

How emotions mediate the effects of perceived justice on loyalty in service recovery situations: an empirical study

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Abstract

The present study focuses on the following question: How positive and negative emotions mediate the effects of justice on loyalty in an actual service recovery situation related to retail banking? The specific effects of the three dimensions of justice (distributive, interactional and procedural) on the actual loyalty–exit of customers were shown to be quite different from each other. Interactional justice (e.g., courtesy) plays a predominant role, since it impacts both positive and negative emotions and the exit–loyalty behavior. Distributive justice (e.g., compensation offered to the complaining customers) affects the behavior through the symmetrical mediating effects of negative and positive emotions. Procedural justice (i.e., timeliness), which has asymmetric effects on emotions and behavior, plays the role of a “basic requirement”. These results are interpreted in terms of Justice Theory and Affect Control Theory (ACT) and in terms of managerial implications for services organizations, such as employees’ training and complaints’ handling.

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1. Importance of complaint handling in services management

Complaint handling is considered as a major part of the quality management program (Schweikhart et al., 1993), and as an important tool to win competitive advantage (Brown, 1997). Complaint handling provides a good way to enhance retention of customers who experience service problems (e.g., Hart et al., 1990).

Customers’ complaints stem from a perceived injustice, i.e., if the relation between customers and the company is unbalanced. Customers expect that the company will offer a recovery, which will compensate for this imbalance. However, to get this compensation, they have to spend time and efforts. The complaining process implies exchanges between the dissatisfied customers and the firm, which can be more or less socially satisfactory (in terms of respect and courtesy, for instance) and intricate (in terms of the process to follow) and lead to a more or less appro-

priate material compensation. Justice is a three-dimensional concept, as explained below. It remains to understand the specific effects of the three dimensions on the retention of customers.

From a managerial viewpoint, as put by Bowen et al. (1999), “fairness reaps profits”. For instance, British Airways was reported to receive 2 pounds back for every pound invested in customer service recovery (Weiser, 1995). A good understanding of how justly and fairly complaining customers are treated is not only an ethical question, it is also a matter of profitable management.

From a customers’ viewpoint, complaint-related justice is more than a matter of economic calculus in unbalanced exchanges. They also involve emotions, because “the intangibility of services heightens customers’ sensitivity to fairness issues (Berry and Parasuraman, 1994, p. 40)”. Economic calculus and emotions are intimately intertwined (Scher and Heise, 1993). However important the emotional dimension of justice may have been stressed in previous studies (e.g., Garrett and Meyers, 1996), the service literature review exposed below shows this is not yet the case.

As shown in the literature review, little is yet known about the actual customers’ behavioral and emotional

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responses to complaint handling and service recovery. In this study, we aim at understanding the under-explored actual emotional and behavioral responses to perceived justice in a service recovery context. The basic aim of this study is twofold. First, to point out which of the justice dimensions affects the most customers' retention. Second, to examine the mediating effects of emotions on the customers' actual behavioral response (i.e., exit vs. loyalty) to perceived justice in an actual setting. Our model of the relation between recovery-related justice and customers' retention through the mediating effects of emotions stems from the Affect Control Theory (ACT), that we expose now.

2. Emotions as mediators of the effects of justice on loyalty—an ACT approach

It is argued that in a service recovery context, emotions mediate the relation between justice and loyalty. These predictions stem from the Affect Control Theory (ACT). ACT is based on three basic premises. First, ACT predicts that individuals behave in such a way that their emotions are appropriate to the situation. Consumers who are proposed an unacceptable service recovery (e.g., a check remittance but no apologies) may express their emotions (e.g., frustration). Second, individuals who are unable to express the appropriate emotions will modify their perception of the situation. Consumers who inhibit their emotions (e.g., anger) because of the negative consequences of expressing their emotions will downplay the importance of the service failure (e.g., on the occasion of a birthday party at a restaurant, nobody wants to spoil the atmosphere, even if the service is disappointing). Third, individuals create events to confirm the sentiments that they have about themselves and others in the current situation. Consumers, who have not been offered a fair service recovery may quit the company to maintain their sentiments about themselves. Briefly, the basic axiom of ACT (Heise, 1979, 1989a,b; MacKinnon, 1994) is that people act in such a way that the impressions generated by events confirm their sentiments.

