 5.71) than those who were exposed to a tour in which the GG21 logo was not displayed (M = 2.62). That is, convergent validity for tourism accreditation was achieved. At the same time, the ANOVA results also indicated a main effect of a code of ethics on a composite score of items measuring tourism accreditation with F (1, 117) = 5.86, ρ <0.05 and η^2 = 0.05. This result showed a possible confounding effect of codes of ethics manipulation on the tourism accreditation manipulation. However, the confounding effect (η^2 = 0.05) was considered extremely small, compared to the effect of the manipulation (η^2 = 0.67) (see criteria for interpreting the effect size in section 3.10.3.2). Accordingly, the confounding effect was not severe and discriminant validity was satisfied.

Next, convergent and discriminant validity for the code of ethics manipulation were examined. The results showed a main effect for a code of ethics manipulation on a composite score of three items measuring codes of ethics with F (1, 118) = 103.43, ρ <0.001, η^2 = 0.47. This means that subjects who were exposed to a tour brochure displaying a set of codes of ethics had a stronger perception of a code of ethics (M = 5.53) than those who were exposed to a brochure that does not show a set of ethical codes (M = 3.22). That is, the convergent validity or manipulation check of a code of ethics was satisfied. At the same time, the ANOVA results demonstrated a main effect of tourism accreditation manipulation on a composite score of a code of ethics manipulation with F (1, 118) = 23.64, ρ <0.001 and η^2 = 0.17. According to this result, a code of ethics manipulation appeared to be slightly confounded by the tourism accreditation manipulation. However, it is argued that the confounding effect was not serious since the effect size was considered to be relatively small (η^2 = 0.17), compared to the effect size of the manipulation (η^2 = 0.47). That is, discriminant validity was achieved. According to the results from the pilot study, no change was made to the manipulations and they were used in the main study. Later for the main study,

manipulation and confounding check procedures were conducted again prior to hypothesis testing. The results are reported in Chapter 5.

In addition to the manipulation and confounding checks, the credibility of the stimulus material was also tested. Three items used a 7-point Likert scale type (*Strongly disagree* to *Strongly agree*) to measure the credibility of stimulus materials; (1) *The proposed tour in the brochure looks realistic* (2) *This type of tour is likely to exist in the actual market place* (3) *This type of tour probably occurs in real life*. The examination of the mean scores of each item (5.48, 5.60, 5.48, respectively) indicated that the respondents (N = 122) perceived the stimulus materials as realistic. The stimulus materials were considered appropriate for use in the main study.

3.8 Questionnaire Design

The design of questionnaires for both main studies followed the completion of stimulus materials, measurement scale refinement, and a pilot study. The following discussion considers the overall questionnaire design, use of an online survey, and specific components of the questionnaire relating to each study characteristic.

Two main types of questionnaire, such as interviewer-administered and self-administered can be considered for marketing research (Malhotra et al., 2002). As this thesis utilised an online survey, an interviewer-administered approach was not appropriate. For this thesis, a self-administered questionnaire was used as an instrument to obtain quantitative primary data for both studies 1 and 2. Oppenheim (1992) argued that this method of data collection ensures a high response rate, accurate sampling, and less interview bias. It is a method typically used for asking respondents for their perceptions, comprehension, or some other psychological reactions to the manipulations in the manipulation checks (Bagozzi, 1977). Even though the use of a self-administered questionnaire may limit the subjects' freedom in responding to the scenarios, this tool for collecting data allows the researcher to collect a large amount of data without exceptional demands upon the subjects' time (Weber, 1992).

To design effective self-administered questionnaires, the flow of questions were carefully organised and other considerations were taken into account. For example, the questionnaire format and layouts were considered in order to overcome respondents' inabilities and unwillingness to answer which in turn may affect the quality of data (Malhotra et al., 2002). All questions used ordinary words to ensure that they were easily understood by respondents. Questions were randomly spread throughout the instrument in order to avoid bias and inappropriate answers (de Vaus, 2002). As manipulation check questions were asked in the same questionnaire, manipulation check items were also spread throughout, but closer to the experimental treatment scenario. The purpose was to increase an appropriate response of the subjects to the manipulations which were described in stimulus material presenting the treatment.

3.8.1 Use of an online survey

An online survey was selected in preference to either a mail survey or a telephone interview for four reasons: (1) cost and time saving (2) accessibility to the respondents (3) effective functions and (4) response rate and quality of data. First, an online survey can reduce costs and is less time consuming (Pirsch et al., 2007). A further advantage is its accessibility to respondents (Pirsch et al., 2007). In particular, it is effective for reaching a large percentage of the population, especially in a country like Australia where the internet is widely used at home and work. In addition, many functions of an online survey are effective for conducting an experiment-based survey. For example, there is a function to randomly distribute a survey to respondents. Finally, an online survey was selected because it generates a high response rate and is no less representative of the population than a survey using mail respondents (Cobanoglu, Warde, & Moreo, 2001; Dolnicar, Laesser, & Matus, 2009).

An online survey software program called *Qualtrics* was used to create the questionnaire. This software program allows the researcher to create several blocks of questions in one survey. This function is very useful for a factorial experiment wherein different treatments can be put in different blocks and randomly assigned to the subjects when collecting data. Further, it is a friendly way to use a software program and various

colours, graphics, and pictures can be added to make it easier for respondents to see the stimulus material. The questionnaire design is explained in the following section.

3.8.2 Questionnaire format

The questionnaires for each study were divided into four main parts comprising: a welcome message, the experimental treatment, a set of measurement items, and demographic questions. A short welcome message was presented followed by the information sheet providing respondents with details of the research topic and its purpose, together with ethics information. This information is important as it can enhance the subject's willingness to proceed to the questions. A second part involved the content which explains a general travelling situation followed by an experimental treatment.

In the third section, several sets of scale-type questions capturing all measures were shown. All items were measured on a 7 point Likert-type scale (*Strongly disagree to Strongly agree*). All measurement items were randomly spread throughout the survey to reduce order bias (Ekinci, Prokopaki, & Cobanoglu, 2003). Also, items used to measure the same construct were spread throughout the survey in order to avoid singularity of answers and a social desirability bias. Social desirability bias refers to a tendency of subjects to respond to measurement items so that their reactions are in accordance with how other people react (M. King & Bruner, 2000). In social and marketing research, social desirability bias can be minimised by the use of existing scales (M. King & Bruner, 2000), rather than developing new scales. It should be noted that most item scales measured in this thesis were adapted from existing scales reported in related studies. Further, Wason, Polonsky, and Hymanet (2002) argued that by using vignette-based studies, social desirability bias can also be reduced. Hence, both steps tend to minimise any social desirability bias. Moreover, to increase a respondent's ability to answer the questions, simple questions were included in the first and second sets of questions.

The last section of the questionnaire includes questions collecting data relating to respondent's travel experience and demographics (gender, age, education, income). The respondents were provided with an opportunity to receive a research report by typing their email address in a blank box on the last page. Table 3.7 shows the questionnaire structure of each study and the copies of each questionnaire are shown in Appendices 3.4a and 3.4b.

Table 3.7. Questionnaire Structure for Online Surveys

Study 1

- A welcome-to-survey page and an information sheet
- A content page explaining a particular travelling situation
- *A tour brochure used as a stimulus material presenting each experimental condition*
- A set of questions including 53 scale-type questions
- A set of eight questions capturing demographic information

Study 2

- A welcome-to-survey page and an information sheet
- A content page explaining a particular travelling situation
- *A scenario used as a stimulus material presenting each experimental condition*
- A set of questions including 56 scale-type questions
- A set of eight questions capturing demographic information

3.9 Sampling Selection and Data Collection Procedures

Procedures for selecting the samples for each study and collecting data are discussed in this section. The discussion highlights two main issues relating to the sampling design process: the target population and sample size. Ethical issues in the data collection process are also acknowledged. Both studies utilised a convenience sampling method wherein the questionnaire was randomly allocated to the study population of adult Australians. As explained in the previous section, an online survey was used for collecting data. The required sample size for each study differed according to the

number of experimental conditions of each study. Overall, the minimum required sample sizes are 240 and 480 subjects for studies 1 and 2, respectively. The details for sampling design are explained next.

3.9.1 Sampling design

Adult Australians who have travel experience and/or who are likely to be interested in travelling overseas were considered as the target population for both studies in this thesis. Subjects were drawn from a database of names purchased from a commercial organisation. For this thesis, a name list was purchased from The Prospectshop company. The studies were conducted at different times. Study 1 was conducted first with 5,000 respondents from the database named "The Great Aussie Survey". The same number of respondents (5,000) was obtained from the same database for Study 2. However, they were not the same group of respondents who were involved in Study 1 and the two samples were not comparable for data analysis. The Prospectshop company ensured a variety of respondents in terms of demographics by distributing the surveys across the country and to different age groups.

Sample size can be determined by a range of factors, such as the nature of research, the number of variables and the nature of analysis (Malhotra et al., 2002). A large sample size is required for quantitative research when it involves many variables and uses sophisticated analysis techniques (Malhotra et al., 2002). In addition, Bearden, Sharma, and Teel (1982) indicated that the larger the sample size, the better a causal model fit. However, for quantitative research, such as an experiment, sample size can be determined by a number of experimental conditions and cell sizes. The minimum requirement for sample size has been argued by many authors. For example, a sample size of approximately 20 per cell should ensure the robustness of analytical techniques to determine differences (Tabachnick & Fidell, 2007). Other researchers have suggested having a cell size greater than 30 to ensure the assumption of normality and equal variance when performing MANOVAs (e.g., Coakes, Steed, & Ong, 2009; Tull & Hawkins, 1993). Accordingly, the required sample size of both studies was determined by following the more conservative estimate and thus 30 subjects per cell were targeted.

For Study 1, a two-way factorial design produced four experimental conditions. Thus, the required sample size should be 120 (4×30). However, this thesis also investigated the moderating effect of CSR predisposition where the subjects were allocated into two levels – high and low. Therefore, theoretically, the overall sample size of Study 1 should be at least 240 ((4×30) ×2). The online survey enabled the researcher to obtain a higher number of respondents (N = 897). Similarly, Study 2 comprised eight experimental conditions from a three-way factorial design. Also, subjects had to be divided into two groups of high vs. low to investigate the effect of CSR predisposition. As a result, this study required at least 480 subjects ((8×30) ×2). The final number obtained from an online survey achieved the minimum requirement (N = 485).

Respondents of both studies were sampled using a non-probability sampling technique which Malhotra et al. (2002) argued may yield good estimates of the population characteristics. In social science generally, and within service management particularly, Butcher and Heffernan (2006) noted that convenience sampling is commonly used. Moreover, it is the least time and budget consuming of all sampling techniques (Malhotra et al., 2002). These issues are relevant for a PhD study. However, Malhotra et al. also noted that in using convenience sampling, potential sources of selection bias may occur. To minimise bias and enhance the reliability and internal validity of the data, subjects were randomly allocated to each experimental treatment. In the between group design, participants are randomly allocated to one of the experimental conditions to ensure that the effects of the experimental manipulation are isolated and no other systematic effects can affect the outcomes. Patzer (1996) stated that the effects of extraneous variables can be controlled by distributing their effects equally through randomisation. The profile of respondents for each study is reported in Chapter 4.

3.9.2 Data collection procedures

This section explains the data collection procedures and highlights ethical considerations. The questionnaires were designed using Qualtrics online survey software. The Qualtrics software allows the researcher to copy a survey link and send the link to respondents. In each study, the questionnaires were randomly distributed to

5,000 respondents who were registered in a Great Aussie Survey database provided by the Prospectshop marketing database company. Accordingly, the link copied from Qualtrics was sent to the Prospectshop company for inclusion in the email invitations. When respondents received an email sent from the Prospectshop, they were asked to click a 'survey link' that proceeded to the questionnaire. As a result of the randomisation procedure, each respondent was exposed to only one condition of the experiment and responded to each questionnaire sections as described in section 3.8.2.

During the period of data collection, Qualtrics Software allowed the researcher to check for responses at any time. It was found that most participants completed a survey within the first week for Study 1 (approximately 81%) and within the second week for Study 2 (approximately 79%). However, the researcher left the survey open for approximately 5 weeks to allow participants who were not available to complete the survey in the first 2 weeks. Study 1 survey was conducted from 21st October to 8th November 2010 and Study 2 survey was conducted from 8th December 2010 to 16th January 2011. Following the closure of online surveys, Qualtrics Software allowed the research to download data files into an SPSS file-type format. This function provided the researcher convenience and time saving for data preparation.

Next, the researcher had to consider particular issues when conducting the study because an experimental design is intrusive (Neuman, 2006). Following the National Statement on the Ethical Conduct in Human Research (2007), the purpose and procedures of the study was provided upfront to research participants and before they answered the questionnaires to avoid any risk of deception. Subjects voluntarily participated in the research. In addition, the participants were assured that their responses would be collected in a way that would protect their privacy, anonymity, and confidentiality. Respondents were also provided with information to assure the credibility of the project team including supervisors name and address and contact number so if they wished they could check the profile of the author or clarify any issue. Both studies were approved by Griffith University Ethics Committee prior to data collection (see Appendix 3.5). Moreover, in this thesis, Griffith University policy relating to copyright was followed. The Green Globe (GG21) logo was used exclusively

for the purpose of academic research and review and this is acknowledged herein. The provisions of the Copyright Act in relation to fair dealing were invoked, wherein the GG21 logo depiction was used to represent 'a tourism accreditation', subjected to direct research analysis and not used for any other purpose.

3.10 Analysis of Data

This section now offers an explanation of the analysis of data. Overall, two major tasks were completed prior to the hypothesis testing. The data was first screened to ensure that missing values and potential outliers (if any) are identified and resolved. Second, some preliminary tests were conducted to ensure that several assumptions of key analytical techniques are achieved. Following the completion of these two tasks, a discussion provides details of the analytical techniques used for hypothesis testing. The data analyses were performed using SPSS and AMOS version 18. Data preparation is discussed next.

3.10.1 Data preparation

Before a data analysis, a rigorous screening process was undertaken to ensure that the initial data file was entered correctly; missing data and outliers were identified and resolved following advice suggested by Tabachnick and Fidell (2007). First, the original data files downloaded from Qualtrics software were examined. Even though data of both studies 1 and 2 was downloaded from SPSS files recorded in the online survey software, the researcher needed to recheck the data for accuracy as to how variables were coded. Also, unrelated information obtained from Qualtrics Software, such as respondent ranking numbers, date and time of each response, and all instructions shown in the survey were deleted. Next, cases with insufficient information were deleted. For this thesis, incomplete cases were initially identified based on recorded time for completion. That is, any cases regardless of the experimental conditions, completed within one minute were considered unacceptable and eliminated. According to a summary of survey statistics as reported in the Qualtrics software, there were 317 cases in Study 1 (19%) and 348 cases in Study 2 (23%) taking less than one minute to

complete (see Appendix 3.6 for calculation). These cases were deleted. Retained cases were then sorted according to the experimental condition and carefully checked for the singularity of answers on the questionnaire. Singularity is evident when an inappropriate pattern of answers is given whereby respondents tend to give the same score for all variables in the questionnaire. All incomplete and singularity-answer cases were deleted using a listwise deletion method. Following this initial data screening process, the retained cases were then examined for missing data.

Missing values

A screening process examined missing values. Missing values were identified because having missing values in a data file can distort the results (de Vaus, 2002; Tabachnick & Fidell, 2007). Missing a few data points in a random pattern from a large data set is not a serious concern, however, in a small-to-moderate sized data set, a lot of data with missing points can be problematic. Tabachnick and Fidell argued that there is no rule of thumb for how much missing data can be tolerated for a particular sample size, and the decision for deleting cases or variables mainly depends on the researcher. In the work of Sparks and Browning (2011), for example, a case with more than half of its data missing was considered for removal. Tabachnick and Fidell also highlighted that the pattern of missing data is more important than the amount of missing data. That is, missing values are not a severe concern when they are randomly scattered through a data matrix. In contrast, non-randomly missing values may be a more serious no matter how few there are. In this thesis, cases with more than four missing values on any one variable were excluded using a listwise deletion method. Using a listwise deletion is beneficial for the analysis in which all analyses are conducted with the same number of cases (Kline, 2011). This is a conservative approach to ensure that retained data is credible. Given the large sample sizes obtained in both studies this credibility was made possible. Consequently, it was found that the total number of cases with missing data deleted in Study 1 was around 15% and approximately 43% in Study 2 (see Appendix 3.6 for calculation). Even though more cases were deleted due to missing data in Study 2 than in Study 1, this percentage was considered acceptable (Kaufman, 1988 as referred in Roth, 1994). Once a decision was taken on which cases to retain, all cases

were treated further for missing values. The retained cases with acceptable missing values were replaced by using mean substitution which is the most basic method of replacing value (Coakes et al., 2009). Retained cases were tested further for outliers prior to the data analysis as explained next.

Outliers

The third form of data preparation activity involved the search for outliers. Univariate and multivariate analysis are sensitive to outliers (de Vaus, 2002). Accordingly, two types of outlier were assessed. "Univariate outliers are cases with an extreme value on one variable; multivariate outliers are cases with an unusual combination of scores on two or more variables" (Tabachnick & Fidell, 2007, p. 73). To detect univariate outliers, histograms and standardised residuals need to be examined. Histograms of each variable indicated a relatively normal distribution of data for both studies. The standardised residuals were also examined. Tabachnick and Fidell noted that cases with standardised values in excess of 3.30 are potential outliers. However, with a large sample size, a cut-off value can be up to 4 (Hair, Black, Babin, & Anderson, 2010). For this thesis, approximately 3% (24 cases) and 4% (19 cases) of the total number of cases of studies 1 (N = 897) and 2 (N = 485), respectively were identified as univariate outliers. However, the percentage of outliers fell within acceptable limits, as Hair et al. suggested that having outliers makes up less than 5% of a total sample is acceptable. Moreover, Tabachnick and Fidell suggested that if any outliers are detected, the researcher should carefully check to verify that data are entered and coded correctly or have missing values specified. No issue with incorrect coding was evident in either study. Consequently, no change was made to any cases at this stage and further analysis to detect multivariate outliers was undertaken.

To detect multivariate outliers, two statistics; Mahalanobis distance and Cook's distance were used (de Vaus, 2002; Tabachnick & Fidell, 2007). Firstly, "Mahalanobis distance identifies cases that have an unusual value on the independent variable" (de Vaus, 2002, p. 93). Mahalanobis distance is evaluated using the χ^2 distribution. For example, the critical value of Mahalanobis distance with five variables at $\alpha = 0.001$ is 20.5

(Tabachnick & Fidell, 2007). For this thesis, in Study 1, Mahalanobis distance was tested using eight variables (two independent and seven dependent as shown in Figure 2.4). The results indicated 20 potential multivariate outliers (out of 897 cases) among the variables. That is, those 20 cases have a Mahalanobis distance value greater than the critical χ^2 value of 26.1 at an alpha level of 0.001. In Study 2, Mahalanobis distance with nine variables (three independent and seven dependent) as shown in Figure 2.5 was assessed. Cases with a Mahalanobis distance greater than 27.9, which is the critical χ^2 value with nine variables at $\alpha = 0.001$ are considered outliers. There were 15 cases out of 485 cases detected as potential outliers in this study. It is recommended to delete cases with multivariate outliers if (1) they are: (1) influential to distort the data, or (2) not properly a part of the population (Tabachnick & Fidell, 2007). Accordingly, the outliers indicated by Mahalanobis distance were checked further for their influence using Cook's distance.

Cook's distance is another statistic widely used to detect multivariate outliers. It identifies cases with unusual values that have a considerable influence on the summary statistics (de Vaus, 2002). If the Cook's distance value is high, influential outliers are indicated and cases should be dropped from the analysis. According to Field (2009), cases with values greater than 1 should be assessed. Based on this criterion, it was found that all 897 cases of Study 1 including those 20 outlier cases detected by Mahalanobis distance have a Cook's distance value less than 1. Hence, it can be said that the detected outliers were not influential cases and could be considered to be a part of the population. Accordingly, no cases were dropped from Study 1. Similarly, the 15 detected outliers in Study 2 were not influential as they had a Cook's distance value less than 1 and they were considered to be a part of the population. All 485 cases of Study 2 were also retained.

3.10.2 Preliminary tests

Once the initial data screening process had been conducted a set of preliminary tests was completed on the retained data sets including (1) non-response bias (2) normality (3) linearity and homoscedasticity (4) homogeneity of variance and homogeneity of

variance-covariance and (5) multicollinearity. These tests were largely conducted to ensure that the assumptions underpinning the planned statistical analysis had been satisfactorily met. Non-response bias is not a required assumption for the data analysis; however, it may affect the results if the sample estimate is seriously biased (Malhotra et al., 2002). For this thesis, a statistical test for non-response bias was not considered to be necessary. That is because both studies achieved a relatively high response rate (see section 3.9.1). It is argued that a high response rate is less likely than a low response rate to increase non-response bias issue (Malhotra et al., 2002). Also, the majority of respondents of both studies responded to the survey within two weeks. A non-response bias is also less likely to occur when there is no difference in outcome between early and late respondents (Sheikh & Mattingly, 1981).

While non-response bias was not essential for the data analysis used in this thesis, other tests were conducted. These were tests to check for normality, linearity, homoscedasticity, homogeneity of variance, homogeneity of variance-covariance and multicollinearity since they are important assumptions for data analysis techniques including EFA, ANOVA, MANOVA, and SEM. Firstly, one of the most common and important assumptions for almost all multivariate analysis is having a normal distribution in the population. Normality can be indicated by a Kolmogorov-Smirnov test, the examination of skewness, kurtosis (Field, 2009; Tabachnick & Fidell, 2007), and histograms (de Vaus, 2002). The test of Kolmogorov-Smirnov compares the differences of the scores in the sample to a normally distributed set of scores with the same mean and standard deviation. To indicate a normal distribution, the test of Kolmogorov-Smirnov should not be significant at an alpha level of 0.05. The test was applied with the total samples from each study. It was found that the Kolmogorov-Smirnov test for both samples was significant at the alpha level of 0.001. According to this test, the data did not appear to have a normal distribution. While this test in commonly used; however, Field argued that the test is sensitive to large sample sizes. Therefore, normality was also assessed by an examination of the distribution for skewness and kurtosis.

Theoretically, a perfectly normal distribution is indicated if a distribution meets the criteria of zero for both skewness and kurtosis. However, in practice, several rules of thumb are suggested. While de Vaus (2002) suggested to use values of less than 1 for skewness and kurtosis to indicate a normal distribution, D. George and Mallery (2011) noted that values up to 2 are also acceptable for a relatively normal distribution. In addition, Coakes et al. (2009) noted that tests of association, such as factor analysis and regression, are robust to variations in normality. For Study 1, the skewness scores ranged from 0.119 to 1.672 and from 0.131 to 3.345 for kurtosis (a value of 3.345 was the only value greater than 3 and found on only one question). For Study 2, the skewness scores were in a range of values from 0.027 to 1.507. The kurtosis values ranged from 0.025 to 3.590 wherein a value greater than 3 was found on two questions. Taking these values of skewness and kurtosis into consideration, a relatively normal distribution was evident for almost all questions. Skewness values were well within accepted ranges and a few values were in the higher range for kurtosis. However, it is argued that in a large sample the significance levels of skewness and kurtosis are not as important as their actual size and the visual appearance of the distribution (Tabachnick & Fidell, 2007). In this thesis, Study 1 had a sample size of 897 and Study 2 had a sample size of 485. For large samples (200 or more), Field (2009) argued that "it is more important to look at the shape of the distribution visually" (p. 139). He pointed out that in large samples the standard errors are smaller and this inflates skewness and kurtosis values. Therefore, histograms were checked for a shape of distribution in both samples. It was found that histograms indicated that all distributions met the shape of a normal distribution.

The assumption of linearity and homoscedasticity was considered next. Linearity refers to a straight-line relationship between two variables (de Vaus, 2002). "The assumption for homoscedasticity is that the variability in scores for one continuous variable is roughly the same as all values of another continuous variable" (Tabachnick & Fidell, 2007, p. 85). Both these assumptions are related to the assumption of normality and they can be examined by an inspection of bivariate scatterplots. Linearity and homoscedasticity are assumed if the plots between the two variables were formed in on oval-shape. Each pair of independent and dependent variables in both studies were

tested. A relatively oval-shape of scatterplots was evident indicating linearity and homoscedasticity.

Thirdly, homogeneity of variance and homogeneity of variance-covariance were examined. Homogeneity of variance is the assumption for ANOVA testing, where the variances of the dependent variables should be the same throughout the data (Coakes et al., 2009). To test for homogeneity of variance, the Levene's test was used. If the variances are the same for all groups, this test should be non-significant ($\rho \geq 0.05$). It was found, as reported in sections 5.2.3 when testing the hypotheses for Study 1, that several dependent variables did not achieve homogeneity of variance. However, it is argued that ANOVA is robust to violations of homogeneity of variance if cell sizes are relatively equal (Field, 2009). Cell sizes for both studies 1 and 2 are considered relatively equal (see Appendix 3.6). Accordingly, homogeneity of variance can be assumed by this criterion. However, a more conservative approach is to use a more stringent alpha level, such as $\alpha = 0.025$, when making an interpretation of the between-subjects ANOVA results (Tabachnick & Fidell, 2007). This more robust approach was undertaken for this thesis.

In addition, homogeneity of variance-covariance is an assumption of MANOVA. In MANOVA, it is assumed that there is not only the same variance between the dependent variables, but also that the correlation between any two dependent variables is the same in all groups (Field, 2009). Similar to ANOVA, cell sizes are also important for MANOVA. A sample size of approximately 20 per cell should ensure robustness of MANOVA (Tabachnick & Fidell, 2007) and ideally, equal cell sizes are required. However, relatively equal cell sizes are acceptable in practice (Field, 2009). As mentioned earlier, cell sizes were not a serious concern for this thesis. A further test for homogeneity of variance-covariance is Box's M test. While the Box's M test is a widely used test for the assumption of homogeneity of variance-covariance, Field argued that the test can fail for large sample sizes, even when covariance matrices are relatively equal. Accordingly, the multivariate effects for this thesis were interpreted based on Pillai's criterion due to its robustness, as suggested by Hair et al. (2010). Together with a report and interpretation of the multivariate tests, the Levene's test was used to ensure

the assumption of between group homogeneity of variance for the each dependent variable in MANOVA.

The last preliminary test was for the assumption of multicollinearity. Multicollinearity is the situation when variables are very highly correlated (above 0.95 using Pearson test) (de Vaus, 2002). Very high correlations between the variables can lead to unreliable and unstable regression estimates, significance levels and confidence intervals (de Vaus, 2002; Hair et al., 2010). To avoid this issue, the correlation matrix must be assessed for high inter-correlations between the independent variables. The observation of a squared multiple correlation with a value above 0.9 for a particular variable suggests extreme multivariate collinearity (Kline, 2011). Accordingly, the correlation matrix of single variables included in the questionnaire was examined using the Pearson correlation test for both studies before conducting EFA. It was found that the correlation matrix ranged from values 0.08 to 0.85 for Study 1 and from 0.08 to 0.90 for Study 2. These correlations showed that the highest value of squared multiple correlation is 0.81, which indicates that no pairs of questions encountered a multicollinearity issue. Also, the correlation matrix between constructs tested by SEM for each study was further assessed as shown in Chapter 4, Table 4.13 for Study 1 and Table 4.15 for Study 2.

In summary, at the data screening process, even though a number of cases were deleted due to incomplete, singularity of answers, and missing data, the samples of both studies were relatively large in total. Also, cell sizes were sufficiently large and relatively equal. This result indicated a valid sample size required for all data analysis techniques employed for this thesis. A number of outliers in both studies were also detected; however, none of them were eliminated as they were not influential as indicated by the Cook's distance statistic. In addition, a set of assumptions underpinning planned analysis techniques were tested. The shapes of distribution examined by histograms together with large sample sizes indicated reasonably normal distributions. Other assumptions including linearity and homoscedasticity, homogeneity of variance and homogeneity of variance-covariance, and multicollinearity were also tested and it was found that all assumptions were sufficiently met for further analyses.

3.10.3 Analytical techniques

Major analytical techniques were selected to (1) develop and refine item scales (2) test for the difference between groups of subjects (3) test for moderating effects and (4) test for mediating effects. EFA is a technique used for developing and refining scales. To test for the difference between groups of subjects and the effect of a moderator, ANOVA and MANOVA were performed. Finally, SEM was used for a mediation effect test. The discussion on each analytical technique is presented next.

3.10.3.1 Exploratory factor analysis (EFA)

Exploratory Factor Analysis (EFA) is an analytical technique suggested to assist with scale development (Churchill, 1979; DeVellis, 2003). In this thesis, factor analysis was performed for three purposes. The first purpose was to assess the association among individual items, in single-factor models (DeVellis, 2003). The second purpose was to assess the dimensionality of the multi-dimensional constructs of TOURQUAL and perceived value. CFA was used to confirm the dimensions (Details about CFA is presented later in this section). The final purpose was to assess the reliability and validity of the measures.

Prior to conducting EFA, several assumptions should be satisfactorily met. These assumptions include sample size, normality, linearity, outliers, and multicollinearity (Tabachnick & Fidell, 2007). All these assumptions were checked and reported in section 3.10.2. Moreover, a correlation matrix, the Bartlett's test of sphericity, and the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) were used to assess whether the data was suitable for a factor analysis (Coakes et al., 2009). First, it is suggested that correlations between items should have coefficients greater than 0.3 (Tabachnick & Fidell, 2007). In this thesis, Pearson correlations among all items for each construct exceeded 0.3. Accordingly, the full initial item pool can be retained for further analysis. In addition, it is argued that the data is suitable for a factor analysis if the Bartlett's test of sphericity is significant at an alpha level of 0.001 and the KMO is

greater than 0.6 (Coakes et al., 2009; de Vaus, 2002). These criteria were adopted for this thesis and the scores are reported in Chapter 4.

Once the assumptions were satisfactorily met, other criteria for the factor analysis procedures must be identified. Methods for factor extraction and rotation, communality, and factor loading assessment were considered. Several types of extraction methods can be applied, including principle component analysis (PCA), principle axis factoring (PAF), and maximum likelihood (MLE) (Coakes et al., 2009). de Vaus (2002) suggested using PCA when data reduction is the main purpose, while Sánchez et al. (2006) suggested that if a particular hypothesis for a model is to be tested, MLE is more appropriate. For this thesis, PAF was selected to be used over the other two methods since it is recommended for consumer or behavioural research and is the most appropriate method when developing factors for SEM (Sparks et al., 2008). Further, to extract a number of factors, eigenvalues greater than 1, a common cut-off criterion (de Vaus, 2002; DeVellis, 2003) and scree plot were considered.

Secondly, the rotation method has to be specified when conducting EFA. Two broad types of rotation are orthogonal (e.g., Varimax) and oblique (e.g., Oblimin). Varimax is used when the factors are not allowed to be correlated; while, Oblimin is more appropriate if the factors are expected to be correlated (de Vaus, 2002). For this thesis, both methods were used. Varimax was employed for a factor analysis of unidimensional constructs. Single-factor models by definition assume item correlations. At the same time, Oblimin was used for the factor analysis of multi-dimensional constructs. That is because, it might be unreasonable to assume that any set of psychological variables are truly uncorrelated (Reise, Waller, & Comrey, 2000). Similarly, behavioural and marketing variables are not completely independent of each other (Sparks et al., 2008).

In addition to extraction and rotation, communality of items was considered. "Communality is the amount of variance in a variable that is explained by the extracted factors" (de Vaus, 2002, p. 137). There is no rule of thumb for a cut-off point for communality. Whereas de Vaus suggested an item with a low communality should be dropped from the analysis, Reise et al. (2000) argued that a cut-off point should be in

accordance with sample size. For example, when having a sample size of 100 cases, communalities should be greater than 0.6 to retain the items. According to the example given in de Vaus (2002), the item with a communality value less than 0.1 (the lowest among other items in the item pool) was deleted. In this thesis, to retain any item, this criterion was considered. Moreover, factor loadings were also examined. It is commonly understood that any item with a factor loading greater than 0.3 should be retained (Coakes et al., 2009; de Vaus, 2002). However, it is also normal for an item to be cross-loaded with other items. Sparks et al. (2008) argued that an unacceptable level of a cross loading is demonstrated if the item loaded at 0.4 or more on one factor and also loaded more than 0.3 on another factor. Hence, this cut off was also used as the criterion for scale revision.

3.10.3.2 Two-way analysis of variance (2-way ANOVA)

ANOVA is the main analytical technique used to assess the different impacts of the independent variables on consumer evaluations and behavioural outcomes in this thesis. It is used when the investigation involves more than one independent variable and each variable may possess two or more levels (Coakes, et al., 2009). In conducting a two-way ANOVA, two key considerations are the assumptions and interpretation of results. Firstly, two assumptions are required for ANOVA; normality and homogeneity of variance. Both were checked and the details reported in section 3.10.2. To interpret the results of ANOVA, first, the *F* value of the main and interaction effects of each manipulation, together with the degree of freedom should be reported (Field, 2009), together with mean scores (Tabachnick & Fidell, 2007). In addition, the effect size must be considered. According to Tabachnick and Fidell (2007), an effect size reflects the proportion of variance in the dependent variables that are associated with the levels of an independent variable. It is important to report the size of the effect to reveal not only the statistical significance of an independent variable, but also the practical significance. It should be shown that the independent variable is meaningful in practice (Field, 2009). The size of the effect can be represented by the partial eta squared (η^2). Cohen (1988), as referred in Tabachnick and Fidell (2007) suggested guidelines to interpret η^2 as small, medium, and large for the values of 0.01, 0.09, and 0.25, respectively. Finally,

contrast and post hoc tests can be conducted for ANOVA. However, these tests were not undertaken in this thesis since, for both studies; each independent variable was manipulated at only two levels. ANOVA results regarding the hypotheses are reported in Chapter 5.

3.10.3.3 Multiple analysis of variance (MANOVA)

MANOVA is also a test of difference between-subjects. It is an extension of ANOVA involving multiple dependent variables at the time of the analysis (Coakes et al., 2009). Five key assumptions for MANOVA include (1) univariate and multivariate normality (2) linearity (3) multicollinearity and singularity (4) cell size and (5) homogeneity of variance-covariance. These assumptions were assessed and reported in section 3.10.2. MANOVA results are considered significant if the multivariate F values of the main and interaction effects of each manipulation were significant using Pillai's Trace criterion (Hair et al., 2010). It is suggested reporting the results of the univariate F test results (ANOVA) that show the effects of the manipulations on each dependent variable when reporting the MANOVA results (Tabachnick & Fidell, 2007). That is, in many cases, the results indicate a non significant multivariate F, but a significant univariate F for some of the dependent variables. Even though reporting univariate ANOVAs tends to violate the power of MANOVA, it is the most common method of interpreting the results (Tabachnick & Fidell, 2007). Similar to ANOVA, contrast and post-hoc tests were not performed for MANOVA as each independent variable was manipulated at only two levels. MANOVA results regarding the hypothesis tests are also reported in Chapter 5.

3.10.3.4 Structural equation modelling (SEM)

SEM can be used for several purposes, including testing a model, testing specific hypotheses, modifying existing models, or testing a set of related models (Tabachnick & Fidell, 2007). In this thesis, SEM was mainly used to test the mediating effect of a set of evaluation variables. SEM is especially useful when a researcher aims to test for multiple relationships and interdependencies among variables (Bearden et al., 1982;

MacCallum & Austin, 2000). Even though SEM has been more frequently used in correlational research, it also can be applied to experimental designs (MacCallum & Austin, 2000). The advantage of using SEM for experimental designs is that mediation processes can be assessed regarding the adequacy of the manipulations (Bagozzi, 1977). Another advantage of SEM is that confirmatory factor analysis, regression models, and complex path analysis can be performed at one time and for this reason, it is widely used in behavioural science (Hox & Bechger, 2001). In this thesis, AMOS, the SEM software package, was used as it is available for use by the researcher. AMOS is well regarded as an SEM tool (Byrne, 2001).

Similar to other major analytical techniques, several assumptions are required for conducting SEM. These assumptions are a sufficiently large sample size, normality, linearity, and absence of multicollinearity (Tabachnick & Fidell, 2007). All assumptions were tested and reported in section 3.10.2. Further, to conduct SEM, a two-step approach suggested by Anderson and Gerbing (1988) was followed as it is argued to be a more effective approach and is widely used in tourism research (e.g., Chiang & Jang, 2006; P. Murphy et al., 2000). Figure 3.4 shows activities involved in conducting SEM for this thesis. Overall, the first step is conducting CFA and the second step is identifying and testing the structural model. According to the two-step approach, the measurement model must be fixed prior to the assessment of a structural model. For this thesis, EFA was conducted prior to CFA using data collected at the pilot stage (see section 3.7.2 for the results) and data collected for Study 1 (see section 4.3 for the results). EFA results from Study 1 were used for the CFA to validate the measurement models for both studies 1 and 2. The CFA results were reported in Chapter 4. Next, procedures for CFA and structural model are discussed.

Figure 3.4. Steps and Activities in Conducting SEM

Defining the constructs	Scale Development & Exploratory Factor Analysis (EFA)
Develop & specify the measurement model	
Designing a study	Confirmatory Factor Analysis (CFA)
Assessing measurement model validity	
Specify Structural Model	Structural Model (Hypothesis Test for Mediating Effect)
Assess Structural Model Validity	A Two-Step Approach
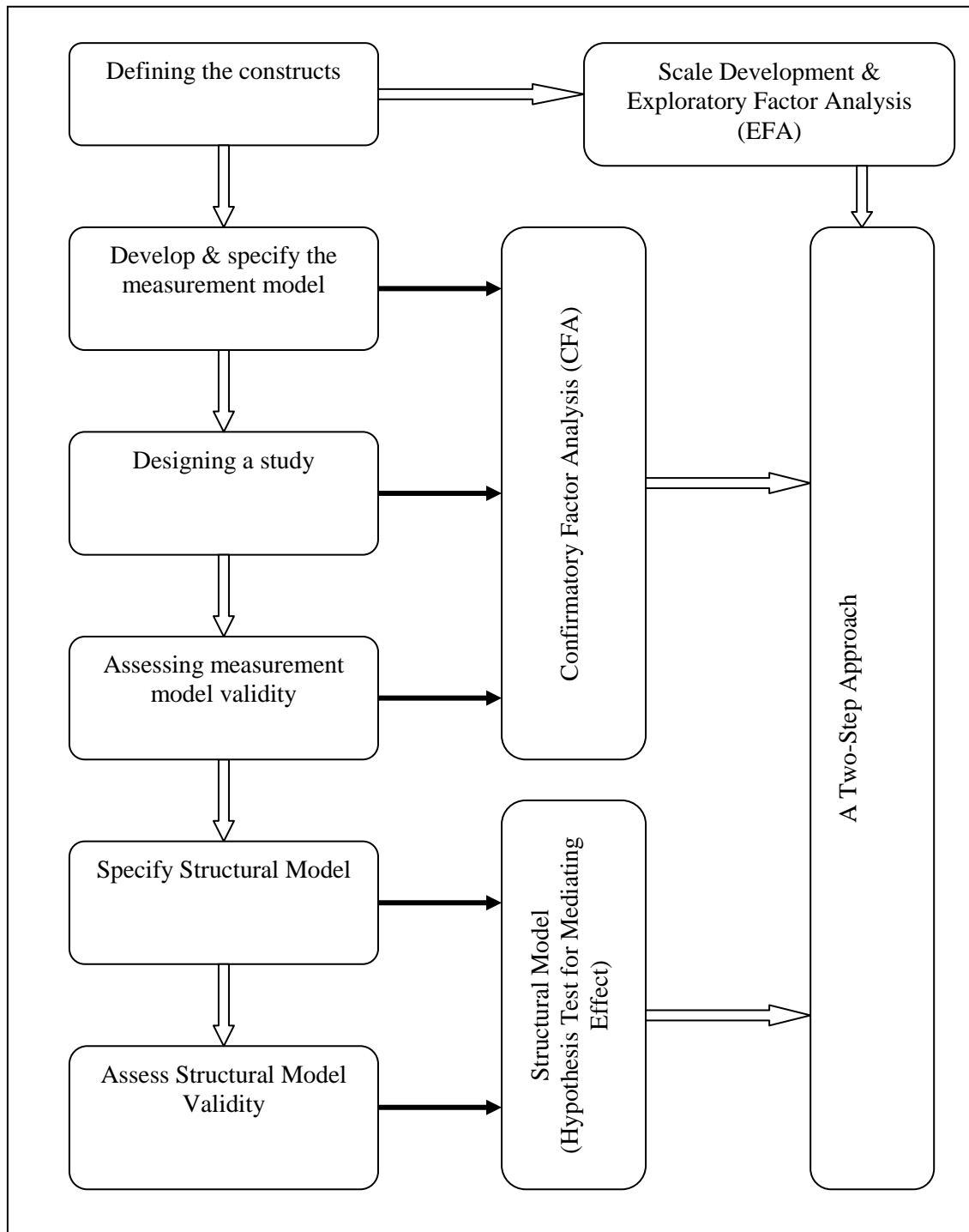
Note: Adapted from Hair et al. (2010) and Anderson and Gerbing (1988)

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Confirmatory factor analysis (CFA)

CFA is used to provide a confirmatory test of the measurement theory (Hair et al., 2010). A CFA model is a special case of SEM which is widely used in measurement applications for various objectives, such as designs for construct validity and scale refinement (MacCallum & Austin, 2000). Further, CFA is performed to test a measurement model by verifying whether the measurement constructs for a uni-dimensional construct are reliable (Chiang & Jang, 2006). It should be noted that two multi-dimensional constructs (TOURQUAL and perceived value) were measured in this thesis wherein the research interest is to investigate the utility of each factor as a consequence of ethical responsibilities and an antecedent of behavioural outcomes. Therefore, a second-order CFA model was not considered; rather each factor of these multi-dimensional constructs was treated as an individual construct for use in the structural path of SEM. The processes and issues to consider when conducting CFA are discussed in the section that follows.

Model specification and identification

To perform CFA, a model needs to be specified and identified. That is, according to Hair et al., (2010), the indicators associated with each construct, as well as the correlations between constructs have to be free for estimation. There are two ways of achieving specification: (1) fix one of the factor loadings on each construct to a specific value or (2) fix the value of variance of the construct. For both ways of achieving specification, the value of 1 is typically used. For this thesis, a model was specified by fixing one of the factor loading estimates for each construct, as automatically fixed by AMOS program.

Further, several issues should be taken into account for model identification. First, it is required that each latent variable or factor must have at least two indicators if the factors are correlated and at least three if they are not (R. McDonald & Ho, 2002). That is, when testing for a congeneric model for each factor, it is required that a latent construct has at least three indicators (Hair et al., 2010) to avoid an underidentification issue

(Holmes-Smith, 2011). A violation of the three-indicator rule can lead to an issue of too few and/or zero degrees of freedom (Hair et al., 2010). Accordingly, chi-square becomes zero and the probability value (ρ value) cannot be computed (Holmes-Smith, 2011). However, Hair et al. suggested that the problem can be solved by constraining the parameters to free up the degrees of freedom by constraining estimated parameter of regression weights. This solution was undertaken when conducting CFA for the three congeneric models: tour booking intention, word-of-mouth, and perceived tour program quality (a dimension of TOURQUAL), as reported in section 4.4.1. Finally, identification problems can be recognised when they have very large standard errors for one or more coefficients, evidence of negative error variances, or parameter estimates fall outside the range of $+1.0$ to -1.0. In AMOS, these problems can be readily identified and were examined. The CFA models that encountered any of these issues were re-specified and the process is explained later under the heading: *Model Re-specification*

Model estimation

All parameters (i.e., standard estimates and variances) in the CFA model were estimated after the model was correctly specified and identified. To estimate the model, different methods can be used according to different situations. For example, when multivariate normal data and a reasonable sample size of about 200 observations are achieved; Maximum Likelihood (ML) is the most commonly suggested method to be used for estimation. Also, ML estimation and its associated statistics seem fairly robust against violations of normality and in many previous studies; some scholars argue the validity of parameter estimation even if the data is not normally distributed (R. McDonald & Ho, 2002). In contrast, if the data are continuous but not normal, Asymptotically Distribution Free (ADF) is suggested. However, this estimation method requires a massively large sample size of more than a thousand cases (Hox & Bechger, 2001). As discussed in section 3.10.2, the distribution of both data sets in this thesis was considered reasonably normal. Also, the sample size of each study exceeds 200 cases. Hence, Maximum Likelihood (ML) was considered appropriate. In addition, Hair et al. (2010) discussed the two common types of estimation problems and their potential

solutions. The first problem is illogical standardised parameters. This problem occurs when parameter estimates (i.e., correlation estimates between constructs and standardised path coefficients) exceed a value of 1. This problem can be caused by identification problems as discussed earlier in *"Model specification and identification"* or can be caused by extremely low reliability. The Heywood Case is a second problem. This problem occurs when the estimation of an error variance is negative (less than zero). Small sample sizes (fewer than 300) or less than three indicators for a congeneric model are potential causes of the Heywood case. Negative variance potentially leads to a serious fit problem (Holmes-Smith, 2011). In this thesis, one CFA model (the independent variables of Study 1) encountered the Heywood case. However, the Heywood case issue was solved as Hair et al. suggested by correcting a negative variance to be positive by using a very small value such as 0.05 for an error variance.

Assessing fit

A valid measurement model is indicated by a good-fitting model. Model fit can be assessed by fit statistics and fit indices. However, a good model should not be solely evaluated by statistical evidence. R. McDonald and Ho (2002) stated that with respect to the model fit, all models are imperfect to some degree. The best fitting model should achieve both a statistical fit and have substantive meaning. Thus, the model should be plausible. Accordingly, this thesis took both perspectives into account when assessing the model fit. For fit statistics, Hair et al. (2010) and Hooper, Coughlan, and Mullen (2008) suggested assessing model fit by considering criteria from main three groups of statistics: Goodness-Of-Fit (GOF), absolute fit measures, and Incremental Fit indices.

The first group of fit indices is called Goodness-Of-Fit (GOF). Three fit statistics are Chi-square, degrees of freedom, and ρ value of chi-square (Hair et al., 2010). The chi-square test indicates the differences between the observed and estimated covariance matrices. Degrees of freedom represent the amount of mathematical information available to estimate model parameters. At the same time, ρ value of chi-square indicates no statistically significant difference between the matrices if the value is greater than 0.05. Generally, these three criteria are traditional tests (Hooper et al.,

2008) and commonly reported (Blunch, 2008). However, it is widely argued that a good or bad fitting model should not merely depend on these sets of statistics. That is because the chi-square statistic is sensitive to sample size (Fornell & Larcker, 1981). With a very large sample, the statistic will almost certainly be significant which leads to a rejection of the model, even if the model actually describes the data very well (Hox & Bechger, 2001). For this thesis, the chi-square with degrees of freedom and ρ value statistics were reported. However, other fit indices should be considered (Bentler, 1990; Hu & Bentler, 1999), at the same time, and this recommendation was adopted for this thesis.

