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socially responsible investments:
Do ethical and environmental factors impact
customer satisfaction with SRI profiled mutual funds?**

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Abstract

Although much research has been published on green/ethical consumer behaviour, the question of how consumers evaluate pro-socially positioned products in the post-purchase stage is still virtually unexplored. This is troubling given the significance of post-purchase evaluations within general marketing theory. To address this gap in the literature, this study examines how a set of technical and functional quality attributes contribute to customer satisfaction in a socially responsible investment (SRI) setting. The results of the study show that perceived financial quality of the SRI mutual fund is the most important predictor of customer satisfaction. However, perceived social, ethical, and environmental (SEE) quality is also positively related to satisfaction for the SRI mutual fund. Based on these results, it is argued that although SEE quality is important to customers, marketers of pro-socially profiled products should primarily focus on conventional quality attributes, as a good SEE record unlikely to generate customer satisfaction alone.

Keywords: Customer satisfaction, ethics, perceived quality, socially responsible investment, mutual funds

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Introduction

The research field that focuses on green/ethical consumer behaviour has grown during the last few decades. These days, green/ethical marketing is the concern of many major academic journals and conferences and a multitude of studies that address consumer behaviour with regard to pro-socially positioned goods and services have been published (e.g. Carrington, Nevill, & Whitwell, 2010; Follows & Jobber, 2000; Osterhus, 1997). Considering the current environment where marketing managers have to deal with increasingly environmentally conscious consumers (e.g. Leonidou, Leonidou, & Kvasova, 2010), this interest from academia is not surprising. After all, there is a need for marketing scholars to better understand the environment in which marketers operate.

The research on green consumer behaviour that has been conducted has, in many ways, contributed greatly to our understanding of consumer purchasing behaviour of SEE profiled goods and services. Both qualitative and quantitative approaches have been used to examine why consumers choose pro-socially positioned products (e.g. Carrigan & Attalla, 2001; Diamantopoulos, Schlegelmilch, Sinkovics, & Bohlen, 2003). Within the quantitative domain, much of this research has attempted to better understand what factors impact green purchasing behaviour. Methodologically, this is often done by using the purchase of a pro-social good or service behavioural concept as dependent variable and concepts such as personal values, norms and attitudinal factors as independent variables. By performing research in this way current research has been able to map several relevant determinants of green consumer behaviour in a variety of contexts (e.g. Jansson, Marell, & Nordlund, 2010; Minton & Rose, 1997; Nilsson, 2008; Shaw & Shiu, 2003; Straughan & Roberts, 1999). In this manner, previous research has produced an understanding of what factors determine consumer purchases of SEE profiled goods and services.

However, there are still areas that have not been addressed in the research to date. One such area that has almost been completely overlooked in previous research is how consumers evaluate the quality of the SEE attributes included in the pro-socially positioned good or service *after* purchasing it. That is, as virtually all research to date has focused on understanding the *determinants* of the purchase as well as the purchase decision itself, little attention has been paid to how consumers actually evaluate the SEE quality of the pro-social product in the *post-purchase stage*. This fact is troubling for several of reasons. However, for marketing managers the arguably most important reason to understand consumer evaluations of quality in the post-purchase stage is its importance for consumer satisfaction. Within marketing management, satisfaction is one of the most fundamental concepts, closely connected to loyalty and future purchasing behaviour (e.g. Anderson, Fornell, & Mazvancheryl, 2004; Anderson & Sullivan, 1993). Considering the fact that previous research also indicate that green, ethical, and CSR claims sometimes play a role for consumer satisfaction (e.g. Chen, 2010; Leonidou, et al., 2010; Thomas, Vitell, Gilbert, & Rose, 2002), it is likely that the manner in which SEE attributes are included in the offering will affect overall satisfaction with the pro-socially positioned good or service.

Against this background, there is a need to better understand how consumers evaluate SEE quality in the post-purchase stage as well as the relationship between perceived SEE quality and overall satisfaction. For academia, understanding how consumers evaluate and react to SEE quality in the post-purchase stage is important in order to extend the current literature focusing on determinants of behaviour and get a more holistic understanding of green/ethical consumer behaviour. Moreover, the issue is important for understanding reactions to poor SEE quality which is relevant given the current debate on consumer reactions to

"greenwashing", i.e. the deceptive use of green marketing to promote environmentally questionable products and services. For marketing managers, who often operate in an environment where consumers are increasingly concerned about social, ethical, and environmental issues, this knowledge can aid in deciding how much resources is beneficial to allocate to SEE quality of a pro-social offering to maximize satisfaction.

