Cooperative Social Responsibility:

The Gap Model Approach and Empirical Derivation to Members' Satisfaction

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Abstract

Purpose - This research is to identify the Koop Guru's members' satisfaction magnitude over its CSR schemes. If this research comes out with a positive result, this may signify the most influential impact of Koop Guru's CSR activities or scheme in Kota Bharu Kelantan Malaysia towards its member's welfare.

Design/methodology/ approach – This study is quantitative in nature using the responses of 30 cooperative customers/ members who answered a survey questionnaire on a face to face basis.

Findings - The results of the study demonstrate how corporate social responsibility (CSR) schemes influence customer satisfaction and also examine CSR's impact on membership growth and brand loyalty. The study's hypothesized relationships were principally supported, i.e. company's offerings and customers/ members expectations are positively associated with members' satisfaction mediated by membership growth and loyalty. CSR schemes play an important role in customer/ members satisfaction, which in turn, influences trust and brand effect.

Research limitations/ implications – While the results are clear and have strong salience to the co-operative industry in Malaysia, applications of the findings beyond Malaysia should take into account other factors such as the nature of co-operative industry, the perception, behavior and demographics of co-operative customers as well as the strategic focus of co-operative toward CSR.

Practical implications – This study provides a set of findings relating to CSR schemes initiatives and perception of customers/ members satisfaction towards building loyalty and satisfaction.

Originality value – This paper exhibits an empirical derivation of CSR schemes initiatives measured from customers/ members' point of view, and is expected to be a benchmark for other cooperatives in Malaysia to learn about cooperative strategy development and customers/ members' retention.

Keywords Corporate/ cooperative social responsibility, customer loyalty, Kelantan, Malaysia, Satisfaction

Introduction

The topic of CSR has been the subject of much research over the past two decades. Researchers have identified the reasons why firms develop CSR strategies, such as reputation improvement, government regulations, competitive advantage, stakeholder pressures, critical events, and top management pressures

(Hall & Vredenburg, 2004; Kassinis & Vafeas, 2006). Accordingly, a variety of CSR strategies have been introduced, including significant investments in innovative activities regarding products and management (Albino, Balice, & Dangelico, 2009), investments in human and ecological capability (Griffiths, 2004), policies with integration of economic, natural, and social capital (Dyllick & Hockerts, 2002). Those studies show why corporations should undertake CSR initiatives as a strategy to flourish in a highly competitive environment.

The reputation of the co-operative as a leader in socially responsible business and the organisation's actions reflect that these values and principles are being used effectively. There is a great deal of information available on the meaning of the co-operative values and principles and whether these were actually enforced especially regarding cooperative social responsibility (CSR). Corporate Social Responsibility is a concept introduced by bigger corporations. People started complaining for the careless and unchanging attitude of the bigger corporations that was seriously affecting their lives. This chaos leads to creation of a new department in bigger organizations, known as the CSR department. Corporate Social Responsibility Departments had been initially incorporated to deal with all these rising issues. Later on these CSR (Corporate Social Responsibility) departments started playing bigger roles in the communities. (King, 2011)

CSR is an evolving concept that currently does not have a universally accepted definition. Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society. (Canada, 2010). Corporate Social Responsibility or CSR has attracted a lot of attention in Malaysia recently. The Malaysian Prime Minister used CSR as part of his budget changes. Bursa Malaysia (the Malaysian stock exchange) has also set out an ambitious framework for listed companies in Malaysia to take CSR more seriously. (Lukewood, 2011). However, little has been done about what core constructs CSR reflects. To this end, the study takes an in-depth look of CSR and proposes that a CSR model is reflected by four major constructs: accountability, transparency, competitiveness, and responsibility. Consequently, the objective of this study is to examine those four core characteristics to see if can represent the concept of CSR in a robust way.

Overview of Corporate Social Responsibility (CSR)

CSR is regarded as a means for "improving the quality of life or well-being of society" (Carroll, 1991). Vaaland, Heide, & Gronhaug, (2008) define CSR as "management of stakeholder concern for responsible and irresponsible acts related to environmental, ethical and social phenomena in a way that creates corporate benefit" (Vaaland et al., 2008, p. 931). Our research follows the more specific conceptualization of CSR by Lichtenstein, Drumwright, & Braig, (2004), who define CSR as a firm's commitment to contributing parts of its profits to nonprofit organizations and charitable causes. Despite fast-growing research in the field of CSR and its measurable output on company performance, inconsistencies remain related to how and under which conditions CSR leads to improved performance and competitive advantages (Vlachos, Tsamakos, Vrechopoulos, & Avramidis, (2009); Zairi & Peters, (2002). CSR and perceived service quality are positively associated.

