Chapter 2

Review of Literature

There is plethora of studies in the area of organization behaviour. Recently research has focused on customer citizenship behaviour (CCB). The justification for these studies was caused by the concept of CCB that has been in recent times introduced by Groth (2005). The foundation basis the concept of CCB originated from OCB, where customers are partaken as partial employees in a service context. The main focus of this chapter is to develop theoretical grounding of the study and identify the antecedents, mediators and moderators of customer citizenship behaviour. This chapter is divided into three sections. Section 2.1 reviews literature relating to the measurement of customer citizenship behaviour. The next section 2.2 reviews the literature on measurement of antecedents of CCB. Section 2.3 studies the literature relating to the measurement of moderators of CCB. Various antecedents, mediators and moderators of customer citizenship behaviour that are identified are customer loyalty, customer commitment, customer satisfaction, relationship age, customer participation in service delivery, perceived risk, customer-company identification.

2.1 Studies Related to Measurement of Customer Citizenship Behaviour

Ford (1995) examined the relationship between employees’ courteous behaviour, customer evaluation of services, customer mood and customer discretionary behaviour (CDB). The proposed model was used to appraise the indirect influence of well-mannered and courteous service on CDB. The author investigated two patterns of indirect influence. In first pattern he investigated that customer evaluate the quality of service more positively and there is higher chances of performing commitment on the part of customer , when service providers display more courteous. In second pattern he found that as service providers exhibit more courtesy, customers will increase their likelihood of performing helpful behaviours as he will experience a positive mood state. The model also investigated the role of customer gender in predicting
service provider courtesy. The data was collected through observation and survey from 238 cahiers and customers in two stores dealing in grocery products. The hypothesized model provided mixed support for the predictions. The first hypothesis was supported. The findings revealed that as when employees exhibit positive behaviour, customers too demonstrate positive discretionary behaviour. Specifically, the customers were more likely to recommend the store to friends and shop at the store if other stores are closer. The second hypothesis was not supported. The findings revealed that customer in a positive mood state were more likely to help other customers but their mood was not evidently affected by the courtesy of employees. It was established that there was no significant difference between male and female customers in receipt of courteous service. These findings were dissimilar from Rafaeli (1989) and Rafaeli and Sutton (1987), where found female customers tended to receive less positive emotional displays than male customers.

**Bettencourt (1997)** developed and empirically tested a model of customer voluntary performance. The hypothesized relationship was examined on sample of grocery customers, 215 shoppers from a total of 25 different stores. The study revealed that satisfaction had positive but indirect effect on suggestions for service improvement and customer communication problems. Main antecedents of customer discretionary behavior were customer commitment, global customer satisfaction and perceived support for customers. The study showed that commitment on the part of customer is positively and significantly related to loyalty and participation. However, when satisfaction and perceived support were included in the structural model commitment on the part of customer was not significantly related to cooperation.

**Groth (2005)** extended the framework of organizational citizenship behavior developed by Organ 1988 to customers by testing the role of in-role and extra-role behaviors of customers. The author investigated different predictors for customer co-production and customer citizenship behaviour (CCB). The study revealed that customer coproduction and customer discretionary behaviour are affected by customer socialization and customer satisfaction. The hypothesized model was tested on 400 adults at southwestern U.S. country superior court jury pool. The findings revealed that customer coproduction was significantly and strongly related to customer socialization that to customer satisfaction. The findings further revealed that CCB was more
strongly and significantly related to customer satisfaction as to customer socialization. The author confirmed that citizenship behaviour included three constructs: providing feedback to the organization, recommendation and helping other customers. The authors concluded that likewise OCB framework customers make a distinction between two distinct types of behaviours (1) customer coproduction (required in-role behaviour) and (2) voluntary extra-role behaviour (CCB). The study provide future insights to managers to scrutinize the differences and parallels of employees’ and customers’ engagement in discretionary citizenship behaviour, particularly across a range of modes of service delivery.

Groth, Mertens and Murphy (2005) hypothesized that a theoretical distinction between extra-role behaviours (citizenship behaviour) and in-role behaviours (task performance) could be extended to customers who participated in service delivery. The proposed model examined the relationship between antecedents of customer behaviour: customer socialization, customer motivation, customer role clarity, customer satisfaction, justice perceptions, customer citizenship behaviour and customer coproduction. In this study 191 adults were surveyed for hypothesized relationship. Recommendations, helping other customers and providing feedback emerged as three main factors of customer citizenship behaviour. Q-sort and factor analysis were techniques used in this study. Survey data showed that customers make a distinction in coproduction behaviours (in-role behaviour) and customer citizenship behaviours (extra-role behaviour).