Our argument is twofold. The first part of argument links justice and emotions and it stems from the classic proposition in the field of ACT research by Homans (1974). This straightforward proposition is that individuals treated fairly will experience positive emotions, whereas those under-rewarded are likely to feel anger and those over-rewarded are likely to feel guilty. Homans' (1974) hypothesis has triggered a stream of studies reviewed below. Similarly, we suggest that the recovery-related justice affects emotions as predicted by Homans' (1974) proposition.

The second part of our argument is that, as Scher and Heise (1993) propose, individuals do not calculate justice. They rather experience a justice-related emotion and rather react to their emotion. Emotions help consumers cope with

the stress inherent to a complaint-recovery situation. Emotions “reflect how the meaning of the self fares in encounters with others (Parkinson, 1996, p. 673)”. In the case of customers facing service employees, emotions are responses to perceived changes in the relative status and power of self and others (Kemper, 1978, 1981). Kemper (1987) gives the following example: “elevation of the other's power will lead to fear/anxiety, as will a decline in one's own power (p. 222)”. Specifically, too low compensation, too intricate process to get it, impolite interaction may lead consumers to develop such negative emotions.

Their choice of actions (i.e., loyalty vs. exit) is meant to confirm the sentiment attached to one's identity. In a stressful situation, such as that related to a complaint, complaining consumers are assumed to react in such a way that they confirm their self-identity and others' identities. For example, a complaining consumer stays loyal as long as his/her self-identity is not affected by the service recovery proposed by the service provider. Consumers play roles and produce impressions that match sentiments about themselves (Heise, 1979). Consumers' emotions will lead them to choose a type of behavior, which allow them to regain their self-identity. Consequently, emotions are hypothesized mediate the relationship between justice and behavioral responses (exit vs. loyalty).

This theoretical approach to the effects of justice is relatively new. Most studies focus on a direct relationship between justice and retention. The studies selected in the first part of our literature review specifically point out which dimension of justice impact on customers' retention. The second part of the literature review stresses the few studies dealing with the effects of justice on emotions.

3. The specific effects of the three dimensions of justice on loyalty

Justice is generally considered as an evaluative judgment about the appropriateness of a person's treatment by others (Furby, 1986). Justice is a complex concept articulated on three dimensions by social justice theorists, i.e., distributive, procedural and interactional. In a consumer complaint context, distributive justice refers to resource allocation and the outcome of exchange (Deutsch, 1975), e.g., refund, rebate. The procedural justice concerns the procedures used to reach the outcomes of an exchange (Lind and Tyler, 1988; Thibaut and Walker, 1975), e.g., refund policies, number of organizational levels involved in the process, time to get the refund. The interactional justice reflects the communication process (Bies and Moag, 1986), e.g., courtesy, politeness, adequacy of language level.

However, as Blodgett et al. (1997) pointed out, “limited effort has been expended in developing a theoretical understanding of how different facets of justice affect consumers' post-complaint behavior (p. 187)”. This question is of utmost importance in the field of services marketing. The

way services firms will spend their efforts to recover customers and consequently train their employees depends on the answer to this question.

Only three articles have so far focused on this key question. They show the differential effects of the dimensions of justice on behavioral intent and on attitudes. The results are far from convergent. On one hand, [Blodgett et al. \(1997\)](#) found that interactional and distributive justice explained significantly more variance than procedural justice (more specifically, timeliness) on subjects' repatronage intentions or on their negative word-of-mouth intentions. On the other hand, a study by [Smith et al. \(1999\)](#) showed that customers assign a higher fairness value to both distributive and procedural justice (i.e., "compensation and quick action") when they experience outcome failures. In contrast, when they experience process failures, the marginal return on interactive justice (i.e., "apology or proactive response") is higher. As for the study by [McCollough et al. \(2000\)](#), they did not take into account the procedural justice, which makes the comparison difficult. They found that interactional and distributive justices were equally important in terms of service recovery.

