

Customers Perception about Ethicality and Loyalty Intentions in the Fast Food Industry

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Abstract

The purpose of this paper is to determine the effects of customer perceived ethicality on repurchase intentions and word of mouth in the fast food industry empirically. The self-administered questionnaires were used to collect the data from 396 regular customers of fast food restaurants (e.g., Pizza Hut, KFC, Subway, and local fast foods chains) operating in Pakistan. Social desirability bias and common method variance were measured before testing hypotheses, and a conceptual model was tested through the PLS-SEM technique. The results showed a positive direct effect of customer perceived ethicality on repurchase intentions and also an indirect effect through the partial mediator of brand image. Furthermore, repurchase intentions effects positively on word-of-mouth. This study confirms the explicit contribution of customer perceived ethicality on customers' behavioral intentions in the fast food industry in Pakistan. The results of this study propose that ethical concerns should be considered at the corporate strategy formulation level and aligned with marketing plans to improve customers' behavioral intentions.

Keywords

Pakistan, Customer Perceived Ethicality, Brand Image, Repurchase Intentions, Word of Mouth, Fast Food, Social Desirability Bias, Common Method Variance

Received: March 24, 2019 / Accepted: May 15, 2019 / Published online: May 28, 2019

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1. Introduction

Ethical consumerism (alternatively called ethical purchasing or ethical consumption) has been emerged as a significant indicator of success in the recent business world [1, 2]. It has enhanced the shareholders worth and gratified the expectations of society [3]. Ethical purchasing undoubtedly influenced traditional business norms, procedures, and objectives. Firms working in services sector require strong brands image and brand loyalty which is inevitable for long-term customer relationships. This strong customer relationship can be maintained by integrating ethics with core business strategies [4, 5]. However, despite of the relevance

of ethical reputation in customers' behavioral intentions in the service sector, it was found that previous researches did not explore these intersection areas [6]. These intersection areas have been explored conceptually [7, 8] and empirically in goods/products sector [7, 9] but not in service sector especially in fast food industry.

A decade ago, the fast food industry received rapid growth around the globe. The global fast food industry has received the \$231.1 billion market value with 3.1% growth rate in 2009 [10]. A surprising fact from American statistics is that the money spent on food from outside the home in 1970 was 25%, but in 1999 it was recorded and reached up to 47%. Pakistan fast food industry is the eighth big industry of the

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world. The trend of the fast food industry and habits of eating outside from home is increasing day by day and this industry growing 20% annually not only in Pakistan but also around the globe [11, 12].

In Pakistan, consumption and working at fast food restaurant is considered as a status symbol as family, friends and peers anticipate it life standard who often go to fast foods restaurants [12]. Fast-Food consumers critically evaluate the ethical practices of multinational fast food brands and their country of origins [13]. It has been observed in the previous research that customers had specific food preferences regarding to health factors [14–16] as well as related to socioeconomic factors [17]. Therefore consumers boycotted that companies that were found conducting unethical practices [18] and customers' sensitivity is high in Pakistan with respect to global fast foods brands [13]. Therefore it is dire need to explore customer perceived ethical behavior in the global fast foods brands in Pakistan as in the developing countries like Pakistan such kinds of trends have not been observed so far. That is the reason, the primary objective of this study is to develop a conceptual framework and measure the impact the customer perceived ethics on repurchase intentions and positive word of mouth through the mediating role of Brand image in the Fast food industry in Pakistan.

2. Theoretical Framework and Hypothesis Development

2.1. Customer Perceived Ethicality (CPE)

According to Fan (2005), the ethical brand has characteristics of responsibility, integrity, respect, honesty, and accountability towards some shareholders. Recently some researches have shown that in the current socio-economic environment, growing number of customers give high value to the brands/companies which take care ethical concerns [6, 19, 20]. Therefore it is inevitable for companies to demonstrate ethical commitments at corporate, strategic and operational level [8, 21]. In light of previous studies regarding ethics, emergent researchers coined the term and purposed conceptual framework of CPE [7, 22] and some studies suggested that consumers' implicit attitude has an affective dimension toward the company's/ brand's explicit ethical behavior [6, 23].

