

# JUSTICE, EMOTIONS AND SATISFACTION IN COMPLAINT BEHAVIOR IN SERVICES

ALBERTO URUEÑA

*Universidad Politécnica de Madrid  
Dept. Business Administration  
C/José Gutiérrez Abascal 2, 28006 Madrid, Spain  
alberto.uruenaa@upm.es*

ANTONIO HIDALGO

*Universidad Politécnica de Madrid  
Dept. Business Administration  
C/José Gutiérrez Abascal 2, 28006 Madrid, Spain  
ahidalgo@etsii.upm.es*

## Abstract

This study proposes a marketing approach to service recovery (SR) models in order to help to explain what factors affect cumulative satisfaction, loyalty and word-of-mouth following complaint behavior. The model has its base on the definition of perceived justice and its influence on satisfaction with service recovery (SSR) and on emotions (positive and negative). Trust acts as a central construct in the model, receiving influence from the affective and cognitive aspect and mediating the relationship between SSR and cumulative satisfaction and between positive/negative emotions and loyalty. The sample for this study consists of 303 Spanish B2C-EC users who made a complaint after an electronic transaction. Results from the analysis show the influence of perceived justice –mainly interactional justice and procedural justice– on SSR, and the relevance of positive emotions as a key factor in SSR processes, in contrast to the major role which negative emotions have traditionally played in these models. Furthermore, trust mediates the relation between SSR and cumulative satisfaction, and is the factor which has a higher influence on loyalty, whilst cumulative satisfaction becomes the more relevant factor affecting WOM.

*Keywords:* service recovery, B2C, trust, emotions, justice, satisfaction.

## 1. Introduction

Despite the big efforts from companies in order to provide high quality services, providing an error-free service is impossible. Errors may frequently cause dissatisfaction in customers, which in turn may lead to complaint behaviors. Therefore, the actions that a service provider takes to respond to service failures and the process by which the company attempts to rectify the failure, known as service recovery (SR) (Kelley and Davis, 1994), becomes a critical moment for the interaction between consumer and companies, a chance to lower dissatisfaction occurs and reinforcing the somehow damaged relationship with the customer is beneficial (Gustafsson, 2009).

Several studies demonstrate that lower perceived satisfaction occurs from customers when they receive a service than when they receive a product. One of the main reasons behind this fact is the co-participation, in many cases, of the customer in the providing of a service, a situation that offers a greater possibility of error introduction due to the intervention of the human element.

Historically, early research studies dealing with the characterization of SR after a complaint behavior have focused in applying the theory of justice to SR. Maxham and Netemeyer (2002) analyze, in one of these early studies, the effects of distributive justice, procedural justice and interactional justice over satisfaction with service recovery (SSR). Then, other authors (Menon and Dubé, 2004; Schoefer and Ennew, 2005; Smith and Bolton, 2002) claim the relevance of affective and emotional factors –and not only of cognitive components– after a complaint behavior. Nevertheless, the research on the influence of emotions in SR is scarce at the present time (Rio-Lanza et al., 2009). Chebat and Slusarczyk (2005), study the effects of justice in emotions and loyalty. DeWitt et al. (2008) study the effects of perceived justice on emotions –both positive and negative– and trust, and how these impact in attitude and loyalty behavior.

This study seeks to explore in greater depth the factors which have an impact on service recovery, including constructs such as perceived justice, emotional response (positive and negative), satisfaction with service recovery (SSR) and the consequent changes that arise in behavior (cumulative satisfaction, word-of-mouth, or WOM, and loyalty. In order to do so, the research introduces a new element –trust–, which has a high relevance after a service failure, and its role as a mediator between emotions and loyalty, and –at the same time– between SSR and cumulative satisfaction.

## **2. Theoretical Considerations**

### **Perceived justice**

Adams' theory of perceived justice (Adams, 1963) has become a highly effective tool to study individuals' reactions in complaint behavior (Rio-Lanza et al., 2009; Konovsky, 2000; Maxham, 2001). According to this theory, a person perceives what a work situation gives him in relation to what he contributes to it, and he then compares the ratio between the effort made and the result obtained compared to another person who performed the same activity.

Some studies make no distinction between the different dimensions of perceived justice (Chiu et al., 2010), or do not analyze all three components of perceived justice –distributive, procedural and interactional– (Oliver and Swan, 1989). However, other researchers (Smith et al., 1999) recommend including all three components in research on SR. In this study, justice is a second order formative indicator, comprising of procedural justice, informational justice and interpersonal justice

### **The effects of distributive, procedural and interactional justice on SSR**

Distributive justice (DJ) are the tangible resources which the company devotes to correct and compensate for a service failure, including monetary compensation, exchanging the item or service, discounts for future purchases and discount coupons (Smith et al.1999; Mattila,

2001). Procedural justice (PJ) includes the processes and methods required to address an SR (Mattila, 2001), including the choice of the most suitable process to resolve a problem (Kim et al., 2009). Interactional justice (IJ) refers to the way in which customers have experienced justice in their interaction with company employees during the service recovery process (McCull-Kennedy, 2001). This concept includes customers' perception of employees' empathy, respect, politeness, courtesy, sensitivity in the way they treat customers, the way in which they apologise and the efforts they make to resolve the problem. Therefore, **H1**. Justice has a positive influence on SSR.

### **Justice and emotions**

Using the affect control theory (ACT) (Heise, 1979), Chebat and Slusarczyk (2005) assert that individuals experience emotions and become involved in behaviors that are in line with the impressions and feelings they experience with the SR depending on the level of perceived justice. Not many studies analyse the reactions of the emotional effects to justice and a large part of those that do are experimental designs, measuring the reaction caused in a manipulated situation (Chebat and Slusarczyk, 2005). The results show that low levels of perceived justice correspond to high levels of negative emotions and low levels of positive emotions.

In their research, Río-Lanza et al. (2009) report that the DJ and IJ dimensions do not have a significant influence on negative emotions. DeWitt et al. (2008) study the influence of perceived justice (without differentiating between IJ, PJ, and DJ) on positive and negative emotions and find that there is greater influence on positive emotions. Chebat and Slusarczyk (2005) analyze the effect of the dimensions of justice on emotions. These authors declare that all three dimensions of perceived justice have a significant effect on negative emotions and that IJ and DJ affect positive emotions. DJ has more impact on positive emotions than on negative emotions. Schoefer and Ennew (2005) find that all three dimensions of justice have a significant effect.