Yi and Gong (2006) empirically examined the antecedents and the consequences of (CEB) customer extra-role behaviour by using structural equation modeling. In CEB both customer citizenship behaviour and badness behaviour were taken into consideration. The authors proposed that perceived justice, negative affect, and commitment lead to customer extra-role behaviour. The study revealed that extra-role behaviour is expected to impact the perceived service quality. The sample of the study was 100 customers from a sports center in Seoul. It was indicated through the results of empirical test that managing customer extra-role behaviour is an significant and equally important as like of employee. The researchers found that the organization have to manage the negative affect of customers to avoid customer badness behaviour on the other hand, perceive justice and commitment to amplify customer citizenship behaviour.
Rosenbaum and Massiah (2007) examined the relationship between customer citizenship loyalty, instrumental support, customer citizenship participation, customer citizenship cooperation, customer care empathy social environmental support and customer care responsibility. The authors proposed that in a service establishment customer voluntary behaviour is influenced by frequency with which he/she receives social-emotional support and instrumental support from other customers. Significant and positive relationship is found in customer voluntary participation and customer participation, cooperation and loyalty. It was also proposed that the frequency with which a customer receives social-emotional support and instrumental support from other customers in a service establishment positively influences his or her willingness to exhibit CVP through customer empathy and customer responsibility. The hypothesized model was tested in a major metropolitan city on a sample of 207 members from franchised Gold’ Gym. The findings revealed that the customers who received social-emotional support and instrumental support reciprocated their appreciation to the establishment and to customers in the establishment by exhibiting CVP in the forms of customer care and customer citizenship. Thus the study demonstrated the importance of resource exchange theory to modern-day marketplace issues. And also extended on Bettencourt’s (1997) and Bailey, Dwayne and Mccollough (2001) CVP (customer voluntary performance) research by explaining a consumer’s motivation to exhibit these voluntary helping behaviours. The study provides useful insight to managers to recognize financial and service benefits by motivating their customers to form supportive relationships.

Yi and Gong (2008) investigated the impact of customer justice perception (distributive, procedural and interpersonal) on affect. The author also investigated the link between affect and customer citizenship behaviour. The authors proposed that positive justice perception is linked to positive affect and Vic versa. The authors also proposed that positive affect leads to positive citizenship behaviour and negative affect leads to dysfunctional behaviour. Two studies were used to examine the hypothesized relationship. 209 students of major university in Korea enrolled in executive-MBA (EMBA) program were used in study 1. Classroom teaching was used as proposed by Masterson (2001) for three characteristics: intangibility, simultaneity and customer presence. Even Zeithaml and Bitner (2003) proposed that to achieve service goals and outcomes help may be taken from students (customers). Data from 68 buyer firms of
organizational products located in Korea were used in study 2. The findings supported that positive impact of procedural justice, distributive and interactional on positive affect. The findings further revealed that customer citizenship behaviour is significantly and positively associated with positive affect, on the other hand negative affect has significant and positive impact on customer dysfunctional behaviour. The findings supported that positive affect mediate the relationship of customer justice perception on customer citizenship. The results further revealed that negative affect as a mediator variable between customer dysfunctional behaviour and customer justice perception. The findings of the study provide useful insights to managers to lay emphasis on total customer affect management programs and not to solely focus on strategies of customer justice perception to enhance customer discretionary behaviour.

**Yi and Gong (2008)** proposed an integrated structure depicting the effect of two types of employee behaviour (positive and negative behaviour) on customer satisfaction. They authors proposed customer satisfaction influence his/her commitment. They also proposed relationship between customer satisfaction and customer commitment with two types of customer behaviour (customer citizenship and customer badness behaviour). This hypothesized relationship was tested on sample of 590 customers and 123 employees. The findings revealed that employee citizenship behaviour, employee badness behaviour, customer satisfaction and customer commitment are important predictors of customer discretionary behaviour and customer negative behaviour. The findings identified variables group size, relationship age and communication frequency moderated relationship between employee behaviour and customer satisfaction. Results further revealed that when relationship age and communication frequency were high it has stronger impact on customer satisfaction. This study provides valuable insight that managers need to develop customer relationships to enhance customer commitment. Further the managers should work on such practices that facilitate personal relationships between customers and the organization.

**Bove et al. (2009)** investigated the role of the individual service worker in enhancing customer organizational citizenship behaviours (customer OCBs). OCB on the part of customer is defined as “voluntary, outside of the customer’s required role for service for service delivery, which provide help assistance and are conducive to effective organizational functioning”. The
hypothesized relationship was investigated taking sample from three service industries (Pharmacy, hairdressing and medical services) of 484 customers. The results revealed that commitment of service worker is the strongest predictor of customer OCBs. The results further revealed that the effect of perceived benevolence of the service worker and commitment of the service worker on customer OCBs is partial mediated by personal loyalty to the service worker. The findings also showed that there was not significant relationship between credibility and customer OCBs. Eight types of OCBs has been identified and confirmed by the authors. These are benevolent acts of service facilitation, display of relationship affiliation, positive word of mouth, participation in firm’s activities, flexibility, suggestion for service improvement, policing of other customers and voice. The findings are in conformation with the sense of obligation that arose from personal norms of behaviour and social exchange theory. The findings provide vital insight to the managers that customers prefer to use the principle of complementarity. They depict in-role behaviour for in-role behaviour by service workers and extra-role behaviour is reciprocated by discretionary helpful behaviour.

**Di et al. (2010)** investigated the organizational justice and customer citizenship (CCB) and organizational trust. The authors proposed that customer who has higher perceptions of justice would in turn have greater levels of trust and exhibit positive citizenship behaviour. They further hypothesized that when customers respond positive attitude in terms of citizenship behaviour when they trust. To test the hypothesized model a sample of 447 customers from fast-food restaurants were collected. The findings revealed that the positive and significant relationship in customers perceptions of justice on one side and trust CCB on other side. The findings further revealed that trust and CCB were positively and significantly related. Further this study revealed that trust had a partial significant effect between organizational justice and CCB.

**Johnson and Rapp (2010)** developed a comprehensive measure of customer helping behaviour by validating a multidimensional scale base on the OCB scale. The hypothesized model was tested on the sample of 224 profit organizations and 143 non –profit organizations. The authors identified multiple dimensions of customer helping behaviour that were: expanding behaviour, competitive information, responding to research, display brands forgiving behaviour, providing feedback, supportive behaviour, increasing quantity and increasing price. The findings revealed
that there were distinct but interrelated dimensions of customer helping behaviour, and these dimensions differ for profit and not profit organizations. The findings of the study provide useful insights to managers to emphasize this scale especially to know the antecedents and motivation that influence customer helping behaviour.