The second group of fit indices is called absolute fit measures (Hair et al., 2010). Absolute fit measures indicate how well the theory fits the sample data (Hu & Bentler, 1999). Four fit statistics to be considered include normed chi-square, Goodness-of-fit index (GFI), Standardized Root Mean Square Residual (SRMR), and Root Mean Square Error of Approximation (RMSEA) (Hair et al., 2010; Kline, 2011). *Firstly*, Normed chi-square, which is the ratio of chi-square to the degree of freedom (3:1), indicates good fit, except when a sample is larger than 750, the ratio can be greater than 3:1 (Hair et al., 2010). According to Tabachnick and Fidell (2007), an acceptable ratio ranges from 2 to 5. In the work of Sparks et al. (2008), a cut-off point at value of 2 was an indicator for a good fit and values between 2 and 5 were accepted as a satisfactory fit. *Second,* GFI can be used because it is less sensitive to sample size (Hair et al., 2010). Generally, GFI values range from 0 to 1. Values close to 1 indicate a good fitting model. A cut-off point of value 0.9 is widely used (Chiang & Jang, 2006; Hooper et al., 2008). *Third*, SRMR is a statistic related to the correlation residuals (Kline, 2011). In a broad sense, a value close to 0 indicates a better fitting model. Hooper et al. suggested a value less than 0.08 is acceptable while Hu and Bentler argued that the cut-off value should be in accordance with a sample size. That is, for a sample size from 250-500, the appropriate cut-off should be 0.045 or 0.05. If the sample size is less than 250, a cut-off value at 0.06 or 0.07 is appropriate. Thus, for larger samples, a more conservative cut off should be used. *Finally*, RMSEA indicates how well the model fits a population, not just a sample. A wide range of cut-off points are used for a determination of model fit. Broadly, a good fit should have an RMSEA of between 0.03 and 0.08 with 95% confidence (Hair

et al., 2010). According to Hox and Bechger (2001), RMSEA should be less than 0.05 as a rule of thumb. More specifically, Byrne (2010) argued that a value of less than 0.05 is a good fit, less than 0.08 is acceptable, between 0.08 and 0.1 is a mediocre fit and greater than 0.1 is a poor fit.

The last group of fit statistics used in this thesis is incremental fit indices. This set of indices indicates how well a specified model fits relative to some alternative baseline models (null models) (Hair et al., 2010). Commonly used fit indices in this group are Normed Fit Index (NFI), Comparative Fit Index (CFI), and Tucker Lewis Index (TLI). In a large sample, NFI and CFI can be used interchangeably (Bentler, 1990). However, CFI appears to be more widely used in most studies (e.g., Gallarza & Saura, 2006; Grace & Weaven, 2011). Accordingly, only two incremental fit indices were used. Both CFI and TLI have values ranging from 0 to 1 and a value greater than 0.9 indicates a good fit and greater than 0.95 represents a superior fit (Byrne, 2010).

Model re-specification

Even though good fit is desirable for a valid model, it does not mean that a bad-fitting model has to be rejected. The model can be modified and thus improved if the reasons for poor fitting can be identified. However, it is important that such model modification should be done with caution and based on theoretical justification (Hooper et al., 2008; Hox & Bechger, 2001). Standardised residuals and modification indices are two common criteria for model re-specification (Hair et al., 1010). Moreover, parameter estimates and squared multiple correlation can also be considered when assessing model re-specification (MacCallum & Austin, 2000; Hooper et al., 2008). In this thesis, these four criteria were considered together with theoretical support when re-specifying a CFA model and are outlined next.

Firstly, in the SEM, the standardised residuals refer to the differences between observed covariance and the estimate covariance. Models are considered to be a good fit if residuals are small. Therefore, to improve fit, the values of standardised residuals were examined (Hair et al., 2010). Several cut-off points can be used. Typically, standardised

residuals less than 2 (Bagozzi & Yi, 1988) or 2.5 (Hair et al., 2010) did not suggest a problem whereas values greater than 4 indicate a problem and the item associated with this value is nominated for elimination. Items associated with standardised residuals between 2.5 and 4 should be carefully considered (Byrne, 2010; Hair et al., 2010). For this thesis, all standardised residuals larger than 4 were deleted; while standardised residuals less than four were retained and considered against other criteria.

The information from modification indices (MI) was used as the second criteria for model re-specification. SEM output provides modification indices (MI) which are calculated for every possible relationship that is not estimated in a model (Hair et al., 2010). Values greater than 4 suggest that freeing the corresponding parameter will significantly improve the model (Bagozzi & Yi, 1988; Hair et al., 2010). There are two possible solutions to solve this issue: a covariance of the errors or a deletion of the problematic item scale (Holmes-Smith, 2011).

Finally, parameter estimates and multiple correlations were considered. Factor loadings and parameter estimates of items can be examined individually. It is argued that items with non-significant parameter estimates (critical ratio or t-value of $\pm$ 1.96) must be dropped from the analysis (Holmes-Smith, 2011). Further, a cross-loading factor should also be considered for deletion as it can cause problems with discriminant validity (Hooper et al., 2008). At the same time, items with low multiple correlations (less than 0.2) should be removed as an indication of very high level of error (Hooper et al., 2008; Ryu & Jang, 2007).

In summary, this thesis took all four criteria into consideration when re-specifying models. However, the models were modified only when there was theoretical justification. If the modifications are made to the model, it is seen as essential to conduct a cross validation of the models with another sample (Tabachnick & Fidell, 2007). In this thesis, all valid CFA models were crossed validated twice with two samples, as reported in Chapter 4.

Construct validity and reliability

When a measurement model has achieved a good or at least an acceptable level of fit, construct validity and reliability must be examined. This is a critical step prior to conducting a test of the relationships in a structural model (Fornell & Larcker, 1981). *First,* convergent validity shows that the measurement items of a specific construct share high common variance (Hair et al., 2010). In this thesis, factor loadings, average variance extracted, and squared multiple correlations were considered for assessment of convergent validity. The size of factor loadings (standardised parameter estimate in AMOS) should be considered when assessing convergent validity. As a rule of thumb, an estimate of the standardised loading should be greater than 0.5 (Hair et al., 2010; Ryu & Jang, 2007). The average variance extracted (AVE) is a second common way to check convergent validity and is a method reported in many studies (e.g., Chiang & Jang, 2006; Ryu & Jang, 2007; Sparks et al., 2008). Although it is desirable to have an AVE value greater than 0.6, (Bagozzi & Yi, 1988), as a rule of thumb, an AVE greater than 0.5 indicates convergent validity (Hair et al., 2010).

Convergent validity was also assessed by an examination for scale reliability. The reliability indicates the degree of internal consistency of a construct. There are two ways to assess the reliability. First, a Cronbach alpha score higher than 0.7 has been used as a criterion in previous studies (Bagozzi, 1977; Chiang & Jang, 2006). In CFA, item reliability can also be assessed by the squared multiple correlation (SMC), which is a proportion of the variance explained by each item (Tabachnick & Fidell, 2007). To achieve high item reliability, SMC should be greater than 0.6 (Bagozzi & Yi, 1988). A second method that is commonly used and reported in SEM is construct reliability (CR) that is calculated from the squared sum of factor loading and the sum of the error variance for a construct (Hair et al., 2010). According to Bagozzi and Yi (1988), construct reliability (CR) above 0.5 is considered adequate and above 0.6 is desirable.

Second, discriminant validity indicates the extent to which a construct is distinct from other constructs. Commonly, in CFA, discriminant validity can be assessed in two ways (Hair et al., 2010). First, an examination of the correlation between the two constructs was tested. Basically, if the two constructs are correlated with a high value (0.9), the constructs are not distinct or in other words, they measure the same thing. The second way is to compare the AVE for any two constructs, with the square of the correlation estimate between these two constructs. Discriminant validity is satisfied if the AVE is greater than the squared correlation. This way of checking for discriminant validity is widely used due to its greater rigour (Chiang & Jang, 2006; Sparks et al., 2008). The results of CFA model are reported in Chapter 4.

The Structural model

When the measurement model is believed to fit adequately and has been assessed as valid, constructs may then be specified for their causal relationship to each other. This causal relationship between constructs is termed the structural part of SEM and the second step in Anderson and Gerbing's (1988) approach. It is necessary that the causal relationships to be tested in the structural model have a strong theoretical justification (R. McDonald & Ho, 2002). In Chapter 2, relationships among variables were discussed based on the literature and a research model was conceptualised. A structural model is designed to test a set of hypotheses about relationships among the constructs (Chiang & Jang, 2006). In this thesis, a set of evaluation variables was tested for mediation relationships. It should be noted that all constructs included in the structural model part were treated as manifest variables instead of latent variables. That is, the items measuring each latent construct in the CFA model were combined using mean substitution (R. McDonald & Ho, 2002) and then specified for their causal relationship. This approach was undertaken because it is very difficult to achieve a good fit for a structural model that includes both latent constructs and their measurement items (Holmes-Smith, 2011).

Further, a mediation relationship can be tested by a comparison of model fit between the hypothesised model and competing models (e.g., Grace & Weaven, 2011; He & Song, 2009). That is, the model that includes mediating variables is compared against a model that excludes mediating variables (Hair et al., 2010). If the introduction of the mediators (the model including the mediator) improves fit statistics, the mediating effects are supported. In contrast, if the two models produce similar fits, the mediating effects are not supported. This thesis has followed this approach when testing a mediation relationship. To assess model fit, the same set of criteria used for CFA model fit was also used for comparing structural mediation relationship models. A model with the best fit was accepted for the best mediation relationship pattern. The results of structural model testing for mediation relationship are reported in Chapter 5.

3.11 Chapter Summary

In brief, this chapter has presented the methodology to investigate the stated research problem: *How does the ethical responsibility of tour operators influence customer evaluations and behavioural outcomes at different stages of the tour experience?* More particularly, the thesis involved two main studies that investigate the impact of different types of ethical practices and ethical issues on customers at the pre-booking (Study 1) and the post-tour (Study 2) stages of the tour experience. An experimental approach using a factorial design was employed to investigate the research hypotheses for each study. According to the research design, the independent variables of each study were manipulated. That is, for Study 1, each ethical initiative (tourism accreditation and codes of ethics) was manipulated at two levels (presence vs. absence). Study 1 involved four experimental conditions. For Study 2, ethical responsibility toward each ethical issue (the environment, socio-cultural issues, and employees) was also manipulated at two levels (best practice vs. no practice). Study 2 involved eight experimental treatments. Separate sets of stimulus materials were developed for each study. A day tour-based scenario formed the background for the stimulus materials. In particular, a tour brochure was designed for Study 1 and a vignette was written for Study 2. A series of pre-tests and a large scale pilot test were conducted to assess the effectiveness and the reliability of the manipulations and stimulus materials.

In addition, this chapter has discussed the operationalisation of the measures and the development of questionnaires. All dependent variables and a moderating variable were measured by multiple item scales adapted and developed from previous studies. Measurement item scales were examined for reliability and validity at the pilot stage. Questionnaires were designed using the same structure for each study. Data for both studies were collected by online surveys of two Australian samples. Both studies achieved a large total number of respondents (897 cases for Study 1 and 485 cases for Study 2). Prior to data analysis, the data was screened for missing values and outliers, indicating no severe concern for such issues. Also, a set of key assumptions for major analytical techniques was tested. Finally, for hypothesis testing, the procedures of each analytical technique were discussed. Major analytical techniques used in this thesis include EFA, ANOVA, MANOVA and SEM.

It should also be highlighted that the results of scale development and refinement are presented in two chapters (Chapters 3 and 4). As explained in this chapter, at the pilot stage, an exploratory factor analysis was conducted as an initial process for scale development. However, since there were two key measures not included in the pilot study, EFA was performed again in the main study. The results will be presented in the next two chapters: Chapters 4 and 5. Chapter 4 will continue additional processes of scale development and validation, including tests for confirmation of measurement theory and the examination of scale reliability and validity. Chapter 5 will report the results from hypothesis testing for both studies 1 and 2.

CHAPTER 4

RESULTS: SCALE DEVELOPMENT AND VALIDATION

4.1 Introduction

The previous chapter discussed the research methodology, presented the processes used to collect and analyse data, and showed how the research question was explored. Key issues about the stimulus material development, survey design, scale development procedure, analytical methods used, and ethical concerns were presented. Two key findings of the pilot test, the manipulation checks and credibility checks for the stimulus materials worked effectively and the second finding, a discussion of scale items measuring key constructs was found to be valid.

The purpose of this chapter is to present the process and results of the scale development and scale validation for the main studies. It is noted that the perceived value construct was redefined and two constructs (perceived ethical performance, a dimension of TOURQUAL and trust) were not investigated during the pilot study. It was considered important to refine and validate the measurement scales before testing the hypotheses in Studies 1 and 2. The results from scale development/refinement and validation are reported in this chapter and, the results from hypothesis testing are in Chapter 5.

First, this chapter reports the profiles of the respondents for studies 1 and 2 and classifies the samples used for the scale refinement and validation procedure. It should be noted that samples from both studies are used in this procedure. The results from EFA and CFA conducted during this stage, together with the results of construct reliability and validity tests are presented. Scale items measuring the manipulations of each study are examined for reliability and validity. In both studies, the valid items measuring each manipulation are combined using a mean substitute method used for two tasks: manipulation check procedure using ANOVA/MANOVA and hypothesis testing using SEM. While Chapter 5 will report the results from both the manipulation

check procedure and hypothesis testing, this chapter reports the results for item scale reliability and validity. The profiles of respondents are reported next.

4.2 Respondent Profiles

The main studies drew two samples from the Australian population. In total, there were 897 and 485 valid cases for studies 1 and 2, respectively. It was observed that while the two studies are different in terms of the total number of respondents, they have similar characteristics. These characteristics show female respondents substantially outnumbered male respondents and more than 50 per cent of respondents are aged between 45 and 64. For both studies, almost 50 per cent of respondents have either a college certification or university degree. The majority of respondents (more than 70 per cent) earn less than 6,000 AUD per month. In addition, while the majority of respondents from both studies (more than 60 per cent) have never travelled to Thailand, more than 50 per cent of respondents would select Thailand for their travel destination in the future. Table 4.1 presents the full details of demographic information for the respondents of each study.

Table 4.1. Respondent Characteristics

Characteristics	Study 1 (n = 897)		Study 2 (n = 485)	
	N	%	N	%
Gender				
Male	259	28.9	135	27.8
Female	638	71.1	350	72.2
Age				
18-24	44	4.9	25	5.2
25-34	135	15.1	63	13
35-44	158	17.6	86	17.7
45-54	204	22.7	123	25.4
55-64	222	24.7	121	24.9
65+	134	14.9	67	13.8
Education*				
High School	278	31.1	143	29.7
Trade Qualification	69	7.7	44	9.1
College	260	29.1	127	26.4
University	183	20.4	105	21.8
Post Graduate	93	10.4	54	11.2
Others	12	1.3	8	1.7
Monthly income*				
$3,000 or less	382	44.6	192	41
$3,001-$6,000	283	33	151	32.3
$6,001-$9,000	86	10	65	13.9
$9,001-$12,000	26	3	16	3.4
$12,001-$15,000	15	1.8	7	1.5
$15,001+	65	7.6	37	7.9

Note. * A total number of respondents who answered for education and annual income are n = 895 and n = 857, respectively for Study 1 and n = 481 and n = 468, respectively for Study 2.

The discussion now turns to explain how these two samples were used in the scale development/refinement and validation procedure. As explained in section 2.12, the same set of customer evaluation variables and a moderating variable was proposed for investigation in both studies. It was expected that measurement scales for each construct would be valid for use in both studies. Figure 4.1 illustrates a classification of samples and the purpose for using the scale development/refinement and validation procedure. It should also be noted that a rigorous scale development and validation procedure was undertaken that started at the pilot stage using EFA with a sample of 122, as outlined in section 3.7.2. Section 3.7.2 also showed that there were some changes made to the perceived value construct. That is, three dimensions of perceived value were identified, instead of four dimensions as initially proposed in section 2.8.3. Also, the measurement items of two constructs: perceived ethical performance (a dimension of TOURQUAL) and trust were not examined at the pilot stage. Accordingly, the scale refinement and validation procedure continues in this chapter using EFA and CFA with the total samples of studies 1 and 2.

According to Figure 4.1, the scale refinement and validation procedure undertaken in this chapter started using of the total sample from Study 1. The total sample of Study 1 (N = 897) was randomly split into two subsamples. Subsample 1 (N = 447), hereafter called *a derivation sample*, was used for EFA and subsample 2 (N = 450), hereafter called *a validation sample*, was used for CFA. It is noted that for hypothesis testing in both studies, the total sample was used (as reported in Chapter 5). Accordingly, measurement models from the CFA, *a validation sample* were cross-validated with two samples derived from the different stages of the tour experience. The first cross validation was conducted with the total sample of Study 1: the pre-booking stage. The second cross validation was conducted with the total sample of Study 2: the post-tour stage. The purpose for conducting two cross validations is that both studies investigate the same set of customer evaluation variables. The valid measurement models for Study 1 also needed to be validated with the total sample of Study 2.

Figure 4.1. Samples and Their Purpose of Use
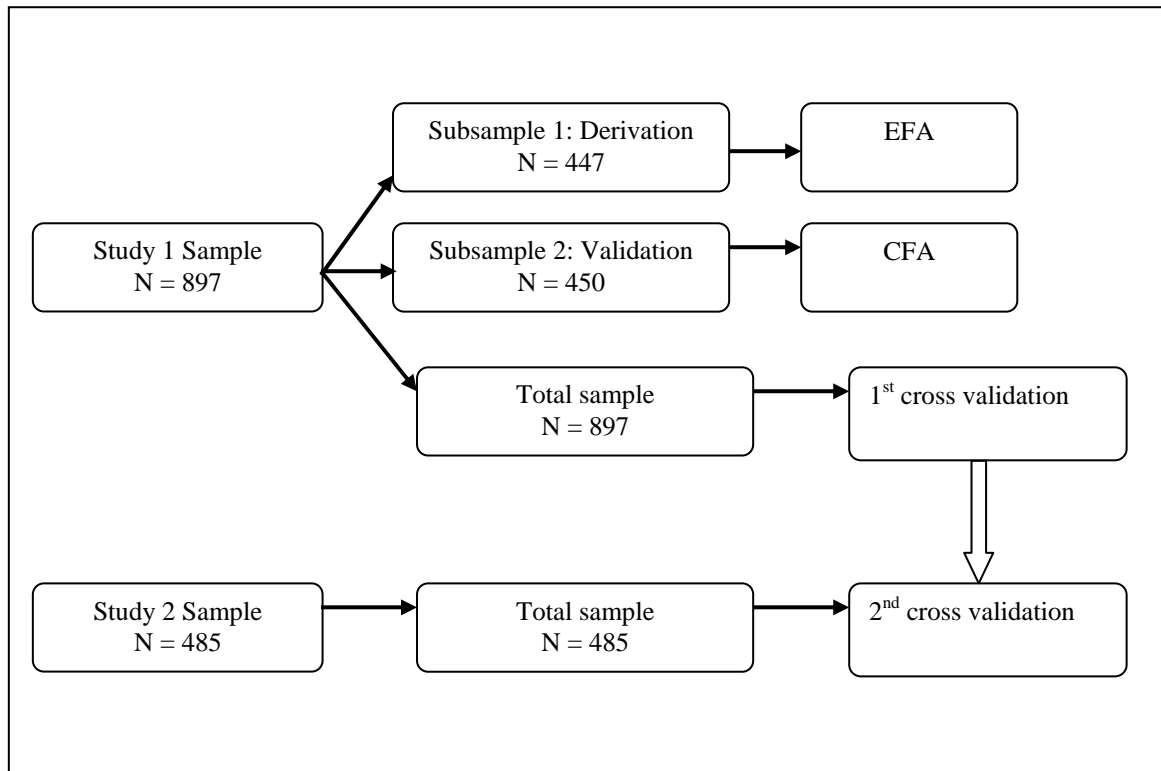
4.3 Derivation Sample: The Results from EFA

EFA was conducted using a derivation sample of 447 respondents. Principle axis factor analysis was performed with oblique rotation for multi-dimensional constructs, as each factor measuring a construct is expected to be correlated, and with varimax rotation for all single-factor constructs. Key criteria, such as the correlation matrix for items, the Bartlett's test of sphericity, and the KMO as outlined in section 3.10.3.1 were employed for scale refinement. Firstly, TOURQUAL was defined as a multidimensional construct comprising three factors. However, the thesis delimited the assessment of only two dimensions as explained in section 2.8.1. The two measured dimensions were perceived ethical performance, and perceived tour program quality. The first factor, perceived ethical performance, was measured by eight items and the second factor, perceived tour program quality, was measured by three items. The EFA results showed that the two

factors of TOURQUAL were identified with a total variance explained of 64.3%. Eight items measuring perceived ethical performance were retained with all factor loadings ranging from 0.6 to 0.9. Factor reliability was satisfied with a Cronbach alpha level of 0.93. The three items measuring perceived tour program quality dimension were retained with factor loadings all above 0.6. Also, the factor reliability was satisfied with a Cronbach alpha level of 0.86. Table 4.2 illustrates the factor loadings, variance explained, and the reliability of the construct.

Secondly, perceived value was conceptualised as a multidimensional construct comprising three factors as a result of EFA at the pilot stage (see section 3.7.2). For the main study, EFA results showed that the three factors explained 73.6% of the total variance. More specifically, the factor loadings of the four items measuring hedonic value ranged from 0.6 to 0.9. Similarly, four items measuring price value all loaded at values above 0.7. However, the results suggested the need to exclude one item from the ethical-expressive value dimension due to its cross loading. Hence, ethical-expressive value has four retained items with factor loadings all above 0.6. Moreover, the reliabilities of all three factors of perceived value had alpha levels above 0.8. Table 4.2 illustrates the factor loadings, variance explained, and the reliability of the construct.

In addition to multidimensional constructs, the four single-factor constructs of trust, tour booking intention, word-of-mouth, and CSR predisposition were assessed. Table 4.3 illustrates the factor loadings, variance explained, and the reliability of each construct. Trust was measured by five items and all items were retained with factor loadings larger than 0.7. The total variance explained was 68.5% and construct reliability was 0.92. The tour booking intention was measured by three items and all items were retained with factor loadings above 0.9. The tour booking intention construct was explained by a total variance of 87.6% and factor reliability was 0.93. Similarly, three items measuring word-of-mouth were retained with 84.2% total variance explained and factor loadings all above 0.9. Construct reliability was satisfied with an alpha level of 0.9. Finally, CSR predisposition was measured by five items. The five items together achieved a total variance explained of 59.4%. All items loaded with values above 0.7 and construct reliability was high with an alpha level of 0.85.

Table 4.2. EFA Results of Multidimensional Constructs

Factors and Items	Factor Loading [a]	Variance Explained (%)	Reliability (α)
TOURQUAL		64.3	
Perceived Ethical Performance			**0.93**
1 Tour company operates in an ethical manner.	0.86		
2 I think this company cares about wildlife and nature.	0.79		
3 Tour company seems to behave ethically.	0.91		
4 This tour comprises responsible tourism features.	0.75		
5 The activities on this tour appear to be socially responsible.	0.66		
6 This tour incorporates ethical practices into its program.	0.85		
7 I think this company would behave responsibly to its employees.	0.64		
8 I think this company cares about local welfare and culture.	0.68		
Perceived Tour Program Quality			**0.86**
1 This tour seems to be well-designed.	0.68		
2 This tour seems to provide a rich experience.	0.94		
3 This tour comprises a range of things to see and do.	0.75		

Note: [a] Principle axis analysis with Oblique rotation. N = 447

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Table 4.2 EFA Results of Multidimensional Constructs (Cont.)

Factors and Items	Factor Loading [a]	Variance Explained (%)	Reliability (α)
PERCEIVED VALUE		**73.6**	
Hedonic			*0.92*
1 This tour would likely make me feel good.	0.68		
2 This tour is one that I would likely feel relaxed about taking.	0.61		
3 This tour would likely give me pleasure.	0.90		
4 This tour is one that I would likely enjoy.	0.90		
Price			*0.94*
1 This tour seems to be good value for money.	0.88		
2 This tour seems to offer a good product for the price.	0.77		
3 This tour seems to be a good deal.	0.71		
4 This tour seems to be reasonably priced.	0.95		
Ethical-Expressive			*0.86*
1 Taking this tour seems to be the right thing to do. *	--		
2 Taking this tour would likely give me chance to do good things for others while I am on holidays.	0.64		
3 Taking this tour would help me enhance my own self-concept.	0.65		
4 Taking this tour would promote my moral values for the well-being of others.	0.93		
5 Taking this tour would enhance my personal image as a responsible tourist.	0.75		

Note: [a] Principle axis analysis with Oblique rotation. N = 447. * Deleted item

Table 4.3. EFA Results of Single-factor Constructs

Factors and Items	Factor Loading [a]	Variance Explained (%)	Reliability (α)
Trust		68.5	0.92
1 I think this tour company would be reliable.	0.79		
2 I think this tour company would be honest.	0.87		
3 I think this tour company would keep it promises.	0.84		
4 I would trust this tour company.	0.84		
5 I think this tour company would act in my best interests.	0.79		
Tour Booking Intention		87.6	0.93
1 If I were in the area, my likelihood of booking this tour would be high.	0.93		
2 If I were in Northern Thailand, I would consider booking this tour with this company.	0.94		
3 Overall, if travelling to Thailand, I would consider booking this tour.	0.95		
Word-of-Mouth		84.2	0.90
1 I would likely recommend this tour to anyone who asks me.	0.91		
2 I would talk positively about this tour to others.	0.93		
3 I would likely say nice thing about this tour to others.	0.91		

Note. [a] Principle axis analysis with Varimax rotation N = 447.

Table 4.3. EFA Results of Single-factor Constructs (cont.)

Factors and Items	Factor Loading [a]	Variance Explained (%)	Reliability (α)
CSR Predisposition		**59.4**	**0.85**
1 If travelling to developing countries, I would try to make sure that some of the money I spend goes into funds for the welfare of local residents.	0.72		
2 Corporate social responsibility should be the first obligation of tourism business in today's society.	0.86		
3 If travelling to nature-based destinations, I would try to make sure that some of the money I spend goes into funds for nature conservation or animal welfare protection.	0.80		
4 I would pay more money for a tourism product that I knew to be socially or environmentally responsible.	0.75		
5 I would be willing to go well out of my way to buy from a company that I knew to be socially responsible.	0.72		

Note. [a] Principle axis analysis with Varimax rotation N = 447.

In summary, EFA was conducted using a derivation sample (N = 447) to refine measurement items of all constructs proposed for investigation in both studies 1 and 2. These constructs are TOURQUAL, trust, perceived value, behavioural outcome variables (tour booking intention and word-of-mouth), and CSR predisposition. For multidimensional constructs, two constructs, TOURQUAL and perceived value, were examined. The results indicated 11 initial items measuring TOURQUAL loaded onto two factors (perceived tour program quality and perceived ethical performance) as expected. At the same time, three dimensions of perceived value were derived

comprising 12 retained items in total. Furthermore, for single-factor constructs, five items measuring trust, three items each measuring tour booking intention and word-of-mouth, as well as five items measuring CSR predisposition were all retained. As shown in Tables 4.2 and 4.3, all measurement scales exceeded standards for reliability. All constructs were then examined for validity in the next stage.

4.4 Validation Sample: The Results from CFA

The next stage in the scale refinement and validation procedure involved CFA. CFA was sought to confirm the reliability and validity of the measurement scales from EFA. This was achieved by testing the fit of the measurement models. CFA was conducted with the validation sample (N = 450) (see Figure 4.1). Following the two-step approach for SEM suggested by Anderson and Gerbing (1988), CFA is the first step. In this section, firstly, single-factor congeneric models were tested, followed by second-order model testing for the multidimensional constructs. To assess the measurement model fit, a range of fit indices as described in section 3.10.3.4 were used. It is also suggested in doing CFA that if the measurement model does not achieve a good fit, the models can be improved by model re-specification as explained in section 3.10.3.4. However, model re-specification was conducted with caution and only if both statistical and theoretical support could be justified. The results of single-factor congeneric model tests are presented next and the results of second-order model tests are highlighted later in section 4.4.2.

4.4.1 Single-factor congeneric models

As outlined in section 3.6, the dependent variables operationalised for both studies 1 and 2 were conceptualised as either uni-dimensional or multi-dimensional constructs. For those dependent variables that were treated as uni-dimensional, a series of single-factor congeneric model tests was carried out to confirm the salience of items and unidimensionality of each construct. For the two constructs that were conceptualised as multidimensional, a series of single-factor congeric model tests was first carried out for each dimension individually. Following this testing of the relevant dimensions, a series

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of second-order tests were carried out, as described later in section 4.4.2. The key purpose for conducting a single-factor congeneric model test is to check each factor for items that are inappropriate, thus ensuring a good fit (Holmes-Smith, 2011). A good fit for each congeneric model also enhances the possibility for second-order models to achieve a model fit.

As shown in Figure 2.3, this thesis involves five dependent variables and one moderating variable. Among those six variables, four are single-factor constructs (trust, tour booking intention, word-of-mouth, and CSR predisposition) and two are multidimensional constructs (TOURQUAL and perceived value). A CFA for those four single-factor constructs was conducted. However, the results showed that congeneric models for tour booking intention and word-of-mouth were under-identified because each factor had three measurement items. The solution for this issue was described in section 3.10.3.4 (under the heading: *Model Specification and Identification*). Once the issue of under-identification was resolved, the measurement models of tour booking intention and word-of-mouth achieved a good fit, as presented in Table 4.4 and no change was made to the scale items for each construct.

In addition, two other single-factor constructs; trust and CSR predisposition were examined. Trust was initially measured by five items (see Table 4.3 for the item statements) and CFA results showed an acceptable level of fit ($\chi^2 = 14.258$, df = 5, p = 0.014, χ^2/df = 2.852, GFI =0.99, CFI = 0.99, TLI = 0.99, NFI = 0.99, SRMR = 0.01, RMSEA = 0.06). However, modification indices showed two items that could be problematic (item 2: *I think this tour company would be honest* and item 3: *I think this tour company would keep its promises*). Accordingly, the four criteria, described in section 3.10.3.4 (under the heading: *Model Re-specification*), were considered together with theoretical support for re-specifying the congeneric model for trust. Hence, item 2 was deleted and the congeneric model for trust achieved a very good fit as shown in Table 4.4. Consequently, trust was measured by four items, instead of the initial five items.

CSR predisposition, treated as a moderator, is the last single-factor construct to be tested. CSR predisposition was measured by five items (see Table 4.3 for the item statements). The model with five items did not achieve a good fit. The model was re-specified considering statistics criteria described in section 3.10.3.4 (under the heading: *Model Re-specification*) together with theoretical support. Accordingly, two solutions were undertaken. First, item 3 (*If travelling to nature-based destinations, I would try to make sure that some of the money I spend goes into funds for nature conservation or animal welfare protection*) was deleted due to its very large residual. Further, two items (item 4: *I would pay more money for a tourism product that I knew to be socially or environmentally responsible* and item 5: *I would be willing to go well out of my way to buy from a company that I knew to be socially responsible*) were covariated. The final results indicated a good fitting model with four retained items, as shown in Table 4.4.

In addition to single-factor constructs, each factor for the two multi-dimensional constructs was also tested prior to a test of a second-order model (Holmes-Smith, 2011). TOURQUAL and perceived value were conceptualised as multi-dimensional constructs. TOURQUAL comprises perceived ethical performance and perceived tour program quality. Perceived value, at the same time, comprises hedonic, price, and ethical-expressive dimensions. Each factor of TOURQUAL was tested first, followed by each factor of perceived value.

Table 4.4. CFA Results of Single-factor Constructs Using a Validation Sample

Construct	Model	Fit Indices									
		χ^2	*df*	χ^2/df	ρ	RMSEA	GFI	CFI	TLI	NFI	SRMR
Tour booking intention	3 items	0.12	1	0.12	0.73	0.00	1.00	1.00	1.00	1.00	0.001
Word-of-mouth	3 items	0.863	1	0.853	0.36	0.00	0.99	1.00	1.00	0.99	0.000
Trust	4 items	1.669	2	0.837	0.43	0.00	1.00	1.00	1.00	1.00	0.006
CSR Predisposition	4 items	0.34	1	0.34	0.56	0.00	1.00	1.00	1.00	0.99	0.004

Note: CFA was conducted with maximum likelihood estimation. N = 450

For TOURQUAL, the first dimension to be tested is *perceived ethical performance*. The initial congeneric model of perceived ethical performance with eight items was found to have a poor fit. Items 1 (*Tour company operates in an ethical manner*), 3 (*Tour company seems to behave ethically*), and 7 (*I think this company would behave responsible toward its employees*) appeared to be problematic due to error covariance. Accordingly, after deleting three items in a series of steps, where items were deleted one at a time, the final model had an acceptable fit (see Table 4.5) and five items were retained.

In addition to perceived ethical performance, the congeneric model of *perceived tour program quality* was tested. Because perceived tour program quality has three indicators, the congeneric model was under-identified. Therefore, the solution explained in section 3.10.3.4 (under heading: *Model Specification and Identification*) was undertaken. That is, the parameters of regression weights of two items (2 and 3) were constrained to free up the degrees of freedom. The final model has a perfect fit, as shown in Table 4.5.

Next, a congeneric model for each factor of perceived value was tested. Each factor has four initial items. First, a model for hedonic value was tested. The results indicated a bad fitting model due to a covariance of error between items 1 (*This tour would likely make me feel good*) and 2 (*This tour is one that I would likely feel relaxed about taking*). According to criteria described in section 3.10.3.4, item 1 was deleted. However, after deleting one item from the model, the model has three indictors and is un-identified. This issue was solved by constraining regression weights of items 3 and 4 to be equal as described in section 3.10.3.4. The final model has a good fit measured by three items.

In addition to hedonic value, price value also has four initial indicators and as a good fit of the congeneric model was achieved, model revision was not necessary. Finally, the congeneric model of ethical-expressive dimension was tested using four indicators to measure the factor. As with price value, the results showed that the model has an acceptable fit with no revision. Fit indices of each factor of perceived value are shown in Table 4.5.

Table 4.5. CFA Results of One-factor Congeneric Model of Each Dimension of TOURQUAL and Perceived Value

Construct	Model	Fit Indices									
		χ^2	df	χ^2/df	ρ	RMSEA	GFI	CFI	TLI	NFI	SRMR
TOURQUAL dimensions											
Perceived Ethical Performance	5 items	14.231	5	2.85	0.01	0.06	0.99	0.99	0.99	0.99	0.02
Perceived Tour Program Quality	3 items	1.069	1	1.069	0.30	0.01	0.99	1.00	1.00	0.99	0.007
Perceived value dimensions											
Hedonic	3 items	0.017	1	0.017	0.896	0.00	1.00	1.00	1.00	1.00	0.0005
Price	4 items	0.116	2	0.06	0.94	0.00	1.00	1.00	1.00	1.00	0.001
Ethical-Expressive	4 items	0.69	2	0.345	0.71	0.00	0.99	1.00	1.00	0.99	0.005

Note: CFA was conducted with maximum likelihood estimation. N = 450

In summary, one-factor congeneric CFA was conducted first with the four single-factor constructs (tour booking intention, word-of-mouth, trust, and CSR predisposition). The measurement models of those constructs have achieved a good fit after some improvement to initial models. In addition, the one-factor congeneric CFA of two multi-dimensional constructs (TOURQUAL and perceived value) was examined prior to carrying out a test of a second-order model. For TOURQUAL, a congeneric model of each factor achieved a good fit following some improvements to initial models. For perceived value dimensions, while a model for hedonic dimension has an acceptable fit after a model revision; initial models for price and ethical-expressive dimensions have achieved an acceptable fit. The two multi-dimensional constructs were next tested as second-order models.

4.4.2 Second-order model tests—TOURQUAL and perceived value

Second-order CFA was used to confirm the dimensionality of the two multidimensional constructs. Criteria used to assess fit are the same as used in a single-factor CFA as explained in section 3.10.3.4. The fit of a second-order model is generally compared to a fit of a first-order model. In a second-order model, a construct comprises a set of factors and each factor has a set of indicators. In contrast, in a first-order model, factors are not identified; rather a construct is measured by a full set of indicators from both dimensions. If the second-order model is better than the first-order model, there should be substantially significant differences in the chi-square statistic relative to the first-order model (Hosany & Gilbert, 2010). That means, the dimensionality of a multi-dimensional construct is confirmed.

The measurement model for TOURQUAL was tested. A first-order model of TOURQUAL contains eight items regardless of the two dimensions. It was found that the chi-square value from the first-order model was 300.9 with $df = 20$, $\rho = 0.001$, $\chi^2/df = 15.043$. A second-order model with five items measuring perceived ethical performance and three items measuring perceived tour program quality was tested next. As expected, the chi-square of the second-order model ($\chi^2 = 91.85$, $df = 19$, $\rho = 0.001$, $\chi^2/df = 4.81$) dropped dramatically and was significantly different from chi-square value

of the first-order model (χ^2 difference = 208.055, df = 1, ρ = 0.001). However, this second-order model did not provide an acceptable fit. It was found that item 4 of perceived tour program quality (*This tour comprises a range of things to see and do*) appeared to be problematic. Even though the parameters and standardised residuals of this item did not cause a bad-fitting model, item 4 was deleted due to cross loadings. Deleting this item means that perceived tour program quality was measured with two indicators. It is argued that these two items still reflect the concept of perceived tour program quality. Fit indices, as presented in Table 4.6, show a moderate fit of the revised second-order model compared to the first-order and initial second-order models. The two dimensions of TOURQUAL are correlated at 0.79. According to this result, it can be concluded that TOURQUAL can be measured by perceived ethical performance and perceived tour program quality as proposed.

Secondly, a perceived value model was tested. The first-order model contained initial 11 items. It was found that the model did not have an acceptable fit with χ^2 = 1290.7, df = 44, χ^2/df = 29.335. Then, a second-order model with three correlated factors was tested. The initial second-order model had a chi-square value at 159.55 with df = 41, χ^2/df = 3.891 indicating an acceptable fit. More importantly, it is a better fitting model than the first-order model (χ^2 difference = 1131.154, df = 3, ρ = 0.001). Accordingly, it is concluded that perceived value comprises the three dimensions as defined. However, modification indices showed that several items measuring hedonic and price dimensions had cross loadings with residual values associated with other items ranging from 2 to 4.4. As a result, three items were deleted from the analysis in a series of sequential steps. Ultimately, a revised second-order model of perceived value achieved a good fit as the fit indices show in Table 4.6. The correlations between each pair of factors are above 0.4 (hedonic and price = .65, hedonic and ethical-expressive = 0.61, price and ethical-expressive = 0.41).

Table 4.6. Second-order CFA Models of TOURQUAL and Perceived Value

Construct	Model Description	Fit Indices									
		χ^2	df	χ^2/df	ρ	RMSEA	GFI	CFI	TLI	NFI	SRMR
TOURQUAL	**First-order model**	300.9	20	15.04	0.001	0.18	0.83	0.88	0.84	0.88	0.08
	Initial second-order EthPerf (5 items) T-quality (3 items)	91.85	19	4.81	0.001	0.09	0.95	0.97	0.95	0.96	0.04
	Revised second-order EthPerf (5 items) T-program (2 items)	43.21	13	3.32	0.001	0.07	0.97	0.99	0.98	0.98	0.02

Note: CFA was conducted with maximum likelihood estimation. N = 450. EthPerf = Perceived ethical performance;

T-quality = Perceived tour program; Eth-Exp = Ethical-Expressive Value

Table 4.6. Second-order CFA Models of TOURQUAL and Perceived Value (Cont.)

Construct	Model Description	Fit Indices									
		χ^2	*df*	χ^2/df	ρ	RMSEA	GFI	CFI	TLI	NFI	SRMR
PERCEIVED VALUE	**First-order model**	1290.7	44	29.34	0.001	0.25	0.55	0.70	0.62	0.69	0.13
	Initial second-order	159.55	41	3.89	0.001	0.08	0.94	0.97	0.96	0.96	0.04
	Hedonic (3 items)										
	Price (4 items)										
	Eth-Exp (4 items)										
	Revised second-order	29.33	17	1.73	0.032	0.04	0.98	1.00	0.99	0.99	0.03
	Hedonic (2 items)										
	Price (2 items)										
	Eth-Exp (4 items)										

Note: CFA was conducted with maximum likelihood estimation. N = 450. EthPerf = Perceived ethical performance;

T-quality = Perceived tour program; Eth-Exp = Ethical-Expressive Value

In summary, the measurement models for each construct (both single-factor and multidimensional) were found to be valid when tested with a sample of 450 cases. Even though the models of several constructs had to be respecified to obtain a better model fit, minimal changes were made and all constructs retained their conceptual meaning. It is noted that the second-order models of TOURQUAL and perceived value will not be used for hypothesis testing. Rather, the interest of this thesis is to investigate the utility of each factor of these two constructs as dependent variables and mediating factors in their own right. The statements of retained items from the results of CFA for a validation sample are presented in Appendix 4.1. All measurement models were next tested for cross validation with the total sample of studies 1 and 2.

4.5 Cross Validation

The previous two sections reported the results of EFA using a derivation sample from Study 1 (N= 447) and CFA using the validation sample from Study 1 (N = 450). In this section, the proposed measurement model is subjected to a further rigorous round of testing through cross-validation with two further samples. The first cross-validation sample was formed using the combination of the two sub-samples drawn from Study 1, comprising 897 cases in total. There is an expectation that the models should be valid when using a larger sample from the same situation. If validation is not achieved using the larger pool of respondents, then the model may require further re-specification. In contrast, the second sample used for cross validation was drawn from a different situation of the tour experience, the post-tour stage in Study 2. The main purpose for testing for cross validation with different sample groups is to assess whether those measurement models are valid at both pre- and post-tour stages. The second cross-validation sample is the total sample collected in Study 2, comprising 485 valid cases. Measurement models using a total sample of 897 and 485 hereafter called "Study 1_N897" and "Study 2_N485" models, respectively.

Table 4.7. Cross Validation: Comparison of Measurement Models

Construct	Model	Fit Indices									
		χ^2	df	χ^2/df	ρ	RMSEA	GFI	CFI	TLI	NFI	SRMR
TOURQUAL	*N450*	43.213	13	3.32	0.001	0.07	0.97	0.99	0.98	0.98	0.02
	Study1_N897	67.785	13	5.214	0.001	0.07	0.98	0.99	0.98	0.98	0.02
	Study2_N485	36.638	13	2.818	0.001	0.06	0.98	0.98	0.97	0.98	0.03
Perceived Value	*N450*	29.332	17	1.725	0.032	0.04	0.98	1.00	0.99	0.99	0.03
	Study1_N897	85.851	17	5.050	0.001	0.07	0.98	0.99	0.98	0.98	0.03
	Study2_N485	32.203	17	1.894	0.014	0.04	0.98	0.99	0.99	0.99	0.02
TRUST	*N450*	1.669	2	0.837	0.434	0.00	1.00	1.00	1.00	1.00	0.006
	Study1_N897	0.758	2	0.379	0.684	0.00	1.00	1.00	1.00	1.00	0.003
	Study2_N485	5.091	2	2.545	0.08	0.06	0.99	0.99	0.99	0.99	0.02

Note. *N450*=a validation sample; *Study1_N897*=a total sample from Study1; *Study2_N485*=a total sample from Study2

Table 4.7. Cross Validation: Comparison of Measurement Models (Cont.)

Construct	Model	Fit Indices									
		χ^2	df	χ^2/df	ρ	RMSEA	GFI	CFI	TLI	NFI	SRMR
Booking	*N450*	0.12	1	0.12	0.729	0.00	1.00	1.00	1.00	1.00	0.001
Intention	*Study1_N897*	3.516	1	3.516	0.06	0.05	0.99	0.99	0.99	0.99	0.004
	Study2_N485	Not measured in Study 2									
Word-of-Mouth	*N450*	0.863	1	0.853	0.356	0.00	0.99	1.00	1.00	0.99	0.000
	Study1_N897	Not measured in Study 1									
	Study2_N485	0.013	1	0.013	0.908	0.00	1.00	1.00	1.00	1.00	0.0003
CSR	*N450*	0.34	1	0.34	0.56	0.00	1.00	1.00	1.00	0.99	0.004
Predisposition	*Study1_N897*	0.292	1	0.292	0.589	0.00	1.00	1.00	1.00	1.00	0.003
	Study2_N485	1.126	1	1.126	0.289	0.02	1.00	1.00	1.00	1.00	0.007

Note. *N450*=a validation sample; *Study1_N897*=a total sample from Study1; *Study2_N485*=a total sample from Study2

The results of cross validation indicated that valid measurement models derived from a validation sample (N = 450) were validated with both samples. That is, as shown in Table 4.7, the comparison of the three measurement models indicates model fit across different types of fit indices. A summary of the satisfactory level of fit shown in Table 4.8 demonstrates levels ranging from acceptable to very good fit.

Table 4.8. Comparison of Satisfactory Level of Model Fit

Construct	Valid Model (N450)	Study 1 (N897)	Study 2 (N485)
TOURQUAL	Acceptable	Acceptable	Acceptable
Perceived Value	Very good	Acceptable	Very good
Trust	Very good	Very good	Moderate
Booking Intention	Very good	Good	---
Word-of-Mouth	Very good	---	Very good
CSR Predisposition	Very good	Very good	Very good

Note: --- not measured

In summary, the scale refinement process developed scales through EFA and CFA which were subsequently validated twice using the whole samples obtained in both studies 1 and 2. All validated measurement models were next examined and reported for construct reliability and validity in section 4.6.

4.6 Construct Reliability and Validity

So far in this chapter, the measurement models have been specified and tested for cross validation. The next step, prior to examining the structural model, was to examine construct reliability and validity as discussed in section 3.10.3.4. Part of this process is to ensure that the constructs achieve adequate internal consistency and convergent validity as well as discriminant validity for use in the structural model for each study. Cronbach's alpha and composite reliability indicates the internal consistency of the construct. Factor loadings and average variance extracted (AVE) are indicators of convergent validity. Discriminant validity is determined if AVE exceeds the square of the correlation between the constructs.

For Study 1, as shown in Table 4.9, Cronbach's alpha and composite reliability of all constructs were higher than 0.8, indicating high internal consistency. Factor loadings were high with a minimum of 0.71. The average variance extracted exceeded 0.5 (ranged from 0.63 to 0.84), demonstrating convergent validity of the construct. Discriminant validity was also achieved since the average variance extracted exceeded the square of the correlation between constructs as shown in Table 4.10. However, discriminant validity between perceived ethical performance and trust was not clearly established as indicated by only a slightly higher value of average variance extracted over the squared correlation. Accordingly, this pair of constructs was further assessed by the χ^2 difference test (Bagozzi, Yi, & Phillips, 1991; Grace & Weaven, 2011), which involved a comparison of the constrained and unconstrained measurement models of the two constructs. The result showed that the χ^2 of the unconstrained model ($\chi^2 = 113.471$, $df = 26$) was significantly different from the χ^2 of the constrained model ($\chi^2 = 122.173$, $df = 27$) at $\rho < 0.01$. This significant difference demonstrates sufficient discriminant validity. As a result, perceived ethical performance and trust were retained in the analysis.