Therefore, **H2**. Justice has a negative effect on negative emotions. **H3**. Justice has a positive influence on positive emotions

### **Satisfaction**

Satisfaction occurs when the services received when using a product or service surpass the expectations held prior to use; that is, when there is a confirmation of the expectations (Oliver et al., 1997; Oliver, 1980). There are two types of satisfaction described in the scientific literature: satisfaction with a specific transaction and cumulative satisfaction. Many research studies have focused on satisfaction after a specific process –for example, a SR– (Río-Lanza et al., 2009; Karatepe, 2006; Yi, 1990).

When the provision of services satisfies the consumers, they have a motivation to transmit their experience to others via WOM communication (Mangold and Miller, 1999). There is experimental and empirical proof of this relationship between satisfaction and WOM (Hutchinson et al., 2009). However, it is essential to take cumulative satisfaction into account in a SSR model whose purpose is to provide information about consumer attitudes and behaviors, since although the result of a specific transaction (for example, a service recovery)

may not be satisfactory, the cumulative transactions taken as a whole could entail an increase in overall satisfaction and, furthermore, provide with a broader perspective on consumer behavior (Maxham and Netemeyer, 2002).

Therefore, **H4**. Cumulative satisfaction has a positive effect on WOM

## **Trust**

Trust is as a set of beliefs in the benevolence, competence and integrity of the other party (Doney and Cannon, 1997). The establishment and maintenance of relationships between customers and providers are, to a large degree, determined by trust (Blau, 1964). Trust is an essential ingredient for creating satisfied and loyal customers in e-commerce (Ratnasingham, 1998). Satisfactory experiences with service providers go on to create greater levels of trust which will exert an influence on long-term relationships (Genesan, 1994). In a SSR context, customer trust reflects how willing the customers are to accept their vulnerability, expecting a positive solution in case of service failure (Dunn and Schweitzer, 2005). In the event that a customer receives an unwanted response to his or her complaint, he will lose trust in the organisation (DeWitt et al., 2008).

Loyalty is the intention to have repeated dealings with a provider over a period of time, with a favourable attitude on the part of the purchaser (Keller, 1993). Loyalty entails a reluctance to change provider and a willingness to pay more (Shankar et al., 2003). Trust plays a fundamental role in developing loyalty, and this is also true in online environments (Pitta et al., 2006; Kim et al., 2004). Trust is the most important factor in order for consumers to consolidate their purchases with an online vendor. If you want to gain consumers' loyalty, you must first gain their trust (Reichheld et al., 2000). Additionally, the spatial and temporal separation between purchasers and sellers in B2C-EC means that trust is a key factor in maintaining loyalty (Chiu et al., 2010).

In addition, trust has a positive influence on the purchaser-vendor relationship even if trust is already beneficial (Selnes, 1998). In SR, if there is satisfaction, trust means that the customer can generate positive WOM towards the company, thus providing good references (Kim et al., 2009). Previous studies confirm the positive relationship between SSR and trust (Kim et al., 2009) and find that trust is a strong predictor of satisfaction in online environments (Gummerus et al., 2004; Harris and Goode, 2004).

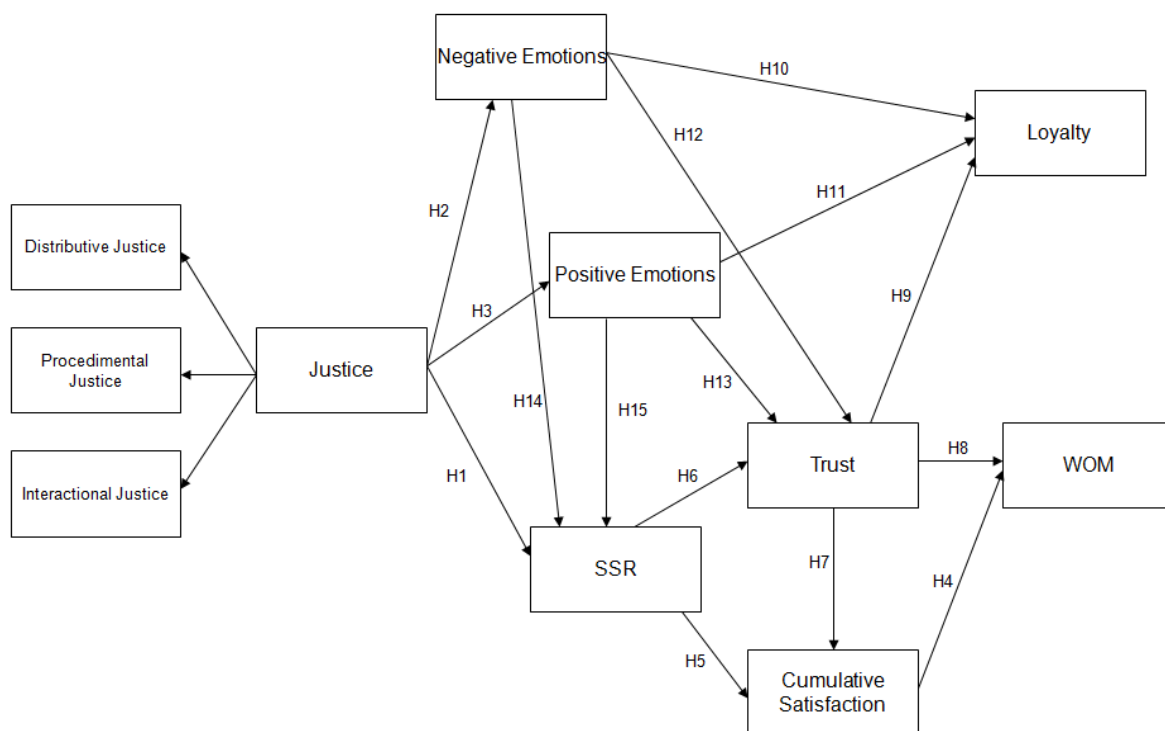
Trust not only has not only a direct impact on loyalty but also an indirect influence through cumulative satisfaction. Trust is a critical antecedent of building relationships between buyer and seller (Sirdeshmukh et al., 2002; Verhoef et al., 2002). In any relationship of this kind, consumers' trust evaluations before a specific transaction has a direct influence on their post purchase satisfaction (Singh and Sirdeshmukh, 2000). In the context of electronic commerce, where trust may act as a trigger to initiate a transaction, this relationship may also prove true. Customers perceive a higher level of risk with online retailers than traditional retailers in terms of delivery, payment medium and terms, information disclosure, etc. Therefore, B2C-EC customers may prefer to buy from online retailers they can trust (Singh and Sirdeshmukh, 2000). In previous studies, trust has proved a strong predictor of satisfaction in online environments (Gummerus et al., 2004; Harris and Goode, 2004).

