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Measuring Consumer Expectations of Salesperson Unethicality: A Scale Development

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Measuring Consumer Expectations of Salesperson Unethicality:

A Scale Development

by

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Abstract

MEASURING CONSUMER EXPECTATIONS OF SALESPERSON UNETHICALITY: A SCALE DEVELOPMENT

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Old Dominion University, 2015
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This dissertation addresses how and what ethical expectations (prior to conducting business) affect customer trust of the salesperson. In order to do so, this dissertation achieves two things. First, a scale for measuring the consumer's expectations of salesperson unethicity (CESU) is systematically developed and validated based on the existing ethics literature and previously developed scales. Second, the scale's properties and potential application are examined through hypothesis testing regarding the effects of (1) word of mouth on brand equity and consumer's expectations of unethicity, and the effects of (2) brand equity and consumer's expectations of unethicity on trust of the salesperson. The result is a thoroughly validated scale that is useful to both researchers and managers in sales-oriented industries.

Such a scale can be used by sales-focused businesses to measure consumer expectations in order to help salespeople better understand the target market and allow managers to better focus ethics training efforts. The scale achieves this with an understanding of what the consumer expects from the salesperson, based on factors such as word of mouth and brand equity. Unlike other scales used to measure ethicality, potential unethical behaviors listed in the CESU scale are industry-specific.

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Chapter 1: Introduction

When making a purchasing decision, consumers not only consider the product or service, but also the salesperson and service encounter (e.g., Booms and Bitner, 1981). Research has shown that unethical salesperson behavior is often a source of consumer dissatisfaction (e.g., Alexander, 2002; Creyer and Ross, 1997; Whalen et al., 1991). Understanding consumer expectations regarding salesperson unethicity can help a business establish guidelines for codes of conduct and modify the organization's culture to be more sensitive to the consumer's ethical perceptions in the market place. However, businesses are not aware of the expectations consumers hold prior to the sales experience. Understanding these expectations, and what may drive them, can help managers and marketers structure ethics training programs and marketing campaigns around focused areas of interest.

This dissertation addresses certain gaps in the literature; for example, there has been a call for industry-specific scale measures (e.g., Ozer, 2004; Ekiz and Bavik, 2008). This dissertation answers this request by developing a scale to measure consumer expectations of salesperson unethicity (CESU) within the sales industry (specifically, automotive). This dissertation then uses the construct to explore the connection between antecedents (e.g., word of mouth) and outcomes (e.g., consumer trust) of these ethical expectations. Another gap this dissertation addresses comes from the Marketing Science Institute (MSI); in its 2014-2016 research priorities, MSI called for a better understanding of transparency, perceived fairness, and ethical behavior expected by consumers,

and asked how companies could recover when these expectations are not met. This dissertation will examine the first directive of this call and provide direction for future research regarding the second.

In order for the salesperson to deliver a satisfactory experience, he must consider the buyer-seller dyad from the perspective of the consumer. Research has shown that a consumer enters an exchange with preconceived expectations on how he believes he should be treated (Bitner, 1992; Zeithaml et al., 1993a). From this, he often develops predictions regarding how a salesperson will, or should, behave during the sales process. These expectations frame not only his interpretation of the salesperson's behavior, but also his overall sales experience. These expectations are largely based on the consumer's direct experience with the company, word-of-mouth communications, and information gathered from secondary sources (Ingram, Skinner, and Taylor, 2005). The gap between what the consumer expects and what the consumer experiences affects his level of satisfaction (Zeithaml et al., 1993b).

Both favorable and non-favorable experiences regarding salesperson behavior impact a consumer's overall evaluation of that business, attitude toward brand, purchase intentions, and positive or negative word of mouth (Brunk, 2010; Roman and Ruiz, 2005). However, before measuring the customer's experience with the salesperson, it is necessary to understand what the customer expects from the salesperson. This way, both the business and salesperson know if the salesperson's behavior met, exceeded, or fell below the expectations of the customer. Because ethicality, or lack thereof, plays such an

important role in satisfaction, the marketer must ask: what do consumers expect in terms of salesperson ethicality? More specifically, how much do consumers expect the salesperson to be unethical? This dissertation aims to determine consumer expectations regarding salesperson unethicality prior to conducting business. Understanding these expectations can improve both ethics and sales training efforts in two ways. First, understanding consumer expectations can provide salespeople with a better understanding of consumer predispositions. Second, consumer (un)ethical expectations may be industry specific; therefore, training should be tailored to meet industry needs.

Service literature suggests that positive WOM and superior brand image attract consumers, thus increasing firms' profits. Overlooked entirely is whether prior beliefs raise or lower consumer expectations of unethicality. A scale measuring these expectations can be used by sales-focused businesses to measure consumer opportunities in order to provide both managers and salespeople with an understanding of (1) what the consumer expects from the company, brand, and salespeople; and (2) how this compares with the consumer's expectations within the industry. Results can also provide guidance on which areas to focus ethics training for the salesforce. Thus, this dissertation is focused on developing a comprehensive scale that captures consumer expectations regarding salesperson unethicality.

As stated, the purpose of this dissertation is to address the gap in the literature regarding what effects, if any, expectations (prior to conducting business) can have on customer trust of the salesperson. Therefore, the goals of

this dissertation are (1) to develop a scale that measures consumer expectations of salesperson unethicity, (2) to validate this scale, and (3) to test the effects of consumer expectations of salesperson unethicity on consumer trust of salesperson.

The results of this dissertation make key contributions to both marketing theory and practice. First, this study makes a theoretical contribution by developing a construct that recognizes the calls from recent researchers (e.g., Ozer, 1999, Ekiz and Bavik, 2008) to expand the boundaries of salesperson ethics research and develop industry-specific scale measurements to better fit the nature of the industry. Second, this dissertation answers the call by MSI to better establish optimal social contracts with customers (due to higher customer expectations) (MSI Research Priorities, 2014). Specifically, MSI asks three questions: (1) What is the “corporate code of conduct” that consumers expect?; (2) What levels of transparency, perceived fairness, and ethical behavior are expected?; and (3) How can companies recover when expectations are not met?

Third, it also measures the effects of potential prerequisites (e.g., WOM and CBBE) of consumer expectations of salesperson unethicity, and the effects of these expectations on consumer trust. Lastly, the CESU construct contributes to the literature above and beyond several existing constructs such as customer participation and involvement by evaluating the consumer mindset prior to the sales meeting.

The results of this dissertation also make practical contribution to marketers and salespeople, with both comprehensive ideas and specific action

items. With the CESU construct scale development, this dissertation puts customer conversions into a longer term, more strategic context. Results from the CESU measurement can help a manager evaluate long-term engagement, build lasting connections with consumers, and develop goodwill in the process, thus leading to not only larger customer conversion numbers, but also stronger customer loyalty from these conversions.

With this in mind, this dissertation achieves two things. First, based on existing ethics literature and previously developed scales, a scale for measuring the consumer's expectations of salesperson unethicity is systematically developed and validated. Second, in carrying out the validation process, the role of CESU is examined in a larger network of ethics; the scale's properties and potential application are examined through hypotheses testing regarding the effects of brand equity on expected unethicity and brand trust. The result is a thoroughly validated scale that may be useful to both researchers and managers in sales-oriented industries.

The remainder of this dissertation is divided into four main components. Chapter 2 reviews literature concerning the foundations ethics, consumer expectations of unethicity, and the effect these expectations have on consumer trust. Next, it introduces the concept of CESU and the link between these expectations and perceptions. Given that CESU is a construct not yet developed in marketing, literature regarding consumer evaluation of personal ethics and business ethics is reviewed.

Chapter 3 discusses the nature, scope and framework and covers the qualitative methodology used to develop CESU scale items. Further, Chapter 3 discusses the initial scale development efforts undertaken.

Chapter 4 derives hypotheses to test the relationship between word of mouth, brand equity, CESU, and consumer trust of the salesperson. It also presents the operationalization of the measures to be used in the study and the research methods used. As the nature, scope, and framework have been derived from qualitative and quantitative work, this chapter also discusses each step in the data collection in detail.

Chapter 5 synthesizes the empirical findings to answer the dissertation's research questions; results are presented and discussed. First, measure purification is covered. Second, the scale validation process is discussed. Confirmatory factor analysis and validity tests are performed. Results of the scale refinement, including model fit, are discussed. Lastly, results of the hypotheses tests are addressed and discussed.

Lastly, Chapter 6 (1) summarizes the results of this research on consumer expectations of salesperson unethicity; (2) discusses theoretical implications of both the scale and corresponding hypotheses; (3) discusses managerial implications of both the scale and corresponding hypotheses; and (4) addresses limitations of the scale. Comprehensive implications are discussed first, followed by specific action-items for managers. It is vital that salespeople understand the extent to which their actions in a buyer-seller relationship build or reduce trust in not only customer trust in them, but also in the company and

brand. This chapter concludes with an exploration of possible future directions for research.

Chapter 2: Literature Review

This chapter reviews literature concerning the foundations of ethics and introduces the concept of consumer expectations of salesperson unethicity. Given that CESU is based on expectations of ethics and is a construct not yet developed in marketing, literature regarding the foundation and evaluation of both personal and business ethics is reviewed.

The services literature has widely recognized the importance of contact employees' (e.g., salespeople) behavior in regards to customer satisfaction and loyalty (e.g., Farrell and Oczkowski, 2009; Jayawardhena and Farrell, 2011). Ethics research in sales is often based on the argument that a salesperson's unethical behavior affects the firm by destroying consumer trust (Mascarenhas, 1995). Because the "salesperson is the primary - if not sole - contact point for the customer both before and after the purchase" (Crosby, Evans, and Cowles, 1990, p.68), the customer often views the firm and the salesperson as inseparable (Zeithaml and Bitner, 2000). Therefore, the ethical and/or unethical behavior of the salesperson can affect a company's reputation (Bromley, 2001; Bendixen and Abratt, 2007; Worcester and Dawkins, 2005). Ethics research shows that ethical salespeople are not only more effective at building strong customer relationships, but also have more satisfied and committed customers (Hansen and Riggle, 2009; Goff, Boles, Bellenger and Storjack, 1997). In contrast, unethical salespeople impact the consumer decision-making process (e.g., Alexander, 2002; Smith and Cooper-Martin, 1997), as well as affect

consumer attitudes in the marketplace (e.g., Babin, Boles and Griffin, 1999; Folkes and Kamins, 1999).

The evaluation of ethical and unethical behavior is not the same among individuals. Consumers differ in their expectations and interpretations of ethicality regarding certain retail practices as a result of variation in perceptual framework; these variations occur in areas such as perceived ethical problem, perceived alternatives, and perceived consequences (e.g., Ferrell and Gresham, 1985; Hunt and Vitell, 1986).

Understanding what consumers expect in terms of salesperson unethicality is important so that businesses can focus training efforts in areas specific to the needs of the customer. To understand these expectations it is first necessary to have an understanding of the foundation of ethics. The following section is divided into two subsections: an overview of ethics and the philosophical foundations of ethics.

What is Ethics?

Aristotle defined ethics as “practical wisdom”; he believed that ethics was related to what should or should not be done regarding things that are either good or bad for the individual. While it is the basis for judgment regarding daily interaction with others (Bartels, 1967), ethics is also a situation-specific construct (Lagace, Dahlstrom, and Gassenheimer, 1991; Singhapakdi, Rallapalli, and Kraft, 1996).

Ethics is not the process of evaluating an ethical situation; rather, it is viewed as a standard for judging the rightness of one person's action relative to another person's action. The ethical issue itself is viewed as the component leading the ethical decision process (Ferrell and Gresham, 1985), or as the actual source of the ethical decision process (Hunt and Vitell, 1986). Nearly all available definitions of ethics exist at highly abstract levels (Lewis, 1985); typical definitions refer to ethics as the rightness or wrongness of behavior; however, not everyone agrees on what is considered morally right or wrong.

For analytical purposes, it is important to define what ethical criteria is used in decision-making (Tenbrunsel and Smith-Crowe, 2008). A review of ethical philosophies reveal it is particularly difficult to label what one considers ethical behavior. Any standard used is subjective according to individual characteristics of both the active participant and the viewer. It is also cultural in nature, making it a difficult construct to estimate and measure (e.g., Ferrell and Gresham, 1985; Hunt and Vitell, 1986; Jones, 1991; Singhapakdi et al., 1999a).

Marketing ethics theories (e.g., Ferrell and Gresham, 1985; Hunt and Vitell, 1986) highlight that personal moral philosophies influence the ethical decision making process. Theories of normative ethics provide many hypotheses concerning people's cognitive rationale. Empirical research of these theories (i.e., descriptive ethics) help determine and guide the truths behind normative assumptions (e.g., Buchanan and Mathieu, 1986; Waterman, 1988). This information is then able to provide justification of individual moral principles (Waterman, 1988). In order to provide an accurate construct of expected ethical

behavior, this dissertation first summarizes both normative and descriptive ethical approaches.

Normative Ethics

Normative ethics, the study of what ought to be, dates back to ancient Greece (e.g., Aristotle, Plato). It attempts to develop and justify a moral system of the discipline and is the foundation for which ethical behavior is viewed (Weaver and Trevino, 1994). Normative theories of ethics serve as sound conceptual and epistemological foundations for theory and hypothesis generation.

Most normative studies tend to limit the discussion to two main philosophies: teleology and deontology (e.g., Hunt and Vitell, 1986; Ferrell and Gresham, 1985). However, whether consciously or subconsciously, individuals use multiple moral foundations as a basis for making ethical decisions. (e.g., Ferrell and Gresham, 1985; Reidenbach and Robin, 1988). These other normative philosophies include relativism, idealism, egoism, and justice (Beauchamp and Bowie, 1983; Donaldson, Werhane, and Cording, 1983). Therefore, all six of these are further discussed below.

Teleology

In their model, Hunt and Vitell (1986) use teleology and deontology as core components of the ethical decision-making process. Teleology states that actions are either right or wrong because of the outcome(s) they aim to produce. The teleological process occurs when an individual evaluates

alternative actions by (1) considering what he perceives as probable consequences; (2) the desirability of those consequences; and (3) the relative importance of various stakeholders these consequences may affect. According to a teleological thinker, lying is wrong only if it causes unhappiness, but justified if it causes happiness. Therefore, if lying makes people happy in a particular situation, then lying is moral.

Deontology

Conversely, deontology views ethical behavior as independent of the concept of “good” or “bad.” An individual’s behavior is not justified by the outcome(s) of his action, but rather the motivation behind the action (Beauchamp and Bowie, 1983). In other words, deontology evaluates whether the intention(s) behind certain actions are right or wrong instead of focusing on whether the results of the action are right or wrong. While teleology is based on the results of an action and on whether an action produces greater happiness and less pain, deontology is based on one’s absolute duty and its priority over results. To a deontologist, lying is always wrong, even if it was done to save a friend’s life.