For Study 2, Table 4.9 shows that all constructs measured, except perceived tour program quality (a dimension of TOURQUAL), achieved high internal consistency, with Cronbach's alpha and composite reliability scores greater than 0.8. Even though the Cronbach's alpha score of perceived tour program quality at 0.68 did not achieve the desired acceptable level of 0.70 as traditionally suggested (de Vaus, 2002), Cronbach's alpha scores slightly lower than 0.7 are acceptable for newly developed scales (e.g., Scott & Bruce, 1995). Also, a composite reliability score, which is a common method used to compute the construct reliability, of 0.69 is acceptable according to Bagozzi and Yi (1988). Hence, it is desirable to retain perceived tour program quality for further analysis. Further, all factor loadings ranging from 0.52 to 0.93 and the average variance extracted greater than 0.5 indicating convergent validity for all constructs measured in Study 2. Finally, the square of the correlations between constructs as shown in Table 4.11 were below average variance extracted, which suggests that discriminant validity is acceptable.

Table 4.9. Reliability and Validity of Dependent Variables

Constructs and Items	Study 1 (N = 897)				Study 2 (N = 485)			
	Factor Loading	AVE	CR	α	Factor Loading	AVE	CR	α
TOURQUAL								
Perceived ethical performance		65%	0.90	0.90		57%	0.87	0.87
I think this company cares about wildlife and nature.	0.80				0.69			
This tour comprises responsible tourism features.	0.79				0.77			
The activities on this tour appear to be socially responsible.	0.82				0.78			
This tour incorporates ethical practices into its program.	0.83				0.81			
I think this company cares about local welfare and culture.	0.80				0.72			
Perceived tour program quality		73%	0.85	0.84		52%	0.69	0.68
This tour seems to be well-designed.	0.92				0.76			
This tour seems to provide a rich experience.	0.79				0.69			

Note: AVE = The average variance extracted, CR = Composite Reliability, All loading are significant at $p < 0.001$.

Table 4.9. Reliability and Validity of Dependent Variables (Cont.)

Constructs and Items	Study 1 (N = 897)				Study 2 (N = 485)			
	Factor Loading [a]	AVE [b]	CR [c]	α [d]	Factor Loading [a]	AVE [b]	CR [c]	α [d]
PERCEIVED VALUE								
Hedonic		84%	0.92	0.92		85%	0.92	0.91
This tour would likely give me pleasure.	0.93				0.93			
This tour is one that I would likely enjoy.	0.90				0.91			
Price		76%	0.87	0.88		71%	0.83	0.81
This tour seems to be good value for money.	0.88				0.71			
This tour seems to be reasonably priced.	0.87				0.96			
Ethical-Expressive		63%	0.86	0.87		61%	0.86	0.86
This tour would likely give me a chance to do good things for others while I am on holidays.	0.71				0.70			
This tour would help me enhance my own self-concept.	0.80				0.74			
This tour would promote my moral values for the well-being of others.	0.85				0.84			
This tour would enhance my personal image as a responsible tourist.	0.81				0.82			

Note: AVE = The average variance extracted, CR = Composite Reliability, All loading are significant at p < 0.001.

Table 4.9. Reliability and Validity of Dependent Variables (Cont.)

Constructs and Items	Study 1 (N = 897)				Study 2 (N = 485)			
	Factor Loading [a]	AVE [b]	CR [c]	α [d]	Factor Loading [a]	AVE [b]	CR [c]	α [d]
TRUST		69%	0.90	0.90		56%	0.83	0.83
I think this tour company would be reliable.	0.80				0.52			
I think this tour company would keep it promises.	0.82				0.81			
I would trust this tour company.	0.87				0.86			
I think this tour company would act in my best interests.	0.81				0.76			
TOUR BOOKING INTENTION		80%	0.99	0.92	*Not measured in study 2*			
If I were in the area, my likelihood of booking this tour would be high.	0.86							
If I were in Northern Thailand, I would consider booking this tour from this company.	0.92							
Overall, if travelling to Thailand, I would consider booking this tour.	0.91							
WORD-of-MOUTH	*Not measured in study 1*					69%	0.92	0.93
I would likely recommend this tour to anyone who asks me.					0.89			
I would talk positively about this tour to others.					0.93			
I would likely say nice things about this tour to others.					0.91			

Note: AVE = The average variance extracted, CR = Composite Reliability, All loading are significant at $p < 0.001$.

Table 4.10. Correlations of Dependent Variables for Study 1

Construct	1	2	3	4	5	6	7
1 Ethical Performance	1	**0.45**	**0.37**	**0.25**	**0.44**	**0.66**	**0.44**
2 Tour program quality	0.67	1	**0.61**	**0.44**	**0.35**	**0.40**	**0.66**
3 Hedonic value	0.61	0.78	1	**0.35**	**0.36**	**0.34**	**0.74**
4 Price value	0.5	0.66	0.59	1	**0.35**	**0.22**	**0.40**
5 Ethical-Expressive value	0.66	0.59	0.6	0.59	1	**0.36**	**0.40**
6 Trust	0.81	0.63	0.58	0.47	0.60	1	**0.44**
7 Booking Intention	0.66	0.81	0.86	0.63	0.63	0.66	1
AVE	**0.65**	**0.73**	**0.84**	**0.76**	**0.63**	**0.69**	**0.8**

Note: Lower Diagonal = correlation and Upper Diagonal = Squared Correlation. AVE = the average variance extracted. All correlations are significant at the 0.01 level (two-tailed).

Table 4.11. Correlations of Dependent Variables for Study 2

Construct	1	2	3	4	5	6	7
1 Ethical Performance	1	**0.44**	**0.5**	**0.35**	**0.21**	**0.36**	**0.44**
2 Tour program quality	0.66	1	**0.37**	**0.37**	**0.3**	**0.22**	**0.4**
3 Trust	0.71	0.61	1	**0.36**	**0.28**	**0.31**	**0.48**
4 Hedonic value	0.59	0.61	0.6	1	**0.32**	**0.3**	**0.66**
5 Price value	0.46	0.55	0.53	0.57	1	**0.12**	**0.26**
6 Ethical-Expressive value	0.6	0.47	0.56	0.55	0.34	1	**0.4**
7 Word-of-Mouth	0.66	0.63	0.69	0.81	0.51	0.63	1
AVE	**0.57**	**0.52**	**0.56**	**0.85**	**0.71**	**0.61**	**0.69**

Note: Lower Diagonal = correlation and Upper Diagonal = Squared Correlation. AVE = the average variance extracted. All correlations are significant at the 0.01 level (two-tailed).

In summary, the examination of Cronbach's alpha, composite reliability, factor loadings, and the average variance extracted from all constructs, which were measured as dependent variables in both studies 1 and 2, demonstrated construct reliability and convergent validity. Discriminant validity between the constructs was also achieved.

4.7 Measurement Scales Derived from the Independent Variables

In this section, an examination of the psychometric properties of the measurement scales derived from the manipulations of the independent variables was undertaken. It should be noted that for testing the direct and indirect impacts of ethical responsibilities, the independent variables were treated differently according to the nature of the statistical test. First, as shown in Figure 4.2, ANOVA and MANOVA were used to test for direct impacts and the independent variables were manipulated, as explained in section 3.5. In other words, the independent variables are the manipulations. However, SEM was used when testing for indirect impacts. The original manipulations were not used. Rather, a perception of the manipulation, as measured by a manipulation check scale, was treated as the independent variable. For example, for Study 1, two scales were developed to check each of the manipulations of tourism accreditation and codes of ethics. These perceptions of the manipulation were further treated as the independent variable for SEM analysis. The same explanation is applied for each independent variable of Study 2.

The manipulation check procedure is reported in Chapter 5. The scale development for the independent variables identified for testing using SEM also served to check the manipulations in the original scenarios/vignettes. It is suggested that when using SEM in experimental research, manipulation check items must be internally consistent and reliable (Bagozzi, 1977). Also, Perdue and Summers (1986) argued: "the measures for the manipulation should be constructed with the same care as those for the dependent variables" (p. 321). Accordingly, CFA was used to examine the psychometric properties of the measurement scales derived from the manipulations of the independent variables for each study prior to SEM. The CFA results from Study 1 are reported first.

Figure 4.2. Derivation of Independent Variables for SEM

| Independent variable **(The manipulations)** Direct impacts by ANOVA/MANOVA | Independent variable **(Scales)** Indirect impacts by SEM |

STUDY 1

Tourism accreditation — *A perception of tourism accreditation*

Codes of ethics — *A perception of codes of ethics*

STUDY 2

Environmental issues — *A perception of environmental issue*

Socio-cultural issues — *A perception of socio-cultural issue*

Employee issues — *A perception of employee issue*

4.7.1 Study 1

In Study 1, scales of two independent variables: a perception of tourism accreditation and a perception of codes of ethics were tested in one CFA model that allows the researcher to check for cross loadings between items. The scale for each independent variable initially had three items (see Table 4.12 for item statements). CFA results showed a poor-fitting model with $\chi^2 = 267.521$, df = 8, p < 0.001, $\chi^2/df = 33.440$,

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RMSEA = 0.19, SRMR = 0.09. The examination of the standardised residual covariance matrix indicated that the item stating "*This company appears to be certified to conduct responsible tours*", which measures a perception of tourism accreditation might be the cause of a poor model fit due to its large residual associated with other items (value ranged from 4 to 9.8). The model was re-specified by deleting this item. However, after the deletion of this item, the results indicated the Heywood case problem. Section 3.10.3.4 (under the heading: *Model Estimation*) described the Heywood case problem and its solution. After the Heywood case problem was solved, the model had an acceptable fit (χ^2 = 32.299, df = 5, p < 0.001, χ^2/df = 6.460, RMSEA = 0.08, SRMR = 0.02).

Cross loadings between the two independent variables were checked next. Modification indices suggested one item measuring the codes of ethics manipulation also loaded onto the tourism accreditation manipulation. The item is stated as "*The company displays a code of ethics on its brochure*". The model was then revised by deleting the item and had a good fit with χ^2 = 1.537, df = 2, p < 0.464, χ^2/df = 0.769, RMSEA = 0.00, SRMR = 0.007, GFI, CFI, TLI, NFI = 1.00. Consequently, the perception of tourism accreditation and the perception of codes of ethics were each measured by two items. Since the concepts of tourism accreditation and codes of ethics are narrowly defined, measurement using just two items is considered to be appropriate, especially as the scales are used to measure whether customers perceive the manipulations as shown on a tour brochure. Table 4.12 shows the retained items and factor loadings greater than 0.7. Also, average variance extracted exceeded 0.5, which suggested convergent validity. Composite reliability above 0.8 indicated internal consistency and reliability of measurement items.

Table 4.12. Measurement Scales Derived From the Manipulations for Study 1

Independent Variable/Item	Factor Loading	AVE	CR
A perception of tourism accreditation		**81%**	**0.90**
1. This company appears to be certified to conduct responsible tours.	deleted		
2. This company has been endorsed by international accreditation program, such as Green Globe 21.	0.79		
3. This company seems to be accredited by a recognised eco-label.	0.99		
A perception of codes of ethics		**69%**	**0.81**
1. The company appears to conduct tours under a code of ethics.	0.82		
2. The company displays a code of ethics on its brochure.	deleted		
3. This company has a code of ethics.	0.84		

Note: N = 897; AVE = The average variance extracted; CR = Construct Reliability

Table 4.13. Correlations of Independent and Dependent Variables for Study 1

Construct	1	2	3	4	5	6	7	8	9
1 A perception of tourism accreditation	1	**0.25**	**0.24**	**0.11**	**0.23**	**0.07**	**0.06**	**0.12**	**0.10**
2 A perception of codes of ethics	0.50	1	**0.64**	**0.21**	**0.49**	**0.18**	**0.11**	**0.24**	**0.23**
3 Perceived ethical performance	0.49	0.80	1	**0.45**	**0.66**	**0.37**	**0.25**	**0.44**	**0.44**
4 Perceived tour program quality	0.33	0.46	0.67	1	**0.40**	**0.61**	**0.44**	**0.35**	**0.66**
5 Trust	0.48	0.70	0.81	0.63	1	**0.34**	**0.22**	**0.36**	**0.44**
6 Perceived hedonic value	0.27	0.43	0.61	0.78	0.58	1	**0.35**	**0.36**	**0.74**
7 Perceived price value	0.25	0.33	0.50	0.66	0.47	0.59	1	**0.20**	**0.40**
8 Perceived ethical-expressive value	0.35	0.49	0.66	0.59	0.60	0.60	0.45	1	**0.40**
9 Tour booking intention	0.31	0.48	0.66	0.81	0.66	0.86	0.63	0.63	1
AVE	**0.81**	**0.69**	**0.65**	**0.73**	**0.69**	**0.84**	**0.76**	**0.63**	**0.8**

Note. 1-2 = The independent variables; 3-9=The dependent variables; The lower diagonal = correlations;

The upper diagonal = squared correlations. All correlations are significant at $\rho < 0.001$ level (2-tailed)

The discriminant validity of the two independent variables was assessed together with all dependent variables proposed for investigation by SEM for Study 1. Table 4.13 shows the correlation matrix and the square of the correlations among the constructs, including both independent and dependent variables. The AVE of both independent variables exceeded the square of the correlations of all dependent variables. That is, discriminant validity has been achieved among the variables proposed for investigation in the SEM model. However, the AVE scores of two pairs of constructs were only slightly higher than the square of the correlations. These two pairs of constructs are (1) perceived ethical performance and a perception of codes of ethics and (2) perceived ethical performance and trust. The discriminant validity was questioned in each case. Both these pairs of constructs were further examined for discriminant validity by using the χ^2 difference test. It should be noted that the χ^2 difference test between perceived ethical performance and trust was conducted previously, as explained in section 4.6. The χ^2 difference test demonstrated discriminant validity. Hence, the χ^2 difference test was undertaken to further assess discriminant validity between perceived ethical performance and perception of codes of ethics. The constrained measurement model of a construct pair had $\chi^2 = 155.5$ with $df = 14$ and $\rho < 0.001$. At the same time, the unconstrained model had a similar value of chi-square ($\chi^2 = 155.3$ with $df = 13$ and $\rho < 0.001$). By comparison, the χ^2 of perceived ethical performance was not significantly different from the χ^2 of perception of codes of ethics at alpha level of 0.01, which suggested that the two variables could not be discriminated. The solution was to drop perceived ethical performance from further analysis of Study 1. As perception of codes of ethics is one of the two independent variables, its retention was essential.

In summary, for Study 1, measurement scales of the two independent variables (a perception of tourism accreditation and a perception of code of ethics) satisfied accepted requirements for reliability and validity. These two variables will be employed for the manipulation check procedure conducted prior to the main study analysis. Also, they will be used as the independent variables when conducting SEM. The results of the manipulation checks and SEM will be reported in Chapter 5. Discriminant validity between these two variables and the dependent variables was also examined. However, discriminant validity between perception of codes of ethics and perceived ethical

performance was not achieved. Subsequently, a change was made to the set of dependent variables wherein perceived ethical performance was deleted from further analysis for hypothesis testing. As a result, only perceived tour program quality was measured as a dimension of TOURQUAL. No further change was made to the other dependent variables.

4.7.2 Study 2

According to Figure 4.2, three independent variables (the manipulations for the ethical responsibilities toward each ethical issues of concern: environmental, socio-cultural, and employee issues) were proposed for investigation for their impact on customer evaluations and word-of-mouth communication, as explained in section 3.5. The measurement items of each variable were derived from manipulation check items. Each independent variable has three item scales (see Table 4.14 for item statements). These scales were used for the manipulation check procedure and SEM when testing for indirect impacts. Therefore, the scales need to be assessed for discriminant validity and reliability using CFA. The scales measuring the three independent variables were called perception of environmental issues, perception of socio-cultural issues, and perception of employee issues.

The CFA results indicated that the measurement model of the independent variables for Study 2 was a poor-fitting model, with $\chi^2 = 168.906$, $df = 24$, p < 0.001, $\chi^2/df = 7.038$, RMSEA = 0.12, SRMR = 0.054. Modification indices highlighted cross loading items among the three variables. Problematic items with cross loading were socio-cultural item 1 (*The tour company has a code of ethics to protect traditional ethnic tribal culture*) and employee item 2 (*The tour company has a code of ethics to support employee welfare*). These two items were then deleted one at a time. Consequently, the revised model had an acceptable fit ($\chi^2 = 34.117$, $df = 12$, p < 0.001, $\chi^2/df = 2.84$, RMSEA = 0.06, SRMR = 0.03). Table 4.14 shows factor loadings of the retained items, average variance extracted, and composite reliability of the constructs.

Table 4.14. Measurement Scales Derived From the Manipulations for Study 2

Independent Variable/Item	Factor Loading [a]	AVE [b]	CR [c]
A perception of the environmental issues		**61%**	**0.82**
1. The tour company has a code of ethics regarding the environment.	0.72		
2. The tour company applies good ethical practices to protect animals and plants.	0.82		
3. Elephant welfare is an important concern for the tour company.	0.80		
A perception of socio-culture issues		**63%**	**0.77**
1. The tour company has a code of ethics to protect ethnic tribe traditional culture.	Deleted		
2. The tour company applies a policy to support the local village economy.	0.69		
3. Protecting local tribe socio-cultural practices is important to the tour company.	0.89		
A perception of employee issues		**79%**	**0.88**
1. Employees on the tour appear to receive a fair payment for their work.	0.82		
2. The tour company has a code of ethics to support employee welfare.	Deleted		
3. Employees are well treated.	0.95		

Note: N = 485; AVE = The average variance extracted; CR = Construct Reliability

Further, reliability and convergent validity were assessed for each measurement construct. All items for each construct had factor loadings above 0.6 (ranged from 0.69 to 0.95) and the average variance extracted values were all above 0.5, which indicated convergent validity of the constructs. The composite reliability for all constructs was above 0.7, ranging from 0.77 to 0.88, which suggested internal consistency of the constructs.

In addition, discriminant validity between the independent variables and the dependent variables was examined. This process was undertaken to ensure that the independent variables used in SEM are discriminated adequately from the dependent variables. Table 4.15 presents the correlations, the square of the correlations, and average variance extracted for the independent and dependent variables for Study 2. The average variance extracted for all constructs exceeded the square of the correlations between the constructs. Discriminant validity was established between all constructs, except between the perception of socio-cultural issues (the independent variable) and perceived ethical performance (the dependent variable). Hence, the χ^2 difference test was undertaken to reassess the discriminant validity between this pair of constructs. The constrained measurement model of a construct pair had $\chi^2 = 133.7$ with $df = 14$ and $\rho < 0.001$; whereas, the unconstrained model had $\chi^2 = 109.9$ with $df = 13$ and $\rho < 0.001$). By comparison, the χ^2 of the constrained and unconstrained models was significantly different at an alpha level of 0.001. Thus, discriminant validity between a perception of the socio-cultural issues and perceived ethical performance was demonstrated.

Table 4.15. Correlations of Independent and Dependent Variables for Study 2

Construct	1	2	3	4	5	6	7	8	9	10
1 A perception of environmental issues	1	**0.30**	**0.10**	**0.50**	**0.22**	**0.27**	**0.14**	**0.11**	**0.14**	**0.19**
2 A perception of socio-cultural issues	0.55	1	**0.12**	**0.55**	**0.23**	**0.23**	**0.13**	**0.11**	**0.20**	**0.16**
3 A perception of employee issues	0.31	0.35	1	**0.19**	**0.13**	**0.15**	**0.06**	**0.06**	**0.05**	**0.09**
4 Perceived ethical performance	0.71	0.74	0.44	1	**0.44**	**0.50**	**0.35**	**0.21**	**0.36**	**0.44**
5 Perceived tour program quality	0.47	0.48	0.36	0.66	1	**0.37**	**0.37**	**0.30**	**0.22**	**0.40**
6 Trust	0.52	0.48	0.39	0.71	0.61	1	**0.36**	**0.28**	**0.31**	**0.48**
7 Perceived hedonic value	0.37	0.36	0.25	0.59	0.61	0.6	1	**0.32**	**0.30**	**0.66**
8 Perceived price value	0.33	0.33	0.25	0.46	0.55	0.53	0.57	1	**0.12**	**0.26**
9 Perceived ethical-expressive value	0.37	0.45	0.23	0.6	0.47	0.56	0.55	0.34	1	**0.40**
10 Word-of-Mouth	0.44	0.4	0.3	0.66	0.63	0.69	0.81	0.51	0.63	1
AVE	**0.61**	**0.63**	**0.79**	**0.57**	**0.52**	**0.56**	**0.85**	**0.71**	**0.61**	**0.69**

Note. 1-3 = The independent variables; 4-10=The dependent variables; The lower diagonal = correlations;

The upper diagonal = squared correlations. All correlations are significant at $\rho < 0.001$ level (2-tailed)

In summary, the measurement items derived from each of the independent variables of Study 2 were considered reliable and valid. The perception of environmental issues was measured by three items; while perception of socio-cultural issues and perception of employee issues were measured by two items each. These three variables will be employed for a manipulation check procedure conducted prior to the main analysis. Also, they will be used as the independent variables when conducting SEM. The results of the manipulation checks and SEM will be reported in Chapter 5. For discriminant validity, the three independent variables did not encounter any discriminant validity issue with any of the dependent variable constructs. All three measures of the independent variables formulated for Study 2 were considered appropriate for further analyses.

4.8 Chapter Summary

As presented at the start of this chapter the findings in this thesis are largely reported in two chapters (some of the findings from the major pilot study were reported in Chapter 3). In this current chapter, the results from the scale refinement and validation process were reported. The results of EFA and CFA showed that the set of dependent variables which was measured in Study 1: a pre-booking stage was also valid for use in Study 2: a post-tour stage. A similar result was found for the scale measuring CSR predisposition as a moderator. However, it was found that for Study 1, the proposed measurement of perceived ethical performance was unable to achieve discriminant validity. Hence, this construct was not included in further analysis in Study 1. In contrast, all dependent variables were maintained for further analyses in Study 2. Moreover, this current chapter has reported the reliability and validity of measurement scales derived from the independent variables. The items measuring each independent variable will be combined using mean scores and used for the manipulation check procedure and in SEM.

The main results from hypothesis testing of both studies will be reported in the next chapter. These findings included tests of difference between the subjects to explore the direct effect of the experimental manipulations on a set of evaluation and behavioural outcomes. Also, the results showed the mediating effects of customer evaluation variables in the relationship between ethical responsibility and behavioural outcomes. Finally, the results from tests of difference between the subjects to investigate the moderating effect of CSR predisposition are reported.

CHAPTER 5

RESULTS: MAIN STUDIES

5.1 Introduction

In order to investigate the relationship between ethical responsibility and customer evaluations and behavioural outcomes, this thesis developed and tested measurement scales for each variable in the previous chapter. The results from hypothesis testing for the experiments of both main studies are reported in this chapter.

The research question asked "*How does the ethical responsibility of tour operators influence customer evaluations and behavioural outcomes at different stages of the tour experience?*" The overall research framework was presented in Figure 2.3. Both studies in this thesis shared a similar research purpose: (1) To test for differences between groups of subjects exposed to different aspects of ethical responsibility using ANOVA and MANOVA (2) To test the moderating effect of CSR predisposition using ANOVA and MANOVA, and (3) To test the mediating effect of the evaluation variables using SEM. The findings for Study 1 are presented first, followed by findings for Study 2. The reporting of findings for both studies follows the same format: research model showing the hypotheses, the manipulation and confounding checks of the independent variables, the direct effect test results, moderating effect results, mediating relationship test results, and the summary of hypothesis tests.

At the end of this chapter, an overall conclusion from both sets of findings is presented. Further discussions about these findings are presented in Chapter 6 when the results are integrated with previous literature. The results of Study 1, the pre-booking stage, are reported next.

5.2 Study 1 Results: The Pre-booking Stage

The consumption of tourism products involves a consumer decision-making process similar to that used for the consumption of tangible products (Neal et al., 2002). Customers search for information to assist their decision-making about a tour package, at the pre-booking stage of a tour experience (Geva & Goldman, 1989). In Study 1, a factorial experiment was conducted to investigate the impact of information about the ethical initiatives of a tour company, as shown on a tour brochure, on customer evaluations and tour booking intention. Study 1 involved 897 subjects in total and the respondent profile was reported in section 4.2. Firstly, Study 1 research model presents the hypotheses. Then the efficacy of the manipulations as assessed in manipulation and confounding checks is reported, followed by a report of the key findings.

5.2.1 The research model for Study 1

The research model developed in Chapter 2 depicts three core research objectives as outlined in Figure 2.4. These three broad objectives are represented by hypotheses H1; H2: and H3. Initially, it was proposed that Study 1 involved two independent variables, a set of evaluation variables measured as dependent variables and the mediators, one behavioural outcome variable, and one moderator. However, several issues occurred regarding the measures and the moderator. Accordingly, this section highlights these issues and presents the adjusted research model as shown in Figure 5.1.

As shown in Figure 5.1, tourism accreditation and codes of ethics were manipulated at two levels and investigated for their influences on customer evaluations and tour booking intention (H1). Three constructs were proposed for measurement as customer evaluations. They were TOURQUAL, trust, and perceived value. As highlighted in section 4.4.2, even though TOURQUAL and perceived value were conceptualised as multi-dimensional constructs, each factor of both constructs was measured separately for its utility. In total, there were initially six evaluation variables (perceived ethical performance, perceived tour program quality, trust, perceived hedonic value, perceived price value, and perceived ethical-expressive value) which were proposed to be

measured. However, as reported in section 4.7.1, perceived ethical performance was deleted from further analysis in Study 1 due to an issue with discriminant validity. As a result, a total of five customer evaluation variables, were measured in Study 1 instead of six. Depending upon the nature of the dependent variable, ANOVA and MANOVA were used to test for differences between the four groups of subjects. The results of hypothesis 1 are presented in section 5.2.3.

Figure 5.1. The Adjusted Research Model for Study 1
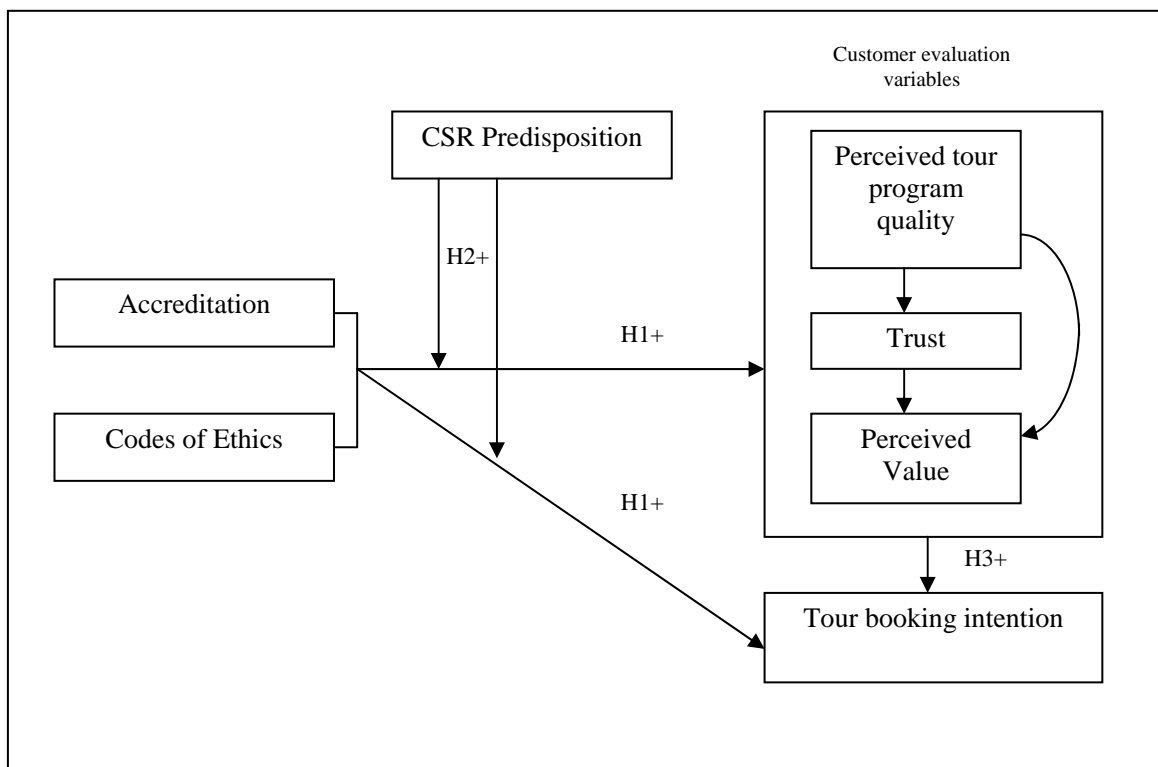
Secondly, CSR predisposition was conceptualised as a moderator (H2) of the effects of the two ethical initiatives on customer evaluations and tour booking intention. A composite mean score of CSR predisposition variable was initially intended to be classified into two levels of high and low using a median split method (Coakes et al., 2009). However, the distribution of data for CSR predisposition was skewed. As a result, the mean scores for a high median split and a low median split did not vary. Accordingly, three levels instead of two levels of CSR predisposition (low, medium,

high) were classified. However, the research interest of the thesis is to investigate differences between high and low conditions, so to test the moderating effect, ANOVA and MANOVA were used and the results are reported in section 5.2.4.

Finally, a set of customer evaluation variables were tested for their mediating effect in the relationships between the two ethical initiatives and tour booking intention (H3). To test this hypothesis, a composite mean score of the manipulation indicators of each tourism accreditation and codes of ethics was used as independent variable as reported in section 4.7.1. As mentioned earlier in this section, five customer evaluation variables were measured with an expectation that the mediators would be interrelated. With regard to the interrelationships among the mediators, it was proposed that in the first place, perceived tour program quality affects both trust and all dimensions of perceived value. Trust, in turn, influences perceived value dimensions. Ultimately, all evaluation variables are expected to affect tour booking intention. SEM was employed to test the mediation relationship and the results are reported in section 5.2.5.

5.2.2 The manipulation checks of the independent variables

Study 1 tested the two experimental manipulations of tourism accreditation and codes of ethics for their efficacy. That is, have the designed manipulations worked as intended and provided a suitable platform for testing the impact of the independent variables on outcome variables? According to Perdue and Summers (1986), basic manipulation checks and a more sophisticated test for confounding should be conducted prior to the test of differences between subjects. For this manipulation check process, ANOVA was employed. A composite mean score of the manipulation indicators of tourism accreditation and codes of ethics was used as the dependent variable (see section 4.7.1 for the items). This thesis called these scales perception of tourism accreditation, and perception of codes of ethics, respectively. Table 5.1 shows the manipulation and confounding checks of each independent variable.

First, a 2 (tourism accreditation) $\times$ 2 (codes of ethics) ANOVA was conducted on perception of tourism accreditation. According to the results, the manipulation check for tourism accreditation was successful ($F = 636.6$). That is, subjects who were exposed to a brochure displaying the GG 21 label rated stronger perceptions of tourism accreditation (M = 5.49) than those who received a brochure wherein the GG 21 was not displayed (M = 3.52). In addition, the effect of a confounding check also showed a significant confounding of the tourism accreditation manipulation by the second independent variable, codes of ethics. However, it was found that the confounding effect of codes of ethics was very slight. The confounding is not a concern if it has a substantially smaller effect compared to the effect of the manipulation itself (Perdue & Summers, 1986). Using the guidelines for effect size as discussed at the end of section 3.10.3.2, the variance explained by the main effect of tourism accreditation ($p\eta^2 = 0.42$) is sufficiently larger than the variance explained by a code of ethics ($p\eta^2 = 0.04$). Therefore, a slightly confounding effect of codes of ethics on tourism accreditation was not a concern. Also, the *F* value of the manipulation (tourism accreditation) is about 10 times the size of the confounding variable (codes of ethics).

Table 5.1. Successful Manipulations for Study 1

Type of manipulation check	The manipulation	M	SD	*df*	*F*	ρ	pη²
DV: Perception of tourism accreditation [a]							
Manipulation	**Accreditation**			1	636.6	0.001	0.42
	Presence	5.49	1.01				
	Absence	3.52	1.36				
Confounding	**Code of Ethics**			1	38.8	0.001	0.04
	Presence	4.74	1.46				
	Absence	4.26	1.59				
DV: Perception of Codes of Ethics [b]							
Manipulation	**Code of Ethics**			1	465.4	0.001	0.34
	Presence	5.49	0.87				
	Absence	4.10	1.13				
Confounding	**Accreditation**			1	47.8	0.001	0.05
	Presence	5.02	1.07				
	Absence	4.57	1.32				

Note: DV = Dependent variable; [a] A composite mean score of tourism accreditation manipulation check indicators;

[b] A composite mean score of   codes of ethics manipulation check indicators

Second, a 2 (tourism accreditation) × 2 (codes of ethics) ANOVA was conducted on perception of codes of ethics. The results showed a largely significant main effect of the codes of ethics manipulation on perception of codes of ethics ($F = 465.4$). This means the manipulation of codes of ethics worked effectively. Subjects who received a brochure displaying a set of ethical codes had a stronger perception on the code of ethics scale (M = 5.49) than subjects who were exposed to a brochure wherein no information about a company's ethics is presented (M = 4.10). Although, a slight confounding effect of the accreditation manipulation on perception of codes of ethics was evident, the confounding effect was not severe. Again, the size of effect of the codes of ethics manipulation ($p\eta^2 = 0.34$) was substantially larger than the effect size of the accreditation manipulation ($p\eta^2 = 0.05$). Also, the F value of the manipulation (codes of ethics) is approximately 10 times larger than the F value for the confounding variable (tourism accreditation). Accordingly the manipulation of codes of ethics was effective.

In summary, both manipulations for tourism accreditation and codes of ethics were effective and the manipulations were deemed suitable for testing for direct effects on a set of dependent variables. In addition, the subjects agreed that the stimulus material was realistic and credible. This result was indicated by relative high mean scores on each item asked. The items are (1) this type of tour probably occurs in real life (M = 5.60), (2) the proposed tour in the brochure looks realistic (M = 5.55), and (3) this type of tour is likely to exist in the actual tourism market place (M = 5.64). Scales were measured on a 7-point Likert type scale (*1 = strongly disagree and 7 = strongly agree*).

5.2.3 The direct effect of tourism accreditation and codes of ethics

The first research question asked whether the two ethical-CSR initiatives, tourism accreditation and codes of ethics have different effects on customer evaluations and a behavioural outcome. This was tested by exposing different groups to each ethical-CSR initiative and seeking their response. The hypotheses relating to this research question are stated as followed:

H1: Tourism accreditation and codes of ethics have positive effects on customer evaluations and tour booking intention.

H1a: Tourism accreditation and codes of ethics have positive effects on TOURQUAL.

H1b: Tourism accreditation and codes of ethics have positive effects on trust.

H1c: Tourism accreditation and codes of ethics have positive effects on perceived value.

H1d: Tourism accreditation and codes of ethics have positive effects on tour booking intention.

To test the hypotheses, ANOVA and MANOVA were performed. Single-factor constructs representing dependent variables were tested using ANOVA, while multi-dimensional constructs were tested using MANOVA. As described in section 3.10.3.3, MANOVA was used only for multi-dimensional constructs because the dimensions of each multifactor constructs are correlated. However, perceived tour program quality was the only dimension of TOURQUAL to be measured in Study 1 as highlighted earlier in section 5.2.1. Therefore, ANOVA was conducted on this variable. Trust was the second dependent variable to be investigated using ANOVA. In addition, the effect on the multi-dimensional construct of perceived value was tested using MANOVA. The last construct, tour booking intention was also tested using ANOVA. The results of the effect of the two ethical initiatives on perceived tour program quality are reported first.

Perceived tour program quality (H1a)

A 2 (tourism accreditation) × 2 (codes of ethics) ANOVA was conducted on perceived tour program quality, a dimension of TOURQUAL. While all assumptions, as explained in section 3.10.2 were met, the Levene's Test indicated that the assumption of homogeneity of variance had been violated. This circumstance is not uncommon when involving large samples. Therefore, a stringent alpha level was adopted as per the solution discussed in section 3.10.2. As shown in Table 5.2, the results indicated a main effect for tourism accreditation, with $F (1, 893) = 12.1$, $p < 0.01$ and for codes of ethics, with $F (1, 893) = 35.3$, $p < 0.001$ on perceived tour program quality. Regarding the

partial eta squared ($p\eta^2$), small effect sizes were found for both predictors, but codes of ethics had a slightly stronger effect than tourism accreditation. Moreover, the differences in mean scores indicated that subjects perceived a slightly higher quality for a tour program when a tour is accredited (M = 5.40) compared to when a tour is not accredited (M = 5.14). Similarly, when it is displayed on the brochure that a company is practising several codes of ethics, subjects evaluated tour program quality higher than when a company does not have ethical codes displayed (M = 5.48 vs. M = 5.05). A significant interaction effect between the two predictors was not found; hence, hypothesis *H1a* is partially supported.

Table 5.2. ANOVA Results for the Direct Effects of Ethical Initiatives

on Single-factor Constructs for Study 1

Source	*F*	**Sig**	$p\eta^2$
Main effects			
Tourism accreditation			
Perceived tour program quality	12.1	0.01	0.013
Trust	25.2	0.001	0.027
Tour booking Intention	5.7	0.017	0.006
Codes of ethics			
Perceived Tour Program Quality	35.3	0.001	0.038
Trust	102.8	0.001	0.103
Tour booking Intention	35.1	0.001	0.038
Interactions (Tourism accreditation × Codes of ethics)			
Perceived tour program quality	4.5	0.035	0.005
Trust	5.8	0.016	0.006
Tour booking Intention	5.5	0.019	0.006

Note: Variables are significant at $\rho < 0.025$.

Trust (H1b)

A 2 (tourism accreditation) × 2 (codes of ethics) ANOVA was performed on trust. All assumptions explained in section 3.10.2 were met. Significant main and interaction effects as shown in Table 5.2 indicated the influences of tourism accreditation and codes of ethics on trust. For the main effect, codes of ethics had a stronger effect, with F $(1,893) = 102.8$, $p < 0.001$, $p\eta^2 = 0.103$ than tourism accreditation, with F $(1,893) = 25.2$, $p < 0.001$, $p\eta^2 = 0.027$. In addition, it was found that subjects evaluated the level of trust in a company more positively (M = 5.00) when a company guarantees its responsibility with ethical codes than when a company does not have codes of ethics (M = 4.37). Similarly, subjects rated trust slightly higher when a company is accredited (M = 4.84) than when a company is not accredited (M = 4.53).

In addition to significant main effects, a significant interaction effect was also found for both initiatives. As shown in Figure 5.2, the strongest evaluation of trust was found when a tour company practises both tourism accreditation and codes of ethics (M = 5.08). In contrast, when a company practises neither tourism accreditation nor codes of ethics the level of trust was lowest (M = 4.14). Again, an evaluation of trust was stronger when both ethical initiatives are implemented (M = 5.08), as compared to when only one initiative, either tourism accreditation or codes of ethics, is practised (M = 4.60 and M = 4.91, respectively). When a comparison is made in a situation where only one initiative is practised, subjects had slightly stronger positive perceptions on trust when a company is practicing only codes of ethics (M = 4.91) than when it is practicing only accreditation (M = 4.60). These results for trust also highlighted a stronger effect for codes of ethics than tourism accreditation. Accordingly, hypothesis *H1b* is fully supported.

Figure 5.2. Interaction Effect of Tourism Accreditation and Codes of Ethics on Trust, Study 1
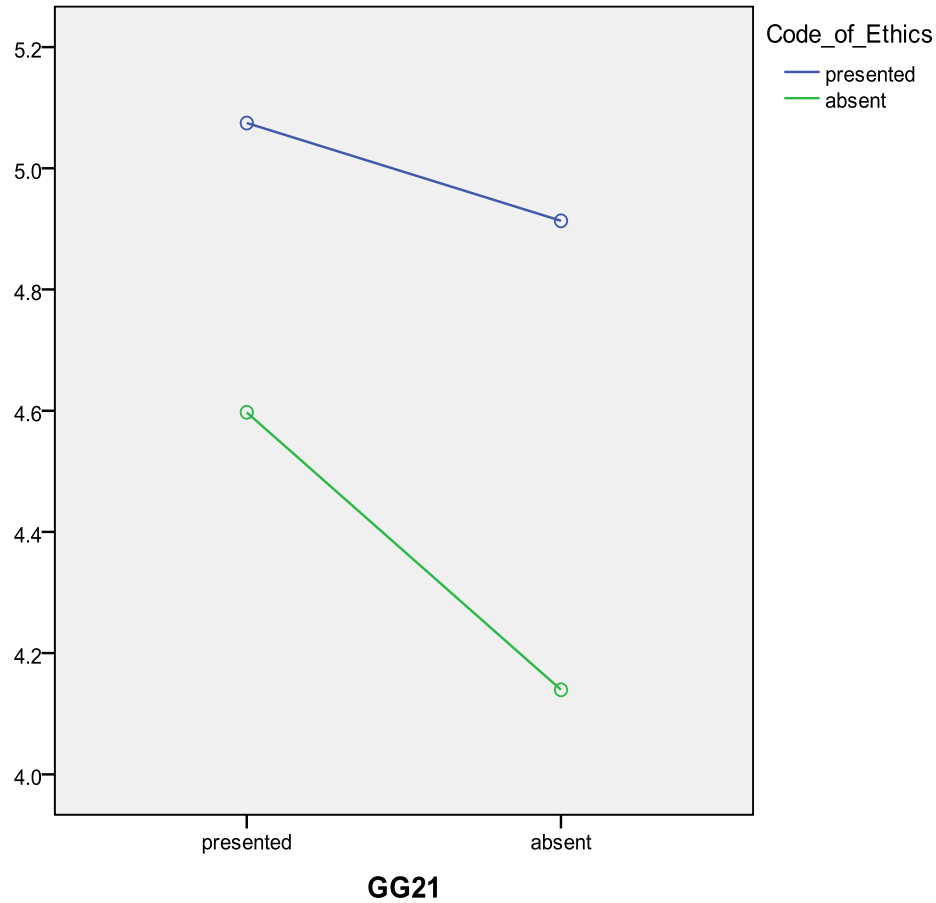
Perceived value (H1c)

A 2 (tourism accreditation) × 2 (codes of ethics) MANOVA was conducted on perceived value dimensions. While all assumptions, as explained in section 3.10.2, were met, a significant Box's M test indicated a violation of the assumption for homogeneity of variance-covariance. However, as discussed in section 3.10.2, this test is sensitive to large samples and should be disregarded. The multivariate F test should be interpreted based on Pillai's criterion. Accordingly, the multivariate F tests (see Table 5.3) indicated significant main effects for tourism accreditation with $F_{(3,891)} = 4.8$, p = 0.003, $p\eta^2 = 0.016$ and for codes of ethics with $F_{(3,891)} = 16.4$, p = 0.001, $p\eta^2 =$

0.052. Considering the effect sizes, codes of ethics had a stronger effect than tourism accreditation. However, a significant interaction effect was not evident.

Table 5.3. MANOVA Results for the Direct Effects of Ethical initiatives on Perceived Value Dimensions for Study 1

Source	Multivariate	Sig	Univariate	Sig	pη²
Main effect					
Tourism accreditation	4.8	0.003			
Hedonic			7.1	0.008	0.008
Price			4.8	0.029*	0.005
Ethical-Expressive			13.8	0.001	0.015
Codes of ethics	16.4	0.001			
Hedonic			26.8	0.001	0.029
Price			5.7	0.017	0.006
Ethical-Expressive			44.5	0.001	0.047
Interaction effect	2.2	0.086			

Note: Variables are significant at $\rho < 0.025$; * not significant at alpha level of 0.025

To interpret the MANOVA results, as explained in section 3.10.3.3, the univariate F test should also be reported. A significant Levene's test indicated that homogeneity of variance had been violated for all three dimensions of perceived value. Therefore, a more conservative alpha level of 0.025 was used for interpreting the univariate F test, as discussed in section 3.10.2. An examination of the univariate F tests as shown in Table 5.3 indicated significant main effects of tourism accreditation and codes of ethics on all dimensions of perceived value. However, an interaction effect was not significant. Overall, codes of ethics had a stronger effect than tourism accreditation on all three dimensions. More specifically, when comparing the three dimensions, the strongest effect was found on ethical-expressive value for both accreditation with F (1,893) = 13.8 and codes of ethics with F (1,893) = 44.5. In addition, codes of ethics had a stronger effect with F (1,893) = 26.8 than tourism accreditation on hedonic value with F

(1,893) = 7.1. At the same time, the weakest effect was found on value for price wherein the effect of codes of ethics was significant with F (1,893) = 5.7, but the effect of accreditation was not.

A result of an examination of the mean scores, as shown in Table 5.4, highlighted several key findings. For the effect of tourism accreditation, the lowest mean score was found on ethical-expressive value (M = 4.05) when a company is not accredited. In contrast, the highest score was on price for the group of subjects who were exposed to a brochure of an accredited company (M = 5.52). Subjects who received a brochure for a non-accredited company did not perceive value for price (M = 5.37) significantly differently from those who were exposed to a brochure for an accredited company. In addition, those subjects who received a brochure of an accredited company also evaluated hedonic value (M = 5.38) higher than ethical-expressive value (M = 4.32).
For the effect of codes of ethics, the largest significant difference in mean scores was found on ethical-expressive value between a group of subjects who received a brochure with codes of ethics displayed (M = 4.43) and those who were exposed to a brochure without codes of ethics displayed (M = 3.93). For the effect on hedonic value, subjects rated perceived hedonic value slightly higher when a company is practising codes of ethics (M = 5.48) than when it is not (M = 5.06). Likewise, subjects who were exposed to a brochure displaying ethical codes perceived value for price slightly higher (M = 5.52) than those who were exposed to a brochure with no ethical codes displayed (M = 5.36). According to the findings, hypothesis *H1c* is almost fully supported.

Table 5.4. Mean Scores for Perceived Value Dimensions, Study 1

Condition	Perceived value					
	Hedonic		Price		Ethical-Expressive	
	Mean	SD	Mean	SD	Mean	SD
Accreditation						
Presence	5.38	1.13	5.52	0.98	4.32	1.08
Absence	5.17	1.36	5.37	1.10	4.05	1.21
Codes of ethics						
Presence	5.48	1.02	5.52	0.94	4.43	1.08
Absence	5.06	1.42	5.36	1.14	3.94	1.17

Note: 7 Point Likert scale was used: 1 = Strongly disagree and 7 = Strongly agree

Tour booking intention (H1d)

A 2 (tourism accreditation) × 2 (codes of ethics) ANOVA was conducted on tour booking intention. Most assumptions, except the homogeneity of variance, were met. The significant Levene's test ($p < 0.001$) indicated a violation of the assumption for homogeneity of variance. As with the previous test, a more conservative alpha level of 0.025 was used to interpret the univariate F test. The results of the ANOVA as shown, in Table 5.2, showed that the main and interaction effects of the two ethical initiatives on tour booking intention are significant. For the main effect, the results showed that codes of ethics had a stronger effect with $F(1,893) = 35.138$ on tour booking intention than tourism accreditation with $F(1,893) = 5.7$. For the main effect of codes of ethics, a tour claimed to be conducted under an ethical code of conduct (M = 5.28) was likely to have more influence on customer intention to book a tour than a tour conducted without an ethical code of ethics (M = 4.77). Likewise, for the main effect of accreditation, subjects were more likely to book a tour offered by an accredited company (M = 5.13) than one offered by a non-accredited company (M = 4.93).