2.2. Influence of CPE on Brand Image and Repurchase Intentions

From the last decade, companies are investing their massive budgets in the creation and developments of brands. The creation of brand means that the brand communicates company message at all levels which become the reason of

satisfaction for all stakeholders. Consumer perceived ethicality (CPE) is vital to gauge Consumer response that can affect their attitude toward buying behaviors [7]. Brand awareness, brand image, and CPE are considered the three key drivers of brand equity [24]. Furthermore, Klink and Wu (2017) analyzed in two research studies that CPE is a critical component of brand equity [25]. Therefore, to enhance the brand image and consequently CPE, companies have to engage in corporate societal marketing ([26]. So according to the discussion above on CPE and brand image, authors propose that CPE of a fast food restaurant will create a positive impact on brand image.

1. Hypothesis 1 (H1): Customer perceived ethicality of a fast food restaurant will have a positive impact on Brand Image.

Repurchase intentions and customer satisfaction are strongly related to each other as customer satisfaction is suggested as a strong predictor of repurchase intentions [27]. Some studies have been suggested that a salesperson response with good ethics could evoke a promising relationship with the customer which enhances customer's satisfaction [28] and consequently repurchase intentions. If customers perceive that they are treated unfairly and unethically by the salesperson, they will break up the relationship due to the perceptions of inequity and injustice [29]. Similarly, Schmalz and Orth expressed in another empirical study that repurchase intentions of consumers are lower for those brands that are involved in unethical behavior [30]. Therefore, authors assume that if an individual perceives positive emotional feelings due to positive exhibiting ethical behavior from the brand/company, he/she will elicit stronger repurchase intentions. According to these consistent findings, authors hypothesized that:

2. Hypothesis 2 (H2): Customer perceived ethicality of a fast food restaurant will have a positive impact on Repurchase Intentions.

2.3. Influence of Brand Image on Repurchase Intentions

Brand image is a major predictor and antecedent of consumers' repurchase intentions. Prior studies suggested that brand image has a significant effect on repurchase intentions and customers' satisfaction [31, 32]. There is also the positive influence of brand information on customers' perceived value, willingness to buy and perceived quality [33]. Consumers often purchase famous brand products due to its positive brand image, because consumers perceive it more durable and feel lower perceived risks [34] or higher perceived value [35, 36]. In tourist sector, Castro *et al.* (2007) explored that tourists' future behavior depend upon tourist satisfaction and perceived service quality through

destination’s image [37]. The arguments expressed here leads to the following hypotheses.

3. Hypothesis 3 (H3): Brand Image of a fast food restaurant will have a positive impact on Repurchase Intentions.

2.4. Influence of Repurchase Intentions on Word of Mouth

When consumers exhibit loyalty to the brand or company, they communicate their positive feelings towards a company/brand (repurchase intentions) or other people (word-of-mouth). Accordingly, prior studies explicitly suggested that customers’ loyalty evoke customers to produce positive word-of-mouth [38, 39]. In a telecom sector, Roy (2013) found in an empirical study that repurchase intentions have a direct effect on positive word-of-mouth [40]. Similarly, in the banking sector, Khan et al. (2015) found that repurchase intentions have a positive and direct influence on word-of-mouth [41]. Different eminent researchers found in various service sectors that customers’ loyalty is an antecedent and predictor of word-of-mouth, for example, Hsu, Wang, & Chih (2013) and Srinivasan, Anderson, & Ponnnavolu (2002) in an online setting; Chena & Jaramillo (2014) in a financial institution; Choi & Choi (2014) in financial services, restaurants, lodging services, cable services and airline services. So It would be valuable to determine whether Pakistani consumers in the fast food sector will also be intended to recommend their brands/restaurants to others customers or not. Therefore authors postulate this hypothesis that:

4. Hypothesis 4 (H4): Repurchase Intentions of a fast food restaurant will have a positive impact on Word of Mouth.

Conceptual Framework

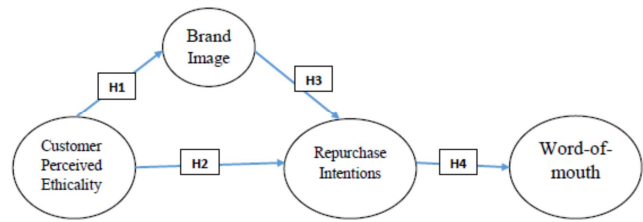


Figure 1. Conceptual framework.

