Understanding ethical consumption decisions: 
The role of values, attitudes and expectations in the apparel purchasing context

by

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Dedication

I wish to dedicate this dissertation to the most loving husband Suresh and our wonderful daughter Isha.

Your endless support, love and encouragement helped me complete my doctoral degree.

Thank you for always believing in me!
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- Dr. Thomas Fuller

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ABSTRACT

This study provides understanding of factors that affect U.S. consumers’ intentions to patronize apparel retail brands that are engaged in corporate social responsibility (CSR). The present study developed a research model based on a dual theoretical framework - theory of reasoned action (TRA) and expectations confirmation theory (ECT). Causal relationships between personal values (universalism and benevolence), moral norms, knowledge of environmental and social issues within the apparel industry, expectations, attitudes and intentions to patronize apparel retail brands engaged in CSR were examined. Data were collected via a web-based survey from a national sample of U.S. consumers who were recruited using the services of a market research company specializing in consumer panel studies – Survey Sampling International (SSI, n.d.). A total of 405 completed surveys were used for the statistical analysis.

Preliminary analysis of research data consisted of descriptive analysis, principal components analysis, internal reliability assessment of research variables, and correlation analysis. Confirmatory factor analysis for each construct and measurement model testing was performed. Latent variable structural model testing was conducted for three models - fully recursive, hypothesized model and alternate model using Mplus statistical software (Muthén & Muthén, 2000).

Findings of the present study revealed that consumers’ knowledge of environmental issues in the apparel industry, moral norms, expectations of ethical behavior, attitudes towards patronizing apparel retail brands engaged in CSR were all important predictors of U.S. consumers’ intentions to patronize socially responsible apparel retail brands. Overall, the results of this study confirm applicability of the TRA and ECT in the context of consumers’ ethical
decision making. Universalism values were found to be predictors of moral norms. Knowledge of environmental issues in the apparel industry and universalism values were found to influence consumers’ expectations of retail brands ethical behavior. The findings also revealed that only consumers’ moral norms predicted their attitudes towards patronizing apparel retail brands engaged in CSR. However, there was no significant relationship between knowledge of social and environmental issues and expectations of ethical behavior. Also, there were no significant differences in consumers’ patronage intentions based on gender, education or household income.

An important theoretical contribution of this study is that it supports previous research that indicated extending the TRA and theory of planned behavior to include measures of values and moral norms in ethical context (Conner & Armitage, 1998; Manstead, 2000; Armitage & Conner, 2001). Findings from this study provide an understanding of the significant roles of universalism values and moral norms in consumers’ attitude formation, expectations and patronage intentions for apparel products. The results of this study present valuable insights for apparel retail brands engaged in CSR or planning to incorporate CSR policies in their corporate agenda. It is proposed that apparel retail brands should integrate CSR related information in their strategic marketing activities to increase consumer awareness of its socially responsible business practices, which in turn may enhance brand image.
CHAPTER 1. INTRODUCTION

Background

Current global patterns of economic development have created numerous social and environmental challenges. The 2009 Copenhagen Summit addressed these issues and put forth sustainable initiatives to resolve escalating concerns of environmental deterioration and social inequality (United Nations Framework Convention on Climate Change [UNFCC], 2010). The Brundtland Report (United Nations World Commission on Environment and Development [UNWCED], 1987) introduced the concept of sustainable development and detailed the inherent relationships between ecology, economic advancement and societal well-being. One of the major components of sustainable development is sustainable consumption, defined as the use of goods and services that respond to basic human needs and enhance quality of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants over the entire life cycle of products (Jackson, 2005; Newholm & Shaw, 2007). There is widespread agreement that the origin and growth of global environmental problems are largely anthropogenic – that is, primarily due to human activities (Pfister & Bohm, 2001). These problems are affected by decision-making processes at different stakeholder levels: individual, political, organizational and societal. Individual consumption decisions and their antecedents have been the focus of much consumer behavior research. However, relatively few studies have investigated sustainable consumption (Pfister & Bohm, 2001), and none have focused on the apparel context.

Industries play a vital role in the development of society, and therefore bear a significant responsibility for its well-being. For this reason, sustainable business practices have emerged as an important element of corporate strategy (Moosemayer & Fuljahn, 2010), commonly referred to as corporate social responsibility (CSR). Davis (1973) defined CSR as “decisions and actions
taken for reasons at least partially beyond the firm’s direct economic or technical interests” (p. 70). Caroll (1979) indicated that socially responsible firms should not only conform to economic and legal responsibilities, but also engage in philanthropic activities and ethical practices that enhance the well-being of society.

In 2011, the International Organization for Standardization (ISO) developed a comprehensive definition of social responsibility that has guided and shaped most current corporate policies related to sustainability. The ISO definition identifies seven core dimensions: organization governance, community involvement and development, human rights, labor practices, environmental aspects, fair operating practices, and consumer issues (ISO, 1992). In recent years, there has been a trend towards companies addressing and reporting sustainability-related issues through their CSR policies. Eighty percent of Fortune 500 companies explicitly report CSR initiatives on their websites (Bhattacharya & Sen, 2004). Today’s business environment is becoming increasingly competitive and poses significant challenges to companies in a globalized marketplace. CSR aids companies in achieving and retaining a competitive market position by addressing the growing consumer sensitivity towards socially responsible business practices (Moosemayer & Fuljahn, 2010).

From the consumer perspective, concerns regarding the environmental and social impacts of companies’ actions are also steadily increasing. To address these concerns, businesses have introduced CSR policies as an important aspect of their overall corporate strategy (Bhattacharya & Sen, 2004; Obalola, 2008). According to a 2012 survey of 4,000 managers and executives worldwide (Knut, Reeves, Strengvelken, Audretsch, Kiron, & Kruschwitz, 2012), 70% of firms have placed sustainability on their management agenda. Interestingly, 41% of the survey respondents cited consumer preferences as the most common reason for providing sustainable
products and services. Furthermore, research pertaining to the marketing of sustainable products (i.e., products that strive to maximize environmental, social, and economic benefits across their commercial lifecycle) has found that consumer demands are the driving force behind businesses’ product offerings (McDonough & Braungart 2002). Consumers’ decisions to patronize such companies are primarily motivated by individual and cultural beliefs, knowledge, perceptions and attitudes (Schaefer & Crane, 2005). Examples of sustainable, ethical, or socially conscious consumption decisions include purchasing products that are less harmful to the environment, boycotting organizations involved in unethical practices, patronizing companies who are socially responsible, and participating in post-consumption behaviors like recycling, repurposing or reducing overall consumption (Jackson, 2005; Newholm & Shaw, 2007).

Increased consumer awareness and media attention towards sustainability-related issues has given rise to a new consumer segment in the U.S. called LOHAS, or Lifestyle of Health and Sustainability. The demographic profile of LOHAS consumers varies in terms of age, level of education and socio-economic status, but they share a commitment towards values-based purchasing decisions -- that is, they put environmental and societal well-being at the forefront of their purchasing decisions (Gallagher, 2013; Natural Marketing Institute, 2010; Howard, 2007; Everage, 2002).

According to a research study conducted by the Natural Marketing Institute (NMI, 2008), the LOHAS market segment is growing exponentially in the U.S. In 2008, consumers spent an estimated US$ 300 billion on LOHAS-related products and services, a growth of 36% from 2005. In their study, NMI estimated consumer spending in six main market sectors: 1) green building, 2) personal health, 3) eco-tourism, 4) alternative transportation, 5) natural lifestyles,
and 6) alternative energy. Table 1 details the products and services in each of these sectors with corresponding total sales figures. This rising consumer trend suggests a need for a better understanding of what products consumers are choosing and how consumers make these sustainable choices. The present research focuses on the natural lifestyles consumer sector, and their apparel purchasing decisions.

Table 1

*LOHAS Market Sectors, Products and Services, and Market Size*

<table>
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<tr>
<th>Market Sector</th>
<th>Products and Services</th>
<th>Consumer spending (in billions)</th>
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<tbody>
<tr>
<td>Personal health</td>
<td>Natural/organic food, personal care</td>
<td>117.41</td>
</tr>
<tr>
<td>Green Building</td>
<td>Certified homes, energy star appliance</td>
<td>100.35</td>
</tr>
<tr>
<td>Eco-tourism</td>
<td>Travel specifically focusing on nature</td>
<td>42.14</td>
</tr>
<tr>
<td>Alternate transportation</td>
<td>Hybrid and electric cars, car sharing</td>
<td>20.7</td>
</tr>
<tr>
<td>Natural lifestyles</td>
<td>Natural home furnishings, apparel</td>
<td>10.3</td>
</tr>
<tr>
<td>Alternate energy</td>
<td>Renewable power</td>
<td>1</td>
</tr>
</tbody>
</table>

*Source: NMI LOHAS Market Size (2008)*

Increased consumer attention towards sustainability has made CSR a strategically important tool for retailers operating in today’s market (Simmons & Becker-Olsen, 2006; Frederick, 2006). Research pertaining to CSR and its influence on consumer purchase decisions has been done in numerous industries including organic food, health, and energy and water consumption (Dodd & Supa, 2011; Arvola, Vassallo, Dean, Lampila, Saba, Lähteenmäki, & Shepherd, 2008; Dean, Raats, & Shepherd, 2008; Godin, Conner, & Sheeran, 2005). However, CSR-related consumer behavior research specific to the retail apparel industry is minimal (Kim, Littrell, & Ogle, 1999; Gupta & Hodges, 2012). Understanding how and why consumers patronize apparel retail brands engaged in CSR and what ethical deliberations they personally engage in form an important part of this research study.
Problem Definition

The global apparel industry contributes significantly to pollution and ecological hazards since the manufacturing of yarns, fabrics and apparel requires considerable amounts of non-renewable energy, harmful chemicals and natural resources (Hethorn & Ulasewiz, 2008). Globalization has also contributed to the (un)sustainability of this industry, as apparel companies increasingly outsource production to take advantage of cheap labor in developing countries where people are willing to work in sweatshop conditions and lax regulations mean that chemical wastes need not be disposed of in an environmentally friendly way (Fletcher, 2008). As apparel is manufactured in response to consumer demand, it follows that apparel consumption contributes to increased pollution, shortages of clean water, and depletion of fossil fuels and raw materials (Textiles Intelligence, 2008). The apparel retail industry is working towards designing a better and more efficient supply chain to reduce the impact of production on the environment and to address the social issues surrounding this industry. One such initiative, the Sustainable Apparel Coalition (SAC), has been put forth by proactive leaders of global apparel and footwear companies as a way to address the industry’s social and environmental impact. The SAC is working towards developing a multi-stakeholder approach for measuring and evaluating apparel and footwear product sustainability that could encourage innovative solutions. Apparel retail brands like Patagonia, Timberland, Levi’s, Nike, Adidas, Puma and many more are involved in SAC and CSR initiatives (Apparel Product ratings, n.d.).

Consumers are increasingly taking into account apparel retail brands’ CSR practices when making purchase decisions. Previous research in other domains has shown that consumers value CSR and feel good when they buy from brands associated with socially responsible behaviors (Bhattacharya & Sen, 2004). These consumer trends are motivating apparel retail
brands to become involved in CSR and keep consumers informed of the impact of their business activities. Scholarly research pertaining to CSR in the apparel retail sector has focused primarily on the areas of promotion (e.g., advertisements that make or include environmental claims) (Phau & Ong, 2007), credibility of claims, type of claims (product, process, image or environmental) (Kim, Lee, & Hur, 2012), and consumer attitudes/response towards environmental advertisements (Hyllegard, Yan, Ogle, & Lee, 2012) and credibility of brands (Lee, Choi, Youn, & Lee, 2012; Kim, Forney, & Arnold, 1997). A few studies have explored the role of socially responsible practices in apparel retail purchase decision-making processes (Kim, Littrell, & Ogle, 1999; Park, 2001; Gupta & Hodges, 2012). To date, no research has investigated consumers’ attitudes and perceptions regarding apparel retail brands’ CSR or involvement in sustainable activities. The influence of consumer perceptions on intentions to patronize apparel retail brands involved in CSR activities is also not well understood. The lack of research in these areas warrants further investigation to determine the behavioral antecedents of consumer intentions to patronize apparel retail brands that are engaged in CSR activities.

A majority of the abovementioned studies failed to explicitly and consistently define “socially responsible business” (e.g., fair trade, U.S.-made, no sweatshop labor, etc.), thus making it difficult to discern which factors actually influence consumers’ decision-making processes. Apparel purchasing is a complex process with multiple consumer benefits – emotional, functional and hedonic. Purchasing apparel made from environmentally friendly fibers, or buying an apparel brand that donates to charity, may not be immediately relevant or directly beneficial to consumers’ well-being. Researchers have not yet explored the role of consumers’ moral norms, their relationship with retail apparel brands’ CSR, and the influence that CSR may have in their decision to make an apparel purchase. Thus, there is no clear
understanding of the socio-psychological factors that affect consumer patronage intentions towards apparel retail brands engaged in CSR.

Purpose

Consumers may face numerous ethical dilemmas when contemplating an apparel purchase, such as trying to balance personal needs with the greater good of the environment and society. Given that not all apparel purchase decisions include ethical considerations, it is nevertheless important to determine which factors regarding apparel retail brands’ CSR may encourage consumers to make sustainable apparel consumption choices. Less is known about the role of personal values and moral norms in consumer decisions to purchase from apparel retail brands engaged in CSR. Although numerous studies (Conner & Armitage, 1998; Dean, Raats, & Shepherd, 2008; Godin, Conner, & Sheeran, 2005; Harland, Staats, & Wilke, 1999; Kaiser & Scheuthle, 2003; Nordlund & Garvill, 2002) in other domains have explored the contribution of factors related to consumers’ ethical decision-making, minimal attention has been given to the apparel purchasing context (Gupta & Hodges, 2012).

In the present study, a research model was developed and tested based on the theory of reasoned action (TRA) and expectations confirmation theory (ECT), within the context of consumers’ apparel consumption decisions. The model proposed relationships between consumers’ personal values, moral norms, knowledge, expectations, attitudes and intentions to patronize apparel retail brands engaged in CSR activities. Consumer demographics were also investigated to understand their role in consumers’ ethical decision process. To empirically test the proposed model the study employed quantitative research methods that included structural equation modeling with latent and measured variables.
Objectives of the Study

The objective of this study was to understand the factors that affect consumers’ intentions to patronize apparel retail brands involved in CSR. The specific objectives were:

1. To identify variables that may impact a consumer’s decision to patronize apparel retail brands involved in CSR. Variables were drawn from the social-psychological literature (Ajzen, 1988, 1991; Oliver, 1980; Schwartz, 1992) to augment theoretical elements contained in the TRA and ECT including:
   a. Personal values (universalism and benevolence)
   b. Moral norms
   c. Knowledge of environmental and social issues in apparel and textiles
   d. Attitudes towards patronizing apparel retail brands involved in CSR
   e. Expectations of brands’ ethical behavior
   f. Role of demographic variables (gender, education and income)
   g. Intention to patronize apparel retail brands engaged in CSR activities
2. To propose and operationalize a model integrating the above variables.
3. To empirically test the proposed model using a random sample of U.S. consumers.

Significance of the Study

From a strategic viewpoint, this study provides important insights into consumer attitudes towards apparel retail brands and their socially responsible actions. The findings of this study will potentially encourage apparel retail brands to devise, engage in, and effectively communicate their CSR initiatives so as to positively impact consumer decision-making and ultimately contribute to the greater good of society. Overall, the findings from this research may advance knowledge applicable to an array of disciplines and topical areas, including consumer
behavior, environmental concerns and sustainability issues, business management and marketing, and apparel and textiles production and retailing. Specific contributions are elaborated in the following paragraphs.

**Theoretical and Conceptual Contribution**

Consumers’ ethical decision-making in an apparel purchasing context has received little attention in the academic literature, and many studies have simply used general business ethics models to understand these phenomena (Fukukawa, 2003). The present study developed and tested a micro theory based on two macro human behavioral theories: the theory of reasoned action (TRA) (Fishbein & Ajzen, 1975) and expectations confirmation theory (ECT) (Oliver, 1980). This approach enabled the development and testing of a new, integrated model for consumers’ ethical decision-making using a dual theoretical approach. Macro theories have broad scope and are framed at a higher conceptual level, while micro theories need to be inherently reasonable as they provide an explicit scientific understanding of particular phenomena (Creswell, 2008). Values and expectations, and their role in decision-making, are subjective in nature and pertain to an individual’s mental state. Given the shifting demographics and psychographics of U.S. consumers, the limited understanding offered by previous studies in the apparel field, and the increasing environmental and social challenges worldwide, a fuller exploration of consumers’ ethical decision-making with respect to apparel retail brands’ CSR is needed. Results of this study advance our understanding of different socio-psychological aspects of consumer behavior, and provide a basis for future research directions relating to both consumers (e.g. consumer ethical decision-making in a cross-cultural context or focused on a single demographic such as baby boomers) and businesses (e.g., small business CSR).
Outcomes of this study will improve understanding of the factors underlying consumers’ decision-making processes by conceptualizing new theoretical linkages (values, expectations, attitudes) and constructs (knowledge of environmental and social issues in the apparel retail industry) relating to apparel retail and consumer behavior. TRA explains the influence of individual level cognition on intentions and behavior (Fishbein & Ajzen, 1985). This provides impetus for further model testing in ethical purchase decision contexts specific to apparel retail brands. The present study extended this line of research by developing an integrated model using a dual theoretical base of TRA and ECT. The role of personal values and norms as antecedents to both attitudes and expectations in an ethical decision-making context was also investigated. Understanding these theoretical linkages enables advancement of knowledge by identifying social psychological determinants of consumers’ ethical decision-making processes.

**Methodological and Empirical Contribution**

The use of a national random sample enabled the identification of factors that differed from those seen in most previous studies concerning consumers’ ethical purchasing behavior (Dodd & Supa, 2011; Dean, Raats, & Shepherd, 2008). This study used latent variable structural equation modeling (SEM) to test the hypothesized model. SEM is a very powerful multivariate technique based on covariance between variables. It enables measurement of direct and indirect effects between constructs and allows testing several regression equations simultaneously (Byrne, 1998). The research design used in this study contributes to the high external validity of its findings. The results of this research may also hold in other product purchase contexts that require high consumer involvement.
Practical Implications

From a practical point of view, the findings of this study should be encouraging to brands engaged in CSR and those that are considering initiating CSR activities. Previous studies have investigated the role of values and norms in consumers’ decision to favor brands engaged in CSR (Bhattacharya & Sen, 2004; Shaw, Grehan, Shiu, Hassan and Thomson, 2005; Thøgersen, 1999) however, no study to date has investigated this topic in context of retail apparel brands. The findings of this study thus provide important strategic insights for marketers wishing to align their CSR efforts to factors that are important to consumers. Furthermore, the findings will be helpful for apparel retail brands wishing to engage in CSR activities that will build their brand equity and enhance their company image.

Definitions

The following section presents definitions of the major terms and concepts operationalized for this study.

Apparel retail brand: The American Marketing Association (AMA) defines a brand as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors” (AMA, n.d.). This study adopts the above definition of brand, and defines an apparel retail brand as an apparel brand that is sold at the retail level directly to consumers.

Attitude towards a behavior: An individual’s cognitive and affective evaluation of a behavior that determines the (un)favorability of performing the behavior in question (Ajzen, 1991).

Benevolent values: Values that pertain to the preservation and enhancement of welfare of people with whom one is in frequent personal contact (Schwartz, 1992).
Corporate social responsibility (CSR): An organization’s activities and decisions that favorably impact society and the environment beyond the minimum of legal compliance. CSR promotes sustainable development through an organization’s ethical and transparent behavior (ISO, n.d.).

Ethical decision-making: Ethical decisions are decisions that are morally and legally acceptable to the broader community (Jones, 1991). Decision-making is the process that directs human behavior. Ethical decision-making is the process that takes into account legal requirements and moral philosophy to guide individuals’ behavior (Trevino, 1986).

Expectations: In the consumer behavior context, these are beliefs or predictions about brands or products having desired attributes (Oliver, 1980).

Moral norms: “personal feelings of moral obligation or moral responsibility to perform, or refuse to perform, a certain behavior” (Ajzen, 1991, p.21).

Patronage intentions: Intentions towards a product or service provider that encompass a consumer’s overall evaluation of all service or product dimensions (Bitner, 1992).

Personal values: A set of enduring beliefs held by an individual that guides their actions, attitudes and judgments (Rokeach, 1973).

Universalistic values: Values that focus on understanding, appreciation, tolerance and protection for the welfare of all people and nature (Schwartz, 1992).
CHAPTER 2. LITERATURE REVIEW

The aim of this study was to identify and understand the factors that influence consumers’ decisions to buy from apparel retail brands involved in corporate social responsibility (CSR) activities. A dual theoretical framework comprised of the theory of reasoned action (TRA) and expectations confirmation theory (ECT) was employed to investigate consumer attitudes and their antecedents, the influence of consumer expectations regarding apparel retail brands’ CSR activities, and consumer behavioral intentions related to decisions. In addition, this study attempted to explore the role of personal values and moral norms in consumers’ ethical decision-making, specifically in an apparel purchasing context.

This chapter provides the theoretical framework for the study and discusses relevant empirical literature. The first section discusses CSR in general. The second section introduces the theoretical framework of this study: TRA (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) and ECT (Oliver, 1980). The next section reviews the literature on consumer attitudes and their antecedents, and the impacts on behavioral intention to patronize apparel retail brands involved in CSR practices. This includes a discussion of the role of values, moral norms, expectations and perceptions on consumers’ intentions to patronize apparel retail brands engaged in CSR using the theoretical underpinnings of TRA and ECT. The influence of demographic characteristics in consumers’ ethical decision making process is also discussed.

Corporate Social Responsibility

Corporate social responsibility (CSR) is gaining momentum in both scholarly research and corporate agendas. Socially responsible practices have emerged as a competitive strategy element in various industry sectors (Moosemayer & Fuljahn, 2010). The earliest discussion of CSR was by Bowen (1953), in which he proposed that businesses are obligated to society and
should make decisions and take actions based on society’s values and goals. McGuire (1963) extended the meaning of CSR by positing that firms have obligations beyond their economic and legal responsibilities. Davis (1973) defined CSR as “decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interests” (p. 70). Following Davis’ perspective, Caroll (1979) categorized corporate social responsibility into four types: economic (producing what the market demands), legal (adhering to relevant legal requirements, e.g. tax laws), ethical (doing what is just or fair) and philanthropic (working to improve the overall quality of life for individuals). The International Organization for Standardization (ISO) recently developed a new standard, ISO 26000:2010, for auditing a firm’s corporate social performance (ISO, n.d.). According to ISO 26000:2010, CSR is defined as an organization’s responsibility for its decisions and actions that impact society and the environment. The purpose of this ISO standard is to assist and encourage organizations in contributing to sustainable development through transparent and ethical behavior (ISO, 1992). The present study uses the ISO definition to address the research objectives of CSR rather than attempting to reconcile the multitude of CSR definitions outlined in the literature, since almost all Fortune 500 companies and numerous firms and businesses worldwide obtain ISO compliance and certification. ISO 26000:2010 certification enhances the credibility of an organization in terms of social responsibility and aids in reviewing its progress and improving its performance.

CSR can help companies to retain their competitive position and address growing consumer sensitivity towards socially responsible business practices (Moosemayer & Fuljahn, 2010). Having a socially responsible image is becomingly increasingly important to companies, as it can impact their overall financial performance (Chatterji, Levine, & Toffel, 2009). Previous research from various domains has shown a positive relationship between CSR activities and
consumer attitudes toward a company and its products (Brown & Dacin, 1997; Ellen, Mohr, & Webb, 2000; Sen & Bhattacharya, 2001). Knowledge of a company’s CSR record forms part of the overall evaluative criteria that influence a consumer’s decision to purchase their products (Brown & Dacin, 1997; Bhattacharya & Sen, 2004). This is also evident from the 2013 global (United States, Canada, Brazil, the United Kingdom, Germany, France, Russia, China, India and Japan) CSR study conducted by a leading market research company (Cone Inc., 2013). Results showed that one in three consumers in the surveyed countries felt that businesses should align their operations with social and environmental needs or goals. In addition, 93% of those surveyed expected companies to adapt or develop their products and services in order to address social and environmental issues. This is supported by the results of Smith and Alcorn’s (1991) study which showed that 46% of consumers are likely to switch brands to one that supports charitable causes. Other studies have shown that the ethical practices of a company are an important consideration in a consumer’s decision to purchase its products (Creyer, 1997; Bhattacharya & Sen, 2004).