Further, the interaction effect was significant with F (1,893) = 5.5, p = 0.025, $p\eta^2$ = 0.006. Figure 5.3 illustrates the interaction effect for tourism accreditation and codes of ethics on tour booking intention. That is, booking intention was strongest when a company is practising both ethical initiatives (M = 5.28) whereas it was lowest when none of the ethical initiatives was implemented (M = 4.56). Slightly significant differences were found between groups of subjects who were exposed to a brochure with both tourism accreditation and codes of ethics (M = 5.28) and those who were exposed to a brochure with only accreditation (M = 5.00). It was also evident that there were no significant differences of means between a group with both ethical initiatives and a group with only codes of ethics (M = 5.28). Therefore, hypothesis *H1d* is fully supported.

Figure 5.3. Interaction Effect of Tourism Accreditation and Codes of Ethics on Tour Booking Intention, Study 1
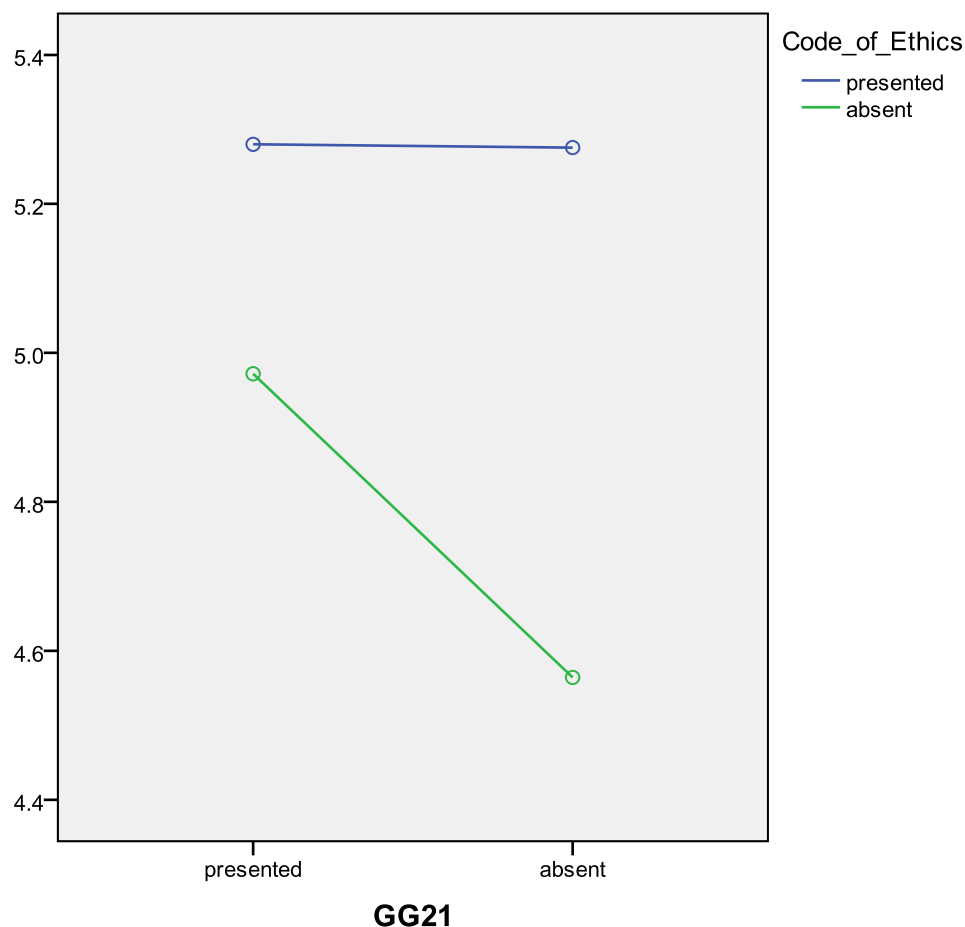
5.2.4 The moderating effect of CSR predisposition at the pre-booking stage

It was proposed to investigate the moderating effect of CSR predisposition for Study 1. CSR predisposition was manipulated at three levels of high, medium, and low in a post-hoc rescaling step, as shown in section 3.5. However, the study investigated only differences in groups at the high and low levels. The hypothesis was stated:

> *H2:   CSR predisposition moderates the effects of tourism accreditation and codes of ethics on customer evaluations and tour booking intention.*

H2a: CSR predisposition moderates the effects of tourism accreditation and codes of ethics on TOURQUAL.

H2b: CSR predisposition moderates the effects of tourism accreditation and codes of ethics on trust.

H2c: CSR predisposition moderates the effects of tourism accreditation and codes of ethics on perceived value.

H2d: CSR predisposition moderates the effects of tourism accreditation and codes of ethics on tour booking intention.

A 2 (tourism Accreditation) × 2 (codes of ethics) × 3 (CSR predisposition) ANOVA and MANOVA were conducted on a set of single-factor constructs and a multi-dimensional construct, respectively. Firstly, separate ANOVAs on perceived tour program quality, trust, and tour booking intention were conducted. The tests of between-subjects showed a non-significant effect of CSR predisposition as a moderator on perceived tour program quality, trust, and tour booking intention. That is, subjects who are high or low in CSR predisposition did not have different perceptions of tour program quality, trust and intention to book a tour no matter whether a tour is accredited and/or conducted under ethical codes of conduct. Hence, hypotheses *H2a, H2b, and H2d* are not supported.

In addition, a MANOVA was conducted on perceived value dimensions. The Box's M test is significant at an alpha level of 0.001 indicating unequal variance-covariance matrices of perceived value across groups. A significant Levene's test of each value dimension indicated a violation of the homogeneity of variance assumption across groups. Hence, the alpha was adjusted to the level of 0.025 for an interpretation of the results. For the multivariate F test results, it was evident that a moderating effect of CSR predisposition on the relationships between the two ethical initiatives and perceived value did not occur. However, the tests of between-subjects showed that CSR predisposition appeared to significantly moderate the effect of codes of ethics on ethical-expressive value with $F(2, 885) = 4.9$, $\rho = 0.008$, $p\eta^2 = 0.011$. That is, subjects who are high in CSR predisposition were more likely to evaluate ethical-expressive value higher when acknowledging that a tour is conducted under codes of ethics ($M = 4.87$). In contrast, those who are low in CSR predisposition were likely to evaluate ethical-expressive value lower when a tour does not seem to be conducted under ethical codes of conduct ($M = 4.09$). Regarding the findings, the moderating effect of CSR predisposition on perceived value was not strong enough to make a conclusion in support of the hypothesis. Therefore, hypothesis *H2c* is not supported.

5.2.5 Mediation tests at the pre-booking stage

Perceived tour program quality, trust, and perceived value were tested as mediators in the relationship between the two ethical initiatives and tour booking intention as shown in Figure 5.1. Therefore, this section examines and reports the results of the hypothesis stated as:

> *H3: A set of customer evaluations mediates the effect of both ethical initiatives on tour booking intention.*

Following the two-step approach of Anderson and Gerbing (1988), the measurement part of the SEM model (The results of CFA) was assessed and reported in Chapter 4. This section reports the structural part of SEM, testing a causal relationship among the variables. Consideration of a model fit took into account the criteria discussed in section

3.10.3.4. Support for the mediating role of a variable is determined if the addition of a mediator to a model provides evidence of better model fit (Hair et al., 2010). Accordingly, this principle was adopted for the evaluation of results relating to the role of potential mediators.

This thesis involved multiple mediators in the SEM model and it was expected that the mediators are interrelated. Accordingly, there were three competing models assessed for a mediation relationship, as shown in Figures 5.4 to 5.4b. First, the *Independent Model* (Figure 5.4) shows the situation where mediation was not identified. *Models A and B* (Figures 5.4a and 5.4b) depict mediation relationships between both ethical initiatives and tour booking intention. The evaluation variables or the mediators are associated in different patterns. It should be noted that the models include only the significant paths from the results of SEM (See Table 5.5 for path estimates). In particular, *Model A* (Figure 5.4a) is the hypothesised research model (used as a baseline model for the chi-square difference test or $\Delta\chi^2$) proposing that perceived tour program quality has a positive effect on trust and perceived value. In this model, trust also leads to perceived value. All mediators ultimately affect tour booking intention. *Model B* (Figure 5.4b) also tested the relationship where perceived tour program quality has a positive effect on trust and perceived value. In this model however, perceived value leads to trust. All mediators ultimately affect tour booking intention. In every model, the two independent variables (perception of tourism accreditation and perception of codes of ethics) are permitted to covary. Table 5.5 presents model comparisons of fit indices and all path estimates for the models. If the hypothesised research model (Figure 5.4a) has achieved a good fit, and the fit is better than other models, then the hypothesis is accepted and vice versa. The results of each model are explained as following.

First, *the independent model* (Figure 5.4) is the model in which mediation variables are not included. That is, the model shows only the direct effect of perception of tourism accreditation and perception of codes of ethics on all dependent variables. Fit indices indicated a poor-fitting model, especially with an extremely large χ^2, a very large χ^2/df, and RMSEA greater than 0.08. The modification indices suggested that the model can be improved by adding relationship paths among the dependent variables. This means a mediating effect is implied. Models with mediation relationships included were then tested.

Figure 5.4. The Independent Model, No Mediation: Study 1
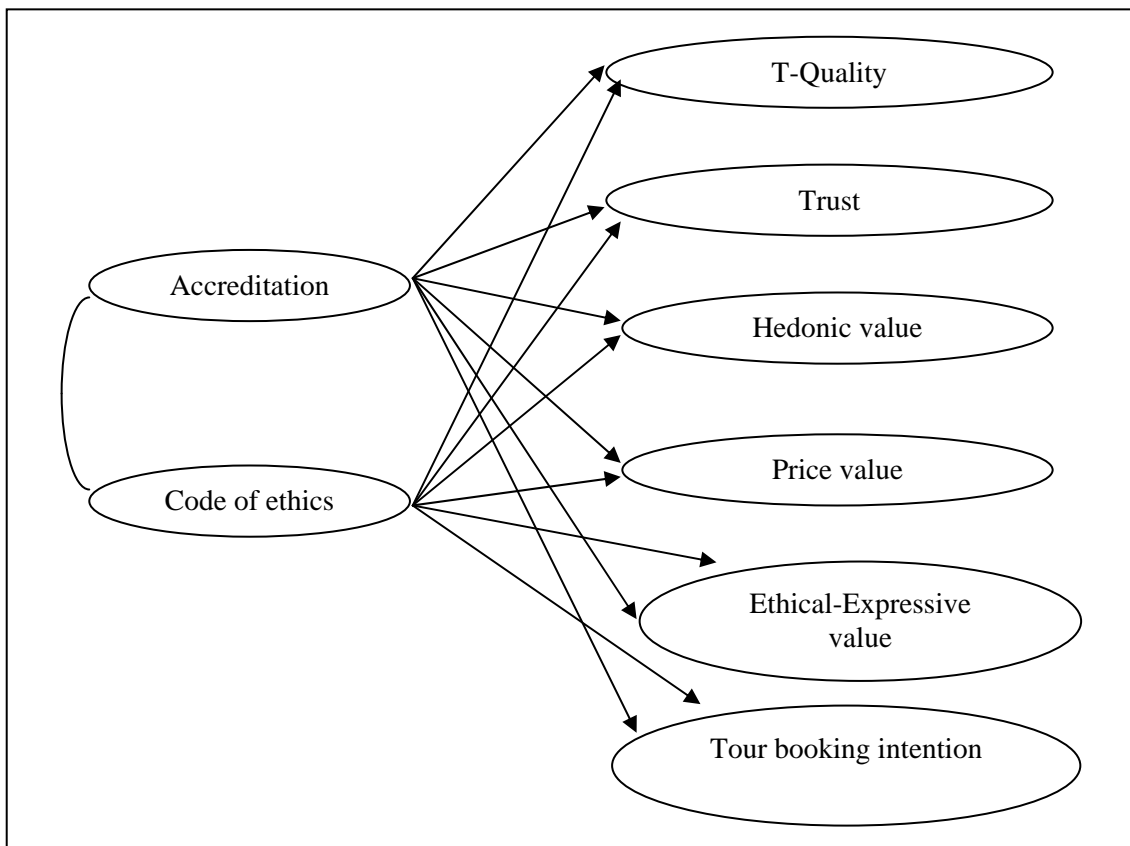
Note: $\chi^2 = 2453.751$, $df = 13$, $\rho = 0.001$, $\chi^2/df = 188.75$, RMSEA = 0.46, SRMR = 0.25, GFI = 0.57, CFI = 0.49. T-Quality: Perceived tour program quality

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Second, *Model A* (Figure 5.4a) is the research model hypothesising that the customer evaluation variables mediate the effect of perception of tourism accreditation and perception of codes of ethics on tour booking intention. It was found that the model has achieved a very good fit indicated by $\chi^2 = 15.389$, *df* = 8, $\rho = 0.052$, $\chi^2/df = 1.924$, RMSEA = 0.03, SRMR = 0.01, GFI and CFI = 1.00. All fit indices for this model meet accepted criteria, as outlined in section 3.10.3.4. The direct paths of perception of tourism accreditation and perception of codes of ethics on tour booking intention (as shown in Table 5.5, the independent model) were reduced to the point of non-significance at an alpha level 0.001 (Hair et al., 2010). *Model A* could be accepted if it is the best fitting model, when compared to a second mediation model, *Model B*.

Third, *Model B* (Figure 5.4b) tested a similar pattern of mediation relationships as *Model A*. That is, perceived tour program quality leads to trust and perceived value. However, the difference between *Model A* and *Model B* is the relationship between trust and perceived value. While *Model A* tested trust as the antecedent of perceived value, *Model B* tested trust as the consequence of perceived value. The results also indicated that *Model B* is a reasonable-fitting model ($\chi^2 = 37.937$, *df* = 9, $\rho = 0.001$, $\chi^2/df = 4.215$, RMSEA = 0.06, SRMR = 0.02, GFI and CFI = 0.99). All fit indices for this model meet accepted criteria, as outlined in section 3.10.3.4.

In brief, the results of the mediation tests indicated that, while both *Models A* and *B* have achieved reasonably good fits, by comparison *Model A* is preferred due to its better fit. For example, the RMSEA value of *Model A* was smaller than the value of *Model B*. More importantly, a chi-square difference test ($\Delta\chi^2$) can be conducted to show which model provides the best fit (Grace & Weaven, 2011). In this case, the research model (*Model A*) was significantly better than the competing mediation model (*Model B*) ($\chi^2 = 12.548$, *df* = 1, $\rho = 0.001$). Hence, *Model A* (the research model) is accepted and hypothesis H3 is fully supported.

Figure 5.4a. Model A: Hypothesised Research Model (TOURQUAL-Trust-Value-Booking Intention), Study 1
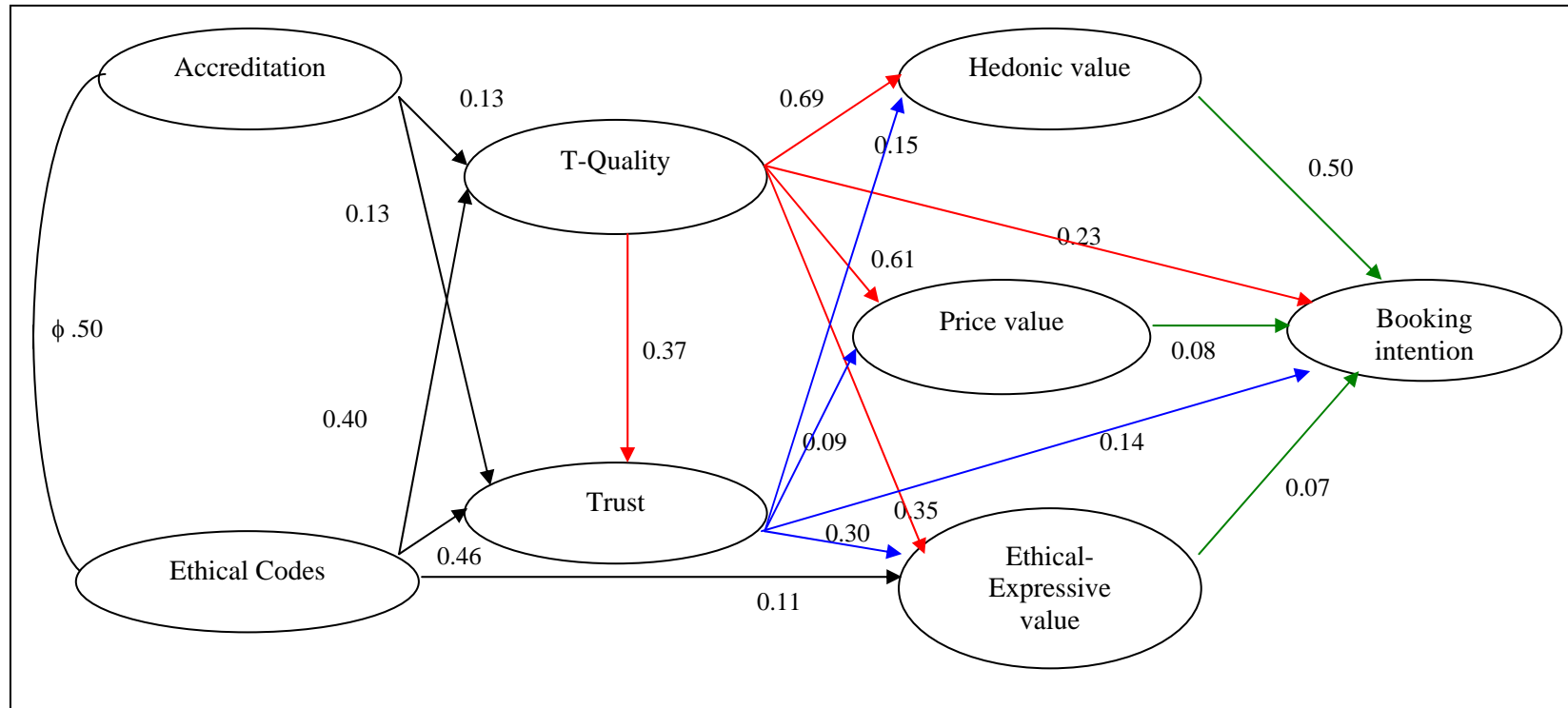
Note: χ^2 = 15.389, df = 8, ρ = 0.052, χ^2/df = 1.924, RMSEA = 0.03, SRMR = 0.01, GFI and CFI = 1.00 All paths included are significant. See Table 5.5 for an alpha level.

Figure 5.4b. Model B: Competing Model (TOURQUAL-Value-Trust-Booking Intention), Study 1
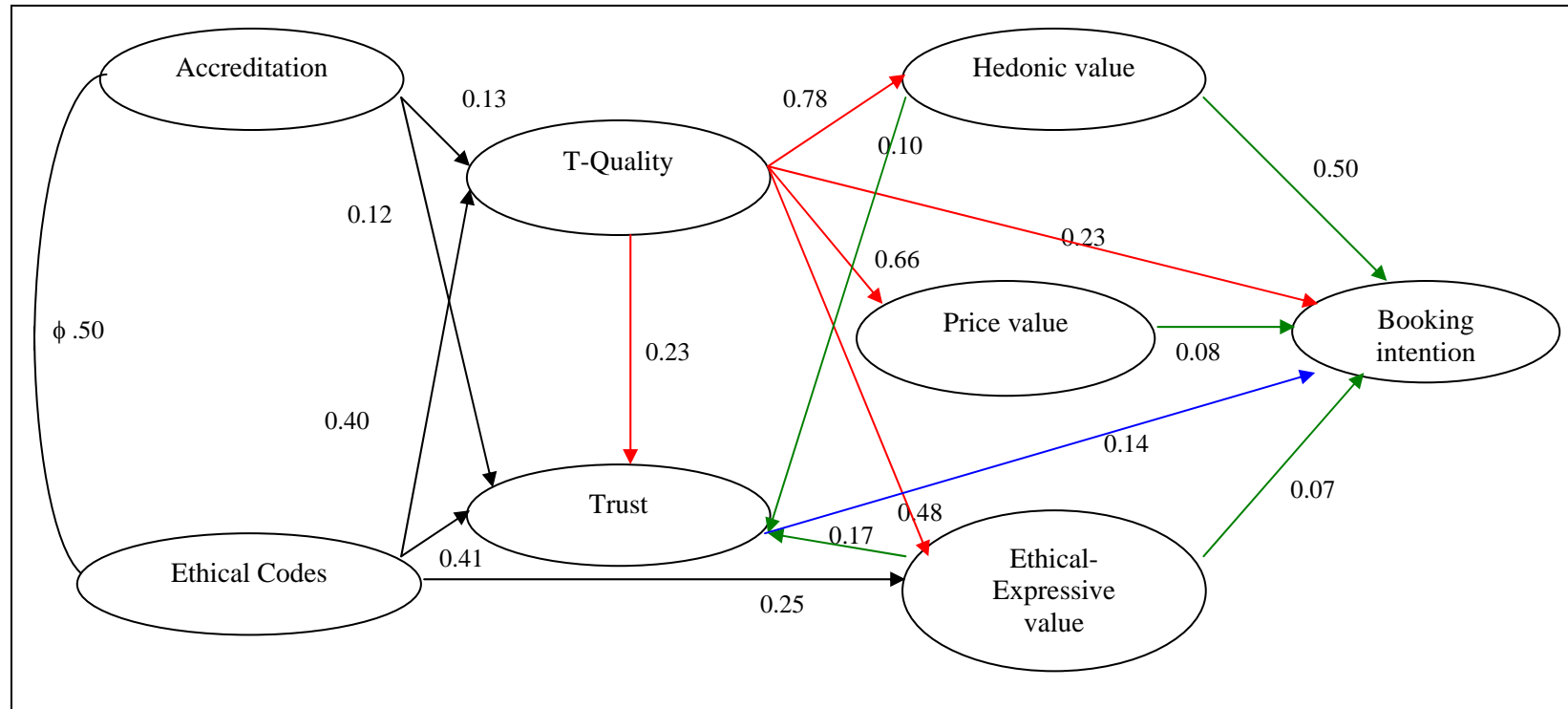
Note: $\chi^2 = 37.937$, $df = 9$, $\rho = 0.001$, $\chi^2/df = 4.215$, RMSEA = 0.06, SRMR = 0.02, GFI and CFI = 0.99 All paths included are significant.

See Table 5.5 for an alpha level.

According to the research model (*Model A*), the mediation effects of customer evaluations existed as expected. Firstly, perception of accreditation and perception of codes of ethics had significant positive effects on perceived tour program quality wherein codes of ethics had a stronger effect (γ 13 vs. γ .40, respectively). Perceived tour program quality then had a positive significant effect on trust (γ .37), hedonic value (γ .69), ethical-expressive value (γ .35), price (γ .61), as well as tour booking intention (γ .23). Secondly, trust was also significantly affected by perception of accreditation (γ .13) and perception of codes of ethics (γ .46). Trust in turn had a significant and positive effect on the three dimensions of perceived value wherein the strongest effect was found on ethical-expressive value (γ .30). Trust also significantly affected tour booking intention (γ .14).

Even though perceived value was no longer directly affected by accreditation and codes of ethics, its mediating effect was evident through the effect of perceived tour program quality and trust as just explained. Perceived value in turn had a significant positive impact on tour booking intention. Whereas hedonic value had the strongest effect (γ .50, $\rho < 0.001$), price and ethical-expressive values had relatively equal though small effects on tour booking intention (γ .08 and γ .07, $\rho < 0.01$, respectively).

Table 5.5. Comparison of Fit Indices and Paths of Competing Models for
Mediation Test for Study 1

Description	Competing Models		
	Independent	**Model A**	**Model B**
Fit Indices			
χ^2	2453.75	15.39	37.94
df	13	8	9
ρ	0.001	0.052	0.001
χ^2/df	188.75	1.92	4.22
$\Delta\chi^2$	---	Baseline	12.548***
RMSEA	0.46	0.03	0.06
SRMR	0.25	0.01	0.02
CFI	0.49	1.00	0.99
GFI	0.57	1.00	0.99
NFI	0.49	1.00	0.99
TLI	0.096	1.00	0.98

Table 5.5. Comparison of Fit Indices and Paths of Competing Models for Mediation Test for Study 1 (Cont.)

Description			Competing Models Independent	Model A	Model B
Path Estimates (γ)					
Accreditation	→	Booking intention	0.09*	ns	Ns
Accreditation	→	Tour program quality	0.13***	0.13***	0.13***
Accreditation	→	Trust	0.18***	0.13***	0.12***
Accreditation	→	Hedonic	0.08*	ns	ns
Accreditation	→	Price	0.10**	ns	ns
Accreditation	→	Ethical-expressive	0.14***	ns	ns
Code of ethics	→	Booking intention	0.44***	ns	ns
Code of ethics	→	Tour program quality	0.40***	0.40***	0.40***
Code of ethics	→	Trust	0.61***	0.46***	0.41***
Code of ethics	→	Hedonic	0.41***	ns	ns
Code of ethics	→	Price	0.28***	ns	ns
Code of ethics	→	Ethical-expressive	0.42***	0.11***	0.25***
Tour program quality	→	Booking intention	--	0.23***	0.23***
Trust	→	Booking intention	--	0.14***	0.14***
Hedonic	→	Booking intention	--	0.50***	0.50***
Price	→	Booking intention	--	0.08**	0.08**
Eth-Exp	→	Booking intention	--	0.07**	0.07**
Tour program quality	→	Trust	--		
Tour program quality	→	Hedonic	--	0.37***	0.23***
Tour program quality	→	Price	--	0.69***	0.78***
Tour program quality	→	Ethical-Expressive	--	0.61***	0.66***
Trust	→	Hedonic	--	0.35***	0.48***
Trust	→	Price	--	0.15***	--
Trust	→	Ethical-Expressive	--	0.09**	--
Hedonic	→	Trust	--	--	0.10**
Price	→	Trust	--	--	ns
Eth-Exp	→	Trust	--	--	0.17***

Note: Source: SEM of experimental data, using MLE; N = 897; * Significant at $\rho < 0.05$;

** Significant at $\rho < 0.01$; *** Significant at $\rho < 0.001$; ns = non significance

5.2.6 Summary of Study 1 hypothesis tests

Three main hypotheses comprising nine specific hypotheses in total were tested at the pre-booking stage. The first hypothesis involved four sub-hypotheses, testing the direct impacts of tourism accreditation and codes of ethics using ANOVA and MANOVA. The results provided full support for the effect of tourism accreditation and codes of ethics on trust and tour booking intention. At the same time, partial support was found for effects on perceived tour program quality and perceived value. ANOVA and MANOVA were also used to test the second hypothesis, which is the moderating effect of CSR predisposition. The results indicated a non-significant moderating effect of CSR predisposition in a relationship between the two ethical initiatives and all customer evaluation variables and tour booking intention. Finally, SEM was used to test the mediating effect of perceived tour program quality, trust and perceived value dimensions on the direct link between ethical initiatives and tour booking intention. The last hypothesis was fully supported. Table 5.6 summarises the results of hypothesis testing at the pre-booking stage.

Table 5.6. Summary of Hypothesis Tests, Study 1

Label	Hypotheses	Test result
H1	*Tourism accreditation and codes of ethics have positive effects on customer evaluations and tour booking intention.*	
H1a	Tourism accreditation and codes of ethics have positive effects on *perceived tour program quality*.	Fully Supported
H1b	Tourism accreditation and codes of ethics have positive effects on *trust*.	Fully Supported
H1c	Tourism accreditation and codes of ethics have positive effects on *perceived value*.	Fully Supported
H1d	Tourism accreditation and codes of ethics have positive effects on *tour booking intention*.	Fully Supported

Table 5.6. Summary of Hypothesis Tests, Study 1 (Cont.)

Label	Hypotheses	Test result
H2	*CSR predisposition moderates the effects of tourism accreditation and codes of ethics on customer evaluations and tour booking intention.*	
H2a	CSR predisposition moderates the effects of tourism accreditation and codes of ethics on *perceived tour program quality*.	Rejected
H2b	CSR predisposition moderates the effects of tourism accreditation and codes of ethics on *trust*.	Rejected
H2c	CSR predisposition moderates the effects of tourism accreditation and codes of ethics on *perceived value*.	Rejected
H2d	CSR predisposition moderates the effects of tourism accreditation and codes of ethics on *tour booking intention*.	Rejected
H3	*A set of customer evaluations mediates the effect of both ethical initiatives on tour booking intention.*	*Fully Supported*

5.3 Study 2 Results: The Post-tour Stage

This study explored the impact of a tour company's ethical responsibility on customer evaluations and behavioural outcome at the post-tour stage. More specifically, the study investigated whether information about a tour company's ethical behaviours toward different ethical issues will have different impacts on customer evaluations and positive word-of-mouth referrals. The initial research model, as shown in Figure 2.5, proposed to investigate ethical responsibility toward three ethical issues of concern: environment, socio-culture, and employees. However, the manipulation for the socio-cultural issues encountered a confounding effect issue. Hence, the research model was adjusted as explained in the next sub-section. A total sample of 485 respondents was involved in Study 2 and the respondent profile was reported in section 4.2. The next section presents the research model tested in Study 2, followed by the results of the manipulation checks and finally the hypothesis tests.

5.3.1 The research model for Study 2

Prior to the hypothesis testing for Study 2, several issues regarding the manipulations and measures should be noted. Firstly, with respect to the manipulations, as shown in Figure 2.5 and discussed in section 3.5, it was initially proposed to investigate the impacts of ethical responsibility toward the environment, socio-cultural issues, and employee issues at the post-tour stage. However, the manipulation check results demonstrated an issue with the socio-cultural issues manipulation (Full details are presented later in section 5.3.2). As a result, the socio-cultural issues manipulation was not used in the hypothesis testing leaving the other two manipulations to be investigated. The adjusted research model for Study 2 is shown in Figure 5.5.

Figure 5.5. The Adjusted Research Model for Study 2

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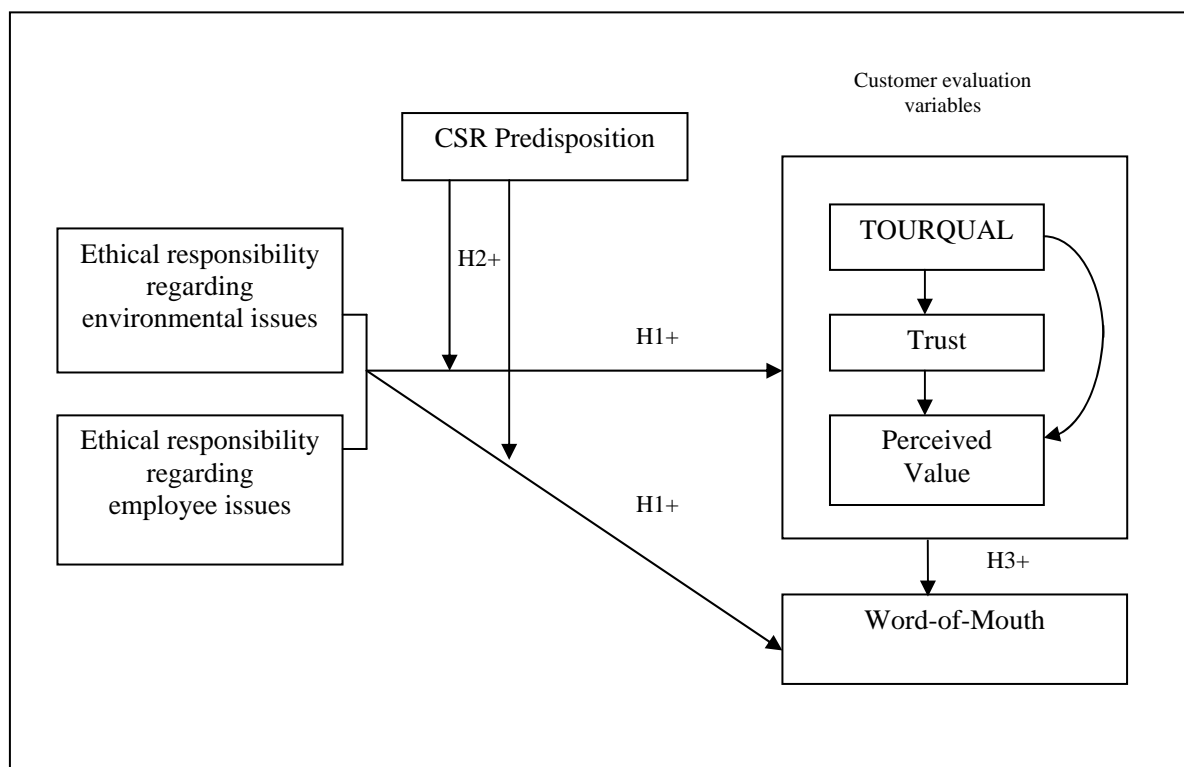
While the measures used in Study 2 parallel those for Study 1, there were two notable exceptions. Unlike Study 1, two dimensions of TOURQUAL (perceived tour program quality and perceived ethical performance) were measured in Study 2 (see section 4.7.2). There was no difference for the other two measures of trust and perceived value. In addition, word-of-mouth communication was measured in Study 2 instead of tour booking intention which was measured in Study 1.

Study 2 involved a post-tour or post-consumption stage investigating the direct effect of ethical responsibility toward environmental and employee issues on customer evaluations and word-of-mouth (H1). Again, CSR predisposition was examined for its moderating effect (H2). A set of customer evaluation variables was also tested for their mediating effects in the relationships between the two independent variables and the outcome variable (H3). As highlighted earlier in this section, both dimensions of TOURQUAL were measured. In addition, trust and three dimensions of value were also measured as mediators. Accordingly, there were six variables in total to be assessed for their intervention effects in Study 2. The results of hypothesis tests are presented in sections 5.3.3, 5.3.4, and 5.3.5, respectively. The next section reports the results of the manipulation checks of the independent variables.

5.3.2 The manipulation checks of the independent variables

Initially for Study 2, three independent variables were proposed for manipulation. The three manipulations for Study 2 were accordingly assessed for effectiveness. Also, tests to determine any confounding effect were conducted. A set of ANOVAs was performed for this examination. Scales used to measure the manipulation checks as a result of CFA reported in section 4.7.2 were composited by mean scores and used as the dependent variables. They were called perception of ethical responsibility toward environmental issues, perception of ethical responsibility toward socio-cultural issues, and perception of ethical responsibility toward employee issues. Table 5.7 shows the results of the manipulation checks for each independent variable.

Table 5.7. Successful Manipulations for Study 2

Type of manipulation check	The manipulation	M	SD	*df*	*F*	ρ	pη^2
DV: Perception of ethical responsibility toward environment issues [a]							
Manipulation	**Environmental issues**			1	208.6	0.001	0.30
	Best Practice	5.97	0.80				
	No Practice	4.80	1.01				
Confounding	**Socio-Cultural issues**			1	3.1	0.08	0.006
	Best Practice	5.46	1.06				
	No Practice	5.32	1.10				
Confounding	**Employee issues**			1	4.4	0.04	0.009
	Best Practice	5.47	1.05				
	No Practice	5.30	1.11				

Note: DV= Dependent variables; [a] A composite mean score of environmental issues manipulation check indicators

Table 5.7. Successful Manipulations for Study 2 (Cont.)

Type of manipulation check	The manipulation	M	SD	*df*	F	ρ	$p\eta^2$
DV: Perception of ethical responsibility toward employee issues [b]							
Manipulation	**Employee issues**			1	270.1	0.001	0.36
	Best Practice	5.68	0.99				
	No Practice	4.22	0.98				
Confounding	**Socio-Cultural issues**			1	0.6	0.44	0.001
	Best Practice	4.91	1.21				
	No Practice	5.00	1.23				
Confounding	**Environmental issues**			1	1.7	0.19	0.004
	Best Practice	5.01	1.24				
	No Practice	4.89	1.20				

Note: DV= Dependent variables; [b] A composite mean score of employee issues manipulation check indicators

Table 5.7. Successful Manipulations for Study 2 (Cont.)

Type of manipulation check	The manipulation	M	SD	*df*	*F*	ρ	pη^2
DV: Perception of ethical responsibility							
toward socio-cultural issues [c]							
Manipulation	**Socio-Cultural issues**			1	57.9	0.001	0.11
	Best Practice	5.69	0.93				
	No Practice	5.01	1.06				
Confounding	**Environmental issues**			1	11.6	0.01	0.02
	Best Practice	5.50	1.04				
	No Practice	5.19	1.05				
Confounding	**Employee issues**			1	0.1	0.77	0.00
	Best Practice	5.36	1.08				
	No Practice	5.33	1.03				

Note: DV= Dependent variables; [c] A composite mean score of socio-cultural issues manipulation check indicators

Firstly, a 2 (environmental issues) × 2 (socio-cultural issues) × 2 (employee issues) ANOVA was conducted on perception of ethical responsibility toward environmental issues. It was found that the manipulation check was successful with $F(1, 477) = 208.6$, $p < 0.001$. That is, respondents who were exposed to the scenarios indicating that a tour company has best environmental practices had a stronger perception on environmental issues than the respondents who did not receive the environmental practice treatment (M = 5.97 and M = 4.80, respectively). However, it was found that the responsibility toward environmental issues appeared to be confounded by one of the other manipulations. That is, a significant effect of the manipulation of ethical responsibility toward employee issues was also found on perception of ethical responsibility toward environmental issues with $F(1, 485) = 4.4$, $p < 0.05$.

Nevertheless, the size of the effect of the confounding manipulation of ethical responsibility toward the employee issues manipulation on perception of ethical responsibility toward environmental issues was very small ($p\eta^2 = 0.009$). At the same time, the effect size of the manipulation itself was large ($p\eta^2 = 0.30$). The criteria for an interpretation of the effect size were described in section 3.10.3.2. When a confounding effect is substantially smaller than the effect of manipulation, a confounding effect is not problematic (Sparks & Browning, 2011). However, there was no significant confounding effect of ethical responsibility toward the socio-cultural issues manipulation on perception of ethical responsibility toward environmental issues [$F(1, 485) = 3.1$, $p > 0.05$].

Secondly, a 2 (environmental issues) × 2 (socio-cultural issues) × 2 (employee issues) ANOVA was conducted on perception of ethical responsibility toward employee issues. The results showed the effectiveness of the manipulation for ethical responsibility toward employee issues with $F(1, 477) = 270.1$, $p < 0.001$. It can be said that respondents who received the experimental condition with ethical treatments of employees perceived that a company is practising ethical responsibility toward its employees (M = 5.68). In contrast, respondents, who were not exposed to a scenario displaying ethical responsibility toward employee issues did not strongly perceive that a company behaves ethically to its employees (M = 4.22). For confounding effects, the

results indicated that the manipulation of employee issues was not significantly confounded by any of the other two manipulations.

Finally, a 2 (environmental issues) × 2 (socio-cultural issues) × 2 (employee issues) ANOVA on perception of ethical responsibility toward socio-cultural issues was conducted. The manipulation check of the ethical responsibility toward socio-cultural issues was achieved with F (1, 477) = 57.9, p < 0.001. That is, respondents who were assigned to a tour scenario having best practices on socio-cultural issues perceived that the company is being responsible on socio-cultural issues (M = 5.69). The perception rated by this group of respondents was stronger than the group with no practices on socio-cultural issues (M = 5.01). However, when examining for confounding effects, it was found that the manipulation of ethical responsibility toward socio-cultural issues was confounded by the manipulation of environmental issues [F (1, 485) = 11.6, p < 0.01], but not by the manipulation of employee issues [F (1, 485) = 0.1, p > 0.05].

Accordingly, the effect size of the confounding factor (the manipulation of environmental issues) was compared to the effect size of the intended manipulation (the manipulation of socio-cultural issues). First, it was observed that the size of the confounding effect of ethical responsibility toward environmental issues on perception of ethical responsibility toward socio-cultural issues was small ($p\eta^2$ = 0.02) and normally would not be an area of concern. However, the effect of the intended manipulation of socio-cultural issues on perception of ethical responsibility toward socio-cultural issues was just moderate in size ($p\eta^2$ = 0.11). In comparing the relative effects of both the intended and confounding effects of these manipulations, the confounding effect (0.02) was not considered sufficiently smaller than the effect of the manipulation itself (0.11). Proceeding further with the analyses of the manipulations of this confounding effect of the manipulation of responsibility toward environmental issues on perception of responsibility toward socio-cultural issues would have to be taken into account. To prevent ambiguous interpretations of the effects between ethical responsibility toward environmental and ethical responsibility toward socio-cultural issues in further analyses, a conservative approach was adopted and the confounded variable; ethical responsibility toward socio-cultural issues was excluded from further

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analyses in Study 2. The research model of Study 2 was then adjusted as shown in Figure 5.5.

In addition to the manipulation and confounding checks, the stimulus material for Study 2 was checked for realism and credibility. Three items were measured on a 7-point Likert type scale. Scales were anchored by 1 (*strongly disagree*) to 7 (*strongly agree*). The results indicated that the subjects perceived that (1) this type of tour probably occurs in real life (M = 5.09), (2) this type of tour is likely to exist in the actual tourism market place (M = 5.10), and (3) the situation in this tour seems realistic (M = 5.08). Accordingly, the hypotheses were tested using two types of ethical issues; the environment and employees. The following sections report the results from hypothesis testing.

5.3.3 The direct effect of ethical responsibility toward environmental and employee issues

At the post-tour stage, Study 2 investigated the direct effect of ethical responsibility relating to two ethical issues of concern: environmental and employee issues. The hypotheses were adjusted as followed:

> *H1:   Ethical responsibility toward environmental and employee issues has positive effects on customer evaluations and word-of-mouth.*

H1a: Ethical responsibility toward environmental and employee issues has positive effects on TOURQUAL.

H1b: Ethical responsibility toward environmental and employee issues has positive effects on trust.

H1c: Ethical responsibility toward environmental and employee issues has positive effects on perceived value.

H1d: Ethical responsibility toward environmental and employee issues has positive effects on word-of-mouth.

ANOVA and MANOVA were conducted to test this hypothesis. Two single-factor constructs; trust and word-of-mouth were tested using ANOVA and two multi-dimensional constructs; TOURQUAL and perceived value were tested using MANOVA. The finding in relation to the direct effect on TOURQUAL is reported first.

TOURQUAL (H1a)

A 2 (environmental issues) $\times$ 2 (employee issues) MANOVA was conducted on the TOURQUAL dimensions. While other assumptions, as described in section 3.10.2, were met, a significant Box's M test ($\rho < 0.05$) indicated a violation of the assumption of the homogeneity of variance-covariance. Accordingly, Pillai's Trace criterion was used to interpret the multivariate F test as explained in section 3.10.2. Table 5.8 shows the results of both multivariate F and univariate F tests for TOURQUAL. Multivariate F tests indicated a significant main effect of ethical responsibility toward environmental issues with F (2, 480) = 37.4, but no significant main effect of ethical responsibility toward the employee issues.

In addition, the univariate F tests indicated that ethical responsibility toward environmental issues had a significant and positive effect on both dimensions of TOURQUAL. That is, subjects evaluated perceived ethical performance and perceived quality of tour program higher when a tour company displays evidence of ethical responsibility toward environmental issues (M = 5.59 vs. M = 4.99 and M = 5.63 vs. M = 5.42, respectively). However, the effect on perceived ethical performance was stronger ($p\eta^2 = 0.115$) than the effect on perceived tour program quality ($p\eta^2 = 0.013$). With regard to the main effect of ethical responsibility toward employee issues, although the multivariate F test was not significant, the univariate F tests showed a significant and small effect of the manipulation of employee issues on perceived ethical performance ($p\eta^2 = 0.008$), but not on perceived tour program quality. That is, subjects perceived ethical performance slightly higher when a company behaves ethically responsibly toward its employees (M = 5.36) than when a company does not display such ethical practice toward its employees (M = 5.21).

Moreover, a significant multivariate interaction effect from ethical responsibility toward both environmental and employee issues on TOURQUAL was indicated with $F_{(2, 480)}$ = 3.8. However, the univariate F tests indicated that an interaction effect was significant for only the perceived ethical performance dimension. As shown Figure 5.6, subjects evaluated perceived ethical performance highest when a tour company is being responsible for environmental issues only (M = 5.61). The second highest level of the evaluation of perceived ethical performance occurred when a company has ethical practices for both ethical areas of concern (M = 5.56). When a company has ethical practice toward employees only, customers evaluated the ethical performance of a company higher than when a company has no practice of ethical responsibility (M = 5.16 vs. M = 4.80). The results also showed that customer perception of the ethical performance of a company was lowest when a company does not have best practice towards any ethical issue (M = 4.80). According to the findings, hypothesis *H1a* is partially supported.