**Van Doorn et al. (2010)** discussed the concept of customer engagement behaviour (CEB). CEBs include “a vast array of behaviours including word-of-mouth (WOM) activity, recommendations, helping other customers, blogging, writing reviews and even engaging in legal actions”. The authors developed a theoretical model of the antecedents and consequences—customer, firm and societal of CEBs. The authors recommended that by undertaking integrative and comprehensive approach firms can manage CEBs that takes into consideration their evolution and impact over the time.

**Abassi et al. (2011)** investigated relationship between customer-based reputation (CBR), commitment, loyalty, customer citizenship behaviour (CCB). The authors proposed commitment and loyalty as mediators for CBR and CCB. Citizenship behaviour is investigated from two aspects of helping the organization and helping customers. To test the hypothesized relationship a sample of 196 bank customer were taken. The findings revealed that customer-based corporate reputation is related to commitment and loyalty positively. The results further revealed that CBR is not significantly associated with CCB. However, commitment and loyalty had positive and significant effect on both helping the customers and company.

**Ahmadi and Tavreh (2011)** study extended earlier research by incorporating customer-based corporate reputation (CBR) in a theoretical model that examined the direct effects of CBR on loyalty, commitment and customer citizenship behaviours (CCBs). To test the hypothesized relationship the author surveyed food industry in Iran. The proposed model was tested using data collected from 384 customers of service firms. CBR is reflected as second-order construct consisting of five dimensions. A two-step analysis was used to test the hypotheses in the study. To investigate the direct effects of CBR on commitment, loyalty, and the two dimensions of CCB structural equation modelling (SEM) and bootstrapping in AMOS 7.0 was used. These results revealed that commitment and loyalty act as mediator in the relationship of CBR CCB.
Bartikowski and Walsh (2011) examined the relationship between customer-based corporate reputation (CBR) and customer citizenship behaviour (CCB), customer commitment and customer loyalty. CBR was hypothesized to be positively related to CCB. The author proposed that relationship between CBR and CCB is mediated by commitment and loyalty. The hypothesized model was tested using a sample taken from 583 French customers from service industries (i.e. banking, retailing and fast-food restaurants). The results revealed that CBR had significant effect on customer commitment, loyalty and CCB with regard to helping other customers and helping the company. Though, the effect on helping other customers was quite weak and statistically not distinguishable. The findings further revealed that mediation role commitment and loyalty worked in the case of helping the company. The role of customer commitment and loyalty as a mediator between CBR-CCB was not statistically significant. These findings will provide insight to the managers regarding opportunistic behaviour of committed and loyal customer who prefer discretionary behaviours towards service firms in hope of future benefits to them.

Bartikowski, Walsh and Beatty (2011) investigated the moderating role of culture and relationship age in the relationship among variables of customer-based corporate reputation (CBR) and customer loyalty. The hypothesized model was tested on the sample of 1105 from three countries France, UK and USA across retail and fast-food sector. The findings revealed in all three countries similar effects of CBR have on affective and intentional loyalty. The results further revealed that in France culture interacts with relationship age to magnifies the effect of CBR, whereas relationship age reduces CBR’s effect in the UK and the USA. The results resonated with findings from the Globe study signifying that individuals from France and the UK were more opposed to to changing intentions after a change in attitude than USA due to their greater inclination to circumvent uncertain outcomes. The findings further conformed that the links between CBR and affective/intentional loyalty were weak in USA as compared to France and UK due to uncertainty avoidance factor.

Garma and Bove (2011) focused on voluntary, discretionary and helpful behaviours of customers directed employees. Two samples of 21 and 25 service personnel across the hospitality and retail industries were formed through convenience sampling. To analyze the data
Inductive content analysis was used, thus allowing patterns, categories and themes to come into sight from the data rather than forcing the data into the preset dimensions of CCB. The findings identified 28 discrete customer citizenship behaviours directed to employees that were supposed as helpful and not expected for successful service delivery. These discretionary behaviours are categorized under six categories – assumed employee behaviour, advocacy, sportsmanship, social support and courtesy. The findings suggested that CCB may assist service personnel to attain the instrumental goals of stimulation, status, behavioral confirmation, comfort and affection and this subjective well-being. The authors concluded that four of these six categories were generally consistent with the existing CCB literature, while two new CCB categories emerged from the qualitative enquiry (social support and courtesy).

Glide et al. (2011) to broaden the boundary conditions within which customer discretionary and positive behaviour falls, conducted review of the range of activity positioned as CCB. Marketing hype and consumption rituals are identified as new behaviours. Findings suggested that managers need to understand the importance of space, time and practices within which their brands can have significance. The study provides new insight to managers to position their brands on one hand and to benefit and to form part of CCB activity on another hand.

Finsterwalder and KuppelWieser (2011) examined different forms of influences and relationships within groups of customers. The authors proposed relationship between perceptions of other customer’s contribution to the task, perceived own contribution to task and perceived customer-to-customer social interaction (CCSI). The study focused on task and social orientation of random or temporary group members who simultaneously experienced a service and who were expected to play an active role in contributing to the task connected to the experience. To test the hypothesized model a sample was taken from 249 customers who had experienced a group service encounter. The findings revealed that customer engagement in the group task had a positive and statistically significant influence on perceived CCSI. The results further revealed that the perceived task contribution of other customers and an individual’s perception of their own output are significantly and statistically associated with each other.
Tuzan and Devrani (2011) examined the impact of customer perception of employee identification on the relationship between customer-company (C-C) identification and customer citizenship behaviour (CCB) in service settings. To test the hypothesized model a sample of 386 customers were collected from city hotels in Ankara, Turkey. The findings revealed that customers who identified more strongly with the organization indicated more voluntary behaviour. The findings further revealed that when customers’ perception of the employee’s identification moderates the relationship between C-C identification and CCB. This study provide useful insight to mangers to devise strategies to strengthen the employee’s identification with the organization.