The scope of CSR, as defined in ISO:26000, encompasses seven core subjects: the environment, labor practices, fair operating practices, human rights, community involvement and development, consumer issues, and the integration of all of these into corporate governance. The apparel retail industry encompasses issues pertaining to all seven dimensions of CSR across its supply chain from raw materials and sourcing to manufacturing, selling, use and disposal. Numerous elements of the apparel industry, depending on whether they are effectively addressed, can advance or retard sustainable development (Hethorn & Ulasewiz, 2008). Apparel production contributes significantly to both pollution and ecological hazards, because the manufacturing of yarns, fabrics and apparel requires a considerable amount of non-renewable
energy, harmful chemicals and natural resources, thus increasing environmental degradation (Hethorn & Ulasewiz, 2008). Textiles are made of both natural and man-made fibers. The growing and manufacturing of fibers and fabrics has great environmental impact, primarily because of the use of pesticides in growing natural fibers, harmful chemicals in dyeing and printing, and the non-recyclability of man-made fibers; hence the industry contributes to landfill usage and pollution of both air and water (Fletcher, 2008). The apparel industry has also been criticized for unethical practices, specifically apparel retail brands’ practice of outsourcing the manufacture of clothing to developing countries where working conditions are questionable, facilities substandard, and wages low. The use of sweatshops and child labor in the apparel manufacturing industry has been widely criticized (Dickson, 2006).

According to the United States Department of Labor (2012), the average American household spends $1700 annually on apparel, footwear, and related products and services. Apparel sales through retail stores in the U.S. for 2012 were $239.2 billion and a total of $522.3 billion was spent online in the apparel product category. This demonstrates that the apparel retail industry in the U.S. is vast in size (Plunkett Research, 2012) and exerts a great deal of influence on many levels, which strongly suggests the need for research related to apparel consumption decisions.

CSR issues have become important drivers of public opinion in the last decade (Dawkins & Lewis, 2003). Consumer awareness and expectations regarding environmental degradation, climate change, outsourcing of raw materials and production to developing and underdeveloped countries, and the impact of multinational corporations on the sustainability of communities around the world have resulted in different forms of pressure on companies. This has ranged
from shareholder activism to consumer boycotts, adverse publicity in the media and requirements that companies explicitly report their CSR activities (Smith, 2000).

The apparel retail industry has received immense, and largely negative, media attention regarding fair treatment of workers (in terms of wages and benefits), use of sweatshop labor, poor working conditions and decisions about where to buy or source raw materials and production (Black 2008; Hethorn & Ulasewiz, 2008). This narrative gained momentum in the 1990s when Nike’s use of sweatshop labor in developing countries was heavily criticized by consumers. Following the Nike controversy, many apparel retail brands chose to explicitly state CSR policies on their websites. More recently, when an apparel-manufacturing factory in Bangladesh collapsed resulting in the deaths of 1,127 workers, retailers like Gap and Wal-Mart faced immense consumer criticism for not signing a labor-backed plan to provide safe working conditions (O’Donnell, May 21, 2013). Environmental pollution and related hazards have also been reported originating from apparel manufacturing factories in China (Green Peace, n.d.). Numerous other apparel retail companies (e.g., Marks & Spencer, Disney, JC Penney, Ralph Lauren, Tommy Hilfiger) have come under the consumer microscope for what is viewed as irresponsible corporate behavior concerning environmental and community damage (Institute of Public and Environmental Affairs, 2012). The common thread binding all these instances is the media reporting of poor corporate performance and consumer reactions.

Scholarship on CSR practices in the global apparel retailing field is still in an early stage of development (Dickson & Eckman, 2006). Apparel consumers are placing increased importance on retail brands’ CSR practices due to an increased awareness of environmental pollution and other questionable practices that have been highlighted in the media, such as sweatshop labor or unfair wages (Gupta & Hodges, 2012). Gupta and Hodges (2012) explored
Indian consumers’ perceptions and expectations of apparel brands’ CSR, while Shen, Wang, Lo and Shum’s (2012) study revealed that consumers in Hong Kong were willing to buy apparel from ethical fashion businesses and were even willing to pay a premium to do so. Scholarly research in the area of socially responsible business strategies has also explored whether consumers, their apparel choices, and intentions to buy are affected by an apparel company’s ethical practices. Findings of these studies have been mixed. Some studies have found that people do want to know whether or not a company’s practices are ethical, but the knowledge does not affect their intention or decision to buy. This is primarily because buying apparel is more a matter of self-interest and aesthetics and of projecting “self” (Joergens, 2006; Shen, Wang, Lo & Shum, 2012) than of ethics. Other studies have indicated that knowledge of a company’s ethical practices can influence consumers’ decisions related to product purchase, product disposal and store patronage (Butler & Francis, 1997; Dickson, 2001; Hustvedt & Bernard, 2010; Ogle, Hyllegard, & Dunbar, 2004). It is interesting to note that each of the above-mentioned studies limited the definition of “ethical practices” to questions of labor: safe working conditions, use of sweatshop labor, or unfairly low wages. None extended their definition of ethical practices to include questions concerning environmental impact or sustainability.

The present study addressed this research gap by incorporating a holistic definition of CSR that encompassed both environment and social dimensions and consumers’ intentions to patronize apparel retail brands involved in these CSR practices. Also, little is known about whether consumers’ apparel purchase decisions are influenced by an apparel retail brand’s environmental and social commitment. This research addresses consumers’ patronage intentions using TRA and ECT. TRA has been applied in several apparel and textiles consumer behavior studies (Belleau, Summers, Xu, & Pinel, 2007; Stern, 1999; Summers, Belleau, & Xu, 2006;
This study is unique, as it employs a dual theoretical approach (TRA and ECT) and also explores the role of personal values and moral norms in ethical apparel consumption decisions.

**Theoretical Framework**

**Theory of Reasoned Action (TRA)**

The theory of reasoned action (TRA) (Ajzen, 1988, 1991) is one of the most widely used expectancy-value models for predicting human behavior (Raats, Shepherd, & Sparks, 1995). According to this theory, human behavior is guided by two kinds of beliefs: behavioral beliefs (attitude), and normative beliefs (social norms). TRA is an attitude-behavior theory that posits a causal link between attitude, subjective norms, behavioral intentions and behavior. It was developed to take into account only behaviors that are under an individual’s volitional control, defined as those which can be completely controlled by an individual and for which the decision to indulge in them is completely up to the individual (Ajzen, 1988). This theory does not address internal factors that are not under the control of an individual, nor does it consider external factors over which an individual does not have control. TRA has been widely used in different domains to predict behavioral intentions.

TRA (Ajzen, 1991) proposes that a person's attitude towards indulging in a certain behavior and social pressure (the influence of others) to perform or not perform the behavior will influence their intention to perform an action, which in turn shapes their specific behavior (Ajzen, 1980). Attitude towards a behavior has three distinct components: cognitive (knowledge), affective (feelings and beliefs related to certain issues) and conative (behavioral intentions of an individual towards an object or phenomena). As a whole, this construct determines the degree to which a person has a positive or negative evaluation of the behavior in
question. Subjective norms refer to the influence and expectations of friends, relatives and society on an individual to engage in a specific behavior. Succinctly explained, human behavior is a function of behavioral intention, which in turn is formed by the combination of favorable attitudes towards a behavior and a strong normative pressure from significant others that aids in explaining and predicting human behavior.

Research studies in the apparel and textiles field have used TRA to predict purchase intentions and purchase behavior in various contexts such as clothing retail (Summers, Belleau & Xu, 2006), online apparel shopping (Ha & Stoel, 2009; Kwon & Lee, 2003; Yoh, Damhorst, Sapp, & Laczniak, 2003; Park & Stoel, 2002), and attitudes towards counterfeit apparel items (Marcketti & Shelley, 2009). TRA has also been used in studies pertaining to ethical choices such as healthy or organic food consumption (Tarkiainen & Sundqvist, 2005; Hansen, Møller, & Stubbe, 2004; Marshall, Akoorie, Hamann, & Sinha, 2010) and use of sweatshop labor and environmental effects of apparel acquisition and disposal (e.g., Shaw, Shiu, Hassan, Bekin & Hogg, 2007; Bray, Johns, & Kilburn, 2011; Bhaduri & Ha-Brookshire, 2011).

Numerous decision-making models have been developed and tested in the area of business ethics (Carroll, 1979; Trevino, 1986; Stead, Warell & Stead, 1990; Jones, 1991; Nicholls & Lee, 2006, Svensson & Wood, 2008). However, ethical consumer purchasing behavior has received very little attention; studies that have examined this domain have primarily used two theoretical perspectives: Hunt and Vitell’s General Theory of Marketing Ethics (Hunt & Vitell, 1986) and various models that draw on the behavioral theories of Ajzen and Fishbein (Chatzidakis, Hibbert, & Smith, 2006). Most of the research using intention models has only included subjective norms (i.e., an individual’s beliefs about what significant others think he or she should do in a given context), giving much less importance to the concept of personal norms.
(i.e., an individual’s belief or perception about what is right or wrong). Some studies have proposed extending the intention models in ethical decision contexts by including ethical sensitivity and ethical judgment constructs (Cherry, 2006; Rest, 1983). The present study proposes an extension of TRA to include a measure of moral norms based on personal values. Justification for the addition of this construct is based on its central role in a number of ethical frameworks (Hunt & Vitell, 1986; Rest, 1983, 1986).

TRA is appropriate for the present study as it provides a well-grounded theoretical approach to explaining how individual-level cognitions predict intentions and behavior. Along with the examination of consumer attitudes towards patronizing apparel retail brands engaged in CSR activities, this framework also allows for exploration of the role of other problem-relevant interventions based on theory. Finally, using TRA allows for the investigation of factors that affect consumer attitudes based on their belief structures and value orientations.

**Expectation-Confirmation Theory (ECT)**

Expectation-confirmation theory (ECT) is one of the most widely used theoretical perspectives in the consumer behavior literature and has helped researchers to better understand consumer satisfaction, post-purchase behavior and service marketing (Anderson and Sullivan 1993; Dabholkar, Shepherd, & Thorpe, 2000; Oliver 1980, 1993; Patterson & Spreng, 1997). ECT posits that expectations along with perceived performance determine post-purchase satisfaction. This effect is mediated by whether or not there is a disconfirmation between expectations and satisfaction (Oliver, 1980). Expectations, performance, disconfirmation, and satisfaction are the four main constructs in the model. Expectations in the consumer behavior literature have been conceptualized as beliefs or predictions about brands or products having desired attribute(s) (Oliver 1980; Olson & Dover, 1979; Spreng, 1996).
According to ECT, expectations form an additional determinant of satisfaction as they provide a yardstick for consumers’ evaluation of products or services. This is supported by Helson’s (1964) adaptation level theory, which posits that “human beings perceive stimuli relative to or as a deviation from an adapted level or baseline stimulus level” (Bhattacharjee, 2001, p.354). The nature of the stimulus, the psychological characteristics of the individual experiencing that stimulus, and the situational context affect the “adapted level.” Thus, high expectations tend to enhance one’s satisfaction while low expectations decrease satisfaction. ECT is criticized, however, for not taking into account changes in expectations following consumption experiences.

Pre-acceptance expectations also play an important role in the consumer purchase decision process especially during the pre-purchase stage (Podnar & Golob, 2007). Such expectations are typically based on information acquired from external sources, e.g. friends or mass media. Comparatively less research has been conducted on the role of pre-purchase expectations in consumer satisfaction with products and services (Bhattacharjee, 2001).

Pre-purchase expectations regarding a firm’s socially responsible behavior play an important role in consumers’ decisions to patronize businesses. Increased media attention to issues linked to CSR has spurred public opinion among consumers as well as corporate concerns regarding their reputation (Podnar & Golob, 2007). Consumers are exposed to a great deal of information about corporate behavior from various sources. Some of this information may create a positive image of the firm, while some may serve as examples of their irresponsible behavior. With the means of acquiring information constantly increasing, it is difficult for firms to control what information is communicated to consumers. This provides consumers with many opportunities to form expectations about the ethicality of firms’ practices (Creyer, 1997).
Consumer expectations regarding corporate behavior and how these expectations are formed are not yet fully understood. This study employs ECT to better understand consumer expectations of apparel retail brands’ CSR activities and resulting pre-purchase perceptions based on their personal value orientations.

**Attitudes and Antecedents of Attitudes towards a Behavior**

In TRA, attitudes towards a behavior are formed out of underlying salient beliefs weighted by the perceived likelihood of salient outcomes and the value attached to the outcomes (belief strength). These beliefs may be evaluated positively or negatively. Attitudes are influenced by behavioral beliefs, which are “beliefs about the likely consequences or other attributes of the behavior” (Ajzen, 2002, p.665). A person’s attitude towards a behavior can thus be defined using a behavioral belief index, which is the function of two components: belief that performing a behavior carries certain attributes, and the evaluation of those beliefs (Ajzen, 1991). An individual’s attitude towards a behavior is directly proportional to the summative belief index divided by the number of salient beliefs. According to Ajzen and Fishbein (1980), the attitude towards a behavior is determined by two types of information: salient beliefs about the behavior and evaluation of expected outcomes associated with the behavior. When individuals associate desirable consequences with specific behaviors, they form a positive attitude towards the behavior (Fishbein & Ajzen, 1975). Attitudes may be measured directly e.g. by asking respondents about their overall attitude, or indirectly e.g. by asking respondents about specific behavioral beliefs and outcome evaluations. Direct and indirect measurement approaches make different assumptions about the underlying cognitive structures and both have been used extensively in research studies (Ajzen, 2006). Direct measurement involves the use of bipolar adjectives (i.e. pairs of opposites) which are evaluative (e.g. good – bad). The present
study used an unweighted measure of attitudes, as Ajzen, (2006) recommended the use of direct methods of determining overall attitudes in order to predict behavioral intention. The aim of this study was to measure overall attitude of respondents towards apparel retail brands engaged in CSR. Thus, use of unweighted scores to measure overall attitudes was deemed appropriate for the present study.

Attitudes towards objects, behaviors or issues form an important component of the consumer behavior and marketing literature. Numerous studies have found that salient beliefs regarding ethical issues in apparel and textiles are important precursors of attitude formation (Dickson, 1999; Carrigan & Attalla, 2001; Butler & Francis, 1997; Stephens, 1985; Kozar & Connell, 2010; Dickson & Littrell, 1996; Lee & Littrell, 2006; Littrell, Ogle, & Kim, 1999). These studies have shown that consumer awareness regarding sweatshop labor, ethical codes of conduct, fair trade practices, environmental effects of acquisition, use and disposal of the chemicals and processes used in manufacturing (as well as of apparel itself) and other social issues present in the apparel retail industry all play an important role in their apparel purchase decisions.

**Personal Values and Norms**

Recent research has examined factors affecting belief and attitude formation in order to gain a better understanding of ethical consumer decision-making (Shaw & Clarke, 1999; Shaw & Shiu, 2002; Creyer & Ross, 1997; Kozar & Connell, 2010). Consumers’ value orientations and norms are known to influence their attitudes towards behavior. Since 1990, western society has seen a considerable shift in consumer values from ‘me’ to ‘we’ (Macchiette & Roy, 1994). Understanding the role of personal values and norms in consumers’ ethical decision-making will provide important insights about antecedents to attitudes.
Personal values. Values are beliefs that individuals hold about desirable end states and which guide and motivate their choices, judgments and behavior. Schwartz (1992, 1994) defined values as “a desirable trans-situational goals varying in importance, which serves as a guiding principle in the life of a person or other social entity” (1992, p. 21). Values form an integral part of an individual’s self-concept, guiding their decisions by providing them with a basis for evaluating alternatives so that they can choose to behave in a certain way. Values are abstract and possess directional, cognitive and affective aspects that influence the selection and evaluation of behavior, events and people (Schwartz, 1992; Williams, 1979).

Individuals vary in the levels and types of values that are important to them (Howard, 1977; Littrell & Dickson, 1999). Research has shown that values greatly influence the formation of attitudes, as well as the intentions to behave in a certain way (Ajzen & Fishbein, 1980; Ajzen, 1991), primarily because they are an inherent part of an individual’s nature and are largely resistant to change (Schwartz, 1994). However, Rokeach’s (1974) extensive research on the nature of values revealed that an individual’s values and attitudes may shift when certain issues become important to him or her. Rising concerns with environmental degradation and societal inequality have resulted in a considerable shift in consumers’ personal values away from the self-centered to the more societal-centered (Cone, 2012).

A consumer’s value orientation forms an integral part of their decision-making process. Increasingly, consumers are expressing their ethical values through their purchase choices, such as buying fair trade and organic products, boycotting companies that are reported as having poor CSR performance, and demanding that companies communicate their CSR activities effectively (Bhattacharya & Sen, 2004). Values have been shown to influence consumers’ ethical decision-making in several studies. Shaw, Grehan, Shiu, Hassan and Thomson (2005) explored the role of
values in a grocery consumption context and found that eight out of the ten types of values (self-direction, stimulation, hedonism, achievement, security, conformity, benevolence, and universalism) were important to ethical consumers in this context. Thøgersen’s (1999) study on Danish consumers found that moral values influenced their purchase decisions regarding environmentally friendly packaged goods at the supermarket.

Understanding a person’s value structure provides important insights into what influences their expectations, attitudes and intention to support companies involved in CSR (Basil & Weber, 2006). Of particular interest to this study are universalistic and benevolent values. A number of studies have shown that there is a positive relationship between altruistic values and support for environmental and social causes (Nordlund & Garvill, 2002; Poortinga, Steg, & Vlek, 2004; Schultz & Zelezny, 1999). The findings of Poortinga et al. (2004) indicated that values had important implications for environmental protection policy, and Grunert & Juhl (1995) reported that environmental values influenced consumers’ decisions to buy organic food. Research pertaining to the influence of values in the context of apparel and textiles, however, is sparse (Dickson, 2000). Dickson (2000) indicated that consumers’ willingness to buy from socially responsible firms was influenced by their personal values, while Dickson & Littrell (1996) reported that societal-centered personal values, which they called “global values,” influenced consumers’ decisions to buy fair trade products. Global values include environmental security, principles of social equality, a world at peace, and equal educational opportunities. These “global values” are similar to those used in the Schwartz (1992) self-transcendence value structure.

**Dimensions of values: Schwartz Value Survey.** The Rokeach Value Survey (Rokeach, 1973) was the first instrument designed to measure values. It categorized values as instrumental
or terminal. Instrumental values pertain to desired modes of behavior, like honesty or helpfulness. Terminal values pertain to desirable states of existence, like peace or happiness, achieved through instrumental values. Based on Rokeach’s work, Schwartz and Blisky (1987) developed a dimensional structure of values.

Schwartz’s later (1992) theory posited that individuals are guided by 10 types of values that reflect their desired end states, illustrated by a model showing all of these values arranged in a circle. According to this model, values have two dimensions underlying four broad higher-order values. One dimension contrasts conservation values (conformity, tradition, security), which protect the existing state of affairs, with openness values (self-direction, stimulation, hedonism), which follow intellectual and emotional pursuits in uncertain directions. The other dimension contrasts self-enhancement values (achievement, power), which promote dominance over people and resources, with self-transcendence values (universalism and benevolence), which are beyond personal interest and consider the welfare of others. These values were operationalized by Schwartz and Blisky (1987) in the Schwartz Value Survey (SVS), designed to identify the dimensional structure on which an individual’s values are based. The SVS and its value types have been extensively used in research pertaining to human values (Schwartz, 1992) and in different contexts wherein values are important (Shaw, Grehan, Shiu, Hassan & Thomson, 2005), and has been validated in numerous cultural settings with samples from more than 60,000 individuals in 64 countries (Schwartz & Blisky, 1987, 1990; Schwartz, 1992).

This study aims to explore the role of self-transcendence values as they are especially relevant to consumers’ ethical decision-making processes. The self-transcendence dimension encompasses values that “motivate people to transcend selfish concerns and promote the welfare of others, close and distant, and of nature” (Schwartz, 1992, p. 43-44), and includes both
universalistic and benevolent values. Universalistic values represent “understanding, appreciation, tolerance, and protection for the welfare of all people and for nature” (Schwartz, 1992, p. 12). These values are relevant in consumer ethical decision-making since they represent sensitivity to the welfare of others and to actions that put others’ interests in general before one’s own. Benevolent values are those pertaining to “preserving and enhancing the welfare of those with whom one is in frequent personal contact” (Schwartz, 1992, p. 14) – that is, those who are close to oneself. Self-transcendent values thus incline individuals to choose products that protect the environment, and to take into consideration the welfare of others, including issues related to social justice (Sen & Bhattacharya, 2001).

**Norms.** Moral norms are defined as an individual’s perception of right or wrong (Ajzen, 1991; Spark, 1994) which takes into account their “personal feelings of…responsibility to perform, or refuse to perform, a certain behavior” (Ajzen, 1991, p.199). Moral norms play an important role in ethical decision-making as they are self-construed based upon one’s own value orientation. Moral norms form an additional source of personal normative influence on which an individual relies in order to evaluate a particular behavior and validate it as socially acceptable or not (Manstead, 2000). Moral norms are complied with for personal reasons based on internalized values and are thus conceptually different from subjective norms as they reflect self-expectations and personal responsibility for performing a given behavior (Manstead, 2000).

According to Schwartz’s (1977) norm-activation theory, norms can influence behavior only when they are activated. This activation is contingent on an individual’s awareness of the effect of their behavior on the welfare of others and ascription of at least some personal responsibility for the consequences that may arise from that behavior. When these conditions are met, norms are considered to be activated, which in turn results in a sense of obligation to behave
in a certain manner (Schwartz & Howard, 1984). Self-transcendent values shape an individual’s perspective on social and environmental issues, which in turn governs the activation of their moral norms. The concepts of moral norms, perceived moral obligation and personal norms are essentially interchangeable as referred to in the literature (Basil & Weber, 2006).

Behavioral theories have been strongly criticized for being unable to explain normative or personal influences on behavior (Armitage & Conner, 2001; Gorsuch & Orberg, 1983; Sparks & Shepherd, 2002). Moral norms play an important role in guiding one’s behavior; however, in TRA all normative influences are mediated by subjective norms and attitudes (Ajzen & Fishbein, 1980, p. 247; Manstead, 2000). More recent studies (Conner & Armitage, 1998; Manstead, 2000) have suggested including a measure of moral norms in order to increase predictive validity, and in fact the inclusion of a measure of moral norm in these theoretical frameworks has been shown to significantly increase the amount of variance explained in intention to behave (3% to 6%). Other studies have shown that moral obligations and personal or moral norms strengthen the intention to behave morally in situations, such as refraining from cheating, stealing or lying (Beck & Ajzen, 1991), attending church or returning a tax refund made in error (Gorsuch & Orberg, 1983), providing home care (Vermette & Godin, 1996), not committing driving violations (Parker, Manstead, & Strandling, 1995), donating blood (Pomazal & Jaccard, 1976), organ donation (Schwartz & Tessler, 1972), smoking only in designated areas (Boissoneault & Godin, 1990), use of condoms (Godin et al., 1996) and refraining from deliberate self-harm (O’Connor & Armitage, 2003). Conner & Armitage’s (1998) meta-analysis showed that in nine out of eleven studies moral norm was a significant predictor of intention. Additionally, numerous studies that explored the role of moral norms in food consumption (buying fair trade brands or organic produce) have concluded that perceived moral norms/obligations are useful additions to
TRA (Raats, Shepherd, & Sparks, 1995; Shaw & Shiu, 2003; Sparks & Shepherd, 2002; Sparks, Shepherd, & Frewer, 1995).

Moral norms may take on added salience with respect to how consumers behave in situations involving apparel retail brands’ irresponsible behavior in a social or environmental context (Dickson, 2006). Consumers’ moral norms are the basis for the formation of their beliefs and attitudes towards apparel retail brands involved in CSR activities. This may indirectly affect consumers in their decisions whether or not to purchase apparel from retail brands involved in CSR activities. Investigating the unexplored role of moral norms in an apparel retail context through TRA will provide deeper insight into consumers’ ethical decision-making processes.

Based on the above discussion, the following relationships are hypothesized:

**Hypothesis H1a**: There is a positive relationship between the importance consumers’ place on universalistic values and their moral norms.

**Hypothesis H1b**: There is a positive relationship between the importance consumers’ place on benevolent values and their moral norms.