Therefore, **H5**. SSR influences positively cumulative satisfaction. **H6**. SSR influences positively consumer trust. **H7**. Trust has a positive influence on cumulative satisfaction. **H7a**. Trust has a mediation role on the relation between SSR and cumulative satisfaction. **H8**. Trust has a positive influence on WOM. **H9**. Trust has a positive influence on loyalty.

### Emotions and loyalty. Emotions and trust

The affect control theory (ACT) allows approaching the influence of emotions on loyalty. When consumers experience inadequate service recovery, they will express their emotions and act in a way which enables them to regain their own identity (Chebat and Slusarczyk, 2005). The emotions experienced by customers as a result of the perceived justice have an effect on loyalty (DeWitt et al., 2008). In the context of a service recovery with a positive result an individual will remain loyal to the provider. If negative emotions arise then the customer may become disloyal or may unsubscribe from the service (DeWitt et al., 2008).

Emotions play an important role in building trust. Positive emotions enable individuals to make the “leap of faith” to move from feelings to beliefs (Andersen and Kumar, 2006). **H10**. Negative emotions have a negative influence on loyalty. **H11**. Positive emotions have a positive influence on loyalty. **H12**. Negative emotions generated in a SR process have a negative influence on trust. **H13**. Positive emotions generated in a SR process have a positive influence on trust. **H14**. Negative emotions generated in a SR process have a negative influence on SSR. **H15**. Positive emotions generated in a SR process have a positive influence on SSR. The model in Figure 1 summarizes the research hypotheses.



**Figure 1.** Proposed model

### **3. Methodology**

An online questionnaire on a gross sample of 2100 Internet users from the Spanish population who made purchases through B2C-EC tested and validated the proposed model, with 303 valid responses from people who had made a complaint after a B2C-EC transaction. All those surveyed responded to the questionnaire. The socio-demographic characteristics of the sample are as follows: 66.7% men and 33.3% women; 13.9% are individuals of ages between 16 and 24, 26.4% are between 25 and 34, 49.8% between the 35 and 49 age bracket, 9.2% between 50 and 64 years old and the remaining 0.7% are between 65 and 74 years old. With regard to their employment status, 13.2% are self-employed, 60.4% are employees, 7.9% are unemployed, 3% are retired, 10.9% are students and 4.7% belong to other categories of unemployed. 4.3% have completed primary/compulsory education, 38.3% secondary education, 46.9% higher education studies and 10.6% have completed postgraduate studies.

The items in the final survey –see Appendix A– have their source in previous studies. All of the indicators are reflective except perceived justice, which has a formative nature.

### **4. Results**

Partial Least Squares (PLS) is a technique which allows to perform analysis of combined reflective and formative indicators in the same model, and therefore considered as the most appropriate for this research; this type of analysis is not possible with other covariance-based modeling techniques (Esposito, Chin, Henseler and Wang, 2010; Chin, 2010; Wold, 1982). PLS-Graph version 3.00 build 1130 helped to perform the data analysis.

#### **Reliability and validity of the scales**

In order to analyze the measurement model, a requirement is to test single-item reliability for reflective indicators measuring the factor loadings of the latent variable indicators, which should present a factor loading greater than 0.707 (Hair et al., 1998), although loadings of 0.5-0.6 may be acceptable in preliminary phases (Chin, 1998). In this case, all the factor loadings exceed 0.90, except one of the loyalty indicators whose value (0.79) exceeds the lower limit by a wide margin (Nunnally, 1978). From these results, all indicators were valid in this stage.

Next, this method requires –for reflective indicators– a composite reliability analysis, a Cronbach's alpha measurement and an analysis of the average variance extracted from the constructs, which should be greater than 0.7, 0.7 and 0.5, respectively, as recommended by several authors (Hair et al., 1998; Fornell and Larcker, 1981). In this case, the values for composite reliability were above 0.92 and the average variance extracted (AVE) was above 0.8 (see Table 1).

**Table 1.** Descriptive statistics and correlation matrix

|         | Composite reliability | Cronbach's Alpha | AVE  | Mean (STD)  | P_Em        | N_Em        | SSR         | WOM         | LOY         | JUSTICE | TRST        | SAT         |
|---------|-----------------------|------------------|------|-------------|-------------|-------------|-------------|-------------|-------------|---------|-------------|-------------|
| P_Em    | 0.96                  | 0.96             | 0.89 | 3.64 (1.92) | <b>0.93</b> |             |             |             |             |         |             |             |
| N_Em    | 0.97                  | 0.95             | 0.91 | 3.97 (2.05) | -0.6        | <b>0.95</b> |             |             |             |         |             |             |
| SSR     | 0.98                  | 0.97             | 0.89 | 4.05 (1.94) | 0.79        | -0.63       | <b>0.94</b> |             |             |         |             |             |
| WOM     | 0.97                  | 0.96             | 0.93 | 4.89 (1.47) | 0.33        | -0.28       | 0.41        | <b>0.96</b> |             |         |             |             |
| LOY     | 0.92                  | 0.87             | 0.8  | 4.07 (1.74) | 0.62        | -0.5        | 0.7         | 0.48        | <b>0.89</b> |         |             |             |
| JUSTICE | -                     | -                | -    | 4.02 (1.91) | 0.68        | -0.56       | 0.8         | 0.33        | 0.61        | -       |             |             |
| TRST    | 0.96                  | 0.91             | 0.92 | 4.39 (1.6)  | 0.6         | -0.47       | 0.65        | 0.53        | 0.64        | 0.6     | <b>0.96</b> |             |
| SAT     | 0.98                  | 0.93             | 0.89 | 5.10 (1.44) | 0.23        | -0.25       | 0.37        | 0.7         | 0.47        | 0.3     | 0.52        | <b>0.94</b> |

Discriminant validity test (Table 1) was obtained from average variance extracted (AVE) analysis; that is, the average shared variance between a construct and its measurement scales, which must be greater than the shared variance between the construct and the other constructs in the model (the squared correlation between two constructs). Here, the square root of the AVE is higher than the correlations between the constructs and greater than 0.7 (Fornell and Larcker, 1981) and the correlations between the different constructs is less than 0.79, which confirms that every construct measured is dissimilar to the rest of constructs (Kline, 1998).

