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Exploring Customers' Reactions to Enforcement of Fine Print

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EXPLORING CUSTOMERS' REACTIONS TO ENFORCEMENT OF FINE PRINT

A Dissertation

by

SUDIPTO SARKAR

Submitted to the Graduate College of
The University of Texas Rio Grande Valley
In partial fulfillment of the requirements for the degree of

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July 2020

Major Subject: Business Administration

EXPLORING CUSTOMERS' REACTIONS TO ENFORCEMENT OF FINE PRINT

A Dissertation
by
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July 2020

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ABSTRACT

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The goal of this dissertation is to investigate the effects of enforcement and/or unenforcement of “Fine Print” on consumers’ reactions. “Fine Print” is defined as both the explicit and implicit conditions under which the product/service contract waives firm responsibility and accountability toward unsuccessful product/service experience, and outcome or lack of customer satisfaction with the same. Study 1 examined the interaction effects between “Fine Print” and “Company Size” on trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth in a retailer context. The results revealed significant interaction effects between “Fine Print” and “Company Size” for satisfaction and repurchase intention, where satisfaction and repurchase intention are higher in case of the large and national company when “Fine Print” is unenforced, compared to when “Fine Print” is enforced. Conversely, satisfaction and repurchase intention are higher in case of small and local company when “Fine Print” is enforced, compared to when “Fine Print” is unenforced.

Study 2 replicated the experimental design of Study 1 to examine the effect of delight as a mediator in a retailer context and found significant indirect effects of delight when fine print is enforced/unenforced.

Study 3 examined the interaction effects between “Fine Print” and “Company Size” in an airline context. Significant two-way interaction effects between “Fine Print” and “Frontline Employee Explanation” were observed for negative word-of-mouth, where negative word-of-mouth was higher when fine print was enforced, and also when frontline employee did not explain the terms and conditions to consumers. Whereas, negative word-of-mouth was higher when fine print was unenforced, and also when frontline employee explained the terms and conditions to consumers.

Study 4 examined the interaction effects between “Fine Print” and “Company Size” on trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth, as well as examined the role of delight as a mediator in a banking context. Significant two-way interaction effects between “Fine Print” and “Frontline Employee Competency” and between “Frontline Employee Sympathy” and “Frontline Employee Competency” were observed for switching intentions and word-of-mouth respectively. The mediating effects of delight were also significant for “Fine Print” and “Frontline Employee Sympathy”.

DEDICATION

The completion of my doctoral studies would not have been possible without the love and support of my family. My mother, Jolly Sarkar, my father, Samir Kumar Sarkar, and my brother, Subham Sarkar, wholeheartedly inspired, motivated and supported me by all means to accomplish this degree. They have always encouraged me in all of my academic endeavors. I would also like to dedicate my doctoral studies to my late grandparents. I am also grateful to my advisor, Dr. Chiquan Guo, who guided and mentored me throughout the dissertation process.

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CHAPTER I

INTRODUCTION

Consumer interest and protection have become important issues in this information age where companies flood consumers with numerous terms and conditions with respect to the use of products and services. Although consumers seem to be aware of the conditions attached to any given product or services, some crucial questions remain: Do consumers trust their products, brands, and service providers in fulfilling their expectations in terms of quality products or services so as to pay little heed to the terms and conditions associated with their offerings? Moreover, what factors would trigger consumers to heed or neglect conditions of product/service use? Or, what would be the consumers' response if they discover anything unexpected compared to their expectations with respect to "terms and conditions" attached to a particular product/service use? In this study, I will explore the reactions from consumers when any unexpected information or facts are disclosed. The disclosure may come as a surprise which might evoke negative emotions. This is the reason that effort will go towards conceptualizing "Fine Print" (FP). The phrase, "Fine Print" can be defined as both the explicit and implicit conditions which are attached with the product/service ownership and/or use.

As consumers, we routinely enter into contracts with providers of goods and services — from credit cards, mortgages, cell phones, insurance, cable TV, and internet services to household appliances, theater and sports events, health clubs, magazine subscriptions, transportation, and more. Since contracts are at the core of the relationship between consumers

and businesses, the design of consumer contracts depends on several forces, which can be related to market forces and consumer psychology. These mass-market contractual obligations between firms and individuals routinely include delivery of a set of terms in fine prints (boilerplate). Sometimes the delivery is online, contained in browsewrap which the recipient will not see unless the consumer clicks on a box that will open another page; and at times the delivery is online with a requirement that the user clicks “I agree,” and it affirms that the consumer has read the terms, even though most likely the consumer has not. Sometimes such contracts consisting of massively delivered fine print are deployed offline in paper documents (Radin, 2016). According to Ben-Shahar (2014), consumers don’t care who writes the terms; they only care how the terms influence their well-being or satisfaction from the product to which the terms are attached. This approach measures the boilerplate phenomenon merely by its effect on consumers’ “payoffs.” What matters is the substance of the deal, its cost to consumers, the ease by which profitable deals are formed, and the opportunities to realize benefits from trade (Ben-Shahar, 2014).

The interaction of market forces and consumer psychology is relevant in this dissertation, as Bar-Gill (2012) states that consumers are imperfectly rational; their decisions and choices are influenced by bias and misperception. Some of these mistakes can be inferred as not reading “Fine Print” or a simple lack of awareness on the consumer’s part. Furthermore, as per Bar-Gill (2012), rational consumers can be expected to predict their future-use patterns fairly accurately, or at least know their own use patterns better than the sellers do. However, disclosure of product-use information is important when consumers are imperfectly rational. It is also true that irrationality is another factor besides rationality that drives human decision-making, and cognitive biases can be attributed towards preventing consumers from making rational decisions (Ariely, 2009). Consumers often have a poor sense of their future use patterns. For example, do

consumers know how much they talk on their cell phones? How many text messages they send and receive? How many megabytes of data they use? Do they know how much they will borrow on their credit cards? But still when it comes to “Fine Print,” both rational and imperfectly rational consumers might not have all the subtle details of “Fine Print,” and this is where consumers can be surprised or emotionally affected by “Fine Print” contents. The fact that contracts are accepted but often unread poses both theoretical and practical problems with their enforcement. The practical problem is that imperfect information about contract terms can lead to efficiency losses from adverse selection and moral hazard and to unfair redistribution of wealth when the parties are surprised by the terms to which they are bound (Katz, 1990).

Significance of the Study

Since consumers not always read their contracts, there remains a possibility that unscrupulous sellers can exaggerate or lie about their products and services while contradicting, qualifying, or disclaiming their assertions in the fine print (Furth-Matzkin & Sommers, 2020; Korobkin, 2013). Unequal bargaining power can also lead to situation-specific monopoly where there is signaling of presence of inefficient terms; that is, sellers provide non-negotiable terms to buyers after price is agreed and buyers have already invested considerable time or money (Korobkin, 2003). Such is the case of Sun Trust Bank vs. Sun International Hotels, Ltd., where a traveler after arriving at the hotel in the Bahamas was asked to sign a form contract that contained a clause mentioning that any litigation between the parties to the contract must take place in the Bahamas (Korobkin, 2003). Obviously, the consumer in that situation was not in a position to look for another hotel, thus making the consumer abide by the contract presented by the hotel. Furthermore, failing to check the fine print leaves consumers in the dark about their rights regarding any business transaction they enter with any businesses, until something goes

wrong as one consumer discovered after purchasing plane tickets just to find that the travel company refunded the payment made, citing that the flights were no longer available at the price paid (Smithers, 2011). The Bureau of Consumer Financial Protection receives several consumer complaints in a given year, and in their Consumer Response 2019 Annual Report, the bureau mentioned that they have received approximately 352,400 consumer complaints in the year 2019, and out of those numbers, 44% was for credit or consumer reporting, and 21% was for debt collection (Bureau of Consumer Financial Protection, 2020). Specifically, in the case of credit or consumer reporting, 69% of those cases were closed by companies with explanation, 20% of the cases were closed with non-monetary relief, and less than 1% of the cases were closed with monetary relief (Bureau of Consumer Financial Protection, 2020). This shows the serious nature of consumer complaints and the resolution thereafter by the companies involving their products and services. Therefore, the issue of fine print is of serious concern for individual consumers and even businesses.

The majority of consumer transactions are governed by standard contracts, and the boilerplate allows sellers to offer one-size-fits-all agreements to a broad base of consumers without having to negotiate terms such as warranties and dispute resolution clauses individually (Marotta-Wurgler, 2010). This makes mass-marketing of goods and services possible and in order to do the same, disclosures in the form of “Fine Print” have to be enacted and delivered to the consumers along with the products and services. Disclosure can be beneficial because, to the extent that consumers respond to disclosure, it improves decision-making, preserves consumer choice, and relies on the market to achieve regulatory goals instead of costly and ill-informed intervention by regulators (Marotta-Wurgler, 2010). Disclosure regulation has been criticized as ineffective due to a belief that disclosure is unlikely to affect purchasing behavior, either because

most consumers will still not read or because they will not understand terms. Advocates of disclosure, however, reply that disclosure regimes can be beneficial even if they do not affect the behavior of most consumers. As long as these regimes increase the number of informed consumers to a critical mass, disclosure will be effective because sellers in sufficiently competitive markets will have an incentive to cater to the needs of these informed buyers and thus confer benefits to the non-readers as well. However, there are cases where consumers had to consent to “Fine Print” at the time of purchasing the products or services. This is where Ben-Shahar (2014) asks, “how can people be obligated to abide by terms that are impossible to know and appreciate in advance? How could such terms match their preferences? Why should baseline legal entitlements be replaced with harsh, one-sided arrangements?” This is where the problem lies as consumers buy the product or the service along with the same contract and seem happy enough. Even if they read the contract, are they going to disregard the unfavorable terms? Are they going to call some semi-automatic “customer service agent” and negotiate? Other than lose the excitement about the deal and maybe walk away from it (to what? A better contract?), there is not much individuals can do (Ben-Shahar, 2008). But a much bigger problem lies in situations where consumers are not happy with the product or service upon using it. Furthermore, another line of argument points towards readability and processability of fine print by consumers; that is, form contracts may be functionally unreadable or at least indigestible for consumers with bounded cognitive capacity (Wilkinson-Ryan, 2014). Wilkinson-Ryan (2014) continued to highlight – distorted risk perceptions, salience biases, and framing effects – as reasons where consumers unlikely read form contracts and even if they do, it is unlikely that they integrate the information into their decision-making process (Eisenberg, 1995). Nevertheless, not knowing one’s contract terms does not excuse a party from liability (Williston & Lord, 2002), thus

making the vast majority of terms of contract enforceable (Wilkinson-Ryan, 2014). The purpose of this dissertation is to examine and evaluate the psychological point of view of consumers when the consequences of “Fine Print” are enforced/unenforced on them.