**Hypothesis H2a**: There is a positive relationship between consumers’ moral norms and attitudes towards apparel retail brands engaged in CSR.

**Hypothesis H2b**: There is a positive relationship between consumers’ moral norms and their intentions to patronize apparel retail brands engaged in CSR.

**Consumer Expectations of Retail Brands’ Ethical Behavior**

Consumer expectations regarding ethical behavior on the part of companies and corporations are escalating, resulting in a general intolerance of irresponsible social and environmental behavior (Dawkins & Lewis, 2003). Parasuraman, Zeithaml, and Berry (1988) defined consumer expectations as desires or wants based on what they feel a company should do rather than what it will do. Consumer awareness, expectations and values with respect to CSR are changing, continually shifting their perceptions of what makes a responsible company.
People are increasingly helping others, engaging in pro-social behaviors, changing their consumption behaviors to be less materialistic, and seeking moral stability (Macchiette & Roy, 1994). Self-transcendent values are becoming more apparent and important in consumers’ behavior.

Research pertaining to values and CSR has been undertaken from a cultural perspective using Hofstede’s cultural dimensions. Cultural and national values seem to play a role in consumers’ understanding of CSR (Katz, Swanson, & Nelson, 2001; Maignan, 2001). Basil & Weber (2006) found evidence that links individual values, pro-social behavior and CSR, explaining the relationship between CSR and reputation based on Schwartz’s value theory. An important finding of their study was that consumers’ value orientations determined their expectations of companies with respect to CSR. This finding was primarily based on the assumption of the normative influence of dispositional motivators, commonly referred to as “false consensus effect,” meaning that “individuals tend to believe that others share their views” (Basil & Weber, 2006 p. 64). As a result, consumers may expect companies to conform to their own values and behave accordingly.

Research specifically on value orientations and CSR has been conducted at the organizational level, primarily involving employee value orientation and its influence on a firm’s ethical performance (Hemingway & McLagan, 2004; Collier & Esteban, 2007; Zu & Song, 2009; Joyner & Payne, 2002). Related studies show that consumers with a self-transcendent value orientation tend to have stronger pro-environmental beliefs and are more likely to behave in accordance with such beliefs (Bardi & Schwartz, 2003; Cameron, Brown, & Chapman, 1998; Karp, 1996; Nordlund & Garvill, 2002, 2003; Stern & Dietz, 1994; Stern, Dietz, & Guagnano, 1998; Van Vugt, Meertens, & Van Lange, 1995). Values, along with behavior-specific beliefs,
norms and attitudes, have been shown to influence consumers’ ethical decision-making processes (McCarty & Shrum, 1994; Nilsson, Von Borgstede, & Biel, 2004; Nordlund & Garvill, 2002, 2003; Poortinga, Steg, & Vlek, 2004; Steg, Drijerink, & Abrahamse, 2005; Stern, 2000).

Research specific to the apparel and textiles fields supports the contention that personal values indirectly influence consumers’ intentions to purchase through the development of related attitudes (Dickson & Littrell, 1996; Dickson, 2000; Iwanow, McEachern, Jeffrey, 2005; Hustvedt & Dickson, 2009).

Basil and Weber (2006) found that consumers’ value orientations determined their expectations of companies’ CSR activities. Consumers increasingly expect brands to behave in an ethical fashion, and ethical behavior increasingly forms a reference point for consumers’ evaluation of ethicality (Creyer & Ross, 1997). Klein and Oglethorpe (1986) categorized these reference points into three classes: aspiration-based (what consumers would like to happen), market-based (what exists in the current market), and experience-based (what the consumer knows has happened in the past). According to this framework, consumers’ level of involvement and the extent of their information processing, are contingent on the type of reference class selected.

Aspiration-based reference points are used when the situation is more involved or abstract. In the context of CSR, consumer involvement in this reference class is high due to CSR’s motivational disposition (Hallahan, 2001). Involvement is “triggered by value-relevant issues and objects” (Feldman & Lynch, 1988 p.430). Fashion clothing is a product class with which consumers become highly involved (O’Cass, 2000). Consumer evaluation of an apparel retail brands’ CSR thus becomes a highly involved process. It is also abstract, as consumers need to take into account different aspects of CSR when making judgments about the ethicality of an
apparel retail brand’s behavior (Creyer & Ross, 1997). The question then concerns the role of these mental processes of expectation and perception in consumers’ ethical decision-making in an apparel retail context. Consumers may use these evaluations to either reward the brand (e.g., choose to buy more or be willing to pay more) or punish it (e.g., switch brands) (Golob, Lah & Jancic, 2008). This logic leads to the next series of hypotheses:

**Hypothesis H3a:** Consumers who place higher importance on universalistic values have higher expectations that apparel retail brands will engage in CSR activities.

**Hypothesis H3b:** Consumers who place higher importance on benevolent values have higher expectations that apparel retail brands will engage in CSR activities.

**Hypothesis H4:** Consumers who have higher expectations regarding apparel retail brands ethical behavior have more favorable attitudes towards apparel retail brands engaged in CSR.

**Knowledge of Environmental and Social Issues in the Apparel Retail Industry**

Dickson (1999) and Kozar and Connell (2010) reported a high level of consumer awareness of labor issues prevalent in the apparel manufacturing businesses, including the use of child labor and not paying apparel workers fairly. Knowledge about the socially responsible practices of firms was a variable of interest in both these studies, with Kozar and Connell (2010) indicating that more than half their sample was knowledgeable about socially responsible practices of apparel firms and almost two-thirds of their sample felt that their awareness regarding domestic and foreign apparel manufacturing was high. Kim, Littrell and Ogle (1999) examined the relationship between consumers’ attitudes about social issues and their socially responsible purchasing behaviors. They found a positive relationship between U.S. consumers’ attitudes toward people living in developing nations and purchase intentions towards socially responsible apparel companies.
Thompson (1995) noted that consumer knowledge about firms’ ethical behavior has increased substantially over the years. Today’s consumers are exposed to a great deal of information regarding corporate behavior through various information sources, including direct experience, mass media, social media, and word of mouth. This information may present a positive impression of a firm or may provide examples of unethical corporate behavior. Thus, consumer knowledge of the ethical or unethical practices of a company forms the basis of their expectations about corporate ethical behavior (Creyer & Ross, 1997). Ethical issues in the apparel and textiles industry largely pertain to the environmental effects of its manufacturing and to unregulated labor standards (health, safety and fair wages) (Dickson, 2000; Black, 2008). Consumer knowledge of issues prevalent in the apparel and textiles industry is a precursor to their expectations of ethical behavior on the part of apparel retail brands (Dickson, 2001; Hustvedt & Dickson, 2009).

Very few studies have explored the role of environmental knowledge and attitudes on apparel purchase behavior. Stephens (1985) stated that consumers who were knowledgeable about apparel-related environmental issues were more likely to engage in environmentally responsible apparel purchase behavior. Consumer knowledge regarding the social and environmental impact of apparel over its life cycle helps them to act responsibly and in turn, make contributions for the greater good of the society (Paulins & Hillary, 2009). There is also evidence suggesting that consumers with a high awareness of the environmental impacts of textiles and apparel manufacturing are more likely to take environmental issues into account during their apparel purchase decision process (Hustvedt & Dickson, 2009). On the other hand, Kim and Damhorst (1999) reported no significant relationship between environmental concerns, knowledge of environmental effects related to apparel consumption, and environmentally
responsible consumer purchase behavior. Both Butler and Francis (1997) and Kim and Damhorst (1999) indicated that although consumers held definite opinions on environmental issues, they seldom considered such issues in their apparel purchases.

Given the varied results found in the aforementioned studies regarding the role of knowledge and attitudes toward social and environmental issues in consumer apparel purchase behavior, the following hypotheses are posited:

**Hypothesis H5:** Consumers who are more knowledgeable about environmental and social issues in the apparel industry have higher expectations regarding apparel retail brands’ ethical behavior.

**Hypothesis H6:** Consumers who are more knowledgeable about environmental and social issues in the apparel industry have more favorable attitudes towards apparel retail brands engaged in CSR activities.

**Consumer Patronage Intentions**

According to TRA, the more favorable a person’s attitudes toward a particular behavior, the stronger their intention to perform that behavior (Ajzen, 1988, 1991). Antecedents of patronage behavior can be classified as: (a) product-related, (b) market-related, and (c) personal. Patronage as influenced by consumer perceptions of socially responsible business practices has been examined in numerous studies (Brown & Dacin, 1997; Mohr & Webb, 2005; Porter & Kramer, 2002; Ricks, 2005). Early studies in cause-related marketing also found that a firm’s support for a cause influenced consumer attitudes towards and purchase of its products (Brown & Dacin, 1997; Ross, Stutts, & Patterson, 1990).

Numerous studies relating to the environmental or social aspects of apparel consumption have investigated purchase intentions as their only dependent variable (Kim, Lee & Hur, 2012; Ha-Brookshire, 2012; Hyllegard et al., 2012; Lee, Choi, Youn, & Lee, 2012; Dickson, 2000; Hustvedt & Dickson, 2009; Ogle et al., 2004; Kim & Damhorst, 1998; Yan, Hyllegard & Blaesi,
Niinimaki (2009) investigated consumer purchase decisions based on product attributes and found that the features consumers took into account when choosing to purchase clothing were suitability, multi-functionality, need, color, quality, price, brand and current fashion trends. Other forms of consumer patronage decisions have not been explored in the apparel and textiles literature in an ethical context. This study aims to examine the influence of knowledge regarding environmental and social issues, expectations of apparel retail brands ethical behavior, and attitudes on consumer patronage intentions, word of mouth advocacy, willingness to pay more, switching brands in the future, intention to purchase (specifically with respect to product attributes) and repurchase intention.

Intangible aspects of corporate strategy such as CSR or social marketing initiatives have been shown to lead to an increase in brand equity, purchases, customer loyalty, word of mouth advocacy and positive purchase-related outcomes such as post-purchase satisfaction (Bhattacharya & Sen, 2004). From the above, it can be inferred that CSR leads to positive consumer associations. This is reflected in the following hypotheses:

**Hypothesis H7**: Consumers who are more knowledgeable about environmental and social issues in the apparel industry are more likely to patronize apparel retail brands engaged in CSR activities.

**Hypothesis H8**: Consumers who have higher expectations about apparel retail brands ethical behavior have higher patronage intentions towards brands engaged in CSR activities.

**Hypothesis H9**: There is a positive relationship between consumers attitudes towards apparel retail brands engaged in CSR and their patronage intentions towards such brands.

**Demographic variables**

Previous studies in ethical decision-making have emphasized the significance of individual personal factors – moral norms, beliefs and knowledge – in the formation of consumers’ attitudes and behaviors (Dean, Raats & Shepherd, 2008; Dickson, 1999, 2000;
Hyllegard et al., 2012, Kozar & Connell, 2010); however, there has been little systematic investigation of other variables in the apparel retail context. This study includes demographic (gender, education and household income) variables, since research has shown that these variables are interdependent and may directly or indirectly affect consumers’ patronage intentions in an ethical context. Understanding the role of each of these factors will enable a better understanding of the underlying causes of and variations in the consumer ethical decision-making process (Ferrell & Gresham, 1985).

Other researchers have attempted to understand consumers’ ethical decision-making patterns based on demographic variables (Dickson, 2000; Butler & Francis, 1997). Findings show that personality variables are better predictors of consumer attitudes towards socially responsible corporate practices than socio-economic variables. More recent studies have investigated the role of personality traits, gender, culture, income level, social class, education level and lifestyle in consumers’ ethical decision-making processes (Antil, 1984; Brown & Wahlers, 1998; Shrum, McCarty, & Lowrey, 1995; Shim, 1995; Butler & Francis, 1997; Dickson, 2000). Anderson and Cunningham (1972) found that younger consumers were more socially conscious, income level had no relevance, and the role of education level was unclear. Dickson (2001) found no differences in demographic profiles between consumers who viewed “no-sweat” labels (indicating no sweat-shop labor was used in their manufacture) on apparel as important and those who did not. Furthermore, the study stated that “no-sweat” label buyers were mostly female, in contrast to other studies focusing on ethical buying behavior and gender (Sikula & Costa 1994; Tsalikis & Ortiz-Buonafina, 1990). Roberts (1995) reported that women with a median age of 47 were less likely to buy from businesses that discriminated against minority groups. Relatively high income, education and social status were other characteristics of
ethical consumers (Carrigan & Attalla 2001; Maignan & Ferrell 2001; Roberts 1996). Overall, the results are inconclusive and the demographic profile of consumers who engage in ethical decision-making appears to vary widely.

It is imperative to develop an accurate demographic profile of ethical consumers, as consumer trends are changing rapidly. Knowing which consumer segment is more likely to take apparel retail brands’ CSR into consideration in their consumption decisions will provide important data for the apparel industry. Thus, the following hypotheses are proposed:

**Hypothesis H10a:** Female consumers are more likely to patronize apparel retail brands engaged in CSR activities than male consumers.

**Hypothesis H10b:** Consumers with higher educational attainment are more likely to patronize apparel retail brands involved in CSR than consumers with lower educational attainment.

**Hypothesis H10c:** Consumers with higher household incomes are more likely to patronize apparel retail brands involved in CSR activities than consumers with lower household incomes.

**Research Model**

The following model (Figure 1) illustrates the relationship between consumer attitudes, expectations and patronage intentions towards apparel retail brands engaged in CSR activities. Knowledge of social and environmental issues pertinent to the apparel retail industry, personal values, and moral norms as antecedents of attitudes were also examined in this model. The role of demographic characteristics was also explored.
Figure 1. Research model of consumers’ ethical decision-making showing relationship between values, norms, knowledge, attitudes, expectations and patronage intentions
CHAPTER 3. METHODS

This chapter describes the procedures used to analyze the data and assess the antecedents that influence U.S. consumers’ patronage intentions towards apparel retail brands engaged in corporate social responsibility (CSR) activities. Using a dual theoretical approach grounded in the theory of reasoned action (TRA) and expectations confirmation theory (ECT), this study examined the role of consumer attitudes towards and expectations about apparel retail brands’ CSR in the formation of patronage intentions. The present study used quantitative research techniques to understand the factors that consumers consider in their apparel consumption decisions.

A survey methodology (Dillman, 2000) was used to collect data. The following sections provide a detailed description of the methods used, including sampling, survey instrument development, data collection, and data analysis. The research model (Figure 1) was empirically tested to meet the objectives of the study. Data from the survey were initially assessed using descriptive statistics and Pearson correlations. The sample for this study was comprised of apparel consumers from the U.S. Structural Equation Modeling (SEM) was used to test the hypothesized research model.

Sample

The sample for this study was recruited using the services of a market research company specializing in consumer panel studies – Survey Sampling International (SSI, n.d.). The online sample used for this study was selected from SSI’s sampling universe that included proprietary panels, as well as partnerships with websites and online sources. Proprietary panel contact methods included an e-mail invitation from SSI. For the internet-based sample, invitations were
placed on thousands of websites to provide maximum diversity of the sampling frame, and respondents were invited to click and “take the survey”.

Using an external company for data collection was advantageous, as it ensured a higher number of participants who fit the demographic criteria required for the present study. The consumer panel thus represented a diverse national sample of U.S. consumers. Random sampling was used to select the participants, to ensure representativeness of the larger population (Hunt, 2002). Demographic profiles represented nearly equivalent distributions in terms of age, gender, income level and educational attainment. According to SSI’s data, 467 people entered the survey, with 20 screening out, 42 dropping out in the middle of the survey, and 405 completing the survey.

The survey was developed and hosted using Survey Gizmo – online survey software. The survey was made available online through a web link. The sampling method used in this study renders the findings generalizable, thus increasing external validity.

**Development of the Survey Instrument**

A web-based survey instrument (Appendix A) was developed based on Dillman’s (2000) procedure to assess the hypothesized relationships in the research model. This study employed a cross-sectional survey method to predict the influence of the selected factors (identified through a review of the literature relevant to ethical consumer decision-making) on consumers’ intentions to patronize apparel retail brands engaged in CSR activities. The survey was developed using previously tested scales from the consumer ethics and apparel and textiles literature. It consisted of eight sections containing items to assess exogenous and endogenous variables. Exogenous variables are those whose variation is unaffected by other variables; that is, they are causally independent from other variables in the model under consideration (Pedhazur, 1997). Exogenous
variables are typically shown on the left side of a structural model. Exogenous variables in this study (see Figure 1) are personal values (universalistic and benevolent values) and knowledge of social and environmental issues pertinent to the retail apparel industry. Endogenous variables are those whose variability is explained by other variables in the model (Pedhazur, 1997). In this study, the endogenous variables (see Figure 1) include attitudes and intentions to patronize apparel retail brands engaged in CSR and attitudes, expectations, and moral norms. Demographic characteristics – age, gender, household income and educational attainment – were also included at the end of the survey.

**Measures**

**Personal Values**

Values are defined as closely held beliefs that guide a person’s actions, judgments and choices. Values transcend specific actions and situations (Schwartz, 1992). In this study, eighteen items from the Schwartz Value Survey (Schwartz, 1992) were used to measure universalistic and benevolent personal values. Universalistic values emphasize understanding, appreciation, tolerance, and protection of the welfare of all people and of nature. Benevolent values pertain to preserving and enhancing the welfare of those with whom one is in frequent personal contact (Schwartz, 1992). Respondents were asked to rate the importance of these values on a 7-point Likert-type scale ranging from not at all important (1) to very important (7). Although Schwartz (1992) did not report original reliability coefficient, numerous studies using universalism and benevolent values in consumers’ ethical decision making context reported Cronbach’s alpha reliability coefficient of 0.85 or above (Vermeir & Verbeke, 2006, 2007; Doran, 2009; Shafer, Fukukawa, & Lee, 2007).
Moral Norms

Moral norms are a form of internal personal influence based on one’s value orientations. The three items for this construct were adapted from Dean, Raats and Shepherd (2008), whose study assessed both positive and negative moral norms in the context of consumers’ choice of organic or conventional food. The reliability reported for this scale is 0.92. Respondents were asked to indicate their level of agreement on a seven-point Likert-type scale ranging from strongly disagree (1) to strongly agree (7).

Knowledge of Environmental and Social Issues in the Apparel Retail Industry

The knowledge construct has been conceptualized in numerous studies related to sustainability issues in apparel and textiles (Kim, 1995; Dickson, 1999; Kozar & Connell, 2010). Items in these studies focused on the impact of apparel manufacturing on the environment (e.g., disposal of chemicals, use of cold water in washing) and issues related to the use of sweatshop labor and poor working conditions. For this study, six items were adapted from Kozar and Connell (2010) to assess respondents’ knowledge of social issues present in the apparel industry. Although that study measured knowledge of both U.S. and foreign apparel manufacturing, the present study used only items that pertained to social issues prevalent in the apparel industry generically, irrespective of location (U.S. or foreign). The Cronbach’s alpha reliability of Kozar and Connell’s (2010) original scale of 13 items was 0.77. In addition, six items from Kim’s (1995) 11—item scale were used to assess respondents’ knowledge of environment issues prevalent in the apparel industry. Kim (1995) reported 0.62 Cronbach’s alpha reliability for the original scale. Kozar and Connell (2010) used nine items from Kim’s (1995) scale in their study and reported a reliability of 0.71. The present study did not include all items from the original scale as some items were considered too technical for consumers to understand or were not
directly related to the purpose of this study (for example, fibers such as wool cannot be
commercially recycled; disposable diapers have substantially contributed to the quantity of
textile products discarded in the landfills). The respondents indicated their level of agreement
with each statement on a 7-point Likert-type scale ranging from strongly disagree to (1) strongly
agree (7).

**Attitudes**

Attitudes are defined as a person’s cognitive and affective orientations towards
performing a behavior (Ajzen, 1991; Ajzen & Fishbein, 1980). Attitudes toward patronizing
apparel retail brands engaged in CSR activities were assessed by asking respondents to answer a
series of seven-point semantic differential questions. A semantic differential scale measures the
connotative meaning of things and concepts by using pairs of bipolar adjectives (e.g., good/bad).
A total of four pairs of bipolar adjectives were used to measure the strength of respondents’
attitudes towards patronizing apparel retail brands engaged in CSR: 1) bad-good, 2) not
contented-contented, 3) not pleased-pleased, and 4) not satisfied-satisfied. There is no reported
reliability coefficient for these four items specifically that measure attitude. Attitude has been
measured in numerous studies with different sets of bipolar adjectives (Batra & Ahtola, 1991;
Phau & Teah, 2009; Ma, 2007, Mohr, Webb & Harris, 2001). The reliability reported for such
sets of bipolar adjectives has ranged between 0.85 – 0.95.

**Expectations of Ethical Behavior**

Expectations, in general pertain to what is anticipated (Creyer & Ross, 1997). The present
study examined the role of consumers’ pre-purchase expectations regarding apparel retail brands
ethical behavior in attitude formation and patronage decisions. Four items were adapted from
Creyer & Ross’s (1997) scale for expectations regarding ethicality of corporate behavior. This
scale was used in the present study to measure respondents’ expectations of apparel retail brands’ socially responsible activities. Respondents were asked to indicate their level of agreement on a seven-point Likert-type scale ranging from strongly disagree (1) to strongly agree (7). The reliability coefficient reported for this scale was 0.80.

**Patronage Intentions**

 Intentions were measured using four subscales (word of mouth, purchase intentions, willingness to pay more, and switching brands). Items for purchase intentions and willingness to pay more with respect to retail brands engaged in CSR were adapted from Kim (1995). Items for word of mouth and switching brands were adapted from Patney (2011). Using different subscales allowed us to measure distinct behavioral manifestations of consumers’ patronage intentions. These subscales were found to possess adequate reliability (Cronbach’s alpha ranging from .91 to .93). Respondents were asked to indicate their level of agreement on a seven-point Likert-type scale ranging from strongly disagree (1) to strongly agree (7).

**Demographic Information**

 Respondents were asked to self-describe in terms of age, gender, level of education, and household income. Questions were also asked about consumers’ membership in non-profit organizations that support environmental or social well-being causes (e.g., Greenpeace, Friends of the Earth, Global Oneness Project, Revive Africa), and whether they had supported a cause in the past through apparel purchase (e.g., Victoria Secret’s breast cancer campaign, TOMS one for one shoes). Demographic data is of interest in the present study as there is a possibility that personal attributes may have a significant influence on consumers attitudes toward apparel retail brands, their CSR practices, and patronage intentions.
Pretest

Prior to collecting data, the instrument was pretested to ensure face validity of the items. A convenience sample of 15 graduate students from a large mid-western university was used to examine wording of the questionnaire and length of time needed to complete the survey. This enabled the researcher to assess the clarity of items, as well as length, format, and instructions for the overall survey (Churchill & Iacobucci, 2002). Based on results of the pretest and comments from pretest participants, several corrections were made to address minor issues in the survey prior to data collection.

Approval of the Use of Human Subjects

Before collecting data for the study, approval from the university’s Institutional Review Board (IRB) was obtained (Appendix B). All materials, including the questionnaire, informed consent (Appendix C) and e-mails requesting responses, were sent to IRB for approval. The rights and welfare of participants were protected from any risks or discomfort. Voluntary participation and confidentiality of data were assured.

Data Collection Procedure

This study followed a modified method for web survey design as suggested by Dillman (2000). The researcher worked closely with an established market research company – Survey Sampling International (SSI, n.d) based in the U.S. for collection of data. The market research company was certified for data collection involving human subjects; proof of certification was submitted to the university’s Institutional Review Board (IRB) along with the request for approval for use of human subjects. The survey was posted online, accessible to respondents via a URL.
Data Analysis

This study employed an integrated research model based on human behavioral theories, developed from a thorough review of the consumer ethics and apparel and textiles literatures. The complexity of the model is due to the dual theoretical approach employed, resulting in greater explanatory power. Empirical testing of this model increased our understanding of the role of personal values, moral norms and knowledge on consumer attitude formation.

Data analysis consisted of two phases: preliminary analysis and model testing. First, the Statistical Package for the Social Sciences (SPSS) version 21.0 was used to conduct preliminary analyses such as frequencies, Pearson correlation, reliability, and factor analysis. Second, measurement and structural models were tested using the maximum likelihood estimation procedure, performed using Mplus version 7 statistical software (Muthén & Muthén, 2000).