To evaluate formative indicators, the examination of the weights provides information about how the indicator contributes to the construct. Weights must not be over any threshold limit (Diamantopoulos and Winklhofer, 2001) (see Table 2). In the case of formative indicators it is necessary to assess multicollinearity, which could lead to unstable results. Results of the variance inflation factor (VIF) show values far from the threshold limit of 10.

**Table 2.** Justice as a formative construct: weights and VIF

| Construct | Code | Weights | VIF |
|-----------|------|---------|-----|
| Justice   | DJ   | 0.43    | 3.7 |
|           | PJ   | 0.93    | 5.0 |
|           | IJ   | 0.93    | 3.6 |

Table 3 shows the result of the construct-to-item loadings and cross-loadings of the reflective measures, with all items exceeding at least 0.79. In addition, the loading of the items over their latent variable is much higher than the loading over the rest of the constructs (Chin, 2010).

**Table 3.** Reflective constructs: factor loadings and cross-loadings

|       | SSR         | N_Em        | P_Em        | TRST        | LOY         | WOM         | SAT         |
|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| SOL1  | <b>0.92</b> | -0.54       | 0.70        | 0.60        | 0.62        | 0.40        | 0.35        |
| SOL2  | <b>0.96</b> | -0.61       | 0.77        | 0.61        | 0.66        | 0.40        | 0.35        |
| SOL3  | <b>0.96</b> | -0.61       | 0.75        | 0.65        | 0.69        | 0.40        | 0.37        |
| SOL4  | <b>0.96</b> | -0.63       | 0.78        | 0.62        | 0.67        | 0.38        | 0.36        |
| SOL5  | <b>0.92</b> | -0.57       | 0.76        | 0.58        | 0.67        | 0.36        | 0.31        |
| EMOC1 | -0.59       | <b>0.97</b> | -0.59       | -0.45       | -0.48       | -0.26       | -0.21       |
| EMOC2 | -0.56       | <b>0.94</b> | -0.52       | -0.45       | -0.47       | -0.32       | -0.30       |
| EMOC3 | -0.64       | <b>0.95</b> | -0.60       | -0.43       | -0.47       | -0.23       | -0.20       |
| EMOC4 | 0.78        | -0.60       | <b>0.99</b> | 0.58        | 0.62        | 0.34        | 0.23        |
| EMOC5 | 0.73        | -0.55       | <b>0.93</b> | 0.56        | 0.57        | 0.28        | 0.20        |
| EMOC6 | 0.73        | -0.52       | <b>0.91</b> | 0.55        | 0.55        | 0.26        | 0.19        |
| TRU1  | 0.61        | -0.42       | 0.57        | <b>0.96</b> | 0.61        | 0.50        | 0.50        |
| TRU2  | 0.64        | -0.47       | 0.57        | <b>0.96</b> | 0.62        | 0.51        | 0.50        |
| LOY1  | 0.49        | -0.30       | 0.43        | 0.47        | <b>0.79</b> | 0.34        | 0.37        |
| LOY2  | 0.67        | -0.46       | 0.61        | 0.60        | <b>0.94</b> | 0.45        | 0.42        |
| LOY3  | 0.69        | -0.54       | 0.59        | 0.63        | <b>0.93</b> | 0.49        | 0.47        |
| WOM1  | 0.40        | -0.26       | 0.32        | 0.50        | 0.47        | <b>0.95</b> | 0.66        |
| WOM2  | 0.37        | -0.28       | 0.30        | 0.49        | 0.44        | <b>0.96</b> | 0.68        |
| WOM3  | 0.40        | -0.28       | 0.33        | 0.53        | 0.47        | <b>0.97</b> | 0.68        |
| SAT1  | 0.27        | -0.12       | 0.13        | 0.46        | 0.37        | 0.63        | <b>0.91</b> |
| SAT2  | 0.42        | -0.32       | 0.29        | 0.52        | 0.49        | 0.65        | <b>0.93</b> |
| SAT3  | 0.34        | -0.25       | 0.20        | 0.48        | 0.46        | 0.67        | <b>0.96</b> |

### Common method bias assessment

As the data on all the variables for this study are self-reported and collected from single respondents, common method bias is possible. A statistical analysis assessed the severity of common method bias in the data. The variances in indicators explained by their principal constructs (average: 0.887) are much larger than those explained by the method factor (average: 0.002). The ratio of principal variance to method variance is about 443:1. The above results show that the method did not contribute substantively to the variances in indicators and, therefore, common method bias was unlikely to be a serious concern for this study.

### Structural model

The evaluation of the structural model consists of a bootstrapping procedure with 500 samples using three indicators: the path coefficients ( $\beta$ ), the t-statistics (see Table 4) and the explained variance ( $R^2$ ) (see Table 5). The path coefficients should be equal to or higher than 0.2 and the explained variance should be greater than or equal to 0.1 (Esposito et al., 2010).