Customer perception of CSR behavior is important and has direct consequences in the valuation of the services of the company. Several marketing studies have also reported that CSR initiatives similarly impact consumer attitudes towards a company and its offering, which are keys to company's core competitive advantage. There is a direct and positive association between CSR activities and attitudinal loyalty (Mandhacitara & Poolthong, 2011). The benefits of corporate social responsibility (CSR) for companies, including increased profits, customer loyalty, trust, positive brand attitude and combating negative publicity, are well-documented (Brown & Dacin, 1997; Drumwright, 1996; Maignan & Ferrell, 2001; (Murray & Vogel, 1997); (Sen & Bhattacharya, 2001); (Sen, et al, 2006). A total of 30 major

international private banks, including Citigroup, JPMorgan Chase, Bank of America, ABN Amro, Barclays, HSBC and ING, have recently signed the Equator Principles agreement which supports socially-responsible development (Yeomans, 2005). Many examples of banks' investment in socially responsible initiatives, such as implementing loan standards for high risk sectors, are equally evident (Scott, 2006).

Overview of Koperasi Guru Melayu Kelantan Berhad

Koperasi Guru Melayu Kelantan Berhad, or known as KGMKB, was founded by YM Tengku Mahmood Mahyiddeen Ibni Almarhum Tengku Abd Kadir Kamaruddeen in 1938. KGMKB was first registered on the 11th of September 1940 under the name of "Sharikat Tolong Menolong Penjimatan bagi Guru-Guru Sekolah Melayu Kerajaan Kelantan dengan Tanggongan Bersakat" with 122 members and capital worth of RM10, 596.00. The first office of the company was located in a small room in Sekolah Melayu Padang Garong when later in 1950, it moved out to a rented building in Jalan Ismail, Kota Bharu. Later in 1960, the company moved again and rented a building in Jalan Tok Hakim in Kota Bharu. (Koop Guru, 2011)
The main activity of Koop Guru is the Islamic financing loan, constructions, consumerism as well as investments. When it comes to CSR, Koop Guru apparently developed its own CSR program known as Tabung Kebajikan Am (TKA) or General Charitable Fund and Kumpulan Wang Biasiswa/ Dermasiswa (KWBD) or Scholarship Fund/ Bursary. Koop Guru's members mainly consisting of teachers, lecturers, school or university employees and also employees of Kelantan Department of Education. In addition, members also entitle to receive contribution upon retirement, critical diseases, death of family members, natural disasters such as flood and also achievement in education. Beside these contributions, Koop Guru have also involved with community services and be likely to make donations to foster houses, mosques, schools, the poor and some others.

Problem Statement

The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and other members of public sphere (Wood, 1991). Members' satisfaction is the main focus of this paper. Generally, this study will diagnose the magnitude of members' satisfactions towards CSR schemes provided by Koop Guru.

Therefore, this paper will examine the organizational mission in CSR perspectives and product offerings should it uphold its accountability towards the members of the organization. Business ethics and its ethical principles will be also examined should any problem arise during the implementation of CSR schemes, in term of transactions, credit availability, communications, customer support and responsibilities and whether every single transaction is being ethical. This study may capture the point of view in the perspectives of its members.

Research objectives

The general purpose of the research is to examine the impact of CSR schemes towards members' satisfaction in a co-operative organization. It is as well done to examine the problem occurring during the implementation of CSR in the organization. Specifically this study aims to achieve the three objectives which are:
a)   Positive impact of CSR schemes influencing members' satisfaction in a sense of long term membership, actively using all the benefits as well as being satisfied.
b)   The ability of CSR schemes to build customer relationship management (CRM) and achieve brand loyalty amongst its members.

c) To recommend Koop Guru to service its members with value-based product and services offerings aligning with the CSR activities.

Research Questions

a) What are the causes of members' satisfaction of using CSR schemes at Koop Guru?
b) What is the relationship between company's offerings and delivery with customers' expectations?
c) Does company offerings and delivery bring positive impact of membership growth?
d) Do customer expectations meet with brand loyalty?

Gaps Model of Service Quality

In addition, several other models will be used to evaluate service quality, which is gaps model of service quality.

The Gap Model of Service Quality developed by Zeithmal and Bitner (2003) has some noteworthy features. Initially it clearly separates the service provider from the recipient / customer / user. Secondly it identifies five clear gaps between ideal service and what is, in many cases, reality. Lastly it provides a useful and practical framework for considering any service offering. Although not prescriptive in nature due to the wide differences in service offerings and the equally broad variation across time and providers as described above, it does offer a useful generic tool of analysis. Like all management tools, the usefulness is dictated by the skills and understanding of those applying the model.

Wheel of Loyalty Model

According to the model Wheel of Loyalty, (Lovelock and Wirtz; Services Marketing, 7th Edition, 2011, pp. 323), propound that building customer loyalty is difficult. Most people cannot think of more than perhaps a handful of firms they truly like (i.e., give a high share-of-heart) and to whom they are committed to going back (i.e., give a high share-of-wallet). This shows that although firms put enormous amounts of money and effort into loyalty initiatives, they often are not successful in building true customer loyalty. The Wheel of Loyalty shown in Figure 12.5 is used as an organizing framework for thinking about how to build customer loyalty. It comprises three sequential strategies.