In order to start filling this research gap, the purpose of this paper is to examine how customers evaluate social, ethical, and environmental quality of a pro-socially positioned offering and how this relates to overall customer satisfaction. In this paper, this purpose is addressed within the area of retail socially responsible investment (SRI) mutual funds. SRI profiled mutual funds is one of the faster growing financial services in the retail sector, with as much as a 10% market share in lead countries (Eurosif, 2010; SIF, 2007). In essence, SRI profiled mutual funds are funds that on top of the regular financial criteria also incorporate social, ethical, and environmental factors into the investment process (Sparkes & Cowton, 2004; Sullivan & Mackenzie, 2006). In this manner, SRI mutual funds is essentially a service with a dual nature (e.g. Knoll, 2002; Michelson, Wailes, van der Lann, & Frost, 2004). First, it is an investment scheme, meaning that investors should receive future financial return for the risk of their invested capital. However, SRI is not solely focused on financial return as SEE factors are explicitly incorporated into the process of investment. In the green/ethical consumer behaviour research context, the SRI industry is thus an interesting empirical area to study consumer behaviour as it has the advantage of having two main dimensions of relevant attributes; the financial attributes and the SEE attributes (e.g. Beal, Goyen, & Phillips, 2005). Thus, in comparison to other pro-socially positioned goods and services, it is possible to fairly easily isolate and examine SEE quality in the SRI sector. In this paper, this is done in the context of a theoretical model of consumer satisfaction.

The rest of the paper is structured as follows. We begin by reviewing the literature and research concerning customer satisfaction and service quality and relate these concepts to research on SRI mutual funds, financial return, and SEE quality. A model and related hypothesis are developed and involvement with social, ethical, and environmental issues is introduced as a moderating variable. Subsequently the method used and the results of the study are presented and discussed. Finally, conclusions and managerial as well as theoretical implications are discussed together with suggestions for further research.

Literature review

Customer satisfaction, service quality, and SRI mutual funds

Customer satisfaction is a well researched area within the marketing literature (Iacobucci, Grayson, & Ostrom, 1994; Oliver, 1997). Often viewed as an evaluation or judgment of the consumption experience, much of the interest in the satisfaction concept stems from the notion that customer satisfaction positively impacts customer retention and future behavioural intentions (Oliver, 1997). In this manner, Oliver (1997) argues that satisfaction is essential for a company to be continuously profitable. This notion of satisfaction as a fundamental source of profitability has also been documented as researchers have found a link between satisfaction and shareholder value (Anderson, et al., 2004; Gruca & Rego, 2005).

One of the most fundamental predictors of customer satisfaction used in the marketing literature is that of quality (e.g. Grönroos, 2000; Iacobucci, Ostrom, & Grayson, 1995). In this body of research, quality is often considered to have a direct impact on customer satisfaction

(see for example items in Baker, Grewal, & Parasuraman, 1994). Although there are several ways in which service quality has been conceptualized, a frequently used conceptualization is to view quality as consisting of two aspects – technical and functional (Grönroos, 1998). In this framework, the technical quality of a service offering is the outcome or result of the service while functional quality refers to how the service is delivered to the customer. In this way, the perceived quality of a service is not only the actual result or outcome of the service, but also the manner in which it is delivered to the customer (Grönroos, 1984, 1998). By utilizing this conceptualization of quality the researcher can specify the determinants included in the different quality dimensions depending on the specific service and context. For this study it means that it is possible to test customer evaluations of SEE quality specifically. Another advantage of using the technical and functional quality distinction is that it has been proven to predict customer satisfaction to a high degree (e.g. Ekinçi, Dawes, & Massey, 2008). Thus, in the following we turn to the specifics of technical and functional quality in the SRI context. First we highlight the technical quality of SRI where we develop hypotheses for the influence of financial and SEE quality on satisfaction. Thereafter, we address the functional quality of SRI in terms of service personnel, provider accessibility, and physical environment as they relate to overall customer satisfaction. To conclude we introduce involvement as a moderating variable between the quality dimensions and customer satisfaction.

Technical quality attributes

The main underlying motive for investing is often considered to be to gain financially. According to literature on SRI, this also holds true for investments in SRI profiled mutual funds. In fact, the SRI industry often claims that socially responsible investing generates a superior financial return to that of conventional mutual funds due to the superior long-term strategy of mainly investing in socially responsible companies (e.g. Sparkes, 2002). Although the majority of the research on the financial return of SRI mutual funds have not found a significant difference (positive or negative) to that of conventional mutual funds (Schröder, 2007; Statman, 2000), private investors have varying perceptions on the financial performance of SRI (e.g. Lewis & Mackenzie, 2000). Moreover, financial return has been shown to be important for SR-investors. For example, Mackenzie and Lewis (1999) found that although individual investors had SEE concerns, they were unwilling to sacrifice financial return to address them. Thus an important technical quality attribute of SR-investments is the financial quality of the mutual fund.

The second outcome, or technical quality attribute, of SRI profiled mutual funds relates to the "making-a-difference" attribute. In SRI, social, ethical, or environmental issues are incorporated into the mutual fund. Making a difference is a central aspect of SRI as the fundamental reason to use SEE criteria in the investment process is to bring about some type of social change to the financial investment environment. There are several strategies used in SRI in order to make an impact on social, ethical, or environmental issues (Michelson, et al., 2004; Sparkes, 2002). For example, some SRI profiled mutual funds could use the screening strategy which means that the fund includes or excludes shares from the investment portfolio based on pre-defined SEE criteria. SRI profiled mutual funds also work with engagement which is the process of using the influence as a shareholder to change corporate conduct toward more social or environmental responsibility.