Yi, Natarajan and Gong (2011) examined the relationship between customer participation behaviour (CPB), employees’ performance, employee satisfaction, customer citizenship behaviour (CCB), turnover intentions and employees commitment. The study also proposed similarity and likeability act as moderating variable in the effect of customer participation and citizenship behaviour on employee satisfaction. Data from large electronic firm relating to customers, employees and managers was used to test the hypothesized relationship. To decrease the chance of common method bias data were collected from three separate sources. Customers were taken to rate their own CPB and CCB. Managers were considered to report on FSE’s performance and FSEs to express their attitude and behaviour. The sample consisted of 332 customers, 142 frontline service employees and 31 managers. The partial least square method was used to test the hypothesized model. A laboratory experiment was included in the study to provide further support for casual directions. The finding revealed that the customer participation behaviour had direct and positive effect on performance, satisfaction and commitment of employees. The findings further revealed that customer citizenship behaviour had direct and positive impact on employee performance and commitment. The interaction between CPB and CCB was also significant. However, statistical support for the link between employee performance and turnover intentions was missing. The authors concluded that the relationship between CPB and satisfaction of employee is particularly strong in the case of high level of similarity and likeability with respect to customers. Further, it is concluded that when customers are likeable relationship CCB and employee satisfaction is strong.
Zimmermann, Dormann and Dollard (2011) investigated positive experiences with customers providing a psychological resource for employees’ mood. The author examined psychological resources for employees of service industries and their customers, which boost the service experiences of both parties during service conversation. The authors proposed that customer behaviour (customer-initiated support) is positively associated with employees’ affect. They further investigated that crossover of employees’ affect on customers’ affect. The hypothesized model was examined on 82 employees and 421 customers of car dealerships. Two occasions, before and after the conversation were taken into consideration. Multi-level analyses showed the proposed positive impact of customer behaviour on employees’ positive affect (PA). Results are incorporated in an overall process model where customers’ PA leads to customer-initiated support, which enhances employees’ PA and in turn increases customers’ PA.

Yang and Qinhai (2012) examined the relationship between different intentions of customer citizenship behaviour and different personal characteristics. To test the hypothesized relationship a sample of 299 was taken. The findings revealed that there is significant relationship between dissimilar demographic characters and diverse intention to customer citizenship behaviours. The authors concluded that managers should make a distinction among different customers on the basis customer citizenship behaviours. They concluded that we should recognize the role of customers as consultant and partial employees. Managers should not only recognize customers’ purchasing value, but also exhume the word of mouth value, make them bring along other persons to buy, unearth knowledge value of customer and help to upgrade and improve services.

Yi and Gong (2012) framed and validated the customer value co-creation behaviour scale. The hypothesized model was tested on sample of 296 customers from retailing, full-service restaurants, hair salons, health care facilities and travel. In this study customers were asked to recall their experiences with service providers. The scale conformed to the third-order factor model. Customer value co-creation has two distinct dimensions: participation and citizenship. Further, customer citizenship behaviour is sub-divided into four dimensions namely information seeking, information sharing, responsible behaviour and personal interaction. In the case of customer participation the four dimensions were named as advocacy, feedback, helping and tolerance. The study provides useful insights to managers in searching and selecting the
customers to facilitate value co-creation behaviour and evaluating and rewarding customer performance.

**Anaza and Zhao (2013)** authors investigated about the concept of customer citizenship behaviour in a context of high-technology e-retailing. The authors examined the relationship between satisfaction, loyalty, familiarity, facilitating conditions, commitment and dimensions of customer citizenship behaviour. In the dimensions of CCB recommendations, helping behaviour and service firm facilitation are considered. It was proposed that facilitating conditions in e-store settings positively associated with e-shopper’s satisfaction, commitment and loyalty. The authors also postulated that familiarity with an e-retailer’s store positively impacts e-shoppers’ satisfaction, commitment and loyalty. It was also hypothesized that e-shoppers’ satisfaction with e-retailers positively impacts e-customer citizenship behaviour in all three dimensions. To test the hypothesized relationship a survey was conducted on 186 e-shoppers. The findings revealed that e-customer familiarity with an e-store, facilitating conditions provided by an e-retailer influence e-customer e-satisfaction, e-loyalty and e-commitment. All of these variables have different effects on three dimensions of CCB. Thus through this study authors have attempted to validate a CCB model in a retailing.