Preliminary Analysis

Factor Analysis, Construct Validity and Internal Consistency

Thompson (2004) suggests that preliminary analysis should be undertaken by looking at the correlation matrix to identify any collinearity less than 0.3 and greater than 0.9. Stepwise analysis of the results begins by calculating the Kaiser-Meyer-Olkin (KMO) statistic to determine if the sample size is adequate for factor analysis. An acceptable value is 0.5, and becomes more acceptable as it moves towards 1. The second statistic is Bartlett’s test of sphericity which, if significant, demonstrates that the correlation matrix is not equal to its identity matrix and that there is some relationship between variables (Campbell & Fiske, 1959; Thompson, 2004).

The next step in factor analysis is factor extraction, which is done by calculating the eigenvalues of the correlation matrix. Factor retention depends on the magnitudes of associated
eigenvalues of variables (some may be large, others small). The SPSS default setting is to use Kaiser’s criterion (eigenvalue >1) for retaining factors (Thompson & Daniel, 1996; Thompson, 2004).

The measures used in this study were examined for construct validity and internal consistency. Brown (1996, p.231) defined construct validity as "the degree to which a test measures what it claims, or purports, to be measuring". As a first step, principal component factor analysis was performed to assess the construct validity of multiple-item measurements. Items loading above .5 were considered evidence of construct validity (Nunnally & Bernstein, 1994).

Reliability or internal consistency is the degree to which repeated use of the measurement instrument can be expected to yield similar results. Cronbach’s alpha (α) is the most common estimate of reliability (Peterson, 1994). Nunnally and Bernstein (1994) suggest using multi-item measures to evaluate a construct since any individual item may have a considerable level of error; in addition, a single item cannot assess an attribute as a whole and hence lacks scope. Previous studies have shown that Cronbach’s alpha can change significantly based on the number of items in the instrument (Bohrnstedt, 1983). High alpha values are evidence of reliability of multiple indicator measures within a factor. The internal consistency of multiple indicators was examined using Cronbach’s alpha coefficient (Cronbach, 1951). To retain an item in a scale, it should score at least 0.50 (Peterson, 1994); to be considered acceptable in social psychology research (Robinson, Shaver, & Wrightsman, 1991).

**Descriptive Statistics and Correlations**

Descriptive statistics and correlations for all continuous variables used in testing the proposed model were examined. Descriptive statistics focused on respondents’ demographic
profiles and major variables of interest—knowledge, attitudes, expectations and intention to patronize apparel retail brands involved in CSR. Descriptive statistics calculated included frequencies, percentages, means, and standard deviations. Correlation analysis using Pearson’s correlation coefficient was conducted to measure the association between continuous variables used in the testing of the proposed model. Correlations among the indicators within constructs were compared to those between constructs to demonstrate interrelationships among constructs. Convergent validity was assessed using the magnitude of correlations. In general, the correlation coefficient between indicators within constructs should be high, while low to moderate correlation between constructs provides evidence of discriminant validity (Churchill & Iacobucci, 2002).

**Causal Model Analysis**

Exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and structural equation modeling (SEM) were used to develop latent factors, to investigate relationships in the research model, and for hypothesis testing. A three-step approach was used to measure fit of the model, using SPSS version 21 and MPlus version 7. EFA was conducted for data reduction and because the scales had limited prior use in the apparel retail setting. Factors with an eigenvalue ≥1.0 were extracted and items above .50 were retained (Campbell & Fiske, 1959). Based on the EFA results, a measurement model was specified for each latent construct. CFA for the measurement model was conducted using Mplus 7 statistical software. CFA validates internal structure and confirms stability of the scale (Thompson, 2004). Based on CFA results, three structural models – fully recursive, hypothesized and alternate models were specified. The research model was tested using SEM, which permits examination of the path structure of the latent model. The overall fit of the model to the data was examined through multiple goodness of
fit indices: chi-square statistics, comparative-fit index (CFI), Tucker-Lewis Index (TLI), root mean squared error of approximation (RMSEA) and standardized root mean square residual (SRMR) (Byrne, 1998). Model fit indices were compared to acceptable ranges as suggested by Byrne (1998). By convention, models deemed to have a good fit are those with fit statistics above 0.90 for CFI and TLI and below .06 for RMSEA and SRMR (Hu & Bentler, 1999; Kline, 2005).
CHAPTER 4. RESULTS

This chapter presents the sample profile, results of descriptive statistics of research variables, and results of statistical analyses. First, sample demographic characteristics such as gender, age, level of education and household income are reported. Second, descriptive statistics comprised of overall mean scores for all research variables are examined. Next, results of exploratory factor analysis (EFA) performed on research variables are discussed. Internal consistency for all factors was assessed using Cronbach’s alpha coefficient. Reliability statistics along with correlations among variables are also presented. The research model was analyzed using maximum-likelihood estimation procedures with Mplus 7 statistical software. The results of path model analyses regarding consumers’ willingness to patronize apparel retail brands engaged in CSR are presented in the next section. Confirmatory factor analysis (CFA) and structural equation modeling (SEM) were performed to confirm the factor structure and test the measurement and causal models. CFA and SEM results for three models are presented – fully recursive model, hypothesized model and alternate model. Hypotheses were tested based on results of the fully recursive model. Finally, the chapter concludes by presenting the results of an alternate model.

Sample and Data Collection

This study used the services of a market research company (Survey Sampling International) that specializes in consumer panels for data collection. Of the completed surveys, 405 were used for data analysis. The data were collected from a national sample. The following description of the sample includes respondents’ demographic profiles, their membership in any non-profit organizations that supports environmental or social issues, and past support of a cause through purchase of an apparel product.
Demographic Profile of Sample

The sample consisted of slightly higher percentage of female respondents (50.1%) than male (47.9%) (percentages may not add up to 100% due to missing data). The mean age of respondents was 43 with a range of 18 to 87 years. Approximately 49% of the sample held a bachelor’s degree or higher. In terms of ethnic background, a majority of the sample was White or European (68.6%), followed by Black or African American (12.1%) and Hispanic or Latino (11.1%); the rest were either Asian American (4.7%), mixed/biracial (1.2%) or other (1.5%). The sample also contained a range of household income levels. Approximately half of the sample (48.7%) reported their family household income of less than $50,000. The income level for 21% of the sample ranged from $50,000 - $74,999 and the rest (28.4%) had incomes above $75,000. The demographic profile of the sample is summarized in Table 2.

Only 10% of respondents reported membership in a non-profit organization (NPO) that supported environmental or social causes. However, almost 21% had supported a cause through their apparel purchases in the past. Additionally, the results of crosstab analysis conducted between gender and NPO membership revealed that more females (F = 13%, M = 7.4%) had supported causes through apparel purchases than their male counterparts (F = 23%, M = 18.8%). More than 50% of the respondents who said they had supported a cause through their apparel purchases indicated that their household income was greater than US$ 50,000.

Overall Mean Scores of Research Variables

Descriptive statistics such as means, standard deviations, and the minimum and maximum values of research variables are summarized in Table 3. To simplify the complexity of the data, summated scores were created for all research variables, and divided by the number of items included in the variable (Ebel & Frisbie, 1991).
Table 2  

Demographic Characteristics of U.S. Consumers who Participated in the Ethical Decision-making Study ($N = 405$)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage (%) of Sample&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>204</td>
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</tr>
<tr>
<td>Male</td>
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<td>Ethnicity</td>
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<td>12</td>
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</tr>
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<td>15,001 – 24,999</td>
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<tr>
<td>25,000 – 34,999</td>
<td>40</td>
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</tr>
<tr>
<td>35,000 – 49,999</td>
<td>68</td>
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</tr>
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<td>50,000 – 74,999</td>
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<td>21</td>
</tr>
<tr>
<td>75,000 – 99,999</td>
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<td>above 100,000</td>
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<td>356</td>
<td>87.5</td>
</tr>
<tr>
<td>Supported a cause through apparel purchase</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>84</td>
<td>20.6</td>
</tr>
<tr>
<td>No</td>
<td>315</td>
<td>77.4</td>
</tr>
</tbody>
</table>

<sup>a</sup>Sum of percentages may not be equal to 100 due to non-responses.
Based on these averaged scores, the variable with the highest mean score was benevolent values ($M = 5.84$) and the lowest was knowledge of social issues ($M = 3.72$). Overall, respondents in this study attributed high importance to benevolent values such as relationships in their personal life, and values pertaining to honesty, loyal and true friendship ($M = 5.84$). Additionally, the respondents also ascribed high importance to universalistic values such as equal opportunity, tolerance of different ideas and beliefs, mature understanding of life, and protection of environmental resources ($M = 5.75$). These values were measured on a seven point scale from 1 (not at all important) to 7 (very important). The respondents also exhibited high levels of moral norms ($M = 5.60$). Interestingly, respondents’ knowledge of environmental issues in the apparel industry was moderate ($M = 4.99$) but much higher than their knowledge of social issues in the apparel industry ($M = 3.72$). Their intentions to patronize apparel retail brands engaged in CSR ($M = 5.07$) was moderate, which could be due to marginal knowledge of environmental and social issues in the apparel industry. However, respondents had higher expectations of apparel retail brands’ ethical behavior ($M = 5.78$) and positive attitudes towards patronizing apparel retail brands engaged in CSR ($M = 5.54$). These variables were measured on a scale from 1 (strongly disagree) to 7 (strongly agree). Minimum and maximum scores of each research variable are reported in Table 3.

**Exploratory Factor Analysis**

To determine underlying dimensions of multi-item measurement scales and to ensure the unidimensionality of each construct, exploratory factor analysis (EFA) was conducted using SPSS version 21. Items used for factors in this study were largely adapted from other scales and applied in ethical decision-making context. Hence, EFA was conducted to summarize patterns of correlations among observed variables (Tabachnick & Fidell, 2007).
Table 3

*Summated Mean Scores of Research Variables Concerning Consumers Ethical Decision-Making*<sup>a</sup>

<table>
<thead>
<tr>
<th>Research Variable</th>
<th>Item</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge of environmental issues in apparel retail industry</td>
<td><strong>Overall Mean Response</strong></td>
<td></td>
<td></td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td></td>
<td>- Chemical pollutants are produced during manufacturing of synthetic or manufactured fibers such as polyester.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.19</td>
<td>1.43</td>
</tr>
<tr>
<td></td>
<td>- Chemical pollutants are not produced during processing of natural fibers such as cotton.</td>
<td>1.00</td>
<td>7.00</td>
<td>4.20</td>
<td>1.73</td>
</tr>
<tr>
<td></td>
<td>- Federally and regionally mandated standards for clean air and water have not yet been imposed on textile companies.</td>
<td>1.00</td>
<td>7.00</td>
<td>4.40</td>
<td>1.59</td>
</tr>
<tr>
<td></td>
<td>- Air pollution can occur during some common dye processes of textiles.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.26</td>
<td>1.30</td>
</tr>
<tr>
<td></td>
<td>- Textile dyeing and finishing processes use a lot of water.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.33</td>
<td>1.31</td>
</tr>
<tr>
<td></td>
<td>- Phosphate-containing laundry detergents can be a source of water pollution.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.54</td>
<td>1.34</td>
</tr>
<tr>
<td>Knowledge of social issues in apparel retail industry</td>
<td><strong>Overall Mean Response</strong></td>
<td></td>
<td></td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td></td>
<td>- Use of child labor is not a practice among apparel manufacturers.</td>
<td>1.00</td>
<td>7.00</td>
<td>3.46</td>
<td>2.03</td>
</tr>
<tr>
<td></td>
<td>- Apparel manufacturers generally pay their employees at least the local minimum wage.</td>
<td>1.00</td>
<td>7.00</td>
<td>3.93</td>
<td>1.98</td>
</tr>
<tr>
<td></td>
<td>- Apparel manufacturers generally have their employees work no more than 40 hours per week.</td>
<td>1.00</td>
<td>7.00</td>
<td>3.79</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>- Apparel manufacturers generally provide non-hazardous workplaces for their employees.</td>
<td>1.00</td>
<td>7.00</td>
<td>3.72</td>
<td>1.88</td>
</tr>
<tr>
<td>Perceived Knowledge</td>
<td><strong>Overall Mean Response</strong></td>
<td></td>
<td></td>
<td>1.00</td>
<td>7.00</td>
</tr>
<tr>
<td></td>
<td>- I am knowledgeable about socially responsible apparel businesses.</td>
<td>1.00</td>
<td>7.00</td>
<td>4.05</td>
<td>1.74</td>
</tr>
<tr>
<td></td>
<td>- I believe that I am informed about issues in apparel manufacturing businesses.</td>
<td>1.00</td>
<td>7.00</td>
<td>4.02</td>
<td>1.77</td>
</tr>
</tbody>
</table>
Table 3 (continued)

<table>
<thead>
<tr>
<th>Research Variable</th>
<th>Item</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universalistic values</td>
<td><strong>Overall Mean Response</strong></td>
<td>1.00</td>
<td>7.00</td>
<td>5.75</td>
<td>1.11</td>
</tr>
<tr>
<td></td>
<td>• Equality (equal opportunity for all).</td>
<td>1.00</td>
<td>7.00</td>
<td>5.96</td>
<td>1.27</td>
</tr>
<tr>
<td></td>
<td>• A world at peace (free of war and conflict).</td>
<td>1.00</td>
<td>7.00</td>
<td>5.93</td>
<td>1.33</td>
</tr>
<tr>
<td></td>
<td>• Unity with nature (fitting into nature).</td>
<td>1.00</td>
<td>7.00</td>
<td>5.39</td>
<td>1.61</td>
</tr>
<tr>
<td></td>
<td>• Social justice (correcting injustice, care for the weak).</td>
<td>1.00</td>
<td>7.00</td>
<td>5.82</td>
<td>1.30</td>
</tr>
<tr>
<td></td>
<td>• Broad-minded (tolerant of different ideas and beliefs).</td>
<td>1.00</td>
<td>7.00</td>
<td>5.80</td>
<td>1.37</td>
</tr>
<tr>
<td></td>
<td>• Protecting the environment (preserving nature).</td>
<td>1.00</td>
<td>7.00</td>
<td>5.61</td>
<td>1.51</td>
</tr>
<tr>
<td></td>
<td>• A world of beauty (beauty of nature and the arts).</td>
<td>1.00</td>
<td>7.00</td>
<td>5.45</td>
<td>1.41</td>
</tr>
<tr>
<td></td>
<td>• Inner harmony (at peace with myself).</td>
<td>1.00</td>
<td>7.00</td>
<td>5.85</td>
<td>1.36</td>
</tr>
<tr>
<td></td>
<td>• Wisdom (a mature understanding of life).</td>
<td>1.00</td>
<td>7.00</td>
<td>5.97</td>
<td>1.19</td>
</tr>
</tbody>
</table>

| Benevolent values     | **Overall mean response**                          | 1.00| 7.00| 5.84 | 1.05 |
|                       | • True friendship (close, supportive friends).     | 1.00| 7.00| 6.09 | 1.33 |
|                       | • Loyal (faithful to my friends, group).           | 1.00| 7.00| 6.14 | 1.21 |
|                       | • Honest (genuine, sincere).                       | 1.00| 7.00| 6.33 | 1.15 |
|                       | • Helpful (working for the welfare of others).     | 1.00| 7.00| 5.86 | 1.26 |
|                       | • Responsible (dependable, reliable).              | 1.00| 7.00| 6.17 | 1.18 |
|                       | • A spiritual life (emphasis on spiritual not material matters). | 1.00| 7.00| 5.04 | 1.89 |
|                       | • Meaning in life (a purpose in life).             | 1.00| 7.00| 5.63 | 1.40 |
|                       | • Mature love (deep emotional and spiritual intimacy). | 1.00| 7.00| 5.64 | 1.49 |
|                       | • Forgiving (willing to pardon others).            | 1.00| 7.00| 5.65 | 1.40 |
Table 3 (continued)

<table>
<thead>
<tr>
<th>Research Variable</th>
<th>Item</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral norms</td>
<td><strong>Overall Mean Response</strong> Purchasing apparel from retail brands involved in CSR activities versus not purchasing from retail brands not involved in CSR will make me: …feel like making a personal contribution to something better. …feel like I am doing the morally right thing. …feel like a better person.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.60</td>
<td>1.22</td>
</tr>
<tr>
<td>Attitudes towards patronizing apparel retail brands engaged in CSR</td>
<td><strong>Overall Mean Response</strong> Buying apparel from retail brands involved in Corporate Social Responsibility (CSR) activities versus buying from retail brands not involved in Corporate Social Responsibility (CSR) would make me feel: • Bad – Good • Not contented – Contented • Not pleased – Pleased • Not satisfied – Satisfied</td>
<td>1.00</td>
<td>7.00</td>
<td>5.54</td>
<td>1.25</td>
</tr>
<tr>
<td>Expectations of apparel retail brands’ ethical behavior</td>
<td><strong>Overall Mean Response</strong> • I expect the apparel retail brands that I patronize to act ethically at all times. • Apparel retail brands have a responsibility to always act with the highest of ethical standards. • Apparel retail brands really should be ethical in conducting their business activities. • Apparel retail brands have a responsibility not to ever act unethically.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.78</td>
<td>1.13</td>
</tr>
<tr>
<td>Research Variable</td>
<td>Item</td>
<td>Min</td>
<td>Max</td>
<td>Mean</td>
<td>S.D.</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-----</td>
<td>-----</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Intentions to patronize apparel retail brands engaged in CSR</td>
<td><strong>Overall Mean Score</strong>&lt;br&gt;- I intend to pay more to apparel retail brands involved in CSR activities.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.07</td>
<td>1.21</td>
</tr>
<tr>
<td></td>
<td>- I intend to recommend apparel retail brands engaged in CSR activities to my friends, family members and co-workers.</td>
<td>1.00</td>
<td>7.00</td>
<td>4.75</td>
<td>1.59</td>
</tr>
<tr>
<td></td>
<td>- I will not switch to another apparel brand if I know the brand I use is engaged in CSR activities.</td>
<td>1.00</td>
<td>7.00</td>
<td>4.88</td>
<td>1.64</td>
</tr>
<tr>
<td></td>
<td>- The likelihood that I would purchase from apparel retail brands engaged in CSR is very high.</td>
<td>1.00</td>
<td>7.00</td>
<td>4.56</td>
<td>1.69</td>
</tr>
<tr>
<td></td>
<td>- I would be willing to buy from apparel retail brands engaged in CSR activities.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.17</td>
<td>1.43</td>
</tr>
<tr>
<td></td>
<td>- I am likely to purchase from apparel retail brands engaged in CSR in the future.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.50</td>
<td>1.38</td>
</tr>
<tr>
<td></td>
<td>- I have every intention to purchase from apparel retail brands engaged in CSR.</td>
<td>1.00</td>
<td>7.00</td>
<td>5.27</td>
<td>1.47</td>
</tr>
</tbody>
</table>

*Based on 7-point Likert scale ranging from 1 (strongly disagree, extremely unimportant) to 7 (strongly agree, extremely important)*
EFA was appropriate because the scales had not been previously tested in ethical apparel purchasing context. Campbell & Fiske (1959) suggests using principal components analysis (PCA) to identify underlying dimensions as it is a psychometrically sound procedure and conceptually less complex than factor analysis. The first method undertaken for factor analysis was PCA with Varimax rotation, which ensured maximum dispersion of loadings within factors. Varimax rotation was used since in this type of rotation factors are independent. Choice of rotation largely depends on the assumptions and the purpose of the study; that is, whether the underlying factors should be related or not (Campbell & Fiske, 1959).

Stepwise analysis was undertaken using the Kaiser-Meyer-Olkin (KMO) statistic to determine whether the sample size was adequate for factor analysis. An acceptable value for KMO is 0.5 and it is better as it approaches 1. The second statistic calculated was Bartlett’s test of sphericity, which if significant, indicates that the correlation matrix is not equal to its identity matrix and that there is some relationship between variables (Thompson, 2004).

The next step in factor analysis was factor extraction, which was done by calculating the eigenvalues of the correlation matrix. Factor retention depends on the magnitudes of associated eigenvalues of variables (some may be large and others small). The default setting for SPSS is to use Kaiser’s criterion (eigenvalue >1) to retain factors. Minimum eigenvalues of 1.0 were used to determine the number of factors for each scale. Items loading above .50 on one factor and with a minimum difference of .20 on all other factors were retained (George & Mallery, 2007).

EFA yielded one-factor models for items that measured universalism and benevolent values, moral norms, expectations regarding apparel retail brands’ ethical behavior, attitudes towards patronizing apparel retail brands engaged in CSR and intentions to patronize such brands. Knowledge of social and environmental issues resulted in a three-factor model. The
factor loadings of each item were above 0.50, demonstrating soundness of the factor structure (Hair, Anderson, Tatham, & Black, 1994). Confirmatory factor analysis for each factor was conducted to confirm the factor structure. The internal consistency of items was examined using Cronbach’s alpha which ranged from 0.88 to 0.93, indicating high internal consistency for the constructs. Reliabilities of .70 or higher are considered a satisfactory level of Cronbach’s alpha reliability (Nunnally, 1978). Results of KMO and Bartlett’s test for sphericity are reported for each factor in Tables 1 to 7 in Appendix D, which presents the results of exploratory factor analysis and a detailed description of each item for each factor.

**Correlations Among Research Variables**

Pearson correlations were used to determine whether there were associations among the following variables in the research model: knowledge of environmental issues, knowledge of social issues, perceived knowledge, universalism values, benevolent values, moral norms, expectations of apparel retail brands’ ethical behavior, attitudes towards apparel retail brands engaged in CSR and patronage intentions towards such brands. All correlations were significant for the hypothesized relationships except that between benevolent values and expectations of apparel retail brands’ ethical behavior (see Table 4). The correlation between universalistic and benevolent values was high (r = 0.79), thus further testing was conducted to make sure that multi-collinearity did not cause a suppressor effect concerning the hypothesized relationship between benevolent values and other variables (Grewal, Cote & Baumgartner, 2004). Results of the correlation matrix were used to establish construct validity. Correlations among construct measures reflected convergent validity (Hair et al., 1995).
<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KNOWF1</td>
<td>Knowledge of environmental issues</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>KNOWF2</td>
<td>Knowledge of social issues</td>
<td>.05</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>KNOWF3</td>
<td>Self-perception of knowledge</td>
<td>.25**</td>
<td>.46**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>UNI</td>
<td>Universalism</td>
<td>.30**</td>
<td>.09</td>
<td>.21**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>BEN</td>
<td>Benevolence</td>
<td>.24**</td>
<td>.13**</td>
<td>.20**</td>
<td>.79**</td>
<td>1</td>
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<td></td>
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</tr>
<tr>
<td>6</td>
<td>NORM</td>
<td>Moral norms</td>
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<td>.21**</td>
<td>.31**</td>
<td>.48**</td>
<td>.42**</td>
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</tr>
<tr>
<td>7</td>
<td>EXPECT</td>
<td>Expectations of ethical behavior</td>
<td>.38**</td>
<td>.05</td>
<td>.21**</td>
<td>.46**</td>
<td>.40**</td>
<td>.53**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>ATT</td>
<td>Attitudes towards patronizing retail brands engaged in CSR</td>
<td>.24**</td>
<td>.07</td>
<td>.15**</td>
<td>.19**</td>
<td>.14**</td>
<td>.40**</td>
<td>.30**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>INTEND</td>
<td>Patronage intentions</td>
<td>.41**</td>
<td>.19**</td>
<td>.27**</td>
<td>.40**</td>
<td>.29**</td>
<td>.58**</td>
<td>.49**</td>
<td>.46**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>GEN</td>
<td>Gender</td>
<td>.05</td>
<td>-.09</td>
<td>-.12**</td>
<td>.08</td>
<td>.13**</td>
<td>.07</td>
<td>.17*</td>
<td>.09</td>
<td>.08</td>
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<td>11</td>
<td>INC</td>
<td>Income</td>
<td>.07</td>
<td>.05</td>
<td>.05</td>
<td>-.01</td>
<td>.01</td>
<td>-.01</td>
<td>-.01</td>
<td>.11*</td>
<td>.09</td>
<td>.01</td>
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<td>Education</td>
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<td>-.02</td>
<td>.04</td>
<td>.01</td>
<td>-.01</td>
<td>.02</td>
<td>-.01</td>
<td>.04</td>
<td>.05</td>
<td>-.05</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).
Confirmatory Factor Analysis

This study followed Anderson and Gerbing’s (1988) two-step approach to analyze the data: confirmatory factor analysis (CFA) followed by structural equation modeling (SEM). CFA is a multivariate statistical model used to confirm the factor structure of a set of observed variables. It allows testing the relationship between observed variables and their underlying latent construct. The factor structure is specified based on theory and CFA is used to provide empirical support for the proposed theoretical factor structure. Also, it assumes oblique rotation and no (zero) cross-loadings (Thompson, 2004).