These three studies ([Blodgett et al., 1997](#); [Smith et al., 1999](#); [McCollough et al., 2000](#)) converge on the implications of their respective results. Managers should emphasize the specific facet(s) of justice, which affects the most the customers, especially in terms of employees training and adequate compensation. However, they fail to identify the same facets as affecting the most customers' retention. We believe that some methodological limitations in these three studies may explain the lack of convergence of their findings. First, in these studies, subjects react to scenarios not to actual service failures: dissatisfaction with a retailer where they were supposed to have bought a pair of athletic shoes ([Blodgett et al., 1997](#)), service failure in hotels or restaurants ([Smith et al., 1999](#)), and manipulated scenarios of service recoveries in the airlines industry ([McCollough et al., 2000](#)). Second, in these three research, the behavioral intent was measured, not the actual behavior. Subjects exposed to a manipulated lab situation, may express behavioral intent which do not reflect their actual behavior if the situation would materialize. Switching costs may constrain the dissatisfied customers to remain with company, whereas in the lab situation, they may express the intent to quit.

These methodological limitations were stressed by [McCollough et al. \(2000\)](#) who strongly suggested that a survey approach should be used in future research. Accordingly, instead of assessing the behavioral intent, the present study is based on a survey of actual customers who have faced actual service problems with their bank.

In addition to these methodological limitations, most studies on service recovery failed to take into account that (in)justice triggers emotional responses in addition to cognitive appraisal. Few studies dealt with the emotional effects of (in)justice. They are reviewed in the next section.

4. How recovery-related justice affects emotions

Justice is usually considered as a cognitive concept, whereas its effects have been shown to be both emotional and behavioral. The service literature has so far limited its scope mostly to the cognitive effects but authors have recently encouraged researching the emotional effects of justice. [Weiss et al. \(1999\)](#) reported that: "Emotional reactions to justice have been suggested but not studied" (p. 792). In fact, few studies exist in the service context.

First, [Smith and Bolton \(2002\)](#), building on their previous research ([Smith et al., 1999](#)) which did not take emotions into account, examined customers' emotional responses in two service settings, restaurants and hotels, where service failures occurred. As they did in their previous study (1999), participants had to "engage in a role-playing exercise in which they imagined a return visit to the particular restaurant or hotel they had patronized (p. 11)". Their meticulous statistical approach leads them to conclude that customers do not react similarly to service failures in restaurant and hotel settings. While no emotional effects of service failure are found in the case of restaurants, the effects are significant in the case of hotels. Emotions triggered by service failures affect satisfaction. However they consider the effects of both emotions triggered by the service failure, not by the justice of service recovery, which makes difficult the comparison with our study.

In the second study ([Barrett, 1999](#)), undergraduate students recruited to play the simulated role of employees were put in situations where distributive and procedural justice were manipulated. A number of hypothesized relations were found not significant or contrary to those predicted. In particular, "Taken together, the findings are marginally supportive of the contention that emotions play a role in both attitudinal and behavioral reactions to instances of organizational injustice". As pointed out by [Barrett \(1999\)](#), one major limitation of this study is that the participants' emotional involvement may have been lower than what it may have been in real-life situations. This conclusion stresses the importance of external validity in studies related to service failures and emotions.

In the third study, [Weiss et al. \(1999\)](#) designed experimental conditions where both, distributive and procedural justice, were jointly manipulated for undergraduates whose emotional responses were assessed by self-report. They showed that emotions triggered by the different dimensions of justice might be quite different. Specifically, happiness was influenced only by outcome (i.e., a key element of distributive justice), while guilt, anger, and pride were influenced by combinations of outcome and procedure. This study is the closest to our own. However interesting, it has two major limitations. First, it is a laboratory simulation, which affects the external validity of results and the generalizability to populations other than students, and second, it does not take into account the interactional dimension of

justice, which makes comparisons difficult and limits the managerial applicability. This conclusion stresses the importance of external validity in studies related to service failures and emotions.

In the three studies (Barrett, 1999; Smith and Bolton, 2002; Weiss et al., 1999), subjects are playing roles. They have to react to a manipulated situation, which questions the ecological validity of the emotional responses. In real situations, some emotions may be inhibited, such as anger or frustration. In addition, not all three studies take into consideration the three dimensions of justice, which makes the comparison somewhat difficult.

