

CONSUMER PENALTY EVALUATION: DIFFERENCES BETWEEN COOPERATIVE AND REBELLIOUS CUSTOMERS

Young “Sally” K. Kim, Shenandoah University

ABSTRACT

This research investigates different types of antecedents such as fairness, disconfirmation and emotion and their influences on different types of satisfaction and behavioral intentions. It also examines how different types of customers, cooperative vs. rebellious, respond to penalties differently. Based on existing literatures, the study proposes a model that views transaction-specific satisfaction as a mediator between cognitive and affective antecedents and overall satisfaction and repurchase intentions. The model is tested on data collected via online survey. The study found that affective and cognitive antecedents have differential impacts on two types of satisfaction judgments, transaction-specific satisfaction and overall satisfaction, and behavioral intentions to repurchase. For example, the influence of emotion is fully mediated by transaction-specific satisfaction while cognitive antecedents have direct influences on both transaction-specific satisfaction and overall satisfaction. Customers weigh transaction-specific evaluations, penalty-related evaluations such as fairness, disconfirmation, emotion and dissatisfaction with the penalty, and global satisfaction evaluation differently based on their relationship with the company. Cooperative customers weigh overall satisfaction more heavily than transaction-specific evaluations. Rebellious customers weigh transaction-specific evaluations more heavily than overall satisfaction. Implications for measurement and management are offered.

JEL: M31

KEYWORDS: customer satisfaction, transaction-specific satisfaction, mediator, cognitive antecedents

INTRODUCTION

Service industry's popular use of fees and penalties has received vast attention from public policy makers as consumers' complaints about unfair penalty practices have escalated over the years. For example, Congress (Government Accountability Office) recently commissioned a study investigating fees and interest rates of 28 popular credit card companies and released a report in 2006 that late payment penalty had increased over the years and averaged \$34, up from \$13 in 1995 (Houston Chronicle 2006). Consumer penalties have gained attention not only from public policy makers who are concerned with the welfare of consumers but also from companies who are struggling to find the happy medium between the pressure to increase revenue through penalties and fees and the competitive urge to keep their customers happy. It is important that companies regularly review their penalty policies and examine how customers perceive and evaluate penalties because negative events such as a penalty incident can have a detrimental impact on the company's business (e.g., customer attrition, negative word-of-mouth).

Surprisingly, as of today, very little research has been done to understand the impact of penalty on customers and how different types of customers use different penalty evaluation processes (Kim and Smith 2005; McCarthy and Fram 2000). In order to address these important yet under-explored issues, this study first investigates different types of antecedents and their influences on penalty evaluations and behavioral consequences. More specifically, the study examines how cognitive versus affective antecedents influence penalty-specific vs. overall satisfaction judgments and behavioral intentions. Several previous studies (Dube 1990; Yu and Dean 2001; Smith and Bolton 2002; Wirtz and Bateson

1999) explored the roles of cognitive versus affective antecedents in satisfaction judgment, but they did not specifically examine how their effects manifest in different types of satisfaction judgments. This study also investigates how different types of customers respond to penalties differently. It uses the nature of relationship to create two customer groups (i.e., labeled as “cooperative” and “rebellious” customer groups based on their intent to follow or break the company’s rules after a penalty incident) and tests whether the model works the same way for the two different customer groups. For example, the influences of different types of satisfaction judgments on behavior may vary based on the customer type. Studies (Ahluwalia, Burnkrant, and Unnava 2000; Smith and Bolton 1998; Tax, Brown, and Chandrashekar 1998) suggest that the nature of relationship customers have with a company has a significant influence on their attitude toward the company and behaviors. Customers who have a positive relationship with the company tend to be functional and cooperative, while those who have a negative relationship are often dysfunctional and, in some extreme cases, rebellious especially upon encountering a negative incident (Ahluwalia, Burnkrant, and Unnava 2000; Smith and Bolton 1998; Tax, Brown, and Chandrashekar 1998). This means that penalized customers may engage in different evaluation processes depending on their prior relationship with the company. The study investigates the following specific research questions:

- How do customers weigh cognitive versus affective antecedents in their penalty evaluation? More specifically, which antecedent (cognitive or affective) has a more significant impact on penalty-specific vs. overall satisfaction judgments and behavioral intentions?
- How does the nature of relationship influence customer’s evaluation of the penalty? Do cooperative versus rebellious customers weigh penalty-specific evaluations and global evaluation (i.e., overall satisfaction) differently in determining behavioral intentions? If so, which type of evaluation affects their behaviors more?
- Does global evaluation (overall satisfaction) play a different mediating role for cooperative vs. rebellious customers? If so, how? That is, does overall satisfaction mediate the relationship between penalty-specific satisfaction and behavioral intentions directly or indirectly for cooperative vs. rebellious customers?

The findings of the study will make significant contributions to the marketing literature by broadening the understanding of the roles of cognitive vs. affective antecedents in their influences on transaction-specific satisfaction and overall satisfaction. Prior research delved into the issues of different types of antecedents but very little has been done to link them to different types of satisfaction judgment. The study findings will also shed light on the differences of customer groups in their evaluations of the penalty. They will offer an identification of a condition in which weights of transaction-specific evaluations and overall satisfaction may differ in their predictions of repurchase intentions. This will provide guidance to managers about how companies can effectively handle different types of customers faced with penalties. The paper is structured in the following order. First, literature review that examines previous studies on punishment and compliance is offered. This review allows an establishment of an appropriate foundation for categorizing customers into two groups. Second, the study offers a discussion on cognitive versus affective antecedents and their influences on different types of satisfaction judgments. In addition, it presents a discussion on how customers engage in different evaluation processes based on their relationship with the company. Third, the research methodology and data analyses are presented. Finally, the study’s findings and implications are offered.

LITERATURE REVIEW

Compliance Intent as a Proxy of Relationship Nature

Customer penalty is considered an economic form of *punishment* in that customers receive a negative stimulus (i.e., penalty) for their failures to conform to the company’s rules (Kim and Smith 2005; McCarthy and Fram 2000). Compliance is one of the benefits organizations usually seek when they use

punishment and it can be achieved when punishment is used appropriately as evidenced in marketing and other literatures (psychology, sociology, organizational behavior; Antia and Frazier 2001; Butterfield, Trevino, and Ball 1996; Kumar, Scheer, and Steenkamp 1998). For example, the studies of Antia and Frazier (2001) and Kumar, Scheer, and Steenkamp (1998) that examined antecedents of punitive actions in the distribution channel suggest compliance is one of the desirable outcomes of using punitive actions. Other studies (Bowman, Heilman and Seetharaman 2004; Taylor and Bower 2004) in the context of the business-to-consumer relationship (e.g., consumer's use of a drug in accordance to the instruction) suggest that consumers' compliance with the organization's standards and instructions is critical for the organization to achieve customer satisfaction and operational efficiency. These previous studies indicate that compliance is a desirable outcome of using punishment and that customers who become compliant or have intentions to comply with the organization's rules following a punishment event are "cooperative," "desirable," and "functional." On the other hand, those who refuse to be complaint or have no intentions to comply even after a punishment event are considered "rebellious," "dysfunctional," and "destructive." These rebellious customers are unwilling to change their behaviors, prohibiting the organization from achieving operational efficiency and incurring costs to the company. Take an example of a customer who is late in returning a DVD rental and unwilling to change his/her behavior for the next time. This uncooperative customer behavior will increase the chance that the company faces inventory shortage and dissatisfaction from other customers. Thus, customers' intent of compliance is not only a precursor of their behaviors toward the organization but also a proxy of the nature of relationship customers have with the company. For example, a positive and constructive relationship is suggested when a customer shows a high level of compliance intentions and cooperation. Thus, this study views compliance intent as a proxy of relationship nature and labels customers with a high level of compliance intentions as "cooperative" and those with a low level of compliance intentions as "rebellious."