**Yi, Gong and Lee (2013)** provide the survey facts for the influence of other customers on customer citizenship behaviour (CCB). The authors hypothesized that perceptions of OCCB (other customers’ citizenship behaviour) induce subsequent citizenship behaviour towards firm and customers by an individual customers. It was further hypothesized that OCCB contributes to CCB towards the customer than of CCB towards the firm. Moderating role of social identity and other-customer credibility between OCCB and CCB (towards firms and customers) was investigated. To test the hypothesized relationship multiple methods (a field survey, a laboratory experiment and a field interview multiple) were employed. In depth interview with service customers was undertaken study 1. 30 customers constituted the sample and snow-ball sampling technique was used covering shopping malls, hospitals and hair salons. The interviews were conducted individually and lasted from 60 to 90 minutes. For the external validity of model field survey was done and data was collected from customers of major departmental stores in study 2. In this study sex and age of respondent was controlled by a quota sampling method. Total of 182
valid questionnaires were used to check the hypothesized relationships. Scenario-based experiments were undertaken in study 3. To measure the customers’ subsequent perceptions CCB was manipulated. To estimate measurement and structural models partial least square method was used. The product indicator approach was adopted to test the moderating hypotheses. The results of study 1 showed OCCB had statistically significant and positive effect on OCB towards the customer and the firm. The findings further revealed that the effect of OCCB on CCB toward the customer had a stronger effect as compared to the effect of OCCB on CCB towards the firm. Social identity and customer credibility act as moderators in between OCCB and CCB (towards the customer and the firm). Experimental evidence of positive OCCB contagion is provided in study 3. The findings of study 3 were quite similar to study 2 and thus revealed the association between OCCB and CCB and added to the robustness and provided evidence of external validity. The findings suggested that managers need to recognize and pay concentration to customers who exhibit citizenship behaviour so that customer citizenship behaviour is communal and extended to other customers in the service encounters.

2.2 Studies Related to Measurement of Customer-based Corporate Reputation, Commitment, Loyalty as Antecedents of Customer Citizenship Behaviour

Andreassen and Lindestad (1998) examined relationship between corporate image, customer loyalty, value, perceived quality and customer satisfaction. The authors investigated perceived quality has positive and statistically significant influence on value and in turn, value and perceived quality has positive impact on customer satisfaction. It was further proposed that corporate image has direct and positive impact on customers’ satisfaction judgment, customers’ perception of value, quality and customer loyalty. It was hypothesized customer loyalty is indicated by repurchase intentions and willingness to provide positive word-of-mouth. The proposed model was tested using data collected from 600 customers from three package tour operators in Norway. Results revealed that perceived quality had positive impact on value with a high degree of service expertise. On the other hand for customer with a low degree of service
expertise value had a stronger impact on customer satisfaction rather on perceived quality. Corporate image also had a very strong impact on customer satisfaction and customer loyalty. Corporate image was one of the strongest driver for customers of low self-reported service expertise.

**Ahearne, Bhattacharya and Gruen (2005)** examined the concept of organizational identification beyond the realm of formal memberships into the customer-company(C-C) identification. The authors investigated relationship in constructed external image of the company, perceived salespersons characteristics, perceived company characteristics, customer-company identification, customer extra-role behaviour and customer product utilization. It was proposed that three general factors (customer’s perception, constructed external image of the company, perception of the company) determine C-C identification. Further it was concluded that these were correlated with each other. Authors were of view that these three perceptions influenced the cognitive connection that customers had with the company. Later on, it influence customer in-role behaviour and extra-role behaviour. The model was tested in a consultative selling context of pharmaceutical sales representatives calling on physicians. The sample size of 178 was taken. The empirical findings revealed that customers did indeed identify with organizations. Both product utilization behaviour and extra-role behaviour is positively influenced by C-C identification even when the effect of brand perception is accounted for. The findings further revealed that both salesperson’s and organization’s characteristics contributed to the development of C-C identification.

**Aydin and Ozer (2005)** investigated the relationship between corporate image, trust and customer switching cost, perceived service quality, and customer loyalty. The authors proposed perceived service quality as a main antecedent of customer loyalty and corporate image, trust and customer switching cost as antecedent and mediator in perceived quality and customer loyalty. The hypothesized model was tested on 1662 respondents in Turkey using mobile phone. The findings revealed that trust is the most important antecedent of customer loyalty. The findings revealed that perceived service quality was a necessary but not essential condition for customer loyalty. The authors concluded that to develop customer loyalty managers should focus on corporate image, perceived switching costs and especially trust.
Williams and Anderson (2005) examined the proactive role of customer in service setting. To test the hypothesized relationship a sample of 293 respondents was used. The findings revealed that when service context become more participatory based, service providers role significantly decreased in importance ranking while customer role significantly increased.

Dimitriades (2006) investigated the association between customer satisfaction, loyalty and commitment. The author also explored the interrelationships among gender, satisfaction, service setting, loyalty and commitment. To test the hypothesized relationship a sample of 200 respondents from 20 service providers in the Greek context were taken from service industries (financial, entertainment, retailing and transportation). The findings revealed an unexpected theoretical overlap between loyalty and satisfaction. However, satisfaction and commitment as well as loyalty and commitment emerged as different concepts. The results further revealed conceptual overlap between attitudinal loyalty and behavioural actions such as word of mouth. Customer commitment was highly linked with loyalty and satisfaction. However, significant differences were identified. The findings revealed that both gender and service settings did not moderate the relationship between commitment and loyalty and satisfaction and commitment.

Bontis, Booker and Serenko (2007) examined the mediating role of organizational reputation on service recommendation and customer loyalty. Partial least square (PLS) was used to test the hypothesized model that consisted of consisting 8098 respondents. The findings suggested that corporate reputation can be enhanced by concentrating on customer satisfaction. Customer loyalty and the chances of customer recommendations to others could be improved by good reputation.

Dean (2007) examined the possible benefits of employees’ customer orientation to service providers. The proposed model examined relationship between customer orientation (customer focus and customer feedback), affective commitment and perceived service quality and customer loyalty. To test the hypothesized relationship data was collected from call center 289 customers in Australia. For the study customers were taken from insurance services and bank. The findings revealed that customer focus was related to loyalty with partial mediation of perceived service
quality. The findings further revealed that customer feedback had direct and significant effect to affective commitment.