3. Research methodology

3.1. Questionnaire Design and Measures

Authors used already established scales found in the literature of marketing (mentioned in Table 1). Furthermore, four questions were added form the Marlowe–Crowne Social-desirability Short Form C Scale to measure social-desirability [46]. The responses of the variables were graded through a five-point Likert scale that is ranged from “completely agree” to “completely disagree”. The field survey approach was applied through a self-administered questionnaire and pilot testing of the questionnaire was also conducted in two ways. First, the brand management and business ethics experts were requested to evaluate the questionnaire and its format style (how the questions were posed). Second, target respondents were requested to examine comprehension level of the questionnaire.

Table 1. Constructs and items used in the survey.

Constructs	Items and abbreviations	Reference (s)
Customer Perceived Ethicality (CPE)	CPE1 The Restaurant is a socially responsible brand.	[47] [48]
	CPE2 The Restaurant seems to make an effort to create new jobs.	
	CPE3 The Restaurant seems to be environmentally responsible.	
	CPE4 The Restaurant appears to support good causes.	
	CPE5 The Restaurant contributes to the society.	
Brand Image BI	CPE6 The Restaurant is more beneficial for the welfare of the society than other brands.	[49]
	BI1 The restaurant is sophisticated.	
	BI2 It has a cheerful and charming atmosphere.	
	BI3 The restaurant has authentic cuisine (food)	
Repurchase Intentions (RI)	BI4 It tastes good compared with price.	[50]
	RI1 I shall continue considering this one as my main restaurant in the next few years	
	RI2 I would keep being a customer of this restaurant even if another entity offered better rates.	
Word of Mouth (WOM)	WOM1 I say positive things about this Restaurant to other people.	[51]
	WOM2 I recommend this Restaurant to someone who seeks my advice.	
	WOM3 I encourage friends and relatives to come and eat at this Restaurant.	
Social-Desirability Scale (SDB)	SDB1 I sometimes try to get straight, rather than forgive and forget.	Short Form C Scale [52]
	SDB2 I am always courteous, even to people who are disagreeable.	
	SDB3 There have been occasions when I took advantage of someone.	
	SDB4 I’m always willing to admit it when I make a mistake.	

3.2. Sampling and Data Collection

Data were collected from fast food customers who frequently visited fast food restaurants and therefore they were well aware of the taste and environment of fast food restaurants.

For this sake, the authors included one pre-question in the questionnaire, “Have you visited the fast food Restaurant at least in one month?” Only those responses were included in the data analysis who answered “Yes” to the above question.

Online self-administrative questionnaires were distributed on Face-Book and emailed to all current students of FAST University, Lahore Campus and GC University Faisalabad employees in Pakistan. Furthermore, printed version of self-administrative questionnaires were distributed to Fast Food Restaurants to collect response at the spot. Follow-up e-mails has been sent after ten day interval to the above students and employees [53] but it got a potentially low response rate [54].

Three hundred and seventy-five (375) online forms (self-administrative questionnaires) and sixty-nine printed questionnaires were received from different fast-food restaurants by using Convenience sampling technique. Out of total four 444 respondents, forty-eight (48) respondents answered “No” to the above pre-question and therefore excluded from analysis. In rest of 396 respondents, 224 (56.5%) of the respondents were male. 232 respondents (58.5%) were 15-25 years old, while 142 respondents (36%) were 26-35 years and the rest of the respondents (5.5% only) reported themselves as over 36 years. 131 (33%) respondents were Under- Graduate, 99 (25%) had a bachelor’s degree, and 76 (19.2%) had a master’s degree while the rest of the respondents (22.8%) were in MPhil or Ph.D.

3.3. Social Desirability Bias (SDB)

As this paper depends upon the direct response from Fast Food consumers, therefore the Social Desirability Bias (SDB) may be susceptible in the Data [55]. To address this issue, three procedural remedies has been applied to reduce and control SDB [52]. First, recommendations from business ethics and the brand management experts were applied to collect data. Second, the authors adopted self-administered questionnaires to minimize the interviewer bias on the customer. Finally, the authors adopted empirically tested (previously established) scales for the constructs under this study.