Relativism

In reality, individuals and groups differ in ethical behavior and decisions based not only on a culture’s moral philosophy, but also individual factors (Hunt and Vitell, 1986; Ferrell and Gresham, 1985). Deontology and teleology both fail to account for these individual factors (Ferrell and Gresham, 1985). According

to relativism, ethical decisions are a function of cultural and individual traits, and therefore, no universal rules exist (Reidenbach and Robin, 1990). It is based on the idea that a moral action depends upon the nature of the situation and the individuals involved more than the ethical principle that was violated (Forsyth, 1992). It represents the idea that an action may be acceptable based on traditional or sociocultural standards. Simply put, if a culture believes something is right and good, then it is right and good for that culture. For example, in the United States, bribery is viewed as illegal, and therefore wrong. However, other cultures may see bribes as standard business practice and therefore appropriate behavior. As such, if a firm from the U.S. refuses to provide bribes, the other country might find that behavior unethical.

Idealism

Idealism focuses on one's concern for the wellbeing of others and is the degree to which an individual adheres to moral absolutes when making moral judgments. This does not mean idealism embraces moral absolutes. Rather, idealism focuses on specific actions of individuals, as the inherent goodness or badness of the action determines ethical course (Rawwas, Arjoon, and Sidani, 2013). For example, an idealist might argue that helping a bad individual win a war is not moral, even if by not helping the individual win, a worse person wins the game. Idealists believe that one's morality will (1) guide his/her actions, (2) judge unethical actions of others, and (3) have a great sense of caring toward others (Forsyth 1981; Forsyth et al., 1990; Leary et al., 1986). A highly idealistic individual will feel that harming others is always avoidable.

Egoism

Egoism is the philosophy of promoting one's own good before all others (Hunt and Vitell, 1986). Ethical egoism claims an action is morally right if it maximizes one's self-interest. Accordingly, people should always be motivated by, and focused on maximizing, self-interest. Ethical egoism is based on three arguments: (1) morality is subjective and is different for every individual; (2) self-interest is the origin of all morality; and (3) an individual should further self-interest, and acting against that desire is immoral (Beauchamp and Bowie, 1983; Donaldson, Werhane, and Cording, 1983). For example, helping a bad person win a war is moral if it helps one's own personal interests.

Justice

Justice is concerned with ensuring fairness in accordance to legal standards. Ideally, justice is ethical, as it assumes that doing what is legal is ethical. The major components of justice theory are equity, fairness, and impartiality. These components require that an individual's actions reflect comparative treatment of individuals and groups affected by the action. It suggests that society imposes rules to protect individuals from the selfish desires of others in order to minimize tension between the needs of society and the freedom of the individual. For example, helping a bad person win a war is moral if it brings equity, fairness, and impartiality to the society.

Descriptive Ethics

While normative ethics looks at what “ought to be,” descriptive ethics looks at “what is.” According to Beauchamp and Bowie (1983), descriptive ethics is the evaluation of ethical behavior; specifically, it is the scientific study of what individuals view as either morally acceptable or unacceptable. Donaldson, Werhane and Cording (1983) believe that business ethics must relate business activities to human good; thus, it must include the evaluation of business practices. Descriptive ethics (1) studies and describes the morality of people, culture, or society; (2) compares and contrasts different moral systems, codes, practices, beliefs, principles and values; (3) describes and explains moral behavior and phenomena from a social science perspective; and (4) develops and empirically tests conceptual models to enhance understanding of ethical behavior and moral decision making. Simply put, descriptive ethics is the empirical testing of how people tend to behave and what ethical philosophies they tend to follow.

Examining Ethical Behavior

Descriptive ethics is approached in one of two ways. The first is an examination of ethics and ethical behavior in marketing practices and activities (e.g., Sturdivant and Cocanougher, 1973; Krugman and Ferrell, 1981; Dubinsky and Rudelius, 1980). This evaluation process includes conducting surveys of attitudes and behaviors regarding individual customers and marketers (e.g., d'Astous and Legendre 2008, Cui et al., 2005; Singhapakdi et al., 1999), as well

as measuring the morality of an organization itself (e.g., Trevino, 1990; Valentine and Fleischman, 2004).

In descriptive ethics research, some studies focus on a consumer's perception of corporate ethicality, (e.g., Singhapakdi et al., 1999b; Berens et al., 2005; Brown and Dacin, 1997; Folkes and Kamins, 1999; Lichtenstein et al., 2004; Madrigal and Boush, 2008; Mohr and Webb, 2005), while others focus on a consumer's evaluation of personal ethics. When it comes to marketing actions, there is a clear disparity between a consumer's and a marketer's ethical judgment. For example, Bone and Corey (2000) found that in regards to product packaging, business practitioners were less sensitive to the severity of negative consequences resulting from poor packaging than consumers. In general, marketing professionals tend to be less idealistic and more relativistic than consumers (Singhapakdi et al., 1999b). A list of articles examining consumer evaluations of ethicality regarding personal ethics and corporate ethics can be found in Table 1.

Modeling Ethical Behavior

Examining ethical behavior is the first approach in descriptive ethics; the second approach is building a model that represents an individual's approach to ethical decision making. The process an individual uses when making an ethical judgment involves two key steps: (1) determining what is right or wrong in a particular situation, and (2) acting on that judgment. One of the first models to evaluate these steps is Kohlberg's theory of cognitive moral development (Kohlberg, 1958; Kohlberg, 1971; Kohlberg, 1973). This theory describes the

processes used by individuals in terms of how they resolve moral issues and make moral choices as they grow and develop. Since this model, several other models have been proposed in the literature (e.g., Hunt and Vitell, 1986; Jones, 1991; Rest, 1986; Trevino, 1986; Ferrell and Gresham, 1985). Most of the models to date, whether implicitly or explicitly, revolve around the four basic steps proposed by Rest (1986): (1) recognizing a moral issue, (2) making a moral judgment, (3) establishing a moral intent, and (4) engaging in moral behavior (e.g., Ferrell and Gresham, 1985; Hunt and Vitell, 1986; Jones, 1991; Trevino, 1986). These models evaluate the inputs and actions that affect these four concepts.

The two most frequently cited models are by Ferrell and Gresham (1985) and Hunt and Vitell (1986). Ferrell and Gresham (1985) integrate key determinants of ethical and unethical behavior in a multistage contingency model. Their framework is based on the assumption that the outcome of an ethical issue is related to the interaction between the situation itself and three other factors: (1) individual characteristics (e.g., knowledge, attitude, values, intentions), (2) significant others (e.g., social groups) within the organization, and (3) opportunity for action (e.g., barrier limitations).

Like Ferrell and Gresham, whom focused on the process of ethical decision making, Hunt and Vitell state that the most practical place to start normative evaluation of ethical behavior is to understand and describe how people actually arrive at their judgment of ethicality. The Hunt-Vitell model draws on four constructs: (1) personal experiences, (2) organizational norms, (3)

industry norms, and (4) cultural norms. These four aspects affect five areas during the decision-making process: (1) perceived ethical problems, (2) perceived alternatives, (3) deontological and teleological evaluations, (4) ethical judgments, and (5) intentions. Both models clearly show that understanding what is perceived as ethical (versus unethical) behavior by an individual is a complicated and ambitious task. One clear aspect regarding ethical evaluation is that the way an individual first perceives the ethical issue is a major source of variance in one's judgment in the ethicality of the situation, as it is based on his past experiences and word of mouth. (Hunt and Vitell, 1986; Ferrell and Gresham, 1985).

Importance of Salesperson Ethicality

Organizational decisions must start with the customer as the focal point; in doing so, salespeople must then act as customer advocates and be “customer centric” in their thinking and actions (Shah et al., 2006). As the representative for the company and the brand, salespeople have a vital role in portraying the organization as customer centric and building these customer relationships. Research in personal selling has attributed the salesperson's role to various organizational outcomes. These outcomes include (1) increased dollar revenue in terms of sales; (2) increased consumer trust; and (3) stronger, long-term consumer brand relationships. According to the service literature, a salesperson's role involves facilitating the relationship between the buyer and the brand. This role has evolved over different eras of marketing and reflects

various developments in the marketing process; for example, salespeople cannot promote a car today (relationship era) the same way salespeople promoted the original Ford Model T (sales era). Although the way in which organizations manage the sales relationship has also evolved (Weitz and Bradford, 1999), salespeople are still often seen as pushy and intimidating.

The relationship between the salesperson and the consumer initiates, develops, or changes the customer's perceptions and attitudes about the product or service, the company, and even the brand. Salespeople act as 'boundary spanners' and represent the brand to its customers. According to Schneider and Bowen (1985), salespeople are both gatekeepers and image makers within a buyer-seller dyad. Further, in a services context, salespeople are perceived by the customer as part of the service (Tansik, 1990; Daniel and Darby, 1997). In this sense, the salesperson acts as the conduit for the transaction, and thus is the company's best means to build a relationship with the customer. Research on salesperson behaviors suggests that training has a positive impact on a salesperson's practice of ethical behaviors; more now than ever, this training process should include ethics.

Because a consumer's expectations are derived from personal experiences, his assumptions of salesperson ethicality can be difficult to understand (e.g., Wilkes, 1978). Consumer experience "originates from a set of interactions between a customer and product, a company, or part of its organization" (Verhoef et al., 2009, p. 33). It is also built on word-of-mouth communications and information gathered from secondary sources (Ingram,

Skinner, and Taylor, 2005). Therefore, a customer approaches a retail interaction with a preconceived idea of how the selling experience will transpire (e.g., Mohr and Bitner, 1995). With countless input sources, consumers have the opportunity to form several different expectations regarding the ethicality and truthfulness of the salesperson's behavior (Creyer and Ross, 1997).

The customer is only prepared to make an informed decision regarding the purchase of a product or service when a salesperson provides truthful answers regarding the features and benefits of the product or service (Lagace, Dahlstrom and Gassenheimer, 1991). The salesperson that deviates from the truth could be considered by the customer to be practicing unethical selling behaviors. This type of behavior may not only hinder the existing relationship between the salesperson and customer, but also future relationships between the customer and the company or brand. Roman (2003) suggests that unethical behavior not only has a negative impact on the relationship between customer and salesperson, but also has a substantial negative impact on the relationship the customer has with the salesperson's firm.

Consistent with societal norms, ethical behavior encompasses broad concepts such as fair play, honesty, and full disclosure (Robertson and Anderson, 1993). However, as mentioned earlier, the type of unethical practice is both situation and task specific (Lagace, Dahlstrom and Gassenheimer, 1991). Increasing ethical behavior among salespeople can have strong effects on both the customer and the salesperson. In regards to the customer, ethical behavior has been positively associated with outcomes such as customer satisfaction with

the core service, customer trust in the company, and customer loyalty towards the company (Roman, 2003). In regards to the salesperson, research suggests that efforts made by sales managers to reduce the ethical conflict experienced by salespeople may lead to (1) lower sales force turnover; (2) improved job satisfaction; (3) increased customer satisfaction; (4) and increased sales and profits for the firm (Dubinsky and Ingram, 1984; Howe, Hoffman and Hardigree, 1994).

The Role of Salesperson Ethicality in Consumer Expectations

The importance of business ethicality has been recognized in the existing literature. However, until now, salesperson ethicality has been predominantly researched with limited systematic or empirical attempts to explore and operationalize the construct. Further, customer expectations of salesperson unethicality has yet to be explored. As the service literature has shown, contact employees' (e.g., salespeople) behavior affects customer satisfaction and loyalty (e.g., Farrell and Oczkowski, 2009; Jayawardhena and Farrell, 2011). As the salesperson is the principal connection for the customer (Crosby, Evans, and Cowles, 1990), understanding what the customer expects from the salesperson can help not only focus ethics training, but may also provide the company with a competitive advantage.

In order to gauge these expectations, it is first necessary to understand and define the CESU construct and differentiate it from similar constructs in the existing ethics literature. The following chapter explores the similarities and

differences between these constructs and CESU in order to define the parameters of the CESU construct.

Chapter 3: Conceptual Framework and Item Generation

In this chapter, several steps are taken to conceptualize the CESU construct. First, the construct is defined by comparing and contrasting it with similar constructs within the marketing literature. Second, several scale items are generated. Item generation is done through both a thorough review of the literature and an online, open-ended qualitative study. The qualitative study was done (1) to develop a better understanding of the nature of consumer expectations of salesperson unethicity; (2) to develop a comprehensive definition of the construct; (3) to support theory development for the construct; (4) and to generate items for the measurement of the construct. Lastly, potential scale items are evaluated and reduced using exploratory factor analysis.

To properly develop a scale, Churchill (1979) proposes eight steps: (1) define construct domain, (2) generate sample items, (3) collect data, (4) purify measure, (5) collect new data, (6) assess reliability, (7) assess construct validity and (8) develop norms. This dissertation will accomplish these eight steps via two studies

Defining the Construct

In order to define the construct, this section (1) evaluates the characterization of the CESU construct; (2) examines how CESU differs from other constructs in the literature; and (3) explains its contribution to both theory and practice.

CESU is defined as a multi-item construct designed to capture the consumer's expectations (prior to conducting business) of a commission-based salesperson's unethicality; it measures several different opportunities of potential unethical behavior of salespeople. Specifically, it poses unethical behaviors to consumers and asks them to what extent they expect that behavior from the salesperson. Unlike other scales used to measure ethicality, potential unethical behaviors listed in the CESU scale are industry-specific. For example, the CESU scale items developed in this dissertation are used to measure expected unethicality in automotive sales; these items may differ from the items used for other sales industries, such as retail. These differences in scale measurement items can be caused by industry-specific factors. For example, if retail commission is made on the number of items sold, a consumer may feel the salesperson will attempt to persuade her to buy unnecessary items.

The CESU scale is also business-to-consumer specific. Business-to-business sales transactions differ from business-to-consumer in several ways. First, business-to-business transactions oftentimes involve multiple customers involved in the sales negotiation. Second, business-to-business sales relationships are usually for longer periods of time. Third, items purchased often require long-term service requirements. Lastly, business-to-business transactions are typically more financially costly. Therefore, unethical behaviors of the salespeople may also differ.

After providing a concise definition, the second step in developing the construct is to show how CESU differs from other constructs (Nunnally, 1967;

Churchill, 1979). Two closely related, yet separate constructs are consumer perceived ethicality of companies and perceived moral intensity. Each of these is discussed in regards to CESU.

Consumer Perceived Ethicality

Recently introduced into ethics literature, the construct 'consumer perceived ethicality' (CPE) measures a consumer's cumulative perception of a company or brand's ethicality (Brunk and Bluemelhuber, 2011). Brunk (2012, p.552) defines CPE as the "consumers overall subjective impression of ethicality, meaning how he perceives the moral disposition of a company or brand, which by nature may not accurately reflect actual company behavior." According to Brunk (2012), six key themes explicate the construct: (1) abiding by the law; (2) respecting moral norms; (3) being a good or bad market actor; (4) acting in a socially responsible way; (5) avoiding any kind of damaging behavior; and (6) weighing up positive and negative consequences. Brunk (2012) finds that CPE is a uni-dimensional construct aimed to measure a company's ethical behavior in the sense of corporate social responsibility-related activities. CESU differs from CPE by measuring perceptions of salesperson unethicity as opposed to perceptions corporate-level ethicality. As a consumer views the salesperson as the business itself, even if the consumer believes the company is ethical in the sense of corporate social responsibility, he may not return for repeat business because of unethical salesperson behavior. As such, focusing on a personal level is important in order to build repeat business (e.g., Roman, 2003).