• First, the firm needs a solid foundation for creating customer loyalty that includes targeting the right portfolio of customer segments, attracting the right customers, applying tiers (levels) to the service, and delivering high levels of satisfaction.

• Second, to truly build loyalty, a firm needs to develop close bonds with its customers that either deepen the relationship through cross-selling and bundling or add value to the customer through loyalty rewards and higher level bonds.

• Third, the firm needs to identify and eliminate the factors that result in "churn"— the loss of existing customers and the need to replace them with new ones.

Literature Review and Hypothesis Development

A review of related literature implies that CSR reporting issues have become a necessary facet of businesses to substantiate companies' commitment to the society. To commence social responsibilities and to report such activities at a regular interval have been recognized an important device for organizations towards ensuring the long-term continued survival. A number of earlier researches analyzing CSR information have directed towards many fundamental issues. For example, establishing any connection between companies CSR initiatives and attributes of economic performance or factors such as size, industry membership, risk, market reaction, external influences, firm reputation, country of origin or proximity to individual consumers (e.g. Roberts, 1992; Herremans, Akathaporn, & McInnes, 1993; Tilt, 1994; Newson & Deegan, 2002) have been increasing across time. Moreover, other research efforts (e.g. Guthrie & Parker, 1989; Patten, 1992; (Roberts, 1992; Donaldson & Peterson, 1995; Deegan & Gordon, 1996; (Deegan & Rankin, 1997); Adams, Hill, & Roberts, 1998; Neu, Warsame, & Pedwell, 1998; (Deegan, Rankin, & Voght, 2000)). Few studies considered attributes of corporate governance (CG) that might tend to positive CSR activities. The question of how CSR affects customers' and other stakeholders 'perceptions and how it affects the company's reputation, corporate identity, image, and organizational success has become one of the key topics at the intersection of sustainability and marketing research (Sen, Bhattacharya, & Korschun, (2006); Bhattacharya, Korschun, & Sen, (2009); Smith, (2003). While the creation of a strong reputation and image has been recognized as an important factor in the success or failure of virtually all major organizations for some time (Worchester, 2009). CSR has only recently been acknowledged as one of the most important factors in determining corporate reputation (Worcester, 2009).

The widespread adoption of CSR by the global banking community suggests we may be reaching a situation where parity has once again returned to the banking sector. That is, the banking community may be deemed by the general public to be socially responsible. At a time when banks are increasing the amount of funds allocated towards CSR activities, many banks across the globe are experiencing increasing levels of retail customer dissatisfaction; (IBM, 2006). In the banking industry, as in other service industries, providing superior service quality enhances customer satisfaction and contributes to profitability. Superior service quality lowers customer defection, enhances customer loyalty, provides opportunities for cross-selling, increases word-of-mouth recommendation, and enhances corporate image (Arasli, Katircioglu, & Mehtap-Smadi, 2005a; Baumann, Burton, Elliott, & Kehr, 2007; Cronin, Brady, & Hult, 2000; Ehigie, 2006; Jun & Cai, 2001; Nguyen & Leblanc, 1998; Wang, Lo, & Hui, 2003).

The managerial accounting firm Ernst & Ernst developed a set of "social responsibility disclosures", which includes six categories of CSR, namely environment, equal opportunity, personnel, community involvement, products, and others (Caroll A, 1999). The development of the CSR concept has received attention of some scholars.   (Caroll, 1979) describes the CSR construct by stating "the social responsibility of business encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations." This definition has become fairly widely accepted (Mohr, Webb, & Harris, 2001); (del Mar Garcia de los Salmones, Crespo, & del Bosque, 2005) and emphasizes four principle types of responsibilities; economic, legal, ethical and philanthropic (Matten & Crane, 2005). CSR should be regarded as a key driving factor for corporate performance. Although the carry-out of corporate social responsibility cannot generate direct and fast economic effects for enterprises, the CSR can bring about strategic return for enterprises, which can benefit enterprises' long-term return, generating more extensive return for responsible enterprises (Murray & Voge, 1997).In this study, we are expected that company's offerings and delivery is positively related to membership growth which might also leads to members' satisfaction.

H1. Company's offerings and delivery is positively related to membership growth.

H2. Membership growth is positively related to members' satisfaction

Several marketing studies have reported that CSR behaviors can positively affect consumer attitudes towards the firm and its offerings (Bhattacharya & Sen, 2003); (Folks & Kamins, 1999); (Lichtenstein, Drumwright, & Braig, 2004); (Luo & Bhattacharya, 2006); (McWilliams & Siegel, 2001); Mohr et al., 2001). CSR is reported to influence, either directly or indirectly, consumer responses (Berens, van Riel, & van Bruggen, 2005), (Berens, van Riel, & Rekom, 2007). del Mar Garcia de los Salmones et al. (2005) reported a positive relationship between CSR and overall evaluation of service quality.