Organization of the Remaining Chapters

The remaining chapters of this dissertation are organized as follows: Chapter II of this dissertation provides a literature review of studies in the areas of “Fine Print”, typologies of “Fine Print”, and enforcement/lack of enforcement of “Fine Print” in the marketing, consumer behavior, advertising, services, management, legal, and economics literatures along with research questions and research objectives. Since most research in this area is relatively old and the findings are somewhat fragmented, this literature review is intended as background material for the Customers’ Reactions to Enforcement of Fine Print (CREFP) model presented in later chapters.

Chapter III provides the gray area of product/service failure along with a conceptual framework integrating fine print from different product/service industries with outcome variables such as, trust, satisfaction, switching intentions, word-of-mouth, and repurchase intention. Using this foundation, FP is viewed as a conflict between the customer and the organization in which the fairness of (1) the resolution procedures, (2) the interpersonal communications and behaviors, and (3) the outcome of the principal evaluative criteria of the customer could be investigated. Hence, given this base, key elements of relationship marketing (satisfaction, trust, repurchase intention, switching intentions, and word-of-mouth) are examined and incorporated into the framework. This chapter also presents a detailed specification of the fine print model, including a graphical representation of the model. Moreover, this chapter also presents Study 1 and discusses the methodology for the empirical test to validate the fine print model, including descriptions of

the scenarios created for different product/service industries, particularly involving incidents when consequences of FP are enforced and/or unenforced as well as the results of the empirical test. Furthermore, multi-item scales are presented to the respondents in order to test the hypothesized relationships among independent variables and outcome variables. In addition to the above, this chapter also provides a discussion of the results of the empirical test.

Chapter IV provides Study 2 and discusses the methodology for the empirical test to validate the fine print model, including descriptions of the scenarios created for different product/service industries (retailer) , particularly involving incidents when consequences of FP are enforced and/or unenforced as well as the results of the empirical test. Furthermore, multi-item scales are presented to the respondents in order to test the hypothesized relationships among independent variables and outcome variables. In addition to the above, this chapter also provides a discussion of the results of the empirical test.

Chapter V provides Study 3 and discusses the methodology for the empirical test to validate the fine print model, including descriptions of the scenarios created for different product/service industries (airline), particularly involving incidents when consequences of FP are enforced and/or unenforced as well as the results of the empirical test. Furthermore, multi-item scales are presented to the respondents in order to test the hypothesized relationships among independent variables and outcome variables. In addition to the above, this chapter also provides a discussion of the results of the empirical test.

Chapter VI provides Study 4 and discusses the methodology for the empirical test to validate the fine print model, including descriptions of the scenarios created for different product/service industries (bank), particularly involving incidents when consequences of FP are enforced and/or unenforced as well as the results of the empirical test. Furthermore, multi-item scales are

presented to the respondents in order to test the hypothesized relationships among independent variables and outcome variables. In addition to the above, this chapter also provides a discussion of the results of the empirical test.

Chapter VII provides the conclusion containing general discussion of the four studies, research implications, managerial implications, and limitations and future research.

CHAPTER II

REVIEW OF LITERATURE

This chapter reviews conceptual and empirical work that has been done in the areas of fine print and company size. The “Fine Print” topic had been researched primarily by legal literature followed by economics and consumer affairs through consumer contracts (Ayres & Schwartz, 2014; Bakos, Marotta-Wurgler, & Trossen, 2014; Bar-Gill & Epstein, 2007; Bar-Gill, 2012; Bar-Gill, Ben-Shahar, & Marotta-Wurgler, 2017; Ben-Shahar, 2008; Katz, 1990; Radin, 2013a; 2013b) information delivery, notice, communication of contracts, disclosure (Marotta-Wurgler, 2010; Marotta-Wurgler, 2014), consumer protection (Bar-Gill, 2012; Speidel, 1970), consumer product warranty (Priest, 1981; Shuptrine & Moore, 1980; Taylor, 2001; Wilkes & Wilcox, 1976), and consent to fine print (Wilkinson-Ryan, 2014). However, “Fine Print” has been researched through advertising (Kolbe & Muehling, 1995; Lee, Salmon, & Paek, 2007; Muehling & Kolbe, 1997; 1998; Romani, 2006; Shanahan & Hopkins, 2007; Xie, Madrigal, & Boush, 2015) and psychology of deception in marketing (Aditya, 2001). Apart from these studies, little research has been done in marketing and consumer psychology areas. This research attempts to present a review where enforcement or unenforcement of fine print have impacted consumers as background for the model of enforcement of fine print presented in Chapters III, IV, V, and VI. Therefore, the goal of this dissertation is to develop research concerning the consequences of enforcement of “Fine Print” on consumers, specifically the response of consumers when “Fine Print” is enforced on them.

Typologies of Fine Print

The term “Fine Print” is known in various ways. Some of the common terminologies that can be observed in the marketplace are stated in Table 1.

Table 1 – Fine Print Terminologies	
Sl. No.	Fine Print terminologies
1.	Conditions apply
2.	Terms and conditions
3.	Restrictions apply
4.	Exclusions apply
5.	Strings attached
6.	Read more
7.	Disclosure statement
8.	Disclaimer
9.	Privacy policy
10.	Terms of use
11.	Click here to learn more
12.	See our website for warnings, disclaimers
13.	Subject to approval
14.	See instructions
15.	Fees and charges apply
16.	Terms of service

The contents of “Fine Print” varies across industries and product categories. In other words, “Fine Print” contains the terms and conditions which are relevant to the products or services associated with the given industry. For example, in banking and insurance industries, typical products can be credit cards, bank accounts, loans, insurance, and mortgages. One typical example of “Fine Print” is that a particular bank may raise the interest rate, say 10% or 12% to 25%, of credit cards they offer at their will, when the consumers have not done anything wrong. The content of the “Fine Print” in the banking and insurance industries are different from those in the auto manufacturing industry. A typical car advertisement may state that the vehicle shown

may contain optional equipment available at additional cost. Similarly, some service industries, such as transportation, airlines, and bus companies have their own set of fine print based on the nature of their services. An airline ticket is nullified when a passenger misses (or decides to skip) the outbound portion of a round-trip ticket, and often it effectively cancels the entire trip, which also includes connecting flights. In addition, as circumstances or situations change, “Fine Print” also changes. The circumstances or situations are formed by keeping the interests of the business as well as the regulations in mind.

Although there remain several complexities starting from writing the “Fine Print” to enforcement of the same, still fine print can be categorized broadly into five categories based on the type of industries they pertain to as shown in Table 2.

Table 2 – Industry Specific Fine Print Examples

Industry	Products/Services	Fine Print applicable areas (examples)	Source
Banking and Finance	Bank accounts	Overdraft interest rate	Ferman (2016)
		Overdraft fees, penalty fees, automated teller machine withdrawals, electronic fund transfers	Fox and Woodall (2005)
	Credit cards	Fees and interest rate for late payment, interest rates, minimum payment	Ferman (2016)
		Balance transfers, cash advances	Lahm, Stowe, Carton, and Buck (2011)
Loans	Hidden, undisclosed charges, penalties, Annual Percentage Rate (APR), mortgages, interest rates	Perry and Motley (2009)	

Industry	Products/Services	Fine Print applicable areas (examples)	Source
Insurance	Insurance policy	Premium, coverage, claim, benefits	Kvalnes (2011)
Manufacturing	Products	Warranty disclaimers	Baird (2006)
		Warranty duration, warranty against defects, limited number of warranties	Priest (1981)
		Warranty scope, warranty level, limited warranty, ambiguous warranties	Boulding and Kirmani (1993)
		Price guarantee	Arbatskaya, Hviid, and Shaffer (2004)
		Expiration date	Aditya (2001)
Retailing	Products	Sales promotions	Aditya (2001)
Service	Travel	Contract of carriage, booking fees, travel insurance, baggage fees	Mack (2017)

Enforcement/Lack of enforcement of Fine Print

Firms often subject their customers to various terms and conditions, popularly known as “Fine Print” (FP). Customers may or may not be aware of the existence and/or applicability of FP in part because FP are generally downplayed through the use of smaller font in print media and/or fast-talking on radio. Despite their frequency of occurrence and far-reaching repercussions, knowledge about FP is limited to their legal dimensions (Bar-Gill 2012; Ben-Shahar 2014). Little, if any, research in business has explored customer reaction to FP evocation

and enforcement. While FP evocation could be construed as service failure, there is merit to understanding FP in its own light since it often represents a waiver of firm accountability under defined circumstances. In this study, the effort will go towards conceptualizing FP, identifying its key consequences as well as contingencies, and recommending strategies to ameliorate those consequences. I define FP as both the explicit and implicit conditions under which the product/service contract waives firm responsibility and accountability toward unsuccessful product/service experience and outcome or lack of customer satisfaction with the same.