Different Types of Satisfaction Judgment

Marketing literature (Bitner and Hubbert 1994; Jones and Suh 2000) suggests that customers' evaluations can be measured in the context of a specific service encounter or global (overall) evaluation of the aggregated previous experiences. While transaction-specific satisfaction judgment concerns evaluation of a specific service encounter (e.g., penalty assessment), overall satisfaction is based on all encounters that a customer experiences with a particular organization (Bitner and Hubbert 1994; Jones and Suh 2000; Smith Bolton, and Wagner 1999). Thus, satisfaction judgments involving an incident are expected to influence overall satisfaction judgments, and transaction-specific satisfaction/dissatisfaction updates overall satisfaction judgment. For example, a negative experience resulting from a penalty assessment may affect a customer's overall evaluation of the company. Thus, a customer's evaluation regarding a certain incident will update his/her overall evaluation of the organization. This study views that transaction-specific satisfaction judgment is a short-term output because it is regarding a specific event and overall satisfaction is a long-term output as it is based on accumulated experiences.

Cognitive versus Affective Antecedents

This study considers disconfirmation and fairness *cognitive* antecedents and negative emotion an *affective* antecedent and examines their influences on customer's evaluation of the penalty. Disconfirmation is a *cognitive* antecedent whereby a customer compares an organization's performance to his/her prior expectations. The concept of disconfirmation has been well established in customer satisfaction literature and it is found to have a significant impact on customer's satisfaction judgments (LaBarbera and Mazursky 1983; Oliver 1980; Smith and Bolton 1999). Perceived fairness, another *cognitive* antecedent, is about customer's evaluation of the penalty in terms of justice. Penalized customers will rely on different types of justice (distributive justice, procedural justice and interactional justice) to evaluate the penalty incident. Distributive justice is concerned with distribution of resources (Adams 1965; Homans 1961; Deutsch 1975). Penalized customers will take into account the amount of the penalty when

evaluating this type of justice. Procedural justice involves perceived fairness of the process through which the outcome was reached or resources were distributed (Thibaut and Walker 1975). In the penalty context, a customer may consider flexibility the company showed to the customer when evaluating procedural justice. Interactional justice reflects the interpersonal dimension of fairness and represents the interactional style used to communicate outcomes (Bies and Moag 1986). A customer may evaluate service employees' interactional performance to judge this type of justice. The study considers both disconfirmation and perceived fairness *cognitive* antecedents because these generally require customers to engage in cognitive processes.

Emotion is an *affective* state associated with a specific event. Emotion has been incorporated into studies modeling customers' evaluations of an incident (e.g., service failure) and the studies showed emotion plays a significant role in satisfaction judgment even after controlling for the effects of cognitive antecedents (Liljander and Strandvik 1997; Smith and Bolton 2002). Further, some studies that examined the influences of customers' affective versus cognitive responses on satisfaction judgment demonstrated emotion has a greater predictive power than cognitive evaluations (e.g., disconfirmation) in predicting satisfaction/dissatisfaction judgment in certain situations (Dube 1990; Yu and Dean 2001; Wirtz and Bateson 1999; Westbrook 1980). Unlike tangible products, services are hard to evaluate and customers can have poorly-formed expectations about services especially when services are high in credence quality. Thus, in those situations, cognitive evaluations such as disconfirmation may play a less important role than emotion in satisfaction/ /dissatisfaction judgment.

CONCEPTUAL FRAMEWORK

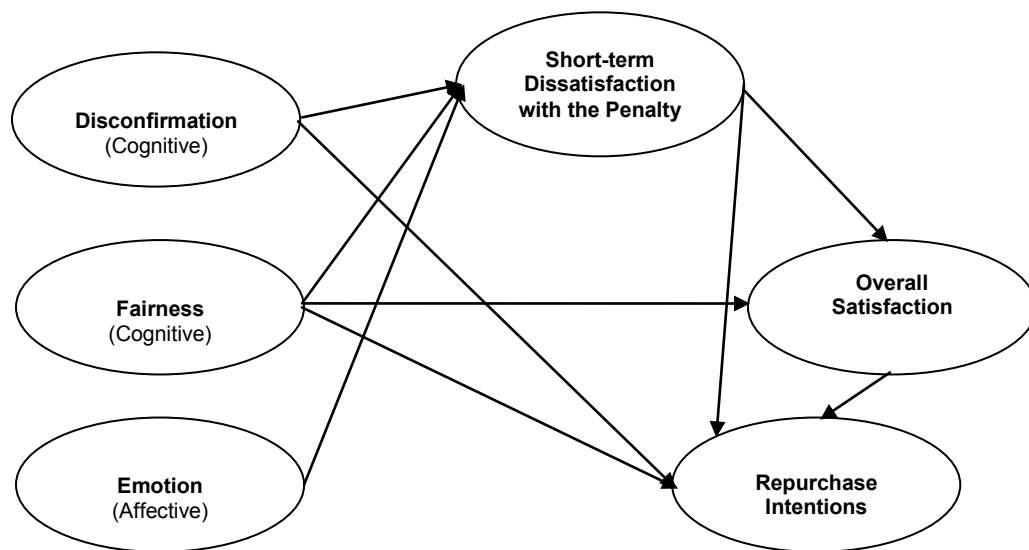
The study first examines impacts of cognitive versus affective antecedents on different types of satisfaction judgments as shown in Figure 1. Next, differences between customer groups are examined. The different weights of transaction-specific evaluations versus global evaluation (overall satisfaction) on repurchase intentions are expected based on the customer group. Also, global evaluation (overall satisfaction) is expected to operate differently for the different customer groups. The different evaluation processes will suggest that companies will have to use different strategies in dealing with different type of customers.

Match between Input and Output

The differential effects of cognitive versus affective (emotion) antecedents on different types of satisfaction judgment may exist due to their different nature. Emotion, which is based on a specific event, is a short-term input to evaluation and is expected to have a more significant impact on short-term output (transaction-specific satisfaction) than long-term output (overall satisfaction). On the other hand, cognitive antecedents (e.g., disconfirmation, fairness) because they usually involve cognitive processes encompassing information processing, systematic thinking, and analyzing, are considered long-term input to evaluation and are likely to have a significant impact not only on short-term output (penalty-specific satisfaction) but also long-term output (overall satisfaction and behavioral intentions). For example, a customer who is upset about an incident may continue the relationship with the company because a decision to switch is usually based on a more rational ground (which requires cognitive processing) than emotion. Prior research supports this view that the effect of short-term input to evaluation (emotion) is more pronounced in short-term output (transaction-specific satisfaction) than long-term output (overall satisfaction) (Alford and Sherrell 1996; Smith and Bolton 2002). In other words, match between input and output is likely to occur. Smith and Bolton (2002) in their study on service failure and recovery showed that emotion explains more variances in transaction-specific satisfaction than overall satisfaction. They concluded "*customers' emotional responses more strongly "color" their transaction-specific evaluations than overall satisfaction judgments (p. 18).*" Similarly, Alford and Sherrell (1996) found that affect associated with the provider has no significant direct effect on repurchase intentions. The study

shows that the influence of affect on repurchase intentions is mediated through perceptions of performance and satisfaction judgment. In other words, the effect of emotion does not carry over beyond transaction-related satisfaction judgment. This may be more so when customers have a strong prior relationship with the company and are less responsive to the effect of one poor service episode. These previous studies suggest that emotion plays an important role but the effect can be fully mediated through penalty-specific satisfaction judgment in affecting overall satisfaction and repurchase intentions. On the other hand, cognitive antecedents are considered having a significant direct effect on overall satisfaction as well as an indirect effect through transaction-specific satisfaction. As discussed earlier, cognitive antecedents usually require customers to be involved (e.g., systematic thinking), and global evaluation (overall satisfaction) is likely to be influenced by this type of antecedent (cognitive). Therefore, it is anticipated that cognitive antecedents will have a significant influence on overall satisfaction even after accounting for the effect of transaction-specific satisfaction.