In addition to this, 89 respondents had been excluded from the data list as they had SDB score less than three on a five-point Likert scale. It means these respondents likely to hide true feelings and may be an indicator of SDB in the data [56, 57]. Furthermore, this group (89 respondents) was assessed to check its *homogeneity of variance* with rest of sample size (307 respondents) to determine whether this group has a similar response with rest of sample size or not. Therefore authors applied the Levene test to these two sub-samples; 89 respondents and 307 respondents [58]. There was a significant difference between two sub-samples as homogeneity of variance was not found (*Levene test value for BI & WOM: p < 0.01 and Levene test value for CPE p > .01*). This means that respondents of these two sub-groups perceived significantly different Brand Image (BI) and Word of Mouth (WOM). Thus authors excluded 89 responses from the original data set.

3.4. Common Method Variance (CMV)

Common method variance (CMV) may be susceptible in the data to as it were collected from the same customers (i.e., respondents). To address this issue, the authors applied statistical and procedural remedies [59]. First, items of respective variables were adapted on previously validated and empirically tested scales. Second, experts reviewed the questionnaire and the unfamiliar and vague terms were excluded during the pilot testing phase. Furthermore, proximal separation techniques were applied in the questionnaire. Third, data were collected from online sources as well as offline sources (printed version questionnaires). Fourth, Harman’s one-factor test was applied to the whole model to measure CMV statistically as applied by previous studies [29, 41]. An un-rotated principal component factor (PCA) was measured by SPSS, and the majority of the variance of the whole model was not explained by the first factor (the total variance explained- less than 37%). Therefore, in this study, CMV was not found.

4. Findings

4.1. Exploratory Phase

Principal components analyses (PCA) was conducted in order to validate the scale of all variables in our research (see Table 2). All variables were extracted as unidimensional as mentioned in the literature and they accounted for more than 50% the total variance, more than the threshold value (Meren da, 1997). Furthermore, all item loadings were above than the threshold value of 0.60 [58] except BI1 and CPE2. Therefore, the first item of Brand Image (BI1) and the second item of Customer Perceived Ethicality (CPE2) were eliminated from data analysis.

Table 2. Item descriptive and measurement assessment.

Construct Items	Mean	SD	Item Loadings	CR	AVE
BI				0.809	0.586
BI2	3.95	.917	0.721		
BI3	3.83	1.008	0.818		
BI4	3.92	.970	0.755		
CPE				0.857	0.547
CPE1	3.73	1.002	0.698		
CPE3	3.78	.957	0.733		
CPE4	3.39	1.059	0.812		
CPE5	3.18	1.054	0.791		
CPE6	2.89	1.064	0.651		
R1				0.897	0.813
R11	3.46	1.100	0.918		
R12	3.22	1.178	0.885		
WOM				0.892	0.734
WOM1	4.04	.914	0.870		
WOM2	4.02	.930	0.819		
WOM3	3.87	1.049	0.880		

Notes: CR=composite reliability; AVE=average variance extracted.

4.2. Measurement Assessment: Construct Reliability and Validity

The convergent validity and discriminant validity were estimated to assess the sample and measures adequacy. Authors applied three methods to evaluate convergent: item reliability, construct reliability and average variance extracted (AVE) as shown in table 2. Firstly, to determine item reliability, the factor loadings of their respective variables were calculated. All the factor loadings were higher than 0.6, which supported convergent validity. Secondly, the authors estimated construct reliability using composite reliability (CR) values. The CR values of constructs are higher than the 0.7 (more than the threshold value) as shown in table 2 [60], therefore convergent validity is supported. Thirdly, the Average Variance Extracted (AVE) of all constructs which were seen higher than the 0.5 (see table 2). Therefore it also supported convergent validity. Furthermore, authors evaluated discriminant validity (table 3) suggested by Fornell and Larcker (1981). It is attained when the AVE square root of each variable must be greater than all the correlations among constructs [62]. In table 3, it is clear that

all the AVEs square root values of each variable are higher than all the correlations among variables. Therefore discriminant validity among all constructs is supported.