**Table 4.** Supported and non-supported hypotheses: path coefficients ( $\beta$ ) and t-values.

| Hypothesis |                               | $\beta$ | t value |     | Supported |
|------------|-------------------------------|---------|---------|-----|-----------|
| H1         | Justice→SSR                   | 0.35    | 8.90    | *** | ✓         |
| H2         | Justice→Negative Emotions     | -0.51   | 13.70   | *** | ✓         |
| H3         | Justice→Positive Emotions     | 0.63    | 20.37   | *** | ✓         |
| H4         | Cumulative Satisfaction→WOM   | 0.58    | 8.68    | *** | ✓         |
| H5         | SSR→Cumulative Satisfaction   | 0.05    | 0.8     | ns  | ✗         |
| H6         | SSR→Trust                     | 0.46    | 5.28    | *** | ✓         |
| H7         | Trust→Cumulative Satisfaction | 0.49    | 7.62    | *** | ✓         |
| H8         | Trust→WOM                     | 0.22    | 3.32    | *** | ✓         |
| H9         | Trust→Loyalty                 | 0.40    | 6.86    | *** | ✓         |
| H10        | Negative Emotions→Loyalty     | -0.13   | 2.34    | *   | ✓         |
| H11        | Positive Emotions→Loyalty     | 0.30    | 4.35    | *** | ✓         |
| H12        | Negative Emotions→Trust       | -0.06   | 1.03    | ns  | ✗         |
| H13        | Positive Emotions→Trust       | 0.19    | 2.29    | *   | ✓         |
| H14        | Negative Emotions→SSR         | -0.14   | 3.56    | *** | ✓         |
| H15        | Positive Emotions→SSR         | 0.42    | 7.69    | *** | ✓         |

**Table 5.** Model summary:  $R^2$  and  $Q^2$

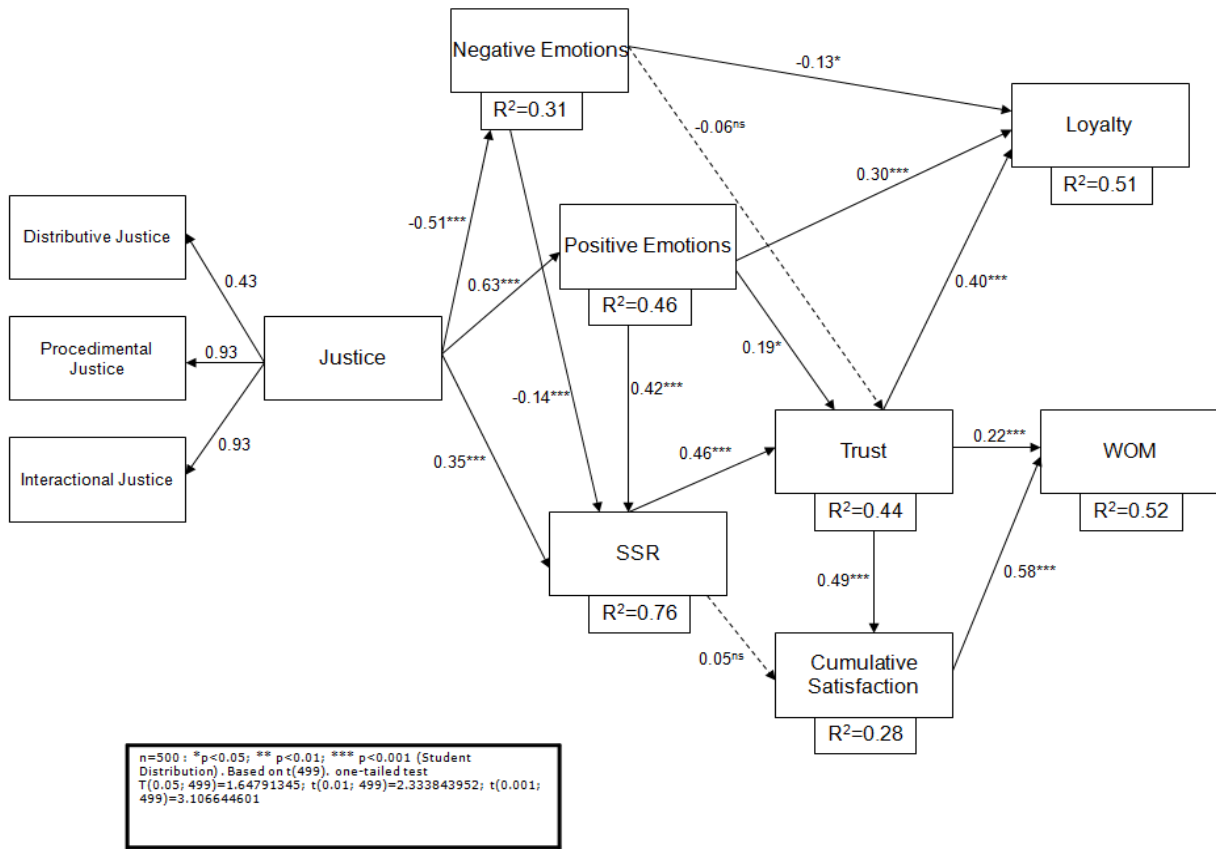
|             | $R^2$ | $Q^2$ |
|-------------|-------|-------|
| <i>P_Em</i> | 0.46  | 0.35  |
| <i>N_Em</i> | 0.31  | 0.13  |
| <i>SSR</i>  | 0.76  | 0.67  |
| <i>WOM</i>  | 0.52  | 0.43  |
| <i>LOY</i>  | 0.51  | 0.35  |
| <i>TRST</i> | 0.44  | 0.33  |
| <i>SAT</i>  | 0.28  | 0.07  |

The  $R^2$  values indicate a good explanation of the model based on the proposed constructs. For the dependent variables, the variance in the explanation of loyalty and WOM are above 50%.  $Q^2$  parameter from the cross-validation test of Stone-Geisser measures the predictive relevance of the model's constructs with a blindfolding procedure (Chin, 1998) and its values ensure the predictive validity of the model ( $Q^2 > 0$  in all cases).

The DJ-Negative emotions, PJ-Positive emotions and negative emotions-trust paths are not significant. The rest of the paths are significant and exceed the limit value of 0.2 in all cases, except in the negative emotions-loyalty, negative emotions-SSR and positive emotions-trust which, with values of -0.13, -0.14 and 0.19, have a weaker impact.

The goodness-of-fit (GoF) index for PLS models (Tenenhaus et al., 2005) assesses the quality of the measurement model and the structural model, with a result of 0.65. Figure 2 shows the results for the model.