As the making-a-difference attribute is a fundamental aspect of SRI, it is also likely to be important for customer satisfaction among individual investors in the SRI profiled mutual funds. In a review of the literature, Lou and Bhattacharya (2006) argue that there are several

research streams that support the notion that corporate social responsibility lead to customer satisfaction. First, stakeholder theory and institutional theory alike suggest that a company's actions appeal to consumers in more than just an economic sense. Second, it has been shown that CSR activities positively affect consumer attitudes towards the firm and finally, CSR impacts the perceived value customers feel as they buy their product from a socially responsible company. Thus, by increasing this type of value, customers are also likely to be more satisfied. The review by Lou and Bhattacharya (2006) shows that there is theoretical justification for the notion that customer post-purchase evaluations of SEE quality of an offering is important in order to understand customer satisfaction. On this note, Leonidou et al., (2010) shows empirically that green purchasing behaviour could lead to increased product satisfaction. In the context of SRI profiled mutual funds, it is thus likely that investors evaluate whether the mutual fund actually works to produce SEE change in the manner as marketed at the time of investment. This is also supported in research that shows that individual SR-investors believe that SEE aspects are important (e.g. Beal & Goyen, 1998; Lewis & Mackenzie, 2000). Based on this review, we propose the following two hypotheses concerning customer quality evaluations of the SRI mutual funds' financial and SEE quality impact on customer satisfaction:

H1a: A positive evaluation of financial quality of the SRI profiled mutual fund will impact customer satisfaction for SRI in a positive manner

H1b: A positive evaluation of SEE quality of the SRI profiled mutual fund will impact customer satisfaction for SRI in a positive manner

Functional quality attributes

Previous research within the area of service marketing has highlighted the influence of functional service quality on satisfaction. The fundamental notion regarding the influence of functional quality on satisfaction is that customers do not only evaluate the outcome of the service, but also the way the service is delivered to them (Grönroos, 1998; Kang, 2006). In the context of a highly intangible investment service, where knowledge among consumers generally is low (Capon, Fitzsimons, & Prince, 1996; Devlin, 2003, 2007), the functional quality attributes is likely to become important as consumers may be forced to rely on cues more remotely related to the service than the actual service itself in the form of technical aspects. Evaluations of the accessibility of the service offering, encounters with the service personnel together with the physical environment are cues that have been found to influence customer satisfaction in different ways in service contexts (cf. Palmer, 2008; Zeithaml, Bitner, & Gremler, 2006).

Service provider accessibility and the physical environment in which the service is delivered have been shown to be important factors in the services context (Berry, Parasuraman, & Zeithaml, 1994; Bitner, 1992; Ekinici, et al., 2008). Accessibility can be conceptualized as an enabling factor that makes it easier for the customer to enter into a service process (Levesque & McDougall, 1996). From the service provider perspective accessibility means that the firm facilitates the service process on an ongoing basis. Due to technical development in self-service technology and thus the infusion of technology in service encounters (e.g. Bitner, Brown, & Meuter, 2000), accessibility in terms of opening hours and possibility to interact with service personnel come into focus as a competitive advantage for the service provider. In this way accessibility is closely related to the physical environment which is often referred to as the servicescape in service contexts (Bitner, 1992). In the investment context, the

servicescape is important both to deliver the service and also for generating appropriate cues and signals to the private investor. Based on this research concerning accessibility and the servicescape, the following hypotheses are developed:

H2a: A positive evaluation of the SRI provider's accessibility will have a positive effect on satisfaction of the SRI profiled mutual fund

H2b: A positive evaluation of the SRI provider's servicescape will have a positive effect on satisfaction of the SRI profiled mutual fund

As such the servicescape is closely related not only to accessibility, but also to service encounters with the service provider's service personnel. In the service literature it is generally agreed that the personal contact that the customer has with the company will impact customer evaluation of the service and thus satisfaction (e.g. Brady & Cronin Jr, 2001; Ekinci, et al., 2008; Mittal & Lassar, 1996). In the context of a highly intangible investment service it could further be argued that personal contact with the employees of the provider will be more important than for less intangible services. In this perspective, evaluating the quality of the service personnel encounter, their communicative abilities and their expertise might be easier than evaluating the specifics of the actual investment service. A bad experience with the service personnel representing the investment provider may therefore very well be detrimental in terms of customer satisfaction. Moreover, in investment services the expertise of the service personnel and their ability to communicate complex information in an understandable manner becomes important since investment services are not only intangible, but also complex. Thus, we arrive at the following hypothesis:

H2c: A positive evaluation of the SRI provider's service personnel will have a positive effect on satisfaction of the SRI profiled mutual fund