Table 3. Construct correlations and Discriminant Validity (Fornell-Larcker Criterion).

	BI	CPE	RI	WOM
BI	0.766			
CPE	0.461	0.739		
RI	0.451	0.468	0.902	
WOM	0.547	0.409	0.496	0.857

Note: average variance extracted (AVE) Square root on the diagonal.

Discriminant validity was also assessed by the heterotrait-monotrait (HTMT) ratio of correlations [63]. Table 4 indicates HTMT Ratio to examine discriminant validity. Some authors suggested that a threshold value should be less than 0.85 [64] while others proposed that it should be less than 0.90 [65]. All the HTMT values are less than threshold values and significant as p-values were less than .001 as shown in table 4. This method also supported discriminant validity among all constructs of our study.

Table 4. Heterotrait-Monotrait Ratio (HTMT) for Discriminant Validity.

	HTMT Ratio	Sample Mean (M)	Standard Error (STERR)	T Statistics (O/STERR)	P Values
CPE →BI	0.578	0.579	0.069	8.353	0.000
RI →BI	0.629	0.630	0.071	8.874	0.000
RI →CPE	0.581	0.583	0.066	8.779	0.000
WOM →BI	0.738	0.739	0.070	10.479	0.000
WOM →CPE	0.435	0.442	0.059	7.394	0.000

4.3. Hypotheses Testing

Authors used Partial Least Squares-Structural Equation Modeling (PLS-SEM) to analyze the relationships among the underlying variables. Partial least squares (PLS) technique is used for complex model analysis to test the proposed hypothesis simultaneously. However, the the model fit assessment is necessary before testing the relationships among variables of research to predict more reliable and validate results of the hypothesized model [66]. Model fit indices had shown good model fit as the value of the average path coefficient (APC) was 0.253, $P < 0.001$ and average R^2 (ARS) was determined 0.251, $P < 0.001$. This indicates that each independent variable in our study has explained a 25.1% variance in its respective dependent variable.

Furthermore, the value of Average Variance Inflation Factor (AVIF) was 1.585 and variables in our study did not have Multicollinearity problem as its value is less than 5.00. Fornell and Cha (1994) suggested that the structural models predictive relevance was assured by the path coefficients (β) significance and coefficient of determination (R^2) [67]. In this research, R^2 value of all the variables has been exceeded than 0.10 (the threshold value). Therefore, model predictive

relevance was confirmed. Anyhow, R^2 higher value solely depends upon nature of research. Usually, in customer behavior studies, the value of R^2 is considered significant if it is more than 0.20 [66]. In this study, all endogenous variables got more than 0.20 R^2 value (see Table 5) therefore, the model explanatory power had been justified in our study.

Authors applied PLS-SEM bootstrapping approach in order to test the statistical significance of the hypothesized model. Due to this reason, 307 cases were bootstrapped with 5000 samples to test the hypothesized model [66]. In Table 5, the results of the hypotheses testing were shown with their respective t-values and p-values (significance level). According to recommendations of Joseph F Hair et al., (2010), the study should accept a hypothesis at 1% significance level when t-value is more than 2.58 and p-value (significance level) lesser than 0.01. Therefore, authors found that there was a positive and direct relationship between Customer Perceived Ethicality (CPE) and Brand Image ($\beta = 0.448$, t-value = 8.103). Thus, H1 is significantly supported. The value of the path coefficient had considerable value ($\beta = 0.448$), but its effect size for the path coefficient of Brand Image was only 0.167. This indicates that the real impact of CPE on brand image is only 16.7%.

Authors also found that CPE had a positive and direct effect on repurchase intentions (RI) as ($\beta = 0.244$ & $t\text{-value} = 4.326$) which supported H2 of this study. Its effect size for the path coefficient is only 0.112 which indicate the low effect of CPE on RI. Brand Image is also found significant positive relationship on Repurchase Intentions (RI) as ($\beta =$

0.166 & $t\text{-value} = 3.011$). Therefore, H3 was also supported but it effect size was as well small, only .071. Finally, Repurchase Intentions (RI) was found positively significant with the relationship of word of mouth (WOM), indicating moderate effect size for path coefficient that is 0.234, so H4 was also supported.