The emergence of FP can be attributed to the level of importance laid on terms for exchange of products/services, as any financial exchange between the business and the consumer involves contracts, and there are “contracts of adhesion” which are also present and considered inherently coercive. It is also true that contracting parties often purport to accept firm offerings without knowing or understanding the terms within (Katz, 1990). This is where the “grey” area surrounding “Fine Print” might emerge and also might negatively affect customer satisfaction and trust. Anecdotal evidence identifies a decline in customer satisfaction with the product/service and the firm, as well as a damage to the structure of customer trust, as the likely and immediate consequences of evoked and/or enforced FP (DeWitt, Nguyen, & Marshall, 2008; McColl-Kennedy & Sparks, 2003). While evoked, enforced and/or unenforced FP might directly lead to lower repurchase intention, higher switching intentions, and negative word-of-mouth. Such adverse effects may also be indirect consequences via damaged customer trust and satisfaction (Liu-Thompkins & Tam, 2013; Nitzan & Libai, 2011). Furthermore, the literature contains empirical evidence as to the pertinence of emotions as psychological mechanisms that carry the effect of negative service experiences on various customer- and firm-related service outcomes (Chebat & Slusarczyk, 2005; Mano & Oliver, 1993). Emotions germane to evoked

and/or enforced FP include anger, sadness, upset, helplessness, disappointment, disgust, and fear (Gregoire & Fisher, 2008; Holbrook & Hirschman, 1982). Since customers may or may not be aware of the FP and their applicability to their case, they may experience considerable degrees of surprise when FP is evoked (Derbaix & Vanhamme, 2003; Russell, 1979). As such, it is imperative to account for the contingent role of customer surprise. Lastly, given the ubiquitous and central role of employee-customer interactions across various service encounters, the “how” of FP evocation and/or enforcement can make a meaningful difference in customer attitudinal and behavioral reactions (Hui & Bateson, 1991).

Despite knowing the fact that the consequence of FP might affect customer satisfaction, trust, repurchase intention, switching intentions, and word-of mouth, little is known about how customers react to FP when they are evoked and/or enforced. The purpose here is to provide a comprehensive understanding of consequences of evoked/enforcement/unenforced FP and help managers develop efficient customer handling programs. The results of the empirical study also will clarify the importance of customer resolution management to relationship management, providing insights into FP decisions. More specifically, the focus is on the following questions:

1. How do consumers respond to evoked/enforced/unenforced FP?
2. What is the mechanism through which evoked/enforced/unenforced FP influences consumer behavioral intentions?
3. What boundary conditions or contingency factors may modify the effect of evoked/enforced/unenforced FP?

The research questions are addressed through Study 1 through Study 4 which examine the main effects in the context of retail, airline, and banking industries. For example, Study 1

examined the effects of enforced FP vs. unenforced FP and the effects of company size on trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth behavior.

The underlying question of this dissertation is that if FP is evoked, enforced, or unenforced then what will be the customer's reaction(s) towards FP as well as towards the firm? Since FP research tends to be scant in marketing, consumer, and service literatures, evidence of FP impact on customers' reactions, through empirical study, should be detectable. The consequences of FP evocation/enforcement/unenforced on customer-level behavioral intentions are desirable to monitor and can be viewed as signals of satisfaction, trust, repurchase intention, switching intentions, and word-of-mouth behavior. With that in mind, the objectives are as follows:

1. To summarize and highlight important areas of FP applicability in key product/service industries.
2. To offer a conceptual model of the impact of FP on trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth behavior.
3. To report the results of an empirical study, through Studies 1 through 4, examining relationship between FP and customers' behavioral intentions.
4. To suggest a research agenda whereby information about customer-level behavioral consequences of evoked/enforced/unenforced FP can be monitored and linked to customer handling and resolution management to provide a new evidence of customer reactions due to evoked/enforced/unenforced FP.

In addressing these objectives, this dissertation provides a compact synthesis of the extant literature on the subject and extends the literature in four significant ways. First, this research introduces a key construct, "Fine Print" in the marketing, consumer, and service literatures.

Second, this study involves a comprehensive (multi-industry) examination of FP impact at the customer-level behavioral intentions rather than at the company level. Third, in addition to examining the general relationship between FP evocation/enforcement/unenforced and behavioral intentions, changes in the strength of this relationship that are due to potential mediating effects of different levels of service relative to customers' expectation levels are explored. Fourth, multiple-item behavioral-intentions which measure and examine FP evocation/enforcement/unenforced on specific types of behavioral intentions are incorporated.

CHAPTER III

STUDY 1

The Fine Print Model

The primary purpose of this chapter is to introduce a model of Customers' Reactions to Enforcement of Fine Print (CREFP). The chapter begins with a discussion of a brief overview of the gray area surrounding product/service failure. Following this discussion, a brief discussion of consequences of fine print and boundary conditions of the effects of fine print are presented. Thereafter, a review of conceptual framework in this direction is presented. A detailed description of the components of the model and hypothesized relationships among components are presented later in this chapter.

The Gray Area of Product/Service Failure

The topic of product/service failure has been of great importance for both managers and researchers. Product/service failure is one of the main reasons that drive several customer-behavioral intentions, such as, satisfaction, trust, switching, negative word of mouth, and repurchase intention, and understanding product/service failure is relevant because it may lead to product satisfaction or service recovery. The importance of understanding the "gray" area of product/service failure lies in the potential divergence of perceptions between customers and providers that, if undetected, may bring about adverse consequences for customers and firms. Not all product/service failures are clear cut situations where the customers and product/service providers have a similar perception of product/service quality, performance, delivery and

outcome. There will be situations where customers' and product/service providers' perceptions may not converge, and this may be the reason of FP evocation/enforcement. The debate surrounding this "gray" area can be classified into two arguments. The first argument can be framed in cases where the firm may be considered accountable when it has fulfilled its responsibilities, contractually and technically, towards the customer, and the second argument, based on customer's subjective judgment is whether FP represent a particular situation of product/service failure regardless of a firm adhering to product/service quality and performance. It is this dual character of FP, namely, not being a product/service failure contractually and technically and being a product/service failure based on customer subjective evaluation, that makes this phenomenon intriguing and a significant area of research.

Given its contractual nature, FP becomes an unavoidable element for both firms and consumers. Since there can be service contracts, which can be explicit and implicit, omnipresence of FP makes them important. In this dissertation, the focus is on explicit FP. I would also like to clarify that explicit does not mean customers are always aware of FP.

Proposed Model of Customers' Reactions to Enforcement of Fine Print

This section presents the proposed model of Customers' Reactions to Enforcement of Fine Print (CREFP). Existing efforts toward the development of such a model are examined through existing literature, as well as presenting a detailed discussion of the components of the model.

Building on the expectancy-disconfirmation paradigm (Oliver, 1980; 1981; 1989; 1993) this dissertation would present and examine the CREFP model. But why the expectation-disconfirmation paradigm? Since this dissertation is interested in examining and evaluating customers' reactions to enforcement of fine print, there remain elements of both confirmation

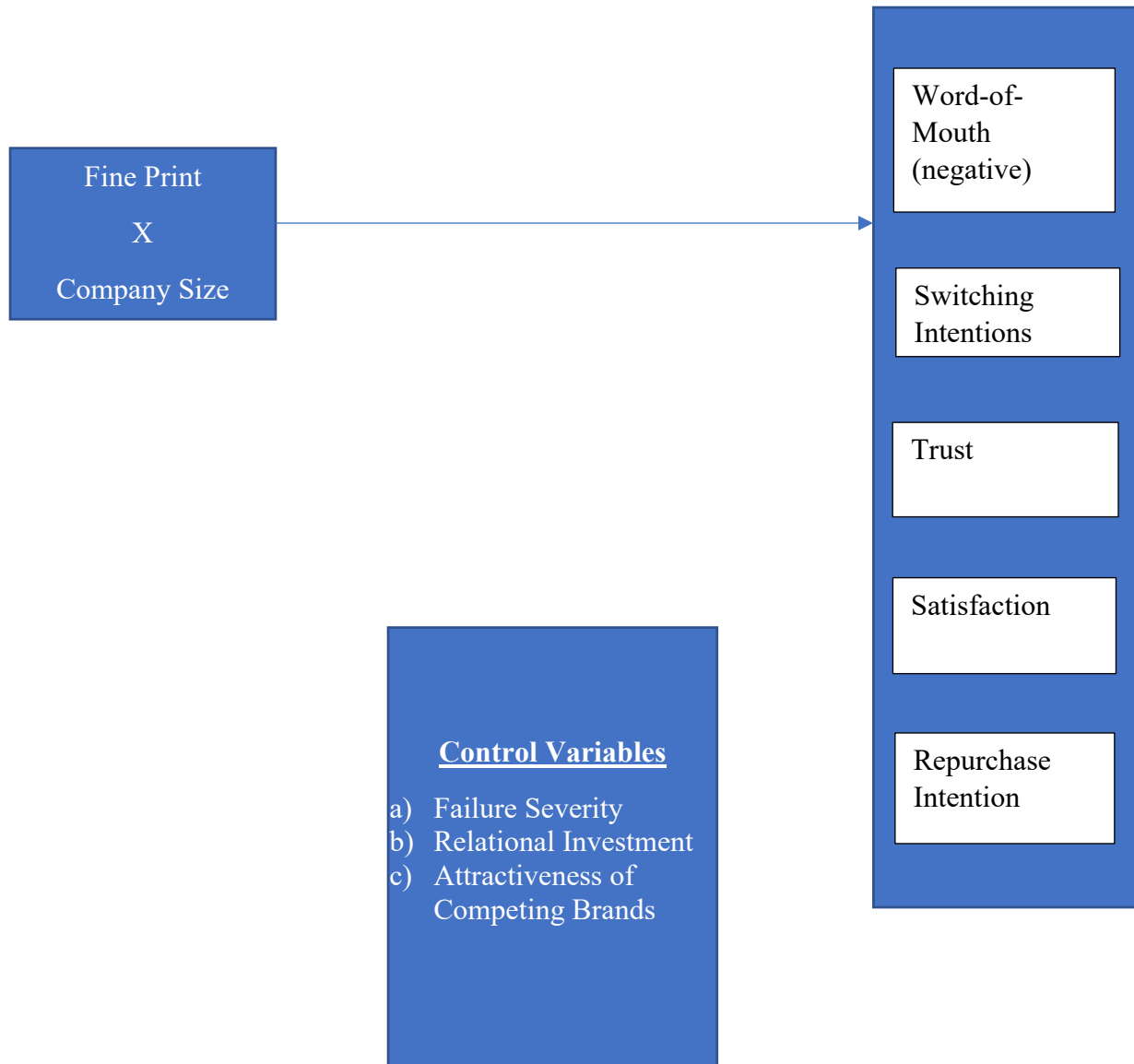
and disconfirmation. The disconfirmation paradigm holds that customers compare perceived product performance to expectations. Performance that exceeds expectations is positively disconfirmed, performance that meets expectations is confirmed, and performance that falls short of expectations is negatively disconfirmed (Homburg, Hoyer, & Koschate, 2005; McCollough, Berry, & Yadav, 2000). In general, the more negative the disconfirmation, the greater the dissatisfaction, whereas the more positive the disconfirmation, the greater the satisfaction (Homburg et al., 2005; McCollough et al., 2000). Moreover, disconfirmation can be categorized as – a) Negative disconfirmation, b) Positive disconfirmation, and c) Zero disconfirmation (Oliver, 2010). Consumer perceptions of disconfirmation is a key factor since consumers with identical outcomes can have different satisfaction levels (Oliver, 2010).