Perceived Moral Intensity

Perceived moral intensity is another closely related construct to CESU. Jones (1991) refers to moral intensity as the extent of issue-related moral imperative of a given ethical situation. According to Jones, moral intensity is multidimensional and consists of six components: (1) magnitude of consequences; (2) social consensus; (3) probability of effect; (4) temporal immediacy; (5) proximity; and (6) concentration of effect. Singhapakdi et al. (1996) examine the relationship between moral intensity and a marketer's perceptions of, as well as intentions in situations involving, an ethical issue. Their findings support the concept that moral responsibility is relative to the situation faced by the marketer (e.g., Jones, 1991; Hunt and Vitell, 1986; Ferrell and Gresham, 1985; Trevino, 1986); however, the scale for perceived moral intensity does not examine the customer's perspective of the marketer's behavior. Rather, it measures if the actions taken in a scenario are right or wrong, not what the respondent expected to happen in the scenario. CESU not only captures if a consumer expects the salesperson to take advantage of him or her, but also how they expect the salesperson to do so. In this way, CESU provides managerial implications: firms can teach their salespeople what not to do, as some actions are perceived as (more) unethical by customers.

Theoretical and Managerial Contribution of the CESU Construct

The final step in defining the construct is to examine its contribution to both theory and practice. In the literature, neither antecedents nor consequences of consumer expectations regarding salesperson unethicity has not been

measured. As such, it is unknown the extent to which these expectations affect long-term outcomes, such consumer trust and attitude toward the brand or business. Managerially speaking, such a scale can be used by commission-based businesses to provide both managers and salespeople with an understanding of (1) what the consumer expects from the company, brand and salesperson and (2) how this compares with the customer's industry expectations. This dissertation will provide applicable information for managers as ethical expectations have been shown to be positively related to satisfaction, thus impacting future purchase intentions (e.g., Ingram et al., 2005).

Scale Development

After clearly defining the construct, the next steps in scale development are (1) generate sample items, (2) collect data, and (3) purify the measure. The empirical context of this study is business-to-consumer relationships. Therefore, the objectives of study one are to (1) generate and refine a pool of potential business-to-consumer ethical issue items for CESU; (2) conduct exploratory factor analysis in order to determine dimensions of the scale; and (3) confirm reliability of the CESU scale.

Conceptual Foundation of Item Generation

Generation of potential items to capture CESU were gathered in a two-step process: (1) a thorough review of the literature defining ethical versus unethical behavior is conducted and (2) qualitative data is collected. The following section is divided into three parts. First, literature regarding ethical

versus unethical behavior is reviewed and definitions for each is provided.

Second, methodology of the qualitative data collection is covered. Lastly, results from the qualitative study are discussed.

Defining Ethical versus Unethical Behavior

When evaluating ethical versus unethical behavior, it is important to consider that an action not considered ethical does not necessarily mean it is unethical. The concept of ethicality is varied based on individual cognitive moral development. For example, in regards to personal ethics, if a person saw a hungry, homeless individual, should he give the individual food? To give food would be seen as the ethical thing to do; however, would opting not to give food automatically be classified as unethical? One could, based on his philosophical view of ethics, argue no; rather, the act may be seen as "insensitive" or "selfish," but not necessarily unethical, as ethics is internally rationalized.

To develop a definition of ethical behavior, Lewis (1985) conducted an extensive literature review and survey of business people. Although he found a wide variety of topics related to the definition of ethical behavior, some were more common than others. After collecting 308 definitions, Lewis (1985) found four factors that were noted more than 20 times: (1) rules, standards or codes governing an individual; (2) moral principles developed in the course of a lifetime; (3) what is right and wrong in a specific situation; and (4) telling the truth. From this, Lewis (1985) defined business ethics as "rules, standards, codes, or principles which provide guidelines for morally right behavior and

truthfulness in specific situations” (p. 381). In this definition, business ethics does not focus solely on the contentment of the consumer. Rather, ethical behavior must also demonstrate the use of key moral principles such as honor and integrity, consistent with what is typically viewed as strong personal values.

To this extent, ethical behavior encompasses personal characteristics needed by employees to make ethical decisions. For example, Ho (2012) describes ethical behavior as (1) being able to overcome weaknesses and temptation; (2) having strength and courage; and (3) persisting with a moral sense of duty. Relating to these definitions of ethicality, the customer’s level of trust in a salesperson is based on perceived levels of consistency, dependability, honesty, competency, likability, and benevolence (Román and Ruiz, 2005). The consumer also makes assumptions on whether she believes the salesperson will do his best to deliver benefits for the consumer (Morgan and Hunt, 1994).

While addressing ethical behavior, neither Lewis (1985) nor Ho (2012) define the properties or behaviors present in unethical behavior. Based on previous sales research (e.g., Dubinsky et al., 1992; Futrell, 2002), Roman and Ruiz (2005) defined unethical sales behavior as a salesperson’s “short-run conduct that enables him/her to gain at the expense of the customer” (p. 440). Common examples of such behavior include (1) lying about or exaggerating the benefits of a product or service; (2) lying about the competition; (3) selling products or services that people do not need; (4) giving answers when the answer is not really known; and (5) implementing manipulative influence tactics or high-pressure selling techniques (e.g., Hoffman et al., 1991; Lagace et al.,

1991; Wray et al., 1994; Howe et al., 1994; Tansey et al., 1994; Cooper and Frank 2002; Robertson and Anderson, 1993). Relating to this definition of unethicity, unethical behavior not only has a negative impact on the relationship between customer and salesperson, but also on the relationship the customer has with the firm (Roman, 2003) – consumer trust in the firm can be destroyed by unethical behavior (Mascarenhas, 1995).

Item Generation

After reviewing the literature and defining both ethical and unethical behavior, the second step in item generation involves the collection and analysis of qualitative data. This study was done in order to (1) generate new items, (2) perform a thorough evaluation of item wording, and (3) eliminate any redundant, ambiguous, or poorly worded items. One-on-one, online interviews were conducted. In order to be a respondent, the individual had to have dealt with a salesperson within the past 45 days. The definition of “salesperson” included all those whose goal was to sell a good or service to a consumer. It did not matter whether the salesperson was paid on commission. This way, comparisons between expectations of commissioned employees versus noncommissioned employees could be conducted.

Respondents were initially asked the same, direct questions (e.g., “What do you look for in a salesperson,” and “When you walk into a store, how do you decide who you want to work with?”). Respondents were then questioned on what attributes they look for within different sales environments (i.e., automotive versus retail). Lastly, participants were invited to provide company or brand-

specific examples for both positive and negative experiences. In an attempt to minimize social desirability bias, the informal interviews were conducted online at the convenience of the participants, allowing several things to take place. First, the respondent was able to feel relaxed and thus more open. Second, the respondent was able to take additional time to think about specific instances and scenarios. Lastly, the semi-structured, open-ended questions allowed for in-depth conversations on various types of expected ethical or unethical behavior of salespeople.

In total, 18 respondents were interviewed (See Table 2 for demographics). When the latter interviews failed to extract original concepts, the qualitative study was concluded (e.g., Brunk and Blumelhuber, 2011; Silverman, 2000). These qualitative study responses were analyzed and broken down by similarity of statements. A sample of these responses are listed in File 1: Qualitative Study.

According to respondents, consumers determine some level of salesperson ethicality based on a salesperson's behavior observed prior to introductions. One respondent noted, "Inattentiveness and apathy are signs of being unethical." Another stated, "I've actually refused to talk to salespeople in car dealerships if they seem to almost come running up to me." A third noted that looks are a factor: "Posture and eye contact along with personal appearance and grooming."

A second recurring theme respondents noted was the salesperson's aptitude in both self and product. For example, when asked how he decides

whom he wants to work with, one respondent answered, “I want someone who has a sense of authority...someone who's a bit more laid back.” A female respondent noted, “I don’t want a salesperson who is focused on just selling...They are supposed to be making sales, but I really don’t want the “selling” function performed for or on me. In truth, I want an infoperson.” Lastly, another female respondent added, “First and foremost is confidence in themselves and the product they are selling.”

The final two frequently mentioned themes were level of contribution by the salesperson and contact intensity. For example, some respondents noted that they expect more salesperson contribution from stores that are perceived to have higher levels of brand equity: “Companies like Nordstrom and J. Crew seek to make shopping an experience, not just an errand... when I shop at stores like Forever 21, I honestly don’t expect any level of customer service. I expect that I’ll have to do my shopping on my own. So, when I shop there and don’t receive any help—or for that matter, acknowledgement—from a salesperson, it doesn’t bother me.” Further, several respondents referred to sales gimmicks and other “tricks” as unethical: “It bugs me when ... salespeople ...do gimmicky things when they are trying to sell something... when they try to use my name multiple times or create an environment of answering ‘yes’ questions.” Another pointed out the ‘vulture-like’ approach regarding contact intensity: “Someone who hovers over me or dodges my attempts to have alone time is automatically disqualified.”

In sum, 50 items were generated from the interviews and literature review. A list of these unrefined items can be found in Table 3. The pool of potential scale items were subjected to three rounds of refinement.

Item Purification

As the first step for item purification, the list was reviewed for ambiguous or broadly-stated items. Any item that was not specific to the sales environment, or any item that could be misunderstood or misconstrued by the respondents, was removed. This led to the elimination of 19 items, leaving 31 items for the next stage. The remaining scale items are listed in Table 4: CESU Scale Item Elimination Round 1.

Second, the list was submitted to a panel of expert judges (professors familiar with the topics of ethics, trust and sales) in order to assess its content validity. The panel checked the potential scale items for ambiguity, clarity, triviality, sensible construction and redundancy. After the elimination of redundant or “not representative” items, the experts unanimously agreed on 28 statements from the original list of CESU scale items that adequately represented the construct definition.

Upon further review of the scale, the panel questioned the clarity of reverse-coded items within the scale. In order to reduce confusion and potential scale measurement error, scale items were re-worded to measure consumer expectations of unethical salesperson behavior. This way, a business would know specifically which unethical activities a consumer expects of the

salesperson. The list of scale items for Study 1 can be found in Table 5: CESU Scale Item Elimination Round 2.

Study One: Scale Refinement

In the third round of refinement, the scale is further developed through the recommended steps of Churchill (1979). The remaining items were presented to respondents in a self-administered questionnaire. A five-point Likert-type scale was used, with 1 being “Fully Do Not Expect” and 5 being “Fully Expect.” Data was collected using Mechanical Turk (MTurk), an Amazon internet platform which provides researchers with access to a pool of potential participants.

According to Buhrmester et al. (2011), MTurk is a quality mechanism for conducting research in psychology and other social sciences and generally yields promising results. Several studies noted few differences between traditional and MTurk samples (e.g., Paolacci, Chandler, and Iperotis, 2010; Cokely, Galesic, Schulz, Ghazal, and Garcia-Retamero; 2012; Gardner, Brown, and Boice, 2012; Johnson and Borden, 2012; Suri et al., 2013). Goodman et al. (2012) recommend that researchers using MTurk (1) avoid questions with factual answers; (2) include questions that gauge attention and language comprehension; and (3) consider how individual differences in financial and social domains may influence results.

As the survey covers a hypothetical situation, the first issue does not apply. In order to address the second issue, the question “Please click the number 5 to confirm you are not a robot” was included approximately midway

into the survey. This question was chosen because while it confirms respondent attentiveness, it does not insult the respondent's intelligence. The third issue was addressed by collecting demographic information including education and individual income.

Operationalization

Respondents were presented with a questionnaire comprised of the remaining CESU scale items. Audi was the brand chosen to use in this study for several reasons. First, it is a well-recognized automotive brand that uses commission as a supplementary means to pay its employees. Second, it ranked highest in customer service among foreign cars in the 2014 *J.D. Power and Associates U.S. Customer Service Index Study*. Lastly, Audi was listed as the third highest ranked foreign car in the 2014 *J.D. Power and Associates U.S. Automotive Performance, Execution, and Layout Study*. A copy of the survey can be found in the appendix under Study 1.

Sample

Participation was restricted to the United States, and participants were compensated for their time. Out of 100 surveys, four were eliminated for incomplete data, and three for missing the question, "Please click the number 5 to confirm you are not a robot," leaving 93 usable responses.

The respondents were between 18 and 59 years of age, with 54.3% being between 21 and 29. Demographic analysis shows 25 male and 68 female respondents. Of the 93, 58 respondents are Caucasian, 18 Asian, 8 African-

American, 8 Hispanic, and 1 'other.' Additional demographic information is shown in Table 1.

Exploratory Factor Analysis and Reliability

Following the outline provided by Churchill (1979), purification began with exploratory factor analysis in order to determine scale dimensions. As neither qualitative nor quantitative studies have been previously conducted to measure the expected unethical expectations of consumers, it was not possible to hypothesize dimensions. Principal component factor analysis with varimax rotation yielded one factor with an eigenvalue greater than one, accounting for 56.08% of the variance. Factor loadings of less than .40 were deleted (Churchill, 1979).

In order for a scale to be a viable instrument, both reliability and validity are required (Churchill, 1979). Reliability of a scale is the degree to which a scale is able to produce stable and consistent results (Nunnally, 1967). According to Churchill (1979), Cronbach's alpha should be the first measure calculated in order to assess reliability of the instrument. A low alpha implies the item does not capture the construct accurately, while a large alpha indicates the item associates highly with the construct. Items that retained a Cronbach's alpha of .70 or greater remained (e.g., Nunnally and Bernstein, 1994).

Table 6 presents the one-factor matrix of variance extraction. Purification of individual scale items began with an examination of item-to-total correlations. The established criterion for item-to-total correlations requires that at least 50% of the retained items correlate with total scores in the range 0.30 to 0.70

(Carmines and Zeller, 1974). Of the initial 28 items, 12 loaded onto the factor, each with extractions ranging from .613 to .829, which are suitable (Nunnally, 1978). After the final round of refinement, an overall Cronbach's alpha of .922 was achieved. A reliability analysis was performed, revealing a KMO of .929 (above a .9 is considered excellent). Validity is confirmed in study two.

Chapter 4: Hypotheses and Methodology for Quantitative Study

In this chapter, hypotheses are developed to both validate and test the CESU scale. A model for these hypotheses is presented. The methods used to validate the measure and test the hypotheses of consumer expectations of salesperson unethicity are discussed.

Hypotheses Development

The Effect of WOM on Brand Equity and Ethical Expectations

Because of the intangible nature of service, the importance of word-of-mouth (WOM) communications in the service and sales industries has been widely examined. WOM is informal, person-to-person communication regarding a brand, a product, an organization, or a service (Anderson, 1998; Arndt, 1968; Buttle, 1998). In the absence of prior interaction with the product or company, face-to-face communication has been shown to be more effective than many advertising techniques (Herr, Kardes, and Kim, 1991). Conversations about a product or service not only affect choice behavior but also influence evaluations of the experience itself (Burzynski and Bayer, 1977).

One item that word of mouth may influence is brand equity. Aaker (1991, p. 15) defines brand equity as “a set of assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.” Simply put, it is value added by a brand to the product (Farquhar, 1989) that fuels either an increase or

decrease in consumer confidence in one brand over competing brands (Lassar et al., 1995).

Brand equity is an intangible asset that depends on associations made by the customer. However, it has the ability to affect both tangible and intangible assets of the firm. The marketing literature operationalizes brand equity as customer perceptions (e.g., awareness, associations, and perceived quality) and customer behavior (e.g., loyalty and willingness to pay a premium price). Brand equity is often considered a firm level marketing asset and is dependent on marketing actions by the firm. As such, Yoo, Donthu and Lee (2000) state that brand equity consists of three dimensions: brand loyalty, brand awareness and/or associations, and perceived quality.