**Graham and Bansal (2007)** examined relationship between consumers’ willingness to pay for organizational attributes that have previously positive corporate reputation. The authors hypothesized that consumers attribute positive reputation to firms with better financial performance, larger organizational size, stronger endorsements and greater longevity. It was further proposed that there is positive association in corporate reputation and the consumer’s willing to pay for the product. Consumers’ reputation perceptions act as a mediator in the relationship between organizational characteristics and consumers’ willingness to pay for the organization’s products. Using a sample of 79 respondents the findings revealed that consumers were willing to pay more for good corporate reputation.

**Walsh and Beatty (2007)** identified dimensions of customer-based corporate reputation and developed a scale to measure these dimensions. The hypothesized model was tested by taking seven dimensions: fairness and social responsibility, customer orientation, product and service quality, financial performance, sympathy, transparency and communication and appearance For this study sample was taken from banking, retailing and fast-food restaurants. The logic behind selecting these services was because of involvement and interaction opportunities of customers and service providers. Based on comprehensive validation procedures across three firm types, authors found support for a five-dimensional scale: good employer, customer orientation, product and service quality, reliable and financially strong company, and social and environmental responsibility. Investigation also validated the relationship between corporate reputation, satisfaction, loyalty, trust and outcome variables.

**Cater and Zebkar (2009)** examined commitment from the customers’ perspective consisting of three components: affective, calculative and normative. Relationships were tested in the context of professional between services providers and their clients. In the study three dimensions namely commitment, commitment and social bond, trust and satisfaction were undertaken. The sample framework consisted of companies listed on the websites of marketing research firms. In the beginning, an e-mail was sent to 500 addresses and data were collected through telephone
interviews. Later on a filter of at least one research project from marketing research agency in the previous years was applied to select the firms. Based on this criterion, a sample of 230 companies was selected and data were gathered from the sampled companies during March 2005 to July 2005. The hypothesized model was tested in the context of central and eastern European companies. The results revealed that commitment (affective) had been the only significant component that influenced customer loyalty. As far as trust and social bonds were concerned, they had no statistically significant relation either with normative or calculative commitment. Moreover the findings revealed a negative relationship of overall satisfaction with both calculative and normative commitment.

**Boshoff (2009)** to measure the customer-based corporate reputation of a service firm tested psychometric properties of 31-item instrument as projected by Walsh and Beatty (2007). The data from a sample of 340 respondents was used to measure to assess the dimensionality of CBR. The results revealed that 17-item instrument had superior psychometric properties compare to the longer instrument.

**Keh and Xie (2009)** studied a relationship between customer identification, customer trust and customer commitment as the key dominant factors between customer purchase intentions, corporate reputation and willingness to pay a price premium. The hypothesized model was tested taking a sample 351 customers. For the study sample was taken from state-owned professional translation services firm public listed computer network firm and medium sized Sino-foreign joint venture Chinese business to business service firms. The findings revealed that customer commitment is positively associated with customer identification and corporate trust. Earlier research indicated that trust is a key antecedent of commitment. Here findings revealed customer identification has relatively stronger influence on customer commitment. The findings further revealed that companies with positive reputation benefits from enhancing trust and identification in customers, which in turn, positively impact customer commitment.

**Shamma and Hassan (2009)** examined corporate reputation by taking the perspective of both customer’s and non-customer’s. The authors proposed that information from others, experience and information from media has impact on corporate reputation. To test the hypothesized
relationship a sample of 1088 (518 customers and 570 non-customers) respondents from US wireless telecommunications industry was taken. The study revealed that the perceptions about corporate reputation vary on the part of customers and non-customers. The dimension of emotional appeal and dimension of vision was specific to the customer group and non-customer group respectively. This study revealed that social and environmental responsibility was not a significant element for both groups.

Walsh, Beatty and Shiu (2009) examined shorter scale developed by Walsh and Beatty (2007). A scale of 15 items were taken by taking sample from US, UK and Germany. To test the scale a sample of 954 (from UK 553 and from Germany 401) was taken across the banking, retail and fast-food industry. The findings revealed that in the customers all the three countries conceived the customer-based corporate reputation (CBR) dimensions similarly. In terms of reliability, all five CBR dimensions are acceptable 15 items scale. The findings revealed that a positive corporate reputation positively affect loyalty, trust and repatronage intentions. The results further revealed that unfavorable corporate reputation negatively affect loyalty, trust and repatronage intentions. The original scale was developed for offline shopping or service environment. The authors concluded that shorter scale of 15 items worked better for internet service context in German. The findings revealed that there was conceptual difference between internet context and offline context due to low correlations between the repatronage intentions and corporate reputation dimensions.

Walsh et al. (2009) extended previous work to investigate the antecedents and customer-related consequences of corporate reputation from the perspective of customers. The authors proposed relationship between customer trust, customer satisfaction, customer-based corporate reputation, and word-of-mouth and customer loyalty. They further investigated influence of customer trust, satisfaction on corporate reputation and its effect on word of mouth and customer loyalty. The hypothesized model was tested on sample of 511 customers from German Energy Supply Company. All the hypothesized relationship in the study were supported with support from quantitative data and assessment. The findings supported satisfaction-reputation relationship and confirmed that high levels of customer satisfaction had positive influence on corporate reputation. The findings revealed that trust plays as a significant predicator of corporate
reputation. The findings revealed direct and positive impact of customer reputation. The study provides key insight that CBR is positively correlated with important consumer antecedent and outcome variable. The authors concluded that there is need for differential analysis of the antecedents-corporate reputation and corporate reputation-outcomes relationships. This will help firms to use their resources more efficiently by focusing on issues that are of strategic importance.