Some studies related to the effects of justice on emotions in contexts other than services recovery should be also reported. Justice emotional effects were researched also in psychosocial studies. We review now those studies focusing specifically on the emotional effects of each of the three dimensions of justice. This review leads us to propose that emotions are the way consumers cope with [in]justice.

5. Effects of justice on emotions in fields other than services

The following studies reviewed below show that the emotional response varies with the three dimensions of justice. First, a number of studies are related to the effects of distributive justice in social exchanges, in particular in negotiation situations and in the workplace. They stem from the hypothesis proposed by Homans (1974), already mentioned above. Most studies on distributive justice confirm this proposition. Basically, individuals react angrily and aggressively, if what they received is below what was expected (Adams, 1965; Homans, 1974; Skarlicki and Folger, 1997). Conversely, if what is received is perceived as exceeding what is expected, the recipient feels guilty. Those who perceive the reward as just (or slightly higher) are “satisfied” (Gray-Little and Teddlie, 1978; Hegtvedt, 1990; Sprecher, 1992). In bargaining situations, “the fairer individuals view their own outcome, the less likely they are to express general negative feelings and the more likely they are to express satisfaction (Hegtvedt and Killian, 1999, p. 296)”.

The emotional effects of other two dimensions of justice are not documented as thoroughly as the distributive dimension. Only one study was found on the emotional reaction to procedural justice (Hegtvedt and Killian, 1999). In a bargaining situation, individuals who perceived the allocation process as fair, are “less likely to feel negative or depressed” but “more likely to feel pleased about” the allocation procedure. This finding is perfectly in line with those related to the hypothesis by Homans (1974) related to the effects of distributive justice on emotions. Note that no study was found on the effects of interactional justice on emotions. This likely reflects the fact that this dimension of justice is the newest in the conceptualization of justice and

is ignored in the social psychological literature related to justice.

6. Hypotheses

The literature review exposed earlier leads to hypothesize that the service recovery related perception of justice might have both direct and indirect (i.e., through emotions) effects on loyalty.

The first hypothesis, which shows direct effects of justice on retention intent, is based on studies of Blodgett et al. (1997), McCollough et al. (2000) and Smith et al. (1999). They also show that the three dimensions of justice affect retention differently (although, no convergence is found among the studies). Thus, it is hypothesized that perception of distributive, procedural and interactional justice will affect directly loyalty.

The second hypothesis, which shows that perception of justice affects emotions, is based on other studies (e.g., Barrett, 1999; Hegtvedt and Killian, 1999; Smith and Bolton, 2002; Weiss et al., 1999). Therefore, it is expected that three dimensions of perceived justice (distributive, procedural and interactional) will affect both negative and positive emotions.

The third hypothesis is based on the ACT, which propose that the effects of justice on loyalty are mediated by both positive and negative emotions. More precisely, following Scher and Heise (1993), it is hypothesized that, when exposed to an offer of service recovery, customers use their emotions as a guide to making fundamental choices among loyalty and exit.

7. Method

Whereas most service recovery studies related to justice were laboratory investigations, ours is a field study where actual behavior (loyalty vs. exit) is the dependent variable. The respondents were actual consumers of a major Canadian bank and had previously complained for problems that occurred within one year. The bank records indicated who had remained loyal and who had left the bank. The sample was designed in such a way that about half the respondents had remained loyal and the other half had left the bank.

7.1. Service sector of study: retail banking

Retail banking was chosen as sector of this study. Banks are among the most vulnerable to service failure (e.g., MORI, 1994). This sector is ranked the third in terms of frequency of complaints (right after the restaurants and car repairs and ahead of dental/medical services, airlines and hotels, as reported by Tax et al. (1998). More importantly in this study, banks customers consider the service recovery as the most important factor of global satisfaction (Hall, 1997).

7.2. Measures

7.2.1. Perceived justice

Perceived justice was measured with a shortened version of the scale developed by Tax et al. (1998). Only the items scoring highest on the respective three factors were selected. These scale items were anchored at endpoints (“strongly agree” and “strongly disagree”). Three items measured equity and equality to reflect the concept of distributive justice. Three items were used to measure honesty and politeness (interactional justice). Two items reflected the concept of timing, the central attribute of procedural justice (Smith et al., 1999).