Based on EFA results, CFA models by construct were first specified to confirm individual factor structure. To assess convergent validity construct loadings, average variance extracted (AVE) and composite reliability were examined. Convergent validity is defined as the extent to which indicators of a specific construct share a high proportion of variance in common (Hair, Ringle, & Sarstedt, 2011). Validity was assessed for all constructs using three measures – standardized factor loadings 0.7 or higher, AVE of 0.5 or higher and composite reliability of 0.7 (Nunnally, 1978). According to Hair, Ringle and Sarstedt (2011) an AVE value of 0.50 and higher indicates an acceptable measure of convergent validity, meaning that the latent variable explains more than half of its indicators’ variance. An AVE of less than 0.5 indicates that, on average, more error remains in the items than there is variance explained by the latent factor structure we have imposed on the measure (Hair et al., 1995). All estimates of composite reliability, AVE and standardized parameter loadings were above the acceptable threshold levels, thus convergent validity for all constructs was achieved (Refer tables 5 – 12).

Model assessment was undertaken using standard procedures (Anderson & Gerbing, 1998) to evaluate the model fit using multiple fit statistics. The chi-square statistic is an absolute
measure of model fit. However, the chi-square statistic ($\chi^2$) is sensitive to sample size (>200), complex models or models with a large number of indicators (Hoelter, 1993). A model can be assessed as a ratio of $\chi^2$/df where a value of 2 or less indicates a good fit (Wheaton, 1987).

Following the recommendations of Joerskog & Sorborn (1993), other fit indices were also evaluated to determine how well the model fit the data. Root Mean Square Error of Approximation (RMSEA) is the index of absolute fit and is important in evaluating model fit. RMSEA measures how well the model would fit the population covariance matrix at 95% confidence interval (Browne & Cudeck, 1993). Index values less that 0.06 indicate a good fit, while values ranging from 0.08 to 0.10 are moderately acceptable (Byrne, 1998) and a value approaching 0 demonstrates perfect fit. Other incremental fit indices used for model assessment (Muthén & Muthén, 2000) included the Comparative Fit Index (CFI) and Tucker-Lewis Index (TLI). The cutoff criteria in assessing model fit were CFI ≥ 0.95, RMSEA < 0.06 and TLI ≥ 0.95. A perfect fit for incremental indices is 1.0; in cases where CFI is less than 1, it should always be greater than TLI (Bentler, 1990).

Prior to conducting CFA by construct, a parceling approach was used on constructs having many items. Parceling is a measurement practice commonly used in multivariate analysis, especially in the case of latent variable analysis. The purpose of parceling is to reduce the number of parameters in a model containing numerous items (Bandalos, 2002). A parcel is an aggregate-level indicator that may be calculated by either summing or averaging two or more items, responses or behaviors (Little, Cunningham, Shahar, & Widaman, 2002). Bagozzi and Heatherton (1994) suggest that using parceling to reduce model parameters can result in a more optimal variable-to-sample-size ratio and more stable parameter estimates, especially with small samples.
Parceling has been used in numerous empirical studies to obtain item distributions that are more continuous and normally distributed. Many studies using this technique demonstrated better model-data fit (Bagozzi & Heatherton, 1994; Gribbons & Hocevar, 1998; Takahashi & Nasser, 1996; Thompson & Melancon, 1996). Furthermore, CFA models based on parcels have been shown to possess greater power and smaller mean squared errors than individual items (Bandalos, 2002). For this study, parceling was performed on two factors (universalistic values and benevolent values). To make each parcel more homogeneous, parcels for each variable were developed such that variables with higher factor loadings were combined with those with lower factor loadings (Bagozzi & Hetherton 1994). This process required ranking the factor loading scores for each item by construct in ascending order and evenly distributing them into the created parcels.

**Confirmatory Factor Analysis by Construct**

**Universalistic Values**

Nine items were used to measure the universalistic values construct. Based on factor analysis, a one-factor model was obtained for this construct. These items were divided into three parcels: UNIP1, UNIP2, and UNIP3. Average mean scores were computed for each parcel. Results of CFA (see Table 5) revealed a significant chi-square statistic ($\chi^2 = 0.00$, $df = 0$, $p = 0.00$), demonstrating a lack of fit of the data with the model. However, chi-square statistic is dependent on sample size; large sample sizes of 200 or more reduce the reliability of the chi-square statistic and associated $p$ values (Joreskog & Sorbom, 1993). Thus, other fit indices were used to measure the model-to-data fit in this study. Though the model produced a statistically significant $\chi^2$, the other fit indices were within the acceptable-to-good fit ranges ($CFI = 1.00$, $TLI = 1.00$, $RMSEA = 0.00$, $SRMR = 0.00$, $\chi^2/df = 0.00$).
Table 5

**Results of Confirmatory Factor Analysis for Universalistic Values**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>β</th>
<th>t-value</th>
<th>Standardized Residual Variance</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNIP1 (Parcel 1)</td>
<td>0.90</td>
<td>61.30**</td>
<td>0.18**</td>
<td>0.92</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>UNIP2 (Parcel 2)</td>
<td>0.91</td>
<td>62.97**</td>
<td>0.17**</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNIP3 (Parcel 3)</td>
<td>0.81</td>
<td>41.79**</td>
<td>0.33**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p ≤ 0.001

**Benevolent Values**

Benevolent values were divided into three parcels: BENP1, BENP2, and BENP3. Average mean scores were computed for each parcel. Results of CFA (see Table 6) revealed a significant chi-square statistic ($\chi^2 = 0.00, df = 0, p = 0.00$), but other fit indices were within the acceptable-to-good fit range ($CFI = 1.00, TLI = 1.00, RMSEA = 0.00, SRMR = 0.00, \chi^2/df = 0.00$). The latent variables exhibited discriminant validity, with none loading on more than one variable.

Table 6

**Results of Confirmatory Factor Analysis for Benevolent Values**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>β</th>
<th>t-value</th>
<th>Standardized Residual Variance</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BENP1 (Parcel 1)</td>
<td>0.77</td>
<td>32.98**</td>
<td>0.40**</td>
<td>0.89</td>
<td>0.74</td>
</tr>
<tr>
<td></td>
<td>BENP2 (Parcel 2)</td>
<td>0.90</td>
<td>52.42**</td>
<td>0.19**</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BENP3 (Parcel 3)</td>
<td>0.89</td>
<td>50.06**</td>
<td>0.22**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p ≤ 0.001
Knowledge of Environmental Issues

A one-factor model with all six items KNOW1, KNOW2, KNOW3, KNOW4, KNOW5, and KNOW6 was specified in the initial model. Average mean scores of each item were computed. The analysis demonstrated poor model fit ($\chi^2 = 101.56$, $df = 9$, $p = 0.00$, $CFI = 0.88$, $TLI = 0.80$, $RMSEA = 0.16$, $SRMR = 0.07$) and had very low factor loadings on two items (KNOW2 = 0.25, KNOW3 = 0.47). This was consistent with results obtained from EFA. When a subsequent CFA model (see Table 7) was specified without these two items the model fit indices improved considerably and produced non-significant chi-square, demonstrating that the revised model fit the data well ($\chi^2 = 7.51$, $df = 2$, $p = 0.02$). Other fit indices for the factor were also within the acceptable-to-good fit ranges ($CFI = 0.99$, $TLI = 0.97$, $RMSEA = 0.08$, $SRMR = 0.02$). Though the model possessed a high RMSEA (0.08) that exceeded the cut-off point of 0.06 or less, other important indicators of model fit were considered good and within fit ranges (Hu & Bentler, 1999).

Table 7

Results of Confirmatory Factor Analysis for Knowledge of Environmental Issues

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>$\beta$</th>
<th>t-value</th>
<th>Standardized Residual Variance</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>KNOWF1</td>
<td>KNOW1</td>
<td>0.74</td>
<td>24.63**</td>
<td>0.46**</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KNOW4</td>
<td>0.73</td>
<td>24.09**</td>
<td>0.47**</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KNOW5</td>
<td>0.77</td>
<td>26.90**</td>
<td>0.41**</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KNOW6</td>
<td>0.74</td>
<td>24.77**</td>
<td>0.45**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**$p \leq 0.001$**

Knowledge of Social Issues

Knowledge of social issues is a latent construct and was posited to be indicated by all four items (KNOW7 – KNOW10) measuring this construct (see Table 8). The analysis produced
a significant chi-square, demonstrating that the model did not fit the data well ($\chi^2 = 15.5$, $df = 2$, $p < 0.01$). However, other fit indices for the factor were within the acceptable-to-good fit ranges (CFI = 0.99, TLI = 0.96, RMSEA = 0.13, SRMR = 0.02). Though the model possessed a high RMSEA value (0.08) that exceeded the cut-off point of 0.06 or less, other important indicators of model fit were considered good and within fit ranges (Hu & Bentler, 1999).

Table 8

Results of Confirmatory Factor Analysis for Knowledge of Social Issues

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>$\beta$</th>
<th>t-value</th>
<th>Standardized Residual Variance</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>KNOWF2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KNOW7</td>
<td>0.79</td>
<td>35.30**</td>
<td>0.38**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KNOW8</td>
<td>0.81</td>
<td>39.22**</td>
<td>0.34**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KNOW9</td>
<td>0.85</td>
<td>48.59**</td>
<td>0.27**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KNOW10</td>
<td>0.88</td>
<td>54.82**</td>
<td>0.23**</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**$p \leq 0.001$**

**Perceived Knowledge**

Perceived knowledge (KNOW11, KNOW 12) consisted of items that measured consumers’ perception of their subjective knowledge regarding social and environmental issues in apparel industry. The CFA model for perceived knowledge did not yield any model fit indices as it was measured using only two items. The correlation coefficient between the two items ensured convergent validity.

**Moral Norms**

Moral norms is a latent construct and was posited to be indicated by all three items (NORM1 – NORM3) measuring this construct. Results of CFA (see Table 9) revealed a significant chi-square statistic ($\chi^2 = 0.00$, $df = 0$, $p = 0.00$), demonstrating a lack of fit of the data.
with the model. However, other fit indices were within the acceptable-to-good fit ranges (CFI = 1.00, TLI = 1.00, RMSEA = 0.00, SRMR = 0.00, Ratio of $\chi^2/df = 0.00$). RMSEA approached 0, indicating that the model fit the data perfectly (Browne & Cudeck, 1993).

Table 9

**Results of Confirmatory Factor Analysis for Moral Norms**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>$B$</th>
<th>$t$-value</th>
<th>Standardized Residual Variance</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.90</td>
</tr>
<tr>
<td>NORM1</td>
<td>0.88</td>
<td></td>
<td>51.87**</td>
<td>0.23**</td>
<td></td>
<td>0.75</td>
</tr>
<tr>
<td>NORM2</td>
<td>0.91</td>
<td></td>
<td>58.08**</td>
<td>0.18**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NORM3</td>
<td>0.81</td>
<td></td>
<td>39.70**</td>
<td>0.34**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p ≤ 0.001

**Expectations of Ethical Behavior**

Expectations of ethical behavior is a latent construct and was posited to be indicated by four indicators (EXPECT1, EXPECT2, EXPECT3, and EXPECT4). The first CFA model was specified with all four indicators. Although the model fit indices were good with a non-significant chi-square ($\chi^2 = 4.88, df = 2, p = 0.09$) and CFI = 0.99, TLI = 0.98, RMSEA = 0.06, SRMR = 0.02), closer examination of parameter estimates revealed a lower value for EXPECT4 ($\beta = 0.57$). Another model (see Table 10) was specified without EXPECT4 and fit indices improved considerably (CFI = 1.00, TLI = 1.00, RMSEA = 0.00, SRMR = 0.00, $\chi^2/df = 0.00$), but with a significant chi-square statistic. Parameter estimates showed much more robust values, therefore the final factor consisted of only three items (EXPECT1, EXPECT2, EXPECT3).

**Attitudes towards Patronizing Apparel Retail Brands Engaged in CSR**

The attitudes construct is a latent construct that was posited to be indicated by four items (ATT1, ATT2, ATT3, and ATT4). CFA (see Table 11) produced a significant chi-square,
demonstrating that the model did not fit the data well ($\chi^2 = 27.31$, $df = 2$, $p < 0.01$). However, other fit indices for the factor were within the acceptable-to-good fit ranges (CFI = 0.98, TLI = 0.94, RMSEA = 0.18, SRMR = 0.02). Though the model possessed a high RMSEA value (0.08) that exceeded the cut-off point of 0.06 or less, other important indicators of model fit were considered good and within fit ranges (Hu & Bentler, 1999).

Table 10

*Results of Confirmatory Factor Analysis for Expectations of Ethical Behavior*

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>B</th>
<th>t-value</th>
<th>Standardized Residual Variance</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPECT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPECT1</td>
<td>0.78</td>
<td>29.03**</td>
<td>0.40**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPECT2</td>
<td>0.90</td>
<td>39.28**</td>
<td>0.19**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPECT3</td>
<td>0.75</td>
<td>26.70**</td>
<td>0.44**</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p ≤ 0.001

Table 11

*Results of Confirmatory Factor Analysis for Attitudes*

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>B</th>
<th>t-value</th>
<th>Standardized Residual Variance</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATT1</td>
<td>0.75</td>
<td>30.91**</td>
<td>0.44**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATT2</td>
<td>0.88</td>
<td>64.36**</td>
<td>0.22**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATT3</td>
<td>0.93</td>
<td>88.71**</td>
<td>0.15**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATT4</td>
<td>0.91</td>
<td>79.22**</td>
<td>0.18**</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p ≤ 0.001

**Patronage Intentions**

Patronage intentions is a latent construct and was posited to be indicated by seven items (INTEND1, INTEND2, INTEND3, INTEND4, INTEND5, INTEND6 and INTEND7). CFA produced a significant chi-square and poor model fit indices ($\chi^2 = 211.73$, $df = 14$, $p < 0.01$, CFI
= 0.91, TLI = 0.87, RMSEA = 0.18, SRMR = 0.06). A closer examination of standardized estimates revealed a very low value for INTEND3 (β = 0.49). The CFA model was respecified (see Table 12) without INTEND3, which yielded much improved model fit indices that were in the range of acceptable-to-good (CFI = 0.97, TLI = 0.94, RMSEA = 0.14, SRMR = 0.02). The chi-square statistic was significant for this model as well ($\chi^2 = 71.01$, $df = 8$, $p < 0.01$).

Table 12

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>B</th>
<th>t-value</th>
<th>Standardized Residual Variance</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEND</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.93</td>
</tr>
<tr>
<td>INTEND1</td>
<td>0.59</td>
<td>17.18**</td>
<td>0.65**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTEND2</td>
<td>0.76</td>
<td>32.66**</td>
<td>0.43**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTEND4</td>
<td>0.87</td>
<td>63.00**</td>
<td>0.24**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTEND5</td>
<td>0.85</td>
<td>53.37**</td>
<td>0.28**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTEND6</td>
<td>0.92</td>
<td>90.47**</td>
<td>0.15**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTEND7</td>
<td>0.90</td>
<td>79.08**</td>
<td>0.19**</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p ≤ 0.001

**Revised Model and Hypotheses**

Confirmatory factor analysis by construct indicated that three dimensions existed with regards to consumers’ knowledge of environmental and social issues prevalent in the apparel industry: knowledge of environmental issues, knowledge of social issues and perceived knowledge. The concept of knowledge of environmental and social issues in the apparel industry proposed in the research model (Figure 1) in Chapter 2 was therefore divided into three different constructs. This was not considered a second order factor since the three constructs measured different aspects of knowledge and hence had more than one dimension. Also, there were varying levels of correlation between the knowledge variables and other variables (refer Table 4).
in the model. Figure 2 shows the revised research model and refined hypotheses are described below.

**Figure 2.** Revised research model of consumers’ ethical decision-making showing relationship between values, norms, knowledge, attitudes, expectations and patronage intentions.

**Hypothesis H5:** Consumers who are more knowledgeable about environmental and social issues in the apparel industry have higher expectations about apparel retail brands’ ethical behavior.

**Hypothesis H5a:** Consumers who are more knowledgeable about environmental issues in the apparel industry have higher expectations about apparel retail brands’ ethical behavior.
Hypothesis H5b: Consumers who are more knowledgeable about social issues in the apparel industry have higher expectations about apparel retail brands’ ethical behavior.

Hypothesis H5c: Consumers who perceive themselves to be more knowledgeable about ethical issues in the apparel industry have higher expectations about apparel retail brands’ ethical behavior.

Hypothesis H6: Consumers who are more knowledgeable about environmental and social issues in the apparel industry have more favorable attitudes towards patronizing apparel retail brands engaged in CSR activities.

Hypothesis H6a: Consumers who are more knowledgeable about environmental issues in the apparel industry have more favorable attitudes towards patronizing apparel retail brands engaged in CSR activities.

Hypothesis H6b: Consumers who are more knowledgeable about social issues in the apparel industry have more favorable attitudes towards patronizing apparel retail brands engaged in CSR activities.

Hypothesis H6c: Consumers who perceive themselves to be more knowledgeable about ethical issues in the apparel industry have more favorable attitudes towards patronizing apparel retail brands engaged in CSR activities.

Hypothesis H7: Consumers who are more knowledgeable about environmental and social issues in the apparel industry are more likely to patronize apparel retail brands engaged in CSR activities.

Hypothesis H7a: Consumers who are more knowledgeable about environmental issues in the apparel industry are more likely to patronize apparel retail brands engaged in CSR activities.

Hypothesis H7b: Consumers who are more knowledgeable about social issues in the apparel industry are more likely to patronize apparel retail brands engaged in CSR activities.

Hypothesis H7c: Consumers who perceive themselves to be more knowledgeable about ethical issues in the apparel industry will be more likely to patronize apparel retail brands engaged in CSR.

**Model Testing**

In this study, nine latent constructs emerged through the EFA and CFA by construct process: knowledge of environmental issues, knowledge of social issues in the apparel industry, consumers perceived knowledge, universalistic and benevolent values, expectations of apparel
retail brands ethical behavior, moral norms, attitudes towards patronizing brands engaged in CSR and intentions to patronize such brands. Such a large pool of items may cause excessive parameter estimation resulting in high error terms (Bandalos, 2002).

**Measurement Model Testing**

The first step in testing the hypothesized model was to specify and test the measurement model. CFA for the full model was conducted to specify the relationship between observed variables and their underlying latent constructs (Thompson, 2004). Both dependent and independent variables were specified in the measurement model. All variables (knowledge of environmental and social issues in the apparel industry, consumers perceived knowledge, universalistic and benevolent values, expectations of apparel retail brands ethical behavior, moral norms, attitudes towards patronizing brands engaged in CSR and intentions to patronize such brands) were specified as latent variables. The constructs were allowed to inter-collate freely as recommended by Anderson and Gerbing (1988). All measurement items respective to the latent constructs were entered into the analysis. Based on the preliminary analyses, a measurement model including 48 items and nine latent variables was tested through SEM using maximum-likelihood estimation procedure with a covariance matrix as input to test the quality of measures.

Next, item to factor loadings were assessed. Convergent validity of the model was supported by the presence of positive and significant item-to-factor loadings (Anderson & Gerbing, 1991). Discriminant validity was determined by evaluating the modification indices to ensure that no items were cross loading. Standardized residual variances were also examined to ensure that the estimates were positive and small. Standardized residuals are considered large if they exceed 2.58 (Byrne, 1998). No items were observed with high error terms and cross-
loadings. In addition, $t$-values and $R^2$ were also referenced to assess the strength of each item identified for each construct (Cronbach & Meehl, 1955).

CFA assesses the relationship between constructs contained in the model. Conducting a full CFA provides an overall evaluation of construct relationships and model fit (Byrne, 1998). Discriminant validity was also evaluated to check dimensionality of each factor within the model. The results of this assessment provided support for the hypothesized structural model. Based on the latent constructs derived from the CFA of each construct, a full measurement model was fitted to the data. The model contained all nine latent constructs and their indicator variables.

The measurement model with parceled items provided an acceptable model fit (Hu & Bentler, 1999) and all measures were within acceptable-to-good fit ranges ($\chi^2 = 1040.593$, df = 427 at $p$ value < 0.001, CFI = 0.94, TLI = 0.93, RMSEA = 0.06 and SRMR = 0.05). The high item-factor loadings for each factor provide further evidence of convergent validity. All parameters were statistically significant at the $p < .01$ level. Scales for each of the latent variables exceeded minimum levels of acceptable composite reliability ($> 0.70$). Average Variance Extracted (AVE) also exceeded the minimum threshold of 0.50. Results of CFA for the full measurement model indicated acceptable fit, reflecting that the model fits the data reasonably well (Table 13).

**Structural Model Testing**

Following the measurement model analysis, estimation of structural parameters was conducted to test the hypothesized construct relationships. Based on the measurement model, fully recursive and hypothesized structural models were specified to illustrate the directional relationships between the constructs.
Table 13

*Full Confirmatory Factor Analysis of Measurement Model (N = 405)*

<table>
<thead>
<tr>
<th>Latent Construct</th>
<th>Indicator Variable</th>
<th>Factor Loading</th>
<th>S.E.</th>
<th>t-value</th>
<th>Composite Reliability</th>
<th>AVE(^a)</th>
<th>(\alpha)^b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge of Environmental Issues (KNOWF1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KNOW1</td>
<td>0.74</td>
<td>0.029</td>
<td>25.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KNOW4</td>
<td>0.74</td>
<td>0.029</td>
<td>25.21</td>
<td></td>
<td></td>
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<td></td>
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<tr>
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<tr>
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<td>0.81</td>
<td>0.93</td>
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<td>UNIP1</td>
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<td>0.013</td>
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<td>UNIP2</td>
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<td>64.76</td>
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<td>UNIP3</td>
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<td>49.58</td>
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<td>Benevolence (BEN)</td>
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<td>0.89</td>
<td>0.74</td>
<td>0.91</td>
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<tr>
<td>BENP1</td>
<td>0.79</td>
<td>0.022</td>
<td>35.69</td>
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<td>64.06</td>
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</table>

\(^a\) AVE: Average Variance Extracted

\(^b\) \(\alpha\): Cronbach’s Alpha
<table>
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<tr>
<th>Latent Construct</th>
<th>Indicator Variable</th>
<th>Factor Loading</th>
<th>S.E.</th>
<th>t-value</th>
<th>Composite Reliability(^a)</th>
<th>AVE(^b)</th>
<th>(\alpha)(^c)</th>
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<tr>
<td>Moral norms (NORM)</td>
<td>NORM1</td>
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<td>0.015</td>
<td>60.62</td>
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<td>0.75</td>
<td>0.91</td>
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<td>NORM2</td>
<td>0.89</td>
<td>0.015</td>
<td>58.44</td>
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<td></td>
<td>NORM3</td>
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<td>41.58</td>
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<td>Attitudes towards patronizing retail brands engaged in CSR (ATT)</td>
<td>AT11</td>
<td>0.75</td>
<td>0.024</td>
<td>31.76</td>
<td>0.93</td>
<td>0.75</td>
<td>0.93</td>
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<td></td>
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<td>0.013</td>
<td>66.10</td>
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<td></td>
<td>AT13</td>
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<td>0.011</td>
<td>87.43</td>
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<td></td>
<td>AT14</td>
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<td>0.120</td>
<td>77.68</td>
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<tr>
<td>Expectations of retail brands CSR (EXPECT)</td>
<td>EXPECT1</td>
<td>0.80</td>
<td>0.024</td>
<td>33.28</td>
<td>0.78</td>
<td>0.57</td>
<td>0.85</td>
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<tr>
<td></td>
<td>EXPECT2</td>
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<td>0.020</td>
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<td></td>
<td>EXPECT3</td>
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<td>0.026</td>
<td>28.75</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Patronage intentions (INTEND)</td>
<td>INTEND1</td>
<td>0.61</td>
<td>0.033</td>
<td>18.20</td>
<td>0.93</td>
<td>0.69</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>INTEND2</td>
<td>0.77</td>
<td>0.022</td>
<td>35.63</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>INTEND4</td>
<td>0.88</td>
<td>0.013</td>
<td>65.74</td>
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<tr>
<td></td>
<td>INTEND5</td>
<td>0.84</td>
<td>0.016</td>
<td>52.24</td>
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<td></td>
<td>INTEND6</td>
<td>0.91</td>
<td>0.011</td>
<td>85.88</td>
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</tr>
<tr>
<td></td>
<td>INTEND7</td>
<td>0.90</td>
<td>0.011</td>
<td>79.85</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Composite Reliability = \((\text{sum of standardized loading})^2 / (\text{sum of standardized loading})^2 + \text{sum of indicator measurement error})\)

\(^b\) Average Variance Extracted= \((\text{sum of squared standardized loading}) / (\text{sum of squared standardized loading} + \text{sum of indicator measurement error})\)

\(^c\) Cronbach’s \(\alpha\)
A fully recursive model is a path model where all causal relationships flow in one direction with no reciprocal effects of feedback loops (Byrne, 2008). Reduced or hypothesized models are special cases of fully recursive models where some paths (between variables) are hypothesized to be zero. In fully recursive models the residuals are uncorrelated (Creswell, 2008). Structural models deal with the directional relationships between constructs. Structural equation models are based on the measurement model as it is used to model the constructs, between which causal relations are modeled and tested in the structural model (Byrne, 2004; Kline, 2007).