Figure 1: Antecedents and Outcomes of Consumer Penalty Evaluation



Impacts of cognitive versus affective antecedents on different types of satisfaction judgments.

In sum, this study expects that cognitive antecedents, which are long-term inputs to evaluation, will have a significant influence on long-term outputs (overall satisfaction and behavioral intentions) in addition to their direct impact on transaction-specific satisfaction. On the other hand, the effect of emotion, a short-term input to evaluation, will be more pronounced in short-term output (that is transaction-specific satisfaction) than long-term output (i.e., overall satisfaction and behavioral intentions). More specifically, the study hypothesizes that the influence of emotion on overall satisfaction and behavioral intentions will be completely mediated by the influence of transaction-specific satisfaction judgment. On the other hand, the influence of cognitive antecedents on overall satisfaction and behavioral intentions will be partially mediated by transaction-specific satisfaction judgment.

H1: The impact of affective antecedent (emotion) on overall satisfaction and behavioral intentions to repurchase will be completely mediated by transaction-specific satisfaction (penalty-related satisfaction).

H2: The impacts of cognitive antecedents (disconfirmation, fairness) on overall satisfaction and behavioral intentions to repurchase will be partially mediated by transaction-specific satisfaction (penalty-related satisfaction).

Cooperative versus Rebellious Customers and Their Responses

One of the important research questions to be asked is which type of customer satisfaction (i.e., transaction-specific satisfaction vs. overall satisfaction) is more predictive of customer's future behavioral intentions such as intentions to repurchase. Since overall satisfaction is more similar to attitude toward an organization, it is *generally* considered more predictive of behavioral tendencies (e.g., repurchase intentions) than transaction-specific judgments based on one incident (Jones and Suh 2000; Yi and La 2004). Prior research (Yi and La 2004) suggests that the roles of transaction-specific satisfaction and overall satisfaction may differ based on the type of customers and the quality of relationship customers have with the company. For example, Yi and La (2004) showed that loyal customers are less influenced by a current transactional experience than non-loyal customers and suggested that loyal customers' satisfaction judgment involves two aspects; one regarding the current transaction and the other related to accumulated experiences. On the other hand, non-loyal customers' satisfaction judgment mainly involves transaction-related evaluation. Based on prior research, this study views that cooperative customers (i.e., willing to be compliant), who are likely to have already developed a positive relationship with the organization will be less reliant on one negative service episode in determining their behaviors (e.g., intentions to repurchase). For them, the aggregated experiences will have a more significant influence on their behavioral intentions to repurchase. On the other hand, customers who are rebellious and unwilling to comply with the company's rules will be easily influenced by a negative service incident because they haven't had an opportunity to develop emotional bond with the company, and, thus, overall satisfaction will have a relatively small role in influencing their behaviors (e.g., repurchase intentions). These rebellious customers will be easily subject to the effect of a negative episode. Thus, the following hypotheses are proposed:

H3: For cooperative customers, overall satisfaction will explain more variances in repurchase intentions than transaction-specific evaluations (disconfirmation, fairness, emotion, dissatisfaction).

H4: For rebellious customers, transaction-specific evaluations (disconfirmation, fairness, emotion, and dissatisfaction) will explain more variances in repurchase intentions than overall satisfaction.

Different Mediating Role of Overall Satisfaction

Prior research suggests that overall satisfaction mediates the relationship between service attributes and behavioral intentions of repurchase, and the role of overall satisfaction may differ based on the type of customers and their relations with the company (Garbarino and Johnson 1999). For example, Garbarino and Johnson (1999) showed that trust and commitment are two major mediators of the relationship between repurchase intentions and service attributes for customers with a stronger relation with the company (e.g., consistent subscribers to a theater). On the other hand, for customers with a weaker relation with the company (e.g., occasional subscribers to a theater), overall satisfaction was the mediator. The study suggests that overall satisfaction plays a different role based on the type of customers and the quality of the relationship customers have with the company.

As discussed before, overall satisfaction is expected to mediate the relationship between transaction-specific satisfaction and repurchase intentions. However, the role of overall satisfaction as a mediator may differ depending on the type of customers. Because overall satisfaction is expected to play a more important role than transaction-specific satisfaction for cooperative customers, overall satisfaction is expected to fully mediate the relationship between transaction-specific satisfaction and behavioral intentions, wiping out the direct effect of transaction-specific satisfaction on repurchase intentions. In other words, the effect of transaction-specific satisfaction will be completely mediated through the effect of overall satisfaction because these customers tend to rely heavily on overall satisfaction in determining their future behaviors. On the other hand, overall satisfaction is expected to have a partial mediating

effect on behavioral intentions for rebellious customers. Because these customers tend to weigh heavily the experience of a negative episode (transaction-specific satisfaction), a direct effect of transaction-specific satisfaction on behavioral intentions is expected even after controlling for the effect of overall satisfaction. Thus, the following hypotheses are proposed.

H5: Overall satisfaction will fully mediate the relationship between transaction-specific satisfaction and repurchase intentions for cooperative customers.

H6: Overall satisfaction will partially mediate the relationship between transaction-specific satisfaction and repurchase intentions for rebellious customers.

RESEARCH METHODOLOGY

Sample and Data Collection

Data were collected using cross-sectional survey on customers of various service organizations. Emails requesting participation in the study were sent out to members of two separate organizations that supported the study. The first group was an organization that had approximately 10,000 members who were interested in swing dance. The second group was an MBA program of a university in the northeast region of the U.S., which regularly communicated to its members (about 250--many of them were full-time workers) via email. Participants were invited to visit the website where the online survey was available. Small incentives (e.g., shoes, book store gift certificate) that were relevant to each participant group were promised in the electronic cover letter to increase the response rate. Follow-up emails were sent out two weeks after the initial email.

The critical incident technique was employed in the survey questionnaire design so that customers' evaluation of a recent penalty based on their own experience could be captured. The instruction part of the survey offered definition of penalty used for the study and various kinds of penalties that occur commonly in the service industry to aid respondents to recall a recent penalty incident. The first section of the survey included questions such as type of service (e.g., hotel, banking, etc.), type of penalty (e.g., cancellation fee, overdraft fee, restocking fee) and penalty amount. These questions were used as warm-up questions as well as filter questions. Few open-ended questions were used to ask respondents to describe the particular circumstance and their responses (e.g., emotion). A battery of structured questions related to evaluations of the penalty (e.g., fairness, disconfirmation) included questions related to fairness, disconfirmation, emotion, dissatisfaction with the penalty, overall satisfaction, and behavioral intentions. Finally, demographic questions were offered.