Components of the Model

A schematic diagram of the CREFP model is presented in Figure 3.1. This section of the dissertation presents a brief outline of the various components of the model and how they relate to one another. These components include independent variables, “Fine Print” and “Company Size,” and outcome variables. Following this is a brief discussion of exogenous variables, variables that are not considered an integral part of the process, or control variables, but which do have important and measurement influences upon various components of the process as well as demographical items (Appendix A).

Conceptual Framework – The Fine Print Model

Figure 3.1



“Fine Print”

As per Radin (2016), “mass-market contractual obligations between firms and individuals routinely include delivery of a set of terms in fine print (boilerplate)” (pg. 515), thus making mass-marketing of goods and services possible (Marotta-Wurgler, 2010). It is also perceived, anecdotally at least, the consumers rarely read the fine print (Marotta-Wurgler, 2010), because fine print can be “too long, hard to understand, or seemingly unimportant to take the time to read and give meaningful assent” (Bakos, Marotta-Wurgler, & Trossen, 2014, pg. 2). Moreover, increase in contract accessibility does not result into increase in readership (Marotta-Wurgler, 2014). Past research examining online shopping behavior of consumers involving software companies found that only about 1 in 1,000 consumers chose to read fine print (Bakos, Marotta-Wurgler, & Trossen, 2009). This clearly shows tendencies of consumers not to read fine print even if accessible. Interestingly, it was also found that even if consumers read the fine print, they simply do not react to what they read as they either do not pay attention to the contract terms or do not understand them to affect their purchase decisions (Marotta-Wurgler, 2010). Furthermore, there are controversies about how companies operate the enforcement and/or unenforcement of fine print. As past research has showed that companies offered rewards through advertisement only to nullify the same through fine print or sometimes the legal consequences of clauses within purchase agreements are not self-evident and hence not enforceable (Baird, 2006; Simpson, 1985). However, the focus in this study is to examine the consumers’ reactions to enforcement/unenforcement of fine print. Specifically, the outcome variables, trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth behavior would be examined in situations where fine print is enforced/unenforced.

Company Size

As per Koufaris and Hampton-Sosa (2004), perceived (Company) size is defined as “how large customers perceive a company to be” (p. 381). Perceived size can increase trust in company (Doney & Cannon, 1997) because large size may give some indication to customers that the company is better equipped and willing to compensate the customers in case of product failure (Jarvenpaa, Tractinsky, & Vitale, 2000). Business size is a determining factor in retailing context as traditional supermarkets and drugstores face intense competition not only from one another but also from large discount-format stores (Ailawadi, Zhang, Krishna, & Kruger, 2010). Furthermore, past research has shown that large competitors’ size and close proximity can actually help smaller brands rather than harm them (Paharia, Avery, & Keinan, 2014). Past research has also shown how loyalty intentions switched from small, locally owned and operated businesses to large, nationally owned businesses (Ailawadi et al., 2010; Spector 2005), however that trend started to reverse (Paharia et al., 2014).

Using the “underdog brand biography” concept introduced by Paharia, Keinan, Avery, and Schor (2011), distinction between consumers’ perceptions of large and small companies are evaluated in this study to build a strong case in its applicability in the “Fine Print” phenomenon. Specifically, Paharia, Keinan, Avery, and Schor (2010) showed that underdog effect is a) mediated by consumer’s identification with the brand, b) greater for consumers who also self-identify themselves as underdogs, c) stronger in purchase situations that are symbolic in identity, and d) stronger in consumers who are from cultures where underdog narratives are part of their national identity. Furthermore, the underdog brand biography is powerful as it also invoked sympathetic response (Paharia et al., 2010). Although disadvantaged in terms of resources, underdogs have passion and determination to overcome obstacles (Paharia et al., 2011) and

compete with larger firms (Paharia et al., 2014). Advertising literature also echoes findings supporting smaller firms compared to their larger counterparts, where low-share brands tend to be viewed more favorably compared to high-share brands (Grewal, Kavanoor, Fern, Costley, & Barnes, 1997; Kalra & Goodstein, 1998; Paharia et al., 2014; Pechmann & Stewart, 1990).

Outcome Variables

“Trust” has been studied in numerous ways, and different definitions, meanings, and functions have been assigned to “trust”. As per Moorman, Zaltman, and Deshpande (1992), trust is defined as a willingness to rely on an exchange partner in whom one has confidence in, and this definition spans two general approaches. One approach, also known as benevolence (Ganesan & Hess, 1997), is that trust has been viewed as a belief, sentiment, or expectation about an exchange partner’s trustworthiness that results from the partner’s expertise, reliability, or intentionality (Blau, 1964; Pruitt, 1981; Rotter, 1967). The second approach, also known as credibility (Ganesan & Hess, 1997), is that trust has been viewed as a behavioral intention or behavior that reflects a reliance on a partner and involves vulnerability and uncertainty on the part of the trustor (Coleman, 1990; Deutsch, 1962; Giffin, 1967; Schlenker, Helm, & Tedeschi, 1973; Zand, 1972). As per Moorman et al., (1992), the second approach suggests that without vulnerability, trust is unnecessary because outcomes are inconsequential for the trustor or if the trustor can control an exchange partner’s actions or has complete knowledge about those actions (Coleman, 1990; Deutsch, 1958). In this study, since FP relates to contracts and FP enforcement depends on both certain and uncertain events and can occur during both defined or undefined circumstances. It is argued that the second approach is more pertinent in terms of relevancy and applicability than the first one, because the outcomes of any events are neither controllable nor will be exact in their occurrences.

Similarly to trust, “satisfaction” is another outcome variable which is also being measured in this study. Oliver (1980), through past literature (Day, 1977; LaTour & Peat, 1979; Olander, 1977; Oliver, 1977) suggested that two constructs, performance-specific expectation and expectancy disconfirmation, play a major role in satisfaction decisions. In service contexts, as per Oliver (1980), expectations about service delivery/performance play a deciding factor in consumers’ minds because consumers implicitly make summary comparative judgments apart from and as an input to their feelings of satisfaction (Watts, 1968; Weaver & Brickman, 1974). Since the feelings of consumers towards satisfaction can be subjective, there will probably be some perceived discrepancy when satisfaction is compared through an initial standard and some initial reference point (Andrews & Withey, 1976; Campbell, Converse, & Rodgers, 1976; Ilgen, 1971; Locke, 1969; Locker & Dunt, 1978; Shrauger, 1975; Spector, 1956; Watts, 1968; Weaver & Brickman, 1974). In the FP context, it will be interesting to see whether, depending on type of services, consumers are creating frames of reference in order to make comparative judgment in cases where FP is enforced, because it may be instructive to consider the possibility that some consumers are more expectations-influenced, some are more disconfirmation-influenced, and others use both as separate effects in the satisfaction response (Oliver & DeSarbo, 1988). The outcomes poorer than expected (a negative disconfirmation) are rated below the reference point, whereas those better than expected (a positive disconfirmation) are evaluated above this reference point (Oliver, 1980).

Switching intentions is another dependent variable which is being measured. Although, as per Keaveney (1995), past literature in marketing and services dealt with customer switching in several contexts, such as, perceptions of quality in the banking industry (Rust & Zahorik, 1993), overall dissatisfaction in the insurance industry (Crosby & Stephens, 1987), and service

encounter failures in retail stores (Kelley, Hoffman & Davis, 1993), however, no study was done related to switching intention of customers in case of FP enforcement. Moreover, past studies suggested that satisfaction and service quality are related to service switching (Bitner, 1990; Boulding, Kalra, Staelin, & Zeithaml, 1993 ; Cronin & Taylor, 1992) and some of the reasons of switching can be attributed towards lack of alternatives, switching costs, habit (Bitner, 1990), convenience, price, and availability (Cronin & Taylor, 1992), price deals (Guadagni & Little, 1983; Gupta, 1988; Mazursky, LaBarbera, & Aiello, 1987) or variety seeking (Kahn, Kalwani & Morrison, 1986). Keaveney's (1995) results suggested that basically two variables, service performance (i.e., core service failure, service encounter failure, response to service failure, and ethical problems) and costs of switching (i.e., price, inconvenience, and competition) are key determinants of switching intentions (Bansal & Taylor, 1999).

Word-of-mouth (WOM) becomes especially important within the services purchase decision context when used as an information source in services that are difficult to evaluate due to its perception of being unbiased (limited to the extent that there is no monetary or commercial gain to be attained by the sender) (Bansal & Voyer, 2000). As per Dick and Basu (1994), word-of-mouth (WOM) is conceived of as a volitional post-purchase communication between customers with respect to evaluation of how the acquired service or product performs. Since in this study, emotions play a significant role due to FP enforcement, anger and frustration due to service failure can lead to vindictive negative WOM (Gelbrich, 2010). Moreover, unlike anger and frustration, helplessness depends on a prospective rather than on a retrospective appraisal of control, which is an assessment of whether a problem can be solved in the future (Lazarus, 1991). Hence, helplessness may determine whether angry (frustrated) customers complain to the

provider (which may initiate problem resolution) and/or engage in negative WOM to others (which may not initiate problem resolution) (Gelbrich, 2010).