Moderating technical quality – involvement with SEE issues

The last decades have brought an increase of consumer concern about social, ethical, and environmental issues (e.g. Gardyn 2003; Leonidou, et al., 2010). This increasing consumer concern is often considered to be an important influence when new so-called green, ethical, or socially responsible products and services are developed and marketed to consumers. Closely related to SEE concern is consumer involvement with these issues (Schuett & Ostergren, 2003; Stanley & Lasonde, 1996). In the literature, SEE concern and involvement has frequently been linked to different types of pro-social and pro-environmental behaviours (Kim & Choi, 2005; Minton & Rose, 1997; Straughan & Roberts, 1999). This link has also been established in the context of SRI mutual funds. For example, Lewis and Webley (1994) found a positive relationship between environmental attitudes and willingness to invest in SRI. Taken together this research shows the importance of SEE involvement in decision making with regard to SRI. Based on this reasoning we suggest that involvement with SEE issues will be important also for how SR-investments are evaluated in a post-purchase context. Investors that are more involved with SEE issues are likely to derive a larger part of the (dis)satisfaction with SRI from the evaluation of the funds SEE quality than investors with less involvement. Following this it can be expected that private investors that are more heavily involved in SEE issues are likely to have a stronger relationship between perception of SEE quality and satisfaction than investors without this concern. Thus, the following hypothesis is developed concerning the moderating role of involvement:

H3: The higher the level of SEE involvement, the stronger the relationship between perception of SEE quality and satisfaction

The research model

Based on the literature review and the developed hypotheses, a research model was constructed. These relationships are depicted in Figure 1.

Figure 1: The theoretical model and hypotheses used in the study

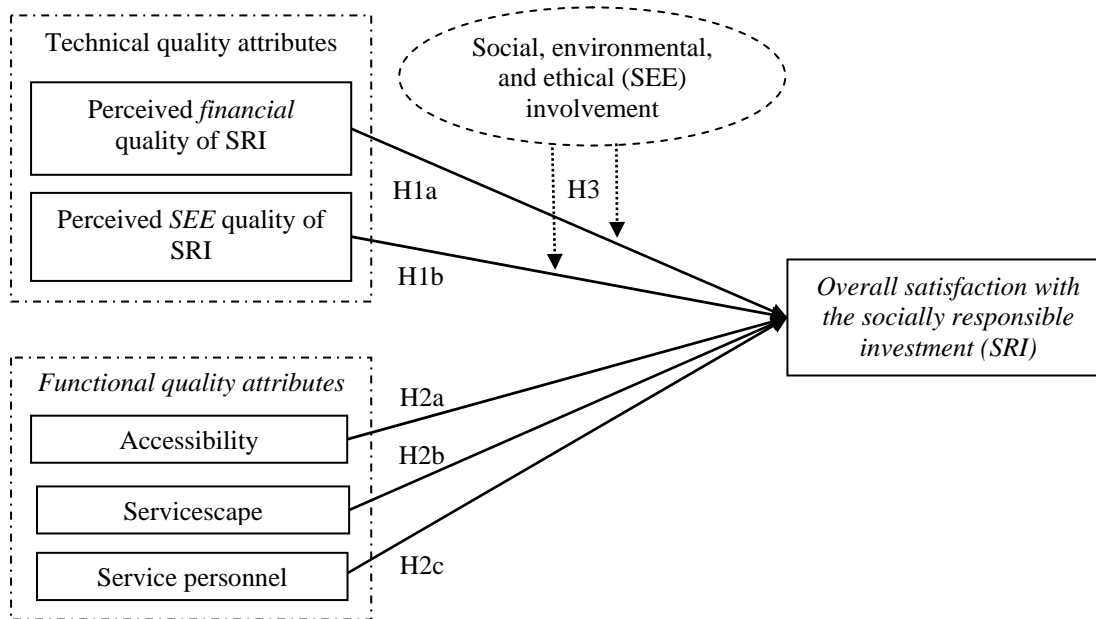


Figure 1 highlights important aspects of overall customer satisfaction for SRI mutual funds. The model brings up the notion that both financial and SEE aspects are important for customer satisfaction. Second, in order to further investigate the importance of customer evaluation of SEE and financial quality of the mutual fund on overall satisfaction, the model incorporates SEE involvement as a possible moderating variable between the technical quality attributes and satisfaction. The underlying reasoning for this revolves around the notion that customers that are more involved with SEE issues are likely to evaluate quality different than less involved customers. Finally, the model also examines the influence of customer evaluation of functional quality on satisfaction for the SRI profiled mutual fund.

Method

To address the impact of SEE quality on satisfaction a quantitative survey approach to data collection was chosen. In order to gain access to private SR-investors a large European mutual fund provider was contacted and agreed to administer the questionnaires to a random sample of their customers with at least one socially responsible investment product in their portfolio. The postal mail back survey was thus sent to 2,000 Swedish SR-investors in April 2009. A total of 369 questionnaires were returned which represented a response rate of 18.5%. The sample was made up of 48% men and 52% women. The average age was 62 years and 49% of the respondents had a university degree. On average the SR-investor in the sample allocated between 11 and 20% of their total financial investment portfolio to SRI mutual funds.