Two focal streams of research have emerged regarding the measurement of brand equity. The first stream evaluates brand equity as the calculation of value added by the firm's tangible assets (e.g., Wentz, 1989; Wood, 2000). The second stream evaluates perceived value via intangible benefits drawn from consumer reactions to the brand's marketing mix (e.g., brand itself, distribution, price, and promotion), relative to the brand's competitor(s). This second stream is referred to as perceived brand equity, or the consumer-based brand equity (CBBE) concept. CBBE is defined as the "differential effect of brand knowledge on consumer response to marketing of a brand" (Keller, 1993, p. 60).

CBBE reflects the perceived incremental utility or value added by a brand name (e.g., Nordstrom or Mercedes) (Yoo and Donthu, 2001). It provides value to customers by enhancing their interpretation of the brand, confidence in the

purchase decision, and overall purchase satisfaction (Aaker 1996; Yoo and Donthu, 2001). CBBE has been shown to have a positive effect on both attitude toward brand and purchase intentions (Keller, 1993). Positive WOM and/or negative WOM may influence CBBE. Peterson (1989) and Fitzsimons and Lehmann (2004) support the argument that receptivity to positive or negative WOM information depends on whether the WOM matches consumer expectations. When expectations are not matched by performance, consumer reactions towards the equity of the brand can be affected (e.g., Oliver, 1997); the effects of word of mouth may influence CBBE. Thus,

H1: Positive WOM will positively affect a consumer's perceived brand equity.

Consumers cannot know everything and thus may turn to friends, family, and even strangers for advice and information. Research indicates WOM may be one the strongest influencers in determining consumer expectations regarding the behavior quality of salespeople within an industry (e.g., White and Schneider, 2000). According to Ennew et al., (2000) personal influence is seven times more effective than magazine or newspaper advertising. Consumers viewed 90% of advertising to be non-credible, but 90% of word of mouth as credible (Thomas et al. 2011). Thus, word of mouth offers companies and organizations a way to gain a competitive advantage over the competition (Sweeney et al., 2008).

Under certain buying conditions, consumers are more susceptible to word of mouth. These conditions include high risk, high involvement, and greater purchase complexity (Hugstead et al., 1987; Webster, 1988; Hill and Neeley, 1988). Research has found that positive and negative WOM messages have different impacts on consumers (DeCarlo et al., 2007, Wangenheim, 2005). According to Anderson (1998) and Mazzarol et al. (2007) negative WOM may include product denigration and sharing of bad experiences; positive WOM includes supporting the organization and making recommendations. Sweeney et al. (2012) found that positive WOM was more effective and had a greater influence on people's willingness to use a service. East et al. (2008) find there is greater latitude for positive WOM to increase purchase probability than for negative WOM to reduce it.

As consumers share information with one another, they begin to build expectations regarding the customer-salesperson experience (Mohr and Bitner, 1995). Consequently, each consumer enters the sales transaction with varying cognitive norms on how they believe they should be treated (Bitner, 1992; Zeithaml et al., 1993). Thus,

H2: Positive WOM will decrease the consumer's expectations of salesperson unethicity.

The Effect of Brand Equity on Ethical Expectations

CBBE can influence consumer preferences, purchase intentions (Cobb-Walgreen et al, 1995), and brand loyalty intentions (Johnson et al., 2006). It can also potentially enhance market share and create customer loyalty (Keller, 1993; Kimpakorn and Tocquer, 2010). Lasser et al. (1995) suggests that the financial aspect of brand equity is an outcome of CBBE, as brand equity has been shown to increase profit and stock returns (Aaker and Jacobson, 1994). In effect, higher brand equity can be viewed as a source of competitive advantage as it (1) allows companies to charge a price premium; (2) increases the overall demand for the product; and (3) provides the company with better overall marketing leverage and higher margins (Bendixen, Bukasa and Abratt, 2003).

Brand equity and salesperson ethicality may be related, as outcomes of the salesperson relationship can influence brand image. As such, any change that affects brand image can also influence brand equity (Benoit-Moreau and Parguel, 2011). Because a salesperson represents the brand in the consumer's eyes (Ind, 1997; Gronroos, 1994), his behavior affects brand image, and therefore is a major contributor to the firm's brand equity (Baumgarth and Binckebanck, 2011). As a consumers build expectations, he may may use brand image and CBBE as inputs. Therefore,

H3: The higher the consumer-based brand equity, the less consumers will expect unethical behavior from salespeople.

Insert Figure 1 About Here*The Effect of Ethical Expectations and Brand Equity on Trust*

The services literature highlights the importance of contact employees' (e.g., salespeople) behavior in building customer trust (e.g., Farrell and Oczkowski, 2000; Ganesh et al., 2000). According to Plank, Reid and Pullins (1999), customer trust is a belief that the salesperson and firm will fulfill their obligations as understood by the customer. Sirdeshmukh, Singh and Sabol (2002) state customer trust is the level of expectation the customer holds in that the service provider is dependable and can be relied upon to deliver on its promises. Simply put, customer trust with the salesperson is defined as the level of confidence the customer has in the integrity and reliability of the salesperson (Andaleeb, 1992; Anderson and Narus, 1990; Jap, 2001; Moorman, Deshpande and Zaltman, 1993; Morgan and Hunt, 1994).

Trust in a salesperson is based on the perception that the salesperson is consistent, dependable, honest, competent, likable, and benevolent (Román and Ruiz, 2005), and that he will do his best to provide benefits for the customer (Morgan and Hunt, 1994). The level of trust a customer has in the salesperson and company is considered the central tenet regarding the relationship and future purchase intentions (Doney and Cannon, 1997; Swan, Trawick and Silva, 1985). According to Biong and Selnes (1996), customer confidence in the salesperson allows the salesperson to develop and maintain a fruitful relationship with the customer.

Moorman, Deshpande and Zaltman (1993) found that an unwillingness to sacrifice ethical standards is one the most important predictors of trust. Ethics research in marketing positions the importance of ethical standards and practices of the organization as vital to the establishment of trusting relationships. While all salespeople should be aware of the information necessary to satisfy the needs of the customer and persuade him to buy the product, an ethical salesperson will not falsify or exaggerate this information in order to make the sale. Lagace, Dahlstrom and Gassenheimer (1991) show that once the customer is knowledgeable enough to understand sales ploys and unethical tactics, trust in the salesperson decreases. Conversely, the customer's perceived relationship quality and satisfaction will increase if the salesperson shows ethical sales behavior (Lagace, Dahlstrom and Gassenheimer, 1991).

Higher levels consumer trust (Lagace, Dahlstrom and Gassenheimer, 1991; Roman and Ruiz, 2005) and stronger commitment to the salesperson have been shown to be outcomes of perceived ethical behavior (Roman and Ruiz, 2005). Ethical behavior has also been found to have a strong positive relationship with customer satisfaction with the salesperson (Roman, 2003; Roman and Ruiz, 2005). In contrast, research suggests dishonest actions and high pressure selling tactics have a negative effect on customer trust (Beatty et al., 1996; Kennedy, Ferrell and LeClair, 2001; Mascarenhas, 1995). Thus,

H4: Prior to the sales experience, a consumer will have greater trust in a salesperson whom they expect to be ethical than a salesperson whom they do not expect to be ethical.

The interactive and persuasive capabilities of salespeople translate into consumer emotions and behaviors and thus can have a significant effect on brand equity. CBBE is regulated by the customers' goal of achieving value. Thus, a customer's trust will affect brand equity by influencing the perceived value provided by the selling firm (e.g., Sirdeshmukh, Singh and Sabol, 2002) and thus its salesperson. Because customers often enter the sales experience with little or no knowledge of the salesperson, the customer may build his expectations of trust of the salesperson on his perception of brand equity. Therefore,

H5: Prior to the sales experience, a consumer will have more trust in a salesperson representing a brand with higher brand equity than a salesperson representing a brand with lower brand equity.

Study Two: Scale Validation

The objectives of Study two are to (1) further refine the CESU scale if necessary; (2) assess both construct and convergent validity of the scale; and (3) investigate the effect WOM has on brand equity (H1) and CESU (H2), the effect of brand equity on CESU (H3), and the effects of CESU and brand equity on consumer trust of salesperson (H4 and H5, respectively).

Operationalization

Lexus (potential high brand equity) and Toyota (potential low brand equity) were the two brands chosen for the study for several reasons. First, based on *J.D. Power and Associates 2014 U.S. Automotive Performance, Execution and Layout* study, on a 1,000-point scale, Lexus received 844 and Toyota received 783 (with the industry average being 794). Second, Lexus and Toyota were chosen because they are owned by the same manufacturer and thus have the same country-of-origin effects. Lastly, while some brands may have ranked higher than Lexus or lower than Toyota, both of these cars are moderately priced and well-known by the middle class (more so than, for example, Porsche or Mitsubishi).

Measurement

CESU was measured using the 12 items retained from study one. Each item was measured on a 5-point Likert scale anchored with “Fully Do Not Expect” and “Fully Do Expect.” Other construct measures were adapted from existing scales. Sufficient care was taken to ensure the suitability and

appropriateness of the scales to the context of this study. The number of questions asked were streamlined in number in order to reduce potential respondent fatigue.

To measure word of mouth, a two-question scale was adopted from East et al. (2008); respondents were asked: (1) "I have heard positive things about (BRAND)" and (2) "I have heard negative things about (BRAND)." Not only did these questions serve as the scale for WOM, they also were used to confirm familiarity with the brand in question, as personal experience or word-of-mouth is necessary in order for consumers to develop expectations of the sales and service experience (Ingram, Skinner, and Taylor, 2005). For analysis, "I have heard negative things about (BRAND)" was reverse coded.

CBBE was captured using a 14-item measurement adapted from Netemeyer et al. (2004). Consumer trust of a salesperson was measured using a seven-item scale developed and validated by Doney and Cannon (1997). Lastly, trust was measured using a seven-item scale modified from Doney and Cannon (1997). WOM, CBBE and trust were measured using a seven-point Likert-type scale, with 1 being "Strongly Disagree" and 7 being "Strongly Agree". A copy of the survey can be found in the appendix under File 3: Study 2.

Control Variables

Four control variables were chosen: age, education, income, and gender. In reference to age, studies have shown that younger and older customers deal more often with unethical sales tactics. Specifically in automotive sales, older

generations are less comfortable searching for information online (e.g., Ramsey et al., 2007) before entering into an automotive dealership and therefore may rely on the salesperson more (e.g., Leventhal, 1997). Ramsey et al. (2007) found that younger generations evaluate many sales tactics as less unethical than older generations. Regarding education, Rest (1975) found that high school graduates who attended college demonstrated higher levels of ethical understanding than those high school students who did not go to college. Similarly, Schwepker and Ingram (1996) found a positive relationship between moral reasoning and individuals who earn more than \$40,000 a year. Lastly, gender was chosen as several studies have shown that men and women perceive ethical situations differently (e.g., Dawson, 1997; Kidwell et al., 1987; Ekin and Tezolemez, 1999).

Sample

Similar to study one and following the same guidelines, data was collected using MTurk. Participation was restricted to the United States, and participants were compensated for their time. For each brand, 200 surveys were collected for a total of 400 responses. After removing incomplete data, 193 Toyota surveys and 192 Lexus surveys remained for a total of 385 usable surveys. The respondents were between 18 and 59 years of age, with 74.8% being between 21 and 39. The final sample consists of 247 males and 138 females. Of the 385, 251 respondents are Caucasian, 75 Asian, 29 Hispanic, 18 African-American, and 3 'other.' Nine respondents chose not to answer race. Additional demographic information is shown in Table 1.

Data Analysis

Details regarding data analysis are provided in Chapter 5. Validity tests are performed to ensure adequate measurement of the CESU construct. The proposed conceptual model is tested using structural equation modeling with software package AMOS 21. The item level correlation matrix is then used for model estimation.

Chapter 5: Results and Discussion

In this chapter, further steps are taken to validate the CESU scale. The measurement model specifies relationships between the items and the proposed latent constructs. Factor analysis is conducted on the individual constructs (CBBE, CESU, and consumer trust) to identify possible measurement problems. As reliability has already been confirmed, once scale validity is established within each construct, an overall confirmatory factor analysis is conducted on the complete set of constructs.

The measurement first undergoes purification and validation in several stages. First, the measurement model fit is assessed. Then, following the recommendations of Bagozzi and Yi (1988) and Fornell and Larcker (1981), the confirmatory factor model is estimated using AMOS, then inspected for model fit. This chapter also synthesizes the empirical findings to answer the study's research questions. Results of the scale refinement, including model fit, are discussed. Hypothesis results are then described and addressed.

Measurement Model

This study first assesses the measurement model; a comprehensive measurement model that included each observed indicator, where all observed variables were forced to load on their respective latent variables, was estimated. This was done both by automotive brand and with the brands combined. For the individual brands data, the fit indices suggested that the model fits the data adequately; chi-square = 2977.220, with degrees of freedom = 1156. The

minimum chi-square (CMIN) for good model fit is < 3 . In the proposed model, CMIN = 2.91. However, because the chi-square statistic demonstrates dependence on sample size (Joreskog and Sorbom, 1986), other measures of model fit including comparative fit index (CFI), the root mean square error of approximation (RMSEA), and standardized root mean square residual (SRMR) are also considered.

CFI summarizes the goodness-of-fit of a complete model in a single number. Unlike CMIN, CFI is independent of sample size. CFI reportedly avoids the extreme underestimation and overestimation often found with other fit indices (Marsh, Balla and McDonald 1988). Bentler (1990) suggests that CFI values above 0.90 indicate a good model fit. The proposed model for this data set has a CFI = .863, indicating adequate model fit.

For good model fit, RMSEA looks for a value of .05 or less as an indication of excellent fit (Browne and Cudeck, 1993). Values below .06 indicate good fit, and value of .08 or less represent a reasonable amount of error (Hu and Bentler, 1995). In the measurement model, RMSEA = .06, suggesting good model fit. SRMR is a measure of the mean absolute value of the covariance residuals. Perfect model fit is indicated by SRMR = 0, and increasingly higher values indicate worse fit. Hu and Bentler (1999) suggest a cut-off .08; thus, values $< .08$ are considered good fit. In the proposed model, SRMR = .0871, indicating adequate model fit.

For combined model data, chi-square test for goodness of fit is 1973.638, with degrees of freedom = 545, CMIN = 3.621, CFI = .891, RMSEA = .086, and SRMR = .0646, which all suggest an adequate-to-good model fit.

Scale Validity

The second purpose of Study 2 is to confirm the validity of the revised CESU scale. Validity refers to how well a scale reflects its unobservable construct (Churchill, 1979). There are several types of validity: content, face, and construct; construct validity consists of two types, convergent and discriminant. To have content validity, the scale items must represent the unobservable construct's content domain. Face validity is the degree to which the measurement measures what it says it measures, as viewed by the respondent (Hair et al., 2006). Oftentimes, content and face validity are assessed in terms of expert opinion. Nunnally and Bernstein (1994) state, "although content validity primarily rests on rational rather than empirical grounds, an item analysis is extremely useful if not essential" (1994, p. 301). Thus, three steps were taken to ensure content validity. First, scale items were developed based on an empirical study with consumers of varying demographics. This created a broad assessment of the content. Second, a panel of judges reviewed and evaluated each statement for conformity to the theoretical definitions; redundancies were removed. Third, after thorough empirical analysis of the CESU construct, 12 items of the original 50 remained (see Table 6: One-Factor Component Matrix).