Repurchase intention has been conceptualized as a key component of customer loyalty (Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Homburg et al., 2005) as well as found to be a strong predictor of behavior (Sheppard, Hartwick, & Warshaw, 1988). In the service context, repurchase intention has been defined as “the individual’s judgment about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances” (Hellier, Geursen, Carr, & Rickard, 2003). Moreover, the effect of satisfaction on repurchase intention depends on the magnitude of switching barriers, where the effect of service satisfaction on repurchase intentions was reduced when customers perceived high switching barriers (Jones, Mothersbaugh, & Beatty, 2000). On the contrary, higher levels of service satisfaction would reduce the perceived benefits of switching service providers, thus resulting into higher repurchase intentions (Anderson & Sullivan, 1993). From the point of view of service recovery, when evaluating postrecovery satisfaction, customers can be more influenced by the recovery process itself as well as any positive rewards (e.g. a free service, compensation for failure) provided by the service provider, but while evaluating their repurchase intention from the same service provider, customers might think that their original desired result was not accomplished in the purchasing process (not receiving correct service), and therefore do not consider repurchasing from the same service provider (Matos, Henrique, & Rossi, 2007).

Hypotheses Development

The independent variables, “Fine Print” and “Company Size”, are being manipulated. Manipulation has been done through creating a scenario for the respondents. The scenarios are created by manipulating “Company Size”, which is designated in the scenario as the type of the

company, which is, either large and national or small and local. Furthermore, the “Fine Print” is also manipulated whether it is enforced or unenforced.

The emphasis on business has become more important as it is interesting to find out if and how company size influences consumers’ evaluations (Yang & Aggarwal, 2019). Consumers can form meaningful expectations based on characteristics such as company size that guide responses to negative company behaviors (Yang & Aggarwal, 2019). In this study, “Company Size” is being manipulated in order to find out the influence of company size on the dependent variables and also to find out any interaction effects with the “Fine Print” variable. Through the expectancy-disconfirmation paradigm (Oliver, 1980; 1981; 1989; 1993), consumers’ expectations about service performance, service process, and service delivery can be evaluated. Moreover, postconsumption emotions of consumers result from a perceived discrepancy between the expected performance and the actual performance (Oliver, 1997). Specifically, depending on the level of expectancy confirmation or disconfirmation on customers’ benefit dimensions, a service may evoke positive, negative, or a mixed set of emotions (Bagozzi, Gopinath, & Nyer, 1999; Chaudhuri, 2006; Chitturi, Raghunathan, & Mahajan, 2008; Westbrook & Oliver, 1991). In this study, enforcement/ unenforcement of fine print may lead to positive, negative, or mixed emotions. Company size (large/small) can also determine consumers’ behavioral intentions along with enforcement/unenforcement of fine print. Consumers’ personal belief and value systems also guide whether they want to purchase from large or small companies (Paharia et al., 2014; Thompson & Arsel, 2004; Yang & Aggarwal, 2019). In this study, company size has been constructed as a comparison factor between “large and national company/retailer” and “small and local company/retailer”. The objective is to examine whether consumers prefer smaller companies, compared to larger companies when fine print is enforced/unenforced.

Past research also suggests that businesses with abundant resources signal their ability to deliver quality products to consumers, whereas businesses with fewer resources do not have those capabilities to deliver at their best (Paharia et al., 2011). Moreover, consumers who perceive themselves as underdogs will have affinity for underdog brands because consumers have tendencies to view themselves as underdogs (underdog disposition) thus impacting their purchase intentions and actual choices (Paharia et al., 2011). Although past research suggests that underdog positioning may help brands and firms to in terms of competence, morality, and warmth (Paharia et al. 2011; Paharia et al., 2014; Kirmani, Hamilton, Thompson, & Lantzy, 2017), it has not examined situations involving enforcement/unenforcement of fine print in service contexts. Furthermore, prior research has also shown that there is preference to support stronger competitors that are more likely to win (Cialdini, Borden, Thorne, Walker, Freeman, & Sloan, 1976; Cialdini & De Nicholas, 1989; Cialdini & Richardson, 1980), however, it would be interesting to find out if the same would prevail in the case of “Fine Print” phenomenon, specifically, when fine print is enforced/unenforced.

Hypotheses

Interaction Hypotheses

H1: In the case of unenforced fine print condition, a large (small) company will have a) higher (lower) trust, b) higher (lower) satisfaction, c) higher (lower) repurchase intention, d) lower (higher) switching intentions, and e) lower (higher) negative word-of-mouth, but this effect is attenuated in the case of an enforced fine print condition.

Control Variables

These are the control variables which are being included in the model (included in Table 3).

- a) Relational investment – The relation benefits approach assumes that both customers and firms must benefit to continue in the long run, and for customers these benefits can be focused on either the core service or on the relationship itself (Hennig-Thurau, Gwinner & Gremler, 2000; 2002). Relational benefits can act as switching barriers because of a service provider’s investment in the customer relationship (Han, Back, & Kim, 2011; Jones et al., 2000; Qiu, Ye, Bai, & Wang, 2015; Vazquez-Carrasco & Foxall, 2006).
- b) Failure severity – The principles of resource exchange suggest that customer satisfaction judgments will differ by the magnitude of the failure (Smith, Bolton, & Wagner, 1999), and that is why failure severity has been considered as a control variable that could affect the desires for revenge and avoidance (Maxham & Netemeyer, 2002).
- c) Attractiveness of competing brands – Brands that have favorable, strong, and unique associations are better differentiated from competing brands (Meyvis & Janiszewski, 2004) and might (not) push a customer toward brand switching (Zolfagharian, Hasan, & Iyer, 2017).

Research Methodology

The purpose of Study 1 is to establish the basic effect of “Fine Print” and “Company Size” on the outcome variables, such as, trust, satisfaction, switching intentions, negative word-of-mouth, and repurchase intentions. In this experiment, the effort will be to highlight past literatures dealing with the dependent variables and how those literatures are applicable in explaining the FP phenomenon.

Design, Sample and Procedure

This study employed a 2 (fine print: enforced, unenforced) X 2 (company size: large and national, small and local) between-subjects design. A sample of 121 respondents (Female = 65)

was obtained from a large southwest university in the US comprising of undergraduate students. Respondents were given one of the four proposed designs (Appendix B), of which one was randomly assigned to each respondent. The objective was to construct a realistic scenario involving “Fine Print” and “Company Size” in a retail context.

“Fine Print” was manipulated as follows:

For enforced– “With no choice left, you pay the full amount of \$55 from your own pocket and the service center repairs your Blender.”

For unenforced – “Despite having no obligation to help you, the claim specialist notifies you that they will honor your claim and repair your Blender at no cost to you.”

Company Size was manipulated as follows:

Large and national – “New Heritage is a large and national retailer and has been in electronics business for 25 years.”

Small and local – “New Heritage is a small and local retailer and has recently entered in electronics business.”

With these manipulations, I examined both consumers’ preferences when fine print is enforced as well as when fine print is unenforced and in both the large and national retailer as well as the small and local retailer. Specifically, the respondents were asked the following questions about fine print: “Was the problem of overheating covered by the terms and conditions of the extended warranty?” and “In the end, who paid for the repair?” In case of “Company Size”, respondents rated the company to the extent it is reputed using one seven-point Likert scale item (“To what extent is the retailer well-known?”). Finally, the respondents responded to

the three control variables, namely, failure severity, relational investment, and attractiveness of competing brands as well as the demographic items.

Measures

Multi-item measures (details in Table 3) were used to assess consumers' trust, satisfaction, switching intentions, word-of-mouth, and repurchase intentions. Trust was measured using a four-item, seven-point scale ($\alpha = .870$) adapted from Crosby, Evans, and Cowles (1990). Satisfaction was measured using a three-item, seven-point scale ($\alpha = .906$) adapted from Cronin, Brady, and Hult (2000). Switching intentions was measured using a three-item, seven-point scale ($\alpha = .904$) adapted from Zolfagharian et al., (2017). Word-of-mouth was measured using a three-item, seven-point scale ($\alpha = .909$) adapted from Gelbrich (2010). Repurchase intention was measured using a three-item, seven-point scale ($\alpha = .902$) adapted from Jones et al., (2000). Failure severity was measured using a three-item, seven-point scale ($\alpha = .867$) adapted from Maxham and Netemeyer (2002). Relational investment was measured using a three-item, seven-point scale ($\alpha = .914$) adapted from Qiu, Ye, Bai, and Wang (2015). Attractiveness of competing brands was measured using a four-item, seven-point scale ($\alpha = .677$) adapted from Zolfagharian et al., (2017).

Table 3 – Measurement Scale items of constructs (Study 1)

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
1.	Trust a) I believe this retailer cannot be relied upon to keep its promises (r). b) I believe this retailer is trustworthy. c) I find it necessary to be cautious in dealing with this retailer (r). d) Overall, I believe this retailer is honest.	Crosby, Evans, and Cowles (1990)	0.870

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
	(with anchoring of 1= Strongly disagree, 7 = Strongly agree)		
2.	<p>Satisfaction</p> <p>a) My choice to buy the Blender with this retailer was a wise one.</p> <p>b) I think that I did the right thing when I went to this retailer.</p> <p>c) This retailer is exactly what I needed when I was shopping for Fruit Juice Blender.</p> <p>(with anchoring of 1= Strongly disagree, 7 = Strongly agree)</p>	Cronin, Brady, and Hult (2000)	0.906
3.	<p>Switching Intentions</p> <p>a) How likely is it that you would switch to another retailer?</p> <p>b) How probable is it that you would switch to another retailer?</p> <p>c) What are the chances that you would switch to another retailer?</p> <p>(with anchoring of 1= Extremely unlikely, improbable, no chance, 7 = Extremely likely, probable, certain)</p>	Zolfagharian, Hasan, and Iyer (2017)	0.904
4.	<p>Word-of-Mouth</p> <p>a) I would talk to other people about my negative experience to spread negative word-of-mouth about this retailer.</p> <p>b) I would talk to other people about my negative experience to denigrate this retailer to others.</p> <p>c) I would talk to other people about my negative experience to warn others not to use this retailer.</p> <p>(with anchoring of 1= Strongly disagree, 7 = Strongly agree)</p>	Gelbrich (2010)	0.909
5.	<p>Repurchase Intention</p> <p>a) How likely is it that you would use the services of this retailer again in future?</p> <p>b) How probable is it that you would use the services of this retailer again in future?</p> <p>c) What are the chances that you would use the services of this retailer again in future?</p>	Jones, Mothersbaugh, and Beatty (2000)	0.902