Customer satisfaction is the full meeting of one's expectations Oliver, (1980) and can be described as the feeling or attitude of a customer towards a product or service after it has been used (Evans, Jamal, & Foxall, 2006). A substantial amount of research has concluded that satisfaction is an important determinant of customer loyalty (Bearden & Teel, 1983; Cronin & Taylor, 1992; Caruana, 2002; Dick & Basu, 1994). Also, Oliver, (1999) defines customer loyalty as "a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 34). Bitner, (1990) meanwhile explains that the satisfaction/dissatisfaction occurring through a matching or mismatching of expectations and perceived performance is considered to act as an antecedent to loyalty behavior. In a service context, customer satisfaction was the key factor affecting service loyalty (Asuncion, Martin, & Quintana, 2004). Oliver (1999) explains that satisfaction is an enjoyable fulfillment (i.e. the customer senses that consumption fulfils some need/desire/goal, and so forth) and that for satisfaction to affect loyalty, cumulative satisfaction (an affective response) was required so each and every satisfaction episode gets blended or becomes aggregated. Since customer loyalty responses are conative in nature representing levels of customer commitment towards the service provider (Chiou, Droge, & Hanvanich, 2002; Oliver, 1999), we also expect satisfaction to be related to customer loyalty:

H3. Customer expectations are positively related to brand loyalty.

H4. Brand loyalty is positively related to members' satisfaction.

In crowded marketplaces, companies strive for a unique selling proposition that can separate them from the competition in the minds of consumers. CSR can play a role in building customer loyalty based on distinctive ethical values (Paluszek, 2008). The proven relationship of service quality with business performance, lower costs, customer satisfaction and profitability (Cronin & Taylor,1992; Rust, Zahorik, & Keiningham, 1995; Lee, Lee, & Yoo, 2000; Sureshchander, Rajendran, & Anatharaman, 2002). Satisfactory level of service quality is the level of services delivered, when the difference between perception and expectation by a customer towards product/process/service/organization is zero or positive. Customer satisfaction is the result of customers' perception of the value received in a transaction or relationship (Seth, Desmukh, & Vrat, 2006).

Research framework

Based on a review of the relevant literature and hypothesized relationships, Figure 1.0 illustrates the proposed conceptual model.

Company offerings and delivery   Customer expectations

	Key Attraction Drivers	Key Churn out Drivers
Independent variables	1. Value-based products and services 2. Supportive and knowledgeable personnel 3. Good infrastructure 4. Excellent brand experience 5. Valued customers	1. Improving quality service / performance 2. Diminish inconvenience 3. Reasonable product or service charges 4. Discontinue inactive membership 5. Minimizing complaints

H1   H3

	Membership growth	Brand Loyalty
Moderating Variables	− Active membership − Brand ambassador	− Frequency of usage − Cross-selling

H2   H4

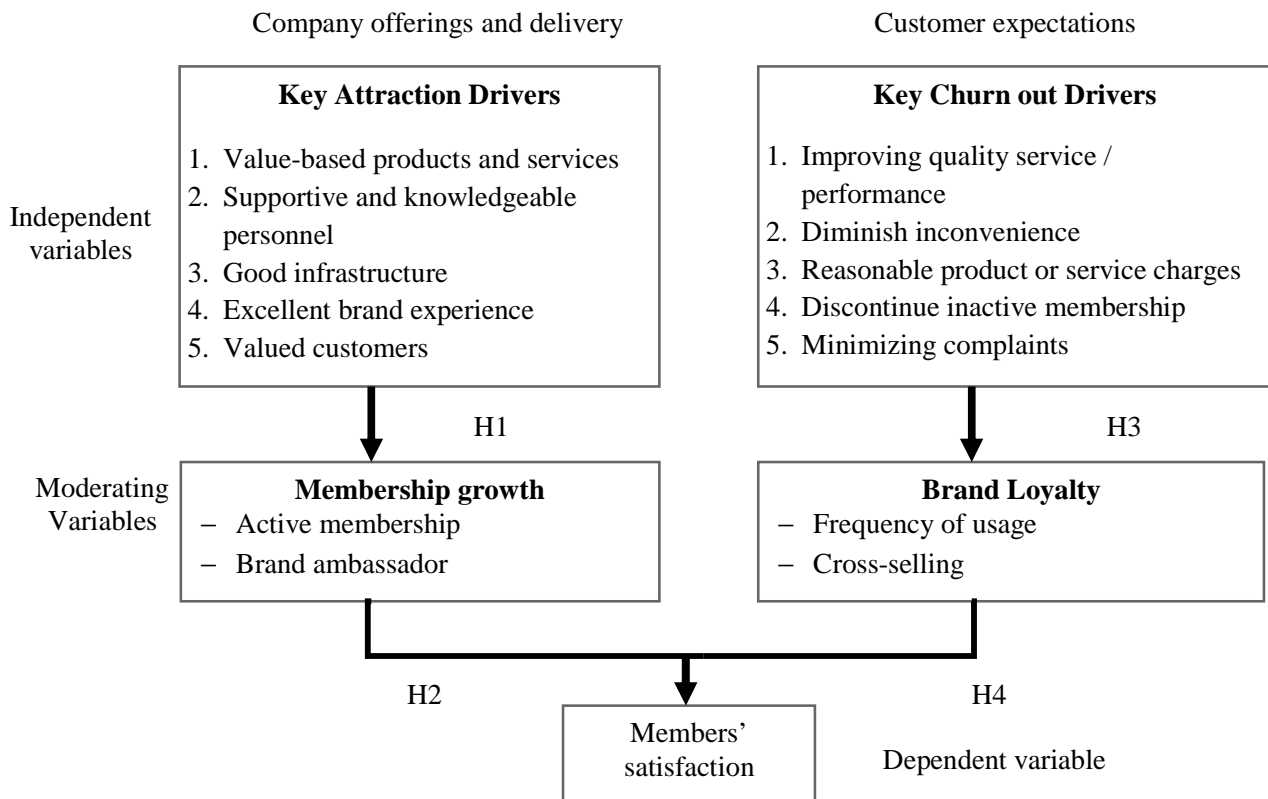Members' satisfaction   Dependent variable