As the other construct measures came from previously validated scales, it can be said that they, too, have both construct and face validity.

The second step in confirming scale validity is construct validity; this is evaluated by investigating what qualities a scale measures. In other words, this type of validity is found to exist by determining the degree to which other constructs account for performance of the proposed scale. Construct validity is comprised of convergent and discriminant validity. In order to assess convergent and discriminant validity, the relationship between CESU and two related constructs within this study will be examined, as they both have previously-validated scales: consumer trust (Wood et al., 2008) and CBBE (Netemeyer et al., 2004).

Convergent validity tests whether constructs that are expected to be related are indeed related. It is defined as the degree to which items measure the construct they are supposed to measure (Peter, 1981). According to the principle of convergent validity, measures of theoretically similar constructs should be substantially inter-correlated. According to Campbell and Fiske (1959, p. 82), in order to establish convergent validity, the relevant correlations “should be significantly different from zero and sufficiently large.” Measures are considered to possess convergent validity when the indicators of a specific construct converge or share a high proportion of variance together (Hair et al., 2006).

In general, these three construct relationships are all meaningful, plausible, statistically significant, and consistent with the hypotheses outlined by

this dissertation. Each scale's factor loadings are reported in Table 7: Factor Loadings. According to Campbell and Fiske (1959), moderate and positive correlations strongly indicate that the scales are related but separate, measuring different constructs. Strong, positive correlations among the scales are shown in Table 8: Scale Correlation Matrix. Therefore, convergent validity is established. Convergent validity can also be assessed from reliability scores; as the reliability (Cronbach's alpha) of a measure decreases, so does the convergent validity (Fishbein and Ajzen, 1975). Nunnally (1978) suggests a minimum Cronbach's alpha of 0.70 for the scale to be reliable in its structure. Alpha levels of the subscales range from .927 to .965, suggesting a high level of covariance among the items of each measure, and thus an acceptable level of convergent validity.

Discriminant validity examines if construct relationship are indeed independent of one another. According to the principle of discriminant validity, measures of theoretically different but related constructs should not correlate highly with each other. The observed inter-correlations were examined. Each scale item loads highly on its own scale factor with no cross loadings greater than .7 (Nunnally, 1978), as shown in Table 9: Factor Correlation Matrix.

A more rigorous test of discriminant validity based on the average variance extracted (AVE) for each construct, was applied. Fornell and Larcker (1981) recommended that in order to demonstrate discriminant validity, the AVE for each construct (within construct variance) should be greater than the squared correlation (variance) between that construct and another. These results are shown in Table 10: Discriminant Validity, Fornell and Larcker. By comparing the

square root of the AVEs with the correlation values in the column and adjacent row, one can evaluate the dimension's ability to discriminate. As detailed in Table 10, all the AVE values exceeded the observed squared correlations (between construct variance).

Lastly, discriminant validity is confirmed through a test proposed by Bagozzi, Yi, and Phillips (1991) where each factor is tested as a two-factor construct. As shown in Table 11, when compared, the single factor models were significantly better. Thus, discriminant validity was also confirmed. Overall, from these analyses and evaluations, it can be concluded that CESU scale demonstrates acceptable validity.

Confirmatory Factor Analysis and Model Fit

Using Amos 21 software, confirmatory factor analysis (CFA) was conducted in order to analyze the remaining scale items. CFA allows assessment of validity of each individual construct, as well as the overall model (Gerbing and Anderson, 1988). A CFA was not only conducted separately for each endogenous variable, but also for the combined model fit. The instrument used in study 2 consisted on 33 scale measures for the endogenous variables (CBBE = 14, CESU = 12, Trust = 7). None of the loadings for the scale items were below the .40 threshold. Modification indices revealed several error term correlations for the CBBE factor; these correlations were noted. There were no cross-loadings to be deleted; thus, refinement of the model was not required and model fit indices were reviewed.

When assessing model fit, the most basic measure is chi-square. The chi-square test for goodness of fit is 14.55 at the 5% significance level ($p = .012$, $df = 5$). As mentioned, a significant chi-square indicates lack of satisfactory model fit. Thus, $P > .01$ indicates good model fit. In the proposed model, $CMIN = 2.91$, $CFI = .994$, $RMSEA = .071$ ($PCLOSE = .176$), and $SRMR = .0346$, which all suggest a good model fit.

To confirm factor analysis of model fit, several other models were also tested. A one-factor analysis was conducted and found the model fit to be much worse (chi-square = 3256, $p = .000$, $df = 497$; $CMIN = 6.551$; $CFI = .785$; $RMSEA = .120$, $PCLOSE = .000$). Statistics for other models tested are presented in Table 12: Model Comparisons. It was concluded the data has good fit with the model. Overall the data supported the theoretical framework of the proposed model. The model, with standardized estimates, can be found Figure 2: Model Summary with Standardized Estimates. The following section details the results of hypotheses testing. Out of five proposed hypotheses, four relationships were significant in the proposed directions. While insignificant, the other hypothesis did show to be in the proposed direction.

Hypothesis Testing Results

The hypotheses were tested using structural equation modeling in AMOS. The correlation results for each construct (shown in Table 7) indicate that CESU is significantly ($p < 0.001$) correlated with WOM, brand equity, and trust. When evaluating the regression values for CESU, it is important to note that the scale

measured expected unethical behavior. Therefore, the greater the negative relationship, the less the consumer expected unethical behavior. Results for each hypothesis is discussed below. The standardized regression weights for the hypotheses are shown in Table 13: Regression Weights. These standardized regression weights represent the amount of change in the dependent variable that is attributable to a single standard deviation unit's worth of change in the predictor variable.

Hypothesis 1 examines the relationship between word of mouth (WOM) and consumer-based brand equity (CBBE), as the effects of word of mouth may influence CBBE. Specifically, H1 states that positive WOM positively affects a consumer's perceived brand equity. Table 13 shows a positive, significant relationship ($\beta = .871$, $p < .000$). Thus, H1 is supported. When a consumer hears more positive word of mouth, he will associate a higher brand equity to the product.

Hypothesis 2 looks at the relationship between word of mouth (WOM) and a consumer's expectations of salesperson unethicality (CESU). Because research indicates WOM may be one the strongest influencer in determining consumer expectations regarding the behavior quality of salespeople, H2 predicts that WOM will have a strong effect on the consumer's expectations of salesperson unethicality. Results show a negative, significant relationship ($\beta = -.284$, $p < .01$). Recall that CESU measures consumer's expectations of unethical behavior. Thus, H2 is supported; positive word of mouth will decrease a consumer's expectations of unethical behavior from the salesperson.

Hypothesis 3 assesses the relationship between perceived brand equity (CBBE) and customer expectations of salesperson unethicity (CESU). Because a salesperson essentially is the brand in the consumer's eyes (Ind, 1997; Gronroos, 1994), his behavior affects brand image and is a major contributor to a firm's brand equity (Baumgarth and Binckebanck, 2011); therefore, H3 states that the higher the consumer-based brand equity, the less consumers will expect unethical behavior from salespeople. As shown in Table 13, there is a negative relationship between CBBE and CESU, showing that a higher brand equity decreases a consumer's expectations of unethical behavior. However, it was not significant; thus, H3 is not supported ($\beta = -.152$, $p = .113$). One reason hypothesis 3 (the greater CBBE, the greater the ethicality consumers will expect from salespeople) may have come back insignificant is that, with easy access to the Internet, automotive products are typically price-shopped prior to entering the store. Manufacturer websites allow you to build the car to certain specifications, then provide a price quote on it. Used car websites such as Kelly Blue Book allow users to not only view prices on used cars, but also determine the value of their trade-in. Therefore, by the time the consumer enters the automotive dealership, he expects the salesperson to provide the same type of information, thus greatly diminishing the salesperson's ability to 'bluff.'

Hypothesis 4 examines the relationship between the consumer's expectations of ethicality, and his or her level of trust towards the salesperson. Because of the importance contact employees' (e.g., salespeople) behavior has

in building customer trust (e.g., Farrell and Oczkowski, 2000; Ganesh et al., 2000), a consumer may base his or her trust of the salesperson on expectations of ethicality. Thus, H4 states that prior to the sales experience, a consumer will have greater trust in a salesperson whom they expect to be ethical than a salesperson whom they do not expect to be ethical. Table 13 shows a significant, negative relationship between CESU and trust ($\beta = -.753$, $p < .000$), meaning that prior to the sales experience, a consumer will have more trust in a salesperson whom they expect to be ethical.

Lastly, hypothesis 5 examines the relationship between CBBE and trust. The customer may build his expectations of trust of the salesperson on his perception of brand equity; thus, prior to the sales experience, a consumer will have more trust in a salesperson representing a brand with higher brand equity than a salesperson representing a brand with lower brand equity. As shown in Table 13, a strong, positive correlation was found between perceived brand equity and trust ($\beta = .335$, $p < .000$). H5 is thus supported.

Discussion

This section briefly reviews the steps taken in the qualitative and quantitative phases of this research. First, 50 items for measuring consumer expectations of salesperson unethicality were generated using qualitative methods. After performing both exploratory and confirmatory factor analysis, the remaining 12 scale items were then used to measure the relationship between

WOM, brand equity, trust, and CESU. This quantitative analysis was done through structural equation modeling measures.

Per study 2, WOM affects both consumer's perceived brand equity and consumer's expectations of salesperson unethicity (H1 and H2). Positive WOM will increase a consumer's perceived brand equity and decrease a consumer's expectations of salesperson unethicity. Further, both perceived brand equity and expectations of salesperson unethicity affect consumer's trust in the salesperson (H4 and H5). Prior to the sales experience, if the consumer perceives the brand as having greater brand equity, he will have more trust in the salesperson. Similarly, if the consumer does not expect unethical behavior from the salesperson, he will have greater trust in the salesperson.

Hypothesis 3 was found insignificant (CBBE influences CESU); while a possible reason was provided regarding this finding, two additional models were run to confirm appropriate model fit. In the first competing model, the relationship between CBBE and CESU was removed. In this model, fit statistics are as follows: chi-square = 17.059, $p = .009$, $df = 6$; CMIN = 2.843; CFI = .993; RMSEA = .069, PCLOSE = .174. While model fit and the relationship between H1, H4, and H5 remained similar, the most significant beta change was H2 (WOM and CESU), which increased from $-.285$ to $-.418$.

The second model tested included the relationship between CBBE and CESU, but removed WOM completely. In this second model, fit statistics are as follows: chi-square = 11.859, $p = .008$, $df = 3$; CMIN = 3.953; CFI = .991; RMSEA = .088, PCLOSE = .091. Similarly, the only significant change between

the original model and the second model is the H3 (CBBE and CESU) relationship. The relationship between CBBE and CESU became significant at $p < .000$, and increased from $-.152$ to $-.402$. A comparison of these three models can be found in Table 14: Hypothesis 3, Model Comparisons.

From these models, two things may be taking place. One explanation may be that CBBE and WOM may have significant multicollinearity. A second explanation may be that the effect of WOM dominates the effect of CBBE. No matter if the company has a high CBBE or not, a consumer expect greater ethicality if he is provided with positive WOM prior to the sales experience. However, this relation weakens when the CBBE is added to the model, which may indicate that a consumer's expectations of ethicality from firms with negative WOM differs based on the firms CBBE.

Chapter 6: Conclusion

The purpose of this chapter is to summarize the results of this dissertation regarding consumer expectations of salesperson unethicity. This chapter also discusses (1) theoretical implications of both the CESU scale and corresponding hypotheses; (2) managerial implications of both the scale and corresponding hypotheses; and (3) limitations of this dissertation. Lastly, this chapter concludes with an exploration of possible future directions for research.

This dissertation set out to explore the concept of consumer expectations of salesperson unethicity and develop a scale that can capture the construct. It addressed a gap in the literature that called for industry-specific scale measures (e.g., Ozer, 2004) by developing a scale to measure consumer expectations of salesperson unethicity within the sales industry (specifically, automotive). Further, it sought to determine the relationship CESU has with word of mouth, consumer based brand equity, and consumer trust of the salesperson. The goals of this dissertation were (1) to develop a scale that measures consumer expectations of salesperson unethicity, (2) to validate this scale, and (3) to examine the antecedents and consequences of consumer expectations of salesperson unethicity.

An effective marketing strategy will bring the brand and its customers together and facilitate consumer engagement with the company, salesperson, and product. Authenticity is an important element of engaging customers; this starts at the initial point of contact, which is often the salesperson. Building rapport through ethical behaviors is an effective way to not only engage

consumers, but also show authenticity. Thus, consumer expectations of salesperson unethicity is a promising variable in marketing for several reasons. It can relate with (1) individual pre-conditions, (2) marketing elements of the strategic plan, and (3) ethics training to produce engaging and authentic company and salesperson behaviors. Consumer segments may be identified on the basis of individual pre-conditions regarding unethical expectations. The marketing strategy can then be adjusted according to the combined effects of personal characteristics and brand attributes. In this manner, the concept of consumer expectations is not only useful for understanding consumer behavior, but also for developing a marketing strategy.

Theoretical Implications

The results from this dissertation as a whole demonstrate relevance and application of ethical expectations. There are several theoretical implications arising from this study. First and most importantly, this research has developed a construct that recognizes the calls from recent researchers (e.g., Ozer, 1999) to expand the boundaries of salesperson ethics research and develop industry-specific scale measurements to better fit the nature of the industry. Existing sales and marketing research suggests that customer-centric salespeople have a significant effect on the buyer-seller relationship; however, to date, none have investigated the role of customer expectations on these relationships.

Second, this dissertation also answers the Marketing Science Institute's (MSI) call to better establish optimal social contracts with customers (MSI

Research Priorities, 2014). More specifically, CESU measures what levels of transparency, perceived fairness, and ethical behavior are expected of salespeople. These expectations can directly affect the consumer's perceptions of the firm. The scale developed in this dissertation is the first instrument to capture and empirically define and measure consumer's expectations prior to the sales transaction.

Third, this dissertation measures the effects of potential antecedences (e.g., WOM and CBBE) of consumer expectations, and the effects of these expectations (e.g., trust), in depth. Guided by previous ethics research, this dissertation focused on the experiences and engagement of the customer prior to the sales experience. Within sales-driven industries, the excessive focus on sales numbers oftentimes leads to the neglect of processes that enhance the customer's experience, which is what ultimately drives the consumer's trust in the salesperson, company, and brand.

Fourth, the CESU construct contributes to the literature above and beyond several existing constructs such as customer participation and involvement. CESU evaluates attitudes that form prior to the transaction and includes potential interaction behaviors between the salesperson and customer. Researchers have long been assessing how ethical behavior affect consumer purchasing decisions. However, the CESU construct is the first to measure what consumers expect and how this can help or hinder the perception of trust in a salesperson (and ultimately the firm).