Table 5.8. MANOVA Results for the Direct Effects of Ethical Responsibility toward Environmental and Employee Issues on TOURQUAL for Study 2

Source	Multivariate	Sig	Univariate	Sig	$p\eta^2$
Main effect					
Environmental issue	37.4	0.001			
Perceived ethical performance			62.4	0.001	0.115
Perceived tour program quality			6.4	0.012	0.013
Employee issue	2.4	0.091			
Perceived ethical performance			3.9	0.048	0.008
Perceived tour program quality			0.4	0.548	0.001
Interaction effect **(environment × employee)**	3.8	0.023			
Perceived ethical performance			7.2	0.008	0.015
Perceived tour program quality			1.6	0.208	0.003

Note: Variables are significant at $\rho < 0.05$

Figure 5.6. Interaction Effect of Ethical Responsibility toward Environmental and Employee Issues on Perceived Ethical Performance, Study 2
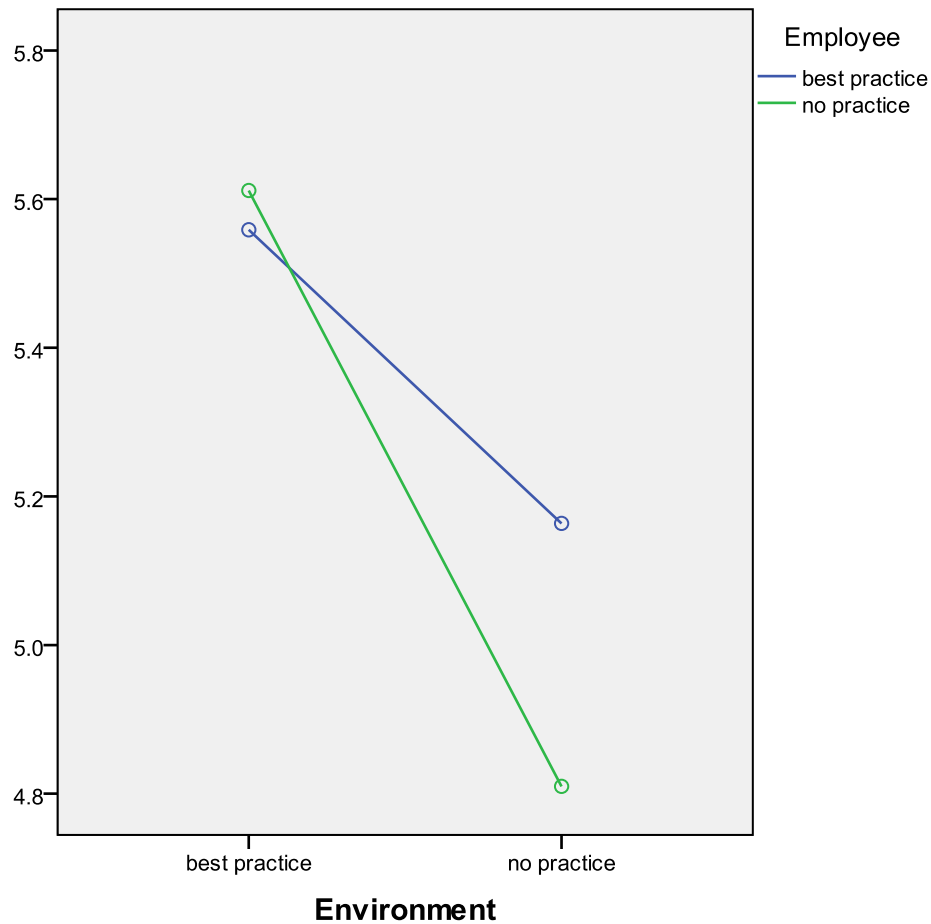
Trust (H1b)

A 2 (environmental issues) × 2 (employee issues) ANOVA was conducted on trust. All assumptions, as explained in section 3.10.3.2, were met. A between-subject ANOVA showed significant main and interaction effects of the manipulations. Table 5.9 presents the ANOVA results on trust. Whereas the main effect of ethical responsibility toward environmental issues on customer trust was significant [F (1, 481) = 21.8, p < 0.001, pη^2 = 0.043], the main effect of ethical responsibility toward employee issues was not significant. That is, only the ethical responsibility toward environmental issues influenced consumer trust. Regarding the difference in mean scores between groups,

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subjects who were exposed to a tour scenario taking into account environmental issues evaluated trust higher than those who were in a tour with no best practice toward environmental issues displayed (M = 5.12 vs. M = 4.76).

Table 5.9. ANOVA Results for the Direct Effect of Ethical Responsibility toward Environmental and Employee Issues on Single-factor Constructs for Study 2

Source	F	Sig [a]	$p\eta^2$
Main effects			
Ethical responsibility toward environmental issues			
Trust	21.8	0.001	0.043
Word-of-Mouth Communication	22.9	0.001	0.045
Ethical responsibility toward employee issues			
Trust	2.5	0.113	0.005
Word-of-Mouth Communication	0.1	0.717	0.000
Interactions (environment × employee)			
Trust	5.1	0.024	0.011
Word-of-Mouth Communication	1.3	0.264	0.003

Note: Variables are significant at $\rho < 0.025$

In addition to the main effect, the interaction effect of ethical responsibility toward both ethical issues on trust was significant with a small effect size, $F (1, 481) = 5.1$. Figure 5.7 shows the differences in mean scores across the four groups. Subjects rated the highest level of trust for a company when it has ethical practices toward environmental issue alone (M = 5.15). The level of trust was lowest when a company does not have ethical practice toward either ethical issue (M = 4.62). Furthermore, the level of trust was actually lower in the scenario where a company has ethical practices toward both ethical issues (M = 5.09) than when it has ethical practice toward environmental issues alone (M = 4.91). Hence, hypothesis *H1b* is partially supported.

Figure 5.7. Interaction Effect of Ethical Responsibility toward Environmental and Employee Issues on Trust, Study 2
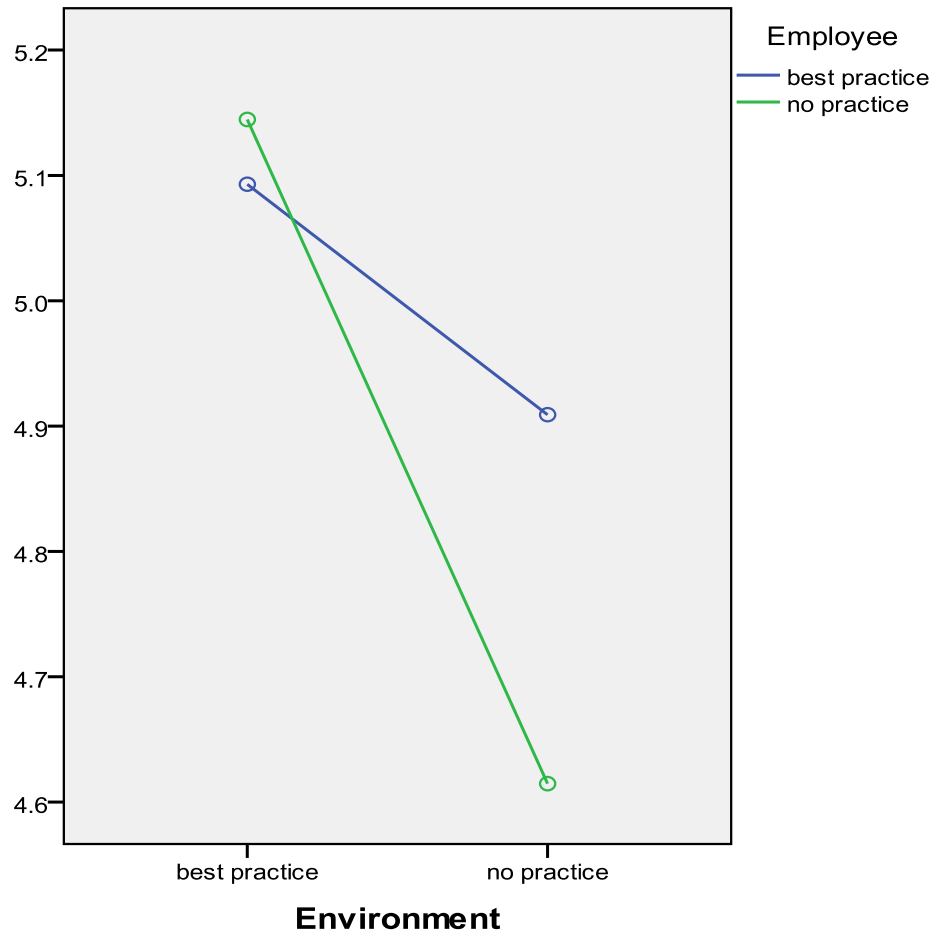
Perceived Value (H1c)

A 2 (environmental issues) × 2 (employee issues) MANOVA was conducted on perceived value dimensions. All assumptions, as explained in section 3.10.2, were met. The results of multivariate F and univariate F tests on perceived value are presented in Table 5.10. The multivariate F test results indicated a significant main effect of ethical responsibility toward environmental issues on perceived value with $F_{(3, 479)} = 5.9$, but no significant main effect of ethical responsibility toward employee issues. Also, the interaction effect of ethical responsibility toward the two ethical issues was not

significant. This means only the ethical responsibility toward environmental issues had a direct and positive impact on perceived value.

Table 5.10. MANOVA Results for the Direct Effect of Ethical Responsibility toward Environmental and Employee Issues on Perceived Value for Study 2

Source	Multivariate	Sig	Univariate	Sig	$p\eta^2$
Main effect					
Environmental issues	5.9	0.001			
Hedonic value			9.9	0.002	0.02
Price value			2.5	0.117	0.005
Ethical-Expressive value			16.4	0.001	0.033
Employee issues	1.1	0.351			
Hedonic value			0.2	0.681	0.000
Price value			2.5	0.117	0.005
Ethical-Expressive value			0.1	0.742	0.000
Interaction effect (**Environment × employee**)	1.2	0.313			

Note: Variables are significant at $\rho < 0.025$

More specifically, the univariate *F* test results showed a significant main effect of ethical responsibility toward environmental issues on the hedonic dimension with $F (1, 481) = 9.9$ and ethical-expressive dimension with $F (1, 481) = 16.4$, but not on value for price. In particular, the size of the effect on ethical-expressive value ($p\eta^2 = 0.033$) was slightly stronger than the effect on hedonic value ($p\eta^2 = 0.02$). The mean scores indicated that subjects were likely to evaluate both hedonic and ethical-expressive values slightly higher when a tour company has ethical practice toward environmental issues (M = 5.61 and M = 4.85, respectively), compared to when a tour has no practice evident (M = 5.29 and M = 4.46, respectively). Accordingly, hypothesis *H1c* is partially supported.

Word-of-Mouth (H1d)

A 2 (environmental issues) $\times$ 2 (employee issues) ANOVA was conducted on word-of-mouth. All assumptions, as explained in section 3.10.2, were met. Table 5.9 also shows ANOVA results on word-of-mouth. A significant main effect of ethical responsibility toward environmental issues was found on word-of-mouth with F (1, 481) = 22.9, p < 0.001, $p\eta^2$ = 0.045. That is, subjects who were assigned to a tour scenario incorporating best practice on environmental issues were more likely to generate positive word-of-mouth than those who received a scenario with no environmental practices (M = 5.50 vs. M = 5.03). However, there was no significant main effect of ethical responsibility toward employee issues on positive word-of-mouth communication. Also, the interaction effects of both manipulations were not significant. Therefore, hypothesis *H1d* is partially supported.

In brief, a series of ANOVA and MANOVA'S have demonstrated a range of significant effects on customer evaluations and word-of-mouth. The hypothesis testing results will be summarised at the end of this chapter.

5.3.4 The moderating effect of CSR predisposition at the post-tour stage

Similar to Study 1, CSR predisposition was manipulated at three levels of high, medium, and low in a post-hoc rescaling step, as shown at section 3.5. However, the study investigated only differences in groups at the high and low levels. The hypothesis was stated:

> *H2:   CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on customer evaluations and word-of-mouth communication.*

H2a: CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on TOURQUAL.

H2b: CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on trust.

H2c: CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on perceived value.

H2d: CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on word-of-mouth communication.

To test these hypotheses, a 2 (environmental issues) $\times$ 2 (employee issues) $\times$ 3 (CSR predisposition) MANOVA and ANOVA were conducted on two multi-dimensional constructs and two single-factor constructs, respectively. Firstly, MANOVA was conducted on TOURQUAL. All assumptions, as explained in section 3.10.2, except the assumptions for homogeneity of variance-covariance and homogeneity of variance, were met. Therefore, Pillai's Trace was used when interpreting the multivariate F test and a more stringent alpha level of 0.025 was used for interpreting the univariate F tests. The multivariate F test results showed a significant moderating effect of CSR predisposition on the main effect of ethical responsibility toward environmental issues on TOURQUAL with $F (4, 946) = 3.0$, $\rho = 0.02$, $p\eta^2 = 0.012$), but not on the main effect of ethical responsibility toward employee issues. Furthermore, CSR predisposition moderated the interaction effect of the two manipulations on TOURQUAL with $F (4, 946) = 3.047$, $\rho = 0.02$, $p\eta^2 = 0.013$).

In addition to the multivariate test results, the results of between-subjects tests indicated a significant moderating effect of CSR predisposition on the main effect of ethical responsibility toward environmental issues on both dimensions of TOURQUAL. However, there were only small moderating effects of CSR predisposition on both perceived ethical performance, with $F (2, 473) = 4.3$, $\rho = 0.014$, $p\eta^2 = 0.018$ and perceived tour program quality, with $F (2, 473) = 4.1$, $\rho = 0.017$, $p\eta^2 = 0.017$. Regarding the differences in mean scores, it was found that subjects who are high in CSR predisposition were more likely to evaluate perceived ethical performance and perceived tour program quality higher than those who are low in CSR traits when a tour

exhibits best practice toward environmental issues (M = 5.92 vs. M = 5.13 and M = 6.00 vs. M = 5.06, respectively).

Even though the multivariate test results suggested that CSR predisposition significantly moderated the interaction effect on TOURQUAL, the univariate tests showed only the effect on perceived ethical performance, with F (2, 473) = 5.9, ρ = 0.003, $p\eta^2$ = 0.024. That is, when a tour has best practice toward both environmental and employee issues, subjects who are high in CSR predisposition evaluated perceived ethical performance higher than those who are low in the CSR trait (M = 5.80 vs. M = 5.16). According to the findings, hypothesis *H2a* was partially supported.

Secondly, ANOVA was performed on trust. All assumptions, as explained in section 3.10.2, were met. The univariate F tests indicated a significant moderating effect of CSR predisposition on the main effect of ethical responsibility toward environmental issues on trust with F (1, 473) = 5.134, p < 0.01, $p\eta^2$ = 0.021. That is, subjects who are high in CSR predisposition evaluated trust higher (M = 5.48) than those who are low in such traits (M = 4.67) when a tour demonstrates best practice toward environmental issues. Also, subjects who are high in CSR predisposition evaluated trust higher when they were assigned to a tour scenario showing best practices toward the environment (M = 5.48) than those who were assigned to a tour scenario having no practice toward the environment (M = 4.90). However, there was no significant moderating effect of CSR predisposition on either the main effect of ethical responsibility toward employee issues or the interaction effect of both manipulations. It can be assumed that CSR predisposition plays a moderating role only when a tour has best practice toward environmental issues. Accordingly, hypothesis *H2b* is partially supported.

Thirdly, MANOVA was conducted on perceived value. Most assumptions, as described in section 3.10.2, were met. However, a significant Box's M test (ρ < 0.001) and a significant Levene's test (ρ < 0.001) indicated a violation of the assumptions for homogeneity of variance-covariance and homogeneity of variance, respectively. Therefore, Pillai's Trace was used when interpreting the multivariate F test and a conservative alpha level of 0.025 was used for interpreting the univariate F tests. The

multivariate *F* tests indicated no significant moderating effect of CSR predisposition on perceived value. However, tests of between-subjects showed that CSR predisposition appeared to moderate the interaction effect of the two manipulations on perceived ethical-expressive value [F (2, 473) = 6.0, ρ = 0.003, $p\eta^2$ = 0.025]. Subjects who are high in CSR traits were more likely to evaluate ethical-expressive value higher than those who are low in CSR traits when a tour has ethical practices regarding both environmental and employee issues (M = 5.08 vs. M = 4.04). For a scenario where a company has best practice toward only environmental issues, subjects who are high in CSR predisposition evaluated ethical-expressive value more positively than those subjects who are low in CSR predisposition (M = 5.56 vs. M = 4.14). Also, subjects who are highly predisposed to CSR had more positive perceptions of ethical-expressive value than those who have a low predisposition to CSR when a company has best practice for only the employee issue (M = 5.18 vs. M = 3.97). Since CSR predisposition had a significant moderating effect in the interaction effect of the two manipulations on only one dimension of perceived value (ethical-expressive), it is reasonable to conclude that hypothesis *H2c* cannot be accepted.

Finally, ANOVA was performed on word-of-mouth. A significant Levene's test ($\rho <$ 0.05) indicated a violation of the assumption of homogeneity of variance. Accordingly, a conservative alpha level of 0.025 was used to interpret the univariate *F* test results. The tests of between-subjects showed no significant moderating effect of CSR predisposition on either the main or interaction effect of ethical responsibility toward environmental and employee issues on word-of-mouth referrals. Therefore, hypothesis *H2d* is rejected.

In brief, a series of ANOVA and MANOVA'S have demonstrated that CSR predisposition significantly moderated only the direct effect of ethical responsibility toward environmental issues on a few variables, including TOURQUAL and trust. In contrast, the results have indicated a range of non-significant moderating effects of CSR predisposition in the direct effect of ethical responsibility toward employee issues on all customer evaluation variables and word-of-mouth communication. The results from the

hypothesis testing will be summarised at the end of this chapter. The next section reports the results from the mediating effect tests.

## 5.3.5 Mediation tests at the post-tour stage

Similar to Study 1, SEM was used for testing for mediation effects in Study 2. A set of evaluation variables including TOURQUAL (both two dimensions), trust, and the three dimensions of perceived value were tested as mediators and word-of-mouth was tested as the outcome variable. Moreover, scale items used to measure each of the manipulation checks (perception of ethical responsibility toward environmental issues and perception of ethical responsibility toward employee issues) were used as the independent variables. The same procedures for mediation relationship testing conducted in Study 1 (see section 5.2.5) were used in Study 2. This section reports the results of the hypothesis testing for H3 stated as:

> *H3:   A set of customer evaluations mediates the effect of ethical responsibility toward different ethical issues on word-of-mouth communication.*

There were three competing models (Figures 5.8 to 5.8b) tested for mediating effects of a set of customer evaluation variables. The first competing model is called *the independent model* which shows the direct effects of the two independent variables on all customer evaluation variables and the behavioural outcome variable. However, no mediation relationships were identified in *the independent model*. The second competing model (*Model A*) is the hypothesised research model as shown in Figure 5.5. In the research model, it was hypothesised that TOURQUAL, trust, and perceived value mediate the direct effects of ethical responsibility toward environmental and employee issues on word-of-mouth at the post-tour stage. More specifically, it is expected that TOURQUAL, trust, and perceived value are interrelated, where TOURQUAL is an antecedent of trust and perceived value. Trust is also posited to be an antecedent of perceived value. All mediators are antecedents of word-of-mouth. The third model to be tested (*Model B*) also includes TOURQUAL, trust, and perceived value as mediators.

Model B is similar to *Model A* to the extent that TOURQUAL was tested as an antecedent of trust and perceived value. However, *Model B* is different from *Model A* to the extent that perceived value was tested as an antecedent of trust. The justification for testing *Model B* against *Model A* was explained in section 2.10.

Figure 5.8. The Independent Model, No Mediation, Study 2
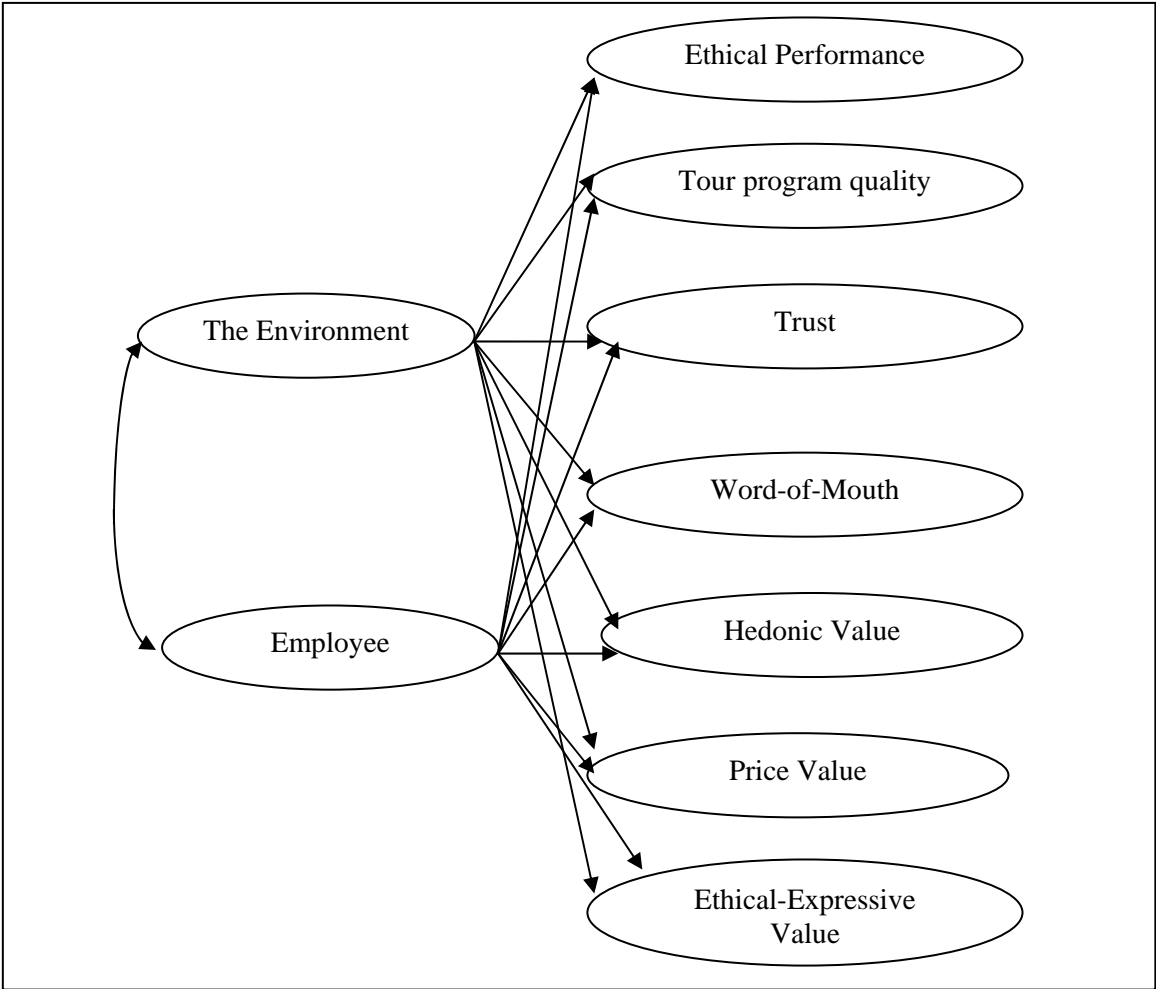
Note: χ^2 = 1103.343, *df* = 17, ρ = 0.001, χ^2/df = 64.903, RMSEA = 0.36, GFI = 0.64, CFI = 0.58

Firstly, *the independent model (*Figure 5.8) was tested. Even though all path estimates as shown later in Table 5.11 reported significant effects of the two independent variables on all dependent variables, the fit indices indicated a poor-fitting model (χ^2 = 1103.3, *df* = 17, ρ = 0.001, χ^2/df = 64.9, RMSEA = 0.36). That is when the mediation relationship is not identified; the independent model is not a good-fitting model. At the same time,

the modification indices suggested that the model can be improved by specifying the paths among the constructs. In other words, the mediation relationship should be identified.

Next, two competing models (*Model A and Model B*) were tested. According to each model, the mediation relationship was identified showing the different patterns of interrelationships among the mediators as described earlier in the previous paragraph. The model with a better fit will be accepted for a mediation relationship. The results of testing the research model (*Model A*) are reported next.

Model A (Figure 5.8a), the research model, was tested. It was proposed in the research model that TOURQUAL, trust, and perceived value mediate the effect of ethical responsibility toward environmental and employee issues on word-of-mouth. Further, the mediation relationship exists when the mediators are related in a pattern where TOURQUAL is the antecedent of trust and perceived value. Trust also leads to perceived value. Ultimately, all mediators influence positive word-of-mouth communication. Fit indices as shown in Table 5.11 indicated a good-fitting model with $\chi^2 = 20.0$, *df* = 14, $\rho = 0.129$, $\chi^2/df = 1.4$, RMSEA = 0.03, SRMR = 0.02). Figure 5.8a shows all significant paths included in the model. When compared to the independent model this research model is considered a good fit. The research model could be accepted if the second competing model does not demonstrate a better fit.

Model B (Figure 5.8b) is the final competing model tested for a mediation relationship. Whereas some path relationships for mediating effects are the same as tested in *Model A*, the key difference in this model is that, perceived value was tested as an antecedent of trust. According to the fit indices shown in Table 5.11, *Model B* is also a good fitting model, as suggested by $\chi^2 = 43$, *df* = 15, $\rho = 0.001$, $\chi^2/df = 2.9$, RMSEA = 0.06, SRMR = 0.03. Figure 5.8b shows all significant paths included in *Model B*.

Figure 5.8a. Model A: The Hypothesised Research Model (TOURQUAL-Trust-Value-WOM), Study 2
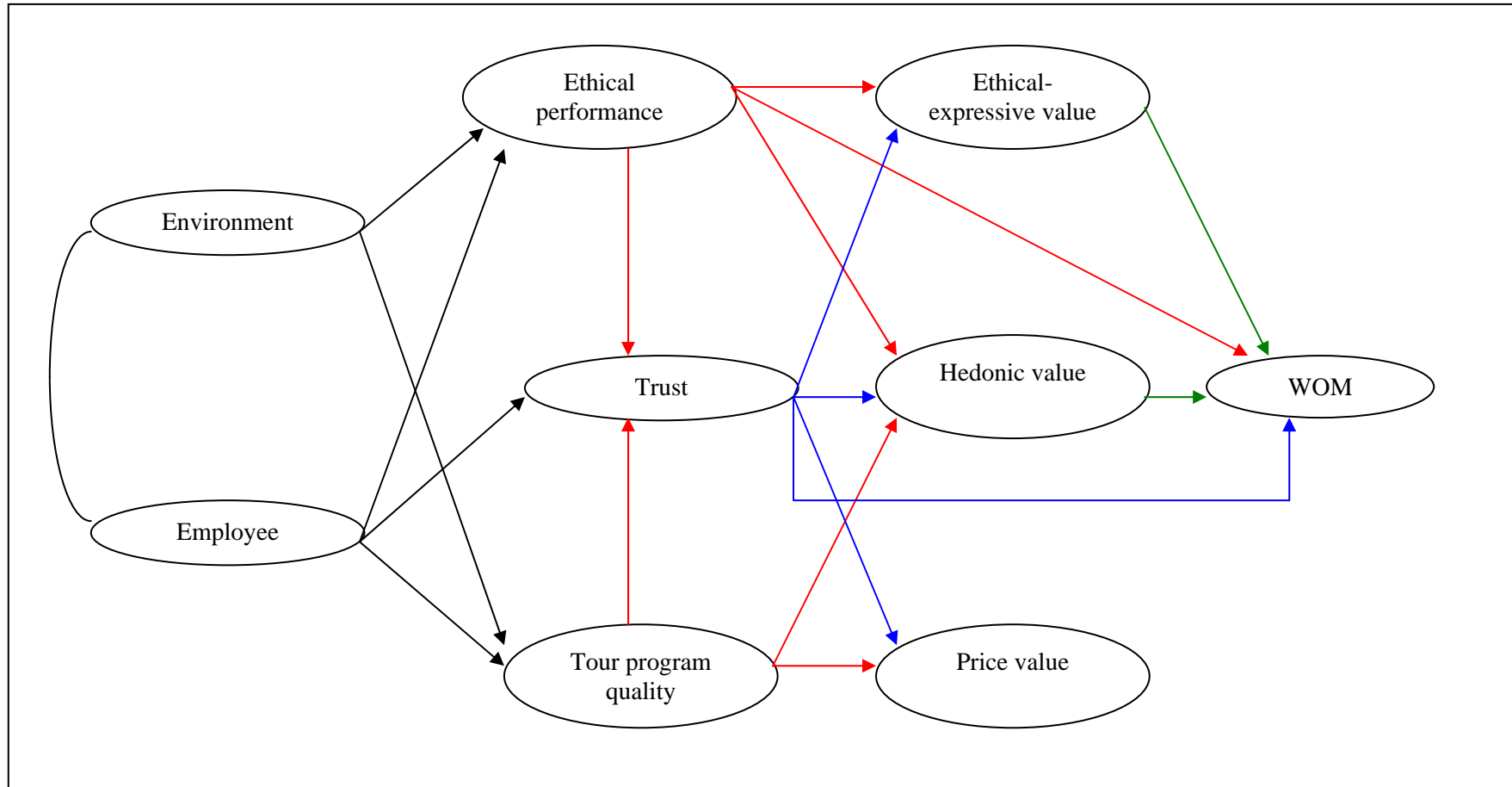
Note: $\chi^2 = 20.0$, $df = 14$, $\rho = 0.129$, $\chi^2/df = 1.4$, RMSEA = 0.03, SRMR = 0.02, GFI = 0.99, CFI = 1.00

All paths shown in the model are significant. See path estimates and significant level in Table 5.11.

Figure 5.8b. Model B: Competing Model (TOURQUAL-Value-Trust-WOM), Study 2
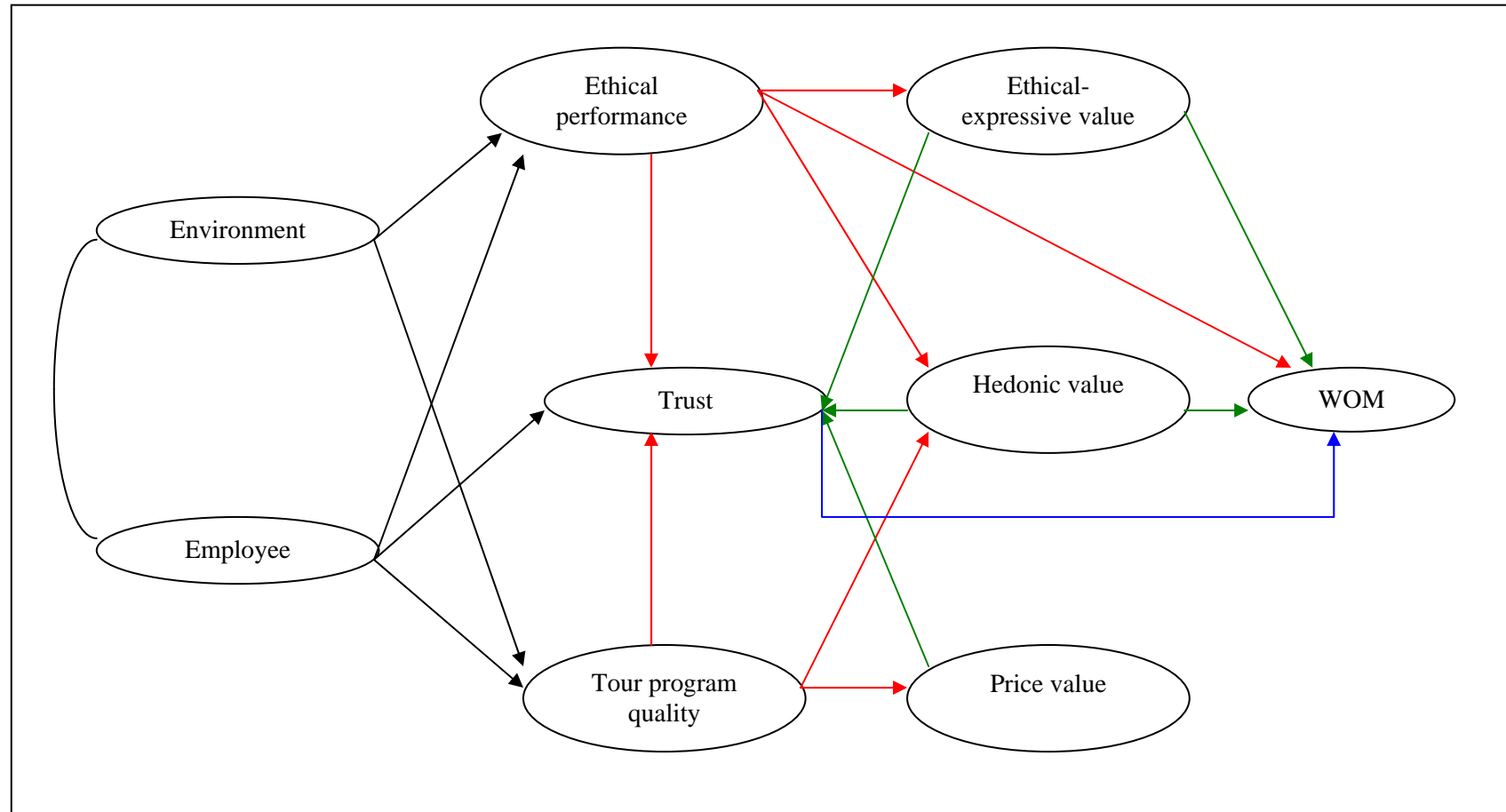
Note: $\chi^2 = 43$, $df = 15$, $\rho = 0.001$, $\chi^2/df = 2.9$, RMSEA = 0.06, SRMR = 0.03, GFI = 0.98, CFI = 0.99.

All paths shown in the model are all   significant. See path estimates and significant level in Table 5.11.

Next, the two good-fitting models (*Models A* and *B)* were further compared. It was evident that *Model A* has achieved a better fit than *Model B*. The better fit model can be indicated by a chi-square difference test ($\Delta\chi^2$) (Grace & Weaven, 2011). In this case, the research model (*Model A*) was significantly better than a competing mediation model (*Model B*) ($\chi^2 = 23$, *df* = 1, $\rho = 0.001$). Hence, *Model A* (the research model) is accepted and hypothesis *H3* is fully supported.

According to the research model (*Model A*), it was hypothesised that TOURQUAL, trust, and perceived value mediated the effect of ethical responsibility toward environmental and employee issues on word-of-mouth referrals. As expected, full mediation was evident. That is because the paths showing direct effects of the independent variables on word-of-mouth were reduced to a non-significant level ($\rho > 0.05$) when the mediators were included. As expected, TOURQUAL appeared to be a major mediator. That is, both independent variables significantly affected both dimensions of TOURQUAL. The positive effect of ethical responsibility toward environmental issues on perceived ethical performance (γ .63) was stronger than on perceived tour program quality (γ .39). At the same time, ethical responsibility toward employee issues had a significantly positive and equal effect on both dimensions of TOURQUAL (γ .24).

TOURQUAL in turn positively influences trust and perceived value. For trust, the effect of perceived ethical performance (γ .52) was stronger than the effect of perceived tour program quality (γ .24). For perceived value, it was found that perceived ethical performance had a significant and positive effect on hedonic (γ .19) and ethical-expressive values (γ .41), but not on value for price. In addition, perceived tour program quality had a significant and positive effect on hedonic (γ .31) and price values (γ .37), but not on the ethical-expressive dimension. By comparison, perceived tour program quality had a stronger effect than perceived ethical performance on hedonic value (γ .31, and γ .19, respectively).

Trust appeared to be a second major mediator. Trust was affected by ethical responsibility toward employee issues (γ .07). Trust was also influenced by TOURQUAL as explained earlier. Trust in turn affected all three dimensions of perceived value. More specifically, trust had the strongest effect on price value (γ .30), followed by relatively equal effects on hedonic (γ .27) and ethical-expressive values (γ .26).

Finally, word-of-mouth was found to be a consequence of all mediators, except perceived tour program quality (TOURQUAL dimension) and perceived value for price. Other factors including perceived ethical performance (TOURQUAL dimension), trust, perceived hedonic value, and perceived ethical-expressive value had positive and significant impacts on word-of-mouth. The effect sizes ranged from small to moderate where perceived ethical performance had the smallest effect (γ .11) and perceived hedonic value had the strongest effect (γ .54).

Table 5.11. Comparison of Fit Indices and Paths of Competing Models for Mediation Test for Study 2

Description	Competing Models		
	Independent	Model A	Model B
Fit Indices			
χ^2	1103.3	20.0	43.0
df	17	14	15
ρ	0.001	0.129	0.001
χ^2/df	64.9	1.4	2.9
$\Delta\chi^2$	--	Baseline	12.95
RMSEA	0.36	0.03	0.06
SRMR	0.22	0.02	0.03
CFI	0.58	1.00	0.99
GFI	0.64	0.99	0.98
NFI	0.58	0.99	0.98
TLI	0.11	0.99	0.97

Table 5.11. Comparison of Fit Indices and Paths of Competing Models for Mediation Test for Study 2 (Cont.)

Description			Independent	Model A	Model B
			Competing Models		
Path Estimates (γ)					
Environmental issues	→	WOM	0.39***	ns	ns
Environmental issues	→	ETHPERF	0.63***	0.63***	0.63***
Environmental issues	→	T-Quality	0.39***	0.39***	0.39***
Environmental issues	→	Trust	0.44***	ns	ns
Environmental issues	→	Hedonic	0.33***	ns	ns
Environmental issues	→	Price	0.28***	ns	ns
Environmental issues	→	Eth-Exp	0.33***	ns	ns
Employee issues	→	WOM	0.17***	ns	ns
Employee issues	→	ETHPERF	0.24***	0.24***	0.24***
Employee issues	→	T-Quality	0.24***	0.24***	0.24***
Employee issues	→	Trust	0.25***	0.07*	ns
Employee issues	→	Hedonic	0.15***	ns	ns
Employee issues	→	Price value	0.17***	ns	ns
Employee issues	→	Eth-Exp	0.12**	ns	ns
ETHPERF	→	WOM	--	0.11**	0.11**
T-Quality	→	WOM	--	ns	ns
Trust	→	WOM	--	0.21***	0.21***
Hedonic	→	WOM	--	0.54***	0.54***
Price	→	WOM	--	ns	ns
Eth-Exp	→	WOM	--	0.15***	0.15***

Note: Source=SEM of experimental data using MLE with N = 485.

ETHPERF=perceived ethical performance, T-Quality=tour program quality,

Eth-Exp=ethical-expressive value. * Significant at $\rho < 0.05$, ** Significant at $\rho < 0.01$,

*** Significant at $\rho < 0.001$, ns=non significance

Table 5.11. Comparison of Fit Indices and Paths of Competing Models for
Mediation Test for Study 2 (Cont.)

Description			Competing Models		
			Independent	Model A	Model B
Path Estimates (γ)					
ETHPERF	→	Trust	--	0.52***	0.42***
ETHPERF	→	Hedonic	--	0.19***	0.31***
ETHPERF	→	Price	--	ns	ns
ETHPERF	→	Eth-Exp	--	0.41***	0.60***
T-Quality	→	Trust	--	0.24***	0.12**
T-Quality	→	Hedonic	--	0.31***	0.40***
T-Quality	→	Price	--	0.37***	0.55***
T-Quality	→	Eth-Exp	--	ns	ns
Trust	→	Hedonic	--	0.27***	--
Trust	→	Price	--	0.30***	--
Trust	→	Eth-Exp	--	0.26***	--
Hedonic	→	Trust	--	--	1.12**
Price	→	Trust	--	--	1.16***
Eth-Exp	→	Trust	--	--	1.14***

Note: Source=SEM of experimental data using MLE with N = 485.

ETHPERF=perceived ethical performance, T-Quality=tour program quality,

Eth-Exp=ethical-expressive value. * Significant at $\rho < 0.05$, ** Significant at $\rho < 0.01$,

*** Significant at $\rho < 0.001$, ns=non significance

5.3.6 The summary of Study 2 hypothesis tests

At the post-tour stage, three main hypotheses comprising in total nine specific
hypotheses were tested. The first hypothesis involved four specific hypotheses testing
the direct effect of ethical responsibility toward environmental and employee issues
using ANOVA and MANOVA. The results provided strong support for the direct effect
of ethical responsibility toward environmental issues on all variables, except price

value. However, ethical responsibility toward employee issues did not have any direct impact on customer evaluations and word-of-mouth. ANOVA and MANOVA were also used to test the hypothesis about the moderating effect of CSR predisposition. The results indicated that CSR predisposition moderated only the direct effect of ethical responsibility toward environmental issues on TOURQUAL and trust. Finally, SEM was used to test the mediating effect of a set of customer evaluation variables. The last hypothesis was fully supported. Table 5.12 summarises the results of hypothesis testing at the post-tour stage.

Table 5.12. Summary of Hypothesis Tests, Study 2

Label	Hypotheses	Test result
H1	*Ethical responsibility toward environmental and employee issues has positive effects on customer evaluations and word-of-mouth.*	
H1a	Ethical responsibility toward environmental and employee issues has positive effects on *TOURQUAL*.	Partially Supported
H1b	Ethical responsibility toward environmental and employee issues has positive effects on *trust*.	Partially Supported
H1c	Ethical responsibility toward environmental and employee issues has positive effects on *perceived value*.	Partially Supported
H1d	Ethical responsibility toward environmental and employee issues has positive effects on *word-of-mouth*.	Partially Supported

Table 5.12. Summary of Hypothesis Tests, Study 2 (Cont.)

Label	Hypotheses	Test result
H2	*CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on customer evaluations and word-of-mouth.*	
H2a	CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on *TOURQUAL*.	Partially Supported
H2b	CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on *trust*.	Partially Supported
H2c	CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on *perceived value*.	Rejected
H2d	CSR predisposition moderates the effects of ethical responsibility toward different ethical issues on *word-of-mouth*.	Rejected
H3	*A set of customer evaluations mediates the effect of ethical responsibility toward different ethical issues on word-of-mouth communication.*	**Fully Supported**

5.4 Chapter Summary

This chapter reports the key findings of hypothesis tests. Overall, three main research questions were assessed: (1) whether the ethical responsibility of tour operators influences customer evaluations and behavioural intentions (2) whether the influence of ethical responsibility on customer response is different when customers have different levels of CSR-supporting traits and (3) whether customer evaluations mediate the influence of ethical responsibility on behavioural outcomes. The three research objectives were tested at different stages of the tour experience: the pre-booking and the post-tour stage. At the pre-booking stage (Study 1), accreditation program and codes of ethics classified as external and internal-types of ethical initiatives promoting the ethical responsibility of tour operators were investigated for their influence as the independent variables. At the post-tour stage (Study 2), further investigations of ethical responsibility toward environmental and employee issues were explored. CSR

predisposition was tested as the moderator in both studies. Similarly, TOURQUAL, trust and perceived value were tested as customer evaluations and for their mediation effects at both stages of the tour experience. With regard to behavioural outcomes, while tour booking intention was assessed at the pre-booking stage, word-of-mouth was the measure of behavioural outcomes at the post-tour stage.

The factorial-experimental results of between-subject tests of difference using ANOVA and MANOVA showed that at the pre-booking stage, subjects evaluated a tour differently when a tour company is promoting or not promoting tourism accreditation and codes of ethics information. In particular, the display of codes of ethics information had a stronger effect than tourism accreditation. At the post-tour stage, it was found that subjects evaluated a tour higher when a tour company has ethical responsibility toward environmental issues. Ethical responsibility toward employee issues, in contrast, did not appear to have any positive effect on customer evaluations and word-of-mouth communication.

For the moderating effect of CSR predisposition, it can be concluded that at both pre-booking and post-tour stages, different levels of CSR predisposition did not have a strong effect in moderating the influence of the ethical responsibility of tour operators. This means, customers who hold higher levels of CSR predisposition and those who are less predisposed to CSR did not evaluate a tour differently and there was no difference in favourable behavioural outcomes among those two groups of customers when exposed to ethically responsible information.

Finally, the mediating effect of a set of customer evaluations was investigated using SEM. It was found that for both pre-booking and post-tour stages, the influence of the ethical responsibility of a tour company on behavioural outcomes was fully mediated by multiple mediators including TOURQUAL, trust, and perceived value. The best mediation relationship was evident when those mediators were related in a pattern such that TOURQUAL leads to both trust and perceived value and trust in turn influences perceived value dimensions. The mediators ultimately affect behavioural outcomes.

According to this pattern of interrelationships, it can be concluded that TOURQUAL plays a role as a major mediator.

The next chapter will discuss these findings together with previous studies as discussed in the literature review. A conclusion from the research findings will be drawn and key contributions will be highlighted in the next chapter. The final chapter will also address both theoretical and managerial implications, research limitations, and directions for future research.

CHAPTER 6
DISCUSSION AND CONCLUSION

6.1 Introduction

This thesis has sought to investigate the effect of a tour company's ethical responsibility on customer evaluations and behavioural outcomes at the pre-booking and post-tour stages of the tour experience. First, it should be noted that in drawing implications from the results of this research that findings are based on a factorial experimental study. Therefore, a degree of cautiousness needs to be taken when applying findings directly to the actual marketplace. The research findings contribute to the body of knowledge in areas comprising (1) the understanding of CSR-consumer response in the tour operating sector prior to and post-consumption of tour products, (2) research regarding ethical practice in the tourism context, (3) theoretical implications for the measurement of perceived overall quality of tour operators and perceived value of ethical tourism products as well as for the relationships of quality-trust-value-behavioural intentions, and (4) managerial implications for adopting and promoting ethical responsibility at the pre-booking and post-tour stages of the tour experience.

The thesis began by outlining the scope of the investigation and identified the need for this research. Chapter 2 presented a review of the CSR and tourism literature. The CSR-consumer relationship in the tourism context was the focus of this thesis and three key research gaps were identified. The first involved a lack of empirical research within the tourism context that investigates the impact of ethical responsibility on consumer response. Although ethics has been widely discussed in the tourism literature, little is known about how tourism companies can turn the notion of ethics into action. While a number of studies in both the CSR and tourism literature have discussed ethical areas of concern regarding the environment, socio-cultural issues, and employee welfare in previous works, little is known about which ethical issues customers perceive as important when they evaluate a company's ethical responsibility (e.g., Brunk, 2010; Payne & Dimanche, 1996; Pooltong & Mandhachitara, 2009). In addition, there is

limited empirical research which investigates the impacts of ethical initiatives, such as accreditation and codes of ethics, on customer response. This is despite the fact that both initiatives are widely practised in the tourism industry (Buckley, 2002). This thesis is the first empirical study contributing knowledge about the impact of each initiative individually, together with an understanding of how the two initiatives combined impact customer evaluations and behavioural outcomes.

The second key research gap involved the investigation of the impact of ethical responsibility at the pre-purchase and the post-tour stages. It was observed that most of the research that had been conducted involved CSR-consumer response at a purchase stage; whereas research of the post-consumption stage had rarely been reported. The investigation into accreditation and codes of ethics initiatives was conducted at the pre-booking stage of the tour experience because these two initiatives are also considered as sources of information about the ethical responsibility of a tour company. This thesis extends the investigation into the post-tour experience stage because a post-consumption evaluation of the tourism experience is seen as crucial for a tour. More particularly, the thesis examined whether ethical responsibility of a tour company toward two ethical areas of concern: environmental issues and employee issues has different impact impacts on customer response.

The nature of consumer response variables previously investigated in CSR research was the final key research gap identified. It was noted that the measurement of outcomes of CSR in the literature were limited to a narrow range of variables, such as attitudes, awareness, beliefs, or attributions. This thesis argues that variables measuring customer evaluations should be more salient for the ethical context and furthermore customer evaluations should be measured in a more comprehensive manner. Accordingly, this thesis is the first study that includes customer evaluations of perceived overall quality of the tour operator, trust, and perceived value in the investigation of customer internal outcomes. In addition to customer internal outcomes, it has been proposed that CSR can impact on customer external outcomes, such as purchase intention and word-of-mouth (Bhattacharya & Sen, 2004; Du et al., 2010). While a number of empirical studies have investigated the impact of CSR on purchase intention, little is known about the impact

of CSR on word-of-mouth referrals. Both external outcomes were investigated in this thesis.

Referring to the research gaps identified in Chapter 2, the research problem was stated as: How does the ethical responsibility of tour operators influence customer evaluations and behavioural outcomes at different stages of the tour experience?

Specific research objectives were set as:

Objective 1: To investigate the impact of the ethical responsibility of tour operators on customer evaluations and behavioural outcomes at the pre-booking stage.