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
	(with anchoring of 1= Extremely unlikely, improbable, no chance, 7 = Extremely likely, probable, certain)		
8.	Relational Investment a) I am confident that this retailer provides the best value. b) I feel like there is a bond between this retailer and myself. c) This retailer provides reliable services and great deals. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Qiu et al. (2015)	0.914
9.	Failure Severity a) It would cause me minor/major problems. b) It would create a small/big inconvenience. c) It would be a minor/major aggravation. (with anchoring of 1= minor, 7 = major)	Maxham and Netemeyer (2002)	0.867
10.	Attractiveness of Competing Brands a) If I needed to change my retailer, there are other retailers to choose from. b) I would probably be happy with the services of another retailer. c) Compared to this retailer, there are other retailers with which I would probably be equally or more satisfied. d) Compared to this retailer, there are not many other retailers with which I could be satisfied (r) (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Zolfagharian, Hasan, and Iyer (2017)	0.677

Results

Manipulation Check

To check the effectiveness of fine print manipulation in the scenario, participants responded to one single-item categorical question (0 =yes, 1 = no), “In the end, who paid for the repair?”. ANOVA results suggest that the “Fine Print” manipulation was successful, since

significant differences were found between enforced condition ($M_{\text{Enforced}} = .07$, $SD_{\text{Enforced}} = 0.260$) and unenforced condition ($M_{\text{Unenforced}} = .82$, $SD_{\text{Unenforced}} = 0.391$; $F(1,119) = 146.777$, $p < 0.001$). Company Size was manipulated, and participants responded to a single-item seven-point scale, “To what extent is the retailer well-known?” with anchors of “far too little/far too much.” ANOVA results suggest that the company size manipulation was successful, as significant differences were found between the large and national condition ($M_{\text{Largeandnational}} = 4.41$, $SD_{\text{Largeandnational}} = 1.588$) and small and local condition ($M_{\text{Smallandlocal}} = 2.79$, $SD_{\text{Smallandlocal}} = 1.127$; $F(1,119) = 42.246$, $p < 0.001$).

Main Effects

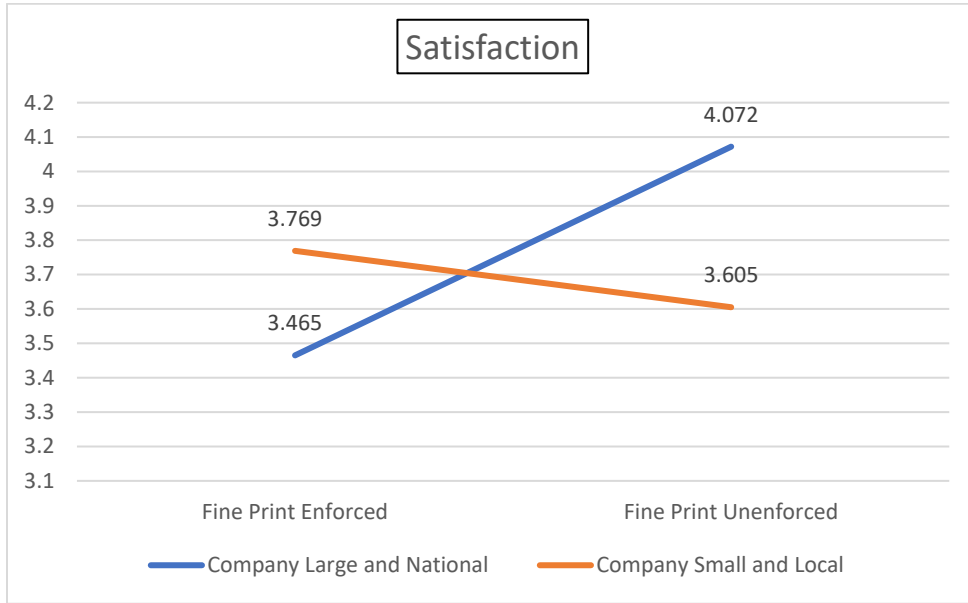
MANOVA revealed nonsignificant main effects of fine print on trust, satisfaction and repurchase intention. However, it revealed marginally significant main effect on switching intentions and on negative word-of-mouth. Specifically, the switching intentions was higher for the enforced condition ($M_{\text{Enforced}} = 5.341$) than for the unenforced condition ($M_{\text{Unenforced}} = 4.936$; $F = 3.498$, $p < .10$, partial $\eta^2 = .030$). In case of negative word-of-mouth, it was higher for the enforced condition ($M_{\text{Enforced}} = 4.410$) than for the unenforced condition ($M_{\text{Unenforced}} = 3.882$; $F = 3.002$, $p < .10$, partial $\eta^2 = .026$). Moreover, MANOVA revealed nonsignificant main effects of company size on trust, satisfaction, repurchase intention, switching intentions, and negative word-of-mouth.

Interaction Effects

MANOVA revealed significant interaction effects between Fine Print and Company Size ($F(1,114) = 4.191$, $p < 0.05$, partial $\eta^2 = .035$) for satisfaction (Figure 3.2). A modified Bonferroni contrast (Keppel, 1991) shows that for a large and national retailer, an unenforced fine print condition, compared to an enforced fine print condition, leads to higher satisfaction

($M_{\text{Unenforced}} = 4.072$ vs. $M_{\text{Enforced}} = 3.465$, $p < 0.05$). Conversely, for the small and local retailer, an enforced fine print condition, compared to an unenforced fine print condition, leads to higher satisfaction ($M_{\text{Enforced}} = 3.769$, $M_{\text{Unenforced}} = 3.605$, $p < 0.05$). These results indicate support for H1b.

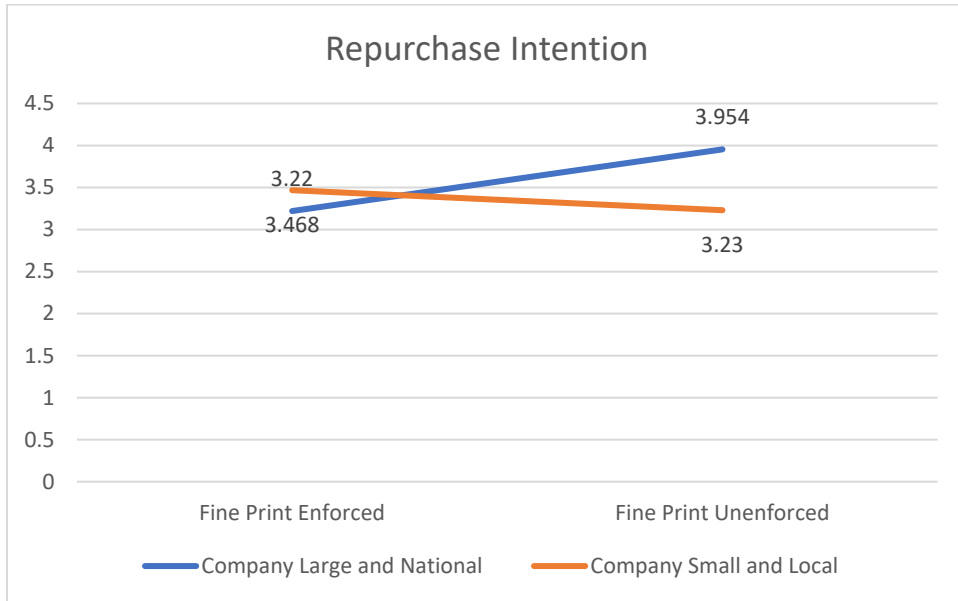
Figure 3.2 Interaction of Fine Print and Company Size on Satisfaction



Similarly, MANOVA revealed significant interaction effects between Fine Print and Company Size ($F(1, 114) = 5.692$, $p < 0.05$, partial $\eta^2 = .048$) for repurchase intention (Figure 3.3). A modified Bonferroni contrast (Keppel, 1991) shows that for the large and national retailer, an unenforced fine print condition, compared to an enforced fine print condition, leads to higher repurchase intention ($M_{\text{Unenforced}} = 3.954$ vs. $M_{\text{Enforced}} = 3.220$, $p < 0.05$). Conversely, for the small and local retailer, an enforced fine print condition, compared to an unenforced fine print condition, leads to higher repurchase intention ($M_{\text{Enforced}} = 3.468$, $M_{\text{Unenforced}} = 3.230$, $p < 0.05$). These results indicate support for H1c. However, MANOVA did not reveal any significant

interaction effects between Fine Print and Company Size for trust, switching intentions, and word-of-mouth.

Figure 3.3 Interaction of Fine Print and Company Size on Repurchase Intention



Discussion

From the results it is evident that Fine Print had a marginal significant main effect on switching intentions, which means that consumers will have higher switching intentions if “Fine Print” is enforced compared to when “Fine Print” is unenforced. Moreover, Fine Print also had a marginal significant main effect on word-of-mouth, which means that consumers will have negative word-of-mouth when fine print is enforced compared to when fine print is unenforced.

Furthermore, significant interaction effects between “Fine Print” and “Company Size” can also be observed for satisfaction, which means that satisfaction is higher when “Fine Print” is unenforced in case of the large and national retailer compared to when fine print is enforced. Conversely, satisfaction is higher when “Fine Print” is enforced in case of the small and local retailer compared to when “Fine Print” is unenforced. Significant interaction effects between

“Fine Print” and “Company Size” can also be observed for repurchase intention, where repurchase intention is higher in case of the large and national retailer when “Fine Print” is unenforced compared to when “Fine Print” is enforced. Conversely, repurchase intention is higher in case of the small and local retailer when “Fine Print” is enforced compared to when “Fine Print” is unenforced.

CHAPTER IV

STUDY 2

The Fine Print Model

The primary purpose of this chapter is to introduce a model of Customers' Reactions to Enforcement of Fine Print (CREFP) by incorporating delight as a mediator. The chapter begins with a discussion of a brief overview of delight as a mediator and the role of expectation as an independent variable. Thereafter, a review of conceptual framework in this direction is presented. A detailed description of the components of the model and hypothesized relationships among components are presented later in this chapter.