Figure 1.0 Research framework –

Koop Guru's membership loyalty model

Based on the Koop Guru's membership loyalty model above, several key charm drivers have been identified for both satisfied and dissatisfied customers amongst members of the organization. Charm drivers identified consisting of value-based products and services, supportive and knowledgeable personnel, ease of contact, excellent brand experience and recognized and valued customers. While the key churn drivers identified are improving quality services, diminish inconvenience, reasonable charges; discontinue inactive membership as well as minimizing complaints. Key charm drivers would lead to building members' commitment and retention while key churn drivers would lead to trust. When these two drivers congregate, satisfaction will be developed. Thus, when members are satisfied, they will become loyal and will be part of the organization. These members will then embody the Koop Guru's corporate image which eventually leads to the expansion of its membership.

Research Methodology

This section will describe the methodology used to address the questions, in terms of the research design, samples, research instrument, sampling procedures and data collection method. Both qualitative and quantitative method will be carried out to enable the researcher to come out with the analysis results.

I. Quantitative method

This research will be mainly conducted in a perspective of CSR schemes offered by Koop Guru to its members. The quantitative interviewing approach will be adopted to conduct the research. According to Lockett et al. (2006), the CSR literature is dominated by quantitative methods (80%). A number of quantitative studies confirm this picture of CSR variance. Repeat patronage intention refers to customer intention to further patronize of the service provider, and the intention to increase both the scale and scope of the relationship. The operationalization of this construct follows Zeithaml et al. (1996); Chaudhuri & Holbrook, (2001), and Sirdeshmukh et al., (2002) with a three-item scale which was measured on a five-point Likert scale. Respondents' satisfactions will be measured through Likert Scale, of 5 items measurement instrument design. Reliability test of the initial 30 respondents will be also performed for the reliability and validity of the questionnaires.

Data collection

The research questionnaire will be personally delivered to the selected respondents, namely members of Koop Guru. Distribution of questionnaires will be carried out at Member Service Centre or Pusat Khidmat Anggota (PKA). Questionnaires will be collected the moment they have been fulfilled. This is to avoid respondents from being influenced by any other matter subject to the topic.

The instrument to be brought up in the data collection process is observation. The researcher needed to make surveillance or observation by the time the questionnaire is being answered by the respondents. This is to ensure that the information that has been gathered is valid and reliable.

Samples

Samples refer to a subset containing the characteristics of a larger population. Samples are used in statistical testing when population sizes are too large for the test to include all possible members or observations (Investopedia, 2011). A sample of 500 respondents basically comprising of 11,000 members of Koop Guru will be interviewed by using survey method. The sample group would consist of Koop Guru's members, namely teachers, lecturers, school or university employees and also employees of Kelantan Department of Education. At present, Koop Guru based at Jalan Kebun Sultan Kota Bharu, Kelantan. Respondents are amongst Bumiputera since the membership of Koop Guru is only open to such citizenship and these respondents are conscious and accustomed about the CSR schemes offered by Koop Guru.

Sampling techniques

This study will focus on customers who patronize in one particular cooperative organization, which is Koop Guru. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher (Castillo, 2011). The subjects are selected because they are easiest to recruit for the study and the researcher did not consider selecting subjects that are representative of the entire population. Since the population is too large, it is impossible to include every individual. Convenience sampling is used because it is fast, inexpensive, convenience and subjects are readily available.

Research instruments

The questionnaire will be developed in dual language, Bahasa Malaysia and English, by using Likert Scale, from 1 (fully satisfied) to 5 (not satisfied) for the course of evaluation. The final average score

represents overall level of accomplishment or attitude towards the subject matter (Business Dictionary, 2011). In the other hand, multiple choice questions will be also constructed in the questionnaire.