Objective 2: To investigate the impact of the ethical responsibility of tour operators on customer evaluations and behavioural outcomes at the post-tour stage.

Objective 3: To investigate the moderating effect of CSR predisposition in the effect of the ethical responsibility of tour operators on customer evaluations and behavioural outcomes at both stages of the tour experience.

Objective 4: To investigate the mediating effect of a set of customer evaluations in the relationship between the ethical responsibility and behavioural outcomes at both stages of the tour experience.

Chapter 3 described the methodology used to answer the research problem and to test the research hypotheses established for both stages of the tour experience. This thesis has undertaken a quantitative approach using a factorial experimental design. Questionnaires were developed for two online surveys of Australian people who have and/or plan for an overseas travel experience. The setting for the tour experience was elephant trekking in Thailand. Both studies were successful in obtaining a relatively large number of respondents (897 subjects for Study 1 and 485 subjects for Study 2).

In Chapter 4, the results of a robust scale development and validation process were presented. The CFA results for Study 1 were conducted with a total sample of 897 respondents and showed a valid measurement fit by a range of indices, including

RMSEA, GFI, CFI, TLI, NFI, and SRMR. Valid scales developed and tested in Study 1 were subsequently cross validated with the total sample from Study 2. Using the same criteria and fit indices, the measurement models of Study 2 were also shown to be valid. Furthermore, each measurement variable demonstrated suitable construct reliability.

Chapter 5 reported the results of the hypothesis tests. Overall, it was found that ethical responsibilities of tour operators have direct and positive impacts on customer evaluations and behavioural outcomes, at both stages of the tour experience. The results for Study 1 showed that codes of ethics had a stronger impact than tourism accreditation across different groups of subjects. It was evident in Study 2, that subjects were also likely to positively evaluate internal and external outcomes when a company is responsible for environmental issues, but less so for employee issues. Further testing of hypotheses regarding the effects of moderator and mediator variables was consistent for both studies. That is, the levels of direct impact were not different between subjects who displayed a high CSR predisposition and those who were low in CSR predisposition. It was also found that the perceived overall quality of the tour operator, trust, and perceived value mediated the direct effect of the impact of ethical responsibility on behavioural outcomes in several ways.

This chapter presents the integration of the results, reported in Chapters 4 and 5, with previous studies. In addition, the discussion highlights the contribution made by this thesis. Both theoretical and practical implications are suggested. The chapter is structured around the research problem and the four research objectives. Each of the four research objectives is discussed first in section 6.2, followed by an overall discussion of how the findings highlight the resolution of the research problem, which is drawn in section 6.3. Finally in this chapter, research limitations and future research directions are outlined.

6.2 Conclusions about Research Objectives and Contribution to Knowledge

In this section, conclusions of the findings regarding the four research objectives are presented. This thesis produces results that extend knowledge about the CSR-consumer relationship, in both the CSR and tourism research literature. The results from both studies conclude that the ethical responsibility of tour operators impact on customer evaluations and behavioural outcomes in several ways. The details of this discussion cover (1) the direct impact from ethical responsibility of tour operators on customer evaluations and behavioural outcomes, (2) the moderating effect of CSR predisposition, and (3) the mediating effects of customer evaluations. The discussion is presented separately for each stage investigated: the pre-booking and the post-tour stages. In this section, the findings are discussed in detail with specific literature that also relates to the stage of the customer purchase situation. In section 6.3, the findings from both studies are integrated and discussed in relation to the broader CSR-customer response literature.

6.2.1 The direct impact of ethical responsibility

First, the direct impact of ethical responsibility of tour operators on a set of customer evaluations and behavioural outcomes were investigated at both stages of the tour experience. At the pre-booking stage, Study 1 investigated the impact tourism accreditation and codes of ethics, as ethical initiatives, on perceived tour program quality (a dimension of TOURQUAL), trust, perceived value, and tour booking intention. Further, at the post-tour stage, Study 2 examined the impact of ethical responsibility toward two ethical issues (the environment and employees) on TOURQUAL, trust, perceived value, and word-of-mouth. The discussion of the findings at the pre-booking stage is presented first, followed by findings for the post-tour stage.

6.2.1.1 The pre-booking stage

Overall, the findings at the pre-booking stage show the direct and positive impact of tourism accreditation and codes of ethics on customer evaluations and tour booking intention. Ethical initiatives have been widely promoted in marketing campaigns (Sasidharan et al., 2002; Wheeler, 1995) and treated as a source of a company's CSR information (Font, 2004; B. Stevens, 1994). However, until now efficacy has only been posited for its influence on customer choice evaluations and purchase intention in general (Buckley, 2002; Goodwin & Francis, 2003). The experiment conducted in this thesis provides empirical results to support and extend previous work. The results appear to be in agreement with previous CSR research proposing the direct impacts of CSR initiatives/CSR communication on customer internal outcomes in relation to general marketing (Bhattacharya & Sen, 2004) and stakeholder contexts (Du et al., 2010). The results are also consistent with previous CSR studies investigating the direct impacts of CSR information on purchase intention of consumer products (Sen & Bhattacharya, 2001). However, previous research has not compared the impacts of any specific types of ethical CSR initiatives. The results of this thesis contribute to knowledge in this area by comparing the effects of external initiative-accreditation and internal initiative-codes of ethics.

One of the key contributions made by this thesis is a comparison between the impact of tourism accreditation and codes of ethics, shown on an online tour brochure provided by a tour company. Importantly, in response to previous studies calling for more empirical research examining the impact of codes of ethics on tourist behaviours (Kazimierczak, 2006), the results indicate that codes of ethics has a stronger impact than tourism accreditation. Cole (2007) argued that ethical codes of conduct practised at a destination level did not have any influence on tourist compliance with the codes; however, the results from this thesis show that codes of ethics practised at a company level are influential for customer marketing behaviours. This thesis investigates not only the behavioural outcome of purchase intention, but also a set of customer internal evaluations in relation to customer marketing behaviours. Whereas previous research has assessed customer evaluations in terms of a customer overall impression rating of a

company (e.g., Sen & Bhattacharya, 2001), this thesis investigated customer evaluations with a more comprehensive approach that included more salient variables for the ethical context, including perceived overall quality of tour operators, trust, and perceived value. First, the direct effect of both ethical initiatives on TOURQUAL is discussed.

Effects of ethical initiatives on TOURQUAL

Prior to a discussion of the direct effects of ethical initiatives on TOURQUAL, several points regarding the measurement of TOURQUAL should be noted. First, in Chapter 2 of this thesis, TOURQUAL was conceptualised, as customer perceptions of the overall quality of a tour operator comprising three dimensions; (1) perceived tour program quality, (2) perceived ethical performance, and (3) perceived tour guide performance. However, the dimension of perceived tour guide performance was not included in either study 1 or 2 as discussed in section 2.8.1. Second, as reported in section 4.7.1, an acceptable level of discriminant validity between perceived ethical performance and perception of codes of ethics was not achieved in Study 1. Accordingly, perceived ethical performance was not included for further analysis in Study 1. While only perceived tour program quality was measured in Study 1 both perceived ethical performance and perceived tour program quality were investigated in Study2.

At the pre-booking stage, the results, reported in section 5.2.3 (Study 1, H1a), show direct and positive main effects of both ethical initiatives on perceived tour program quality. However, the direct interaction effects of ethical initiatives are not significant. For the direct main impact of tourism accreditation, the results indicate that customers perceived a higher quality for a tour program when a company is accredited by the Green Globe 21 label as shown on a tour brochure than when a company is not accredited. Even though some tourism studies have shown that positive tourist attitudes towards eco-labels, such as the Green Globe 21 are unreliable predictors of tourist interests of environmentally friendly tourism products (Reiser & Simmons, 2005), tourists/customers tend to link the Green Globe 21 displayed on a tour brochure with their perceptions of the quality of tour programs as indicated in this thesis. The results provide contributions from several different aspects. First, the empirical results extend

previous conceptual ideas about a positive relationship between accreditation programs and the quality or benefits of tourism products (e.g., Buckley, 2002; Hjalager, 2001). The experiment using an online tour brochure that displays the Green Globe 21 label representing tourism accreditation provide a more focused result than other studies (e.g., Bergin-Seers & Mair, 2008; Foster, 2001) in terms of the use of a specific accreditation program, a specific tourism product, and a larger sample size. For example, the result shows a positive link between tourism accreditation and particular tourism products from the context of the tour operating sector, not just from tourism products in general (e.g., Bergin-Seers & Mair, 2008). The results were derived from a large Australian sample (N=897) while other studies surveyed relatively smaller samples, such as 155 Australian tourists (e.g., Foster, 2001). The results extend the knowledge that tourism accreditation is an important scheme in enhancing not only the quality of hotel or restaurant services (e.g., Dick, Gallimore, & Brown, 2002; Walker & Johnson, 2009), but also the quality of a tour package.

In addition to the direct and positive effect of an accreditation program, the results also show a direct and positive effect of codes of ethics displayed on a tour brochure on perceived tour program quality. It is argued that codes of ethics are important for the tourism industry as they display a company's responsibility (Fennell, 2006; Payne & Dimanche, 1996). This thesis extends such studies and provides evidence for the positive impact of codes of ethics on customers in a marketing-related context. In the marketing context, it has been noted since the 1990s that ethical codes of conduct should be practised by the tourism industry to ensure the quality of products and services offered to customers (Fleckenstein & Huebsch, 1999). The empirical results from the experimental study in this thesis demonstrate the value of these conceptual propositions by indicating that customers perceive codes of ethics shown on a tour brochure as a guarantee for a higher quality of tour program.

More importantly, this thesis shows that by comparing the main effects of both initiatives it is possible to identify which initiative provides the greater impact and consequently the greater value for a tourism operator. It is found that codes of ethics had a relatively stronger impact on perceived tour program quality than tourism

accreditation. To our knowledge, this is the first empirical study that investigates the joint impact of accreditation and codes of ethics. The results indicate that an ethical code of conduct is a more effective initiative for enhancing the quality of a tour program. This result could be explained to the extent that customers perceived codes of ethics as the tool that a tourism company employs to enhance a higher quality of tourism products (Fleckenstein & Huebsch, 1999). For example, this would be the case when a company promotes its environmental and socio-cultural protection on a brochure indicating that the benefits go directly to support nature and a community while, at the same time, tourists benefit from experiencing pure nature and a community culture included in a tour program.

Effects of ethical initiatives on trust

Trust was conceptualised, for this thesis in section 2.8.2, as customer perception of a company's credibility and benevolence. The results as reported in section 5.2.3 (Study 1, H1b) show positive and significant main, as well as interaction effects, of tourism accreditation and codes of ethics on consumer trust. First, the findings suggest that consumer trust is stronger when a tour company is accredited than when it is not. These empirical findings are consistent with previous studies in the non-tourism context. For example, organic labels used in the food industry generate greater consumer trust in the products and in the company (Perrini et al., 2010; Pivato et al., 2008). Similar results were found for fair trade product labels (Castaldo et al., 2009). With respect to tourism research, some authors have discussed the importance of tourism certification programs for building consumer trust (e.g., Font et al., 2003). However, there is a lack of empirical findings to confirm such conceptual propositions. For example, a survey of international and domestic tourists in New Zealand showed that in the context of managing a crisis in tourism, tourism eco-labels are essential for tourism operators to build consumer trust (Schott, 2006). However, this thesis provides the first empirical evidence that tourism accreditation is perceived as an important tool to enhance consumer trust and perhaps to deal with crisis situations as well as the management of normal operations. Moreover, Schott argued that tourists did not perceive eco-labels as "green wash", but as a reliable scheme to protect the environment. He suggested

tourism operators promote eco-labels through a company's marketing activities and consumer education. While Schott did not suggest any particular types of marketing efforts, this thesis indicates the effectiveness of promoting tourism accreditation on marketing campaigns, such as tour brochures, in building consumer trust.

Similar to the main effect of accreditation, the results from this thesis indicate that customers evaluated trust more positively when a company displayed codes of ethics information on a tour brochure than when a company did not display ethical codes. In the non-tourism context, Yang et al. (2009) found that consumer trust for an online shopping website was enhanced when customers realised that ethical codes of practice to protect consumers are shown on the websites. In the tourism context, codes of ethics are suggested as a key implementation of CSR (e.g., Fennell, 2006; Payne & Dimanche, 1996). However, very little is known as to whether customers will have more positive perceptions of trust if ethical codes of conduct are promoted. This thesis contributes to the knowledge that prior to the purchase of a tour package; codes of ethics shown on a tour brochure are effective for creating customer perceptions of trust for a tour company. More specifically, customers do not only trust a company when the code of ethics directly benefits them (Yang et al., 2009), but also when the codes are targeted toward protecting the environment, local community, and a company's employees.

Importantly, when comparing the main effects of both ethical initiatives, the findings show that codes of ethics have a stronger effect on consumer trust than tourism accreditation. In addition to the main effects, the results show significant interaction effects of accreditation and codes of ethics on trust. That is, customers are likely to evaluate trust highest when a company is practising and displaying information about both initiatives. While it has been questioned whether accreditation and voluntary codes are reliable tools to build consumer trust for a company (Buckley, 2002), this thesis is the first study providing empirical evidence to answer such a question. However, it can be concluded and emphasised that codes of ethics are perceived as the more effective in enhancing customer trust for a tour company.

Effects of ethical initiatives on perceived value

Initially, the thesis proposed to operationalise the value construct with four aspects comprising price, hedonic, expressive, and ethical dimensions. However, the results from the EFA at the pilot stage (as reported in section 3.7.2) indicate three dimensions of perceived value comprising price, hedonic, and ethical-expressive provided a better and more meaningful fit. Perceived value comprising these three dimensions was also confirmed from the results of the CFA presented in section 4.4.2. Accordingly, the three dimensions of perceived value were used for all hypothesis tests.

The results indicate the positive main effects of accreditation and codes of ethics on all three dimensions of perceived value; however, an interaction effect was not significant (Study1, H1c). Previous research in the CSR literature has proposed positive links between CSR initiatives and value (Bhattacharya et al., 2009; Peloza & Shang, 2011; Piercy & Lane, 2009). More specifically, in the organic food context, Peloza and Shang developed research propositions to investigate the impact of different types of CSR activities, such as philanthropic and business practices, on different types of value. However, no previous studies have provided empirical results about such propositions. This thesis is the first empirical study to investigate relationships similar to those proposed by Bhattacharya et al. (2009); Peloza & Shang (2011); Piercy & Lane (2009). More specifically, by comparing the effects of two specific ethical-CSR initiatives on three salient perceived value dimensions within the tour context, this study substantially builds on knowledge about the CSR-customer value relationship. The overall findings support the ideas of Peloza and Shang (2011), who proposed that CSR activities in business are likely to enhance other-oriented values within Holbrook's (1996) typology of value. However, different types of ethical-CSR initiatives have different levels of impact on different value dimensions, not just on other-oriented value, but also on self-oriented value.

For the effect of accreditation, the findings indicate positive main effects on perceived value dimensions, except price value. That is, customer perceptions of hedonic and ethical-expressive values are more positive when a company is accredited than when it

is not. Prior empirical studies in the CSR literature are very limited; however, the results can be explained by consumer value literature. Hedonic value, which is considered a self-oriented value, seems to be a dominant factor building consumer value in tourism products (J. Smith & Colgate, 2007) to the extent which consumers go on holidays for their own pleasure and enjoyment. The results show that accreditation programs are likely to enhance customer perceptions of self-oriented value. Customers have a more positive and enjoyable perception of a tour offered by an accredited company. However, the results show that the effect of accreditation on hedonic value was weaker than the effect of accreditation on ethical-expressive value. These results are in agreement with Brécard et al. (2009) to the extent that customer morality can motivate customers to use eco-labelled products. For the effect on price value, while a result from a market survey reported that only a small number of tourists perceived value for money from accredited tourism products (Bergin-Seers & Mair, 2008), experimental results produced by this thesis demonstrate that customers did not perceive higher levels of value for money in a tour package offered by an accredited company.

Whereas tourism accreditation has an influence on only two dimensions of perceived value, the effect of codes of ethics was found on all three value dimensions. More specifically, codes of ethics have the strongest effect on the ethical-expressive dimension; while the effect on the hedonic dimension is stronger than on price value. Kazimierczak (2006) noted even though codes of ethics are important for the tourism industry, tourists are rarely asked about the motives to take ethical holidays. He also argued that tourists do not recognise ethicality or morality as a part of tourism products. In contrast, the current result indicate that codes of ethics information can have a substantial impact on tourist perceptions of ethics as a part of the value proposition they received from an ethical tourism product. This result implies that customers would perceive ethical-expressive value as a meaningful benefit. Meaningful benefits are perceived as arising from the inclusion of codes of ethics in the tourism products (Fennell, 2006). Accordingly, it can be said that a perception of the value of tourism products is not only determined by functional benefits, such as quality, but also by meaningful benefits.

In brief, this thesis argues that the promotion of ethically responsible behaviours of a tour company through the display of both accreditation and codes of ethics information enhances customer perceptions about value. That is, an ethical tour provides customers with a chance to have an enjoyable holiday when a tour is guaranteed to be conducted in an ethical manner. At the same time, an ethical tour provides a chance for visitors to express themselves as responsible tourists and a chance to do good things for others while they are on holidays. This thesis explores answers for previous propositions about the worth of ethical initiatives to provide empirical evidence that codes of ethics and accreditation can influence the overall value proposition, including value derived from the aspects of hedonism and price, and also from the aspects of salient ethical-expressive value.

Effects of ethical initiatives on tour booking intention

The positive impact of CSR initiatives on customer purchase decision and alternative choices has been discussed in the CSR literature (Auger et al., 2008; Brown, 1998; Mohr & Webb, 2005; Pirsch et al., 2007; Sen & Bhattachraya, 2001). Theoretically, it has been argued that intention is a determinant of actual behaviour according to the theory of planned behavior (Ajzen, 1991). Practically, studies have shown that consumers do not directly make a purchase based on their concerns about CSR (Öberseder, Schlegelmilch, & Gruber, 2011). Studies in the non-tourism context found that factors, such as quality, service, price, and attributes, are more important than a company's CSR performance when buying products (Creyer & Ross, 1997; Öberseder et al., 2011). In the tourism context, Miller (2003) stated that customers say they want companies to act, and provide more information about environmental issues, but their actual buying decision seems to be idealistic. Such circumstances indicate a attitude-behaviour gap in the customer purchase decision. When it turns to specific CSR initiatives, including eco-labels, the empirical findings are similar. That is, research has indicated that tourists are concerned about environmental issues and are interested in buying accredited-tourism products (Bergin-Seers & Mair, 2008); however, tourists who have positive attitudes towards eco-labels are not always interested in buying eco-labelled tourism products (Reiser & Simmons, 2005).

While there is a lack of empirical evidence showing whether different types of initiatives have different impacts on customer purchase decisions, this thesis provides an improved understanding of the efficacy of two specific ethical initiatives in the travel sector. It was found that information contained in an online tour brochure for an accreditation program and codes of ethics have direct and positive main and interaction effects on tour booking intention (Study 1, H1d).

For the direct main effect of tourism accreditation, the findings show that customers were more likely to book a tour with an accredited tour company. The results support Du et al.'s (2010) conceptual framework proposing the impacts of CSR communication about ethical initiatives on customer purchases. Moreover, the results are in agreement with other empirical studies revealing that accredited products, such as fair-trade labelled coffee and no-sweat labelled clothes influence the consumer purchase decision to some extent (Dickson, 2001; Pelsmacker et al., 2005). The result from thesis indicates that customers do not have strong intentions to buy accredited tour products. This current result is consistent with Dickson (2001), who found that only small groups of consumers use no-sweat labels when buying clothes. In the tourism context, the impact of tourism accreditation on customer purchase decision and alternative choices has been discussed previously (e.g., Buckley, 2002; Sasidharan et al., 2002). Also, some previous surveys have reported that tourists or customers have a positive reaction and inclination to support accredited companies (e.g., Bergin-Seers & Mair, 2009; Foster, 2001). However, no previous research has investigated directly whether potential travellers would respond to the display of such advertising. The experimental findings of this thesis support the direction suggested in previous studies. Even though the effect of accreditation on tour booking intention is found to be small, such significant findings are more rigorous than the findings found in previous studies. That is because customers were exposed to a tour brochure that displays a tourism accreditation logo and then asked whether they were interested in buying such a tour.

For the main effect of codes of ethics, the results indicate a strong and positive influence of codes of ethics on purchase intention, especially when compared with accreditation.

This finding supports empirical results in a non-tourism context as Iwanow et al. (2005) found a strong impact of a corporate code of conduct regarding child labour practices on customer purchase intention. Widely discussed for its importance in the tourism industry (e.g., Malloy & Fennell, 1998; Payne & Dimanche, 1996), the empirical results also demonstrate that codes of ethics information strongly affects tour booking intention. The experiment using the presence of a written code of ethics on a tour brochure provides a strong support for researchers who have argued the efficacy of such a practice. For instance, a marketing survey in the UK reported that consumers are likely to book a holiday with a company if codes of ethics to guarantee the company's ethical behaviours are in place (Goodwin, 2005; TEARFUND, 2000). Similarly, codes of ethics might play a key role in the decision to buy a tour when customers perceive that a tour operator is committed to conducting a tour in an ethical manner and to ensure an environmentally responsible tourism experience (d'Amore, 1993). To this candidate's knowledge, this is the first study to provide empirical support for such statements about the efficacy of a code of ethics on purchase intention of tourism products.

More importantly, the experiment shows the results indicating a significant interaction effect from the two ethical initiatives. That is, customer likelihood to buy a tour was strongest when a tour company provides both codes of ethics information and displays a tourism accreditation logo on a tour brochure. The second strongest effect was found for the situation whereby a tour company provides only codes of ethics information on a tour brochure. This finding highlights a relatively stronger effect for displaying codes of ethics information than for the accreditation logo as part of a tour company's CSR communication at the pre-booking stage. This finding provides specific answers to Du et al.'s (2010) proposition that perhaps not all types of CSR initiatives will play a key role as a source of information about CSR.

6.2.1.2 The post-tour stage

While previous studies have investigated the impact of CSR on consumers prior to or at the purchase stage in general, this thesis extends knowledge about the impact of CSR on

consumers after the consumption of a tourism product. The investigation at the post-tour stage was undertaken to find out which ethical issues of concern (environment or employees) is the more essential for a company to address when implementing their ethical responsibilities.

While Gao (2009) proposed that different social issues addressed by a particular CSR activity might lead to different customer response toward a company, this thesis concludes that the environmental issue is a more powerful factor in determining customer evaluations and behavioural outcomes than a demonstrated responsibility towards issues related to employees. One explanation for this stronger effect of the responsibility toward environmental issues is that environmental issues are more likely to get customer attention than issues related to how a tour company treats its employees. This situation seems to be particularly relevant for the tourism industry, where the environment seems to be the most obvious component of tourism products, such as the use of animals in a tour (Hughes, 2001; Kontogeorgopoulos, 2009). Also, the environment is often a key component of tourism products used to create the tourism experience (S. Smith, 1994).

Further, the thesis contributes to knowledge that customer evaluations and behavioural outcomes after the consumption of a tour are not only influenced by factors, such as a tour guide, a tour itinerary, accommodation, food, or transportation (Geva & Goldman, 1989; Wang, Hsieh, & Huan, 2000), but also the ethical responsibility of a tour company. Similar to the pre-booking stage, TOURQUAL, trust and perceived value were investigated as consumer evaluations. Unlike, the pre-booking stage, instead of purchase intention, word-of-mouth was investigated as the behavioural outcome at the post tour stage. The discussion about the effects on TOURQUAL is presented first.

Effect of the ethical responsibility toward ethical issues on TOURQUAL

While only perceived tour program quality was measured at the pre-booking stage, both dimensions of TOURQUAL (perceived tour program quality and perceived ethical performance) were measured (Study 2, H1a) at the post-tour stage. The results indicate

a positive and direct main effect of the environmental issue on both dimensions of TOURQUAL. That is, customers perceive a higher quality for the tour program, as well as a better ethical performance of a company when a tour is conducted that demonstrates concern for environmental issues. With respect to perceived tour program quality, no previous tourism research has reported such findings. However, previous research in the CSR literature has shown that for service companies, such as banks, customer expectations of CSR toward issues, such as the environment have a moderately positive effect on perceived service quality (Poolthong & Mandhachitara, 2009). The results also showed that bank customers are likely to link a company's CSR activities regarding the environment with the quality of service. This thesis argues that a company's responsibility toward environmental issues is strongly related to the enhancement of tour program quality as seen by customers of a tour company. In relation to perceived ethical performance, customers have more positive perceptions about the firm's ethical performance when a company is concerned about environmental issues than when it is not. Previously, in a qualitative study conducted by Brunk (2010), it was found that customer perceptions of the ethicality of a company can be determined by the degree to which a company treats the environment when operating the business. This thesis extends such knowledge to the tour operating sector.

In contrast to a positive and direct main effect of ethical responsibility toward environmental issue on both dimensions of TOURQUAL, the results show that concern for employee issues has a positive and direct effect on perceived ethical performance, but not on perceived tour program quality. This result indicates that similarly to other service companies such as banks (Poolthong & Mandhachitara, 2009), customers expect a tour company to behave responsibly toward employees. Moreover, a qualitative study showed customers are likely to perceive a company's ethical performance when employee issues, such as paying above average wages and offering additional social benefits are addressed (Brunk, 2010). The quantitative study conducted in this thesis shows a finding consistent with Brunk (2010) and contributes to knowledge in relation to a tour company.

Moreover, the results show a positive interaction effect of ethical responsibility toward environmental and employee issues on perceived ethical performance. That is, customers have the strongest perceptions about a tour company's ethical performance when a company treats both the environment and its employees in an ethical manner. However, the results show that in the situation where a company addressed only the environmental issues, customer perceptions of ethical performance were also relatively high. Accordingly, a conclusion about a strong effect of the environmental issue can be drawn. This is consistent with Mohr and Webb (2005) who asserted that a company's responsibility toward the environment had a stronger impact on customer evaluations of a company than did philanthropic policies. In the tourism context, it could be more important for consumers to see a company helping to protect the environment which is a key component of tourism product (S. Smith, 1994). Therefore, tour businesses that are being responsible for environmental issues could possibly receive more favourable customer perceptions of corporate ethical performance.

Effect of the ethical responsibility toward ethical issues on trust

At the post-tour stage, the thesis also investigated the direct effect of ethical responsibility toward two ethical issues on customer evaluations of trust (Study 2, H1b). The results show a positive and direct main effect of ethical responsibility toward environmental issues on consumer trust whereas a direct main effect of ethical responsibility toward employee issue is not significant. That is, customers evaluate trust more positively when a company behaves ethically toward the environment. No prior empirical research has investigated the impact of ethical issues, such as the environment or employee concerns, on consumer trust. While Du et al. (2010) proposed that communication about CSR issues can build stakeholder trust in a company; this thesis extends the empirical body of knowledge about the impact of CSR on consumer trust in a tour company. More importantly, the thesis highlights the importance of ethical responsibility toward environmental issues for enhancing customer trust not only through CSR communication prior to a trip, but also through customer experiences during a trip. It can be argued that the CSR-trust relationship is crucial at the consumption stage not only for financial service companies (e.g., Bejou et al., 1998;

Roman & Ruiz, 2005; Ogrizek, 2002), but also for a tour company. That is because often the tourism industry is heavily dependent on the natural environment being part of the tourist experience.

In addition to a positive and direct main effect, the results indicated a positive interaction effect of ethical responsibility toward the two ethical issues. This means customers evaluate the highest level of trust when a company is being responsible for both ethical issues when conducting a tour. This finding shows that even though a responsibility toward employee issues is not influential enough to enhance trust, it still raises customer trust to the highest level when combined with other issues, especially the environment. One reason offered by Brunk (2010) is that customers expect a company to be responsible for a range of ethical issues. This could mean that customers infer more genuineness or sincerity from persons or companies that appear to be behaving responsibly as a matter of course in all their dealings.

Effect of the ethical responsibility toward ethical issues on perceived value

Perceived value was the final consumer evaluation variable investigated at the post-tour stage (Study 2, H1c). Similar to trust, the results indicate a positive and direct main effect of ethical responsibility toward environmental issues on perceived value but no effect of ethical responsibility toward employee issues on perceived value. Furthermore, a positive interaction effect of ethical responsibility toward both ethical issues is not significant. Regarding the dimensions of value, the ethical behaviours of a tour company toward the environment influenced customer perceptions of hedonic and ethical-expressive values, but not price value. This result indicates that self-oriented and other-oriented values can be enhanced when customers observe a company's ethical behaviours toward the environment during/after the tour experience. Hedonic value, as a self-oriented type of value, seems to be a dominant factor in determining the value of tourism experiences. Predominantly, pleasure and enjoyment are important motivations for customers to go on holidays (Bergin-Seers & Mair, 2008). Similarly, the emotional aspects of a tour are highly ranked in the post-tour perception of value (P. Williams & Soutar, 2009). The results from this thesis indicate that taking an ethical tour conducted

under a banner of concern for environmental issues including elephant trekking that highly involves nature, would provide a more enjoyable tour experience than taking other tours that are more commonly offered but do not indicate a concern for the environment .

However, the results show that the positive effect of ethical responsibility toward environmental issues on hedonic value is substantially smaller than the effect on ethical-expressive value. There is an indication that ethical responsibility toward environmental issues is more closely associated with customer perceptions of other-oriented value than self-oriented value. For example, Peloza and Shang (2011) proposed that in the context of organic food consumption, a company can create other-oriented customer value by implementing environmental protection practices, which are the most popular form of business practice. This thesis not only provides empirical evidence to support the work of Peloza and Shang (2011), but the results are significant to the context of tourism consumption where customers link environmentally-friendly tourism products with good morals and personal life style (Hjalager, 2000). The results of this thesis demonstrate the importance of the ethical responsibility of a tour company, especially toward environmental issues in the creation of other-oriented value as termed ethical-expressive for customers.

Effect of the ethical responsibility toward ethical issues on word-of-mouth referrals

At the post-tour stage, word-of-mouth was investigated as a behavioural outcome. The thesis investigates the impact of the ethical responsibility a tour company toward the environment and employee issues on positive word-of-mouth referrals (Study 2, H1d). The experimental results show a positive and direct main effect of a company's ethical responsibility toward environmental issues on positive word-of-mouth referrals but no significant effect of the ethical responsibility toward employee issues on word of mouth referrals. An interaction effect of ethical responsibility toward both ethical issues is not significant. According to the result, it can be said that ethical responsibility toward environmental issues is more influential for generating word-of-mouth referrals than for ethical responsibility toward employee issues. Subsequently, this could be the reason

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that after they gain more information about how the tour is conducted, customers possibly generate positive word-of-mouth about a tour company that is taking extensive care of the environment. This empirical result supports previous conceptual propositions that argue that CSR will have an impact on word-of-mouth (e.g., Bhattacharya & Sen, 2004; Du et al., 2010). More importantly, the thesis extends the body of knowledge by demonstrating that CSR activities generate more favourable customer external outcomes, not only as purchase intentions, but also as word-of-mouth referrals.

6.2.2 The role of CSR predisposition as a moderator

A second research objective of this thesis was to investigate the moderating effect of CSR predisposition on the relationships between ethical responsibility and customer response at both the pre-booking and the post- tour stages of the tour experience (Study 1, H2 and Study 2, H2). Overall, the results at both stages show a relatively weak moderating effect of CSR predisposition. At the pre-booking stage, the findings indicate that CSR predisposition does not appear to moderate the effects of either tourism accreditation or codes of ethics on most customer evaluations. In other words, customers who are more CSR-oriented do not evaluate perceived tour program quality, trust, and tour booking intention differently from customers who are less CSR-oriented. However, the results indicate that customers who are highly supportive of CSR perceive the value of an ethical tour differently from customers who have a lower support for CSR for the dimension of ethical-expressive value. That is, the high CSR predisposition group of customers consistently rate perceived ethical-expressive value of a tour company more positively than the low CSR predisposition group when codes of ethics are written on the brochure promoting a company's ethical responsibility.

These results indicate a weak impact of CSR predisposition in relation to a tour context. The results, on one hand, are consistent with some studies in the tourism context, where it has been argued that even though tourists declared positive attitudes toward sustainable tourism, they did not act in favour of buying responsible tourism products (Budeanu, 2007). On the other hand, the current results seem to be inconsistent with other works (Bergin-Seers & Mair, 2009; Mohr et al., 2001). For example, Bergin-Seers

and Mair found that active 'green' customers were likely to have more positive views about an accredited business than the less active 'green' customers. However, the inconsistency in results could arise from method and measurement issues. In the study of Bergin-Seers and Mair (2009), customers were classified into less and more active green based on actual self-reported behavioural responses such as, 'green' organisation membership, home water use, waste practices, and energy use. In this thesis, however, customers were asked to rate their levels of agreement with four statements about a belief of the importance of CSR activities on Likert-type scales. It is possibly more difficult to separate customers into different groups based on their beliefs than their actual behaviours.

In comparison, it is found that CSR predisposition appears to have a slightly stronger effect on customer response at the post-tour stage than at the pre-booking stage. At the post-tour stage, the results show that high-CSR predisposed consumers are likely to have more positive perceptions about the quality of the tour program and trust when a tour demonstrates concerns toward environmental issues. One possible explanation for the difference in the results at the pre-booking and the post-tour stages is that during the tour, customers are given more information about a company's ethical behaviour toward environmental issues. It follows customers who are more positive about environmental issues and more prepared to act responsibly, would have a more positive perception about tour quality as well as being likely to raise their trust in a company. These experimental findings further support the results from the qualitative work of Webb and Mohr (1998), who reported that levels of trust in a responsible company were raised among customers who have a strong support for the CSR program. Whereas the study of Webb and Mohr (1998) was related to a company implementing philanthropic activities in the general business context, understanding how consumer trust can be built through the display of ethical responsibility by a tour company is a key contribution made by this thesis.

In brief, it can be summarised that CSR predisposition does not have a strong enough effect to moderate the effect of ethical responsibility on customer evaluations and behavioural outcomes either at the pre-booking or the post-tour stages of the tour

experience. Qualitative studies of consumer products found that different groups of customers who have different attitudes towards CSR and responsible companies tend to respond to a company differently in terms of their perceptions and buying behaviours (Mohr et al., 2001; Webb & Mohr, 1998). However, this thesis highlights that there is no difference among different groups of customers in the tourism market place in terms of a positive evaluation of a tour or of a tour company and positive behavioural outcomes. In other words, all customers tend to have positive perceptions toward ethical tourism products.

6.2.3 Mediating role of customer evaluation variables

The final objective of this thesis is to investigate the mediating effect of customer evaluations at the pre-booking and the post-tour stages of the tour experience (Study 1, H3 and Study 2, H3). In section 2.10, the literature showing the mediating effects of the evaluation variables was reviewed. It was observed that empirical studies investigating perceived overall quality, trust, and perceived value as mediators are limited in the CSR literature, especially in the case of perceived value. In particular, the discussion in Chapter 2 highlighted the point that in a mediation relationship these customer evaluation variables are often interrelated through a complex pattern of relationships. However, the number of tourism studies exploring such interrelationships among perceived overall quality, trust, and value is extremely limited. More importantly, there is no previous research indicating whether the nature of these interrelationships of customer evaluations exists in the same pattern at both the pre-purchase and post-consumption stages. Accordingly, the results from this thesis contribute to the body of knowledge about the mediating roles of these variables in the relationship between the ethical responsibility and behavioural outcomes within the tour context. Also, the results extend knowledge to both the pre-purchase and post-tour stages.

6.2.3.1 The pre-booking stage

At the pre-booking stage, TOURQUAL was investigated using only the dimension of perceived tour program quality and no changes were made to trust and perceived value.

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As expected, the findings show that these variables mediated the direct effect of tourism accreditation and codes of ethics on tour booking intention. Even though the results reported in section 6.2.1.1 show that accreditation and codes of ethics have a positive direct impact on all customer evaluation variables, the impact across mediators varies. Overall, perceived tour program quality and trust appear to be major mediators. Even though perceived value appears to be a minor moderator, each dimension of perceived value plays a role in influencing tour booking intention. Three key findings are addressed.

The first key finding to be highlighted is the key mediating role of perceived tour program quality. That is, perceived tour program quality is affected by both ethical initiatives; and in turn influences consumer trust, perceived value, and tour booking intention. While the effect of perceived tour program quality on tour booking intention is moderate, the effect on trust and perceived value are moderate to large. More specifically, with regard to the effect on value dimensions, perceived tour program quality has a strong effect on hedonic, price, and ethical-expressive value, respectively. In the tourism context, previous research has demonstrated that perceived quality plays a role as a key mediator between brand image and online hotel booking to the extent that perceived quality affects trust and perceived value, which in turn, affect online hotel booking (Chiang & Jang, 2006). While previous research has not yet investigated the mediating role of perceived tour program quality or other similar variables related to perceived quality in the CSR context, this thesis extends the body of knowledge in this area to some extent. For example, it can be argued that customer perceptions of higher product quality and standards for accredited companies (Bergin-Seers & Mair, 2008) and a link between codes of ethics with quality of tourism products/services (Fleckenstein & Huebsch, 1999) may lead to customer trust, perceptions of value, and purchase intention.

The second key finding indicates trust as a second major mediator in the effect of ethical initiatives on tour booking intention. Previous research has shown that in the non-tourism CSR context, trust plays a mediating effect on repurchase intention (Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009). More specifically, previous

empirical studies in the non-tourism context have found that customer trust in organic food labels (Perrini et al., 2010; Pivato et al., 2008) and fair trade labels (Castaldo et al., 2009) leads to customer purchasing behaviours, such as willingness to pay a premium price or loyalty to the brand. The findings from this thesis support this evidence by extending knowledge that for tourism products, customer trust in an accredited tour/company also favourably enhances customer purchase intention. This thesis also extends knowledge in that trust does not only mediate the effect of tourism accreditation, but also mediates the impact of codes of ethics information on tour booking intention. Previous studies examining the relationship of codes of ethics, trust, and purchase intention are extremely limited. However, codes of ethics may be treated as a source of CSR information that is provided through a marketing campaign. When consumers are given information in a marketing campaign that a company is practising ethical responsibility, their trust in a company is raised. This outcome in turn leads to greater purchase intentions (Mohr & Webb, 2005). Also, previous research in the marketing and tourism contexts have shown the relationship between trust and purchase intention (e.g, Chaudhuri & Holbrook, 2001; Cronin et al., 2000; Parasuraman & Grewal, 2000; Sirdeshmukh et al., 2002; Sparks & Browning, 2011). The results from this thesis also show that in the tourism related CSR context, customer perceptions of trust that are affected by tourism accreditation and codes of ethics practised by a tour company, influence perceived value and purchase intention of ethical tourism products.

The final key result highlights that unlike perceived tour program quality and trust, perceived value does not play a key mediating role on its own. That is, perceived value is no longer affected by ethical initiatives when perceived tour program quality and trust are included in the model. Overall two key points in relation to perceived value are highlighted. First, the results show that perceived value is a consequence of perceived tour program quality and trust as discussed earlier in this section. Moreover, the results indicating perceived value as a consequence of trust are consistent with previous studies involving an online auction (Chong et al., 2003) and online hotel bookings (Chiang & Jang, 2006). Hence, the thesis extends knowledge into the context of online tour booking and shows that customer trust in a responsible tour company leads to perceived value.

The discussion now turns to another key point about the effect of different dimensions of value on tour booking intention. The results show hedonic value has the strongest effect on tour booking intention; while price and ethical-expressive values have relatively equal and smaller effects. Previously, qualitative research results have revealed that different types of value, such as hedonism, self-identity, and universalism, play important roles in the ethical purchases of groceries (Shaw et al., 2005). The empirical results from this thesis extend knowledge of this area, especially in the context of ethical tour purchase decision-making. In the tourism literature, while perceived value has been widely treated as a multi-dimensional construct (e.g., Petrick, 2002; Sánchez et al., 2006; J. Smith & Colgate, 2007; Sparks et al., 2008), little is known about which dimension plays a key role in determining purchase intention of ethical/responsible tourism products. Tourism products are considered to be experiential (J. Smith & Colgate, 2007) and as such one of their main purposes is enjoyment of life and having fun and pleasure (Bergin-Seers & Mair, 2008). In this thesis, the tour package depicts a range of experiential attributes. However, the inclusion of ethical attributes adds a more responsible or serious aspect to the package. That is, the information about ethical initiatives did not convey any message relating to fun, pleasure or enjoyment. Nonetheless, while it is not surprising to find that customers linked the purchase of an ethical tour to the same hedonic reasons for the purchase of other tourism products, it is interesting that the inclusion of responsible attributes does not significantly diminish this influence. In this respect, hedonic value viewed as a self-oriented value, remains the most influential dimension of value in driving customer purchase of a tour, even though the tour may include ethical attributes in the tour package.

The subsequent two value dimensions also have a significant effect on tour booking intention. However, in comparing the effects between hedonism and the remaining dimensions of price and ethical expressive value, these latter two dimensions have only a small effect on booking intention. Of more interest in these two value dimensions is the finding that both dimensions have relatively equal effects. The reason for this interest is the previous recognition accorded to monetary value as a determinant of

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consumer behaviour. For instance, previous tourism research has defined consumer value as overall value for price (e.g., Oh, 1999; 2000) and has shown that overall value for price is strongly associated with purchase intention of hotels (Oh, 2000). Nevertheless, the results from this thesis show that ethical-expressive value is just as important as price value in the purchase of ethical tourism products. Ethical-expressive value is viewed as being other-oriented, following the Holbrook (1996) typology. Accordingly, it can be assumed that customers are likely to buy ethical tour products because they are driven by a motivation to reduce selfish concern and promote the welfare of others and nature (Follows & Jobber, 2000). At the same time, they are motivated to express themselves as a responsible tourist (J. Smith & Colgate, 2007). Thus, it can be argued that responsible tour companies should promote ethical-expressive value of ethical tourism products in order to foster purchase intention of a tour and to differentiate the company from other more commonplace tour companies.

6.2.3.2 The post-tour stage

Similar to the processes carried out during the pre-booking stage, the mediating effects of TOURQUAL, trust, and perceived value were investigated at the post-tour stage. Overall, the results indicate that the effect of the demonstrated ethical responsibility of a company toward environmental issues is mediated by customer evaluations and thus indirectly influenced positive word of mouth referrals. It has been argued that customer internal outcomes are important links not only between CSR and purchase intention, but also between CSR and word-of-mouth (Bhattacharya & Sen, 2004). The findings in this thesis support this proposition and accordingly extend knowledge of such relationships to the extent that the internal outcomes are interrelated. That is, the results indicate that when the mediators are included in the model both independent variables (ethical responsibility toward environmental and employee issues) no longer have a significantly direct effect on word-of-mouth communication. More specifically, as expected, the mediators are interrelated. For a pattern of the interrelationship, it is found that TOURQUAL affects trust and perceived value. Trust also affects perceived value. Ultimately, most mediators influence positive word-of-mouth communication.

According to this pattern of interrelationship, three key findings are addressed about the mediation relationship tested at the post-tour stage.

The first key finding is that TOURQUAL appears to play a major mediating role because both dimensions of TOURQUAL are affected by the independent variables (ethical responsibility toward environmental and employee issues). TOURQUAL dimensions then affect trust, perceived value, and word-of-mouth. The mediating role of each dimension is highlighted. First, perceived tour program quality mediates the direct effect of both independent variables on word-of-mouth through three other mediators (trust, perceived hedonic value, and perceived price value). That is, perceived tour program quality does not directly affect word-of-mouth, but it affects trust and perceived value, which in turn influence word-of-mouth. Perceived tour program quality refers to a perception of the tour design that creates a rich experience for customers. It can be said that the design of a tour program includes tour attributes (Geva & Goldman, 1989) that show the functional benefits of a tour. Accordingly, the empirical results from this thesis appear to be consistent with Bhattacharya et al. (2009), who proposed that functional benefits that are affected by CSR activities influence trust and psychological benefits. While Bhattacharya et al. proposed this relationship with regard to company-stakeholders; this thesis extends such knowledge to a more specific stakeholder group: consumers, and contributes to the knowledge in the context of tourism-related CSR.

The results for the effect of perceived ethical performance, a second dimension of TOURQUAL, also indicate that perceived ethical performance plays a role as a major mediator in the direct effect of the investigated ethical issues on word-of-mouth. While previous research has shown that CSR activities influence customer perceptions of the ethical performance of a company (Oppewal et al., 2006), no previous research has investigated whether customer perceptions of this ethical performance will in turn have any effect on word-of-mouth communication. The results from this thesis contribute to knowledge in this area. That is, at the consumption stage of the tour experience, when customers have gained more information about and have been involved with a tour that is conducted under a banner of concern for ethical issues, such as the environment,

customers would be likely to generate positive word-of-mouth about a tour or a company. It is argued that customer involvement with a product is perceived as an important motivation of positive word-of-mouth (Sundaram et al., 1998). Therefore, it can be concluded that more positive word-of-mouth communication about an ethical tour would be generated if a company shows how it practises ethical responsibility at the consumption stage of a tour where customers can have more involvement and obtain more information about a company's ethical responsibility.

Moreover, the results indicate that perceived ethical performance also mediated the direct effect of ethical responsibility on the two ethical issues on word-of-mouth through three other mediators: trust, perceived hedonic value, and perceived ethical-expressive value. The results for the effect on trust are consistent with previous studies about financial services to the extent that during the consumption of a service, consumer trust in a company can be determined by customer perceptions of the ethical behaviours of a bank (Roman, 2003). This thesis extends this knowledge to the tour service context. In addition, while no previous research has investigated the effect of perceived ethical performance on perceived value, this thesis contributes to knowledge that at the post-tour stage, customer perceptions of the ethical performance of a tour company also mediates the direct effect of a company's ethical responsibility on word-of-mouth through hedonic and ethical-expressive value.

The second key finding to be addressed is that trust appears to be a second major mediator because trust is also affected by both independent variables in the first place and it is also affected by another mediator: TOURQUAL. Trust in turn influences positive word-of-mouth. The results for the effect of trust on word-of-mouth indicate a positive CSR-trust-word-of-mouth relationship and are consistent with previous studies in non-tourism contexts, such as a mobile-phone service (Vlachos et al., 2009) and sport firm (Lacey & Kennett-Hensel, 2010). In particular, trust has been found to be an antecedent of word-of-mouth in the general service experience (Singh & Sirdeshmukh, 2000), the five-star hotel experience (T. Kim et al., 2009), and in an airline service setting (Sirdeshmukh et al., 2002). This thesis is the first study to present empirical evidence that customer trust is important for creating positive word-of-mouth after a

customer has received more information about what a tour company actually does in terms of ethical responsibility toward ethical issues, especially environmental issues.