**Lacey and Kennett-Hensel (2010)** investigated association between trust, corporate social responsibility, commitment and customer relationships. The authors proposed that a firm who is socially responsible strengthen customers’ trust and commitment and relationship intensify over time. It was also proposed that commitment on the part of customer positively influence the magnitude of his or her purchase behaviour, Word-of-mouth and follow performance and it intensify over time. To test the hypothesized model data was collected from a sample of 750 respondents through online survey. The findings revealed that firm that engaged in CSR initiatives get benefitted through trust and commitment of customer which, in turn help forge desirable customer behaviours (follow performance, positive word-of-mouth and magnitude of purchase behaviour). The findings also showed that relationship magnified over the time.

**Valenzuela, Mulki and Jaramillo. (2010)** examined the association in customer orientation and customer loyalty. The authors proposed that when customers depict loyalty when they believe that the firm is ethical and there are inducements and special treatments. The hypothesized relationship was tested taking a sample from Chile on 229 customers in financial institutions. The findings revealed that firm’s good reputation had positive impact on customer loyalty.

**Wang (2010)** examined the association between corporate image, customer perceived value and customer loyalty. To test the proposed model a sample of 260 respondents was taken. The findings revealed that the role of switching cost plays essential role in customer loyalty. The results indicated that in the case of high switching cost the impact of customer-perceived value and corporate image on customer loyalty is reduced.
Chang and Zhu (2011) investigated the relationship in product and service quality, customer orientation and corporate reputation. The authors proposed that customer orientation has positive effect on service quality, product quality and corporate reputation. It was also hypothesized that product quality and service quality act as a mediator in the relationship between customer orientation and corporate reputation. The proposed relationship was tested by taking a sample of 615 firms in China. The results supported that product quality, customer orientation and service quality are positively and statistically significantly associated with corporate reputation. The findings revealed that service quality act as a mediator in the relationship between customer orientation and corporate reputation. However, product quality mediates the relationship between customer orientation and corporate reputation in partial.

Homburg, Muller and Klarmann (2011) investigated contextual influence and link between customer-oriented behaviours and customer loyalty. In customer-oriented behaviours both functional customer orientation and relational customer orientation were taken into account. The authors proposed that customer’s orientation as a moderator in the link between relational customer orientation and customer loyalty It was further proposed that a customer’s task orientation act as a moderator in the link between functional orientation and customer loyalty. The moderating impact of importance, complexity, brand strength and product individuality was also analyzed. To test the hypothesized model a survey of 56 sales managers, 195 sales representatives and 538 customers was done through multilevel analysis The findings revealed functional and relational customer orientation had varied effect on customer loyalty. The study revealed that statistically strong impact of a salesperson’s functional customer orientation on customer loyalty, however there was no impact of relational customer orientation on loyalty. The results further revealed that positive association of a customer’s communication style with both type of orientations.

Evanschitzky et al. (2012) investigated the relative influence of two types of loyalty on purchase behaviour and preference intention. To test the hypothesized relationship a sample of 5189 respondents were used. The findings revealed that program loyalty and company loyalty were not only theoretically different, but they were also empirically diverse constructs. Trust, satisfaction and commitment had a statistically significant and positive impact on company
loyalty. However, it was revealed in this study that commitment and trust were comparatively more significant than satisfaction. The findings further showed economic value as a strongest driver of program loyalty. However, special treatment and social benefits though important were statistically less significant drivers of program loyalty.

**Hur and Kang (2012)** examine the relationship among normative, affective, and continuance customer commitment and customer loyalty behaviours of service retention, willingness to pay and word of mouth. The hypothesized model was tested by taking a sample from the manufacturing and retail sectors of 427 students and employees in South Korea. These respondents were using mobile service. The proposed study revealed that each of the three customer commitment components had an impact on loyalty behaviours, but for each of the component the impact differed. The findings further revealed that normative and continuance commitment reduced the impact of affective commitment on customer loyalty behaviour.

**Lii and Lee (2012)** investigated the efficacy of three corporate social responsibility (CSR) initiatives – sponsorship, cause-related marketing (CRM) and Philanthropy – on consumer-company identification (C-C identification) and brand attitude and, in turn, consumer citizenship behaviour. The authors also proposed CSR reputation as the moderator in between CSR initiatives, C-C identification and brand attitude. To test the hypothesized model a sample of 447 respondents was used. The results revealed that all three CSR initiatives had a noteworthy effect on C-C identification and brand attitude. However, the level of that influence diverse according to a firm’s CSR reputation. The findings further supported the consumer attitudinal evaluations is influenced by philanthropic types of CSR initiatives.

**Razvi et al. (2012)** examined the linkage in customer satisfaction, corporate image and customer loyalty. To test the hypothesized relationship a sample of 354 customers from six software companies in Iran was taken. The findings revealed that there was significant and positive association between customer satisfaction and corporate image, corporate image and customer and customer loyalty and customer satisfaction and customer loyalty.
ShirSavar, Gilaninia and Almani (2012) examined the relationship between corporate image, relationship marketing, perceived quality, perceived value, positive word of mouth, customer expectations, satisfaction and loyalty. To test the hypothesized relationship a sample of 314 customers from bank was taken. The findings revealed that satisfaction and loyalty are the most important factors and after that corporate image and relationship marketing are another two factors that have a direct and statistically significant impact on positive word of mouth. Whereas, perceived quality, perceived value and customer expectations are three factors that have an indirect impact on positive word of mouth.