Managerial Implications

This dissertation also offer a number of implications for marketing practitioners and managers. This scale puts customer conversions into a longer, more strategic context. Results from the CESU measurement can help a manager evaluate long-term engagement, build lasting connections with consumers, and develop goodwill in the process, thus leading to not only greater customer conversion, but also stronger customer loyalty. Comprehensive implications are discussed first, followed by specific action-items for managers.

The CESU measurement captures situations where companies and salespeople have the opportunity to create unique ways to build a competitive advantage through trust, leading to better customer loyalty. The scale developed in this dissertation is the first measure to capture, empirically define, and measure consumer's expectations prior to the sales transaction. Broadly speaking, such a measure will allow companies to tailor the ethics training and message strategy to address specific customer concerns.

Further, in study 2, it was hypothesized that positive WOM decreased consumer expectations of unethical behavior and increased consumer-based brand equity; further, the decrease in expectations of unethical behavior and increase in CBBE increase consumer trust of salesperson. Confirmation of these hypotheses sends an important message for managers in sales industries; it is critical for the practitioner to know that consumer WOM is a strong predictor of both CBBE and CESU, and both directly feed into consumer trust of

salesperson. Thus ultimately affects customer satisfaction (Oliver and Swan, 1989b).

Findings from this dissertation also provide guidelines for specific managerial recommendations. First, both studies clearly show that the consumer enters a sales situation with presumptions of the salesperson's ethicality, just as the consumer does regarding brand equity. Thus, a brand should treat the expectations of the customer as it would brand equity. If the brand takes the pulse of consumers, it can then develop nationwide ethics training programs designed to address these issues with the salespeople. As brand equity increases over time, so too can the consumer's expectations of salesperson unethicity.

Second, during and after the sales process, a consumer has the opportunity to build a connection with the salesperson as well as long-term goodwill towards the company. Hypothesis 4 found that prior to the sales experience, a consumer will have greater trust in a salesperson with whom they expect to be ethical than a salesperson they do not expect to be ethical. As research has shown, greater trust can lead to greater satisfaction. This finding amplifies the research of Oliver and Swan (1989b), which shows that customer satisfaction with the salesperson causes a chain reaction; greater satisfaction with the employee leads to satisfaction with the dealer which, in turn leads to product satisfaction. In an environment where return on investment is a key marketing metric, it is important for marketers to use CESU as a benchmark towards increasing customer satisfaction. Brands must first understand industry-

specific ethical triggers for customers. Then, using these triggers, brands can measure CESU and use the results to increase overall customer satisfaction.

Third, because CESU has a definite influence on consumer trust, it is not sufficient for companies to focus solely on product-centric activities (e.g., improving product quality). Along with this type of product-centric strategy, companies also need to pay attention to increasing the ethical behavior of the salesperson. Sales training that emphasizes customer orientation can add value to a company's product offering and influence customer perceptions of the retailer, product and manufacturer. It may also generate more favorable word-of-mouth promotion. The company can enhance the customer experience by positively exceeding customer expectations, thereby increasing positive word of mouth. Positive WOM influences perceived brand equity, which, in turn, drives perceived product quality.

Fourth, because word of mouth greatly influences both brand equity and customer expectations, business should encourage consumer word of mouth. Salespeople can provide rewards (e.g., free dinner), benefits (e.g., company products), or monetary compensation to individuals that refer business. Another way businesses can promote word of mouth is to use customer testimonials in advertisements. For example, if advertising through social media or mobile applications, use extracts from customer feedback as the ad itself. Lastly, a way to increase positive word of mouth is to quickly respond to customer complaints; doing so can convert negative word of mouth into positive word of mouth. When

this happens, the newly-satisfied customer may go beyond simple word of mouth and become a brand ambassador.

Finally, as consumer expectations of salesperson unethicity can drive consumer trust, it may be beneficial to put faces to the sales staff. Humanizing the staff can help consumers feel a connection to the salespeople, as well as the store, before actually visiting. There are several ways both large and small businesses can do this. For example, a business can provide small biographies of each staff member on the website; these biographies should go beyond what the person does for the job and talk about more personal information such as hobbies and pets. Additionally, the company can highlight staff members via social media outlets. These highlights should not be sales-based, but rather community-based. For example, congratulating a salesperson for coaching a little league baseball team can improve a customer's feelings, and thus expectations, of the salesperson. Lastly, as brand equity also drives consumer trust, businesses should focus on the quality of the advertisements used. Similarly, it is important to focus on presenting the brand with the utmost ethical standards, including addressing and responding to negative or disparaging reports and hosting regular ethical training seminars for employees.

Limitations

The research in this dissertation began with a thorough review of ethics literature and a qualitative investigation into the views of consumers in order to understand the nature of consumer expectations. Using both qualitative and

quantitative methods for support, the conceptualization involved substantial primary research and theoretical backing. However, as in all research, this dissertation has its limitations.

First, the use of an online survey may have provided a source of bias. By limiting data collection to only those people who have access to a computer, a portion of the population that is not technologically savvy may have been missed. However, an online survey allows participation at the convenience and comfort of the respondent and fosters a feeling of anonymity; thus, using online surveys regarding ethicality may have allowed respondents to be more forthcoming.

A second limitation of this research came from the choice of automotive brands in study two. One reason for choosing these brands was the fact that Toyota and Lexus are owned by the same company. However, this could have created a bias. Exactly half the consumers surveyed for Toyota said the brand was upscale. When evaluating the demographics, it appears race and age played a role, with Asians and older people feeling that Toyota was a more upscale car. Additionally, issues currently taking place with the brands (e.g., Toyota recalls) or within the automotive industry could have driven some responses. Lastly, as it was found that Asians hold Toyota in a higher regard, cultural differences may also be affecting results.

A third limitation is based on the nature of the data and sample; consumer brand loyalty, or lack thereof, may play a role in responses. For example, one survey respondent said, "Because of Toyota's safety issues, I will never trust

them.” While the sample may be representative of car buyers in general, it is possible that the results will vary for specific brands and manufacturers.

Fourth, the nature of the car-buying purchase may affect results. Buying a car is driven by not only economic rationale, but also emotional connections. Thus, a consumer may look forward to the buying process with a mixture of anticipation and trepidation. Given these conflicting emotions, buying a car may differ from other commission-based purchases which can be driven by positive, negative, or neutral emotions (e.g., life insurance, clothing).

Lastly, the use of structural equation modeling (SEM) also poses a limitation. SEM uses correlations to assess the fit of the conceptual model; however, correlations do not imply causation. Although there is some controversy on the issue, Pearl (2009) makes a good argument that SEM has the ability to determine causality, thus providing support to the hypotheses.

Future Research

Findings from the CESU scale and subsequent hypotheses lend themselves to a number of future projects. One way to extend this research is to collect additional data, enabling a deeper analysis of both customer-to-brand and customer-to-salesperson relationships.

Future research could assess additional antecedents, mediators, and moderators on consumer expectations of salesperson unethicity. It would be interesting to see what controllable factors marketers can adjust in order to better build a “pre-relationship” with the customer. Future empirical work could

include data collection on elements such as company engagement strategy (e.g., dialog) and consumer perceptions of organizational authenticity.

Second, it would be beneficial to collect additional data on other industries (products or services) that involve commission-based sales activities. Sales situations in other industries will likely face different ethical dilemmas; thus consumers will have different ethical expectations. As mentioned, Ozer (1999) recommends developing industry-specific scale measurements to better fit the nature of the industry; therefore, there are several commission-based industries where CESU should be tested, including retail, insurance, financial planning, and real estate.

Third, business-to-business sales have other ethical issues, including theft of intellectual property and tacit knowledge, making it necessary to study business-to-business relationships with different scale items. In addition, business-to-business sales relationships tend to be for longer durations and require greater hands-on facilitation after the sales event occurs. Thus, the level of CESU and trust should be greater. Moreover, because of the nature of business-to-business transactions (e.g., number of buyers involved in the sales process, level of involvement by these buyers), antecedents may also differ.

Fourth, it would be beneficial to evaluate consumers after the sales experience. Measuring how the sales experience compared to expectations can provide industry-specific managerial implications on how to strengthen the relationship between salesperson and customer.

Lastly, future studies into CESU should examine the role social factors related to ethical theories play in the development of customer expectations. The relationships between CESU and aspects of the ethical decision-making process discussed in this dissertation (e.g., perceived moral intensity, perceived ethical problems and ethical judgments) can lead to a better focus of training efforts. For instance, by comparing customer responses to employee ethical attitudes, companies can focus training efforts to close or minimize the gap. Similarly, a longitudinal study that includes the economic factors would be an interesting extension as this may help explain the influence of the environment created by companies prior to the sales event.

Conclusion

This dissertation addresses a gap in the literature regarding what effects consumer expectations (prior to conducting business) can have on trust of the salesperson (and subsequently, the company and brand). Further, it establishes a scale for measuring the consumer's expectations of salesperson unethicity, and measured how these expectations affected consumer trust of the salesperson prior to conducting business.

This dissertation also provides evidence that WOM lends to customer expectations of unethicity, and these expectations have a significant role in consumer trust. In the buyer-seller dyad, a salesperson is often the only point of contact with the customer, and thus becomes a proxy for the company and brand. Thus, salespeople should focus their efforts in practicing behaviors that

exhibit relationship building with the customer rather than just transactional. In this way, the customer will engage in positive word of mouth, generating goodwill towards the salesperson and company, ultimately leading to more customers and greater profits.

Appendices

Table 1: Testing Consumer Ethics

Consumer's view of personal ethics

<p>Forsyth 1980 <i>Journal of Personality and Social Psychology</i>: A taxonomy of ethical ideologies</p>
<p>Vitell et al. 1991 <i>Journal of Business Ethics</i>: Consumer Ethics: An investigation of the ethical beliefs of elderly consumers</p>
<p>Muncy and Vitell 1992 <i>Journal of Business Research</i>: Consumer ethics: An investigation of the ethical beliefs of the final consumer</p>
<p>Rappalli et al. 1994 <i>Journal of Business Ethics</i>: Consumer ethical beliefs and personality traits: An exploratory analysis</p>
<p>Cui et al. 2005 <i>Journal of Business Ethics</i>: Measuring consumers' ethical position in Austria, Britain, Brunei, Hong Kong and USA</p>
<p>d'Astous and Legendre 2008 <i>Journal of Business Ethics</i>: Understanding Consumers' Ethical Justifications: A Scale for Appraising Consumers' Reasons for Not Behaving Ethically</p>

Consumer's view on business ethics

<p>Reidenbach and Robin 1990 <i>Journal of Business Ethics</i>: Toward the development of a multidimensional scale for improving evaluations of business ethics</p>
<p>Reidenbach and Robin 1991 <i>Journal of Academy of Marketing Science</i>: An application and extension of a multidimensional scale to selected marketing practices and marketing groups</p>
<p>Creyer and Ross 1997 <i>Journal of Consumer Marketing</i>: The influence of firm behavior on purchase intentions: Do consumers really care about business ethics?</p>
<p>Brown and Dacin 1997 <i>Journal of Marketing</i>: The company and the product: Corporate associations and consumer product responses</p>
<p>Singhapakdi et al. 1999 <i>Journal of Business Ethics</i>: Ethics Gap: Comparing marketers with consumers on important determinants of ethical decision-making</p>

Table 2: Demographics

Variable	Qualitative	Study 1	Study 2
Gender			
Male	39%	26%	36%
Female	61%	73%	64%
Median Age			
29 or under	11%	60.2%	39%
30-39	47%	31.2%	37.4%
40-49	16%	4.3%	14%
50 and over	26%	4.3%	9.6%
Income			
Less than \$20,000	16%	13.8%	18.2%
\$20,000-34,999	23%	22.1%	24.2%
\$35,000-49,999	44%	35.3%	15.6%
\$50,000-74,000	15%	24.5%	23.6%
\$75,000+	2%	4.3%	16.6%
Education			
Less than High School	0%	3.2%	0.5%
High School	17%	5.3%	11.7%
Some College	35%	27.7%	20.5%
Associates	7%	12.8%	10.4%
Bachelors	21%	39.4%	43.4%
Graduate	5%	11.7%	13.5%
Ethnicity			
Caucasian	79%	39.4%	65.2%
African American	16%	5.3%	4.7%
Asian	0%	12.8%	19.5%
Hispanic	0%	3.2%	7.5%
Other	5%	27.7%	3.1%

Qualitative study sample size: 18

Study 1 sample size: 93

Study 2 sample size: 385

Table 3: Unrefined List of Potential CESU Items

Item	Literature/Location
1	Make long-term promises I know will not be kept Jones, 1991; Singhapakdi et al., 1996
2	Make short-term promises I know will not be kept Singhapakdi et al., 1999
3	Misrepresent promotions to make the sale Reidenbach and Robin, 1988
4	Misrepresent products to make the sale Reidenbach and Robin, 1988
5	Explain what is written in the fine print of the agreement Dornoff and Tankersley, 1975
6	Stretch the truth about a product's benefits Reidenbach and Robin, 1988
7	Stretch the truth about a product's features Reidenbach and Robin, 1988
8	Sell me a service s/he does not fully understand Mishra et. al, 2008
9	Sell me a product s/he does not fully understand Mishra et. al, 2008
10	Sell me a service I do not need Qualitative
11	Sell me a product I do not need Qualitative
12	Sell me a service I cannot afford Qualitative
13	Sell me a product I cannot afford Qualitative
14	Provide full attention to me during the sales process Kant, 1938
15	Change price based on my looks Reidenbach and Robin, 1988
16	Change price based on my ability to pay Reidenbach and Robin, 1988
17	Build a friendship in order to take advantage of me Qualitative
18	Use high-pressure sales tactics to close the deal Reidenbach, Robin and Dawson, 1991
19	Build up the brand by putting other brands down Qualitative
20	Will spend as much time with me as necessary Kalshoven Hartog, and Hoogh, 2011
21	Use manipulative sales tactics to close the sale Reidenbach, Robin and Dawson, 1991
22	Sell unnecessary products to increase sales Reidenbach, Robin and Dawson, 1991
23	Guilt me into buying the product because of the time I took to look Qualitative
24	Talk down to me based on my demographics Reidenbach and Robin, 1988
25	Lie about things that will not cause danger to me Qualitative
26	Push a more expensive product, even if I don't need it Qualitative
27	Exaggerate the benefits of the product Reidenbach and Robin, 1988

Table 3: Continued

28	Exaggerate the characteristics of the product	Reidenbach and Robin, 1988
29	Use misleading tactics to sell the products	Reidenbach, Robin and Dawson, 1991
30	Persuade me to buy things I do not need	Reidenbach and Robin, 1988
31	Quote a higher price in order to “negotiate”	Qualitative
32	Misrepresent product guarantees	Qualitative
33	Use “psychological tricks” on me to close sale	Reidenbach, Robin and Dawson, 1991
34	Sell me unnecessary products to increase sales	Reidenbach, Robin and Dawson, 1991
35	Use “bait & switch” tactic to sell me a higher-priced product	Reidenbach, Robin and Dawson, 1991
36	Provide me with full disclosure regarding product information	Roman & Ruiz 2005
37	Provide me with full disclosure regarding pricing	Roman & Ruiz 2005
38	Provide all details of the transaction, whether they are relevant or not	Qualitative
39	Address all potential personal concerns, even if I do not ask	Qualitative
40	Only make truthful claims to me	Roman & Ruiz 2005
41	Openly receptive of counter-questions regarding product/service	Qualitative
42	Openly receptive of counter-questions regarding price	Qualitative
43	Has my best interests in mind	Roman & Ruiz 2005
44	Can be trusted with my personal information	Mishra et. al, 2008
45	Set an example of how to do things the right way in terms of ethics	Kalshoven Hartog, and Hoogh, 2011
46	Considers what the right thing to do for me is	Brown, Trevino, and Harrison, 2005
47	Explains what is expected of me and what I can expect from him/her	Brown, Trevino, and Harrison, 2005
48	Keeps his/her promises.	Mishra et. al, 2008
49	Can be trusted to do the things s/he says.	Mishra et. al, 2008
50	Can be relied on to honor his/her commitments.	Mishra et. al, 2008

Table 4: CESU Scale Item Elimination Round 1

1. Address all potential personal concerns, even if I do not ask
2. Attempt to persuade me to buy things I do not need*
3. Be openly receptive of counter-questions regarding price
4. Be openly receptive of counter-questions regarding product/service
5. Build a friendship in order to take advantage of me*
6. Build up the brand by putting other brands down*
7. Exaggerate about a product's benefits *
8. Exaggerate about a product's features*
9. Exaggerate the qualities of the product*
10. Explain what is expected of me and what I can expect from him/her
11. Explain what is written in the fine print of the agreement
12. Guilt me into buying the product because of the time I took to look*
13. Increase price based on my ability to pay*
14. Increase price based on my looks*
15. Misrepresent product guarantees to make the sale*
16. Misrepresent products to make the sale*
17. Misrepresent promotions to make the sale*
18. Misrepresent the competitor's brands*
19. Only make truthful claims to me
20. Provide all details of the transaction, whether they are relevant or not
21. Provide full attention to me during the sales process
22. Provide me with full disclosure regarding pricing
23. Provide me with full disclosure regarding product information
24. Quote a higher price in order to negotiate*
25. Spend as much time with me as necessary
26. Talk down to me based on my looks*
27. Try to sell me a product he does not fully understand*
28. Try to sell me something I cannot afford*
29. Try to sell me something I do not need*
30. Use "bait & switch" tactic to sell me a higher-priced product*
31. Use misleading tactics to sell the products*

* Reverse-coded item.