**Figure 2.** Results obtained from the research model



## 5. Conclusions and managerial implications

### Contribution to existing research

This study makes a contribution to the scientific research literature on SSR proposing a model that analyzes loyalty and WOM following an SR. To this end, it analyzes the effects of perceived justice –separately in its distributive, procedural and interactional dimensions– on SSR and on emotions. Trust is as a fundamental mediator combining the influence of emotions and of SSR and influencing the marketing variables of attitude and behavior, such as satisfaction –through SSR–, WOM –together with cumulative satisfaction– and loyalty –together with positive emotions–. To the best of the authors’ knowledge, this research pioneers in the study of the influence of emotions on trust in a SR context and in analyzing the dual mediating role of trust on cumulative satisfaction and loyalty. The explanation of the variance in overall satisfaction is 27.5% which is noteworthy as a  $R^2$  greater than 0.10 is considered high in the majority of studies (Gustafsson, 2009) and an explanation of loyalty greater than 50%. The explained variance of SSR is over 73%.

The lower influence of negative emotions on loyalty and trust may have its origin in the problems of Spanish purchasers that state they have had with their online purchases (Urueña, 2009) which subsequently led to the complaint behavior: 59.5% of people who had an incident in 2008, had a bad experience due to logistics issues. Indeed, one out of every four

people affected claimed delays in receiving the product or service. Payment problems were also common, mainly caused by mistakenly being charged twice (9.3%).

Another common problem in online shopping is that the product or service purchased does not match what was offered on the website. Specifically, one out of every three purchasers who experienced some difficulty in their shopping during 2008 cites this problem as the cause. Firstly, 32.7% of the people affected by this problem state that it was a misunderstanding on their part –the product information on the website was correct–. Secondly, consumers reported several other causes with similar percentages: around 30% assert that the online store sent the wrong product and only 15.3% say that the information on the website was incomplete.

Due to the fact that, in many cases, logistical and payment problems have their origin in provider companies who operate under their own trade name, and not handled directly by the B2C-EC platform, these may be situational and beyond the control of the B2C-EC vendor (McCull-Kennedy and Smith, 2006). Customers' misunderstandings in ordering the wrong product may be internal, generating emotions of shame or guilt (McCull-Kennedy and Smith, 2006). Other studies (Smith and Ellsworth, 1985) state that emotions are more intense when the perception of SR is under the direct control of the service provider. Therefore, negative emotions generated towards oneself or towards organizations viewed as separate from the B2C-EC platform have no influence on loyalty and trust towards B2C-EC. In addition, as this is a study on generic B2C-EC, another explanation for the lower influence of negative emotions is that no specific company names have been used. This result emphasizes then the need of taking into consideration positive emotions in SSR processes, since they have a significant influence on loyalty and trust.

### **Managerial implications**

The need to generate positive emotions in a process of complaint, lowering negative emotions is an important aspect for management. Customers are not buying just a product or service from a company; they are buying the total experience around its consideration, purchase, use and service –even the customer service as part of the consumer experience.

A relevant point relates to the implications associated to justice. Firstly, despite the fact that IJ and PJ have more influence on perceived justice, paying sufficient attention to the DJ dimension is also important. PJ has the strongest influence on perceived justice. When a problem appears in a B2C-EC SR, it looks like consumers value positively the company's efforts and procedures to reestablish the service as soon as possible. The existence of a tangible compensation policy does not raise perceived justice considerably.

Although IJ is the “no-cost action” of the dimensions of justice (Chebat and Slusarczyk, 2005; Weiss et al., 1999; DeWitt et al., 2008), a good customer care service is an important investment. If there is a large number of incidents (requests for information, complaints, etc.) it will be difficult to have good IJ when problems arise. Therefore, in the first place it is advisable to get one step ahead of complaints by encouraging customers to give reviews on the products and logistics services, for example. This information, duly processed, can lead to take measures (removing products, providers, etc.) that will help prevent complaint behavior.

Support from senior management is important in order to improve IJ. The active participation of managers in real complaint cases in customer service centers, the existence of complaint, loyalty and satisfactory resolution indicators, and monitoring and studying IJ in real complaint cases will help to involve the whole company in defining and managing SR policies.

Another important aspect is training employees in how to manage customer emotions (especially positive emotions) in a complaint situation through role-playing and techniques to detect emotions in telephone conversations or e-mails while being aware of the difficulties this process entails in an online environment due to the lack of face-to-face interaction with the customer. Providing employees with the technological resources (webcams for videoconferences, for example) that enable them to recognize more accurately customers' emotions and the appropriate training can improve the quality of the interaction.

Finally, generating trust through SSR and positive emotions, with procedures in line with the customer's shopping track record and the problems experienced, with the appropriate information systems, will provide greater loyalty. If a company wishes to generate positive WOM, maximizing as much cumulative satisfaction as possible through SSR and trust is important. Therefore, triggering consumer's trust after a complaint behavior becomes a challenge to B2C-EC companies.

## References

- Adams, JS (1963). Toward an understanding of inequity. *Journal of Abnormal and Social Psychology*, 67(5), 422–436.
- Andersen, PH and Kumar, R (2006). Emotions, trust and relationship development in business relationships: A conceptual model for buyer–seller dyads. *Industrial Marketing Management*, 35, 522-535.
- Bhattacharjee, A (2001). Understanding information systems continuance: An expectation-confirmation model. *MIS Quarterly*, 25, 351-337.
- Blau, PM (1964). *Exchange and power in social life*. New York: Wiley.
- Chebat, JC and Slusarczyk, W (2005). How emotions mediate the effect of perceived justice on loyalty in service recovery situations: an empirical study. *Journal of Business Research*, 58, 664-673.
- Chin, W W (2010). How to write up and report PLS analyses. In *Handbook of Partial Least Squares: Concepts, methods and applications in marketing and related fields*, V. Esposito Vinzi, W. Chin, J. Henseler and H. Wang (Eds.), pp. 655-690. Berlin: Springer.
- Chin, WW (1998). Issues and opinion on structural equation modelling. *Management Information Systems Quarterly*, 22, 1.
- Chiu, CM; Huang, HY and Yen, CH (2010). Antecedents of trust in online auctions. *Electronic Commerce Research and Applications*, 9, 148-159.