Table 5. Results of the hypotheses testing.

Hypothesis	Independent → Dependent Variable	β (path coefficient)	Effect Sizes For β	t-values	P -Values	R ²	Results
H1	CPE → BI	0.448	0.167	8.103	0.000	0.292	Supported
H2	CPE → RI	0.244	0.112	4.326	0.000		Supported
H3	BI → RI	0.166	0.071	3.011	0.003	0.416	Supported
H4	RI → WOM	0.496	0.234	10.848	0.000	0.246	Supported

4.4. Mediation Test for BI and RI

A mediation test (the indirect effects in the research) suggested by [68] and Sobel test (see Table 6) was conducted to evaluate Brand Image mediation between CPE and Repurchase Intentions (RI). For mediation test, three conditions should be fulfilled according to these researchers. First, an independent variable (IV) must have a significant relationship with a proposed mediating variable. Second, there must have a significant relationship between proposed mediating variable and dependent variable (DV) and third, in the absence of a mediating variable, whether there is insignificant or weaker relationship between IV and DV. Results indicated that the direct effect of CPE (IV) on BI (mediating variable) and direct effect of BI (mediating variable) on RI (DV) were significant. Finally, the direct effect of CPE (IV) on RI (DV) was also significant. Therefore partial mediation of Brand Image (BI) has been established. Subsequently, the indirect effect of CPE on WOM was 0.233 ($p = .000$) through RI, indirect effect of BI on WOM was 0.083 ($p = .003$) through RI. These results indicate full mediation of RI between CPE, BI, and WOM as shown in table 6.

Table 6. Results of the indirect effects.

Indirect effects	Coefficient	p-value	Result
CPE → BI → RI	0.375	.000	Partial mediation
CPE → RI → WOM	0.233	.000	Full mediation
BI → RI → WOM	0.083	.003	Full mediation

5. Discussion and Contributions

5.1. Theoretical Contribution

The result of our study provides meaningful decisions in the brand management and business ethics fields, especially in the fast food sector. This study results not only examine the effects of CPE on Repurchase Intentions and Word of Mouth but also the partial mediating role of Brand Image in the fast

food sector in Pakistan. This study’s contributions are illustrated below according to objectives of study.

First, it is evident that customer perceived ethicality had been scarcely studied at service sector especially in the fast food sector [6] and employees should pottery their ethical commitment with customers during interaction phase [21, 69]. This is the main reason to select fast food industry as its employees have direct relationship and interaction with the customer and therefore customers may perceive well the ethical behavior of that fast food restaurant [70]. Whereas in the case of goods contexts, customers may not perceive the company ethicality as they primarily do not interact with company employees [71]. Thus, the authors highlighted the under-researched area of ethicality in services contexts (fast food sector).

Second, this study provided empirical evidence in the ethical branding field by examining the direct impact of CPE on repurchase Intentions, and customer loyalty (word of mouth) and the indirect impact of CPE on repurchase Intentions through a partial mediating variable of Brand Image. The development of Brand Image is much important in services industry as compared to goods/products industry as standardization service quality is difficult in services sector [71, 72] and difficulty in evaluation of service quality. Previous researchers also examined the impact of company reputation (brand image) and customers’ perceptions about service quality and in the business market, and they found the positive influence of brand image on customer perceived value [33]. Consequently, this research contributed the most relevant construct presented in the services literature (i.e., Brand Image) in context of CPE and customer loyalty (word of mouth and repurchase intentions) and these results also conceded with existing studies in the services literature. For example, prior research established positive direct and indirect effects of CSR/ ethical constructs on customer loyalty intentions with customer trust mediation [41] and consumer satisfaction [73, 74].