Table 5: CESU Scale Item Elimination Round 2

1. I expect my (BRAND) salesperson to not address potential concerns, unless I ask
2. I expect my (BRAND) salesperson to attempt to persuade me to buy things I do not need
3. I expect my (BRAND) salesperson to not be openly receptive of counter-questions regarding price
4. I expect my (BRAND) salesperson to not be openly receptive of counter-questions regarding product/service
5. I expect my (BRAND) salesperson to build a friendship in order to take advantage of me
6. I expect my (BRAND) salesperson to build up the brand by putting other brands down
7. I expect my (BRAND) salesperson to exaggerate about a product's benefits
8. I expect my (BRAND) salesperson to exaggerate about a product's features
9. I expect my (BRAND) salesperson to not explain what is expected of me
10. I expect my (BRAND) salesperson to guilt me into buying the product because of the time I took to look
11. I expect my (BRAND) salesperson to increase price based on my ability to pay
12. I expect my (BRAND) salesperson to increase price based on my looks
13. I expect my (BRAND) salesperson to misrepresent products to make the sale
14. I expect my (BRAND) salesperson to misrepresent guarantees to make the sale
15. I expect my (BRAND) salesperson to misrepresent promotions to make the sale
16. I expect my (BRAND) salesperson to misrepresent the competitor's brands
17. I expect my (BRAND) salesperson to make untruthful claims to me
18. I expect my (BRAND) salesperson to not provide all details of the transaction
19. I expect my (BRAND) salesperson to not provide his/her full attention to me
20. I expect my (BRAND) salesperson to not provide full disclosure regarding pricing
21. I expect my (BRAND) salesperson to not provide full disclosure regarding product information
22. I expect my (BRAND) salesperson to quote a higher price in order to negotiate

Table 5: Continued

23. I expect my (BRAND) salesperson to rush through the sales process
24. I expect my (BRAND) salesperson to talk down to me based on my looks
25. I expect my (BRAND) salesperson to try to sell me a product s/he does not fully understand
26. I expect my (BRAND) salesperson to try to sell me something I cannot afford
27. I expect my (BRAND) salesperson to try to sell me something I do not need
28. I expect my (BRAND) salesperson to use persuasive tactics to sell the products

Table 6: Construct Validity, One-factor Component Matrix

Component Matrix

My "BRAND" salesperson will guilt me into buying the product because of the time I took to look.	0.61
My "BRAND" salesperson will misrepresent the product to make the sale.	0.83
My "BRAND" salesperson will misrepresent the guarantee or warranty to make the sale	0.77
My "BRAND" salesperson will misrepresent the company's promotions to make the sale.	0.79
My "BRAND" salesperson will misrepresent the competitor's brands to build up the "BRAND" brand.	0.74
My "BRAND" salesperson will make untruthful claims to me.	0.79
My "BRAND" salesperson will avoid providing full disclosure regarding pricing.	0.75
My "BRAND" salesperson will avoid providing full disclosure regarding product information.	0.81
My "BRAND" salesperson will rush through the sales process.	0.67
My "BRAND" salesperson will increase price based on my ability to pay.	0.73
My "BRAND" salesperson will increase the price based on my looks.	0.69
My "BRAND" salesperson will avoid providing me with details of the transaction.	0.77

Principal Component Analysis (1 component extracted)

Table 8: Convergent Validity, Scale Correlation Matrix

Variable	WOM	CBBE	CESU	Trust
WOM	1			
CBBE	.878**	1		
CESU	-.429**	-.416**	1	
Trust	.623	.648**	-.891**	1

** . Correlation is significant at the 0.001 level (2-tailed).

Table 9: Convergent Validity, Factor Correlation Matrix**Factor Correlation Matrix**

Factor	1CESU	2CBBE	3CBBE	4TRUST
1	1.000	-.248	-.550	-.330
2	-.248	1.000	.545	.595
3	-.550	.545	1.000	.436
4	-.330	.595	.436	1.000

Table 10: Discriminant Validity, Fornell & Larcker method

	CR	AVE	MSV	ASV	Brand Equity	CESU	TRUST
Brand Equity	0.948	0.567	0.353	0.246	0.753		
CESU	0.926	0.513	0.407	0.273	-0.374	0.716	
TRUST	0.966	0.779	0.407	0.380	0.594	-0.638	0.883

Table 11: Discriminant Validity, Bagozzi, Yi, and Phillips method

Factor 1	Factor 2	2-factor Chi-square	2-factor DF	1-factor Chi-square	1-factor DF	Difference	Sig
CESU				168.576	52		
CBBE				100.182	48		
Trust				134.795	20		
CESU	CBBE	2593.216	274	4581.348	275	1988.132	0.00
CESU	Trust	761.714	151	2012.397	152	1250.683	0.00
Trust	CBBE	2310.412	208	4651.295	209	2340.883	0.00

Table 12: Model Comparisons

Model	Chi-Square	df	CMIN	CFI	RMSEA	WOM → CBBE	WOM → CESU	CBBE → CESU	CBBE → TRUST	CESU → TRUST
Measurement model by dealership	2977.220	1156	2.575	0.863	0.064					
Measurement model, combined	1973.638	545	3.621	0.891	.086					
Original Model in Dissertation	14.55	5	2.91	0.994	.071	.871, p<.000	-0.285, p<.003	-.152, NS	.335, p<.000	-.753, p<.000
No controls, original model	0.523	1	0.523	1	0	.878, p<.000	-.277, p=.004	-.173, p=.072	.336, p<.000	-.751, p<.000
All Indicators, no modification, Toyota						.798, p<.000	-.641, p=.009	-.324, p=.194	.436, p<.000	-.499, p<.000
All Indicators, no modification, Lexus	4437.149	1430	3.103	0.775	0.074	.738, p<.000	-.209, 0.192	-.295, p=.05	.413, p<.000	-.459, p=.016
All Indicators, modifications to error terms, Toyota						.783, p<.000	-.603, p=.009	.162, p=.438	.436, p<.000	-.517, p<.000
All Indicators, modifications to error terms, Lexus	2811.21	1404	2.002	0.895	0.051	.760, p<.000	-.192, p=.255	-.302, p=.06	.410, p<.000	-.476, p<.000
All Indicators, no modifications, combined	3570.509	682	5.235	0.781	0.105	.792, p<.000	-.497, p=.002	-.055, p=.692	.398, p<.000	-.500, p<.000
All Indicators, modifications to error terms, combined	1881.271	662	2.842	0.907	0.069	.809, p<.000	-.457, p=.006	.003, p=.981	.381, p<.000	-.517, p<.000

Table 12 Continued

Model	Chi-Square	df	CMIN	CFI	RMSEA	WOM → CBBE	WOM → CESU	CBBE → CESU	CBBE → TRUST	CESU → TRUST
All Indicators, modifications, no controls, Toyota						.817, p<.000	-.643, p=.007	.170, p=.424	.396, p<.000	-.529, p<.000
All Indicators, modifications, no controls, Lexus	2598.36	1150	2.259	0.891	0.057	.777, p<.000	-.253, p=.190	-.220, p=.215	.419, p<.000	-.460, p<.000
All Indicators, no controls, combined	1731.459	535	3.236	0.909	0.076	.814, p<.000	-.490, p=.005	.019, p=.125	.387, p<.000	-.505, p<.000
CESU-TRUST Combined	2012.397	152	13.239	0.716	0.179					
CESU-TRUST Individual	761.714	151	5.044	0.907	0.103					

Table 13: Regression Estimates

Variables	Hypothesis	Regression Weight
WOM → CBBE	H1	.871**
WOM → CESU	H2	-.285*
CBBE → CESU	H3	-.152
CESU → Trust	H4	-.753**
CBBE → Trust	H5	.335**
WOM = word of mouth; CBBE = perceived brand equity; CESU = consumer expectations of salesperson unethicity ** = $p < .000$; * $p < .01$		

Table 14: Hypothesis 3, Model Comparisons

	Proposed Model	No CBBE → CESU	No WOM
Chi-Square, df	14.550, 5 (p=.012)	17.059*, 6	11.859*, 3
CMIN	2.910	2.843	3.953
CFI	.994	.993	.991
RMSEA, PCLOSE	.071, .176	.069, .174	.088, .091
WOM → CBBE	.871**	.871**	NA
WOM → CESU	-.285*	-.418**	NA
CBBE → CESU	-.152 (p=.113)	NA	-.402**
CBBE → TRUST	.335**	.338**	.334**
CESU → TRUST	-.753**	-.759**	-.752**