DeWitt, T; Nguyen, DT and Marshall, R (2008). Exploring customer loyalty following service recovery. *Journal of Service Research*, 1, 269-281.

Diamantopoulos, A and Winkelhofer, H (2001). Index construction with formative indicators: an alternative to scale development. *Journal of Marketing Research*, 38(2), 269–277.

Doney, PM and Cannon, JP (1997). An examination of the nature of trust in buyer–seller relationships. *Journal of Marketing*, 61, 35–51.

Dunn, JR and Schweitzer, ME (2005). Feeling and believing: The influence of emotion on trust. *Journal of Personality and Social Psychology*, 88, 736-748.

Esposito, VV; Chin, WW; Henseler, J and Wang H. (2010). *Handbook of Partial Least Squares. Concepts, Methods and Applications*. Springer Handbooks of Computational Statistics. New York

Fornell, C and Larcker, DF (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18, 39-50.

Genesan, S (1994). Determinants for long-term orientation in buyer-seller relationships. *Journal of Marketing*, 58, 1-19.

Gummerus, J; Liljander, V, Pura, M and van Riel, A (2004). Customer loyalty to content-based websites: the case of an online health-care service. *Journal of Service Marketing*, 8, 175-186.

Gustafsson, A (2009). Customer Satisfaction with Service Recovery. *Journal of Business Research*, 62, 1220-1222.

Hair, JF; Anderson, RE; Tatham, RL and Black, WC (1998). *Multivariate data analysis* (5th ed.). Englewood Cliffs, New York: Prentice Hall.

Harris, LC and Goode, MM (2004). The four levels of loyalty and the pivotal role of trust: a study of online service dynamics. *Journal of Retailing*, 8, 139-158.

Hutchinson, J; Ley, F and Wang, Y (2009). Understanding the relationship of quality, value, equity, satisfaction and behavioural intentions among golf travellers. *Tourism Management*, 3, 298-308.

Karatepe, OM (2006). Consumer complaints and organizational responses: the effects of complainants' perceptions of justice on satisfaction and loyalty. *Journal of Hospitality and Management*, 25, 69-90

Keller, KL (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57, 1-22.

Kelley, SW and Davis, MA (1994). Antecedents to customer expectations for service recovery. *Journal of the Academy of Marketing Science*, 22, 52-61.

Kim, PH; Ferrin, DL; Cooper, CD and Dirk, K (2004). Removing the shadow of suspicion: the effects of apology versus denial for repairing competence– versus integrity–based trust violations. *Journal of Applied Psychology*, 89, 104-118.

Kim, T; Kim, WG and Kim, H (2009). The effects of perceived justice on recovery satisfaction, trust, word-of-mouth, and revisit intention in upscale hotels. *Tourism Management*, 3, 51-62.

Kline, RB (1998). *Principles and practice of structural equation modeling*. New York: Guilford Press.

Mangold, WG; Miller, F and Brockway, GR (1999). Word-of-mouth communications in the service marketplace. *Journal of Services Marketing*, 13, 73-89.

Mattila, A (2001). The effectiveness of service recovery in a multi-industry setting. *Journal of Services Marketing*, 15, 583-596.

Maxham, JG and Netemeyer, RG (2002). Modeling customer perceptions of complaint handling over time: the effects of perceived justice on satisfaction and intent. *Journal of Retailing*, 78, 239-252.

McColl-Kennedy, JR and Smith, AK (2006). Customer emotions in service failure and recovery encounters. In *Individual and organizational perspectives on emotion management and display volume 2: Research on emotions in organizations*, W. Zerbe, N. Ashkanasy & C. Härtel (Eds.), pp. 237-268. United Kingdom: Emerald Group.

Menon, K and Dubé, L (2004). Service provider responses to anxious and angry customers: different challenges, different payoffs. *Journal of Retailing*, 80(3), 229–237.

Morgan, RM and Hunt, SD (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58, 20-38.

Nunnally, J (1978). *Psychometric Theory (2nd ed)*. New York: McGraw-Hill.

Oliver, RL (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, 17, 460-469.

Oliver, RL; Rust, RT and Varki, S (1997). Customer delight: Foundations, findings, and managerial insight. *Journal of Retailing*, 73, 311-336.

Oliver, RL and Swan, JE (1989). Equity and disconfirmation perceptions as influences on merchant and product satisfaction. *Journal of Consumer Research*, 16(3), 72–83.

Pitta, D; Franzak, F and Fowler, D (2006). A strategic approach to building online customer loyalty. *Journal of Consumer Marketing*, 23, 421-429.

Ratnasingham, P (1998). Trust in web-based electronic commerce security. *Information Management & Computer Security*, 6, 162-166.

Reichheld, FF, Markey, RG and Hopton, CE (2000). Customer loyalty - applying the traditional rules of business for online success. *European Business Journal*, 12, 173-179.

Río-Lanza, AB; Vázquez-Casielles, R and Díaz-Martín, A. M. (2009). Satisfaction with service recovery: Perceived justice and emotional responses. *Journal of Business Research*, 62, 775-781.

Schoefer, K. and Ennew, C. (2005). The impact of perceived justice on consumer emotional responses to service complaints experiences. *Journal of Services Marketing*, 19, 261-270.

Selnes, F (1998). Antecedents and consequences of trust and satisfaction in buyer– seller relationships. *European Journal of Marketing*, 32, 305-322.

Shankar, V; Smith, AK and Rangaswamy, A (2003). Customer satisfaction and loyalty in online and offline environments. *International Journal of Research in Marketing*, 2, 153-175.

Singh, J and Sirdeshmukh, D (2000). Agency and trust mechanisms in consumer satisfaction and loyalty judgments. *Journal of the Academy of Marketing Science*, 28, 150-167.

Sirdeshmukh, D; Singh, J and Sabol, B (2002). Consumer trust, value and loyalty in relational exchanges. *Journal of Marketing*, 66, 15-37.

Smith, AK; Bolton, RN and Wagner J (1999). A model of customer satisfaction with services encounters involving failure and recovery. *Journal of Marketing Research*, 36, 356–72.