The numbers of responses from the first group (amateur dancers' group) and second group were 141 and 74, respectively, resulting in 1.4% and 30% response rates. After discarding unusable or unqualified responses, the final sample amounted to 201. In order to check for nonresponse bias especially for the first group, respondents were divided into two groups: early respondents that represent the average respondent and late respondents that represent the average non-respondent. Comparison of the characteristics of the two groups (e.g., demographic profiles) and their evaluations of the penalty using some key variables showed no significant difference between the two groups, suggesting no evidence of nonresponse bias. Also, to check for any potential problem with pooling the data between the two separate groups (MBA students and dance group members), key variables (e.g., fairness, emotion) were compared. There was no evidence that these two groups were different in terms of how they evaluate penalties.

Of the final sample of 201 respondents, 68% were female, and the average age was 35. The median household income was in the category of \$45,000-\$64,999. The most frequent penalties (e.g., late payment fee) occurred in the credit card industry representing 37% of the cases, followed by the banking

industry (16%), the airline industry (12%), video rental (6%), and hotel industry (3.5%). The penalty amount ranged from \$2 to \$450, with the average of \$29.

Measures

Items were generated based on the scales used in previous studies. Table 1 shows a summary of the items used for the study and reports Cronbach's alpha coefficients for measure reliabilities and factor loadings. Disconfirmation was measured with three items. It was measured by asking respondents to rate their subjective evaluations of disconfirmation. The three items, anchored by "much worse than expected" and "much better than expected" were adapted from Oliver (1980) and Prakash (1984) and used to directly measure the difference between expectations and performance. Perceived fairness was measured with five items related to three types of justice--two distributive justice related items, two interactional justice items and one procedural justice item. The items were adapted from the studies of Smith, Bolton, and Wagner (1999) and Tax, Brown, and Chandrashekar (1998). The seven-point scale items were anchored by 'strongly disagree' and 'strongly agree.'

Negative emotion was measured with three affective items that were considered relevant to the penalty situation. The three affective attributes adapted from Liljander and Strandvik (1997) and Richins (1997) were 'angry,' 'frustrated,' and 'irritated.' Respondents were asked to rate the level of emotions elicited in association with the organization's penalty assessment. The items on a seven-point scale were anchored by "very little" and "very much." In order to measure transaction-specific satisfaction, three items were used. The items measured outcome, process, and interaction aspects of the penalty administration. The measures were adapted from Babin and Griffin (1998), Bitner and Hubbert (1994), and Oliver and Swan (1989). Because penalties are negative in nature and are likely to elicit negative responses, the measures were anchored by 'not at all dissatisfied' and 'very dissatisfied.' Overall satisfaction with the organization was measured by asking respondents to rate their overall satisfaction with the organization. Respondents were directed to think about all incidents (including the penalty situation) to evaluate their overall judgments of the organization. One item anchored by 'very dissatisfied' and 'very satisfied' was used to measure overall satisfaction. Even though using a single item measure for a construct is not ideal, using it for a well-established construct seemed beneficial because it reduces the length of the survey questionnaire. Behavioral intentions to repurchase were measured with one item, anchored by 'not at all likely' and 'very likely.'

A series of pretests was performed to improve the questionnaire design. The survey was pretested with a convenience sample of nine participants using the concurrent "think-aloud" pretest method (Bolton 1993; Bolton and Bronkhorst 1990), a sample of 70 undergraduate students using the pencil and paper survey method, and a sample of eight respondents using the online survey method. All multiple items were subjected to reliability analysis. Cronbach's alpha coefficients were obtained, and they ranged from 0.79 to 0.84, suggesting reliabilities of the measures. In order to examine discriminant validity among the constructs, correlation coefficients were obtained for comparison with reliabilities of the scales. Table 2 shows correlation matrix and descriptive statistics of the variables. None of the correlations between any constructs was higher than the reliabilities of the scales, suggesting evidence of discriminant validity (Churchill 1979). A confirmatory factor analysis was also conducted on the pair of measures to examine whether the model constraining the measures to be the same (i.e., perfectly correlated) is significantly different from the unconstrained model (i.e., correlations allowed to be free). If the chi-square difference is significant, evidence of discriminant validity is indicated (Rust, Moorman, and Dickson 2002). Table 3 shows the results of the chi-square difference tests, suggesting evidence of discriminant validity.

Table 1: Scale Items Used for the Measures

Construct and Item Measures	Factor Loadings
Disconfirmation (DISC) 7-point scale anchored by 'much worse than expected' and 'much better than expected'	$\alpha = 0.82$
DISC1—The penalty that I received was:	0.79
DISC2—The organization's handling of the penalty was:	0.86
DISC3—Overall, the organization's penalty practice was:	0.92
Fairness (FAIR) 7-point scale anchored by 'strongly disagree' and 'strongly agree'	$\alpha = 0.79$
FAIR1—The penalty that I received was fair.	0.71
FAIR2—I feel the amount of the penalty was right.	0.68
FAIR3—The organization showed adequate flexibility in responding to customers' different situations.	0.79
FAIR4—They gave me the courtesy I was due.	0.78
FAIR5—Their level of concern for my situation was appropriate.	0.71
Emotion (EMO) 7-point scale anchored by 'very little' and 'very much'	$\alpha = 0.80$
The following questions are about how you felt about the penalty and the way the penalty was administered.	
EMO1--Angry	0.86
EMO2--Frustrated	0.86
EMO3--Irritated	0.82
Short-term Dissatisfaction with the Penalty (DISS) 7-point scale anchored by 'not at all dissatisfied' and 'very dissatisfied'	$\alpha = 0.84$
DISS1—How did you feel about the organization during this particular incident?	0.88
DISS2—How did you feel about the penalty amount?	0.87
DISS3—How did you feel about the way the penalty was administered?	0.86
Overall Satisfaction (OVSAT) 7-point scale anchored by 'very dissatisfied' and 'very satisfied'	N/A
OVSAT--How do you feel overall about the organization?	
Behavioral Intentions to Repurchase (REPINT) 7-point scale anchored by 'not at all likely' and 'very likely'	N/A
REPINT—I would continue the relationship with the organization.	

This table shows scale items used for the measures. α is Cronbach's Alpha Coefficient. $\alpha > 0.70$ is considered acceptable.

Table 2: Correlation Matrix and Descriptive Statistics of the Variables

	(1)	(2)	(3)	(4)	(5)	(6)
Mean	3.40	3.21	4.89	4.78	4.25	4.86
S.D.	1.24	1.56	1.82	1.79	1.81	2.27
(1)DISC	1.00					
(2)FAIR	0.70*	1.00				
(3)EMO	-0.44*	-0.48*	1.00			
(4)DISS	-0.58*	-0.66*	0.65*	1.00		
(5)OVSAT	0.51*	0.58*	-0.37*	-0.51*	1.00	
(6)REPINT	0.56*	0.55*	-0.41*	-0.53*	0.70*	1.00

This table shows correlation coefficients between variables and descriptive statistics. * $p < 0.01$

Table 3: Chi-Square Difference Test for Discriminant Validity of the Measures

	Constrained χ^2	(df)	Unconstrained χ^2	(df)	$\Delta\chi^2$	(df)
DISC vs. FAIR	245.92	20	211.40	19	34.52*	(1)
DISC vs. EMO	153.80	9	16.71	8	137.09*	(1)
DISC vs. DISS	127.67	9	22.18	8	105.49*	(1)
FAIR vs. EMO	245.68	20	148.79	19	96.89*	(1)
FAIR vs. DISS	218.07	20	184.48	19	33.59*	(1)
EMO vs. DISS	50.05	9	10.92	8	39.13*	(1)

This table shows the results of Chi-Square difference test and provides evidence of discriminant validity of the measures. * $p < 0.01$

A confirmatory factor analysis was conducted on the pair of measures to examine whether the model constraining the measures to be the same is significantly different from the unconstrained model.