Delight as a Mediator

Consumer delight is a type of emotional response where an individual is pleasantly surprised under a situation of disconfirmation, where disconfirmation is a function of surprising consumption, arousal, and positive affect (Oliver, 1977; Wang, 2011). Specifically, delight is considered to be a positive emotional response when consumers face a state of positive disconfirmation (Oliver, 1989; Verma, 2003; Wang, 2011). In other words, delight can be termed as positive surprise, as opposed to mere satisfaction (Chandler, 1989; Deming, 1986; Oliver, 1989; Rust, Keiningham, Clemens, & Zahorik, 1995; Westbrook & Oliver, 1991; Whittaker, 1991). Both delight and satisfaction are interrelated but different constructs (Oliver, Rust, & Varki, 1997; Wang, 2011). Previous research has shown both delight and satisfaction as

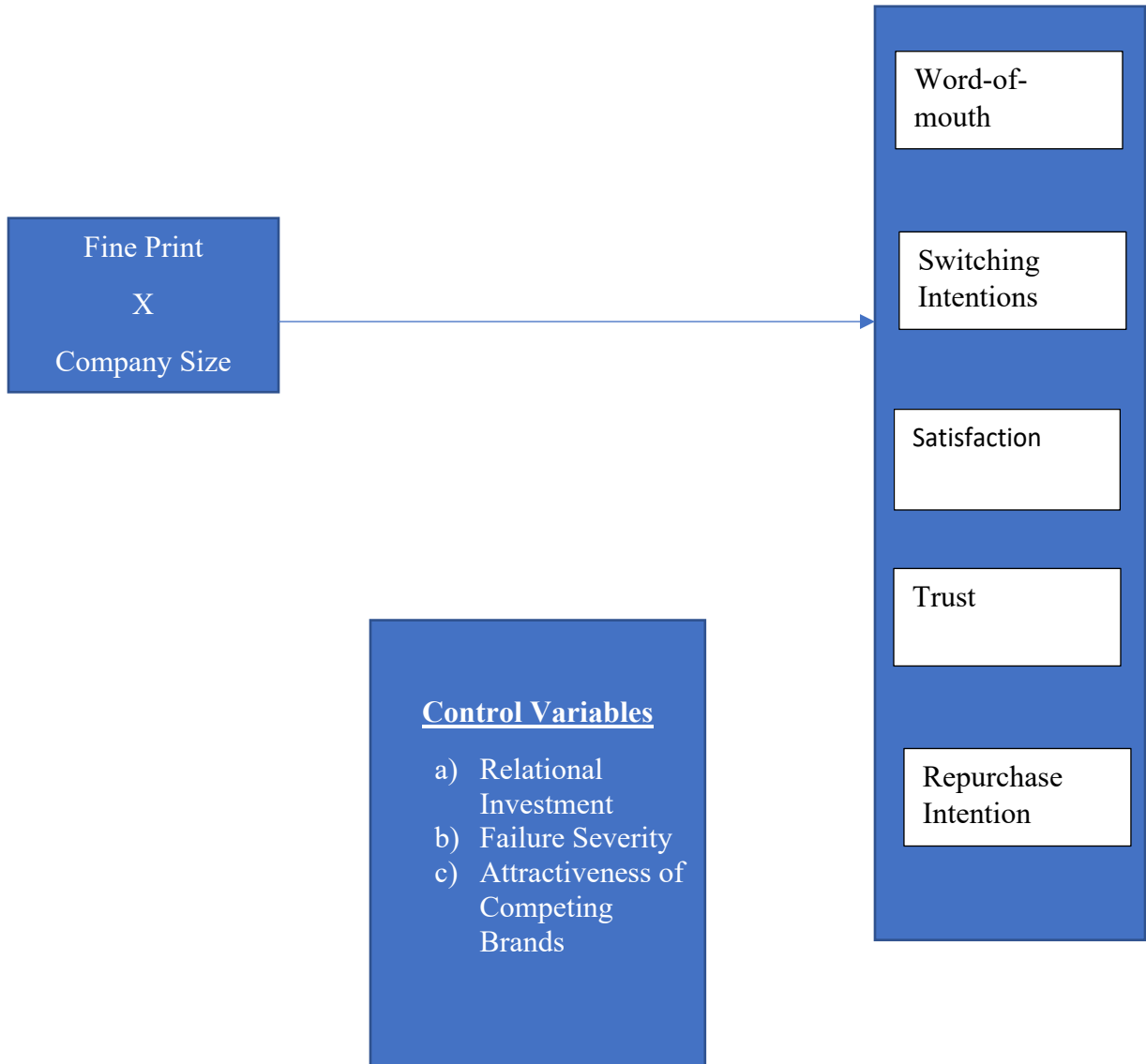
emotional mediators, within a conceptual framework, mediating word-of-mouth (Chitturi et al., 2008) and repurchase intentions (Chitturi et al., 2008; Wang, 2011). Satisfaction is considered as an emotion accompanied by lower arousal compared to delight (Chitturi et al., 2008; Oliver, 1997). This study will examine delight as a mediator of outcome variables such as trust, repurchase intention, switching intentions, and word-of-mouth. Since previous research has already established delight and satisfaction simultaneously as mediators, satisfaction was not examined as an outcome variable. Therefore, the objective is to examine the relationship between the independent variables, “Fine Print” and “Company Size,” and delight as a mediator mediating the outcome variables.

Components of the Model

A schematic diagram of the CREFP model is presented in Figure 4.1 and Figure 4.2. This section of the dissertation presents a brief outline of the various components of the model and how they relate to one another. These components include the independent variables, “Fine Print,” “Company Size”, a mediator variable, and outcome variables. Following this, hypotheses development and hypotheses are presented as well as variables that are not considered an integral part of the process, or control variables, but which do have important and measurement influences upon various components of the process.

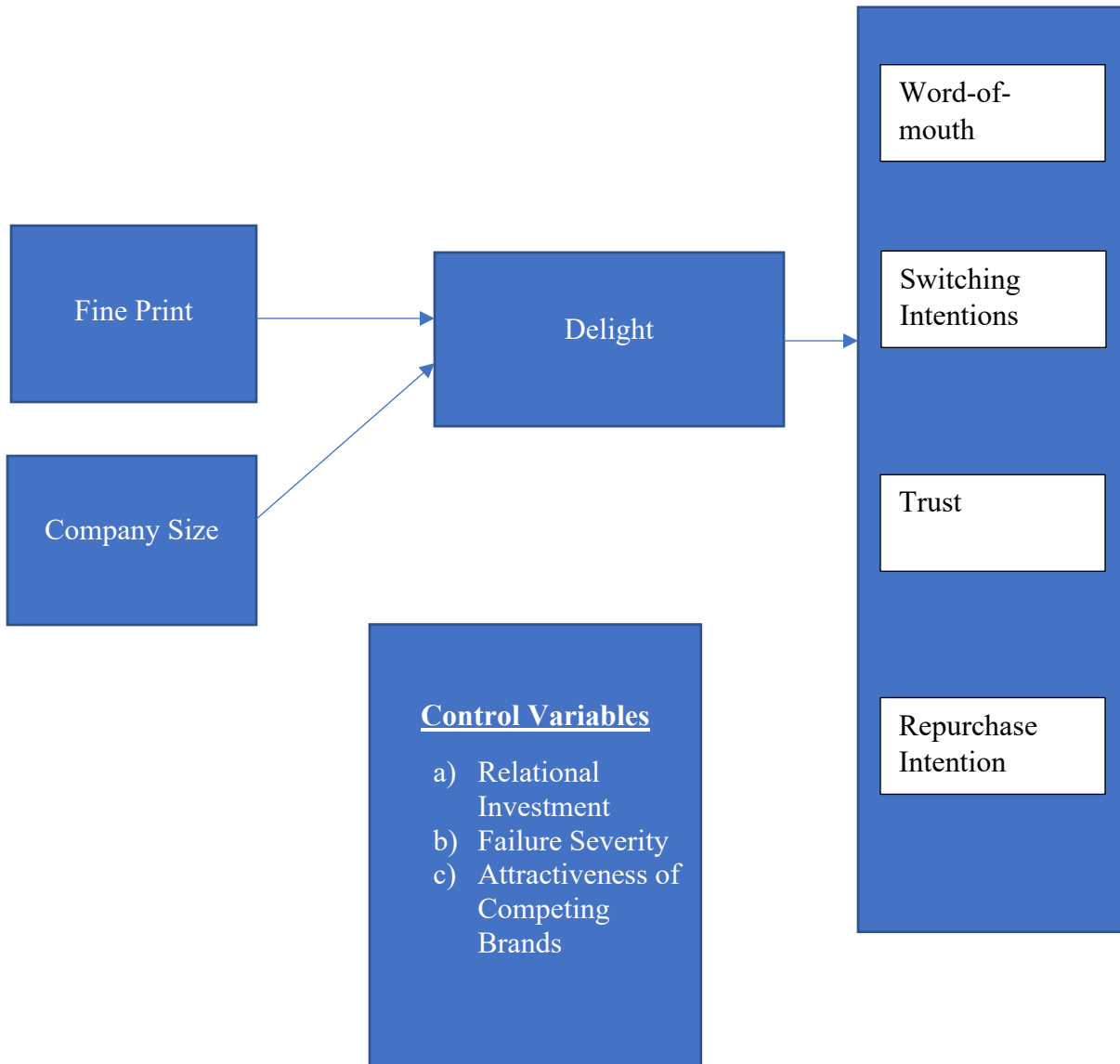
Conceptual Framework – The Fine Print Model

Figure 4.1



Conceptual Framework – The Fine Print Model (Mediator Delight)

Figure 4.2



Hypotheses Development

Through the expectancy-disconfirmation paradigm (Oliver, 1980; 1981; 1989; 1993), consumers' expectations about service performance, service process, and service delivery can be evaluated. Moreover, postconsumption emotions of consumers result from a perceived discrepancy between the expected performance and the actual performance (Oliver, 1997). Specifically, depending on the level of expectancy confirmation or disconfirmation on customers' benefit dimensions, a service may evoke positive, negative, or a mixed set of emotions (Bagozzi et al., 1999; Chaudhuri, 2006; Chitturi et al., 2008; Westbrook & Oliver, 1991). In this study, enforcement/unenforcement of fine print may lead to positive, negative, or mixed emotions. Company size (large/small) can also determine consumers' behavioral intentions along with enforcement/unenforcement of fine print. Consumers' personal belief and value systems also guide whether they want to purchase from large or small companies (Paharia et al., 2014; Thompson & Arsel, 2004; Yang & Aggarwal, 2019). In this study, the objective is to examine whether consumers prefer smaller companies, compared to larger companies when fine print is enforced/unenforced.