Respondents will be personally approach at the customer service centre or Pusat Khidmat Anggota (PKA) at the ground level of Koop Guru's building. The researcher will administer a questionnaire consisting of 60 questions towards the members. The first part of the questionnaire will be the demographic questions based on personal information about individual such as sex, age, nationality, marital status, occupation, income level, education level and so on. The second part of the project that will be surveyed is their attitude, comprehension and opinion towards the implemented CSR, especially on the schemes offered by the organization.

Respondents will be asked to answer short questionnaire on site, after or before that have their transaction at the counter. The questionnaire required less than 15 minutes upon completion. Data collection session is expected to be done within 2-3 months, from early February until the end of April 2012 for approximately four hours per week. Distribution and observation of the data collection session will be carried out for an hour or so to observe the respondents and how the staffs work with the customers. Researcher may also come at other times of the day to get involved with any of the CSR activities conducted by Koop Guru whether it's within or outside the organization, such as at schools, Jabatan Pelajaran Daerah or District Education Department and so on. Structured interviews will not be scheduled, but will interview respondents informally, as needed to clarify and provide insight into specific conversations and questions regarding CSR.

A pilot study will be performed primarily in the month of February and results will be tested to redevelop the research instrument.

Suggestion for data analysis

SPSS (originally, Statistical Package for the Social Sciences) will be used to analyse data after the questionnaire has been administered. It is also will be used to examine any cross tabulation, or associations, or grouping which emerges (through factor analysis). Data is then being analysed to come out with the findings. Frequencies and percentages will be used to describe the respondents. Means and standards deviation will be used to describe the attitude or the behaviour of the respondents towards their satisfactions over CSR schemes offered by the organization. In the first place, reliability is determined to ensure the consistency of a set of measurement often described as random error (Trochim W. , 2006). Frequencies and percentages are used to describe respondents' demographic information, in term of age, sex, marital status, education level and income level. Other than that, the data analysis also includes testing of the hypotheses by using correlations and regression as well as one way ANOVA and Chi-Square for the purpose of testing the data analysis.

Data analysis and Results

The intended final outcomes of the research will be used as an evidence for the development of guidelines for outlining the satisfaction level of members regarding CSR scheme in the organization. It is also expected to define the overall view of the implementation of CSR within an organization and explain the members' tendency to value the CSR program implemented by the organization, especially in a co-operative. Respondents will be asked to answer all of the items in the questionnaire. SPSS 19.0 will be used to analyze data after the questionnaire has been administered. Data is then analyzed to come out with the findings (IBM, 2010). The following are methods of data will be analysed:

a) Reliability test

The first draft of the questionnaire will be pre-test for comprehension especially terms that are used in describing CSR. Participants are amongst customers or members of Koop Guru where the main objective is to see whether they are fully familiar with the role of CSR in the organization business strategies. The reliability of measurement will be assessed through Cronbach's alphas. A pilot survey will be carried out based on 40 usable questions by using standard format (e.g. Likert Scale model), from demographics to questions regarding CSR towards 30 respondents to obtain mainly qualitative responses from respondents, complemented by short interviews and focus groups.

Table 1.1 Cronbach's Alpha Analysis

atent construct	No of items	Example of items	Cronbach's Alpha
Koop Guru's Service Offerings	14	Not visually attractive schemes Quality of CSR schemes offered satisfy the members' needs. High quality infrastructures and offerings. Staff of Koop Guru never too busy to respond to members' requests. Staffs of Koop Guru are consistently courteous Staffs are not always willing to help the members. More accessible location. Corporate symbols such as logo, slogan, colors/visual style, and signage are constituents of Koop Guru's image. Koop Guru continually improves the quality of its CSR schemes. Information provided by Koop Guru is relevant to members' purchase decisions. When members have problems regarding CSR schemes, Koop Guru never shows sincere interest in solving it. Gives back to the communities in which it does business Integrates charitable contributions into its business activities Involved in corporate giving	0.746
Customer/ Members' Expectations	10	Materials associated with the CSR schemes (such as pamphlet and statement) are visually appealing. Koop Guru offers variety of CSR schemes suitable with members' needs. Koop Guru does not protect clients' interest and well being. Staffs have appropriate knowledge in CSR schemes. When members have problems regarding CSR schemes, Koop Guru shows sincere	0.708

		interest in solving it. Communications between the staff and members are good. The charges for every CSR schemes offered are generally reasonable. Koop Guru never helps its members in keeping the costs down for its CSR schemes costs. Inactive members are terminated by Koop Guru after sometimes. Koop Guru offers fair compensation on its CSR schemes.	
Membership growth	3	The growing numbers of new members are satisfying. The growth of Koop Guru is pleasant. Members are willing to recommend the CSR schemes towards others.	0.747
Brand loyalty	3	Members are willing to use the CSR schemes in the future. Members are satisfied with the past purchases of the CSR schemes The current CSR schemes are recommendable.	0.815
Customers/ members satisfaction	10	The staffs' knowledge in CSR schemes is satisfying. Materials associated with the CSR schemes are always enhanced. Members' are pleased with the communication with staff of Koop Guru. Koop Guru fulfils the needs of the members by offering variety of CSR schemes. Members are generally satisfied with the charges for every CSR schemes offered. Koop Guru never helps its members in keeping the costs down for its CSR schemes costs. Members are happy on how Koop Guru protects the interests and well beings. Members are not satisfied on how Koop Guru terminates its memberships. Compensation offered by Koop Guru on its CSR schemes is fair and satisfying. Overall, members are happy and satisfied with regard to the level of service received from Koop Guru.	0.800

b) Factor analysis

Factor analysis attempts to identify underlying variables consisting of members' satisfaction magnitude, scheme quality, staff commitment, online and offline facilities and reliability that explain the pattern of correlations within a set of observed variables.

Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance observed in a much larger number of manifest variables. Factor analysis can also be used to generate hypotheses regarding causal mechanisms or to screen variables for subsequent analysis (for example, to identify co linearity prior to performing a linear regression analysis) (SPSS, 2011)

Table 1.2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.867
Bartlett's Test of Sphericity	Approx. Chi-Square	84.462
	df	10
	Sig.	.000

KMO and Bartlett's Test

The above output shows several important parts of the output. The Kaiser-Meyer-Olkin measure of sampling adequacy and Bartletts's test of sphericity. The KMO statistic varies between 0 and 1. A value of 0 indicates that the sum of partial correlations is large relative to the sum of correlations, indicating diffusion in the pattern of correlations (hence factor analysis is likely inappropriate). A value close to 1 indicates that patterns of correlations are relatively compact and so analysis should yield distinct and reliable factors. Kaiser (1974) recommends accepting values greater than 0.5 as acceptable. Values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are great and values above 0.9 are superb. For these data, the value is 0.867 which is considered to be great, which means that factor analysis is averagely appropriate for these data.

Table 1.3 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.586	71.714	71.714	3.586	71.714	71.714
2	.556	11.124	82.838			
3	.379	7.585	90.423			
4	.292	5.836	96.259			
5	.187	3.741	100.000			

Total Variance Explained

Extraction Method: Principal Component Analysis.

Before extraction, SPSS has identified 5 linear components within data set. Factor 1 explains 71.714% of the total variance shows relatively large amounts of variances whereas subsequent factors explain only small amounts of variances. SPSS extracts all factors with eigenvalues greater than 1, which leaves with 1 factor.

c) Descriptive Analysis

Frequencies and percentages will be used to describe the respondents. Means and standards deviation will be used to describe members' satisfaction magnitude. In the first place, reliability is determined to ensure the consistency of a set of measurement often described as random error (Trochim, 2006). Frequencies and percentages will be used to determine number of respondents responded to the questionnaires in terms of age, sex, marital status, education level, income level, frequency of visits and type of schemes they often apply at Koop Guru.

Table 1.4 Respondents' Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<25	3	10.0	10.0	10.0
	26 - 35	4	13.3	13.3	23.3
	36 - 45	14	46.7	46.7	70.0
	Above 45	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

Age

Table 1.5 Respondents' Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	12	40.0	40.0	40.0
	Female	18	60.0	60.0	100.0
	Total	30	100.0	100.0	

Gender

Table 1.6 Respondents' Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	21	70.0	70.0	70.0
	Unmarried	8	26.7	26.7	96.7
	Divorced	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Marital status

Table 1.7 Respondents' Education Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM	14	46.7	46.7	46.7
	Diploma	5	16.7	16.7	63.3
	Degree	9	30.0	30.0	93.3
	Post degree	1	3.3	3.3	96.7
	Others	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Education qualification

Table 1.8 Respondents' Employment Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Teacher	8	26.7	26.7	26.7
	Office staffs	18	60.0	60.0	86.7
	Others	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Employment Status

Table 1.9 Respondents' Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< RM1,000	4	13.3	13.3	13.3
	RM1,000 - RM1,999	15	50.0	50.0	63.3
	RM2,000 - RM2,999	5	16.7	16.7	80.0
	RM3,000 - RM3,999	3	10.0	10.0	90.0
	>RM4,000	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Income

Table 1.10 Respondents' Membership duration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 1 year	2	6.7	6.7	6.7
	1 - 2 years	5	16.7	16.7	23.3
	3 - 4 years	5	16.7	16.7	40.0

		Frequency	Percent	Valid Percent	Cumulative Percent
	> 5 years	18	60.0	60.0	100.0
	Total	30	100.0	100.0	

Membership duration

Table 1.11 Respondents'' Frequency of Visits per Year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1- 2 times	9	30.0	30.0	30.0
	3 - 4 times	3	10.0	10.0	40.0
	> 5 times	18	60.0	60.0	100.0
	Total	30	100.0	100.0	

Frequency of visits a year

Table 1.12 No. of applied CSR schemes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Education	3	10.0	10.0	10.0
	Hospital donation	7	23.3	23.3	33.3
	Death	1	3.3	3.3	36.7
	Critical diseases	1	3.3	3.3	40.0
	Financial loan	18	60.0	60.0	100.0
	Total	30	100.0	100.0	

Applied CSR schemes

d) Hypotheses testing

Data analysis also includes testing of the hypotheses by using correlations and regression as well as one way ANOVA for the purpose of testing the data analysis.

a) The Pearson's correlation is used to find a correlation between at least two continuous variables. The value for a Pearson's can fall between 0.00 (no correlation) and 1.00 (perfect correlation). Other factors such as group size will determine if the correlation is significant. Generally, correlations above 0.80 are considered pretty high (SPSS, 2011).