Smith, AK and Bolton, RN (2002). The effects of customers' emotional responses to service failures on their recovery effort evaluations and satisfaction judgments. *Journal of the Academy of Marketing Science*, 3, 5–23.

Smith, CA and Ellsworth, PC (1985). Patterns of cognitive appraisal in emotion. *Journal of Personality and Social Psychology*, 48, 813-838.

Tax, SS; Brown, SW and Chandrashekar, M (1998). Customer evaluations of service complaint experiences: Implications for relationship marketing. *Journal of Marketing*, 62, 60-76.

Tenenhaus, M; Esposito Vinzi, V; Chatelin, YM and Lauro, C (2005). PLS path modelling. *Computational Statistics & Data Analysis*, 48, 159-205.

Urueña López, A; Ferrari, A; Valdecasa, E; Ballester MP; Castro, R and Cadenas, S (2011). *Comercio Electrónico B2C 2011*. [Online]. [February 1, 2014].

Verhoef, PC; Franses, PH and Hoekstra, JC (2002). The effect of relational constructs on customer referrals and number of services purchased from multiservice provider: does age of relationship matter?. *Journal of the Academy of Marketing Science*, 3, 202-216.

Yi, Y (1990). A critical review of consumer satisfaction. In *Review of Marketing*, V. A. Zeithaml (Ed.), Chicago: American Marketing Association.

### *Appendix A. Survey items*

| Construct               | Code  | Indicators   | Reference  |
|-------------------------|-------|--|--|
| Distributive Justice    | DJ1   | Taking into account the problems caused and the time lost, the compensation I received from the e-commerce store was acceptable. | Adapted from Río-Lanza et al., 2009; Kim et al., 2009; Maxham and Netemeyer, 2002, Chebat and Slusarczyk, 2005, Tax et al., 1998 |
|                         | DJ2   | The e-commerce store took the appropriate compensation measures to resolve the problem.  |  |
|                         | DJ3   | The efforts made by the e-commerce store were sufficient to offer satisfactory compensation.                                     |  |
|                         | DJ4   | I think that the e-commerce store was quite fair in the compensation to resolve the problem they caused me.                      |  |
|                         | DJ5   | In general, the e-commerce store was able to adequately compensate for the problems I had experienced in service delivery.       |  |
| Procedural Justice      | PJ1   | I think that my problem was resolved properly.   | Adapted from Río-Lanza et al., 2009; Kim et al., 2009; Maxham and Netemeyer, 2002, Chebat and Slusarczyk, 2005, Tax et al., 1998 |
|                         | PJ2   | I think that the e-commerce store has good policies and practices for dealing with problems.                                     |  |
|                         | PJ3   | In spite of the problems caused by the e-commerce store, they were able to respond appropriately.                                |  |
|                         | PJ4   | The e-commerce store showed flexibility in solving the problem.  |  |
|                         | PJ5   | The e-commerce store tried to resolve the problem as soon as possible.   |  |
| Interactional Justice   | IJ1   | The e-commerce store's employees showed an interest in my problem.   | Adapted from Río-Lanza et al., 2009; Kim et al., 2009; Maxham and Netemeyer, 2002, Chebat and Slusarczyk, 2005, Tax et al., 1998 |
|                         | IJ2   | The e-commerce store's employees did everything possible to resolve my problem.  |  |
|                         | IJ3   | The e-commerce store's employees were honest when dealing with my problem.   |  |
|                         | IJ4   | The e-commerce store's employees showed that they had enough authority to resolve the problem.                                   |  |
|                         | IJ5   | The e-commerce store's employees looked after me politely to resolve the problem.  |  |
|                         | IJ6   | The e-commerce store's employees showed an interest in being fair in the solution to the problem.                                |  |
|                         | IJ7   | The treatment and communication with the e-commerce store's employees to resolve the problem were acceptable.                    |  |
| SSR                     | SOL1  | I am satisfied with the resolution of the problem.   | Adapted from Maxham and Netemeyer, 2002; Tax, 1998; Kim et al., 2009   |
|                         | SOL2  | I am satisfied with the way in which my problem was resolved.  |  |
|                         | SOL3  | I am satisfied with the procedure (working method) and resources used to solve the problem.                                      |  |
|                         | SOL4  | In my opinion, the e-commerce store provided a satisfactory solution to my problem.  |  |
|                         | SOL5  | I am satisfied with the solution provided by the company   |  |
| Negative emotions       | EMOC1 | I felt angry with the response to my claim   | Adapted from Río-Lanza et al., 2009; DeWitt, 2008; Chebat, 2005  |
|                         | EMOC2 | I felt offended by the response to my claim  |  |
|                         | EMOC3 | I felt disappointed with the response to my claim  |  |
| Positive emotions       | EMOC4 | I felt happy on receiving the response to my claim   | Adapted from Río-Lanza et al., 2009; DeWitt, 2008; Chebat, 2005  |
|                         | EMOC5 | I felt pleased on receiving the response to my claim   |  |
|                         | EMOC6 | I felt joy on receiving the response to my claim   |  |
| Trust                   | TRU1  | E-commerce stores deserve their customers' trust   | Adapted from Chiu, 2010; DeWitt et al., 2008; Tax, 1998; Kim et al., 2009; Morgan and Hunt, 1994                                 |
|                         | TRU2  | E-commerce stores are honest and keep their promises   |  |
| Loyalty                 | LOY1  | I do not intend to change to one of the e-commerce store's competitors.  | Adapted from DeWitt et al., 2008; Chebat, 2005   |
|                         | LOY2  | I am going to purchase more services from this services company in the future.   |  |
|                         | LOY3  | I am going to visit this e-commerce store again.   |  |
| WOM                     | WOM1  | I am going to recommend e-commerce stores.   | Adapted from Kim et al., 2009; Mattila (2001)  |
|                         | WOM2  | I would be delighted to recommend online shopping to other purchasers.   |  |
|                         | WOM3  | I will recommend using the Internet for shopping to other purchasers.  |  |
| Cumulative Satisfaction | SAT11 | I like shopping over the Internet.   | Adapted from Bhattacharjee, 2001   |
|                         | SAT12 | I am delighted with my experience of Internet shopping.  |  |
|                         | SAT13 | I am satisfied with my decision to shop over the Internet.   |  |