RESULTS

Differences between Cooperative and Rebellious Customers

In order to test some hypotheses (H3-H6), the sample was median-split into two groups based on their compliance intentions (measured by an item, "I would try to comply with the organization's policies to avoid a penalty in the future."). Customers with a higher level of compliance intentions were labeled as

“cooperative,” while those with a lower level of compliance intentions were labeled as “rebellious.” Thus, the cooperative customer group comprised customers who were willing to comply with the company’s rules in the future and they exhibited positive evaluations of the company as shown in Table 4. On the other hand, the rebellious customer group consisted of people who were unwilling to comply even after the punishment event (i.e., penalty). These customers tend to show more negative evaluations of the company and the penalty incident.

Table 4 summarizes differences between the two customer groups. Cooperative customers are found to have significantly higher means in the measures of positive disconfirmation, perceived fairness, overall satisfaction, and repurchase intentions ($p < 0.05$). On the other hand, rebellious customers have higher means in negative emotion ($p > 0.1$) and dissatisfaction ($p < 0.05$). Two variables that were not included for modeling were found to be significant based on the t tests: age and frequency of penalties (“How often are you penalized by organizations in general?” anchored by ‘very rarely’ and ‘very frequently.’). Rebellious customers tend to be younger than their counterparts and perceive they are more frequently penalized. Interestingly, these customers refuse to modify their behaviors even after frequent punishment events, thus, labeled as “rebellious.”

Table 4: Independent Samples T Test between the Two Customer Groups

Variable	Group	N	Mean	S.D.	t	d.f.	Sig. (2-tailed)
Frequency of penalties	Rebellious	71	2.24	1.54	2.99	108 ^(a)	**
	Cooperative	129	1.63	1.06			
Age	Rebellious	71	33.01	9.70	2.63	164 ^(a)	**
	Cooperative	129	37.02	11.35			
Disconfirmation	Rebellious	71	3.10	1.09	2.57	198	*
	Cooperative	129	3.56	1.28			
Fairness	Rebellious	71	2.68	1.42	3.72	198	**
	Cooperative	129	3.51	1.56			
Emotion	Rebellious	71	5.03	1.64	0.85	164 ^(a)	n.s.
	Cooperative	129	4.80	1.92			
Dissatisfaction with the penalty	Rebellious	71	5.19	1.66	2.44	198	*
	Cooperative	129	4.56	1.84			
Overall Satisfaction	Rebellious	71	3.77	1.78	2.84	195	**
	Cooperative	129	4.52	1.78			
Repurchase Intentions	Rebellious	71	3.99	2.31	4.19	198	**
	Cooperative	129	5.34	2.12			

*This table shows the results of Independent Samples T test between the two customers groups. * $p < 0.05$ ** $p < 0.01$*

(a) Based on assumption of non-equal variances

(b) Rebellious and cooperative customers show differences in all variables except Emotion.

(b)

Testing of the Structural Model

The hypothesized structural model was tested using Lisrel for path analysis. The results are reported in Table 5. The overall model fit is excellent (chi-square 0.84 with $df=2$, $p=0.65$; root mean squared error of approximation (RMSEA)=0.00; goodness-of-fit index (GFI)=0.998; comparative fit index (CFI)=1.00; normed fit index (NFI)=0.998; adjusted goodness-of-fit index (AGFI)=0.985). All paths except for the path from perceived fairness to repurchase intentions are significant, and the path coefficients are in the same directions as expected. Overall, the model fits the data very well and variances of dependent variables are well explained by the predictors used in the model as shown in squared multiple correlations (dissatisfaction=0.59; overall satisfaction=0.39; repurchase intentions=0.57).

Hypothesis 1 is concerned with the influence of emotion on different types of satisfaction judgments and predicted that the impact of emotion on overall satisfaction and repurchase intentions (long-term outputs) will be completely mediated by transaction-specific satisfaction judgment. In other words, no direct effect of emotion on overall satisfaction or repurchase intentions was expected. A chi-square difference

test was conducted by comparing the model with a direct path from emotion to overall satisfaction or repurchase intentions against the model without it. The test results show that emotion does not have a significant direct effect on these two long-term output variables, supporting Hypothesis 1. Hypothesis 2 predicts the influences of cognitive antecedents on overall satisfaction and repurchase intentions will be partially mediated by transaction-specific satisfaction judgment. Unlike emotion, cognitive antecedents are expected to have direct influences on long-term outputs. The test result shows that disconfirmation has a significant influence on overall satisfaction and repurchase intentions. However, perceived fairness has no significant influence on repurchase intentions. Therefore, Hypothesis 2 is not supported.

Table 5: Results of Path Analysis

Relationships	Cooperative Group Path Coefficient	Rebellious Group Path Coefficient	Entire Group Path Coefficient
DISC → DISS	-0.11	-0.19**	-0.13**
FAIR → DISS	-0.33***	-0.41***	-0.37***
EMO → DISS	0.43***	0.43***	0.42***
DISC → OVRSAT	0.22**	-0.03	0.15*
FAIR → OVRSAT	0.39***	0.19	0.36***
DISS → OVRSAT	-0.14	-0.36**	-0.19**
DISC → REPINT	0.12	0.37***	0.21***
FAIR → REPINT	0.09	-0.22*	0.00
DISS → REPINT	-0.10	-0.24**	-0.15**
OVRSAT → REPINT	0.55***	0.49***	0.52***
Overall Model Fit Indices			
χ^2	0.61, p=0.73	1.82, p=0.40	0.84 (df=2), p=0.65
GFI	1.00	1.00	1.00
AGFI	0.98	0.91	0.99
RMSEA	0.00	0.00	0.00
NFI	1.00	1.00	1.00
CFI	1.00	1.00	1.00
Squared multiple correlations for:			
Dissatisfaction with the penalty	0.54	0.68	0.59
Overall satisfaction	0.44	0.25	0.38
Repurchase Intentions	0.57	0.56	0.57

*This table shows the results of path analysis. Standardized path coefficients are reported. * $p < 0.10$ ** $p < 0.05$ *** $p < 0.01$*

Hypotheses 3 and 4 predict that the weights of transaction-specific evaluations and global evaluation (overall satisfaction) on repurchase intentions will be different depending on the type of customers and that global evaluation (overall satisfaction), as compared to transaction-specific evaluations, will have a greater (less) influence on repurchase intentions for cooperative (rebellious) customers. To test hypotheses 3 and 4, the sample was median-split into two groups based on their compliance intentions (low versus high). The proposed model was tested on the two customer groups to examine the weights of the effects of transaction-specific evaluations vs. global evaluation on repurchase intentions. Transaction-specific evaluations included not only penalty-related satisfaction judgment (dissatisfaction with the penalty) but also disconfirmation, perceived fairness and emotion as they are specifically related to the penalty incident.