Measures

The questionnaire contained questions on customer satisfaction, perception of technical and functional quality attributes and an SEE involvement construct as presented in Table 1.

The dependent construct, overall satisfaction with the SRI profiled mutual fund, was measured using a three item scale previously used in the financial services context (Bloemer & Dekker, 2007). The scale, which was somewhat modified to fit the SRI context, ranged from 1, strongly disagree to 7, strongly agree. The three items included are presented in Table 1 together with the internal reliability (Cronbach's alpha = .93).

Table 1: Construct measures, means, standard deviations and reliability scores

Dependent variable: Customer satisfaction	Mean	SD	Alpha
1. I am satisfied with [the provider's] SRI profiled mutual fund	4.10	1.21	
2. The [provider's] SRI profiled mutual fund fulfils my expectations	3.82	1.31	
3. Considering the fee of the SRI profiled mutual fund I have received good quality	3.55	1.27	
Scale: 1, Strongly disagree... 7, Strongly agree.			
Scale mean, SD and Cronbach's alpha	3.82	1.18	.93
Independent variables			
<i>Technical quality: Financial quality</i>			
1. Considering my expectations regarding financial performance my mutual fund has...	3.22	1.22	
Scale: 1, Not met my expectations at all... 7, Have exceeded my expectations			
2. How content are you with your SRI fund's financial performance?	3.39	1.22	
Scale: 1, Not content at all... 7, Very content			
Scale mean, SD and Cronbach's alpha	3.31	1.14	.86
<i>Technical quality: social, environmental and/or ethical quality</i>			
3. Considering my expectations regarding social, environmental and/or ethical performance my mutual fund has...	3.64	1.09	
Scale: 1, Not met my expectations at all... 7, Have exceeded my expectations			
4. How content are you with your SRI fund's social, environmental and/or ethical performance?	3.76	1.02	
Scale: 1, Not content at all... 7, Very content			
Scale mean, SD and Cronbach's alpha	3.70	.95	.77
<i>Functional quality</i>			
5. How do you perceive the SRI provider's accessibility in terms of opening hours, proximity, and possibility for personal advice?	3.70	1.05	
6. How do you perceive the SRI provider's environment in terms of functionality and queuing system?	3.50	.95	
7. How do you perceive the SRI provider's customer treatment, communication and expertise?	3.81	.89	
Scale: 1, Very bad... 5, Very good			
Moderating construct: Social, environmental, and ethical involvement			
Buying socially, environmentally and ethically profiled goods and services to me is...			
1. unimportant... important	5.75	1.23	
2. boring... interesting	5.22	1.24	
3. irrelevant... relevant	5.67	1.24	
4. unexciting... exciting	4.54	1.37	
5. means nothing... means a lot to me	5.53	1.32	
6. unappealing... appealing	5.63	1.15	
7. mundane... fascinating	4.51	1.28	
8. worthless... valuable	5.86	1.14	
9. uninvolving... involving	5.37	1.28	
10. not needed... needed	5.83	1.18	
Scale: From 1 to 7 on each paired item	5.39	.98	.93

The independent variables in the study were consumer perceptions of technical and functional quality. The first of these, the perception of technical quality (financial and SEE quality) were

measured using four items each on a seven point scale. Two of these focused on the perceived financial quality of the mutual fund while two focused on the perceived SEE quality of the fund. Both of these had a satisfying Cronbach's alpha indicating internal consistency for both types of technical quality (financial quality alpha = .86, SEE quality alpha = .77). The three functional quality attributes were measured by a single item for each specific attribute regarding accessibility, servicescape and personnel.

The moderating variable of SEE involvement was measured using the Zaichkowsky (1994) revised personal involvement inventory (PII) scale with ten items and a seven point scale. Consistent with previous research, the revised PII had high internal consistency (Cronbach's alpha = .93).

Data analysis and results

In the first stage of the data analysis, bivariate correlations for the measures were analyzed. As can be seen in Table 2, the dependent variable (overall satisfaction) correlated significantly ($p < .01$) with both perceived financial quality ($r = .67$) and SEE quality ($r = .56$). As expected, there was also a significant ($p < .01$) correlation between perceived financial quality and perceived SEE quality constructs ($r = .63$). Table 2 also shows that, as expected, the three functional quality constructs correlated. The strongest correlation was between accessibility and servicescape ($r = .52, p < .01$). All other correlations were below $r = .5$.