Path analysis using maximum-likelihood estimation was selected for analysis of the structural model and hypotheses testing. This analysis incorporated five latent exogenous variables – knowledge of environmental issues, knowledge of social issues, perceived knowledge, universalistic values and benevolent values – and four latent endogenous variables – moral norms, expectations of apparel retail brands ethical behavior, attitudes towards patronizing apparel retail brands engaged in CSR activities and intentions to patronize such brands. Gender, household income and education were also entered into the model. A structural model with nine latent variables and three demographic variables was tested to examine the hypothesized relationships described in H1 – H10. Hypotheses were tested based on the results of the fully recursive model.

Structural model analysis showed squared multiple correlations ($R^2$) for endogenous variables ranging from 0.18 to 0.43, and revealed that some of the hypothesized paths were as predicted with beta weights statistically significant at $p < .001$ or $p < 0.05$ (see Tables 14 and 15). The overall fit of the model was assessed by chi-square statistics, comparative fit index (CFI), Tucker-Lewis index (TLI) and root mean square error of estimation (RMSEA).
Multiple criteria were used to assess the model fit. All indices yielded values of 0.90 or greater for CFI and TLI and below 0.06 for RMSEA (Hu & Bentler, 1999; Kline, 2007). The fit indices of the hypothesized model revealed a chi-square of 1260.44, $df = 512$ at $p < 0.001$, CFI = 0.93, TLI = 0.91, RMSEA = 0.06 and SRMR = 0.07. Overall fit indices indicated an acceptable fit of the model to the data. Standardized path coefficients with t-values for the hypothesized and recursive models are presented in Tables 14 and 15.

**Hypothesis Testing**

This section discusses analysis of the fully recursive model and the results of hypothesis testing. The fully recursive model considered all possible relationships among the constructs in the model which provided a good fit to the data (Bollen, 1989). Table 16 summarizes the hypothesis test results of the fully recursive model. The model fit indices of the fully recursive model revealed a chi-square of 1129.924, $df = 496$ at $p < 0.001$, CFI = 0.94, TLI = 0.92, RMSEA = 0.06 and SRMR = 0.05.

Universalistic values and moral norms were hypothesized to have a positive relationship. A positive, significant relationship ($\beta = 0.32$, $p < 0.01$) was found, providing support for hypothesis H1a. However, there was no support for hypothesis H1b, which posited a positive relationship between benevolent values and moral norms.

There was a positive, significant relationship ($\beta = 0.32$, $p < 0.01$) between moral norms and attitudes towards patronizing apparel retail brands engaged in CSR, and a positive, significant relationship ($\beta = 0.23$, $p < 0.01$) between moral norms and intentions to patronize apparel retail brands engaged in CSR. Thus, hypotheses H2a and H2b were supported.
### Table 14

**Standardized Path Coefficients of Hypothesized Model with t-ratios for the Structural Model**

<table>
<thead>
<tr>
<th>Predictor Variable</th>
<th>NORM</th>
<th>EXPECT</th>
<th>ATT</th>
<th>INTEND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universalism (UNI)</td>
<td>0.62** (4.75)</td>
<td>0.67** (4.94)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benevolence (BEN)</td>
<td>-0.07 (-0.52)</td>
<td>-0.17 (-1.26)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Knowledge of Environmental Issues (KNOWF1)</td>
<td>-</td>
<td>0.13** (2.40)</td>
<td>0.07 (1.12)</td>
<td>0.18** (3.51)</td>
</tr>
<tr>
<td>Knowledge of Social Issues (KNOWF2)</td>
<td>-</td>
<td>-0.07 (-1.2)</td>
<td>0.02 (0.34)</td>
<td>0.05 (0.56)</td>
</tr>
<tr>
<td>Perceived Knowledge (KNOWF3)</td>
<td>-</td>
<td>0.04 (0.70)</td>
<td>0.01 (0.17)</td>
<td>0.03 (0.14)</td>
</tr>
<tr>
<td>Moral Norms (NORM)</td>
<td>-</td>
<td>-</td>
<td></td>
<td>0.36** (5.39)</td>
</tr>
<tr>
<td>Expectations of Retail Brands CSR (EXPECT)</td>
<td>-</td>
<td>-</td>
<td>0.08 (1.23)</td>
<td>0.21** (3.52)</td>
</tr>
<tr>
<td>Attitudes towards patronizing retail brands engaged in CSR (ATT)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.25** (5.32)</td>
</tr>
<tr>
<td>Gender</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.01 (0.17)</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.05 (1.07)</td>
</tr>
<tr>
<td>Income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.09 (1.74)</td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>30.5%</td>
<td>35.6%</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

* p < 0.01, **p ≤ 0.001

*a t-ratios are in parentheses and significant effects are in bold (t ≥ 2.00)*

R² – Percentage of variance explained due to independent variables
Table 15

*Standardized Path Coefficients of Fully Recursive Model with t-ratios for the Structural Model*

<table>
<thead>
<tr>
<th>Predictor Variable</th>
<th>NORM</th>
<th>EXPECT</th>
<th>ATT</th>
<th>INTEND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universalism (UNI)</td>
<td>0.32* (2.80)</td>
<td>0.42** (3.88)</td>
<td>0.09 (0.72)</td>
<td>0.21* (2.00)</td>
</tr>
<tr>
<td>Benevolence (BEN)</td>
<td>0.01 (0.13)</td>
<td>-0.06 (-0.55)</td>
<td>-0.19 (-1.6)</td>
<td>-0.15 (-1.57)</td>
</tr>
<tr>
<td>Knowledge of Environmental Issues (KNOWF1)</td>
<td>0.17* (3.13)</td>
<td>0.19* (3.26)</td>
<td>0.05 (0.86)</td>
<td>0.17* (3.26)</td>
</tr>
<tr>
<td>Knowledge of Social Issues (KNOWF2)</td>
<td>0.07 (1.16)</td>
<td>-0.04 (-0.64)</td>
<td>-0.05 (-0.78)</td>
<td>0.05 (0.83)</td>
</tr>
<tr>
<td>Perceived Knowledge (KNOWF3)</td>
<td>0.16* (2.56)</td>
<td>0.09 (1.29)</td>
<td>0.03 (0.38)</td>
<td>-0.007 (-0.12)</td>
</tr>
<tr>
<td>Moral Norms (NORM)</td>
<td>-</td>
<td>-</td>
<td>0.32** (4.74)</td>
<td>0.23** (3.89)</td>
</tr>
<tr>
<td>Expectations of Retail Brands CSR (EXPECT)</td>
<td>-</td>
<td>-</td>
<td>0.05 (0.66)</td>
<td>0.18* (2.91)</td>
</tr>
<tr>
<td>Attitudes towards patronizing retail brands engaged in CSR (ATT)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.25** (5.14)</td>
</tr>
<tr>
<td>Gender</td>
<td>0.02 (0.61)</td>
<td>0.13* (3.02)</td>
<td>0.06 (1.25)</td>
<td>0.01 (0.32)</td>
</tr>
<tr>
<td>Education</td>
<td>-0.09* (-1.98)</td>
<td>-0.14* (-2.80)</td>
<td>0.07 (1.40)</td>
<td>0.07 (1.46)</td>
</tr>
<tr>
<td>Income</td>
<td>0.30** (6.19)</td>
<td>0.30** (6.19)</td>
<td>0.20* (0.19)</td>
<td>0.04 (0.69)</td>
</tr>
</tbody>
</table>

| R²                                      | 44.2%        | 43.1%        | 24.1%        | 47.3%        |

*p < 0.05, **p ≤ 0.001

*t-ratios are in parentheses and significant effects were in bold font (t ≥ 2.00)

R² – Percent of variance explained due to independent variables
A positive relationship was hypothesized between universalistic values and expectations regarding apparel retail brands’ ethical behavior (H3a). A positive and significant relationship ($\beta = 0.42$, $p < 0.01$) was found between these two variables, supporting H3a and indicating that an individual’s values have an effect on their expectations. However, no significant relationship was found between benevolent values and expectations regarding apparel retail brands’ ethical behavior and therefore hypothesis H3b was not supported. Expectations regarding brands’ ethical behavior were hypothesized to have an effect on attitudes towards patronizing apparel retail brands engaged in CSR (H4). However, no support was found for this hypothesis.

Hypotheses 5a, 5b and 5c postulated relationships between consumers’ knowledge of environmental and social issues in the apparel industry and their expectations regarding apparel retail brands’ ethical behavior. Knowledge of environmental issues in the apparel industry was hypothesized to have a positive effect on expectations regarding apparel retail brands’ ethical behavior (H5a). The path coefficient for this relationship was significant ($\beta = 0.19$, $p < 0.05$), supporting this hypothesis. However, no significant relationship was found between either consumers’ knowledge of social issues in the apparel industry or their perception of their knowledge regarding apparel brands’ ethical behavior, and their expectations regarding apparel retail brands ethical behavior, therefore H5b and H5c respectively were not supported. No significant relationship was found between knowledge of environmental issues, knowledge of social issues or consumers’ perception of their knowledge regarding apparel retail brands’ ethical behavior and consumers’ attitudes towards apparel retail brands engaged in CSR. Thus, hypotheses H6a, H6b, and H6c were not supported. It was surprising to find that knowledge was not a predictor of consumers’ attitudes towards apparel retail brands engaged in CSR.
Knowledge regarding environmental issues in the apparel industry was found to have a positive significant effect (H7a) on patronage intentions towards apparel retail brands engaged in CSR (β = 0.17, p < 0.05). Knowledge of social issues and consumers’ perception of their
knowledge regarding apparel retail brands’ ethical behavior did not appear to have an effect on their patronage intentions, thus hypotheses H7b and H7c were not supported.

Hypothesis H8 posited a positive relationship between expectations regarding apparel brands’ ethical behavior and intentions to patronize apparel retail brands engaged in CSR. A positive and significant relationship ($\beta = 0.18, p < 0.05$) was found between these two variables, providing support for H8. Attitudes towards patronizing apparel retail brands engaged in CSR also had a positive, significant relationship ($\beta = 0.25, p < 0.01$) on patronage intentions, providing support for H9.

No significant relationship was found between any of the demographic variables (gender, education and income) and intentions to patronize apparel retail brands engaged in CSR. Thus hypotheses H10a, H10b, and H10c were not supported. Previous studies have demonstrated contradictory findings regarding the relationship between demographic characteristics and patronage intentions, especially in the area of apparel purchases (Brown & Wahlers, 1998; Shrum, McCarty, & Lowrey, 1995; Shim, 1995; Butler & Francis, 1997; Dickson, 2000).

**Discussion of Hypothesis Testing Results**

The hypothesized relationships between expectations of retail brands’ ethical behavior, moral norms and benevolent values (H1b, H3b) did not yield significant results. Minimal research has explored the role of benevolent values in the context of consumers’ ethical decision-making; further research is needed to better understand the role of these values in consumer behavior. Additionally, no relationship was found between expectations regarding retail brands’ ethical behavior and attitudes towards patronizing apparel retail brands engaged in CSR. As noted above, the lack of an established measure for assessing expectations regarding retail brands’ ethical behavior may have contributed to these findings.
The non-significant relationships observed between knowledge of social issues and expectations regarding apparel retail brands’ ethical behavior (H5b) and between consumers perceived knowledge and expectations of apparel retail brands’ ethical behavior (H5c) may be related to the way the expectations of ethical behavior construct was measured. The items for this scale were adapted from Creyer & Ross (1997). Previous literature discussed the concept of expectations only in general; no studies have focused on this concept in the specific context of apparel and textiles purchase behavior. Furthermore, the lack of support for hypotheses H6a, H6b and H6c was unexpected given that previous studies found consumer knowledge of environmental and social issues to be a strong predictor of their attitudes (Dickson, 1999; Kozar & Connell, 2010).

Additionally, there was no support for hypotheses H7b and H7c, which posited a positive relationship between knowledge of social issues, perceived knowledge about ethical issues in the apparel industry and intentions to patronize apparel retail brands engaged in CSR. This finding is also surprising as previous studies have shown that knowledge of social issues is an antecedent to patronage intentions. This disparity between the present study’s findings and those of previous studies may be due to sample demographics (Dickson, 1999; Kozar & Connell, 2010). Previous studies primarily used students as their sample, often students majoring in fields related to apparel and textiles, meaning that they were likely to have more knowledge than the average consumer, whereas the present study used a national sample representative of U.S. consumers.

The predictors of consumer attitudes and the role of benevolent values in ethical decision-making, especially in the context of apparel purchasing, clearly needs further exploration. Identifying the factors that influence consumers’ patronage intentions and strengthening or refining existing measures of consumers’ expectations regarding retail brands’
ethical behavior would enable and enhance future research associated with consumers’ ethical decision-making.

**Alternate Model**

To achieve a more a parsimonious model Kline (2007) recommends specifying an alternate model. Re-specification of the model should primarily be done based on theoretical assumptions and should ideally be *a priori* (Kenny, 2009). In this study, modification of the hypothesized model was guided by theory, results of CFA, diagnostic checks of the original structural model and model modification indices.

Model testing of hypothesized model indicated an acceptable fit ($\chi^2 = 1129.924$, df =496 at $p < 0.001$, CFI = 0.94, TLI = 0.92, RMSEA = 0.06 and SRMR = 0.05) (Byrne, 1995). In order to improve the fit of the hypothesized model, an alternate model was developed based on evaluation of factor loadings, standardized residuals and modification indices (Kenny, 2009) (see Figure 3). In this alternate model, some of the paths were fixed at 0 indicating that there was no relationship between the two variables. Based on the results of the initial hypothesized structural model, non-significant paths (gender, education and household income to patronage intention; benevolent values to moral norms and expectations) were deleted and new paths (knowledge to moral norms) were added. The addition of the new path was guided by the theories on which this study was based (TRA and ECT). According to norm-activation theory (Schwartz, 1977), an individual’s behavior can be influenced by norms when they are activated. This activation is dependent on the individual’s awareness of the effect of their behavior. The findings of Harland, Staats & Wilke’s (2007) study investigating situational activators and awareness of need and situational responsibility indicated that knowledge of ethical issues and awareness of a
behavior’s consequences motivated consumers to behave in a responsible manner due to feelings of moral obligation.

![Diagram of consumers' ethical decision-making model]

**Figure 3.** Alternate model of consumers’ ethical decision-making showing relationship between values, norms, knowledge, attitudes, expectations and patronage intentions

**Alternate Model Testing Results**

When compared to the significant paths in the structural model, relationships were stronger (higher standardized estimate) between all paths and all paths were highly significant.

The revised model also improved the chi-square value ($\chi^2 = 860.41$, $df = 349$, $p = 0.00$)
considerably. Furthermore, SEM of the alternate model revealed good fit to the data (CFI = 0.94, TLI = 0.93, RMSEA = 0.06, SRMR = 0.05). The new alternate model provided a more parsimonious model of the relationships between values, norms, knowledge, expectations, attitudes and patronage intentions. The squared multiple correlations ($R^2$) for latent constructs was also much improved compared to the initial hypothesized model. Standardized path coefficients and t-ratios for each path in the alternate model are presented in Table 17 and comparisons of $R^2$ for the initially hypothesized and alternative models are presented in Table 18.

Summary

The analyses detailed in this chapter reveal the importance of universalistic values, moral norms and knowledge of environmental issues in the ethical decision-making process of consumers when contemplating an apparel purchase. Significant new findings include the role of universalistic values and moral norms in the TRA framework. Knowledge of environmental issues also plays a key role in developing consumers’ expectations regarding retail brands’ ethical behavior and intentions to patronize apparel retail brands engaged in CSR. Further, empirical support for a relationship between universalistic values, moral norms and consumer patronage intentions demonstrated that an individual’s inherent value system determine his or her behavior. Additionally, knowledge of environmental issues can significantly affect consumers’ expectations of retail brands’ ethical behavior and their intentions to patronize apparel retail brands engaged in CSR. The next chapter summarizes this study’s research findings and discusses its implications and limitations. As a conclusion, several potential future research areas suggested by this study are presented.
Table 17

Standardized Path Coefficients with t-ratios for Alternate Model

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Paths From</th>
<th>Paths to (Indicators)</th>
<th>B</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Universalistic Values</td>
<td>Moral Norms</td>
<td>0.40</td>
<td>8.32**</td>
</tr>
<tr>
<td>1b</td>
<td>Universalistic Values</td>
<td>Expectations</td>
<td>0.45</td>
<td>9.05**</td>
</tr>
<tr>
<td>2a</td>
<td>Knowledge of Environmental Issues</td>
<td>Moral Norms</td>
<td>0.22</td>
<td>4.07**</td>
</tr>
<tr>
<td>2b</td>
<td>Knowledge of Social Issues</td>
<td>Moral Norms</td>
<td>0.10</td>
<td>1.81</td>
</tr>
<tr>
<td>2c</td>
<td>Perceived Knowledge</td>
<td>Moral Norms</td>
<td>0.15</td>
<td>0.06</td>
</tr>
<tr>
<td>3a</td>
<td>Moral Norms</td>
<td>Attitudes</td>
<td>0.37</td>
<td>5.34**</td>
</tr>
<tr>
<td>3b</td>
<td>Moral Norms</td>
<td>Patronage Intentions</td>
<td>0.25</td>
<td>4.10**</td>
</tr>
<tr>
<td>4</td>
<td>Expectations</td>
<td>Attitudes</td>
<td>0.10</td>
<td>1.36</td>
</tr>
<tr>
<td>5a</td>
<td>Knowledge of Environmental Issues</td>
<td>Expectations</td>
<td>0.21</td>
<td>3.70**</td>
</tr>
<tr>
<td>5b</td>
<td>Knowledge of Social Issues</td>
<td>Expectations</td>
<td>-0.05</td>
<td>-0.78</td>
</tr>
<tr>
<td>5c</td>
<td>Perceived Knowledge</td>
<td>Expectations</td>
<td>0.10</td>
<td>1.51</td>
</tr>
<tr>
<td>6a</td>
<td>Knowledge of Environmental Issues</td>
<td>Attitudes</td>
<td>0.06</td>
<td>0.94</td>
</tr>
<tr>
<td>6b</td>
<td>Knowledge of Social Issues</td>
<td>Attitudes</td>
<td>0.01</td>
<td>0.05</td>
</tr>
<tr>
<td>6c</td>
<td>Perceived Knowledge</td>
<td>Attitudes</td>
<td>0.01</td>
<td>0.20</td>
</tr>
<tr>
<td>7a</td>
<td>Knowledge of Environmental Issues</td>
<td>Patronage Intentions</td>
<td>0.18</td>
<td>3.47**</td>
</tr>
<tr>
<td>7b</td>
<td>Knowledge of Social Issues</td>
<td>Patronage Intentions</td>
<td>0.06</td>
<td>1.22</td>
</tr>
<tr>
<td>7c</td>
<td>Perceived Knowledge</td>
<td>Patronage Intentions</td>
<td>-0.01</td>
<td>-0.04</td>
</tr>
<tr>
<td>8</td>
<td>Expectations</td>
<td>Patronage Intentions</td>
<td>0.22</td>
<td>3.83**</td>
</tr>
<tr>
<td>9</td>
<td>Attitudes</td>
<td>Patronage Intentions</td>
<td>0.26</td>
<td>5.68**</td>
</tr>
</tbody>
</table>

*p < 0.05, **p ≤ 0.001

Table 18

Comparison of $R^2$ for Hypothesized Model and Alternative Model

<table>
<thead>
<tr>
<th>Latent Construct</th>
<th>Hypothesized Model</th>
<th>Alternative Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral Norms</td>
<td>30.5%</td>
<td>37.3%</td>
</tr>
<tr>
<td>Expectations</td>
<td>35.6%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Attitudes</td>
<td>18.7%</td>
<td>19.8%</td>
</tr>
<tr>
<td>Patronage Intentions</td>
<td>43.8%</td>
<td>46.2%</td>
</tr>
</tbody>
</table>

$R^2$ – Percent of variance explained due to independent variables
CHAPTER 5. SUMMARY AND CONCLUSIONS

Human consumption decisions and activities create an escalating cycle of supply and demand that threatens the sustainability of the planet (Jackson, 2005). This study specifically focused on the apparel retail industry context. This industry is largely consumer-driven and the processes involved in producing, distributing, and selling apparel related goods significantly affect global sustainability (Fletcher, 2008). Responding to escalating consumer demands and to sustain in the price sensitive market, apparel companies are increasingly outsourcing apparel manufacturing to developing and under-developed countries. This helps them to be competitive in the market and earn higher profits due to the very low costs of manufacturing in such countries. However, there are several drawbacks to this approach. Developing and under-developed countries do not have sound labor laws and environment protection guidelines, which results in poor working conditions, disposal of hazardous chemical wastes in rivers and streams, and increased pollution due to carbon emissions (Textiles Intelligence, 2008).

To address these concerns, apparel retail companies are incorporating socially responsible ways of conducting business, referred to as corporate social responsibility (CSR) practices, into their overall corporate strategy. Research studies in other domains show that consumers are increasingly taking retail brands’ business practices into account when making purchase decisions (Bhattacharya & Sen, 2004; Brown & Dacin, 1997; Smith and Alcorn, 1991; Creyer, 1997; Mohr & Webb, 2005; Porter & Kramer, 2002; Ricks, 2005). To date, consumer behavior studies with respect to apparel retail brands’ CSR practices are minimal and there has been very limited research (Gupta & Hodges, 2012) into whether consumer awareness of environmental and social issues in the apparel industry influences the decision to patronize apparel retail brands engaged in CSR. Furthermore, from a socio-psychological perspective, very
little is known about the extent to which consumers’ personal value systems determine their willingness to patronize such brands. Based on market research reports (Cone Inc., 2013; Ryan 2006) and relevant literature in consumer behavior and ethical decision making (Bhattacharya & Sen, 2004; Carrigan & Attalla, 2001; Conner & Armitage, 1998; Schwartz, 1992), this study was undertaken to address these research gaps. This chapter summarizes the study and discusses its results. Conclusions, implications, and limitations of the present study are presented, and recommendations for future research are discussed.

**Summary of Research**

The purpose of this study was to explore the role of factors thought to influence the ethical decision making process of consumers in an apparel purchasing context. Based on the theory of reasoned action (TRA) and expectations-confirmation theory (ECT), the present study specifically examined the role of personal values (universalism, benevolence), moral norms, knowledge of environmental and social issues in the apparel industry, and expectations of brands’ ethical behavior on consumers’ attitudes and their intentions to patronize apparel retail brands engaged in CSR activities. The objectives were: a) to identify variables that impact a consumer’s decisions to patronize apparel retail brands engaged in CSR, b) to propose and operationalize a model integrating the above variables, and c) to empirically test a proposed model using a random sample of US consumers.

U.S. consumers over the age of 18 were invited to participate in this study using the services of a market research company. An online survey was used for data collection. A total of 405 responses were used for statistical analyses, encompassing preliminary analysis and model testing. Preliminary analysis of the data consisted of descriptive analysis, exploratory factor
analysis (EFA), evaluation of internal consistency, and correlation analysis. Confirmatory factor analysis (CFA) for each construct was also performed (Muthén & Muthén, 2000).