The confirmatory factor analysis of justice model was performed and consisted of three latent constructs and eight observed variables. Raw data matrix was analyzed and maximum likelihood was the estimation method. The model revealed satisfactory fit-indices (Byrne, 1994; Ullman, 1996): CFI=.992; $\chi^2(14) = 19.86$; chi-square/df= 1.41. Table 1 shows standardized factor loadings. All items converged to single, hypothesized constructs (timing, interactional justice and distributive justice) providing sup-

port for convergent validity. Internal reliability (Cronbach’s alpha) was computed independently within each of the three factors. Three factors demonstrated internal consistency estimates that met the criteria suggested by Hair et al. (1998) for Cronbach’s alpha is greater than or equal to .70 (timing=.85, distributive justice=.76 and interactional justice=.86).

7.2.2. Emotions

Emotions were measured in terms of negative and positive feelings, as suggested in the justice literature dealing with emotions. Negative emotions were represented by two discrete emotions: anxiety and disgust. The positive feeling was conceptualized as joy and hope. The choice of these items has been inspired from Plutchik (1980).

Since “positive and negative feelings are increasingly recognized as independent of each other (Lazarus, 1999, p. 670)” a factor analysis (using principal component extraction method and orthogonal varimax rotation) was used to confirm the bidimensionality of emotions. More than 75% of variance is explained by two factors (with eigenvalues above 1.00): negative emotions (anxiety and disgust) explained 47% of the variance and positive emotions (joy and hope) explained 28% of the variance. All factor loadings range from .79 to .87.

7.2.3. Exit–loyalty as the dependent variable

As proposed by Van Matre et al. (1986) and Stewart (1998), in the retail banking context exit is the action of closing or transferring main account by the customer. Our measure of exit is based on observed customer actual behavior. One hundred had remained customers of the bank while eighty-six had left.

7.2.4. Data collection and sample

Data were collected through a phone survey using a computer-assisted telephone interviewing system. Experienced interviewers of a professional marketing research company conducted interviews. Interviews lasted in average 15 minutes.

A total of 186 customers who actually complained to the bank in the last 12 months responded fully to the entire research questionnaire. Sixty-six percent of the respondents were males. Most of them (79%) were college or university graduates; 62% of them were between 24 and 44 years old. In average, they had remained customers of the bank for nine years.

8. Results

EQS software (Bentler, 1993) was used to test the full structural equation model. It has been shown that structural equation procedure can be applied to categorical variables, since exit–loyalty is a categorical variable in our model (e.g., Bagozzi and Yi, 1989). After estimation

Table 1
Confirmatory factor analysis: measure of justice

Measurement item	Mean (S.D.)	Standardized factor loadings and R ²		
		Timing	Distributive justice	Interactional justice
They responded quickly to my complaint	2.88 (1.27)	.84		
R ²		.71		
I was pleased with the length of time it took for them to resolve my complaint	3.23 (1.33)	.88		
R ²		.77		
The result of the complaint was not right	3.17 (1.45)		.40	
R ²			.16	
I got what I deserved	5.58 (1.48)		.84	
R ²			.71	
The result I received from the complaint was fair	3.30 (1.48)		.95	
R ²			.91	
They communicated honestly with me	2.61 (1.18)			.70
R ²				.49
The people were courteous to me	2.56 (1.17)			.84
R ²				.70
They were quite pleasant to deal with	2.84 (1.17)			.93
R ²				.86
Cronbach’s alpha		.85	.76	.86