Table 2: Correlation coefficients for the constructs included in the study

	Overall Satisfaction	Financial quality	SEE quality	Staff	Servicescape	Accessibility
Financial quality	.67**					
SEE quality	.56**	.63**				
Staff	.36**	.19**	.24**			
Servicescape	.26**	.10	.13*	.43**		
Accessibility	.37**	.26**	.22**	.44**	.52**	
SEE involvement	.11*	.14*	.23**	.08	-.05	.02

*: $p < .05$ **: $p < .01$

After having examined the correlation matrix three separate factorial ANOVAs were run with overall satisfaction as the dependent variable. Before running the analyses each of the independent variables were categorized into three groups by splitting them at the 33rd and 67th percentiles. Furthermore, in order to prepare the moderating variable to separate the investors that were very involved with SEE issues from those that were not at all involved, the moderating variable was split at the quartiles.

Of these three, the first analysis examined the direct effects of the technical quality attributes on customer satisfaction. The second factorial ANOVA examined direct effects of the functional quality attributes, and lastly the interaction effect of SEE involvement was analyzed. The Levene's test was non-significant for all three models indicating that the assumption of equal variances was met.

The influence of technical and functional quality

The results of the first ANOVA, where the effect of technical quality attributes were tested on customer satisfaction is presented in Table 2. Both perceived financial and SEE quality proved to be significant predictors of customer satisfaction indicating that H1a and H1b are supported. Judging by the F values however it is clear that, of the two, perceived financial quality $F(2, 360) = 38,81, p < .001$ seems to be more important for customer satisfaction than perceived SEE quality $F(2, 360) = 3,79, p < .05$. Thus, the results suggest that both SEE quality and financial quality are important for customer satisfaction with SRI profiled mutual funds.

Table 3: Results of factorial ANOVA concerning direct effects of technical quality

	df	Mean square	F	p
Perceived financial quality	2	34.382	38.814	.000
Perceived SEE quality	2	3.359	3.792	.023

R square: .378

N = 369

In Table 3 the impact of the functional quality attributes on satisfaction is presented. The results show that accessibility $F(2, 272) = 4.73, p < .01$ had a significant impact on overall satisfaction with the SRI profiled mutual fund. Thus, there is support for H2a. However, the

results also indicate that neither evaluations of service personnel $F(2, 272) = 2.45, p > .05$ or physical environment $F(2, 272) = .95, p > .05$ had a significant impact on overall customer satisfaction. Thus, neither H2b nor H2c were supported.

Table 4: Results of factorial ANOVA concerning functional quality

	<i>df</i>	<i>Mean square</i>	<i>F</i>	<i>p</i>
Accessibility	2	5.164	4.734	.010
Servicescape	2	1.036	.950	.388
Personnel	2	2.680	2.457	.088
R square: .268				

N = 296

The examination of the direct effects highlights two important issues for the study. First, the traditional attribute of financial quality was the most important direct influence on customer satisfaction. Although there was a significant impact of the evaluation of SEE quality, the financial performance attributes outweigh the SEE attributes in forming customer satisfaction. Second, the results highlight that, in general, technical quality attributes seem to be more important for customer satisfaction in the investment context than functional quality. In general, the functional aspects did not contribute as much to overall satisfaction with the socially responsible mutual fund as the technical quality attributes did.

Moderation of SEE involvement

The final factorial ANOVA was conducted in order to examine possible interaction effects of SEE involvement on the two technical quality attributes. The purpose was to analyze whether investors that are highly involved with SEE issues perceive SEE quality to be more important for overall satisfaction. However, as can be seen in Table 5, SEE involvement did not have a statistically significant impact combined with SEE quality or financial performance. Thus, the more involved customers did not find SEE quality to be more important for overall satisfaction. Based on this H3 is rejected.

Table 5: Results of factorial ANOVA concerning moderating effect

	<i>df</i>	<i>Mean square</i>	<i>F</i>	<i>p</i>
Perceived financial quality	2	28.748	32.360	.000
Perceived SEE quality	2	1.114	1.625	.198
Perceived financial quality x SEE involvement	4	.443	.499	.737
Perceived SEE quality x SEE involvement	4	.919	1.035	.389
R square: .406				

N = 369

In all, the results of the three factorial ANOVAs suggest that, although important, SEE quality is not as important as financial quality for customer satisfaction with SRI profiled mutual funds. This is also true for the customers that are highly involved with SEE issues.

Discussion

The purpose of this paper was to examine how customers evaluate social, ethical, and environmental quality and how this relates to customer satisfaction in a post-purchase setting. Although there is ample research on consumer behaviour with regard to SEE positioned products and services, how the perceived quality of SEE attributes are evaluated and their impact on customer satisfaction has to date been largely an unexplored issue. In order to fill this gap in the literature, both technical and functional dimensions of service quality were

examined in accordance with previous conceptualization in the service marketing literature (Bell & Eisingerich, 2007; Ekinici, et al., 2008; Grönroos, 1998). Based on the literature review it was hypothesized that technical and functional quality attributes in terms of both financial and SEE quality would have an impact on customer satisfaction. Furthermore the moderating effect of SEE involvement was explored.

SEE quality and overall satisfaction

The main finding of this study shows that in the SRI context there is a statistically significant link between evaluation of SEE quality and overall satisfaction with the SRI profiled mutual fund that the customer had invested in. That is, investors in SRI profiled mutual funds do evaluate the SEE quality of their fund and also judge their investment based on this evaluation.