Model testing was conducted using both a measurement model and a structural model. Model testing was done through maximum-likelihood estimation procedures (Muthén & Muthén, 2000). A measurement model with all constructs was specified along with three structural models. As a first step, a fully recursive model was specified followed by specification of the hypothesized model. The results of the fully recursive model were used to test the hypotheses of the study. The next step was re-specification of an alternate model. Research variables included in the structural model testing were personal values (universalism, benevolence), knowledge of environmental and social issues in the apparel industry, moral norms, expectations of brands’ ethical behavior, and consumer attitudes and their intentions to patronize apparel retail brands engaged in CSR activities. Categorical variables such as gender, education and household income were also introduced as covariates within the model. Chi-square statistics and fit indices – comparative fit index (CFI), Tucker-Lewis fit index (TLI), root mean square error of approximation (RMSEA) and standardized root mean square residual (SRMR) – were calculated and examined. Results indicated an acceptable fit of the model to the data; however, some of the hypothesized paths were statistically non-significant.

**Summary of Results**

Data analysis was conducted in two steps: preliminary analysis and model testing. Preliminary analysis included descriptive statistics such as mean and standard deviation of all measures. Demographic characteristics of the sample were also examined and the sample was equally distributed in terms of age, gender, educational attainment, and household income.
To identify the dimensionality of research variables, principal component analysis (PCA) was conducted for multi-item research variables – universalistic and benevolent values, knowledge of environmental and social issues, moral norms, expectations, attitudes, and patronage intentions. This step was undertaken since measures for this study were adapted from other studies and applied in the context of consumers’ ethical decision making with respect to apparel purchases. Knowledge of environmental and social issues had three dimensions: knowledge of environmental issues, knowledge of social issues and perceived knowledge. Knowledge of environmental issues represented consumers’ knowledge regarding environmental issues in the apparel and textile industries. Knowledge of social issues reflected consumers’ awareness of social issues prevalent in the apparel and textiles industries. Perceived knowledge construct described consumers’ self-perception of the subjective knowledge of social and environmental issues in apparel industry. PCA revealed that the other research variables converged into a single dimension. The internal consistency of multiple indicators was examined using Cronbach’s alpha coefficients, which were found to be acceptable for all of the research variables ($\alpha = 0.85$ to 0.93).

Confirmatory factor analysis (CFA) for each construct and measurement model testing were also performed (Muthén & Muthén, 2000). CFA for the full model was conducted by specifying a measurement model. The fit indices of the measurement model showed a good fit ($\chi^2 = 1040.593$, $df = 427$ at $p$ value < 0.001, CFI = 0.94, TLI = 0.93, RMSEA = 0.06 and SRMR = 0.05). Research variables included in the analysis of the structural model were universalistic values, benevolent values, knowledge of environmental issues, knowledge of social issues, perceived knowledge, moral norms, expectations, attitudes and patronage intentions. Mean scores for all of the research variables were calculated and used for path analysis. The fit indices
for the hypothesized model ($\chi^2 = 1260.44$, $df = 512$ at $p$ value < 0.001, CFI = 0.93, TLI = 0.91, RMSEA = 0.06 and SRMR = 0.07) and fully recursive model ($\chi^2 = 1129.924$, $df = 496$ at $p$ value < 0.001, CFI = 0.94, TLI = 0.92, RMSEA = 0.06 and SRMR = 0.05) indicated a good fit to the data. The fully recursive model was then analyzed to test the hypotheses. The model included five exogenous variables (universalistic values, benevolent values, knowledge of environmental issues, knowledge of social issues, perceived knowledge) and four endogenous variables (moral norms, expectations, attitudes and patronage intentions). Hypotheses 1a and 1b focused on testing the relationship between universalistic values, benevolent values and moral norms. Moral norms were found to be predicted by universalistic values (Hypothesis 1a) but not by benevolent values (Hypothesis 1b). Favorable attitudes towards patronizing apparel retail brands engaged in CSR were predicted by moral norms (Hypothesis 2a). Moral norms were found to be predictive of intentions to patronize apparel retail brands engaged in CSR (Hypothesis 2b).

Hypotheses 3a and 3b explored the influences of consumers’ values on the formation of their expectations of apparel retail brands’ ethical behavior. It was found that universalistic values had a positive relationship to expectations of ethical behavior (Hypothesis 3a). This suggests that consumers who place a higher importance on equal opportunities, protection of environmental resources, and social justice had higher expectations regarding apparel retail brands’ ethical behavior. However, benevolent values were not found to be significant predictors of consumer expectations of brands’ ethical behavior (Hypothesis 3b). Hypothesis 4 examined the relationship between consumer expectations of apparel retail brands and their attitudes towards patronizing apparel retail brands engaged in CSR. This hypothesis was not supported.

Hypotheses 5a, 5b and 5c tested the relationship between consumer knowledge of environmental issues, knowledge of social issues, perceived knowledge and expectations of
apparel retail brands’ ethical behavior. A positive relationship was observed between consumers’ knowledge of environmental issues and their expectations of apparel retail brands’ ethical behavior (Hypothesis 5a). Hypotheses 5b and 5c were not supported.

Hypotheses 6a, 6b and 6c focused on testing relationships among consumer knowledge of environmental issues, knowledge of social issues, perceived knowledge and attitudes towards patronizing apparel retail brands engaged in CSR. No relationship was found among these four variables. However, knowledge of environmental issues (H7a), expectations of apparel retail brands’ ethical behavior (H8) and attitudes towards patronizing apparel retail brands engaged in CSR (H9) were found to have a significantly positive impact on intentions to patronize such brands. Knowledge of social issues (H7b) and perceived knowledge (H7c) did not have any influence on patronage intentions. Hypotheses H10a, H10b and H10c explored whether there were any differences in patronage intentions based on gender, education or household income. No differences were found, hence, these hypotheses were not supported.

To improve the fit of the hypothesized model and to develop the most parsimonious model, an alternate model was developed by examining modification indices of the research variables, deleting non-significant paths and adding new paths. All modifications to the hypothesized model were based on theory. The hypothesized and alternate model differed in few ways that need to be noted. First, the results of the hypothesized model showed that none of the demographic characteristics influenced consumers’ patronage intentions towards apparel retail brands engaged in CSR. The few studies that have explored the role of demographic variables in consumers’ ethical decision making found similar results (Antil, 1984; Brown & Wahlers, 1998; Shrum, McCarty, & Lowrey, 1995; Shim, 1995; Butler & Francis, 1997; Dickson, 2000). Secondly, benevolent values did not have any significant relationship with individuals’ moral
norms and their expectations of ethical behavior. Benevolent values have not been explored in the apparel consumption context, however, this value type has seen to be an important predictor of ethical consumerism in few studies pertaining to food choices (Shaw, Grehan & Shiu, 2005; Vermeir & Verbeke, 2004). The present study did not include subjective norms in the model and that may explain the weak relationship of benevolent values with other variables in the model. Finally, the findings of hypothesized model revealed that knowledge of social issues did not have a positive relationship with consumers’ attitudes and intentions to patronize apparel retail brands engaged in CSR. The aforementioned insignificant paths were fixed at zero in the alternate model.

Based on the fit indices, the alternate model ($\chi^2 = 860.41$, $df = 349$, $p = 0.00$, $CFI = 0.94$, $TLI = 0.93$, $RMSEA = 0.06$, $SRMR = 0.05$) provided improved fit and greater parsimony over the hypothesized model ($\chi^2 = 1260.44$, $df = 512$ at $p < 0.001$, $CFI = 0.93$, $TLI = 0.91$, $RMSEA = 0.06$ and $SRMR = 0.07$). By fixing some of the paths at zero, independent variables in the alternate model exhibited an increase in $R^2$ by two to seven percent (Table 18). Thus, the percent of variance explained in the dependent variables due to the independent variables was higher in alternate model providing greater explanatory power.

The present study proposed an alternate model based on analysis of the hypothesized model fit. This model could be further tested using cross validation strategy. This method involves randomly splitting a sample into two groups – exploration sample and validation sample (Cudeck & Browne, 1983). The exploration sample facilitates model building through a series of testing and refining procedures. The resulting model is confirmed in the other half of the sample, as a validation sample, without further model modification. This strategy has been used to solve
problems which may arise from sample dependent models (i.e., a model created based on sample-specific results) by combining exploring and validating analyses (Bollen, 1989).

Conclusions

This study was a first attempt to examine the interrelationships among consumers’ personal values (universalism and benevolence), knowledge of environmental and social issues, moral norms, expectations, attitudes and intentions towards patronizing apparel retail brands engaged in CSR based on the theory of reasoned action (TRA) and expectations-confirmation theory (ECT) in the apparel retail context. The primary goal of the study was to examine the factors that influenced consumers’ intentions to patronize apparel retail brands engaged in CSR. Findings revealed that universalistic values, knowledge of environmental issues in the apparel industry, moral norms, expectations of brands’ ethical behavior and attitudes were all important factors in predicting consumers’ intentions to patronize apparel retail brands engaged in CSR activities.

The overall findings of this study confirmed elements of the TRA and ECT. As proposed in the TRA (Ajzen, 1988) and ECT (Oliver, 1980), attitudes towards patronage intentions were an important factor in predicting consumers’ intentions to patronize apparel retail brands engaged in CSR. These findings are also supported by numerous studies in green consumerism. Sparks and Shepherd (1992) found that intention to buy organic vegetables was significantly influenced by the favorable attitudes the consumer held related to green consumerism. In a study regarding consumer responses to CSR initiatives in advertising, Nan and Heo (2007) found that consumers who were aware of a company’s CSR initiatives had more favorable attitudes towards that company. Experimental research conducted by Bhattacharya & Sen (2003) demonstrated that a similar positive relationship existed between attitudes towards retail brands engaged in
CSR and intentions to purchase from such brands. Results of Vermier and Verbeke (2006) related to sustainable food consumption also found that consumers had more positive attitudes towards and stronger intentions to buy from brands engaged in sustainability-related practices. Furthermore, Kozar and Connell’s (2011) findings suggest that there is a positive relationship between consumers’ attitudes and their intentions to purchase from socially responsible businesses. A similar relationship between attitudes and purchase intentions was also found in studies done by Dickson (1999, 2000, 2006) related to the apparel industry.

Results of the present study confirm earlier findings that societally-centered personal values influence intentions to purchase from brands engaged in socially responsible business practices (Dickson & Littrell, 1996). Universalism values, part of Schwartz’s (1992) self-transcendence value dimension, were found to be important predictors of consumers’ moral norms, their expectations regarding retail brands ethical behavior and patronage intentions. This is congruent with findings of numerous studies that investigated the relationship between values and moral norms. An individual’s altruistic values have been shown to have a positive relationship with their purchase intentions towards eco-friendly, organic or sustainable products (Nordlund & Garvill, 2002; Poortinga, Steg, & Vlek, 2004). Grunert and Juhl (1995) reported that environmental values influence consumers’ decisions to buy organic food. The findings of the present study are consistent with previous empirical studies that suggested a positive relationship between values, attitudes and purchase behavior (Dickson, 2000; Dickson & Littrell, 1996). Specifically, in the context of fair trade apparel consumption, Dickson and Littrell (1996) found that societal-centered personal values (environmental security, principles of social equality, a world at peace, and equal educational opportunities) influenced consumers’ decisions to buy fair trade products. Ma’s (2007) study regarding fair trade and the role of values found a
similar relationship between consumers’ universalistic values and their intentions to purchase fair trade products. Verbeke and Vermeir (2006) found that Schwartz’s (1992) universalism values were strong predictors of attitudes and purchase intentions towards sustainable products. The findings of the present study also indicated that universalistic values were predictors of consumers’ expectations of brands’ ethical behavior. The findings of Mohr & Webb (2005) regarding values, expectations of ethical behavior and intentions in a CSR context also suggest that consumers’ personal values strongly influence their purchase behavior with respect to brands engaged in CSR activities. Consumers’ value orientations have been shown to determine their support of CSR actions (Siltaoja, 2006). This is also consistent with the findings of Basil and Weber (2006) who concluded that consumers’ expectations of CSR depend on their personal value orientation.

Another important finding of this study relates to the influence of consumers’ moral norms on attitude formation and intentions to patronize apparel retail brands engaged in CSR. Results of numerous studies in different domains have shown a positive relationship between moral norms, attitudes and purchase intentions in an ethical context (Arvola, Vassallo, Dean, Lampila, Saba, Lähteenmäki, Shepherd, 2007; Buchan, 2005; Dean, Raats, & Shepherd, 2008; Godin, Conner, & Sheeran, 2005; Haines, Street, & Haines, 2008). The findings of this study demonstrated a positive influence of moral norms on consumers’ attitude formation and patronage intentions in an ethical context. Moral norms have an important influence on behaviors with a moral or ethical dimension (Manstead, 2000). This provides support for the extension of TRA (Ajzen, 1988) and theory of planned behavior (TPB) (Ajzen, 1991) to include the moral norms construct in their theoretical frameworks. Moral norms form an additional form of
normative pressure and thus including them in the TRA and TPB framework will provide higher explanatory power for these theories in ethical decision making contexts (Ajzen, 1991).

Consumer expectations regarding firms’ ethical behavior form rationale for marketers to incorporate CSR activities into their business practices (Golob, Lah, & Jancic, 2008). In this study, knowledge of environmental issues in the apparel industry and universalism values were found to be strong predictors of consumer expectations of retail brands’ ethical behavior. These results are consistent with Golob et al. (2008) who found that consumers with higher self-transcendent (universalism and benevolent) values have higher expectations of companies’ involvement in CSR practices. This is also in line with Basil and Weber’s (2006) false consensus effect, where individuals form expectations of retail brands’ ethical behavior in accordance with their own value orientations.

Consumer awareness of environmental and social issues also contributes to the development of expectations that companies will engage in socially responsible business practices (Smith, 2003; Dawkins & Lewis, 2003). The present study did not find support for benevolent values as a predictor of moral norms, expectations, attitudes or patronage intentions. The correlation between universalistic and benevolent values was high (r = 0.79). Model tests with benevolent values alone were conducted to ensure that multicollinearity did not have a suppressor effect between benevolent values and other variables. The non-significant influence of benevolent values could be due to the holistic approach to CSR used in the present study. Schwartz (2012, p.9) defines benevolent values as “preserving and enhancing the welfare of those with whom one is in frequent personal contact (the ‘in-group’)”. The conceptual model developed in the present study did not test the normative pressure exerted in a social context.
(measures of subjective norms). This could also explain the weak insignificant relationship found between benevolent values and other variables in the study.

It was surprising to find that knowledge of environmental and social issues were not predictors of attitudes towards patronizing apparel retail brands engaged in CSR in the present study. These findings are in opposition to prior studies (Butler & Francis, 1997; Hawley, 2006; Kozar & Connell, 2010). Dickson (1999) noted that although consumers may be knowledgeable about ethical issues in the apparel industry, this may not have a direct positive relationship with attitudes or purchase intentions, as consumers are not willing to pay more or sacrifice style to address these issues. Carrigan and Attalla (2001) and Page and Fearn (2005) reported that when making purchase decisions consumers ranked price, quality and value as more important attributes than socially responsible behavior of the brand, acknowledging a gap between knowledge, attitudes and intentions with respect to the socially responsible practices of retail brands. Another factor that may have impacted the relationship between knowledge and attitudes in this study is consumer skepticism. Skepticism has been studied extensively in advertising contexts and mainly deals with distrust of a firm’s motives in its promotions (Forehand & Grier, 2003). Morsing and Schultz (2006) found that brand communications related to CSR were not taken seriously by some consumers due to their mistrust of such claims when coming from the brand itself, as opposed to from a third party. In addition, consumers who consider CSR as an inappropriate theme for marketing communications, or do not support the notion of CSR in general, may automatically view such messages skeptically (Pomering & Johnson, 2009).

Knowledge of environmental issues in the apparel retail industry was found to significantly predict consumers’ intentions to patronize apparel retail brands engaged in CSR activities in the present study. This is congruent with the findings of Kozar and Connell (2010,
2013) who investigated the relationship between social and environmental responsibility, knowledge, and purchasing behavior. Hustvedt and Bernard (2010) found that consumers with more knowledge of a brand’s socially responsible practices were more receptive towards buying from that brand and were willing to pay a higher premium for its apparel products. Additionally, Hustvedt and Dickson (2009) found that consumers who had a greater awareness of the environmental impacts of apparel production considered environmental issues in their purchase decisions more often than consumers who were less aware. Another important finding of this study concerns the strong relationship between consumer attitudes towards retail brands engaged in CSR and their patronage intentions towards such brands. Numerous studies within the apparel discipline have found similar relationships between these variables (Kim, Littrell & Ogle, 1999; Kozar & Connell, 2013; Hustvedt & Dickson, 2009).

This study was not able to statistically distinguish U.S. consumers’ intentions to patronize apparel retail brands engaged in CSR activities by gender, education or household income. Gender does not seem to influence ethical decision making (Tsalikis & Ortis-Buongafina, 1990; Sikula & Costa, 1994). Other studies (Diamantopoulos, Schlegelmilch, Sinkovics, & Bohlen, 2003; Roberts, 1995) concluded that demographics are not very significant predictors of socially responsible consumer behavior due to increased ethical concern and awareness across all consumer segments.

Overall, the results of the present study confirm the applicability of TRA and ECT to the ethical decision making by consumers concerning apparel products in retail settings. In this study, beliefs (knowledge) and attitudes were found to be important predictors of behavioral intentions (Ajzen, 1988) related to patronizing apparel retail brands engaged in CSR. Among the four antecedents (knowledge of environmental issues, moral norms, consumers’ attitudes and
expectations of ethical behavior) that showed significant relationships with patronage intentions towards apparel retail brands engaged in CSR, moral norms and attitudes towards patronizing apparel retail brands engaged in CSR had the highest effect on patronage intentions. The most important contribution of this study concerns the importance of universalism values and moral norms in ethical decision making in an apparel purchasing context. To conclude, the results indicate that the consumers in this sample clearly value apparel retail brands’ CSR and use this information when considering apparel purchases. The findings indicate that CSR has dual benefits, serving as a viable organizational activity that creates goodwill and positive brand associations, and as a business strategy that may have positive performance outcomes for apparel retail firms.

**Implications**

This study provided an initial investigation of the complex process of consumers’ decisions to patronize apparel retail brands engaged in CSR. Findings indicated that individual characteristics, like personal values and moral norms, have a significant positive impact on patronage intentions towards apparel retail brands engaged in CSR. Knowledge of environmental issues, expectations of brands’ ethical behavior and attitudes also influenced consumers’ patronage intentions.

The present study provides valuable insights from both theoretical and practical perspectives. Several important marketing and management implications emerged from this study for apparel retail brands engaged in CSR or planning to engage in CSR in the future. First, consumers with higher universalism values and moral norms were more receptive to apparel brands’ CSR activities. They also had higher expectations regarding retail brands’ ethical behavior in business practices. These strongly determined their patronage intentions towards
apparel retail brands engaged in CSR. Second, from a marketing perspective this study’s findings show the need to incorporate CSR into strategic marketing and corporate communications decisions. Given the changing consumer dynamics – i.e., more ethically aware consumers who have higher moral norms and values – this study provides important directions to apparel retail brands wishing to take both profit-based and ethical considerations into account in their business decisions. The findings of the present study also demonstrated that both knowledge (environmental issues) and universalism values are good predictors of expectations of retail brands’ ethical behavior, which suggest that companies can effectively leverage value from CSR.

With respect to marketing communications, apparel retail brands should address consumers’ CSR expectations by integrating their company’s socially responsible practices into their marketing and marketing communications. This could be done in many ways, from overt advertising campaigns extolling their CSR activities to communication through labeling (Hustvedt & Bernard, 2008). The findings of this study show that universalism values, moral norms and ethical behavior expectations are important factors influencing consumers; these should be part of an overall marketing strategy since they can form the basis of consumer reactions and thus affect brand equity and corporate reputations as well as profit.

Most importantly, this study demonstrates that some of the key determinants (knowledge of environmental issues and expectations of brands’ ethical behavior) of consumers intentions to patronize apparel retail brands engaged in socially responsible business practices can be successfully influenced by coordinated marketing communication efforts and the provision of information regarding apparel retail brands’ socially responsible business practices. The findings of the present study showed that there is positive relationship among consumers’ awareness of environmental issues, their expectations of retail brands ethical behavior and patronage
intentions. This shows that if businesses promoted information regarding their responsible practices, consumers are more likely to take them into account during their purchase decisions.

Corporate social responsibility is an essential “non-product” dimension of a brand. Consumers evaluate a brand based on its overall image and reputation. Apparel brand marketers should recognize consumers’ abilities to accurately evaluate their CSR programs and make efforts to promote such activities as a way of reputation building. To address consumer skepticism of corporate claims, marketing communications should provide specific, verifiable details about how the company’s CSR activities address environmental or social issues. Effective CSR communication can be a powerful weapon in the highly competitive apparel retail industry.

This study is among the very few that have closely looked at CSR research in the apparel and textiles or retailing disciplines. As such, it contributes immensely towards theory development regarding the ethical decision making process of consumers. From a theoretical perspective, inclusion of personal values and norms in the TRA framework provides more explanatory power to this behavioral theory. This study also proposes new linkages that provide a different perspective on consumers’ ethical decision making. The findings of this study strongly support other studies that have posited the inclusion of values and norms in TRA and TPB frameworks (Conner & Armitage, 1998; Manstead, 2000; Armitage & Conner, 2001; Gorsuch & Ortberg, 1983; Sparks & Shepherd, 2002). Furthermore, the results of this study provide impetus for further theory testing in this largely unexplored area and contribute towards a richer understanding of the underlying dynamics among CSR, consumer expectations of ethical behavior, and intentions to patronize apparel retail brands engaged in CSR.


Limitations

This study has several limitations to be noted in terms of both sampling and research design. The national sample was balanced in terms of demographics, but the survey was administered online using the services of a market research company; this means that the national sample was limited to people who had access to the internet and were participants in the company’s consumer panel. The sample results may therefore not completely reflect the characteristics of the population as a whole, and the generalization of findings may be somewhat limited. The sample size of this study was approximately 400. A larger more representative sample would strengthen the findings of this study. This study used web-based questionnaire and hence social desirability of answers could not be controlled.

This study examined the behavioral intentions of consumers and did not extend the research to examine actual behavior. The absence of a measure of actual behavior limits the findings of this study, as some studies have shown a gap between intentions to behave and actual behavior (Carrington, Neville, & Whitwell, 2010; Auger & Devinney, 2007). However, it can be argued that behavioral intention and actual behavior are strongly correlated (Verbeke & Vermier, 2006). The specific aim of this study was to determine the factors involved in consumers’ ethical decision making process and hence the link between beliefs, attitudes and intention was of interest. This study was specific to the apparel retail industry; in real life purchase situations there could be numerous confounding variables that may influence consumers’ decisions, including style, comfort, trends, availability and price. Other product and situational factors will certainly play an important role and provide basis for future research.
Future Research Directions

Given the strong predictive relationship between consumers’ values-moral norms-knowledge-attitudes and patronage intentions regarding apparel products sold at retail, the results of this study support the need for a comprehensive research agenda surrounding the CSR domain. Future research might include the analysis of other outcome variables (repeat purchase, consumer loyalty, satisfaction, brand reputation) in conjunction with CSR and should examine these with both apparel retail consumer groups and other stakeholder groups. In sum, by incorporating CSR and other non-product attributes into the research agenda, new theoretical linkages may be identified that will contribute towards a better understanding of the complex apparel retail decision making process of consumers. This study examined only two motivating factors (knowledge and values) that influence consumer expectations of ethical behavior on the part of apparel brands. Subsequent studies should identify and empirically test other potential factors based on the literature that may more fully explain consumers’ expectations regarding retail brands’ ethical behavior.

To further validate the results of this study, scenario-based experimental research could also be designed. Scenarios encompassing environmental and social issues could be developed and participants randomly assigned to determine whether the relationship between values, attitudes and intentions still holds good. This study looked at the positive role of Schwartz’s (1992) self-transcendent values (universalism and benevolence). Other values, especially self-enhancement (achievement, power and hedonism) values, should be explored to determine the nature of their relationship with other variables in the TRA and TPB theoretical frameworks, specifically as they relate to consumers’ ethical decision making process. A comprehensive
investigation of other personal values may improve the predictive validity of TRA and TPB in the apparel purchasing context.

This study provides important insights into the nature of values and expectations in the TRA framework and consumers ethical decision making context. A study based on a larger sample would provide more support and also confirm the stability of these important findings within an existing model of ethical consumer decision making. As this is the first study of its kind to address the apparel purchasing behavior of U.S. consumers, it is recommended that this study be replicated with consumers in other geographical areas and cultural settings. The alternate model proposed in the present study could be further tested using a cross validation strategy (Cudeck & Browne, 1983).

The present study investigated the role of consumers’ pre-purchase expectations on their patronage intentions towards apparel retail brands engaged in CSR. Further exploration of what factors influence consumers pre-purchase expectations would certainly add towards gaining more understanding of this variable in consumers’ ethical decision making context.