Table 6 shows the direct, indirect, and total effects of transaction-specific evaluations vs. global evaluation (overall satisfaction) on repurchase intentions. The indirect effects were calculated as a multiplicative sum of the magnitude of sequential beta weights, a method commonly used in previous studies for path analysis (Lages and Lages 2005; Moorman, Zaltman and Deshpande 1992). For example, to measure the indirect effect of disconfirmation via dissatisfaction with the penalty on repurchase intentions, the betas of -0.11 and -0.1 were multiplied to equal 0.01. The total effect is obtained by simply adding the magnitude of direct effect and indirect effect. As expected, overall satisfaction plays a more significant role in repurchase intentions than transaction-specific evaluations do for cooperative

customers (total effect: 0.55 for overall satisfaction vs. 0.26 for transaction-specific evaluations measured in absolute value). On the other hand, rebellious customers tend to rely on transaction-related evaluations more heavily in determining their behavioral intentions of repurchase than overall satisfaction (total effect: 0.86 for transaction-specific evaluations measured in absolute value vs. 0.49 for overall satisfaction).

Table 6: Effects of Independent Variables on Repurchase Intentions

Independent Variables	Cooperative Group			Rebellious Group		
	Direct Effects (1)	Indirect Effects (2)	Total Standardized Effects (1) + (2)	Direct Effects (1)	Indirect Effects (2)	Total Standardized Effects (1) + (2)
Transaction-Specific Evaluations						
DISC	0.12	0.01	0.13	0.37	0.05	0.42
FAIR	0.09	0.03	0.12	-0.22	0.10	-0.12
EMO	n/a	-0.04	-0.04	n/a	-0.10	-0.10
DISS	-0.1	n/a	-0.1	-0.24	n/a	-0.24
Global Evaluation						
OVSAT	0.55	n/a	0.55	0.49	n/a	0.49

Indirect effects were obtained by multiplying the standardized coefficients of the paths involved. Because this study intends to compare the weights of transaction-specific evaluations versus global evaluation (overall satisfaction), the indirect effects of transaction-specific evaluations do not consider the effect through overall satisfaction. For example, the indirect effect of disconfirmation on repurchase intentions through overall satisfaction is not included for the comparison purpose.

In order to test hypotheses 5 and 6 regarding the mediating effect of overall satisfaction between transaction-specific satisfaction judgment and repurchase intentions, a chi-square difference test was conducted separately for the two customer groups. The chi-square difference score was obtained by subtracting the chi-square value of the full model from the chi-square value of the model without the direct path from transaction-specific satisfaction judgment to repurchase intentions. A significant difference score will suggest that adding the direct path (from the transaction-specific satisfaction to repurchase intentions) to the model is significantly different from the model without the path and that overall satisfaction does not fully mediate the relationship between the two variables. On the other hand, a non-significant score will mean adding a direct path does not increase explained variances and that overall satisfaction fully mediates the relationship.

The results show that for cooperative customers overall satisfaction fully mediates the impact of transaction-specific satisfaction on repurchase intentions (chi-square difference score associated with the direct path from DISC to REPINT, 2.12 (df=1) $p > 0.1$, FAIR to REPINT 0.94 (df=1) $p > 0.1$, DISS to REPINT, 2.24 (df=1) $p > 0.1$). The study found that overall satisfaction is a partial mediator for rebellious customers. The chi-square difference scores were significant (difference score associated with the direct path from DISC to REPINT, 10.25(df=1) $p < 0.01$, FAIR to REPINT, 3.1 (df=1) $p < 0.1$, DISS to REPINT, 4.01 (df=1) $p < 0.05$), suggesting adding direct paths from transaction-specific satisfaction to repurchase intentions significantly increased explained variances. These results support hypotheses 5 and 6 that overall satisfaction plays a different mediating role for the two customer groups. Overall satisfaction is found to fully (partially) mediate the relationship between transaction-specific satisfaction and repurchase intentions for cooperative customers (rebellious customers). Table 7 shows the summary of statistical tests.

Table 7: Summary of Tests

Hypothesis	Description of Test	Results
Hypothesis 1: Transaction-specific satisfaction as a full mediator between affective antecedent and overall satisfaction (or repurchase intentions) <i>Supported</i>	Chi-square difference test comparing the model with the direct path from affective antecedent to overall satisfaction (or repurchase intentions) against the model without it	Full mediator
Hypothesis 2: Transaction-specific satisfaction as a partial mediator between cognitive antecedents and overall satisfaction (or repurchase intentions) <i>Not Supported</i>	Chi-square difference test comparing the model with the direct paths from cognitive antecedents to overall satisfaction (or repurchase intentions) against the model without it	Partial mediator for disconfirmation but a full mediator for fairness
Hypothesis 3: Total effect of overall satisfaction > total effect of transaction-specific evaluations on repurchase intentions for cooperative customers <i>Supported</i>	Total effect as a sum of direct effect and indirect effect using a path analysis (sub-group analysis)	Overall satisfaction has a greater impact (0.55 vs. 0.26)
Hypothesis 4: Total effect of transaction-specific evaluations > total effect of overall satisfaction on repurchase intentions for rebellious customers <i>Supported</i>	Total effect as a sum of direct effect and indirect effect using a path analysis (sub-group analysis)	Transaction-specific evaluations have a greater impact (0.86 vs. 0.49)
Hypothesis 5: Overall satisfaction as a full mediator between transaction-specific satisfaction and repurchase intentions for cooperative customers <i>Supported</i>	Chi-square difference test comparing the model with the direct path from transaction-specific satisfaction to repurchase intentions against the model without it	Full mediator
Hypothesis 6: Overall satisfaction as a partial mediator between transaction-specific satisfaction and repurchase intentions for rebellious customers <i>Supported</i>	Chi-square difference test comparing the model with the direct path from transaction-specific satisfaction to repurchase intentions against the model without it	Partial mediator

This table shows the results of hypothesis testing. All hypotheses but Hypothesis 2 are supported.

DISCUSSION

Implication for Measurement

The results of the study suggest that both overall satisfaction and transaction-specific satisfaction be included and measured in a customer evaluation study to capture the dynamic relationship among different types of evaluations and behavioral intentions. The findings of the study support that the two different types of satisfaction can be identified and measured separately, and that they play different roles in the prediction of repurchase intentions for different types of customers (cooperative vs. rebellious customers). Studies (Bitner and Hubbert 1994; Jones and Suh 2000) in the past indicated that global evaluation (overall satisfaction) is a stronger predictor of behavioral intentions than transaction-specific evaluations and they were not clear about the conditions in which transaction-specific evaluations or global evaluation (overall satisfaction) can have a greater influence on repurchase intentions. Comparison of the weights of the influences of transaction-specific evaluations and global evaluation (overall satisfaction) on repurchase intentions for two different types of customers revealed that customers weigh these two types of evaluations differently. Cooperative customers tend to weigh global evaluation more heavily than transaction-specific evaluations in determining their repurchase intentions. This offers an identification of an important condition in which the weights of transaction-specific evaluations and global evaluation are different in their predictions of repurchase intentions. In addition, the finding of the study suggests that global evaluation (overall satisfaction) plays a different mediating role for different types of customers. A chi-square difference test was conducted by hypothesizing that overall satisfaction is a full mediator only for cooperative customers and not for rebellious customers. The result supporting the hypothesis indicates a limiting condition, in which overall satisfaction is a full or partial mediator by showing overall satisfaction acts differently for different types of customers.