As expected, trust also mediates the direct effect of ethical responsibility toward ethical issues on word-of-mouth through perceived value (hedonic and ethical-expressive). The results indicating trust as an antecedent of perceived value are consistent with previous studies in other service contexts. At the consumption stage of an airline service, Sirdeshmukh et al. (2002) found that consumer trust in management policies and practices affects perceived value. This thesis extends the body of knowledge in the CSR-tourism context. That is, when customers have trust that a tour company is practising management policies/practices that minimise the impact of ethical issues, especially with regard to the environment, they will have more positive perceptions about tour value.

According to the major mediating effect of TOURQUAL and trust as discussed previously, the results show that perceived value has only a minor mediating effect. That is because perceived value is not initially affected by ethical responsibility toward any ethical issues when TOURQUAL and trust are included in the model. However, perceived value as a consequence of TOURQUAL and trust ultimately influences positive word-of-mouth. The results showing the effect of perceived value on word-of-mouth are in agreement with previous studies in the tourism context (Hutchinson et al., 2009; Oh, 2000). However, the previous studies have not investigated which dimension of perceived value is the more influential in determining positive word-of-mouth at the post-consumption stage. This thesis contributes to knowledge in this area by investigating the effect of different dimensions of value on word-of-mouth.

The discussion now turns to highlight the final key findings about the effects of perceived value dimensions on word-of-mouth. The results show that hedonic value has the strongest effect, followed by ethical-expressive value. However, price value has no effect on word-of-mouth. This finding shows that similar to the pre-purchase decision making process, customer behavioural outcomes rely heavily on how much pleasure and enjoyment consumers received during the consumption stage. Again this finding is

expected, as discussed earlier in section 2.10. At the post-consumption stage, a high degree of hedonism will encourage consumers to communicate positively to others about an ethical tour. In addition, the important role of the ethical-expressive dimension of value is highlighted. Customers possibly tend to talk to other people about the chance for them to do good things for the environment when taking an ethical tour while they are on holidays. That is because customers link ethical consumption with a motivation to protect the welfare of all people and for nature, such as respecting the environment (Shaw et al., 2005). At the same time, it is argued that expressive value can be derived from the consumption of responsible tourism products (J. Smith & Colgate, 2007). The results from this thesis indicate that customer intention to generate positive word-of-mouth can also be driven from the fact that customers want other people to see them as a responsible tourist.

In summary, section 6.2 discussed the findings from Study 1 (the pre-booking stage) and Study 2 (the post-tour stage) separately. The discussion highlights a number of contributions in relation to specific research objectives and hypotheses. It can be concluded that information about the two ethical initiatives: accreditation program and codes of ethics indicates they have a positive influence on perceived tour program quality, trust, and perceived value at the pre-booking stage. Also, information about the two ethical initiatives has a positive effect on customer intentions to book a tour. However, codes of ethics have a stronger impact than an accreditation logo. At the post-tour stage, customers are likely to have a more positive evaluation of TOURQUAL, trust, perceived value, and word-of-mouth when a company conducts a tour with concern for ethical issues. However, ethical responsibility toward environmental issues appears to have a stronger influence on customer evaluations and a behavioural outcome. At both stages of the tour experience, the results show that CSR predisposition does not have a strong moderating effect on the direct effect of ethical responsibility on customer evaluations and behavioural outcomes. Finally, at both stages of the tour experience, the results indicate that a set of customer evaluations mediates the direct effect of ethical responsibility on behavioural outcomes. The mediating effects of customer evaluations are similar at both stages of the tour experience. That is, overall, TOURQUAL and trust are major mediators to the extent that they are initially affected

by ethical responsibility and they in turn affect perceived value and behavioural outcomes. Perceived value is a minor mediator and each dimension has a different level of effect on behavioural outcomes. The next section will discuss the conclusions of the overall research question and draw together findings from both studies.

6.3 Conclusion of the Overall Research Problem

In relation to the question concerning the influence of *a tour operator's ethical responsibility on customer evaluations and behavioural outcomes at different stages of the tour experience,* the conclusion drawn from the investigation is that there is a direct and positive effect of the ethical responsibility of tour operators on customer evaluations and behavioural outcomes. At the same time, the ethical responsibility of tour operators has an indirect and positive impact on behavioural outcomes through the mediating effect of customer evaluations. These patterns of impact are evident at both pre-booking and post-tour stages of the tour experience. Subsequently, this thesis has made four key contributions with regard to a lack of knowledge in this area.

First, in response to calls for a better understanding of which type of ethical initiative should be selected, this thesis concludes that codes of ethics are more effective than accreditation in influencing a range of customer evaluations and tour booking intentions. The thesis examines the impact of ethical initiatives from two different categories. The first type is an external initiative (tourism accreditation) and the second type is an internal initiative (codes of ethics). The main and interaction direct effects of these two ethical initiatives on customer evaluations and tour booking intention were investigated at the pre-booking stage. Previous studies have argued that accreditation programs influence customer attitudes and decision making to some extent (Buckley, 2002; Reiser & Simmons, 2005; Schott, 2006). It is argued that codes of ethics should be implemented in the tourism industry as a tool for CSR (Fennell, 2006); however there is a lack of empirical evidence to support these claims. As an environmental management tool, Mihalic (2000) argued that codes of ethics have the least effective impact and accreditation schemes are the most effective tools. However, as a marketing tool, this thesis shows a stronger effect of codes of ethics than accreditation.

Second, this thesis investigates the impact of the ethical responsibility of a tour company toward two different ethical issues: environmental and employee issues at the post-tour stage. Previously, studies have discussed a range of ethical issues that tourism companies should be responsible for (Payne & Dimanche, 1996; Tepelus, 2008); however, it might be difficult for a company to demonstrate ethically responsible behaviours for all issues. To simplify the situation and promote successful outcomes, it is therefore suggested that a company should address specific social issues during the implementation of CSR (Porter & Kramer, 2006). Nevertheless, when implementing ethical responsibility, little is known about which ethical issues should be addressed first. For the tour operating sector, the thesis shows that customers provide more favourable evaluations and word-of-mouth communication when a company is being responsible about environmental issues, than when they are responsive to employee issues. A possible explanation for this conclusion is that the environment is perceived as a key component of tourism products (S. Smith, 1994) and that customers claim that it is important for them to know how to protect the environment while they are on holidays (TEARFUND, 2000). Accordingly, when customers are informed that a tour company is practising ethical responsibility toward environmental issues, customers may be more encouraged to generate more positive referrals about the tour and a company after the trip.

Third, the importance of investigating the impact of the ethical responsibility of tourism companies at both pre-purchase and post-consumption stages is highlighted. It is argued that tourist decision-making behaviours with regard to tourism products can be formed and influenced both prior to and after consumption (Woodside & King, 2001). In particular, a perception of a tour service changes during the consumption (Geva & Goldman, 1989). Accordingly, the results from this thesis highlight that the impact of ethical responsibility can influence positive outcomes from consumers not only at the purchase stage, but also after consumption. The results are in agreement with current knowledge that customers learn about the CSR practices of a company from messages and information given during marketing campaigns (Schuler & Cording, 2006). However, this thesis extends current knowledge and concludes that customers have the

potential to learn and evaluate a responsible company from information and experience obtained during a tour service. Even though subjects who participated in this thesis were not involved in a real tour experience, ethical practices described in tour experience scenarios provided them with information about the ethical responsibility of a tour company during the conduction of a tour.

The fourth key contribution is to comprehensively extend knowledge about the customer response. Overall, this thesis concludes that perceived overall quality of a company, trust, and perceived value are important customer internal outcomes of ethical responsibility. Previous CSR studies have proposed ideas about the direct influence on customer internal outcomes, such as awareness, attributions, attitudes, and attachment (e.g., Bhattacharya & Sen, 2004). Moreover, previous empirical studies in the areas of product and service marketing have also found CSR impacts on similar internal outcomes (e.g., Deng, 2012; Ellen et al., 2006; Klein & Dawar, 2004). Some previous studies have assessed CSR impact on customer evaluations of a product and a company (e.g., Klein & Dawar, 2004; Sen & Bhattacharya, 2001; Singh et al., 2008). While some authors have proposed the idea that CSR activities also impact on other customer internal outcomes, such as functional benefits, trust, and values (e.g., Bhattacharya et al., 2009; Du et al., 2010), there is a lack of empirical research investigating these variables simultaneously. This thesis is the first empirical study to consider these variables in the tour operating context and to comprehensively assess customer evaluations in terms of the perceived overall quality of tour operators (TOURQUAL), trust, and perceived value. The discussion in the two following sub-sections highlights the final conclusion about the direct impact of ethical responsibility on each of the customer evaluation variables and behavioural outcome variables investigated. The final conclusion about the mediating effect of customer evaluations will also be discussed. While this discussion in section 6.3 has so far drawn conclusions from both studies in general, the following sub-sections highlight the final conclusion for specific customer response variables. While detailed results from hypothesis testing were integrated with the literature in section 6.2 on an individual basis for each study, here conclusions are drawn about customer response from both studies in a more general sense. In turn, a broader range of literature is considered for this discussion. Similarly, the final

conclusion about the mediating effect of customer evaluations will also be presented that links the overall results of this thesis with other studies utilising mediators in general.

6.3.1 The direct impact of ethical responsibility of tour operators

This section highlights the final conclusions and contributes information about the direct impact of ethical responsibility in relation to each of the customer variables investigated. First, the thesis investigated the impact of ethical responsibility on TOURQUAL. In this thesis, TOURQUAL was defined as comprising three dimensions, but only two dimensions were investigated (see section 2.8.1 for justification of delimitation). The two dimensions are perceived tour program quality and perceived ethical performance of a company. Even though perceived ethical performance was not measured at the pre-booking stage, it was measured, together with another dimension at the post-tour stage. Accordingly, this thesis concludes that ethical responsibility of tour operators can have positive impacts on TOURQUAL. As section 6.2.1 discussed in detail how ethical initiatives and ethical issues of concern directly affected TOURQUAL at a pre-booking and the post-tour stage, here the thesis discusses the overall relationship about CSR and TOURQUAL dimensions.

With respect to perceived tour program quality, it can be concluded that ethical responsibility of tour companies positively influences customer perceptions about quality of a tour program. Tour programs are considered as tour products that present tour attributes and functions (Geva & Goldman, 1989). Previous CSR studies in the non-tourism context have shown a conceptual idea that CSR activities lead to a return to stakeholders in terms of functional benefits (Bhattacharya et al., 2009). However, this thesis contributes to knowledge about the consumer context of CSR, not stakeholders in general. Previous studies have also shown empirical findings about the positive effect of CSR on the quality of a financial service (Poolthong & Mandhachitara, 2009) and a mobile phone service (Salmones et al., 2005). This thesis contributes to the knowledge in tour service that ethical responsibility positively affects perceived tour program quality.

In relation to perceived ethical performance, the conclusion is in agreement with other research in non-tourism contexts. However, it can be highlighted that customers perceive the ethical performance of a company could be related to the fit between the type of company and ethical and social issues. For example, Oppewal et al. (2006) found that perceived CSR performance is enhanced when a shopping centre involved in CSR activities is perceived to be helping the local community. However, for a tour company, perceived ethical performance is raised when the company is involved in activities to protect the natural environment. In brief, this thesis argues that a tour company should be ethically responsible because improving the quality of products and the social performance is perceived as a key role of tour operators (Richards et al., 2002). However, engaging in ethical practices with the aim to minimize the impact on the environment should be the priority and should be implemented over time to strengthen the CSR performance of a company (Lacey & Kennett-Hensel, 2010).

Secondly, this thesis concludes that the ethical responsibility of a tour operator has a positive impact on consumer trust at both stages of the tour experience. Prior to purchase, it can be argued that communication about ethical initiatives would enhance customer trust in a company. This empirical result provides support for conceptual ideas about the CSR initiatives-trust relationship proposed in the CSR literature (Du et al., 2010; P. Murphy et al., 2007; Swaen, 2002). With regard to a company's communication in particular, it can be argued that communication about ethical initiatives prior to the purchase of tourism products could imply corporate association with social responsibility which is positively related to trust (Brown, 1998; Du et al., 2010). In addition, this thesis extends to providing knowledge about CSR-consumer trust at the post-consumption stage. That is, trust can also be enhanced after a tour experience if a company is responsible for ethical issues. This finding highlights that ethical responsibility is an important component for a tour service wanting to create consumer trust after the consumption experience as it was found in other types of service companies, such as sport companies (Lacey & Kennett-Hensel, 2010) and banks (Bejou et al., 1998; Poolthong & Mandhachitara, 2009; Roman, 2003). Also, in accordance with Du et al. (2010), this thesis argues that a company should consider

giving customers information about a company's responsibility toward ethical issues. However, environmental issues should be a priority because consumers care about their own benevolence which they perceive is a benefit derived from the company's CSR activities (Bhattacharya et al., 2009), but also for the impact on the environment.

Thirdly, this thesis extends the body of knowledge in several ways about the impact of ethical responsibility on perceived value. While numerous studies that include the influence of tourism activities and service on perceived value have appeared in the tourism literature (e.g., Hutchinson et al., 2009; Petrick, 2004; P. Williams & Soutar, 2009), perceived value has not yet been widely studied in the context of CSR. The findings of this thesis indicate a strong direct effect of ethical responsibility on hedonic and ethical-expressive values, but a substantially weaker effect on price value at both stages of the tour experience. Section 6.2.1 discussed in detail how ethical initiatives and ethical issues of concern directly affected the perceived value at a pre-booking and the post-tour stage, here the thesis discusses the overall relationship about CSR and perceived value.

The conclusion of the findings supports the previous conceptual frameworks about the relationship between CSR and value creation (Bhattacharya et al., 2009; Peloza & Shang, 2011; Piercy & Lane, 2009). While Bhattacharya et al. proposed this relationship in relation to company-stakeholders (Bhattacharya et al., 2009); other authors have discussed the relationship with regard to issues in the consumer context (Peloza & Shang, 2011; Piercy & Lane, 2009). That is, CSR activities can create customer value. While Piercy and Lane noted that in order to employ CSR activities to create customer value, it is important to consider what benefits customers will receive from a company's CSR activities. In accordance with this perspective, CSR activities can create both functional and psychological benefits (Bhattacharya et al., 2009). However, this thesis argues that psychological benefits are key components for creating customer value for ethical/responsible tourism products prior to the purchase and after the consumption of the tourism experience. That is because the results show that the ethical responsibility of tour operators is an influential factor in determining positive customer evaluation of hedonic and ethical-expressive values. Following the ideas of

Holbrook (1996), that psychological benefits are embedded in both self-oriented (play) and other-oriented (ethical and status) types of value, the effects of ethical responsibility on each type of value are discussed as following.

In relation to a self-oriented value, Holbrook (1996) defined factors, such as play as a self-oriented value. Customers would perceive the value of products as a way to enjoy themselves from the consumption of products. In the CSR context, a company's CSR activities are linked with the well-being of individuals (Bhattacharya et al., 2009). It can be argued that with regard to the tour experience, customers buy a tour for their own pleasure, joy, and fun (J. Smith & Colgate, 2007). Similar to other tours offered in the tourism market place, customers perceive that taking an ethical tour could provide them with pleasure, joy, and fun. Moreover, it is argued that the natural environment is a key component of tourism products (S. Smith, 1994). As a consequence, it can be assumed that customers perceive a tour company's ethical responsibility toward environmental issues as the most important factor to make their tour experience enjoyable.

In addition to self-oriented value, the ethical responsibility of a tour company is a key factor in the creation of customer other-oriented value in terms of ethical-expressive value. Factors such as status and ethics are considered as other-oriented values (Holbrook, 1996). More recently, Peloza and Shang (2011) proposed that CSR activities in business are likely to enhance other-oriented values within Holbrook's typology of value. It is important to highlight the findings from this thesis that the promotion of the ethically responsible behaviours of a tour company through the display of both accreditation and codes of ethics information enhances customer perceptions about ethical-expressive value. At the same time, customers perceive that the value of the tour experience at the consumption stage can be enhanced when a company is being responsible for environmental issues. That is, taking an ethical tour provides customers with a chance to express themselves as a responsible tourist (J. Smith & Colgate, 2007) and at the same time they have a chance to do good things for the planet (Holbrook, 1996) in terms of minimising the impact on the environment while they are on holidays. It could be assumed that customers link their consumption of an ethical tour offered by an ethically responsible company with their morality.

Finally, the thesis concludes that the ethical responsibility of a tour operator has a positive influence on the behavioural outcomes at both stages of the tour experience. First, information about a company's ethical responsibility provided through ethical initiatives has a positive impact on customer intentions to book a tour. This conclusion is consistent with previous studies about the effect of CSR on purchase intention in the non-tourism context (Brown, 1998; Mohr & Webb, 2005; Pirsch et al., 2007; Sen & Bhattacharya, 2001). In particular, the conclusion supports the influence of CSR communication about CSR initiatives enhancing a purchase (Du et al., 2010; Wigley, 2008). Also, this thesis supports Miller et al. (2010), who suggested labelling the sustainability of tourism products in order to encourage tourists to take responsible actions for their travel behaviours. The thesis shows that labelling a tour package with information about ethical initiatives, which a tour company is practising, could enhance tourists' intentions to buy an ethically responsible tour. More importantly, this thesis extends the body of knowledge by comparing the effects of different types of ethical initiatives employed as sources of CSR information. The finding highlights a more influential impact of the internal type of initiatives represented by codes of ethics than the external initiative represented by an accreditation logo. Moreover, the thesis concludes that a tour company's ethical responsibility is also influential in creating positive word-of-mouth referrals. Word-of-mouth as a result of CSR activities has been widely discussed (Bhattacharya & Sen, 2004; Du et al., 2010); however, when compared with purchase intention, this variable has rarely been empirically investigated in the context of CSR.

This thesis extends knowledge in relation to the post-consumption stage of tourism products showing that customers would generate more positive advocacy, such as word-of-mouth when they are exposed to more information about a company's ethical practices regarding environmental issues. It can be said that being ethically responsible to the environment is a very powerful factor for attracting future customers to a tour business. That is because most tourists choose a tour operator based on recommendations from their social networks, such as friends and families, rather than from travel agents (MORI, 2004). It is also consistent with Bergin-Seers and Mair

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(2008), who reported that it is important for customers to search for environmental information about holidays and that friends and family are the preferred source of information.

6.3.2 The mediating effect of customer evaluations

In section 6.3.1, the conclusion was drawn about the direct impact of ethical responsibility on customer evaluations and behavioural outcomes. The conclusion shows that different types of ethical responsibilities and ethical issues have different levels of positive impact on customer evaluations. Previous research has shown that internal outcomes for customers, such as awareness, attitudes, attribution, commitment, and attachment played a direct mediating effect in CSR practices on behavioural intentions (Becker-Olsen et al., 2006; Bhattacharya & Sen, 2004: Du et al., 2007; Klein & Dawar, 2004; Lacey & Kennett-Hensell, 2010; Pomering & Dolnicar, 2009). More specifically, while only one or two mediators were tested in those studies, this thesis involves three main constructs which comprises six mediators in total. The three main constructs are TOURQUAL, trust, and perceived value and these constructs have rarely been empirically assessed as mediators in CSR-consumer external outcome relationships. Accordingly, this section extensively highlights a conclusion and the contribution about the role of these variables as mediators. Another key contribution highlighted here is that no prior empirical research in the tourism-CSR context has empirically investigated these mediators simultaneously in one study nor examined them at both the purchase and the consumption stages.

Even though the results of the mediating effects occurred in a slightly different pattern between the pre-booking and post-tour stages, overall it can be concluded that the ethical responsibility of tour operators has an indirect impact on behavioural outcomes through a mediation relationship of TOURQUAL, trust, and perceived value. More importantly, these mediators are interrelated. Figure 6.1 shows the interrelationship pattern among the mediating variables found in this thesis. That is, TOURQUAL is a key mediator to the extent that it is directly affected by ethical responsibility. Then TOURQUAL affects both trust and perceived value. Trust is a second major mediator

as it is also directly affected by ethical responsibility; then it influences perceived value. Ultimately perceived value and the other two major mediators affect behavioural intentions.

Figure 6.1: The Overall Mediating Process of Customer Evaluation Variables
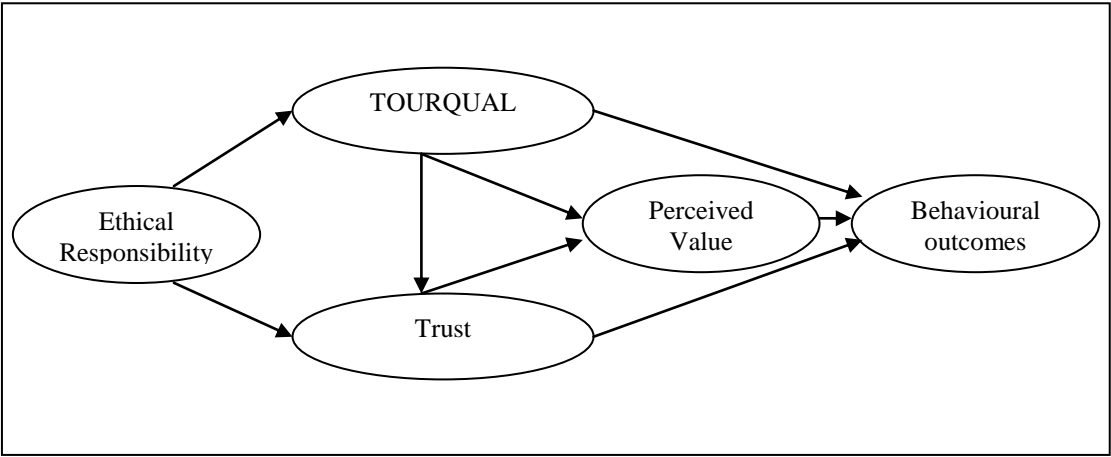
Few authors have proposed complex conceptual models comprising a range of intervening and dependent variables. In one exception, Bhattacharya et al. (2009) proposed a similar framework, to that depicted in Figure 6.1, and argued that functional benefits as a result of CSR initiatives affect value and trust. Value at the same time influences trust, which in turn affects customer external outcomes. To the researcher's knowledge, the authors have yet to test their model. In this thesis, the findings are in broad agreement with the overall model of Bhattacharya et al. (2009) but the interrelationships among these variables differ. The difference could be subject to the particular context of the study. While Bhattacharya et al. proposed a similar relationship in a general stakeholder context; the empirical results of this thesis provide overall support for a specific group of customer stakeholders. Three key aspects of the interrelationship are highlighted: the major mediating role of TOURQUAL, the trust-value relationship, and the effects of different dimensions of perceived value on behavioural outcomes.

Firstly, TOURQUAL appears to be a major mediator. That is because it was influenced by ethical responsibility, which in turn affects trust and perceived value as well as

behavioural outcomes. In this thesis, TOURQUAL was operationalised by two dimensions of the perceived ethical performance of a company and the perceived tour program quality based on the service quality literature. Accordingly, to some extent, TOURQUAL can be perceived as benefits that customers will receive from taking an ethical tour. In relation to the CSR literature, it is argued that CSR activities create benefits for a range of stakeholders. For example, Bhattacharya et al. (2009) referred to functional benefits as tangible benefits stakeholders will receive. To this point, it can be argued that for a responsible tour operator, benefits should be viewed as an overall evaluation of quality that includes both tangible (tour program quality) and intangible benefits (corporate ethical performance). Taking each dimension of TOURQUAL in turn, the first dimension is tour program quality and this dimension is related to quality of product features. The overall empirical findings support the idea that CSR activities affect functional benefits for stakeholders, which in turn enhance consumer trust in a company (Bhattacharya et al., 2009). It is also in agreement with Poolthong and Mandhachitara (2009), who reported that the perceived service quality of a banking company as a consequence of CSR affects consumer trust; trust in turn leads to brand affect.

In relation to the second dimension: perceived ethical performance, the conclusion of the findings accords with a study by Yang et al. (2009). That is, in using online shopping websites, the ethical attributes of the websites, such as transparency of transaction and privacy, affected online customer perceptions of ethical performance. Perceived ethical performance in turn is found to enhance consumer trust. While the interrelationships between quality and trust have been widely reported in CSR research, the interrelationships between quality and perceived value have not yet been reported. This thesis extends knowledge about the quality-value relationship in the CSR context. This relationship can be explained by previous results from tourism research (e.g., Chiang & Jang, 2006; Hutchinson, et al., 2009; Oh, 2000; Sirdeshmukh et al., 2002) to the extent to which quality is the antecedent of perceived value and behavioural intentions. However, as highlighted in this discussion, it should be noted that the quality of a tourism company should be viewed in conjunction with a consideration of how good product/service quality is and how good a company is as a responsible company.

Secondly, whereas Bhattacharya et al. (2009) proposed that psychological benefits and values that result from CSR activities enhance consumer trust; this thesis found a difference in the relationship between value and trust. Whereas the associations among the mediators remained positive, the direction of relationship differs. That is, the empirical results at both stages of the tour experience indicate that trust that results from ethical responsibility enhances customer perceptions of value, which in turn influence behavioural outcomes. This path of mediation is similar to that found in the study of Lacey and Kennett-Hensell (2010) in relation to the sport industry. These authors reported a direct influence of CSR initiatives on trust, which in turn enhanced customer commitment. Customer commitment ultimately led to behavioural intentions. The effect of trust on commitment can be considered as being parallel to the effect of trust on perceived value in the way that trust seems to have the effect on other customer-related variables, which in turn lead to behavioural intentions. However, the thesis supports Bhattacharya et al. (2009) that in the CSR context, trust is an antecedent of behavioural outcomes. Also, the results corroborate the study of Vlachos et al. (2009), who found that customers would trust a company if they perceived that the company is involved in CSR activities to help other stakeholders. In this situation customer trust will lead to patronage intention and positive recommendation.

Finally, even though perceived value does not appear to be a major mediator when TOURQUAL and trust are included in the mediation model, perceived value, as a consequence of TOURQUAL and trust, affects behavioural outcomes. This finding is similar to previous tourism research findings that discovered a positive effect of perceived value on behavioural intentions (Hutchinson et al., 2009; Oh, 1999, 2000; P. Murphy et al., 2000). This thesis extends the body of knowledge in relation to the tourism-CSR context, in which different dimensions of perceived value are found to have a different impact on behavioural outcomes. While three dimensions of perceived value (hedonic, price, and ethical-expressive) were investigated, it can be concluded that similar to other tourism products, hedonic value is dominant for the purchase and consumption of responsible/ethical tourism products. When it comes to the two dimensions: price and ethical-expressive value, it can be concluded that these two dimensions have a small impact on behavioural outcomes at different stages of the tour

experience. While both price and ethical-expressive values have a significant and relatively small effect on tour booking intention, only ethical-expressive value has a significant effect on word-of-mouth referrals after the tour experience. So, it can be argued that ethical-expressive value should be incorporated when creating customer value for responsible/ethical tourism products.

6.4 Implications

The research findings at both the pre-booking and the post-tour stages show that the ethical responsibility of a tour operator affects customer evaluations and behavioural outcomes in several ways. So far, the discussion has highlighted how the research problem has been resolved and how the findings contribute to the literature. However, the discussion of findings brings potential implications not only for extended knowledge to related literature, but also for management practices. This section extends the discussion to suggest specific implications of the research results from two perspectives: theoretical and managerial implications. Theoretical implications are discussed first.

6.4.1 Theoretical implications

The research findings provide a number of theoretical implications. In this section, the discussion is extended to draw out the potential implications for theory in three main areas; (1) measurement models (2) implications for customer decision making processes and (3) the quality-trust-value-behavioural intentions interrelationship.

The first area to be discussed is the possible implication for the measurement model of the three constructs; TOURQUAL, perceived value, and CSR predisposition. Generally speaking, quality/service quality, perceived value, and CSR predisposition are measured in different ways to suit different contexts. This thesis focuses on the research area of CSR-Consumer response in the tour operating context. Accordingly, the three constructs were conceptualised and operationalised specifically for the tour context. The development of the measurement model for these three constructs involved the practice of borrowing concepts from related disciplines and providing a foundation for future

research to reassess and/or further develop. Specific discussion about each model follows.

With respect to quality, the SERVQUAL model, which was developed from the seminal work of Parasuraman et al. (1988) to measure quality in the service context, is a widely used model that has been adapted to measure service quality in many contexts. For example, Khan (2003) developed the ECOSERV model to measure quality in the eco-tourism context and P. Stevens et al. (1995) adapted it to measure service quality in a restaurant setting. Even though SERVQUAL is widely used, it has been criticised by many authors. For example, Sureshchandar et al. (2001) suggested that the factors included in the SERVQUAL model are not sufficient to determine customer perceptions of service quality. They argued that it is essential for a service company to incorporate a social responsibility dimension when measuring service quality. Accordingly, perceived overall quality of a tour operator (TOURQUAL) was developed and served as a measurement of the overall quality of tour operators.

For this thesis, TOURQUAL was conceptualised as comprising three dimensions; perceived tour program quality, perceived ethical performance of a company and perceived tour guide performance. The conceptualisation is based on previous work related to each dimension. However, the measurement of TOURQUAL in this thesis delimits tour guide performance from the analysis as discussed in section 2.8.1. As a result, measurement scales were developed only for perceived tour program quality and perceived ethical performance based, for instance, on the works of Geva and Goldman (1989, 1991), Brunk (2010), Sureshchandar et al. (2002), and Yang et al. (2009). Scales used for the measurement model of TOURQUAL were identified in Chapter 4 as a result of confirmatory factor analysis.

Similar to service quality, perceived value has been conceptualised and operationalised to fit many specific contexts, such as general marketing (Holbrook, 1996; J. Smith & Colgate, 2007), retailing (Sweeney & Soutar, 2001), timeshare (Sparks et al., 2008), restaurants (Jensen & Hansen, 2007), cruise travelling (Petrick, 2002), and travel agents (Sánchez et al., 2006). However, the concept of a measurement model for perceived

value applied into the ethical tour operating setting has not yet been identified. As a result, perceived value in this thesis was developed specifically for the tour operating context. The scale comprises three dimensions, including hedonic, ethical-expressive, and price value. The definition and measurement scales were based on the works of Holbrook (1996), Petrick (2002), N. Smith (1996), J. Smith and Colgate (2007), and Sweeney and Soutar (2001). Scales used to measure perceived value were also presented in chapter 4 as a result of confirmatory factor analysis.

Two interesting points should be addressed in relation to the measurement of perceived value. Firstly, among the three dimensions of perceived value, hedonic and price appear to be traditional factors; whereas the concepts underpinning the ethical-expressive value have not been widely measured together. Both ethical and expressive values are considered as other-oriented values. Previous research in both general marketing and tourism have discussed and empirically investigated the concept of expressive value similar to as status or social values (Holbrook, 1996; Sánchez et al., 2006; Sheth et al., 1991; J. Smith & Colgate, 2007; Sparks et al., 2008; Woodall, 2003). However, Sánchez et al. (2006) noted that it seems to be difficult to measure the ethical aspect of customer value. This thesis indicates that an ethical aspect of customer value can potentially be measured when it is incorporated with the aspect of expressive value. Ethical-expressive value reflects an other-oriented type of value, which should be investigated in tourism related CSR research.

The second point is about "when" customer value should be measured. In a general marketing context, while scholars, such as Holbrook (1996) have argued that customer value resides in the experience of consumption, not in the purchase, authors, such as Sheth et al. (1991) have explained that customer value can influence consumer choice when buying products. Some authors have discussed the role of consumer value both before and after consumption (J. Smith & Colgate, 2007; Woodall, 2003), while J. Smith and Colgate proposed a framework supporting the creation of customer value for both products/services that can be derived at both pre-purchase and after consumption. In relation to the tourism service context, a large number of studies have investigated perceived value during/after consumption (Al-Sabbahy, Ekinci, & Riley, 2004; Jensen

& Hansen, 2007; Moliner et al., 2007; Oh, 1999; Petrick, 2002; Sánchez et al., 2006; Sparks et al., 2008). Little is known about the perceived value of tourism products/services that can be derived at the pre-purchase stage (Oh, 2000). This thesis demonstrates that perceived value for a tour service can be derived at both pre-booking and post-tour stages. As a result of their study, P. Williams and Soutar (2000) considered the dimensions of perceived value further and argued that the four value dimensions (functional, emotional, social, and epistemic) cannot be applied to all tourism consumption situations because these dimensions may change over time and can be evaluated differently under different conditions, such as the type of experience and the characteristics of consumers. Taking this proposition into consideration, this thesis operationalised and investigated different value dimensions in relation to the ethical tour service and provided a different result. That is, all three dimensions of value (hedonic, price, and ethical-expressive) can be applied to both pre-consumption and after consumption stages of the tour when they are investigated as a consequence of ethical responsibility or CSR activities. However, this thesis agrees with P. Williams and Soutar (2000) that not all dimensions of value have influence to determine behavioural outcomes in all consumption situations. Nevertheless, it can be concluded that socio-psychological factors of value that can be seen from both self-oriented (hedonic) and other-oriented (ethical-expressive) perspectives should be considered when investigating perceived value of an ethical/responsible tour service.

The final measurement model to be addressed is CSR predisposition. In this thesis, CSR predisposition was conceptualised as a customer's personal traits regarding their beliefs and feelings about the importance of CSR, and behavioural support for socially responsible activities. While the concept was developed based on related concepts used in previous CSR research, the measures were drawn from both tourism and CSR research to suit the tourism context including M. Kang and Moscardo (2006), Sen and Bhattacharya (2001), and Vassilikopoulou et al. (2005). For example, one item stating *"If travelling to developing countries, I would try to make sure that some of the money I spend goes into funds for the welfare of local residents"* was borrowed from M. Kang and Moscardo (2006). This item was used to show that to measure CSR predisposition in the tourism context, researchers should incorporate some items that reflect customer

support not only for general CSR activities, but also for specific activities in relation to tourism. The measurement model of CSR predisposition therefore can be reassessed as either a moderator or as an independent variable when investigating CSR impact on consumers, especially in relation to tourism.

Now the discussion turns to a second area of theoretical implication which relates to the role of CSR at different stages of the tour experience. Previously in section 1.2, the travel decision-making process was briefly discussed. Even though the classic decision making process generally involves five stages (Neal et al., 2002; Sirakaya & Woodside, 2005), in this thesis, two main stages of the tour experience: the pre-booking and the post-tour stages were identified based on Woodside and King (2001). The thesis proposes that in an ethical domain CSR plays an important role in customer decision making at the pre-booking and the post-tour stages. The results discussed in sections 6.2 and 6.3 supported this research proposition. There are two implications to be highlighted. Firstly, the role of CSR in travel decisions should be viewed beyond the philanthropic domain. Rather, the ethical domain is crucial. More importantly, ethical CSR or ethical responsibility should be defined with the inclusion of two perspectives (1) the aspects of "what ethical issues" to be addressed and (2) "what ethical initiatives or activities" to be selected. Secondly, CSR communication about CSR/ethical initiatives and ethical issues can play a key role in customer decision making at both pre- and post- consumption of the tour experience. It is important to inform customers at both stages of the tour experience about what ethical initiatives are practised and what ethical issues are taken into account.

The final theoretical implication involves the complex interrelationships between customer evaluation variables and behavioural outcomes. As found at both the pre-booking and the post-tour stages, customer evaluations are interrelated in the same pattern. Therefore, the implication of the TOURQUAL-Trust-Value-Behavioural outcomes chain should be highlighted. Indeed, previous works have shown that quality, trust, perceived value, and behavioural intentions are interrelated in various ways. Examples are a quality-behavioural intentions relationship (O'Neill et al., 2000; Zeithamal et al., 1996), a quality-value-behavioural intentions link (P. Murphy et al.,

2000; Oh, 2000; Parasuraman & Grewal, 2000), a trust-behavioural intentions relationship (Chaudhuri et al., 2001; Sparks & Browning, 2011), and a trust-value-behavioural outcomes relationship (Chong et al., 2003; Sirdeshmukh et al., 2002). However, simultaneously testing for the relationships among perceived overall quality-trust-value-behavioural outcomes in the same model has not been widely assessed. Therefore, this relationship can be reassessed when investigating the mediating effect of those mediators on the relationship between CSR and behavioural outcomes in other tourism sectors, such as responsible hotels.
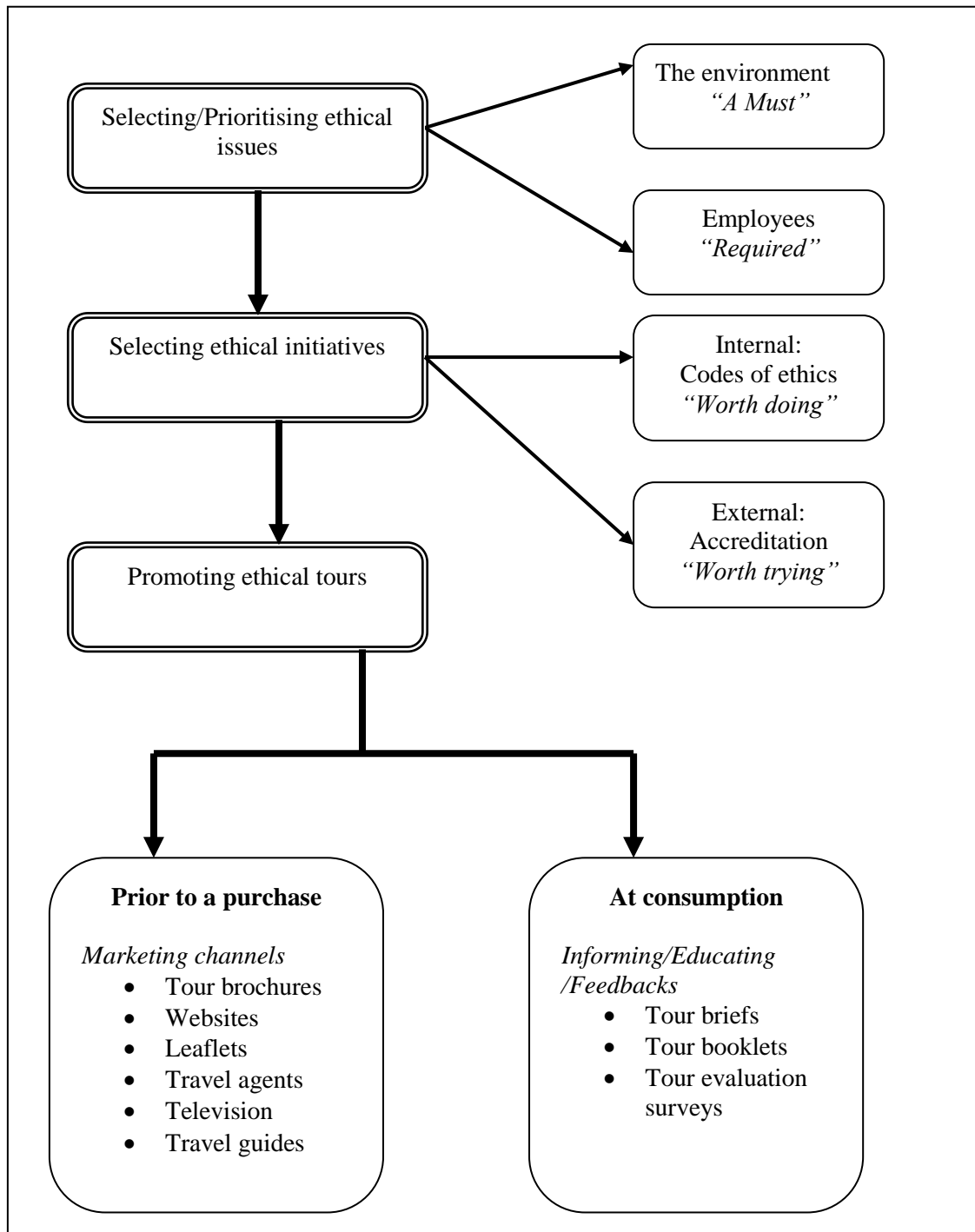
6.4.2 Managerial implications

Management implications of the findings from this thesis will be discussed in two broad areas: (1) the tour operating sector at the individual company level and (2) the government sector. Whereas implications for the tour business sector will focus on the implementation process, implications for government sector involvement will focus on policy- making and campaigns to promote sector wide ethical tourism.

6.4.2.1 Implications for companies in the tour operating sector

The research topic involves ethical responsibility in the tour operating sector and a specific tour situation in Thailand was set for the experiment. Overall implications are suggested for a tour business and the Thai tour operating sector in particular. To support ethical responsibility an implementation process is introduced involving three main steps: prioritising ethical issues, selecting ethical initiatives, and promoting ethical tours. Figure 6.2 shows the process of the implementation of ethical responsibility suggested by the research results.

Figure 6.2: Ethical Responsibility Implementation Process

```
┌──────────────────────────────┐        ┌──────────────────────┐
│ Selecting/Prioritising       │───────▶│ The environment      │
│ ethical issues               │        │ "A Must"             │
└──────────────────────────────┘        └──────────────────────┘
              │            \            ┌──────────────────────┐
              │             ──────────▶ │ Employees            │
              ▼                         │ "Required"           │
┌──────────────────────────────┐       └──────────────────────┘
│ Selecting ethical            │──────▶┌──────────────────────┐
│ initiatives                  │       │ Internal:            │
└──────────────────────────────┘       │ Codes of ethics      │
              │            \            │ "Worth doing"        │
              │             ──────────▶ └──────────────────────┘
              ▼                         ┌──────────────────────┐
┌──────────────────────────────┐       │ External:            │
│ Promoting ethical tours      │       │ Accreditation        │
└──────────────────────────────┘       │ "Worth trying"       │
              │                         └──────────────────────┘
     ┌────────┴────────┐
     ▼                 ▼
```

Prior to a purchase

Marketing channels
- Tour brochures
- Websites
- Leaflets
- Travel agents
- Television
- Travel guides

At consumption

Informing/Educating /Feedbacks
- Tour briefs
- Tour booklets
- Tour evaluation surveys

Step 1: Prioritising the issues

First strategic decisions are required about major CSR policies and activities that can be undertaken within the resources and interests of a firm. In particular, Porter and Kramer

(2006) argued that corporate social responsibility and a company's competitive advantage are linked. To gain a competitive advantage, it is necessary for a company to choose which social issues to address and to prioritise. Accordingly, it is suggested that a tour operator first needs to address the question of which ethical issues they want to be responsible for and then, to prioritise and practise ethical issues of concern identified. When making a decision about which ethical issue should be taken into account over other issues, a tour company should focus on issues that are compatible with a company's ability and its identified core service (Piercy & Lane, 2009). For example, if a company offers a range of tours that heavily utilise nature and attractions, such as elephant trekking tours, it should address environmental issues including animal welfare as a key concern. However, the decision to prioritise one issue does not mean that other related issues, such as employee welfare should be ignored.

A key reason for prioritising ethical issues is because in practice it is difficult for a business to be responsible for every single issue at the same time, especially for small firms that lack resources and capabilities. For example, Tepelus (2005) found that the implementation of best practice among tour operators is varied depending on many factors, such as size, awareness, ownership structure, top management commitment, corporate culture, and marketing position. As a result, the most important issues related to the business operation should be prioritised. The research results indicated that Australian tourists are likely to positively evaluate a tour company if a company cares about environmental issues. Consistent with this finding, Bergin-Seers and Mair (2008) reported that Australian tourists expected tourism operators to use practices that protect the environment. Australian tourists are a key target market for Thailand's tourism industry and the relevant tour information used in this thesis represents one type of tour that has attracted high levels of their interests since the 90s (Chundintra, 1993). It is suggested that Thai tour operators focus more on environmental issues. However, issues related to employees should not be neglected as an ethical responsibility toward employees also appears to be important for creating a company's ethical performance and for enhancing consumer trust in a tour company.

Step 2: Selecting the initiatives

In the next step, specific ethical initiatives/activities should be selected. Such initiatives should reflect ethical issues of concern. In this thesis, ethical initiatives were classified into two main types: external and internal initiatives. An accreditation program was treated as an external initiative and a code of ethics was treated as an internal initiative. Even though the use of voluntary instruments such as eco-labels and codes of conduct are still limited in practice among tour operator members of TOI (Tepelus, 2005), the results of this thesis show that customers positively evaluated a company when they received information about its ethical responsibility. Therefore, the findings suggest that tour operators can adopt both tourism accreditation and ethical codes of conduct to positively enhance consumer response. However, it might be difficult for a company to adopt both codes of conduct and accreditation at the same time because implementation requires ability, suitable goals, and resources.

In accordance with the results, a suggestion is made that an internal initiative (codes of ethics) is more effective than an external initiative (accreditation program) in influencing customer evaluations and tour booking intention. There are clear indications an external initiative, such as an accreditation program, is perceived as a more expensive tool. To engage in international tourism accreditation programs, tourism businesses have to go through several processes and assessments which are time consuming and costly (Font, 2002). This could be a reason for many tour operators, especially small-to-medium sized companies operating at the domestic level, not making a choice to adopt any tourism accreditation schemes. The results from the thesis investigation show that customers were likely to be more positive toward codes of ethics than toward tourism accreditation. It is suggested that an alternative choice for tour companies, especially small-to-medium size companies, is the establishment of a code of ethics. Incorporating a simple code of ethics in advertising material is a very inexpensive option. Nevertheless, tourism accreditation arguably remains a worthwhile practice for a company that has strong abilities and sufficient resources. In particular, it is noted that for more complete, onsite, destination environmental management protection, a more comprehensive environmental protection tool should be considered.

In conclusion, it is important that ethical practices and social responsibility provide a solid foundation for a company's successful business future. Even though immediate effects such as the actual purchase of tour products might not be achieved, there are positive signs that ethical business practices bring along the long-term effects, such as corporate reputation, consumer trust and customer loyalty (Smagulova et al., 2009) as indicated in this thesis.

Step 3: Promoting ethical tours

The final step of ethical responsibility involves CSR communication to promote ethical tours. Customers should be informed and educated about the company's ethical responsibility through communication channels prior to, and during the tour. Messages sent to target markets should be clear in terms of ethical responsibility and provide customers with information so they may develop more positive perceptions in terms of quality, trust, and value. For example, effective messages informing customers about the ethical responsibility of a company might be effective in fostering positive customer perceptions of ethical performance and trust.

With respect to perceived value, Richards et al. (2002) stated that CSR plays a key role in improving tour operator performance in terms of "added value" to tourism products/services. Ultimately, the ethical value added to tourism products could enhance the likelihood that a customer might purchase a tour. In particular, it is suggested that managers focus not only on hedonic value, but also on ethical-expressive value. That is because ethical-expressive value was also found to be a key factor in creating customer value of ethical tourism products. Consistent with the thesis findings, ethical tours can be promoted through two ethical initiatives; tourism accreditation and written codes of ethics which also serve as messages for CSR communication. Tourism accreditation schemes, such as green globe 21, are proactive tools to use for promoting the environmental performance of a company via marketing campaigns, to provide tourists with better information about sustainability issues, and to prompt tourists to act in favour of environmentally-friendly companies (Schott, 2006). Therefore, if a tour

company makes a decision to adopt an accreditation program, a company should ensure that customers are aware of it via an accreditation logo and clear marketing information.