* Significant at the .01 level, ** Significant at the .00 level

Figure 1: Conceptual Model

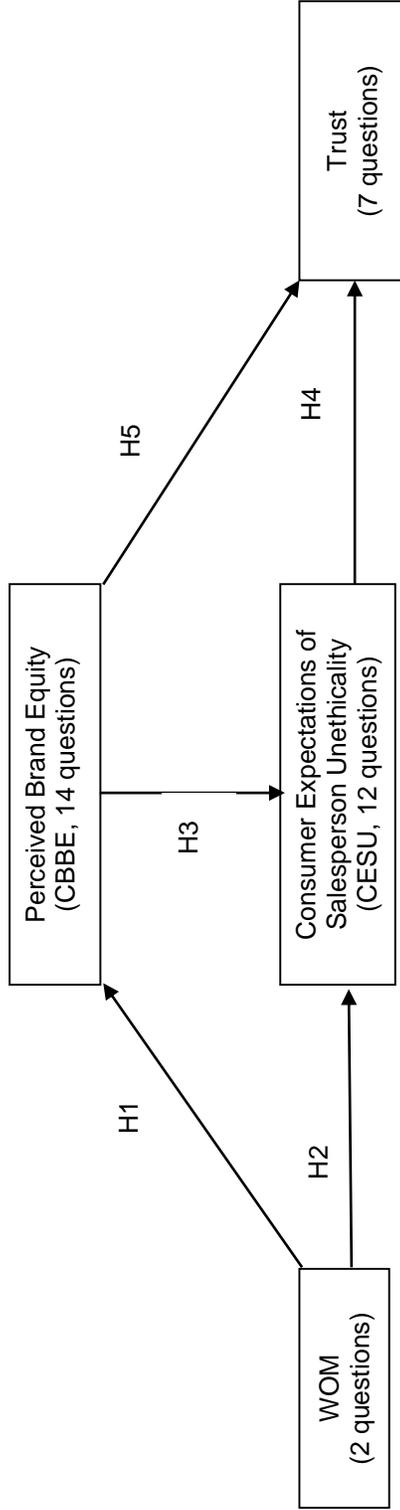


Figure 2: Model Summary with Standardized Estimates

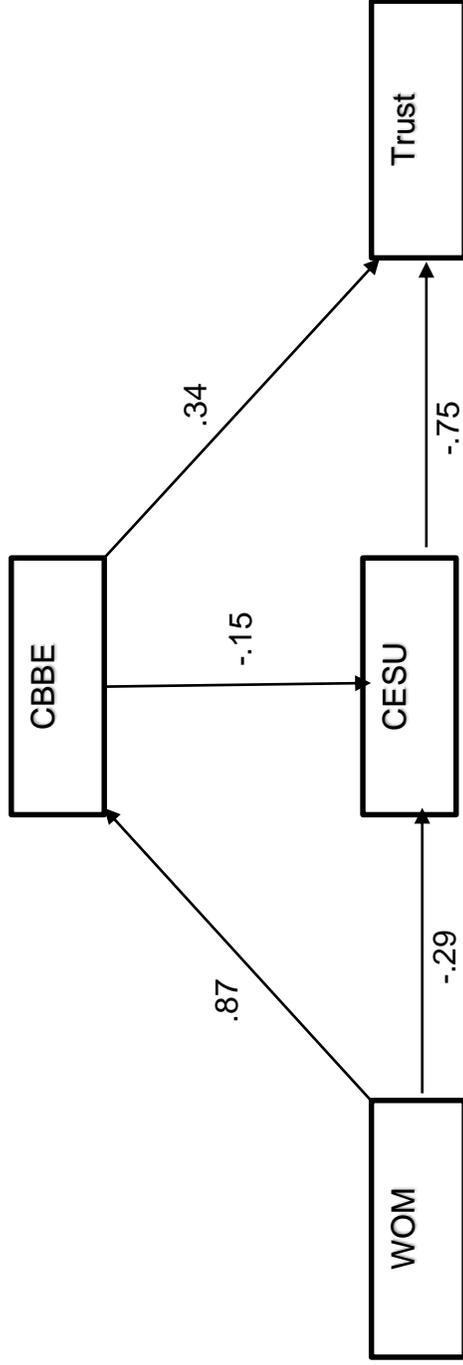
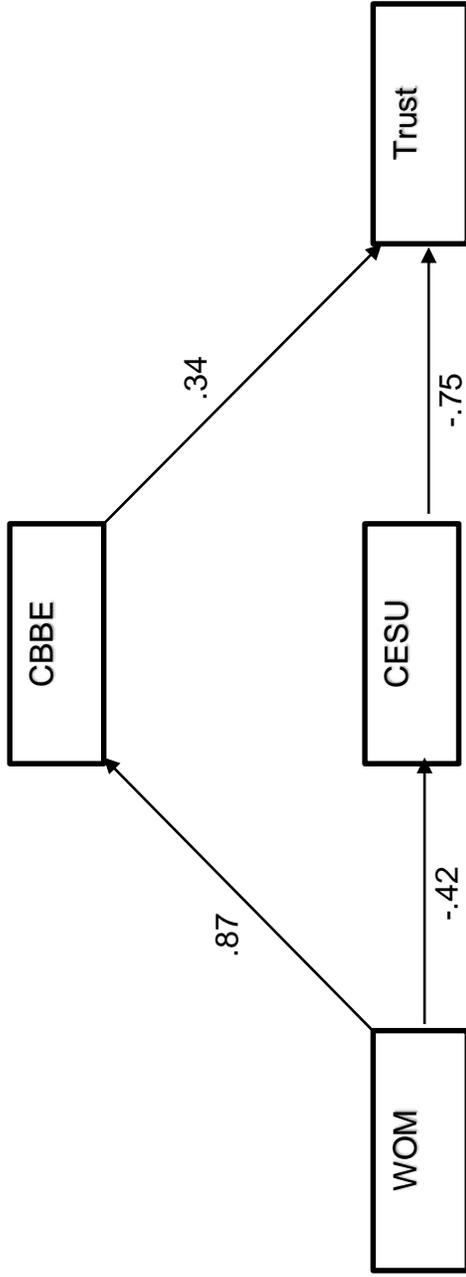
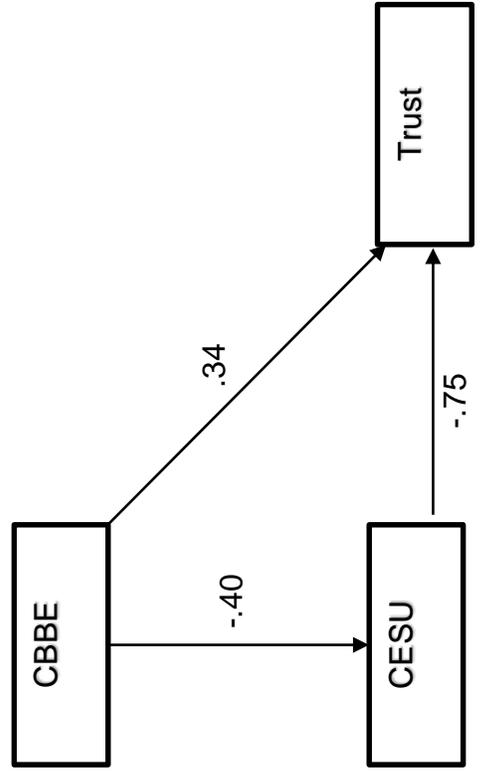


Figure 3: Competing Model Summaries with Standardized Estimates

No link between CBBE and CESU



No WOM



File 1: Qualitative Study

1. What do you look for in a salesperson?

I want a salesperson that's knowledgeable in the area that I'm needing assistance. I want them to be sensitive to my needs and NOT pushy for their need to make money off of me (in commission matters)
Just be themselves. Cut the crap and talk to me about what I WANT AND WHAT I NEED. not what they HAVE SOLD OR OWN it's about ME

I look for a sense of calm and seeming intelligence. I don't want a person trying to sell me just through their own charisma or enthusiasm. I want to purchase based on information, so the salesperson who's ideal for me needs to be able to answer every question. They also need to volunteer information versus merely promoting or closing a sale through pressure tactics.

A genuine smile. More importantly, someone who isn't constantly trying to find my "X-Factor". Just talk to me like a person.

I look for someone that looks like they are eager to help and that knows what they are talking about. A turn off is someone that is too pushy though. If I have questions I will ask, but otherwise, hold tight and let me browse.

Eager meaning that maybe they greet you and ask you if you need any assistance. It becomes pushy when you tell them "no thanks" and they ask you follow-up questions after you tell them no.

Professionalism. A fine balance between attention and space. Someone who hovers or dodges my attempts to have alone time is automatically disqualified.

Good car sales people will keep a distance and take note in what you are showing interest in, to me that is professional. The same would carry over to most other professions

Engagement and belief in the product

In most cases, I prefer to shop without the assistance of a salesperson, however, when I need a salesperson, there are several characteristics I would like them to have. First, they should be fully knowledgeable of the product/service that they are selling. In addition, they should be able to answer any questions I have, identify what my needs are as a customer and make recommendations accordingly. Personality is also key in a salesperson, as they are the first interaction or point of contact that a consumer will experience with a brand. As such, they should present a positive image and be enthusiastic and excited. I also think it is important for a salesperson to look the part. Their dress should reflect their company and brand. Lastly, they should be professional at all times. Seeing sales associates have personal conversations and ignore customers when they need help is bothersome, and I've definitely left a store because of it.

Qualitative Study Continued

Friendly, expressing interest, someone who listens to what I need and is knowledgeable about what her store has to offer.

I want a sales person who is friendly, knowledgeable and accessible.

First and foremost is confidence in themselves and the product they are selling. Second and almost as important is professional bit not so much that it belittles people. Third is friendliness and honesty. Kind face, eye contact, and someone who doesn't look like a grumpy soul.

In a salesperson I look for someone knowledgeable about the product I'm trying to buy. I usually need to know where something is or how two similar things compare.

Someone that is nice but not overwhelming me as soon as I walk in. Someone that doesn't push but just gives suggestions if I ask.

In a salesperson I look for one that at least acts likes they like being there at their job, greets you, and smiles. I don't believe this matters in which type of sales you are using.

I look for a helpful sales person that is not pushy.

2. When you walk into a store, how do you decide who you want to work with?

When I walk in a store I look for the salesperson with the smile. The one who looks happy to be at their job and not forced. I also like to scan what they are wearing in a dept store for possibly same style or understanding of my curvy build. Then they don't try and put me in SKINNY GIRL CLOTHES LOL In general in ANY salesperson I just look for knowledgeable ones who truly know what they are doing, have the knowledge and the drive/ love for what the do/sell I don't like PUSHY sales people. If I say I don't need help but will let u know don't keep hounding me. Just erks me and I usually leave the store.

I've actually refused to talk to salespeople in car dealerships if they seem to almost come running up to me. I want someone who has a sense of authority. Someone who's a bit more laid back. Someone who's also, however, available and ready/willing to answer my questions.

Honest smile

The first person to make eye contact or offer to help me.

Eye contact, brief greeting then space. More than 30 words about sales and they have lost a sale

By the person who approaches me first

I make my decision based on the perception of the aforementioned qualities—professionalism, positive attitude—as well as presentation. For example, if I am shopping at Sephora, I will choose the salesperson who has nicely done makeup over the salesperson who does not wear any or who has too much on. When a salesperson looks the part, it is reassuring to the customer.

Qualitative Study Continued

I don't have any set guidelines. If it's a place where the salespeople work for commission, I will stick with the first person who assists me, unless that person ends up being a jerk or clueless about the product. I don't knowingly have any gender or age preferences though.
Someone who acknowledges me, smiles, offers assistance. Whoever makes eye contact and smiles first.
Posture and eye contact along with personal appearance and grooming. Assuming I make the decision before speaking to them.
I decide based on proximity to me and the products I am looking to buy.
I work with the person that didn't bombard me when I walked in. The person who said hi with a smile and went back to his/her business. I go find them when I have a question
I will work with someone who is dressed well, who offers to help but doesn't hover over me, and who allows me to shop alone if I choose
I normally don't. I just either wait for them, or look for the one who looks most eager to help. Nothing irritates me more than a sales person who acts like you are an inconvenience. Prefer they approach me, however, if I say I just want to browse, I want them to leave me the heck alone. Don't approach me every 2 minutes. I think if I say I want to browse, after that, if I want help, I'll find you.

File 2: Study 1

1. Are you familiar with the Audi automobile?
 - a. Yes
 - b. No

Please answer the following questions regarding the behavior you expect from the salesperson at Audi.

2. My Audi salesperson will not address potential concerns, unless I ask

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

3. My Audi salesperson will attempt to persuade me to buy things I do not need

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

4. My Audi salesperson will not be openly receptive of counter-questions regarding price

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

5. My Audi salesperson will not be openly receptive of counter-questions regarding product/service

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

6. My Audi salesperson will build a friendship in order to take advantage of me

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

Study 1 Continued

7. My Audi salesperson will build up the brand by putting other brands down

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

8. My Audi salesperson will exaggerate about a product's benefits

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

9. My Audi salesperson will exaggerate about a product's features

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

10. My Audi salesperson will not explain what is expected of me

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

11. My Audi salesperson will guilt me into buying the product because of the time I took to look

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

12. My Audi salesperson will increase price based on my ability to pay

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

Study 1 Continued

13. My Audi salesperson will increase price based on my looks

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

14. My Audi salesperson will misrepresent products to make the sale

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

15. My Audi salesperson will misrepresent guarantees to make the sale

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

16. My Audi salesperson will misrepresent promotions to make the sale

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

17. My Audi salesperson will misrepresent the competitor's brands

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

18. My Audi salesperson will make untruthful claims to me

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

Study 1 Continued

19. My Audi salesperson will not provide all details of the transaction

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

20. My Audi salesperson will not provide his/her full attention to me

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

21. My Audi salesperson will not provide full disclosure regarding pricing

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

22. My Audi salesperson will not provide full disclosure regarding product information

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

23. My Audi salesperson will quote a higher price in order to negotiate

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

24. My Audi salesperson will rush through the sales process

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

Study 1 Continued

25. My Audi salesperson will talk down to me based on my looks

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

26. My Audi salesperson will try to sell me a product s/he does not fully understand

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

27. My Audi salesperson will try to sell me something I cannot afford

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

28. My Audi salesperson will try to sell me something I do not need

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

29. My Audi salesperson will use persuasive tactics to sell the products

Fully Do Not Expect	Somewhat Do Not Expect	Neither Expect nor Not Expect	Somewhat Expect	Fully Expect
1	2	3	4	5

File 3: Study 2

1. Have you heard of (BRAND)?
 - a. Yes
 - b. No

To what extent do you agree/disagree with the following statements?

2. "I am looking for a new car. A friend tells me that he/she has had a negative experience with (BRAND). This would stop me from buying that brand."

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

3. I am looking for a new car. A friend tells me that he/she has had a positive experience with (BRAND). This would get me buying that brand."

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

4. I have heard positive things about (BRAND)

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

5. I have heard negative things about (BRAND)

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

Study 2 Continued

Imagine you are walking into an (BRAND) car dealership to purchase a new car. Please answer the following questions regarding the (BRAND) brand:

6. Compared to other brands of automobiles, (BRAND) is very high quality.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

7. (BRAND) is the best brand in its product class.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

8. (BRAND) consistently performs better than all other brands of automobiles.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

9. I can always count on (BRAND) brand of automobiles for consistent high quality.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

10. What I get from (BRAND) brand of automobiles is worth the cost.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

Study 2 Continued

11. All things considered (price, time, and effort), (BRAND) brand of automobiles is a good buy.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

12. Compared to other brands of automobiles, (BRAND) is a good value for the money.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

13. When it comes to (BRAND) brand of automobiles, I feel I am getting my money's worth.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

14. (BRAND) is distinct from other brands of automobiles.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

15. (BRAND) really stands out from other brands of automobiles.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

16. (BRAND) is very different from other brands of automobiles.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

Study 2 Continued

17. (BRAND) is unique from other brands of automobiles.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

18. I am willing to pay a higher price for an (BRAND) than for other brands of automobiles.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

19. I am willing to pay a lot more for (BRAND) than other brands of automobiles.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

Imagine you are walking into an (BRAND) dealership to purchase a new vehicle. Please answer the following questions regarding the behavior you expect from the salesperson at (BRAND).

20. My (BRAND) salesperson will guilt me into buying the product because of the time I took to look

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

21. My (BRAND) salesperson will increase price based on my ability to pay

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

Study 2 Continued

22. My (BRAND) salesperson will increase the price based on my looks

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

23. My (BRAND) salesperson will misrepresent the product to make the sale

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

24. My (BRAND) salesperson will misrepresent the guarantee or warranty to make the sale

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

25. My (BRAND) salesperson will misrepresent the company's promotions to make the sale

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

26. My (BRAND) salesperson will misrepresent the competitor's brands to build up the (BRAND) brand

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

27. My (BRAND) salesperson will make untruthful claims to me

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

Study 2 Continued

28. My (BRAND) salesperson will avoid providing me with details of the transaction

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

29. My (BRAND) salesperson will avoid providing full disclosure regarding pricing

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

30. My (BRAND) salesperson will avoid providing full disclosure regarding product information

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

31. My (BRAND) salesperson will rush through the sales process

Do not Expect	Somewhat Do Not Expect	Neither Expect or Not Expect	Somewhat Expect	Expect
1	2	3	4	5

Please answer the following questions regarding the trust you would have in the salesperson.

32. I believe this salesperson would be honest.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

33. In the future, I believe I could count on this salesperson to consider how his decisions would affect me.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

Study 2 Continued

34. Even if this salesperson gave an unlikely explanation, I would be confident he was telling the truth.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

35. I believe this salesperson would keep a promise he makes to me.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

36. If this salesperson gave me advice, I believe he would be sharing his best judgment.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

37. I believe this salesperson would be concerned about my welfare.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

38. I believe the salesperson would be trustworthy.

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

39. This salesperson can be trusted; s/he really looks out for the customer

Strongly Disagree	Somewhat Disagree	Disagree	Neither Agree nor Disagree	Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

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2003-2004: **M.B.A.**, University of Central Arkansas, Conway, AR
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Research Manuscripts

Published

Singhapakdi, A.; Vitell, S.; Lee, DL.; Mellon Nisius, A.; Yu, G. (2012). The influence of love of money and religiosity on ethical decision-making in marketing, *Journal of Business Ethics*, 10.1007/s10551-012-1334-2
Singhapakdi, A.; Sirgy, MJ; Lee, DL; Senasu, K.; Yu, G; Mellon Nisius, A. (2013). Gender Disparity in Job Satisfaction of Western versus Asian Managers, *Journal of Business Research*

Conference Proceedings

Mellon Nisius, A; Nisius, M. (2013). The green machine: Does being environmentally friendly pay off? Presented and included in conference proceedings, *Academy of Marketing Science*, Monterey, CA, 2013.
Mellon, A. (2015). It ain't easy being green (Or is it?), *American Marketing Association*, Chicago, IL
Mellon, A. (2015). Liability of tenure within the marketing industry, *Society for Marketing Advancements*, San Antonio, TX.

Awards

2012-13: Adjunct Faculty of the Year for College of Business Administration

Reviewer Experience

Journal of Business Ethics	2012, 2013 AMS Doctoral Colloquium
Journal of Marketing Theory and Practice	2013, 2014, 2015 AMA Conference
	2015, SMA Conference

Service

Admissions Committee, 2015-2018
Interdisciplinary Studies Committee, 2015-2018
Service Learning Coordinator, 2015

Business Experience

Account Executive, *Seventh Point*, VA; *Zimmerman*, FL 2005-2009

- Increased client quarter-over-quarter responses, through direct marketing, by 16.4%
- From 2006-07, increased direct mail responses by 17%, YOY
- Created and discussed strategic plans for owners and general managers of dealerships that increased sales by 12.4% in six months