These results extend the current consumer behaviour and marketing literature which mainly has focused on the particular determinants that lead to the actual purchase of the SEE profiled good or service, i.e. the earlier stages of the consumer decision making process. By confirming the role of SEE quality for overall satisfaction with the SEE profiled service we highlight two aspects that have received limited attention in the green/ethical consumer behaviour literature to date. First, the nature of customer evaluations with SEE attributes in a pro-social offering seems to be of an ongoing nature. This ongoing nature of quality evaluation means that consumer do not just evaluate the SEE quality of the offering prior to, or at the point of, purchase. In this manner, SEE quality can be viewed more as a continuous source of satisfaction for customers. Based on these findings, this study calls for a shift of focus, from the purchase as such to a more holistic view of how consumers account for SEE factors in their entire purchasing behaviour from problem recognition to post-purchase behaviour. This is also well in line with the service marketing perspective which argues that services, compared to goods, are ongoing processes putting continuous superior service delivery and customer relationships at the centre (Grönroos, 1998; Lusch & Vargo, 2006).

Second, customer satisfaction is theoretically important as it leads to positive future behavioural intentions (e.g. Cronin, Brady, & Hult, 2000; Grönroos, 1984; Parasuraman, Zeithaml, & Berry, 1985). The results of this study highlight the importance for firms to deliver SEE quality to customers if they are to keep purchasing the pro-socially positioned option. This is something that is important for companies that sell pro-socially positioned goods and services as customer retention and valuable customer relationships could be achieved through delivering superior SEE quality. However, this result is also important on a societal level. If customers would choose the pro-social option on a consistent basis and become loyal customers, environmental and social benefits are likely to follow. For example, in the SRI mutual fund context, large amounts of capital is needed in order to actually influence companies toward acting in a more socially, ethically and/or environmentally responsible manner (Sparkes & Cowton, 2004). This study shows that if customers are happy with how the mutual fund works with SEE issues, they are more likely to be satisfied with the SRI profiled mutual fund overall. As satisfaction is likely to lead to future purchases, this could potentially aid in building a capital base large enough to make a difference on a large scale and in the longer term.

Conventional quality attributes and overall customer satisfaction

Although the results of this study show that SEE quality impacts overall customer satisfaction, the results also highlight that SEE quality is not as important as financial performance of the SRI mutual fund. Thus, the conventional quality attributes in the SRI

context seem to be more important than the additional SEE quality attributes in forming customer satisfaction with the pro-socially positioned market offering. These results indicate that SEE quality is unlikely to generate customer satisfaction by itself. Instead, it seems to be the combination of the quality of core conventional attributes and SEE attributes that generate satisfaction for customers of pro-socially positioned products and services. One interpretation of these results is that traditional attributes are perceived as hygiene attributes – something that must be in place for satisfaction to occur – while SEE attributes are perceived as additional value adding attributes. This combination of conventional buying criteria and environmental motivations has been called motive alliances (Belz, 2006) and has been proven in other contexts as well. Thus, from a firm perspective it may be wise to focus on both the core conventional aspects of the pro-socially positioned good or service and on the SEE attributes, in order to achieve a higher degree of customer satisfaction. Without the conventional attributes reaching a high level of quality, customers are likely to be dissatisfied with the offering in its entirety, irrespective of how well the product or service delivers on SEE attributes.

Functional quality

Together with financial quality as a conventional attribute, the impact of a set of three other functional quality attributes was explored. In particular, customer evaluations of the accessibility, the servicescape, and the service personnel were included in the model. The results showed that these functional quality attributes contributed little to overall customer satisfaction with the SRI profiled mutual fund. In fact, only accessibility had a significant impact on overall customer satisfaction. The reason why accessibility is an important functional quality attribute is likely related to the complexity of SRI funds. Accessible office locations and information is in this context a prerequisite for increased customer satisfaction. This finding implies for service providers that the more complex and/or intangible the service is, the more important accessibility becomes for customer satisfaction.

In contrast to accessibility, the servicescape and the service personnel had no significant impact on overall customer satisfaction. Considering the relatively extensive service marketing literature pointing to these factors as important (Bell & Eisingerich, 2007; Ekinci, et al., 2008), these findings are somewhat surprising. In this body of literature, how and in what type of environment the service is delivered to the customer is considered to be an important driver of overall quality (Brady & Cronin Jr, 2001; Grönroos, 1998). Moreover, with the complexity and intangibility that the investment context brings, functional quality should perhaps be even more important for satisfaction as customers struggle to evaluate the technical quality of the SRI mutual fund. However, as this study shows a small impact of functional quality on satisfaction with SRI, this does not seem to be the case for SRI profiled mutual funds. Instead, these results confirm the notion discussed above that perceived financial return is the main driver of customer satisfaction with regards to satisfaction with socially responsible investment mutual funds.