One interesting finding regarding the different types of satisfaction was that affective response (i.e., emotion) has a different relationship with overall satisfaction and repurchase intentions than cognitive response. Based on prior research (Alford and Sherrell 1996; Smith and Bolton 2002), affective response

(emotion) was expected to have no direct effect on overall satisfaction or repurchase intentions. This was tested by comparing two models with or without direct paths from emotion to overall satisfaction and repurchase intentions. The result showed that the effect of affective response is mediated through the influence of transaction-specific satisfaction and that there is no direct effect of affective response on overall satisfaction or repurchase intentions. This finding supports previous studies suggesting that affective responses make unique contributions to the explanation of the variances in behavioral intentions (albeit indirectly) and they should be measured and treated differently from cognitive responses. Even though many researchers (Dube 1990; Liljander and Strandvik 1997; Smith and Bolton 2002) recently started investigating the role of emotion in satisfaction judgment, very little is known about its differential influence on transaction-specific satisfaction, overall satisfaction, and behavioral intentions. The finding of this study unravels the interesting characteristics of affective response in its relationship with different types of satisfaction and behavioral intentions.

Managerial Implication

Consistent with previous studies (Alford and Sherrell 1996; Smith and Bolton 2002), this study showed differential effects of cognitive and affective (emotion) responses on overall satisfaction and repurchase intentions and affective response having a greater effect on transaction-specific satisfaction than on overall satisfaction. The finding that the effect of emotion on overall satisfaction or repurchase intentions is mediated through transaction-specific satisfaction suggests that companies may have an opportunity to recover and furthermore retain emotionally stricken customers when the company recovers well from the penalty incident. Companies' recovery efforts should entail proper handling of these emotional customers so that the effect of their negative emotion does not permeate through the behavioral consequences (e.g., switching). Unlike emotion (affective response), disconfirmation, a cognitive response, has a direct effect on repurchase intentions in addition to its indirect effect through transaction-specific satisfaction and overall satisfaction. The significant direct effect of disconfirmation suggests that companies should manage customer expectations. In order to manage and adjust customers' expectations, it is necessary for companies to review their penalty policies carefully and reduce the prevailing gap, if any, between what the penalty policy entails and what customers know about the policy. Oftentimes, ineffective communication involving the use of fine prints in print materials or fast talk on TV or radio commercials is the major blame for the gap.

The study shows differential effects of transaction-specific evaluations and overall satisfaction on repurchase intentions exist for different types of customers. The results suggest that rebellious customers are more sensitive to a negative penalty episode than cooperative customers are and effective management of penalty experiences for these customers is crucial for customer retention. For example, one (rebellious) customer in this study mentioned in response to an open-ended question that:

"It was my first offense. I am always on time with my payments and have been a loyal customer for several years. Life happens. I'm going through a lot of personal challenges to include taking care of my grandfather with Alzheimer, finishing a nasty divorce hearing, looking for a place to live, taking 7 courses to complete my masters and working 2 part time jobs. Everything happened at once. I graduated and left for a quick trip and forgot to mail my bill. I tried to call the company after I returned a day after the due date, but he just said there was nothing he could do. So, I am cashing in my flyer miles and closing a 6 year account because of \$30."

This upset customer refused to modify his behavior that brought about the penalty and made a decision to terminate the relationship, becoming a rebellious (defecting) customer.

On the other hand, cooperative customers exhibit a higher level of resistance to the effect of one negative penalty experience as they tend to rely more on accumulated positive experiences they have had over time. For example, one cooperative customer mentioned in the study:

“The bank’s policies are simple--pay on time and you don’t get charged. My loan payments are quite large and this fee is only a small fraction of my payments. I borrowed a large amount of money to run my business and the bank deserves to have that money repaid promptly. I love my bank and this incident would not change my attitude. I will be better next time”

As shown in this quote, some customers who have had a great relationship with a company would not let one penalty episode change their opinion or attitude toward the company. Thus, it is deemed necessary for companies to adapt their strategies based on the type of customers especially with regard to customer education and communication messages. It will be advantageous for companies to center customer education programs such as “how to avoid penalties in the first place” around rebellious customers because these customers seem easily affected by a penalty episode. Yet, weighing the benefits of serving vs. churning these customers is important (depending on the company’s purpose of using penalties) because rebellious customers tend to continue their course of action even after a penalty incident. Based on the finding that rebellious customers have little desire to modify their behaviors even after frequent punishment events, it is reasonable to assume that punishment alone does not keep these crime-prone customers from engaging in another crime. In addition to the education program, offering positive incentives (rewards as opposed to punishments) for good behaviors could be beneficial for this type of customers. For example, some rental companies offer a financial incentive (discount) for returning the rental before the due date to promote good customer behavior.

The study shows that rebellious customers tend to be younger than their counterparts and put themselves in a penalty situation more frequently. Interestingly, these customers exhibit low level of intent to comply with the company’s rules in the future and they will probably remain as repetitive offenders without the company’s involvement. Thus, in order to help rebellious customers break away from recidivism, companies may want to proactively offer a marketing program that helps customers avoid a penalty situation in the first place. In the banking industry, for example, many companies offer a program that prevents customers from facing an overdraft penalty situation by linking a savings account to a checking account so that a fund is transferred automatically from the savings account to the checking account when a non-sufficient fund situation arises. The efforts to promote this type of marketing program should be addressed more heavily to rebellious customers.

CONCLUDING COMMENTS

This study examined different types of antecedents and their influences on different types of satisfaction judgments and behavioral intentions. It also examined how customers respond to penalties differently based on their relationship with the company. Using cross-sectional survey on customers of various service organizations, the study found that customers weigh transaction-specific and global evaluations differently based on their relationship with the company. Cooperative customers tend to weigh overall satisfaction (global evaluation) more heavily than transaction-specific evaluations. On the other hand, rebellious customers weigh transaction-specific evaluations more heavily than overall satisfaction. The findings suggest that companies should be more careful with dealing with rebellious customers because they are more easily affected by a negative incident than their counterparts are. This has an implication for market segmentation strategy since customers exhibit different responses to penalties.

Even though using multiple-item scales is desirable, it is sometimes unavoidable to use single-item scales due to the constraint in the length of questionnaire. This study used a single-item measure for overall satisfaction as well as the measures for customer compliance intent and repurchase intent. Future studies may want to develop and use multiple-item scales for these constructs. This study found the differences between cooperative and rebellious customers in terms of their evaluations of the penalty and the company. An interesting question that needs to be answered is what makes some customers cooperative versus rebellious (e.g., personal trait). Qualitative study may be helpful for delving into this issue.