5.2. Managerial Implications

This research also narrated some relevant implications which may be valuable for marketing managers operating in the fast food sector (services sector). First of all, employees of fast food companies must behave ethically and embrace an ethical commitment with customers. This means that human resource (HR) practices and policies should be aligned with corporate brand strategy [75]. Therefore the HR department should recruit and train employees and promote policies and practices in order to establish ethicality in employees' behavior. During touch-points and interactions with customers, employees should behave in an ethical and empathic manner, and this should be circumscribed by corporate services brands. That is why, on the one hand, the hiring of minimum-wage and poorly skilled employees should be reverted [76], and qualified and professional employees should be hired and trained with higher levels of ethicality and empathy. On the other hand, brand operations should also be affiliated with the corporate brand strategy. It means that the ethical commitment of the corporate brand must be reflected in daily routines operations and service blueprints that is further translated into employee behavior.

Second, traditional empty rhetoric CSR/ethics reports of the corporate brand should be replaced by more authentic communications through social media and integrated marketing communication channels. In the modern arena and global environment, customers share their experience and expertise to their acquaintances via social media about the inauthentic communications/behaviors or unethical practices they detect. Social media is a central pillar of effective communication in the modern arena, and often customers share their good and bad experience in facebook, twitter, wechat, and whats app. Hence, fast food companies should inculcate moral, and ethical beliefs in their employees which must be further transformed in actual employee behavior to build up the more worthy brand image.

6. Limitations and Future Research

The design of this study is cross-sectional due to which it is not possible to conclude direct causation, and it also seems that the significance of mediator (i.e., Brand Image) between the CPE and Repurchase Intentions might fluctuate over time. Therefore longitudinal studies (the development of customer perceived ethicality over time) should be conducted to address these problems. Furthermore, this study was conducted in a Pakistani cultural context. Customers usually perceive different factors from different cultures when they evaluate services brands [77]. Pakistani cultural context

varies considerably from other countries. For example, Pakistani customers are more inclined to the importance of personal relationships, therefore, Pakistani culture is more similar to collectivistic countries (e.g., Brazil, China, India, and other Eastern countries) as compared to individualistic countries (e.g., Australia, United Kingdom, United States, and Canada) [78]. In individualistic countries, customers are very demanding and they behave differently when complaining about poor service quality. According to this evaluation criteria, customers in Western cultures consider more tangible things while customers devote more consideration to intangible cues in Eastern cultures [79]. Therefore further studies should be needed to address generalizability issue.

Third, the sample of this study is solely representative of fast food restaurants in the service sector, and thus the generalizability of our research is a concern. This research encompasses only a specific industry (fast food restaurants) which is related to business-to-consumer (B2C) area. Therefore, future research is needed to determine whether the outcomes of our study will be the same or different in business-to-business (B2B) field. It would be an interesting avenue as the relationships and interactions in B2B markets are typically long-term oriented and more cooperative than B2C fields [80, 81] which may influence the customer perceived ethicality outcome variables (e.g., word of mouth and repurchase intentions).

Forth, the only quantitative technique was applied, and the data were collected using self-administrative surveys for this research. Therefore the mono-method bias may be a concern. Accordingly, future research should consider qualitative data collection techniques through in-depth interviews of target customers to measure the customer perceived ethicality and other variables of interest. There are additional interesting further research avenues except for these limitations. The antecedents of CPE can be identified to investigate that how ethical perceptions are perceived by customers. This would help managers to formulate better corporate brand strategies, and they would be in a better position to take ethical/CSR initiatives. Furthermore, future studies would predict market share, or stock price as outcomes of customer perceived ethicality instead of customer intentions and attitudes.

7. Conclusion

The present study explores the significance of customer perceived ethicality in service sector especially in the fast food industry and provides an understanding about conditions in which relationship among customer perceived ethicality, brand image, repurchase intentions and word of mouth is affected. We found empirically that customer

perceived ethicality in the fast food industry enhances repurchase intentions which is positively linked to word of mouth. This study also found that the relationship between customer perceived ethicality and repurchase intentions is positively partially mediated by brand image such that customer perceived ethicality enhances fast food brand image which consequently more enhances consumers' repurchase intentions. Quantitative data in this study was analysed only after controlling social desirability bias and common method variance which provided greater reliability and validity of this study proposed hypothesis results. In sum, this study suggested that consumers' ethical concerns not only considered at the corporate strategy formulation level but also aligned with marketing plans at operational level to improve repurchase intentions and word of mouth.

Funding

This study received no external funding.

Conflicts of Interest

The authors declare no conflict of interest.

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