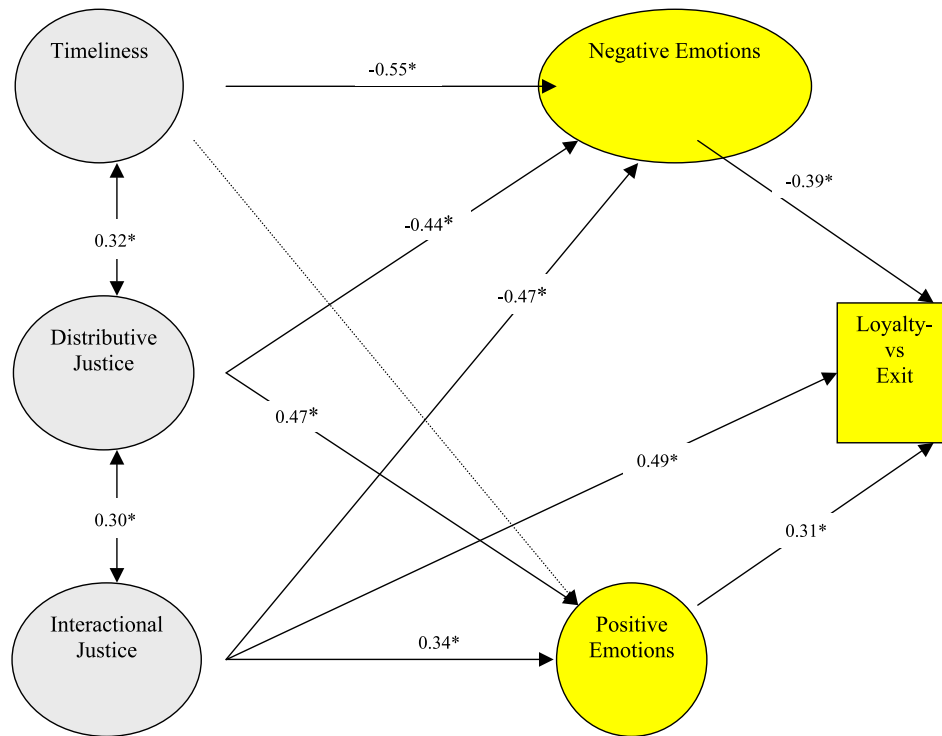


Fig. 1. The structural model of effects of received justice and emotions on loyalty in Service Recovery Situations.

of the hypothesized model, the model was modified to improve fit. Nonsignificant paths were dropped and several correlated residuals within the latent constructs were added. An additional modification was made on the basis of the Lagrange multiplier test. These modifications improved the fit but did not alter any of the regression paths.

The final model provided a good fit to the data according to a number of indicators (Byrne, 1994; Bentler, 1990): average standardized residual=0.05, comparative fit index (CFI)=0.951, robust comparative fit index (RCFI)=0.976 and Satorra-Bentler chi-square (S-B χ^2) with 50 *df*=69.3. As reported by Byrne (1994), the Satorra-Bentler corrected chi-square (S-B χ^2) has been shown to be the most reliable test statistic for evaluating covariance structure models under various distributions and sample sizes. Its computation takes into account the model, the estimation method, and the sample kurtosis value. Another indicator of the model's acceptable fit is the chi-square to degrees of freedom ratio. A model is considered acceptable if this ratio is less than 2 (Ullman, 1996). In our model, the chi-square to degrees of freedom ratio is 1.38.

The effects of perception of justice on exit–loyalty behavior were hypothesized to be either direct or mediated by emotions. Interactional justice was found to be the most important predictor of customer retention. Only interactional dimension of justice is found to affect the loyalty–exit behavior both directly and, indirectly, through the (positive and negative) emotions. This confirms partially our first hypothesis on direct link between justice and loyalty and

corroborates our third hypothesis on mediated effect of justice on loyalty.

All dimensions of justice (interactional, distributive and procedural) are found to affect the emotions, as predicted in our second hypothesis. However, timeliness (that is the major aspect of procedural justice) has asymmetrical effects on emotions. Low timeliness enhances negative emotions, whereas high timeliness does not increase positive emotions significantly (although in the predicted direction).

Justice (distributive, interactional and, to some extent, procedural) affects exit–loyalty through the (positive–negative) emotions, as predicted in our third hypothesis on mediated effect of justice on loyalty. Fig. 1 and Table 2 summarize the results.

Table 2
Standardized parameter estimates and test statistics

Path from	Path to		
	Negative emotions	Positive emotions	Loyalty
Timing (<i>t</i> value)	− 0.55 (− 3.40)	0.14 (1.89)	
Distributive justice (<i>t</i> value)	− 0.44 (− 2.15)	0.47 (3.62)	
Interactional justice (<i>t</i> value)	− 0.47 (− 2.45)	0.34 (4.66)	0.49 (4.52)
Negative emotions (<i>t</i> value)			− 0.39 (− 3.21)
Positive emotions (<i>t</i> value)			0.21 (2.54)

S-B χ^2 =69.30.
df=50.