2.3 Studies Related to Customer Participation in Service Delivery and Perceived Risk as Moderators of Customer Citizenship Behaviour

Cremak, File and Prince (1994) investigated the relationship between satisfaction, customer participation and behavioral intentions. The authors proposed that increased customer participation is linked with customer satisfaction, service quality and post purchase behavioral intentions. It was also hypothesized that customer participation is higher in new established firms and post purchase intentions will be more positive in established than in new relationships. The hypothesized model was tested on the sample of 476 respondents. The findings revealed that participation is strongly associated with repurchase and referrals in service settings.

Bendapudi and Leone (2003) examined the effect of the self-serving bias in participation and the impact on customer satisfaction. Data were gathered from 124 undergraduate students from a major US university. The study showed that customer participation in production has impact on outcome quality and satisfaction with the firm. Authors also studied strategies to reduce the self-serving bias. Results revealed that providing choice in participation could reduce the self-servicing bias and thus make a customer more a willing to take the credit as well as the blame for an outcome.

Gurhan-Canli and Batra (2004) investigated the moderating role of perceived risk on corporate image and consumer product evaluation. To test the hypothesized relationship two studies were
done. In first study, sample of 1107 was taken and in second study sample of 2149 was taken. The findings revealed that perceived risk worked as a moderation between corporate image and consumer product evaluation. This provide useful insight for the managers to invest in building corporate image when the product categories are more risky and when the consumer segment is more risk averse.

**Ueltschy, Krampf and Yannopoulos (2004)** explored perceived consumer risk in relation to online (Internet) purchasing. A sample of 562 respondents from the United States, Canada and U.K was taken for this study. The finding showed that influence of purchasing experience online in reducing consumer risk varies significantly depending on product/service category. Results also proved that the particular risks that are noteworthy across cultures also vary depending on product/service category. Further, it was explored through this study that factors like time, convenience, product category were significant issues.

**Cooil et al. (2007)** investigated the moderating effect of customer age, income, education, expertise and length of relationship and impact of change in customer satisfaction due to change of share of wallet. To test the hypothesized model a sample of 4319 households was taken from Canadian banking industry. The findings revealed positive statistically significant relationship between change in satisfaction and share of wallet. The findings further revealed that length of the relationship and income act as moderator in negative sense. However other demographic variables and situational characteristics had no impact.

**Dong, Kenneth and Zou (2008)** examined the effect of customer participation in co-created service recovery. A sample from 231 undergraduate students of Midwestern University was taken to evaluate the role of customers and firms in the beginning of service recovery. The study indicated that in self-service technology contexts customer participation in the service recovery process resulted in higher level of perceived value of future co-creation, role clarity, satisfaction with service recovery and intention to co-create value in the future.

**Chan, Yim and Lam (2010)** empirically examined the effect of customer participation on value creation and satisfaction. It was done in the context of professional services from the perspective
of both customers and employees with different cultural value orientations. The hypothesized relationship was measured by taking data from multinational bank in Hong Kong and USA of 349 pairs of customer and service employees. In sample center of attention was on professional financial services such as financial planning asset management, personal loans, insurance and fund management. This study provided empirical verification in support of extant idea that value creation was a pre-requisite for the success of the firms’ strategic efforts. This study examined to things 1) customer participation (CP) drives performance outcomes- employee job satisfaction and employee job performance and customer satisfaction through the creation of relational values and economic 2) participants’ cultural value creations effect the CP on value creation. The results implied that value creation can be enhanced by arranging customers and service employees with similar cultural values orientations.

**Cheung and To (2010)** examined customer-specific antecedents of perceived service performance. The test the hypothesized relationship sample from 349 customers from six major retail banks in Macao was taken into consideration. Using hierarchical regression analysis the model was test. The results confirmed that customer involvement and perceived service performance are associated with each other statistically. The study revealed the significant positive relationship between customer involvement and perceived service performance at higher level of co-production.

**Walsh, Batikowski and Beatty (2012)** explored monetary and non-monetary outcomes of customer-based corporate reputation (CBR) and hypothesized that commitment served as a mediator though partial , at the same time service context risk act as a moderator, of these relationships. A multi-group specification (lower-risk vs. higher-risk service contexts) in structural model on a sample of 2000 service customers was used to test the hypothesized relationship. The sample was collected in two stages from retailing, fast food, retail banking and telecommunication. The findings revealed that commitment mediates the relationship between CBR and most of the outcome variables, but partially. The findings further revealed that service provider selection risk moderated these relationships. Corporate reputation had a stronger effect on several non-monetary outcomes for higher-risk services while, in the case of lower-risk services commitment has stronger effect.
2.4 Summary

This chapter has reviewed studies related with the concept of customer-based corporate reputation (CBR) and customer citizenship behaviour (CCB) and its antecedent factors. The literature review has helped to conceptualize the notion of customer-based corporate reputation (CBR) and identify the dimensions that previous research has found to part of corporate reputation. This chapter clarified that customer-based corporate dimension is multi-dimensional concept and consists of customer orientation, product and service quality, good employer, socially and environmental responsibility and reliable and financially strong company. The literature review also conceptualized the concept of customer citizenship behaviour and identifies its dimensions and antecedents. The chapter identified key antecedents of citizenship behaviour: customer-based corporate reputation, customer commitment, customer loyalty. This chapter acknowledged that there are few studies that consider customer loyalty both from affective and intentional perspectives. They too do not incorporate moderating role of customer participation in service delivery and perceived risk which is the primary goal of the study. The relationships between the potential antecedents of citizenship behaviour, dimensions of customer-based corporate reputation (CBR) and customer loyalty, mediating role of commitment and customer loyalty, moderating role of customer participation in service delivery and perceived risk will be discussed in the next chapter along with the specific hypotheses.