This research is an important first step towards understanding consumer psychology and how it interacts with CSR strategies on the part of apparel retail brands. This study used a survey for data collection in which consumers had to self-report and therefore social desirability may have played a role. This study measured only purchase intentions and not actual behavior; concerns about the intention-behavior gap (Carrington, Neville, & Whitwell, 2010; Auger & Devinney, 2007) could be addressed by incorporating experimental items in the survey to measure actual behavior.

Finally, this study introduced personal values and expectations into one specific behavioral theory, the theory of reasoned action (TRA). To further test and validate the findings
of this theory, other variables within TRA and TPB could be introduced in an ethical decision making context. To extend this theory, and to give it stronger explanatory power, measures of subjective norms and perceived behavioral control could be introduced into the research framework used in this study.
REFERENCES


Carrington, M. J., Neville, B. A., & Whitwell, G. J. (2010). Why ethical consumers don’t walk their talk: Towards a framework for understanding the gap between the ethical purchase intentions and actual buying behavior of ethically minded consumers. *Journal of Business Ethics, 97*(1), 139-158.


### SECTION 1: Guiding Principles in your life

Please rate the following statements based on their importance in your life. Please click from a scale of 1 – 7 where 1 = Extremely Unimportant, 4 = Neutral, 7 = Extremely Important

<table>
<thead>
<tr>
<th></th>
<th>Extremely Unimportant</th>
<th>Neutral</th>
<th>Important</th>
<th>Extremely Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>True friendship (close, supportive friends)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Loyal (faithful to my friends, group)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Honest (genuine, sincere)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Helpful (working for the welfare of others)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Responsible (dependable, reliable)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>A spiritual life (emphasis on spiritual not material matters)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Meaning in life (a purpose in life)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Mature love (deep emotional and spiritual intimacy)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Forgiving (willing to pardon others)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Equality (equal opportunity for all)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>A world at peace (free of war and conflict)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Unity with nature (fitting into nature)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Social justice (correcting injustice, care for the weak)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Broad-minded (tolerant of different ideas and beliefs)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Protecting the environment (preserving nature)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>A world of beauty (beauty of nature and the arts)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Inner Harmony (at peace with myself)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Wisdom (a mature understanding of life)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION 2: Your KNOWLEDGE about environmental and social issues in apparel and textiles industry

Please click from a scale from 1 - 7 where 1 = Know very little about them, 4 = Neutral, 7 = Know a lot

<table>
<thead>
<tr>
<th></th>
<th>Know very little</th>
<th>Neutral</th>
<th>Know a lot</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Chemical pollutants are produced during manufacturing of synthetic or manufactured fibers such as polyester.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Chemical pollutants are not produced during processing of natural fibers such as cotton.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Federally and regionally mandated standards for clean air and water have not yet been imposed on textile companies.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Air pollution can occur during some common dye processes of textiles.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Textile dyeing and finishing processes use a lot of water.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Phosphate-containing laundry detergents can be a source of water pollution.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Use of child labor is not a general practice among apparel manufacturers</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Apparel manufacturers generally pay their employees at least the local minimum wage</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Apparel manufacturers generally have their employees work no more than 40 hours per week.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Apparel manufacturers generally provide non-hazardous workplaces for their employees.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. I am knowledgeable about socially responsible apparel businesses.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. I believe that I am informed about issues in apparel manufacturing businesses</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Corporate Social Responsibility (CSR): CSR is defined as an organization’s activities and decisions that favorably impact society and the environment beyond the minimum of legal compliance. CSR promotes sustainable development through organizations’ ethical and transparent behavior. The scope of CSR as defined in ISO:26000 standard encompasses seven broad core subjects: environment, labor practices, fair operating practices, human rights, community involvement and development, consumer issues and its integration in corporate governance.

SECTION 3: Your FEELINGS about purchasing apparel from retail brands engaged in CSR

Please indicate the number that best describes your feelings about your apparel purchase in the below context

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Neutral</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

Purchasing apparel from retail brands involved in CSR activities **VERSUS** not purchasing from retail brands not involved in CSR will make me

1. feel like making a personal contribution to something better
2. feel like the morally right thing
3. feel like a better person

SECTION 4: Your ATTITUDES about purchasing apparel from retail brands engaged in CSR

Please indicate the number that best describes your feelings about your intentions to patronize apparel retail brands involved in CSR

Buying apparel from retail brands involved in CSR activities versus not buying from retail brands not involved in CSR would make me feel

<table>
<thead>
<tr>
<th>Bad</th>
<th>Not Contented</th>
<th>Not Pleased</th>
<th>Not Satisfied</th>
<th>Good</th>
<th>Contented</th>
<th>Pleased</th>
<th>Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3</td>
<td>-2</td>
<td>-1</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
SECTION 5: Expectations of apparel retail brands ethical behavior

Please indicate the level of agreement to the statements below, click from a scale from 1 - 7 where 1 = Strongly disagree, 7 = Strongly Agree

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Neutral</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I expect the apparel retail brands that I patronize to act ethically at all times.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Apparel retail brands have a responsibility not to ever act unethically</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Apparel retail brands have a responsibility to always act with the highest of ethical standards</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Apparel retail brands really should be ethical in conducting their business activities</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION 6: Involvement in sustainable activities

1. Are you a member of any non-profit organization that supports environmental or social causes? (e.g., Greenpeace, Friends of the Earth, Global Oneness project, Revive Africa)
   Yes / No
   If yes, please provide the name of the organization

2. Have supported any cause (e.g., Victoria Secret’s breast cancer campaign, H & M’s Fashion against AIDS ) through purchase of any apparel product? Yes / No
   If yes, please provide the name of the brand and the related cause
**Corporate Social Responsibility (CSR):** CSR is defined as an organization’s activities and decisions that favorably impact society and the environment beyond the minimum of legal compliance. CSR promotes sustainable development through organizations’ ethical and transparent behavior. The scope of CSR as defined in ISO:26000 standard encompasses seven broad core subjects: environment, labor practices, fair operating practices, human rights, community involvement and development, consumer issues and its integration in corporate governance.

**SECTION 7: Patronage intentions**
Please indicate the level of agreement to the statements below, click from a scale from 1 -7 where 1 = Strongly disagree, 7 = Strongly Agree

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Neutral</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I intend to pay more to apparel retail brands involved in Corporate Social Responsibility (CSR) activities</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2. I intend to recommend apparel retail brands engaged in CSR activities to my friends, family members and co-workers</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>3. I will not switch to another apparel brand if I know the brand I use is engaged in CSR Activities</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>4. The likelihood that I would purchase from apparel retail brands engaged in CSR is very high</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>5. I would be willing to buy from apparel retail brands engaged in CSR activities</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>6. I am likely to purchase from apparel retail brands engaged in CSR in the future</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>7. I have every intention to purchase from apparel retail brands engaged in CSR</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
SECTION 8: Demographic information

What is your age? ______________

What is your gender? Male ______________

Female ______________

Prefer not to say ______________

Are you a Hispanic or Latino/Latina? Yes [ ] No [ ]

If not, what ethnic group do you consider yourself to be a member of? [ ] Asian American
[ ] Black or African American
[ ] Hispanic or Latino
[ ] Native American
[ ] Native Hawaiian or Pacific Islander
[ ] White or European
[ ] Mixed/Bi-racial
[ ] Other? (please specify) ______________

Please indicate total household income
Below $15,000 ______________
$15,000 - $24,999 ______________
$25,000 - $34,999 ______________
$35,000 – $49,999 ______________
$ 50,000 - $74,999 ______________
$ 75,000 - $99,999 ______________
Above $100,000

Highest degree attained
Elementary
High School
Associate Degree
College Degree (Undergraduate)
Graduate (Master’s or Ph.D.)
Others, please specify ______________

Occupation ______________
APPENDIX B. IRB APPROVAL OF RESEARCH STUDY

Institutional Review Board
Office for Responsible Research
Vice President for Research
1138 Pearson Hall
Ames, Iowa 50011-2207
515 294-4566
FAX 515 294-4367

Date: 2/27/2014

To: Sonali Diddi
28 MacKay Hall

CC: Dr. Linda S Niehm
1066 LeBaron Hall
Karla Embleton
306 MacKay Hall

From: Office for Responsible Research

Title: Understanding Consumers Ethical consumption Decisions: The Role of Values, Attitudes and Expectations in an Apparel Purchasing Context

IRB ID: 14-106

Study Review Date: 2/27/2014

The project referenced above has been declared exempt from the requirements of the human subject protections regulations as described in 45 CFR 46.101(b) because it meets the following federal requirements for exemption:

- (2) Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey or interview procedures with adults or observation of public behavior where
  - Information obtained is recorded in such a manner that human subjects cannot be identified directly or through identifiers linked to the subjects; or
  - Any disclosure of the human subjects' responses outside the research could not reasonably place the subject at risk of criminal or civil liability or be damaging to their financial standing, employability, or reputation.

The determination of exemption means that:

- You do not need to submit an application for annual continuing review.

- You must carry out the research as described in the IRB application. Review by IRB staff is required prior to implementing modifications that may change the exempt status of the research. In general, review is required for any modifications to the research procedures (e.g., method of data collection, nature or scope of information to be collected, changes in confidentiality measures, etc.), modifications that result in the inclusion of participants from vulnerable populations, and/or any change that may increase the risk or discomfort to participants. Changes to key personnel must also be approved. The purpose of review is to determine if the project still meets the federal criteria for exemption.

Non-exempt research is subject to many regulatory requirements that must be addressed prior to implementation of the study. Conducting non-exempt research without IRB review and approval may constitute non-compliance with federal regulations and/or academic misconduct according to ISU policy.

Detailed information about requirements for submission of modifications can be found on the Exempt Study Modification Form. A Personnel Change Form may be submitted when the only modification involves changes in study staff. If it is determined that exemption is no longer warranted, then an Application for Approval of Research Involving Humans Form will need to be submitted and approved before proceeding with data collection.

Please note that you must submit all research involving human participants for review. Only the IRB or designees may make the determination of exemption, even if you conduct a study in the future that is exactly like this study.

Please be aware that approval from other entities may also be needed. For example, access to data from private records (e.g., student, medical, or employment records, etc.) that are protected by FERPA, HIPAA, or other confidentiality policies requires permission from the holders of those records. Similarly, for research conducted in institutions other than ISU (e.g., schools, other colleges or universities, medical facilities, companies, etc.), investigators must obtain permission from the
APPENDIX C. INFORMED CONSENT DOCUMENT

Invitation to participate in a study on Apparel Retail Brands Corporate Social Responsibility (CSR)

Dear Participant:

You are invited to participate in a research study – Understanding Consumers Ethical Consumption Decisions: the Role of Values, Attitudes and Expectations in Apparel Purchase Context. The study examines consumer attitudes apparel retail brands engaged in Corporate Social Responsibility (CSR) activities and their willingness to patronize such brands. This study was approved by the Institutional Review Board at Iowa State University (IRB ID: 14-106).

If you give your consent to participate in the study, please visit the link at the bottom after reading detailed information associated with the study.

You can participate in this research only if you are 18 years or older.

If you agree to participate, you will be asked to complete a short survey regarding your values, expectations, attitudes and intentions to patronize apparel retail brands engaged in CSR as well as some basic demographics.

There are no foreseeable risks from participating in this study. You may choose to withdraw at any time. Your survey responses will be anonymous and confidential and will NOT be linked to any data that can ascertain your identity. You may skip any question you do not feel comfortable answering.

Please feel free to ask any questions at any time. For further information about the study contact Sonali Diddi at sdiddi@iastate.edu or Dr. Linda S. Niehm at niehmlin@iastate.edu. If you have any questions about the rights of research subjects, please contact the IRB Administrator, (515) 294-4566, IRB@iastate.edu, or Director, (515) 294-3115, Office of Research Assurances, 1138 Pearson Hall, Iowa State University, Ames, Iowa 50011.

By clicking the survey link below, you agree to participate in this research study:

Your efforts in participating in this research project are deeply appreciated.

Sincerely,

Sonali Diddi
Apparel, Merchandising, and Design Program
Dept. of Apparel, Events, and Hospitality Management
31 MacKay Hall
Iowa State University
Ames, Iowa, 50011
Email: sdiddi@iastate.edu
### APPENDIX D. RESULTS OF EXPLORATORY FACTOR ANALYSIS

Table 1

*Results of Exploratory Factor Analysis and Descriptive Statistics of Consumers Universalistic Values (N = 405)*

<table>
<thead>
<tr>
<th>Factor Title and Items</th>
<th>Mean(^a)</th>
<th>S.D.</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Universalistic values</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equality (equal opportunity for all)</td>
<td>5.96</td>
<td>1.27</td>
<td>0.83</td>
</tr>
<tr>
<td>A world At peace (free of war and conflict)</td>
<td>5.93</td>
<td>1.33</td>
<td>0.79</td>
</tr>
<tr>
<td>Unity with nature (fitting into nature)</td>
<td>5.39</td>
<td>1.61</td>
<td>0.80</td>
</tr>
<tr>
<td>Social justice (correcting injustice, care for the weak)</td>
<td>5.82</td>
<td>1.30</td>
<td>0.84</td>
</tr>
<tr>
<td>Broad-minded (tolerant of different ideas and beliefs)</td>
<td>5.80</td>
<td>1.37</td>
<td>0.79</td>
</tr>
<tr>
<td>Protecting the environment (preserving nature)</td>
<td>5.61</td>
<td>1.51</td>
<td>0.82</td>
</tr>
<tr>
<td>A world of beauty (beauty of nature and the arts)</td>
<td>5.45</td>
<td>1.41</td>
<td>0.82</td>
</tr>
<tr>
<td>Inner Harmony (at peace with myself)</td>
<td>5.85</td>
<td>1.36</td>
<td>0.81</td>
</tr>
<tr>
<td>Wisdom (a mature understanding of life)</td>
<td>5.97</td>
<td>1.19</td>
<td>0.78</td>
</tr>
</tbody>
</table>

Eigenvalue = 5.87  
Total Variance explained = 65.22%

---

*Kaiser Meyer Olkin (KMO) Measure of Sampling Adequacy: 0.92  
Bartlett’s Test of Sphericity: 2618.39  df = 36  p<0.0001*

\(^a\)Item scores range from 7-point Likert scales ranging from 1(not at all important) to 7(very important).
Table 2

*Results of Exploratory Factor Analysis and Descriptive Statistics of Consumers Benevolent Values (N = 405)*

<table>
<thead>
<tr>
<th>Factor Title and Items</th>
<th>Mean</th>
<th>S.D.</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benevolent values</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>True friendship (close, supportive friends)</td>
<td>6.09</td>
<td>1.33</td>
<td>0.81</td>
</tr>
<tr>
<td>Loyal (faithful to my friends, group)</td>
<td>6.14</td>
<td>1.21</td>
<td>0.86</td>
</tr>
<tr>
<td>Honest (genuine, sincere)</td>
<td>6.33</td>
<td>1.15</td>
<td>0.84</td>
</tr>
<tr>
<td>Helpful (working for the welfare of others)</td>
<td>5.86</td>
<td>1.26</td>
<td>0.82</td>
</tr>
<tr>
<td>Responsible (dependable, reliable)</td>
<td>6.17</td>
<td>1.18</td>
<td>0.83</td>
</tr>
<tr>
<td>A spiritual life (emphasis on spiritual not material matters)</td>
<td>5.04</td>
<td>1.89</td>
<td>0.56</td>
</tr>
<tr>
<td>Meaning in life (a purpose in life)</td>
<td>5.63</td>
<td>1.40</td>
<td>0.79</td>
</tr>
<tr>
<td>Mature love (deep emotional and spiritual intimacy)</td>
<td>5.64</td>
<td>1.49</td>
<td>0.75</td>
</tr>
<tr>
<td>Forgiving (willing to pardon others)</td>
<td>5.65</td>
<td>1.40</td>
<td>0.77</td>
</tr>
</tbody>
</table>

Eigenvalue = 5.55  
Total Variance explained = 61.62%

**Kaiser Meyer Olkin (KMO) Measure of Sampling Adequacy:** 0.91  
**Bartlett’s Test of Sphericity:** 2565.30  
**df = 36**  
**p<0.0001**

*aItem scores range from 7-point Likert scales ranging from 1(not at all important) to 7(very important).*
Table 3

Results of Exploratory Factor Analysis and Descriptive Statistics of Consumers Knowledge of Environmental and Social Issues in the Apparel Industry (N = 405)

<table>
<thead>
<tr>
<th>Factor Title and Items</th>
<th>Mean</th>
<th>S.D.</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge of environmental issues in apparel retail industry</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemical pollutants are produced during manufacturing of synthetic or manufactured fibers such as polyester.</td>
<td>5.19</td>
<td>1.43</td>
<td>0.80</td>
</tr>
<tr>
<td>Air pollution can occur during some common dye processes of textiles.</td>
<td>5.26</td>
<td>1.30</td>
<td>0.82</td>
</tr>
<tr>
<td>Textile dyeing and finishing processes use a lot of water.</td>
<td>5.33</td>
<td>1.31</td>
<td>0.85</td>
</tr>
<tr>
<td>Phosphate-containing laundry detergents can be a source of water pollution.</td>
<td>5.54</td>
<td>1.34</td>
<td>0.82</td>
</tr>
<tr>
<td>Eigenvalue = 2.82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Variance explained = 23.52%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Knowledge of social issues in apparel retail industry** | | | |
| Use of child labor is not a practice among apparel manufacturers | 3.46 | 2.03 | 0.82 |
| Apparel manufacturers generally pay their employees at least the local minimum wage | 3.93 | 1.98 | 0.83 |
| Apparel manufacturers generally have their employees work no more than 40 hours per week. | 3.79 | 1.97 | 0.86 |
| Apparel manufacturers generally provide non-hazardous workplaces for their employees. | 3.72 | 1.88 | 0.86 |
| Eigenvalue = 4.51 | | | |
| Total Variance explained = 37.57% | | | |

| **Perceived Knowledge** | | | |
| I am knowledgeable about socially responsible apparel businesses. | 4.05 | 1.74 | 0.88 |
| I believe that I am informed about issues in apparel manufacturing businesses | 4.02 | 1.77 | 0.89 |
| Eigenvalue = 1.12 | | | |
| Total Variance explained = 9.33% | | | |

**Kaiser Meyer Olkin (KMO) Measure of Sampling Adequacy:** 0.85

**Bartlett’s Test of Sphericity:** 2610.29  \( df = 66 \)  \( p<0.0001 \)

\(^a\)Item scores range from 7-point Likert scales ranging from 1(strongly disagree) to 7(strongly agree).
Table 4

Results of Exploratory Factor Analysis and Descriptive Statistics of Consumers Moral Norms (N = 405)

<table>
<thead>
<tr>
<th>Factor Title and Items</th>
<th>Mean</th>
<th>S.D.</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral Norms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing apparel from retail brands involved in CSR activities versus not purchasing from retail brands not involved in CSR will make me:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>…feel like making a personal contribution to something better</td>
<td>5.56</td>
<td>1.32</td>
<td>0.92</td>
</tr>
<tr>
<td>…feel like the morally right thing</td>
<td>5.75</td>
<td>1.25</td>
<td>0.93</td>
</tr>
<tr>
<td>…feel like a better person</td>
<td>5.50</td>
<td>1.43</td>
<td>0.91</td>
</tr>
<tr>
<td>Eigenvalue = 2.53</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Variance explained = 84.21%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Kaiser Meyer Olkin (KMO) Measure of Sampling Adequacy: 0.75
Bartlett’s Test of Sphericity: 798.90 df = 3 p < 0.0001

*aItem scores range from 7-point Likert scales ranging from 1(strongly disagree) to 7(strongly agree).

Table 5

Results of Exploratory Factor Analysis and Descriptive Statistics of Consumers’ Expectations of Apparel Retail Brands Ethical Behavior (N = 405)

<table>
<thead>
<tr>
<th>Factor Title and Items</th>
<th>Mean</th>
<th>S.D.</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expectations of Apparel Retail Brands Ethical Behavior</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I expect the apparel retail brands that I patronize to act ethically at all times</td>
<td>5.59</td>
<td>1.48</td>
<td>0.84</td>
</tr>
<tr>
<td>Apparel retail brands have a responsibility to always act with the highest of ethical standards</td>
<td>5.80</td>
<td>1.32</td>
<td>0.89</td>
</tr>
<tr>
<td>Apparel retail brands really should be ethical in conducting their business activities</td>
<td>6.05</td>
<td>1.16</td>
<td>0.85</td>
</tr>
<tr>
<td>Apparel retail brands have a responsibility not to ever act unethically</td>
<td>5.68</td>
<td>1.52</td>
<td>0.73</td>
</tr>
<tr>
<td>Eigenvalue = 2.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Variance explained = 68.88%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Kaiser Meyer Olkin (KMO) Measure of Sampling Adequacy: 0.72
Bartlett’s Test of Sphericity: 563.56 df = 3 p < 0.0001

*aItem scores range from 7-point Likert scales ranging from 1(strongly disagree) to 7(strongly agree).
Table 6

Results of Exploratory Factor Analysis and Descriptive Statistics of Consumers’ Attitudes to Patronize Apparel retail Brands Engaged in CSR (N = 405)

<table>
<thead>
<tr>
<th>Factor Title and Items</th>
<th>Mean&lt;sup&gt;a&lt;/sup&gt;</th>
<th>S.D.</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitudes towards patronizing apparel retail brands engaged in CSR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buying apparel from retail brands involved in Corporate Social Responsibility (CSR) activities VERSUS buying from retail brands not involved in Corporate Social Responsibility (CSR) would make me feel:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bad-Good</td>
<td>5.74</td>
<td>1.31</td>
<td>0.83</td>
</tr>
<tr>
<td>Not Contented – Contented</td>
<td>5.43</td>
<td>1.36</td>
<td>0.92</td>
</tr>
<tr>
<td>Not Pleased – Pleased</td>
<td>5.53</td>
<td>1.41</td>
<td>0.93</td>
</tr>
<tr>
<td>Not Satisfied – Satisfied</td>
<td>5.45</td>
<td>1.48</td>
<td>0.92</td>
</tr>
<tr>
<td>Eigenvalue = 3.26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Variance explained = 81.53%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Kaiser Meyer Olkin (KMO) Measure of Sampling Adequacy: 0.83
Bartlett’s Test of Sphericity: 1346.40  \( df = 6 \)  \( p<0.0001 \)

<sup>a</sup>Scores were obtained using 7-point semantic differential items.
Table 7

Results of Exploratory Factor Analysis and Descriptive Statistics of Consumers’ Intentions to Patronize Apparel retail Brands Engaged in CSR (N = 405)

<table>
<thead>
<tr>
<th>Factor Title and Items</th>
<th>Mean</th>
<th>S.D.</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intentions to patronize apparel retail brands engaged in CSR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I intend to pay more to apparel retail brands involved in CSR activities</td>
<td>4.75</td>
<td>1.59</td>
<td>0.71</td>
</tr>
<tr>
<td>I intend to recommend apparel retail brands engaged in CSR activities to my friends, family members and co-workers</td>
<td>4.88</td>
<td>1.64</td>
<td>0.85</td>
</tr>
<tr>
<td>I will not switch to another apparel brand if I know the brand I use is engaged in CSR activities</td>
<td>4.56</td>
<td>1.69</td>
<td>0.58</td>
</tr>
<tr>
<td>The likelihood that I would purchase from apparel retail brands engaged in CSR is very high</td>
<td>5.17</td>
<td>1.43</td>
<td>0.90</td>
</tr>
<tr>
<td>I would be willing to buy from apparel retail brands engaged in CSR activities</td>
<td>5.50</td>
<td>1.38</td>
<td>0.83</td>
</tr>
<tr>
<td>I am likely to purchase from apparel retail brands engaged in CSR in the future</td>
<td>5.39</td>
<td>1.35</td>
<td>0.90</td>
</tr>
<tr>
<td>I have every intention to purchase from apparel retail brands engaged in CSR</td>
<td>5.27</td>
<td>1.47</td>
<td>0.90</td>
</tr>
<tr>
<td>Eigenvalue = 4.69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Variance explained = 66.96%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Kaiser Meyer Olkin (KMO) Measure of Sampling Adequacy: 0.88
Bartlett’s Test of Sphericity: 2120.12  df = 15  p<0.0001

*aItem scores range from 7-point Likert scales ranging from 1(strongly disagree) to 7(strongly agree).