9. Discussion

9.1. Fix the customer then the problem

One of the main findings of this study is that, as hypothesized, justice affects customer' loyalty through emotions. This has important implications. Service companies should realize that consumers' actual behavior is mostly emotion-driven. The economic calculus of costs–benefits generated by the complaints is superseded by overwhelming emotions. Consequently, contact employees should be aware of the emotional climate of customer's complaints and should be trained to monitor it. Even if the problem, which triggered the complaint, can be fixed, the customers do not necessarily remain loyal if the emotions are not properly attended to.

9.2. Predominant role of interactional justice

Interactional justice plays a very specific role, since it is the only dimension of justice that has direct effects on customers' behavior. The specific role of interactional justice can be understood as the most intangible aspect of service recovery. This is the “no-cost action”, as Smith et al. (1999) put it.

Customers rely on employees' behavior in forming opinions about the service offering (Gronroos, 1988), especially in situations of service recovery where their attention level is particularly high (Chebat, 2002). They react to interactional justice cues, mostly to employees' verbal and nonverbal language. Their reactions to interactional justice cues are both emotional and behavioral, while the responses are only emotional for the other two dimensions of justice. Inadequate interaction may lead directly to an exit behavior. Conversely, an adequate interaction may lead to a decision to remain loyal. Interactional cues should be studied very carefully and employees should be trained to play their roles as expected by the customers.

9.3. Timeliness as a “basic requirement”

Timeliness has asymmetrical effects on emotions. That the service recovery is provided quickly does not bring about significant positive emotions, while slow service recovery does generate significantly negative feelings. This asymmetry qualifies timeliness as a mere “basic requirement”, in the sense that consumers expect the service recovery to be quick. Whenever this is the case, they are not surprised and do not notice it. Conversely, when the recovery happens to be slow, their emotions are negative.

9.4. Distributive justice

Distributive justice affects retention through the mediating effects of emotions. Distributive justice is the most tangible dimension of justice. It is also likely to be the

easiest to assess. Consequently, consumers could have been expected to react mostly through a rational economic calculus of cost/benefit ratio. This is not the case. We propose an explanation derived from the feelings-as-information paradigm (Schwartz and Clore, 1983, 1988), which offers a perspective to understand the cognitive role of emotions. Consumers memorize what they receive as a compensation (dollars, vouchers, rebates, and so on) versus the time and efforts they used to get it. This is filed in their long-term memory under an emotional label. Consumers' affective state is an integral part of the information process, as much as the feelings are related to the very essence of the service. As stressed by Taylor (1996), “affective state serves not as trivial cue, nor as a transference cue but instead as a relevant piece of information” (p. 223). Briefly, the compensation received by the complaining customers is cognitively assessed then filed as a feeling which can be all the easier to retrieve if it is more intense. Customers' feelings help the retrieval process through which they may recall what they have received.

9.5. Relation with ACT

The basic finding that emotional reactions reinforce behavioral reactions can be interpreted in terms of the ACT. Customers' behavioral reactions confirm their emotions. First, customers assess their social status in the interaction with employees through such signals of courtesy and politeness, which is all the more important in conflict situations. If such signals are inappropriate, the negative emotions lead consumers to exit. Exit behavior is a way of negating the low status inherent to inappropriate interactional cues.

Second, in terms of procedural justice, in service recovery situations, the cost in time and efforts that customers have to assume to obtain a compensation for the failed service is perceived as a measure of their social status and their self-identity. Fast service recovery does not generate positive (or negative) feelings. We interpret this as follows. Fast service is a mixed signal. On the one hand, it may mean that the company cares for the time and efforts of the complaining customers. On the other hand, if the service recovery is fast, employees may have no opportunity to send ritual signals of courtesy and politeness. However, slow service generates only negative emotions. This is in line with previous studies related to the negative emotions generated by waiting for services (e.g., Chebat and Filiault, 1993; Hui et al., 1997).