Conclusions and contributions of the study

The conclusions of this study mainly revolves around the notion that SEE quality is in fact important for customer satisfaction when purchasing a pro-socially positioned good or service. In this manner, satisfaction is not the consequence of traditional core quality attributes alone, but is instead also a consequence of customer evaluations of SEE quality of the good or service.

There are mainly two contributions to the literature of this study. First, this study contributes to the consumer behaviour and marketing literature that studies how and why customers choose to buy pro-social goods and services (Alwitt & Pitts, 1996; Follows & Jobber, 2000; Goldstein, Cialdini, & Griskevicius, 2008). The study extends this literature by incorporating the customer satisfaction concept. The study thereby calls for a more holistic view in research on how customers behave regarding pro-socially positioned products and services in that it highlights the importance of customer evaluations after the actual purchase. However, this study also contributes to the SRI literature in the application of a theoretical model of customer satisfaction. As such, the SRI literature focuses to a high degree on the complex interaction between purely financial and SEE motives for purchasing the service (Lewis & Mackenzie, 2000; Mackenzie & Lewis, 1999; McLachlan & Gardner, 2004). This study contributes to the SRI literature by showing that financial returns are more important than SEE quality in generating satisfaction among private investors. In doing this, this study points to a somewhat different perspective than some of the current research that has found that SEE issues are as, or more, important as financial return to SR-investors (Beal & Goyen, 1998).

Managerial implications

As satisfaction is one of the essential issues for marketing practitioners, this study provides several implications for marketers that work with pro-socially positioned products or services in general and SRI in particular. On a general level the results indicate that, as satisfaction is largely derived from traditional (non-SEE) quality, marketers may do well in primarily focusing on providing superior quality with regard to these attributes. However, although SEE quality is unlikely to generate satisfaction by itself, there is a significant relation between SEE quality and overall satisfaction. Thus, practitioners could very well use SEE quality as a tool for differentiation and adding value to the offering. By also communicating SEE information to potential and current customers it is likely that the perceived satisfaction will increase. Customer of pro-social products and services are likely more satisfied if they realize that their investment in the SRI fund is making a difference in terms of social, ethical, and environmental aspects.

For practitioners within the SRI industry the results of the study highlight the need to focus on delivering a better financial return than competitors and also communicate this in an effective manner to SR-investors. There is no evidence that SRI performs worse than conventional investments (e.g. Bauer, Derwall, & Otten, 2007; Kreander, Gray, Power, & Sinclair, 2005). Positive comparisons with both regular and other SRI funds over different time-spans could thus generate a higher level of satisfaction among the customers of the specific SRI provider. Moreover, as this study indicates, another way to minimize dissatisfaction with financial return in for example economic downturns could be to focus on providing the customers with value through SEE quality. SRI providers have to find a good way to achieve SEE results and also communicate this type of more abstract outcome to their customers. One way might be to make the performance of SEE related attributes more tangible as perceived by consumers. Developing a labelling scheme based on unambiguous, comparable metrics might make the SEE performance as tangible as the financial performance of the mutual fund. If this is done in a planned manner, a SEE labelling scheme could help easing the potential disappointment of a poor financial return. This implication of our results is likely generalisable to other context where tradeoffs between ethical/environmental performance and product/service performance are likely to occur.

Limitations and further research

One of the strengths of this research was the provided access to private SR-investors. This access to a sample of private SR-investors has been a problem in previous research, and some studies have even focused on institutional investors as they were unable to get access to a good sample of private investors (e.g. Schlegelmilch, 1997). However, due to confidentiality regulations in the industry it was not possible to draw a sample from more than one SRI provider. In the end, the benefits of access to a large sample of SR-investors outweighed the possible downsides of the method. A related limitation was also the fact that the sample was highly concentrated to the older age brackets. It is thus questionable if these results could be generalized to younger investors. Finally, the survey took place in April of 2009. As this period was close to the financial crisis and US credit crunch it is possible that private investor preferences were affected by the turbulence associated with this time period. Further research, in less turbulent financial conditions, would therefore be valuable in corroborating our results..

This study has begun to fill the gap that exists with regard to customer post-purchase satisfaction with regard to pro-socially positioned products and services. In doing this, the study has highlighted customer satisfaction as one important part of the customer decision making process with regard to SEE products and services. In this manner, a more holistic view of the decision making process for pro-social products has been achieved. Further research could extend these findings by focusing on other parts of the decision making process that has not been addressed in the SEE customer behaviour literature. Most notable, very little research exist on the need recognition, information search, and satisfaction stages of customer decision making in these contexts. By addressing these pre- and post-purchase issues, a better understanding of the customer that purchase SEE products and services is likely to follow.

A final suggestion for further research concerns the importance of following the SRI market over a longer period of time. Since SRI mutual funds still have a relatively small market share, it becomes important to understand how quality perceptions and customer satisfaction with these types of service change over time. This knowledge would be valuable from both a service provider perspective and from a societal perspective considering the social, environmental and ethical challenges that lie ahead for any effort in arriving at a more sustainable future.

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