Table 1.13 Pearson Correlation Analysis

		OFFERINGS	EXPECTATIONS	GROWTH	LOYALTY	SATISFACTION
OFFERINGS	Pearson Correlation	1	.686[**]	.490[**]	.549[**]	.643[**]
	Sig. (2-tailed)		.000	.006	.002	.000
	N	30	30	30	30	30
EXPECTATIO	Pearson Correlation	.686[**]	1	.634[**]	.744[**]	.792[**]

NS	Sig. (2-tailed)	.000		.000	.000	.000
	N	30	30	30	30	30
GROWTH	Pearson Correlation	.490**	.634**	1	.660**	.569**
	Sig. (2-tailed)	.006	.000		.000	.001
	N	30	30	30	30	30
LOYALTY	Pearson Correlation	.549**	.744**	.660**	1	.669**
	Sig. (2-tailed)	.002	.000	.000		.000
	N	30	30	30	30	30
SATISFACTION	Pearson Correlation	.643**	.792**	.569**	.669**	1
	Sig. (2-tailed)	.000	.000	.001	.000	
	N	30	30	30	30	30

Correlations

**. Correlation is significant at the 0.01 level (2-tailed).

b) In the other hand, linear regression is used to specify the nature of the relation between two variables. Another way of looking at it is, given the value of one variable (called the independent variable in SPSS), and the value of some other variable (called the dependent variable in SPSS).

Table 1.14 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.812ᵃ	.659	.604	.28417	.659	12.073	4	25	.000	2.297

Model Summaryᵇ

a. Predictors: (Constant), LOYALTY, OFFERINGS, GROWTH, EXPECTATIONS

b. Dependent Variable: SATISFACTION

Table 1.15 Results of ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.900	4	.975	12.073	.000ᵃ
	Residual	2.019	25	.081		
	Total	5.919	29			

ANOVAᵇ

a. Predictors: (Constant), LOYALTY, OFFERINGS, GROWTH, EXPECTATIONS

b. Dependent Variable: SATISFACTION

Table 1.16 Results of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.591	.496		1.193	.244
	OFFERINGS	.165	.154	.174	1.074	.293
	EXPECTATIONS	.529	.204	.534	2.590	.016
	GROWTH	.045	.145	.051	.310	.759
	LOYALTY	.116	.153	.143	.759	.455

Coefficients[a]

a. Dependent Variable: SATISFACTION

c) T-test in the other hand is a statistical examination of two population means. A two-sample t-test examines whether two samples are different and is commonly used when the variances of two normal distributions are unknown and when an experiment uses a small sample size. In this case, a t-test could be used to compare female and male level of satisfaction magnitude against each other (Investopedia, 2011).

Table 1.17 One sample T-test

	Test Value = 0					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
OFFERINGS	42.736	29	.000	3.70476	3.5275	3.8821
EXPECTATIONS	44.484	29	.000	3.70333	3.5331	3.8736
GROWTH	43.962	29	.000	4.07778	3.8881	4.2675
LOYALTY	39.072	29	.000	3.96667	3.7590	4.1743
SATISFACTION	46.152	29	.000	3.80667	3.6380	3.9754

One-Sample Test

Conclusions (Results) and Managerial Implications

Based on the correlations results, it has been proved and concluded that the hypothesized relationships are supported by the data analysis. However, company offerings and delivery does not seem to have direct impact with membership growth (0.490), meaning that H1 is not supported. H2 is seemed to be supported where satisfaction seems to have a positive relationship with company's offerings (0.643). Meanwhile, customers/ members expectations are positively related with brand loyalty (0.744), meaning that H3 is supported and at the same time, it is also having a positive relationship with customers/ members' satisfaction (0.792). Therefore, H4 is also supported. The R for these four relationships is 0.659 indicates that 65.9% of the factors is explained by the hypothesis tested.

Limitations and future research

This paper investigates the impact of CSR and customers/ members' satisfaction in the context of co-operative in Kelantan, Malaysia. The environment of the financial services sector, i.e. high-involvement, intangibility, and inseparability characteristics might limit the applications of findings to similar services. Services industries vary in credence, experience and search quality may yield interesting contribution. However, the economic environment of the study is to be conducted should also be taken into consideration.

Future research may test the proposed relationship model using diverse combined satisfaction measurements to investigate whether the strengths and directions of variables are found to be in the same direction as shown in our study. Moreover, additional constructs including trust, satisfaction or commitment may be tested for their mediating effects.

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