The effects of distributive justice are those predicted by the ACT. The higher the compensation the more positive the emotions and conversely, which confirms previous studies on the effects of “fair” negotiation outcomes (e.g., Hegtvedt, 1990; Sprecher, 1986, 1992) and “unfair” outcomes (Gray-Little and Teddlie, 1978; Hegtvedt, 1990).

Our findings corroborate the ACT predictions related to the effects of emotions on behavior. The fact of accepting

unfair outcomes would generate an unbalanced psychological state, which would contradict the customers' self-identity. Their choice between two courses of action, i.e., loyalty and exit, confirms the sentiment attached to one's identity. If they decide to remain loyal after assessing the compensation as unfair and after feeling either anxiety or disgust or both, they impose to themselves a dissonance between their self-identity and the inferior social role they play.

9.6. Managerial implications

Bettencourt and Brown (1997) argued that contact employees "delight" the customer by providing "little extras" and spontaneous exceptional service during the service encounter for customer satisfaction and positive emotional responses. In service recovery situations little extras (i.e., those related to distributive justice) are not the ultimate way to delight the customer. Interactional cues (such as politeness and courtesy) rather weigh at least as much as "little extras". The little extras are no substitute for the interactional cues.

The training of contact employees in charge of the complaints should focus on customers' emotional responses. More specifically, they should be aware of the emotional consequences of specific cues. For instance, they should understand that fast service does not bring about any positive feelings from the customers. Similarly, they should be aware of the effects of inadequate signals related to the customer's self-identity and status.

10. Theoretical implications, future research avenues and limitations of the present study

The present findings emphasize the importance of emotions in the field of service encounters. The disconfirmation paradigm leaves little room to emotions. Emotions have at least two effects on the disconfirmation paradigm. First, the emotions bias the economic calculus inherent to the disconfirmation. A number of studies show that mood influences cognitive processes related to social judgments (Forgas and Bower, 1988). More specifically, "affect may influence social judgments by influencing the availability of cognitive constructs" (Forgas et al., 1990). In other words, positive emotions help customers retrieve more easily positive service assessments and conversely.

Second, service encounters may "boil down" to emotions. This emotional dimension of service encounters has been rarely shown, with the notable exception of Taylor (1994, 1996). Service encounters centered on redressing failures may be highly arousing. Increasing customers' arousal may contribute to their cognitive activity (e.g., MacInnis and Jaworski, 1989): arousal is one of the antecedents of attention, which is in turn an antecedent of information processing. Emotions, as already pointed

out, serve as labels for files memorized by customers (e.g., Chebat, 2002). However, the relation between arousal and cognitive activity is neither simple nor straightforward. Beyond a certain threshold of arousal, the cognitive processing is disrupted by arousal (Greenwald and Leavitt, 1984) and information processing becomes less efficient (Hornik, 1988; Mano, 1992, 1994). Consequently, future studies should assess if there is a threshold of arousal beyond which the cognitive processes are so simplistic that a rational completion of the complaints is difficult.

The sample of the present study shows a proportion of respondents who graduated from college or university, significantly higher than the total population. This bias may be inherent to the very complaining behavior. Several studies show that the higher the education, the more vocal the dissatisfied customers (e.g., Gurdon, 1999; Morganowsky and Buckley, 1987). This possible relationship between education level and complaining behavior may lead to understanding why customers with lower education are less vocal. A possible research avenue is the level of alienation. Alienation has been dealt with by some marketing researchers (e.g., Cornwell and Bligh, 1991; Kolodinsky, 1995). Are alienated consumers who complain showing more or less emotional responses to justice cues? How alienation moderates the justice–emotion–exit/loyalty behavior remains to be investigated.

The stress inherent to such complaints situations may likely affect as well the employees' job satisfaction and their commercial behavior (e.g., Chebat and Kollias, 2000; Schneider, 1980). It has been suggested that contact employees' emotional labor demanded by service organizations has negative and dysfunctional consequences for workers (Wharton, 1993). Just as customers' emotions mediate the justice-behavior responses, it is important to understand how emotions mediate employees' responses to customers' behavior.

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