More importantly, the thesis suggests it is better for a tour company to start with a written code of ethics displayed on tour brochures because they are influential for customers making their choice of holidays (Goodwin, 2005). Also, it is argued that customers might not be able to interpret CSR information promoted in some forms, such as carbon footprints or green labels (Brécard et al., 2009). Accordingly, it can be assumed that customers might be more aware of and have a better understanding about CSR messages presented in the form of a written code of ethics than of accreditation logos. Further, when conducting a tour, a tour guide plays an important role as a provider of information (Ap & Wong, 2001; Cohen, 1985; Zhang & Chow, 2004), so it is suggested that a code of ethics is more suitable if it is communicated during a tour by an explanation from the tour guide. At the same time, previous research has found that many companies are successful in promoting their ethical code statement to customers through booklets (P. Murphy, 2005). Using this successful technique, a tour company can also distribute a small booklet that explains the code of conduct for customers prior to a trip.

6.4.2.2 Implications for the government sector

CSR holds interest not only at the company level, but also for the government sector (Albareda et al., 2008). The United Nations (2007) offers continuing support for the governmental sector, to take action in relation to CSR, especially in developing countries. Also, it is argued that customers believe that the government sector should take more responsibility and action in promoting responsible tourism (Miller et al., 2010). Accordingly, several suggestions are made for the engagement of CSR in the government sector. The suggestions can be applied for any government; however, the researcher directs them specifically to the Thai government sector as an example case. The suggestions focus on how the government sector can encourage and work with the tour operating sector to promote ethical tours. In alignment with the research focus and

findings, implementation and promotion of tourism accreditation and codes of ethics are suggested.

In Thailand, an accreditation program entitled "Green Leaf" has been widely adopted among hotel operators. The Green Leaf program has been organised by the Green Leaf foundation which was initially established by six organisations from both government and private sectors (www.greenleafthai.org). Among the six organisations, one is an international organisation (United Nation Environmental Program (UNEP)) and two organisations are directly involved with the tourism industry in Thailand. The first organisation is the Tourism Authority of Thailand (TAT) which is a government organisation and the second is Thai Hotels Association (THA) which is a group of accommodation businesses. Approximately 600 THA-member hotels have adopted the Green leaf program for their operations. Further, the Green leaf program shows that tourism operators in Thailand are not far behind other developed countries, such as Australia and New Zealand, or other developing counties in some regions, such as South Africa, in terms of being responsible for the environment. While the hotel sector in Thailand is more advanced for adopting tourism accreditation, the tour operating sector seems to be in its infancy in this regard. The suggestion is that the government sector should be involved and encourage the tour operating sector to adopt the green leaf program. The Tourism Authority of Thailand should act first by cooperating with two key associations: Association of Thai Travel Agents and The Association of Thai Tour Operators.

Another suggestion is devoted to the promotion of a code of ethics in the tour operating sector. It is important that the government sector should also be involved in the implementation of an ethical code of practice (B. George & Varghese, 2007). Whereas the establishment of standards and assessment processes for any accreditation program requires a sophisticated system (Font, 2002) and is costly (Sasidharan et al., 2002), to establish a standardised code of ethics seems less complex. Therefore, it would be possible for many tour operators to engage in ethical responsibility by adopting a code of ethics. At the same time, it seems possible for the government sector to drive the tour operating sector to engage in CSR by introducing legislation requiring an ethical code

of conduct for the tour operators. For the benefit of the tourism industry in Thailand, The Tourism Authority of Thailand, Association of Thai Travel Agents and The Association of Thai Tour Operator should cooperate. The Global Codes of ethics established by UNWTO can be used as the guideline. Further, best practice implemented by TOI members (Tour Operator Initiatives, 2003) should be learned and adapted to suit the situation in Thailand. It is also important to address the importance of ethical codes of conduct used to govern some specific issues, such as a treatment of animals used in a tour, in this case, especially elephants. To the researcher's knowledge as an academic in the tourism field, ethical codes of conduct for the better treatment of elephants used in tours are not advanced while leisure activities, such as elephant trekking and elephant camps are highlighted as the main attractions for international tourists. If ethical codes of conduct are introduced, developed, planned continuously, and intensively promoted by collaboration among the government, the tour operating, and academic sectors, the researcher strongly believes that all key stakeholders of a tour company will benefit.

6.5 Limitations of the Research

The delimitations of this thesis were presented in Chapter 1 and limitations regarding the research method were described in Chapter 3. In this section, three key limitations are outlined. It is acknowledged that this thesis encounters limitations about (1) measurement limitations (2) the effectiveness of manipulation checks (3) sampling issues and (4) social desirability bias issue.

The first limitation is related to the measurement of TOURQUAL in Study 1. Perceived tour program quality and perceived ethical performance are two dimensions of TOURQUAL proposed to be measured at both the pre-booking and post-tour stages of tour experience. When conducting SEM, each independent variable was measured by scale items used for the manipulation checks of each manipulation. For example, a perception of codes of ethics was the independent variable measured by two manipulation check items for the codes of ethics manipulation. However, it was found at the pre-booking stage that a suitable level of discriminant validity between a

perception of codes of ethics and perceived ethical performance was not satisfied. This could be due to the term 'codes of ethics' being mentioned in some items measuring those variables. In this case, the independent variable was more important than the dependent variable, therefore, the researcher preferred to exclude the dimension of perceived ethical performance from the measurement of TOURQUAL at the pre-booking stage. Accordingly, the thesis limits the findings regarding perceived ethical performance to the post-tour stage only.

The second limitation involves the manipulation checks for Study 2. It was initially proposed to investigate the effects of three ethical issues of concern regarding the environment, socio-cultural issues, and employee welfare at the post-tour stage. However, it was evident that the manipulation of the socio-cultural issues was confounded by the manipulation of the environmental issues. In other words, these two manipulations were not discriminated. The confounded manipulation was deleted from further analysis. This issue may limit the ability of research to generalise the results about how the ethical responsibility toward socio-cultural issues affects consumer response when compared to the other two ethical issues. However, the results regarding the effects of the environmental and employee issues were sufficient to make a conclusion and provide a generalisation that customers perceived it is more important for a tour company to be responsible on the environmental issues.

Third, samples could be questioned for their representativeness. That is, it was found in both studies that the number of female respondents was higher than the number of male respondents and the majority of respondents are aged over 45 years old. This could be a consequence of using an online survey (Pirsch et al., 2007). However, this thesis shows no gender or age group differences. Finally, even though the research has acknowledged social desirability bias as discussed in section 3.8.2, it is recognized that the results could be biased. However, in the experimental factorial design, the respondents were asked to provide answers based on the stimulus material. Accordingly, factors such as social desirability bias, have been controlled through random allocation and any effects minimised.

6.6 Future Research

This thesis was conducted to investigate the influence of ethical responsibility in a specific setting. The findings specifically resolve the research question stated and some unresolved issues or unexplored areas remain. As a result four broad areas are suggested for future research direction. These research directions are (1) the use of a different research approach to resolve similar research problems (2) a comparison between the influence of ethical responsibility and philanthropic responsibility (3) further exploration of the hypothesised effects of ethical responsibilities in other tourism business contexts and (4) further investigation using samples drawn from different populations.

This thesis was conducted using a quantitative approach wherein an experimental factorial design was particularly employed. This approach has some limitations as discussed in section 3.3 and outlined again in the previous section of this chapter. A different quantitative approach, such as a field experiment (Patzer, 1996) or survey research could be considered (Malhotra et al., 2002). It is further suggested future research could consider including multiple tourism situations rather than one tourism activity on the brochure when developing experimental studies. In turn, this could make the brochure look more realistic. Using a field experiment or survey research, real tourism companies can be selected and the data can be collected in a real market place, especially during the tour experience stage. It is assumed that the results from a field experiment or survey research can enhance ability for the research to generalise the findings. Further, a mixed method approach can be considered. For example, a qualitative approach using interview or focus groups can be considered for generating item scales of TOURQUAL and perceived value in a more comprehensive scale development process. Also, interview or focus group techniques can be employed to explore how other stakeholders, such as government organizations, communities, and businesses, perceive corporate social responsibility in the tour operating context.

In addition, the investigation can be expanded into other domains of CSR, such as philanthropic responsibility. The concept of philanthropic responsibility was also

discussed in this thesis in section 2.3.1 and this research classified philanthropic responsibility into two main perspectives; altruistic and marketing-oriented philanthropy. Marketing-oriented philanthropy was further classified into two types; strategic and tactical philanthropies. Studies regarding philanthropy have been found in previous research in non-tourism areas (e.g., Dean, 2003/2004); however this research area is little known in the tourism context. In addition, future research could also be conducted to compare the influence of ethical responsibility and philanthropic responsibility on consumer response. Moreover, other consumer response variables, including previous travel experience and online word-of-mouth can be investigated.

The third suggested direction for future research is an application of this thesis in other tourism businesses and/or neighbouring countries. The tour operating sector in Thailand was the tourism setting selected for investigation in this thesis. Further research can be conducted in the tour operating sector in Vietnam which appears to offers similar tour activities, such as elephant trekking and hill tribe visits. Further, future research can be conducted in the context of responsible hotels. It is evident that many hotels in Thailand have been practising ethical initiatives, for example many hotels are accredited by the 'Green leaf' foundation program (www.greenleafthai.org). To explore the influence of ethical responsibility in other tourism businesses or other countries is likely to expand the knowledge of CSR in relation to the tourism context in less developed countries in South-East Asia. Such studies suggested could also be utilised in cross-cultural studies.

Finally, both studies involved in this thesis used Australian samples. To expand knowledge further, future research could be conducted using other samples drawn from different populations. For example, Thai domestic tourists could be surveyed. Also, a comparative investigation could be conducted using tourist samples from two nationalities (Thai and Australian).

Appendix 1.1

Examples of recent CSR studies in the tourism literature

Sector/Destination	Author	Focus	Type of study
Hotel and Hospitality			
Hotel/ Taiwan	Tsai, Hsu, Chen, Lin, and Chen (2010)	CSR program and cost evaluation	Empirical
Hotel/Scandinavian	Bohdanowicz and Zientara (2009)	Contributions of hotel's CSR to community's and employee's wellbeing	Empirical
Hotel & restaurant/U.S.A.	S. Lee and Heo (2009)	The impact of CSR activities on customer satisfaction	Research note
Hotel/U.S.A.	McGehee et al. (2009)	Contributions of hotel's CSR to communities	Empirical
Hotel/Scandinavian countries	Bohdanowicz and Zientara (2008)	CSR program of hotel companies	Empirical
Hotel	Bohdanowicz (2007)	Assessing CSR reports	Empirical
Hotel/Thailand	Henderson (2007)	Hotels' CSR activities to the natural disaster	Case review
Hotel/International	Holcomb et al. (2007)	CSR patterns practiced by hotel companies	Empirical
Hotel/Spain	Rodríguez and Cruz (2007)	CSR activities on a firm's financial performance	Empirical
Hotel/Malaysia	Kasim (2006)	Environmental responsibility of hotels	Empirical

Sector/Destination	Author	Focus	Type of study
Hotel and Hospitality			
Hotel, casino, restaurant, airline	Inoue and Lee (2011)	CSR activities on company's financial performance	Empirical
Hotel, casino, restaurant, airline	K. Kang et al. (2010)	CSR activities on company's financial performance	Empirical
Airlines	Coles, Fenclova, & Dinan, 2011	External stakeholders' perceptions of CSR	Empirical
Hotel & airline/Spain	Nicolau (2008)	CSR activities on firm performance	Empirical
Travel business/U.S.A.	Sheldon and Park (2011)	Managers' engagement in CSR	Empirical
Tourism in general			
Tourism	Jucan and Jucan (2010)	Sustainable tourism and CSR	Review paper
Tourism market/Australia	Dwyer, Jago, Deery, and Fredline (2007)	Sustainable tourism and CSR	Empirical
Tourism destination/Australia	P. Williams et al. (2007)	CSR and stakeholder engagement strategy	Conceptual paper
Tourism	Dodds and Joppe (2005)	Certification scheme and codes of conduct as CSR practices	Empirical
Tour operator			
Tour operator/the U.K.	Miller (2001)	Motivating factors for tour operators to implement CSR	Empirical
Tour operator/Canada	Dodds and Kuehnel (2010)	Factors to adoption of CSR	Empirical

Appendix 1.2
Studies relating to ethics in tourism

Source	Content	Sector	A link to consumer response
TEARFUND (2000)	Ethical issues	Destination and tour operator	Willingness to pay, purchase intention
Goodwin and Francis (2003)	Consumer trends in ethical and responsible tourism	Destination and tour operator	Willingness to pay, purchase intention
Kontogeorgopoulos (2009)	Wildlife tourism: animal rights in semi-captive setting	Tourism destination	Tourist satisfaction
Ahmed et al., (1994); Carbone (2005); Lea (1993)	Ethical problems in less-developed countries	Destination	No
Hultsman (1995); Payne and Dimanche (1996)	An ethics model for tourism	Tourism in general	No
Wheeler (1995); Lansing and Vries (2007)	Ethical marketing in relation to sustainable tourism	Tourism in general	No
Dunfree & Black (1996)	Ethical issues confronting travel agents	Travel agents	No
Upchurch (1998)	Ethical decision making for hotel operations	Hotel	No
Richter and Richter (1999)	Ethical issues in international travel: health, safety, and accessibility	Government	No

Source	Content	Sector	A link to consumer response
Hughes (2001)	Environmental ethics: animal rights and welfare	Tourism destination	No
Holden (2003)	Environmental ethics for tourism	Tourism in general	No
Hemingway (2004); B. George and Varghese (2007)	Human rights in tourism	Tourism in general	No
Ross (2004)	Employee rights	Hospitality	No
Hudson and Miller (2005)	Ethical considerations in sustainable tourism	Tourism in general	No
Macbeth (2005)	Dimensions to understand ethics in tourism	Tourism in general	No
B. King et al. (2006)	An evaluation of unethical business practices	Tour operator	No
Lovelock (2008)	The ethics of selling tourism products for destination: human rights issues	Travel agents	No
March (2008)	Unethical marketing practice in tourism	Tour operator	No
Tepelus (2008)	Child sex tourism	Tourism in general	No
Keating (2009)	Ethics in tourism supply chain management	Government	No
Weeden (2002)	Competitive advantage of ethical tourism	Tour operator	No

Appendix 2.1

Dimensions of perceived value defined in previous research

Author	Dimension	Context	Type of study
Sweeney & Soutar (2001)	Quality, Emotional, Price, Social	Retailing	Empirical
Sheth et al. (1991)	Functional, Social, Emotional, Conditional, Epistemic	Products	Conceptual
Holbrook (1996)	Efficiency, Play, Excellence, Aesthetic, Status, Ethics, Esteem, Spirituality	Product	Conceptual
Woodall (2003)	Net value, Derived value, Marketing value, Sale value, Rational vale	Products	Conceptual
J. Smith & Colgate (2007)	Functional/Instrumental, Experiential/Hedonic, Symbolic/Expressive, Cost/Sacrifice	Product/Service	Conceptual
Al-Sabbahy et al. (2004)	Acquisition value, Transitional vale	Hotel/Restaurant	Empirical
Jensen & Hansen (2007)	Excellence, Harmony, Emotional stimulation, Acknowledgement, Circumstance value	Restaurant	Empirical
Sparks et al. (2008)	Relaxation, Gifts, Status, Quality, Flexibility, Fun, New experience, Financial worth	Timeshare resort	Empirical
Sánchez et al. (2006)	Installations, Professionalism, Quality, Price, Emotional, Social	Travel Agency	Empirical
Petrick (2002)	Quality, Emotional, Monetary price, Behavioural price, Reputation	Cruise ship	Empirical

Appendix 3.1

Stimulus material used for Study 1

Note: Brochure for condition 2: Absence accreditation vs. Presence codes of ethics.

The brochure sized is compressed to fit a page.

Note: Brochure for condition 3: Presence accreditation vs. Absence codes of ethics.

The brochure sized is compressed to fit a page.

Note: Brochure for condition 4: Absence accreditation vs. Absence codes of ethics.
The brochure sized is compressed to fit a page.

Appendix 3.2

Stimulus material used for Study 2

IMAGINE you are travelling in Chiang Mai, a city in Northern Thailand. You have booked a day-tour program to go elephant trekking and to visit a hill tribe at their local village. The full day tour price is $60AUS.

Please continue to IMAGINE that on the day of the tour, you are picked up from your accommodation at 8 AM. You join seven more people in the group and are escorted by a local tour guide to a green rainforest.

At the start of the elephant trek, the tour guide states that the company has a strong code of ethics regarding the environment and employee welfare. Both aspects of ethical behaviour are important to the company.

Under the code of ethics, elephants are controlled by the hands only. The guide explains the importance of protecting the animal's welfare by not using a sharp hook, unlike other tours. During the elephant trek, the guide gives you knowledge about the Thai rainforest. The guide explains the Dos and Don'ts, such as staying on the marked trail to protect native rainforest plants. The trek stops for an hour to relax at a river bank.

During this rest, you have a chance to talk to the guide and elephant handler about their jobs. They say that they get treated well by the company, receive a fair payment and the opportunity for special training during the off-peak season. The guide explains that these commitments to employee welfare are part of the company's ethical code of conduct.

When arriving at the hill tribe village, the guide gives you information about the tribe. At the village, you have a chance to participate in their daily life activities.

The tour ends at your accommodation at 6 PM.

Note: Tour scenario for condition 2: Best practice environment,

No practice socio-culture, and Best practice employees.

IMAGINE you are travelling in Chiang Mai, a city in Northern Thailand. You have booked a day-tour program to go elephant trekking and to visit a hill tribe at their local village. The full day tour price is $60AUS.

Please continue to IMAGINE that on the day of the tour, you are picked up from your accommodation at 8 AM. You join seven more people in the group and are escorted by a local tour guide to a green rainforest

At the start of the elephant trek, the tour guide states that the company has a strong code of ethics regarding ethnic tribe socio-cultural practices and employee welfare. Both aspects of ethical behaviour are important to the company.

During the elephant trek, the guide gives you knowledge about the Thai rainforest. The trek stops for an hour to relax at a river bank.

During this rest, you have a chance to talk to the guide and elephant handler about their jobs. They say that they get treated well by the company, receive a fair payment and the opportunity for special training during the off-peak season. The guide explains that these commitments to employee welfare are part of the company's ethical code of conduct.

When arriving at the hill tribe village, the guide gives you information about the tribe. The guide explains that under the company's code of ethics, visitors to the village are required to follow cultural Dos and Don'ts, such as not giving gifts or money directly to children. As part of the company's code of ethics they have a policy to support the village's economy, by hiring the villagers to prepare traditional dishes for your lunch. You have a chance to participate in their daily life activities.

The tour ends at your accommodation at 6 PM.

Note: Tour scenario for condition 3: No practice environment,

Best practice socio-culture, and Best practice employees.

IMAGINE you are travelling in Chiang Mai, a city in Northern Thailand. You have booked a day-tour program to go elephant trekking and to visit a hill tribe at their local village. The full day tour price is $60AUS.

Please continue to IMAGINE that on the day of the tour, you are picked up from your accommodation at 8 AM. You join seven more people in the group and are escorted by a local tour guide to a green rainforest

At the start of the elephant trek, the tour guide states that the company has a strong code of ethics regarding employee welfare. This aspect of ethical behaviour is important to the company.

During the elephant trek, the guide gives you knowledge about the Thai rainforest. The trek stops for an hour to relax at a river bank.

During this rest, you have a chance to talk to the guide and elephant handler about their jobs. They say that they get treated well by the company, receive a fair payment and the opportunity for special training during the off-peak season. The guide explains that these commitments to employee welfare are part of the company's ethical code of conduct.

When arriving at the hill tribe village, the guide gives you information about the tribe. At the village, you have a chance to participate in their daily life activities.

The tour ends at your accommodation at 6 PM.

Note: Tour scenario for condition 4: No practice environment,

No practice socio-culture, and Best practice employees.

IMAGINE you are travelling in Chiang Mai, a city in Northern Thailand. You have booked a day-tour program to go elephant trekking and to visit a hill tribe at their local village. The full day tour price is $60AUS.

Please continue to *IMAGINE* that on the day of the tour, you are picked up from your accommodation at 8 AM. You join seven more people in the group and are escorted by a local tour guide to a green rainforest.

At the start of the elephant trek, the tour guide states that the company has a strong code of ethics regarding the environment and ethnic tribe socio-cultural practices. Both aspects of ethical behaviour are important to the company.

Under the code of ethics, elephants are controlled by the hands only. The guide explains the importance of protecting the animal's welfare by not using a sharp hook, unlike other tours. During the elephant trek, the guide gives you knowledge about the Thai rainforest. The guide explains the Dos and Don'ts, such as staying on the marked trail to protect native rainforest plants. The trek stops for an hour to relax at a river bank.

During this rest, you have a chance to talk to the guide and elephant handler.

When arriving at the hill tribe village, the guide gives you information about the tribe. The guide explains that under the company's code of ethics, visitors to the village are required to follow cultural Dos and Don'ts, such as not giving gifts or money directly to children. As part of the company's code of ethics they have a policy to support the village's economy, by hiring the villagers to prepare traditional dishes for your lunch. You have a chance to participate in their daily life activities.

The tour ends at your accommodation at 6 PM.

Note: Tour scenario for condition 5: Best practice environment,

Best practice socio-culture, and No practice employees.

IMAGINE you are travelling in Chiang Mai, a city in Northern Thailand. You have booked a day-tour program to go elephant trekking and to visit a hill tribe at their local village. The full day tour price is $60AUS.

Please continue to IMAGINE that on the day of the tour, you are picked up from your accommodation at 8 AM. You join seven more people in the group and are escorted by a local tour guide to a green rainforest

At the start of the elephant trek, the tour guide states that the company has a strong code of ethics regarding the environment. This aspect of ethical behaviour is important to the company.

Under the code of ethics, elephants are controlled by the hands only. The guide explains the importance of protecting the animal's welfare by not using a sharp hook, unlike other tours. During the elephant trek, the guide gives you knowledge about the Thai rainforest. The guide explains the Dos and Don'ts, such as staying on the marked trail to protect native rainforest plants. The trek stops for an hour to relax at a river bank.

During this rest, you have a chance to talk to the guide and elephant handler.

When arriving at the hill tribe village, the guide gives you information about the tribe. At the village, you have a chance to participate in their daily life activities.

 The tour ends at your accommodation at 6 PM.

Note: Tour scenario for condition 6: Best practice environment,

No practice socio-culture, and No practice employees.

IMAGINE you are travelling in Chiang Mai, a city in Northern Thailand. You have booked a day-tour program to go elephant trekking and to visit a hill tribe at their local village. The full day tour price is $60AUS.

Please continue to IMAGINE that on the day of the tour, you are picked up from your accommodation at 8 AM. You join seven more people in the group and are escorted by a local tour guide to a green rainforest.

At the start of the elephant trek, the tour guide states that the company has a strong code of ethics regarding ethnic tribe socio-cultural practices. This aspect of ethical behaviour is important to the company.

During the elephant trek, the guide gives you knowledge about the Thai rainforest. The trek stops for an hour to relax at a river bank.

During this rest, you have a chance to talk to the guide and elephant handler.

When arriving at the hill tribe village, the guide gives you information about the tribe. The guide explains that under the company's code of ethics, visitors to the village are required to follow cultural Dos and Don'ts, such as not giving gifts or money directly to children. As part of the company's code of ethics they have a policy to support the village's economy, by hiring the villagers to prepare traditional dishes for your lunch. You have a chance to participate in their daily life activities.

The tour ends at your accommodation at 6 PM.

Note: Tour scenario for condition 7: No practice environment,

Best practice socio-culture, and No practice employees.

IMAGINE you are travelling in Chiang Mai, a city in Northern Thailand. You have booked a day-tour program to go elephant trekking and to visit a hill tribe at their local village. The full day tour price is $60AUS.

Please continue to IMAGINE that on the day of the tour, you are picked up from your accommodation at 8 AM. You join seven more people in the group and are escorted by a local tour guide to a green rainforest.

During the elephant trek, the guide gives you knowledge about the Thai rainforest. The trek stops for an hour to relax at a river bank.

During this rest, you have a chance to talk to the guide and elephant handler.

When arriving at the hill tribe village, the guide gives you information about the tribe. At the village, you have a chance to participate in their daily life activities.

The tour ends at your accommodation at 6 PM.

Note: Tour scenario for condition 8: No practice environment,

No practice socio-culture, and No practice employees.

Appendix 3.3a

EFA results for perceived value at pilot study

Perceived value dimensions and items	Factor Loading [a]	Reliability (α)
Hedonic		**.92**
This tour is one that I would likely enjoy.	0.88	
This tour would likely give me pleasure.	0.90	
This tour would make me feel good.	0.81	
This tour is the one that I would likely feel relaxed about taking.	0.78	
Price		**.92**
This tour seems to be good value for money.	0.84	
This tour appears to be reasonably priced.	0.90	
This tour seems to offer a good product for the price.	0.87	
This tour seems to be a good deal.	0.86	
Ethical-Expressive		**.89**
Taking this tour would likely give me a chance to do good things for others while I am on holidays.	0.82	
Taking this tour would promote my moral values for the well-being of others.	0.84	
Taking this tour would enhance my personal image as a responsible tourist.	0.82	
Taking this tour seems to be the right thing to do.	0.77	
Taking this tour would help me enhance my own self-concept.	0.77	
Taking this tour would allow me to express my own interest.*	--	
Taking this tour would allow me to express my personality.*	--	
Taking this tour would give me a chance to involve with activities generating a contribution to a host destination.*	--	

Note. [a] Principle Axis Factoring with Oblimin rotation. (N= 122)

All retaining items were significant at $\rho < 0.05$. KMO was 0.88. * Deleted items

Appendix 3.3b

EFA results for unidimensional factors at pilot study

Construct/Item scale	Factor Loading [a]	Reliability (α)
Perceived tour program quality		**0.78**
KMO = 0.70		
This tour seems to be well designed.	0.85	
This tour seems to provide a rich experience.	0.84	
This tour comprises a range of things to see and do	0.82	
Word-of-Mouth		**0.91**
KMO = 0.74		
I would likely recommend this tour to anyone who asks me.	0.90	
I would talk positively about this tour to others.	0.93	
I would likely say nice things about this tour to others.	0.94	
Tour booking intention		**0.95**
KMO = 0.77		
If I were in Northern Thailand, I would consider booking this tour.	0.96	
If I were in the area, my likelihood of booking this tour would be high.	0.95	
Overall, if travelling to Thailand, I would consider booking this tour.	0.96	

Construct/Item scale	Factor Loading [a]	Reliability (α)
CSR Predisposition		**0.84**
KMO = 0.79		
I would be willing to go well out of my way to buy from a company that I knew to be socially responsible.	0.82	
I would pay more money for a tourism product that I knew to be socially or environmentally responsible.	0.79	
If I am travelling to nature-based destinations, I would try to make sure that some of the money I spend goes into funds for nature conservation or animal welfare protection.	0.81	
If I am travelling to developing countries, I would try to make sure that some of the money I spend goes into funds for welfare of local residents.	0.79	
Corporate Social Responsibility should be the first obligation of tourism business in today's society.	0.72	
I would likely boycott a company that I knew to be extremely unethical.*	--	
I believe that a company that is practicing CSR activities has a motivation to do good for society.*	--	
I believe that a company that is practicing CSR activities is a good company.*	--	
Corporate Social Responsibilities are more important than profit making.*	--	

Note. [a] Principle Axis Factoring with Varimax rotation. N = 122

All retaining items were significant at $\rho < 0.05$; * Deleted items

Appendix 3.4a

Main Study 1 online survey instrument package

Information Sheet

This study is a part of PhD research program, the Department of Tourism, Leisure, Hotel, and Sport Management, Griffith Business School. Thank you for participating. Shown below is information about the survey. If you want to proceed to the survey now, please click on the narrow at the bottom of the page.

Project Team

PhD Candidate	Principal Supervisor	Associate Supervisor
Ms Witchuta Marchoo	Dr Ken Butcher	Dr Mike Watkins
Ph: 07 5552 7275	Ph: 07 5552 8887	Ph: 07 5555 6742
witchuta.marchoo@griffithuni.edu.au	k.butcher@griffith.edu.au	m.watkins@griffith.edu.au

Generally, tour programs comprise a range of important attributes, such as tourism activities, accommodation, ethical considerations, attractions, meals, entertainment, and transportation. These attributes, together with price, are important for tourists when they are making a decision to book a tour. However, very little academic research has been conducted into how different forms of tour attribute impact tourists' evaluation and behavioural intention, under different situations. A PhD candidate has initiated a study to determine answers to this issue.

Information collected for this study will remain confidential. By completing and submitting this questionnaire you are indicating your willingness and consent to participate in this project. If you want a summary report, we can send you a copy when it is available. Any research performed at Griffith University is conducted in accordance with the *National Statement on Ethical Conduct in Human Research* (2007). If you have any concerns or complaints about the ethical conduct of this research, please contact the Manager, Research Ethics on 07 3735 5585 or at research-ethics@griffith.edu.au.

Thank you for participating in this survey.

We are going to show you a tour brochure and then ask you to complete a series of questions about the tour. Some of the questions may appear to be similar but they are all gathering slightly different information.

IMAGINE you have booked a flight from Australia for a holiday in Chiang Mai, a city in the North of Thailand. Various day-trip package tours are offered by local tour companies for you to experience the nature and culture of Northern Thailand.

Please continue to **IMAGINE** you are now searching for a day-tour in the Chiang Mai area. You are interested in going elephant trekking and visiting a hill tribe village. You are considering several tour companies who offer similar activities at a similar price.

You have obtained the brochure as shown

Please take your time to read the brochure and think about whether this tour is one you might consider for a day-trip program.

A tour brochure regarding each experimental condition is presented

Please rate your level of agreement or disagreement with each statement by choosing one level for each scale.

KEEP IN MIND to respond as if you are the tourist that is considering this tour experience.

	Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
This company appears to be certified to conduct responsible tours.	1	2	3	4	5	6	7
This type of tour probably occurs in real life.	1	2	3	4	5	6	7
The company appears to conduct tours under a code of ethics.	1	2	3	4	5	6	7
This tour company operates in an ethical manner.	1	2	3	4	5	6	7
I think this tour company would be reliable.	1	2	3	4	5	6	7
This company has been endorsed by an international accreditation program, such as Green Globe 21.	1	2	3	4	5	6	7
The proposed tour in the brochure looks realistic.	1	2	3	4	5	6	7
I think this company cares about wildlife and nature.	1	2	3	4	5	6	7
The company displays a code of ethics on its brochure.	1	2	3	4	5	6	7
This tour company seems to behave ethically.	1	2	3	4	5	6	7
This company seems to be accredited by a recognised eco-label.	1	2	3	4	5	6	7
I think this tour company would be honest.	1	2	3	4	5	6	7
This type of tour is likely to exist in the actual tourism market place.	1	2	3	4	5	6	7
I think this tour company would keep its promises.	1	2	3	4	5	6	7

This tour comprises responsible tourism features.	1	2	3	4	5	6	7
This company has a code of ethics.	1	2	3	4	5	6	7
I would trust this tour company.	1	2	3	4	5	6	7
The activities on this tour appear to be socially responsible.	1	2	3	4	5	6	7
Taking this tour seems to be the right thing to do.	1	2	3	4	5	6	7
This tour would likely make me feel good.	1	2	3	4	5	6	7
I think this tour company would act in my best interests.	1	2	3	4	5	6	7
This tour seems to be good value for money.	1	2	3	4	5	6	7
This tour incorporates ethical practices into its program.	1	2	3	4	5	6	7
Taking this tour would likely give me chance to do good things for others while I am on holidays.	1	2	3	4	5	6	7
Taking this tour would help me enhance my own self-concept.	1	2	3	4	5	6	7
I think this company would behave responsibly toward its employees.	1	2	3	4	5	6	7
Taking this tour would promote my moral values for the well-being of others.	1	2	3	4	5	6	7
This tour is one that I would likely feel relaxed about taking.	1	2	3	4	5	6	7
I think this company cares about local welfare and culture.	1	2	3	4	5	6	7
Taking this tour would enhance my personal image as a responsible tourist.	1	2	3	4	5	6	7
If I were in the area, my likelihood of booking this tour would be high.	1	2	3	4	5	6	7

I would likely recommend this tour to anyone who asks me.	1	2	3	4	5	6	7
This tour seems to be high in quality.	1	2	3	4	5	6	7
This tour would likely give me pleasure.	1	2	3	4	5	6	7
I would talk positively about this tour to others.	1	2	3	4	5	6	7
This tour seems to offer a good product for the price.	1	2	3	4	5	6	7
If travelling in Thailand, this tour would be attractive to me.	1	2	3	4	5	6	7
This tour seems to be well-designed.	1	2	3	4	5	6	7
If travelling to developing countries, I would try to make sure that some of the money I spend goes into funds for the welfare of local residents.	1	2	3	4	5	6	7
This tour is one that I would likely enjoy.	1	2	3	4	5	6	7
This tour seems to be a good deal.	1	2	3	4	5	6	7
If I were in Northern Thailand, I would consider booking this tour from this company.	1	2	3	4	5	6	7
This tour seems to provide a rich experience.	1	2	3	4	5	6	7
Corporate social responsibility should be the first obligation of tourism business in today's society.	1	2	3	4	5	6	7
This tour seems to be reasonably priced.	1	2	3	4	5	6	7
If travelling in Thailand, I would like to take this type of tour.	1	2	3	4	5	6	7
If travelling to nature-based destinations, I would try to make sure that some of the money I spend goes into funds for nature conservation or animal welfare protection.	1	2	3	4	5	6	7

If travelling in Thailand, I would be interested in this type of tour.	1	2	3	4	5	6	7
This tour comprises a range of things to see and do.	1	2	3	4	5	6	7
I would pay more money for a tourism product that I knew to be socially or environmentally responsible.	1	2	3	4	5	6	7
Overall, if travelling to Thailand, I would consider booking this tour.	1	2	3	4	5	6	7
I would likely say nice thing about this tour to others.	1	2	3	4	5	6	7
I would be willing to go well out of my way to buy from a company that I knew to be socially responsible.	1	2	3	4	5	6	7

Note: (1) The questions shown here are in the same order as shown in an online survey.

(2) In an online survey, the questions were split into seven to eight questions presenting on one page.

(3) In an online survey, scales for each question were designed in click-bottom form for respondents to rate their levels of agreement.

For the next section, please provide information about yourself and your travelling experience so that we may complete a full analysis of the aggregated data.

What type of tourism activities do you like to do when you are travelling? Please tick as many activities as you like.

☐ Adventure   ☐ Culture and Heritage

☐ Education   ☐ City tour and Shopping

☐ Sea San Sun   ☐ Winery and Culinary

☐ Eco-tourism/Wildlife tourism   ☐ Other, please indicate……..

For each of the following questions, please tick ONE BOX only

Which of the following groups would be best to describe your tour party, if travelling overseas on such a trip?

☐ Independent/Single traveller   ☐ Group package

☐ Couple   ☐ Family

☐ Other, please indicate………

Is Thailand one of your destination choices for your next holiday?
☐ Yes   ☐ No   ☐ Not sure

How many times have you been to Thailand?
☐ None   ☐ Once   ☐ Twice   ☐ Three times   ☐ More than three times

What is your gender?
☐ Male   ☐ Female

What is your age?
☐ 18-24   ☐ 25-34   ☐ 35-44   ☐ 45-54   ☐ 55-64   ☐ 65+

Please indicate your highest level of education

☐ High school   ☐ University degree

☐ Trade qualification   ☐ Post graduate degree

☐ College certification/Diploma   ☐ Other, please indicate………

Please indicate your approximate gross income as an individual (monthly)

☐ $3,000 or less   ☐ $9,000-$12,000

☐ $3,000-$6,000   ☐ $12,000-$15,000

☐ $6,000-$9,000   ☐ $15,000+

Thank you very much for your participation that completes our survey
You can submit the survey now by clicking on the "next" button
on the bottom of the page.
If, however, you would like to receive a summary report, please indicate your
email address in the space below. Then, click "next" to submit the survey

Appendix 3.4b

Main Study 2 online survey instrument package

Information Sheet

This study is a part of PhD research program, the Department of Tourism, Leisure, Hotel, and Sport Management, Griffith Business School. Thank you for participating. Shown below is information about the survey. If you want to proceed to the survey now, please click on the narrow at the bottom of the page.

Project Team

PhD Candidate	Principal Supervisor	Associate Supervisor
Ms Witchuta Marchoo	Dr Ken Butcher	Dr Mike Watkins
Ph: 07 5552 7275	Ph: 07 5552 8887	Ph: 07 5555 6742
witchuta.marchoo@griffithuni.edu.au	k.butcher@griffith.edu.au	m.watkins@griffith.edu.au

Generally, tour programs comprise a range of important attributes, such as tourism activities, accommodation, ethical considerations, attractions, meals, entertainment, and transportation. These attributes, together with price, are important for tourists when they are making a decision to book a tour. However, very little academic research has been conducted into how different forms of tour attribute impact tourists' evaluation and behavioural intention, under different situations. A PhD candidate has initiated a study to determine answers to this issue.

Information collected for this study will remain confidential. By completing and submitting this questionnaire you are indicating your willingness and consent to participate in this project. If you want a summary report, we can send you a copy when it is available. Any research performed at Griffith University is conducted in accordance with the *National Statement on Ethical Conduct in Human Research* (2007). If you have any concerns or complaints about the ethical conduct of this research, please contact the Manager, Research Ethics on 07 3735 5585 or at research-ethics@griffith.edu.au.

Thank you for participating in this survey.

We are going to show you a tour scenario and then ask you to complete a series of questions about the tour. Some of the questions may appear to be similar but they are all gathering slightly different information.

The scenario regarding each experimental condition is then presented.

What are your thoughts about this tour?

Please answer the questions starting on the next page.

Please rate your level of agreement or disagreement with each statement by choosing one level for each scale.

KEEP IN MIND to respond as if you are the tourist taking this tour.

	Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
This type of tour probably occurs in real life.							
This tour seems to be high in quality.							
I think this tour would be reliable.							
This tour seems to be good value for money.							
The tour company has a code of ethics regarding the environment.							
This tour would likely make me feel good.							
The tour guide provides useful information about the tour.							
The tour company has a code of ethics to protect ethnic tribe traditional culture.							
This type of tour is likely to exist in the actual tourism market place.							
The tour company applies good ethical practices to protect animals and plants.							
The scenario indicates that employees on the tour appear to receive a fair payment for their work.							
I think this tour company would be honest.							

This tour is one that I would likely feel relaxed about taking.

I think this company cares about wildlife and nature.

The tour company applies a policy to support the local village economy.

The scenario indicates that employees are well treated.

The tour guide seems to be knowledgeable about local culture and nature.

The scenario indicates that elephant welfare is an important concern for the tour company.

I think this tour company would behave responsibly to its employees.

This tour company operates in an ethical manner.

This tour seems to be well-designed.

The scenario indicates that protecting local tribe social-cultural practices is important to the tour company.

The situation in this tour seems realistic.

The scenario indicates that the tour company has a code of ethics to support employee welfare.

I think this company cares about local village welfare and culture.

This tour company seems to behave ethically.

I think this tour company would keep its promises.

The tour guide seems to be good as an information-giver.

Taking this tour seems to be the right thing to do.

This tour seems to offer a good product for the price.

If travelling to developing countries, I would try to make sure that

some of the money I spend goes for the welfare of local residents.

This tour comprises responsible tourism features.

This tour seems to provide a rich experience.

The tour guide provides information about a company's

responsible tourism policies.

I would trust this tour company.

Taking this tour would help me enhance my own-self concept.

This tour seems to be a good deal.

Taking this tour would likely give me a chance to do good things

for others while I am on holidays.

The activities on this tour appear to be socially responsible.

If travelling to nature-based destinations, I would try to make sure

that some of the money I spend goes into funds for nature

conservation or animal welfare protection.

The tour guide seems to follow a code of ethics in the profession.

This tour incorporates ethical practices into its programs.

Taking this tour would promote my moral values for the well-

being of others.

I think this tour company would act in my best interests.

The tour guide shows a sense of responsibility.

This tour would give me pleasure.

This tour seems to be reasonably priced.

I likely recommend this tour to anyone who asks me.

Taking this tour would enhance my personal image as a responsible tourist.

I would pay more money for a tourism product that I knew to be socially or environmentally responsible.

This tour is one that I would likely enjoy.

I would talk positively about this tour to others.

Corporate social responsibility should be the first obligation of tourism businesses in today's society.

This tour comprises a range of things to see and do.

I would be willing to go well out of my way to buy from a company that I knew to be socially responsible.

I would likely say nice things about this tour to others.

Note: The questions shown here are in the same order as shown in an online survey.

In an online survey, the questions were split into seven to eight questions presenting on one page.

In an online survey, scales for each question were designed in click-bottom form for respondents to rate their levels of agreement.

For the next section, please provide information about yourself and your travelling experience so that we may complete a full analysis of the aggregated data.

What type of tourism activities do you like to do when you are travelling? Please tick as many activities as you like.

☐ Adventure ☐ Culture and Heritage

☐ Education ☐ City tour and Shopping

☐ Sea San Sun ☐ Winery and Culinary

☐ Eco-tourism/Wildlife tourism ☐ Other, please indicate……..

For each of the following questions, please tick ONE BOX only

Which of the following groups would be best to describe your tour party, if travelling overseas on such a trip?

☐ Independent/Single traveller ☐ Group package

☐ Couple ☐ Family

☐ Other, please indicate………

Is Thailand one of your destination choices for your next holiday?

☐ Yes ☐ No ☐ Not sure

How many times have you been to Thailand?

☐ None ☐ Once ☐ Twice ☐ Three times ☐ More than three times

What is your gender?

☐ Male ☐ Female

What is your age?

☐ 18-24 ☐ 25-34 ☐ 35-44 ☐ 45-54 ☐ 55-64 ☐ 65+

Please indicate your highest level of education

☐ High school ☐ University degree

☐ Trade qualification ☐ Post graduate degree

☐ College certification/Diploma ☐ Other, please indicate………

Please indicate your approximate gross income as an individual (monthly)

☐ $3,000 or less ☐ $9,000-$12,000

☐ $3,000-$6,000 ☐ $12,000-$15,000

☐ $6,000-$9,000 ☐ $15,000+

Thank you very much for your participation that completes our survey
You can submit the survey now by clicking on the "next" button
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If, however, you would like to receive a summary report, please indicate your
email address in the space below. Then, click "next" to submit the survey

Appendix 3.5

Ethical clearance certification

HUMAN RESEARCH ETHICS COMMITTEE

ETHICAL CLEARANCE CERTIFICATE

This certificate generated on 10-06-2012

This certificate confirms that protocol 'The investigation into the impact of ethical responsibility of tour operators on tourists evaluation and behavioural intention' (GU Protocol Number HSL/01/10/HREC) has ethical clearance from the Griffith University Human Research Ethics Committee (HREC) and has been issued with authorisation to be commenced.

The ethical clearance for this protocol runs from 11-02-2010 to 01-02-2011.The named members of the research team for this protocol are:

Dr Kenneth Butcher

Ms Witchuta Marchoo

The research team has been sent correspondence that lists the standard conditions of ethical clearance that apply to Griffith University protocolsThe HREC is established in accordance with the *National Statement on Ethical Conduct on Research Involving Humans.* The operation of this Committee is outlined in the HREC Standard Operating Procedure, which is available from www.gu.edu.au/or/ethics.Please do not hesitate to contact me if you have any further queries about this matter.

Dr Gary Allen

Manager, Research Ethics

Office for Research

N54 room 0.10 Nathan Campus, Griffith University

Phone: 3735 5585

Facsimile: 07 373 57994

Email: g.allen@griffith.edu.au

Appendix 3.6

The eligible data for the main studies

Condition	Obtained cases [a]		Number of cases removed						Number of cases retained	
			Incomplete cases		Singularity		Missing data			
	S1	S2	*S1*	S2	*S1*	S2	*S1*	S2	*S1*	S2
	1,649	1,458	*317* [b]	348 [b]						
			1332*	1110*						
1			*328*	137	*51*	20	*46*	56	*231*	61
2			*338*	141	*62*	21	*51*	60	*225*	60
3			*331*	135	*55*	14	*50*	60	*226*	61
4			*335*	139	*63*	17	*57*	62	*215*	60
5				142		18		63		61
6				134		17		57		60
7				144		23		59		62
8				138		26		52		60
Total					*231*	156	*204*	469	*897 (54%)*	**485 (33%)**

Note: [a] A total number of cases originally recorded in the Qualtrics; [b] Number of incomplete cases deleted due to a completion time shorter than one minute and cases were deleted regardless experimental conditions; * A number of cases retained after deleting incomplete cases; Parallel of a single line with condition numbers are a number of cases sorted according to experimental condition

Appendix 4.1

Items retained after CFA: validated stage and before cross validation

Construct	Label/Statement
TOURQUAL	
Perceived Ethical Performance	**EthPerf2**: I think this company cares about wildlife and nature.
	EthPerf4: This tour comprises responsible tourism features.
	EthPerf5: The activities on this tour appear to be socially responsible.
	EthPerf6: This tour incorporates ethical practices into its program.
	EthPerf8: I think this company cares about local welfare and culture.
Perceived tour program quality	**Qual2**: This tour seems to be well-designed.
	Qual3: This tour seems to provide rich experience.
Trust	
	Trust1: I think this tour company would be reliable.
	Trust3: I think this tour company would keep it promises.
	Trust4: I would trust this tour company.
	Trust5: I think this tour company would act in my best interest.
Tour booking intention	
	Intent1: If I were in the area, my likelihood of booking this tour would be high.
	Intent2: If I were in northern Thailand, I would consider booking this tour from this company.
	Intent3: Overall, if travelling to Thailand, I would consider booking this tour.

Construct	Label/Statement
Perceived Value	
Hedonic	**Hedonic3**: This tour would likely give me pleasure.
	Hedonic4: This tour is one that I would likely enjoy.
Price	**Price1**: This tour seems to be good value for money.
	Price4: This tour seems to be reasonably priced.
Ethical-Expressive	**Eth-Exp2**: Taking this tour would likely give me a chance to do good things for others while I am on holidays.
	Eth-Exp3: Taking this tour help me enhance my own self-concept.
	Eth-Exp4: Taking this tour would promote my moral values for the well-being of others.
	Eth-Exp5: Taking this tour would enhance my personal image as a responsible tourist.
Word-of-Mouth	
	WOM1: I would likely recommend this tour to anyone who asks me.
	WOM2: I would talk positively about this tour to others.
	WOM3: I would likely say nice things about this tour to others.
CSR predisposition	
	CSR1: If travelling to developing countries, I would try to make sure that some of the money I spend goes into funds for the welfare of local residents.
	CSR2: Corporate Social Responsibility should be the first obligation of tourism business in today's society.
	CSR 4: I would pay more money for a tourism product that I knew to be socially or environmentally responsible.
	CSR 5: I would be willing to go well out of my way to buy from a company that I knew to be socially responsible.

Note. For fit indices, see Table 4.4 for the unidimensional constructs and Table 4.6 for the multidimensional construct. N = 450

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