REFERENCES

- Adams, J. S. (1965), "Inequity in Social Change," in *Advances in Experimental Social Psychology*, Vol. 2, ed. Leonard Berkowitz, New York Academic Press, 267-299.
- Ahluwalia, Rohini, Burnkrant, Robert E., and Unnava, H. Rao. (2000), "Consumer Response to Negative Publicity: The Moderating Role of Commitment," *Journal of Marketing Research*, 37(May), 203-214.
- Alford, Bruce L. and Sherrell, Daniel L. (1996), "The Role of Affect in Consumer Satisfaction Judgments of Credence-Based Services," *Journal of Business Research*, 37(1), 71-84.
- Antia, Kersi D. and Frazier, Gary L. (2001), "The Severity of Contract Enforcement in Interfirm Channel Relationships," *Journal of Marketing*, 65(Oct), 67-81.
- Babin, Barry J. and Mitch Griffin (1998), "The Nature of Satisfaction: An Updated Examination and Analysis," *Journal of Business Research*, 41, 127-136.
- Bies, R. J., and J. S. Moag (1986), "Interactional Communication Criteria of Fairness," in *Research in Organizational Behavior*, ed. R. J. Lewicki, B. H. Sheppard, and M. H. Bazerman, Greenwich, CT:JAI Press.
- Bitner, Mary Jo and Amy R. Hubbert (1994), "Encounter Satisfaction Versus Overall Satisfaction Versus Quality," in *Service Quality: New Directions in Theory and Practice*, ed. Roland T. Rust and Richard L. Oliver, Sage Publications, 72-94.
- Bolton, Ruth N. (1993), "Pretesting Questionnaires: Content Analyses of Respondents' Concurrent Verbal Protocols," *Marketing Science*, 12(3), 280-303.
- _____ and Bronkhorst, Tina M. (1990), "General Services Questionnaire: Pretest Results," *GTE Laboratories Technical Memorandum* 0253-03-90-420.
- Bowman, Douglas, Heilman, Carrie M., and Seetharaman, P.B. (2004), "Determinants of Product-Use Compliance Behavior," *Journal of Marketing Research*, 41(Aug), 324-338.
- Butterfield, Kenneth D., Trevino, Linda K. and Ball, Gail A. (1996), "Punishment From the Manager's Perspective: A Grounded Investigation and Inductive Model," *Academy of Management Journal*, 1479-1512.
- Churchill, Gilbert A. (1979), "Paradigm for Developing Better Measures of Marketing Constructs," *Journal of Marketing Research*, 16(February), 64-73.
- Deutsch, Morton (1975), "Equity, Equality, and Need: What Determines Which Value Will Be Used as the Basis of Distributive Justice?," *Journal of Social Issues*, 31(3), 137-149.
- Dube, Laurette (1990), "The Power of Affective Reports in Predicting Satisfaction Judgments," in *Advances in Consumer Research*, 17. Eds. Marvin E. Goldberg, Gerald Gorn, and Richard W. Pollay. 571-576.
- Garbarino, Ellen and Johnson, Mark S. (1999), "The Different Roles of Satisfaction, Trust, and Commitment in Customer Relationships," *Journal of Marketing*, 63(April), 70-87.

Homans, George C. (1961), *Social Behavior: Its Elementary Forms*, Harcourt, Brace & World.

Houston Chronicle, (2006), Houston Chronicle, October 12, p.2.

Jones, Michael A. and Suh, Jaebeom (2000), "Transaction-specific Satisfaction and Overall Satisfaction: an Empirical Analysis," *Journal of Services Marketing*, 14(2), 147-159.

Kim, Young "Sally" K. and Amy K. Smith (2005), "Crime and Punishment: Examining Customers' Responses to Service Organizations' Penalties," *Journal of Service Research*, 8(2), 162-180.

Kumar, Nirmalya, Scheer, Lisa K. and Steenkamp, Jan-Benedict E.M. (1998), "Interdependence, Punitive Capability, and the Reciprocation of Punitive Actions in Channel Relationships," *Journal of Marketing Research*, 35 (May), 225-235.

LaBarbera, P.A., and Mazursky, D. (1983), "A Longitudinal Assessment of Consumer Satisfaction/Dissatisfaction: The Dynamic Aspect of Cognitive Process," *Journal of Marketing Research*, 20(November), 393-404.

Lages, Carman and Lages, Luis Filipe (2005), "Antecedents of Managerial Public Relations: A Structural Model Examination," *European Journal of Marketing*, 39(1/2), 110-128.

Liljander, Veronica and Strandvik, Tore (1997), "Emotions in Service Satisfaction," *International Journal of Service Industry Management*, 8(2), 148-169.

McCarthy, Michael S. and Fram, Eugene H. (2000), "An Exploratory Investigation of Customer Penalties: Assessment of Efficacy, Consequences, and Fairness Perceptions," *Journal of Services Marketing*, 14(6), 479-501.

Moorman, Christine, Zaltman, Gerald, and Deshpande, Rohit (1992), "Relationships between Providers and Users of Market Research: The Dynamics of Trust within and between Organizations," *Journal of Marketing Research*, 29(3), 314-328.

Oliver, Richard (1980), "A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions," *Journal of Marketing Research*, 17, 460-469.

_____ and Swan, John E. (1989), "Consumer Perceptions of Interpersonal Equity and Satisfaction in Transactions: A Field Survey Approach," *Journal of Marketing*, 53(April), 21-35.

Prakash, Ved (1984), "Validity and Reliability of the Confirmation of Expectations Paradigm As a Determinant of Consumer Satisfaction," *Journal of the Academy of Marketing Science*, 12(4), 63-76.

Richins, M. L. (1997), "Measuring Emotions in the Consumption Experience," *Journal of Consumer Research*, 24 (September), 127-146.

Rust, Ronald T., Moorman, Christine, and Dickson, Peter R. (2002), "Getting Return on Quality: Revenue Expansion, Cost Reduction, or Both?," *Journal of Marketing*, 66(4), 7-24.

Smith, Amy K. and Bolton, Ruth N. (1998), "An Experimental Investigation of Customer Reactions to Service Failure and Recovery Encounters: Paradox or Peil?," *Journal of Service Research*, 1(1), 64-81.

_____ and _____ (2002), "The Effect of Customers' Emotional Responses to Service Failures on Their Recovery Effort Evaluations and Satisfaction Judgements," *Journal of the Academy of Marketing Science*, 30(1), 5-23.

_____, _____, and Wagner, Janet (1999), "A Model of Customer Satisfaction with Service Encounters Involving Failure and Recovery," *Journal of Marketing Research*, 36, 356-372.

Taylor, Valerie A. and Bower, Amanda, B. (2004), "Improving Product Instruction Compliance: "If You Tell Me Why, I Might Comply," *Psychology & Marketing*, 21(3), 229-245.

Tax, Stephen S., Brown, Stephen W., and Chandrashekar, Murali (1998), "Customer Evaluations of Service Complaint Experiences: Implications for Relationship Marketing," *Journal of Marketing*, 62(April), 60-76.

Thibaut, J. and Walker, L. (1975), *Procedural Justice: A Psychological Analysis*, Hillsdale, NJ: Erlbaum.

Westbrook, Robert A. (1980), "Interpersonal Affective Influences upon Consumer Satisfaction with Products," *Journal of Consumer Research*, 7(June), 49-54.

Wirtz, Jochen and Bateson, John E. G. (1999), "Consumer Satisfaction with Services: Integrating the Environment Perspective in Services Marketing into the Traditional Disconfirmation Paradigm," *Journal of Business Research*, 44(1), 55-66.

Yi, Youjue and La, Suna. (2004), "What Influences the Relationship Between Customer Satisfaction and Repurchase Intentions? Investigating the Effects of Adjusted Expectations and Customer Loyalty," *Psychology & Marketing*, 21(5), 351-373.

Yu, Yi-Ting and Dean, Alison (2001), "The Contribution of Emotional Satisfaction to Consumer Loyalty," *International Journal of Service Industry Management*, 12(3), 234-250.

BIOGRAPHY

Young "Sally" Kim is Associate Professor of Marketing at the Harry F. Byrd Jr., School of Business at Shenandoah University. To contact her, send an email at ykim2@su.edu.