Delight is an emotion accompanied by high arousal (Chitturi et al., 2008; Oliver et al., 1997), as well constitutes surprising consumption and positive affect (Oliver et al., 1997). Delight is also considered a positive emotional response when consumers face a state of positive disconfirmation (Oliver, 1989; Verma, 2003). As per confirmation/disconfirmation paradigm, satisfaction can result when a service is provided as expected, or in other words, confirmation of expectations (Schneider & Bowen, 1999). Furthermore, disconfirmation results if there is variance between the evaluated service performance and expectations (Oliver, 1977). Consumers would be delighted if they would receive unexpected value in a positive way. For

example, in this study, the enforcement/unenforcement of fine print can lead to delight depending on company size (large/small). If, say, fine print is unenforced (enforced), consumers would be delighted (not delighted). In a similar way, if the company size is small and local (large and national), consumers would be delighted (not delighted). Delight is also regarded as the top end of consumer satisfaction (Anderson & Mittal, 2000; Wang, 2011). However, previous research shows that although satisfaction may incur positive affect, it cannot activate surprising consumption and arousal leading to delight (Finn, 2005; Oliver et al., 1997; Wang, 2011). Therefore, delight and satisfaction are treated separately (Wang, 2011), and the focus in this study is on the other behavioral intention variables such as trust, repurchase intention, switching intentions, and word-of-mouth.

Hypotheses

Interaction Hypotheses: Fine Print and Company Size

H1: For large companies, compared to enforced fine print, unenforced fine print lead to higher (a) trust, (b) satisfaction, (c) repurchase intention, and lower (d) switching intention, and (e) negative WOM. These contrasts will be non-significant for small companies.

Mediating Hypotheses: Fine Print and Delight

H2: Delight mediates the effect of enforced/unenforced fine print on a) trust, b) repurchase intention, c) switching intentions, and d) word-of-mouth.

Mediating Hypotheses: Company Size and Delight

H3: Delight mediates the effect of company size (large and national/small and local) on a) trust, b) repurchase intention, c) switching intentions, and d) word-of-mouth.

Control Variables

Control variables are same as Study 1, which are relational investment, failure severity, and attractiveness of competing brands.

Research Methodology

The purpose of Study 2 is to establish the interaction effects of independent variables, “Fine Print,” “Company Size,” and the outcome variables, trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth as well as mediation effect of “Delight” between the independent variables, “Fine Print,” “Company Size,” and the outcome variables, trust, repurchase intention, switching intentions, and word-of-mouth. In this experiment, the effort will be to highlight past literatures dealing with the mediator variable “Delight,” independent variables, and dependent variables, trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth and how those literatures are applicable in explaining the FP phenomenon.

Design, Sample and Procedure

Two hundred participants (Male = 114) from Amazon Mechanical Turk (MTurk) took part in return for monetary compensation. Participants were randomly assigned to one of the four between-participant conditions per the 2 (fine print: enforced, unenforced) X 2 (company size: large and national, small and local) study design (Appendix B). Participants were instructed that they would be providing their judgments and perceptions about product and service terms and conditions after reading a scenario involving a retailer and a product. Similar to Study 1, participants were shown a scenario involving a retailer and a product (Fruit Juice Blender). Retailers were used as the service setting for two reasons. First, participants were familiar with the product category. Second, retailers are typically characterized by variability in the quality of

products and services provided during different service encounters. The scenario consisted of a constant neutral description of the product (Blender) and manipulated the company size (retailer) and fine print. The objective was to construct a realistic scenario involving “Fine Print” and “Company Size” in a retail context. “Fine Print” was manipulated as follows:

For enforced – “With no choice left, you pay the full amount of \$55 from your own pocket and the service center repairs your Blender.”

For unenforced – “Despite having no obligation to help you, the claim specialist notifies you that they will honor your claim and repair your Blender at no cost to you.”

“Company Size” was manipulated as follows:

Large and national – “New Heritage is a national retail chain store with over 10,000 employees nationwide and has been in electronics business for 25 years.”

Small and local – “New Heritage is an independent, local retail store with five employees and has recently entered in electronics business.”

With these manipulations, I examined both consumers’ preferences when fine print is enforced as well as when fine print is unenforced in both the large and national retailer as well as the small and local retailer. Specifically, the respondents were asked the following question about fine print: “In the end, who paid for the repair?” (0 = You, 1 = New Heritage). In case of “Company Size”, respondents rated the company to the extent it is reputed using one categorical question: “What kind of retailer is New Heritage?” (0 = National retail chain store, 1 = Independent, local retail store) and one seven-point Likert scale item (“To what extent is the retailer well-known?”). Finally, the respondents responded to the three control variables, namely,

relational investment, failure severity, and attractiveness of competing brands as well as the demographic items.

Measures

Multi-item measures (details in Table 4) were used to assess trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth. Trust was measured using a four-item, seven-point scale ($\alpha = .870$) adapted from Crosby et al., (1990). Satisfaction was measured using a three-item, seven-point scale ($\alpha = .962$) adapted from Cronin et al., (2000). Switching intentions was measured using a three-item, seven-point scale ($\alpha = .955$) adapted from Zolfagharian et al., (2017). Word-of-mouth was measured using a two-item, seven-point scale ($\alpha = .960$) adapted from Brown, Barry, Dacin, and Gunst (2005). Repurchase intention was measured using a three-item, seven-point scale ($\alpha = .976$) adapted from Jones et al., (2000). Delight was measured using a two-item, seven-point scale ($\alpha = .958$) adapted from Ahrholdt, Gudergan, and Ringle (2019). Relational investment was measured using a three-item, seven-point scale ($\alpha = .943$) adapted from Qiu et al., (2015). Failure severity was measured using a three-item, seven-point scale ($\alpha = .917$) adapted from Maxham and Netemeyer (2002). Attractiveness of competing brands was measured using a four-item, seven-point scale ($\alpha = .737$) adapted from Zolfagharian et al., (2017).

Table 4 – Measurement Scale items of constructs (Study 2)

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
1.	Trust a) I believe this retailer cannot be relied upon to keep its promises (r). b) I believe this retailer is trustworthy. c) I find it necessary to be cautious in dealing with this retailer (r).	Crosby, Evans, and Cowles (1990)	0.870

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
	d) Overall, I believe this retailer is honest. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)		
2.	Satisfaction a) My choice to buy the Blender with this retailer was a wise one. b) I think that I did the right thing when I went to this retailer. c) This retailer is exactly what I needed when I was shopping for Fruit Juice Blender. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Cronin, Brady, and Hult (2000)	0.962
3.	Switching Intentions a) How likely is it that you would switch to another retailer? b) How probable is it that you would switch to another retailer? c) What are the chances that you would switch to another retailer? (with anchoring of 1= Extremely unlikely, improbable, no chance, 7 = Extremely likely, probable, certain)	Zolfagharian, Hasan, and Iyer (2017)	0.955
4.	Word-of-Mouth a) If a friend were shopping for a Blender, how likely is it that you would recommend this retailer? b) If you were helping your son, daughter, or other close relative make a decision on what retailer to shop for a blender, how likely is it that you would recommend this retailer? (with anchoring of 1= Definitely would not, 7 = Definitely would)	Brown et al., (2005)	0.960
5.	Repurchase Intention a) How likely is it that you would use the services of this retailer again in future? b) How probable is it that you would use the services of this retailer again in future? c) What are the chances that you would use the services of this retailer again in future?	Jones, Mothersbaugh, and Beatty (2000)	0.976

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
	(with anchoring of 1= Extremely unlikely, improbable, no chance, 7 = Extremely likely, probable, certain)		
6.	<p>Delight</p> <p>a) I was delighted with the service from this retailer.</p> <p>b) I was elated with the service from this retailer.</p> <p>(with anchoring of 1= Strongly disagree, 7 = Strongly agree)</p>	Ahrholdt, Gudergan, and Ringle (2019)	0.958
7.	<p>Relational Investment</p> <p>a) I am confident that this retailer provides the best value.</p> <p>b) I feel like there is a bond between this retailer and myself.</p> <p>c) This retailer provides reliable services and great deals.</p> <p>(with anchoring of 1= Strongly disagree, 7 = Strongly agree)</p>	Qiu et al. (2015)	0.943
8.	<p>Failure Severity</p> <p>a) It would cause me minor/major problems.</p> <p>b) It would create a small/big inconvenience.</p> <p>c) It would be a minor/major aggravation.</p> <p>(with anchoring of 1= minor, 7 = major)</p>	Maxham and Netemeyer (2002)	0.917
9.	<p>Attractiveness of Competing Brands</p> <p>a) If I needed to change my retailer, there are other retailers to choose from.</p> <p>b) I would probably be happy with the services of another retailer.</p> <p>c) Compared to this retailer, there are other retailers with which I would probably be equally or more satisfied.</p> <p>d) Compared to this retailer, there are not many other retailers with which I could be satisfied (r)</p> <p>(with anchoring of 1= Strongly disagree, 7 = Strongly agree)</p>	Zolfagharian, Hasan, and Iyer (2017)	0.737

Results

Manipulation Check

The manipulation check results supported the effectiveness of the manipulations conducted. To check the effectiveness of “Fine Print” manipulation in the scenario, participants responded to one single-item categorical question (0 = You, 1 = New Heritage), “In the end, who paid for the repair?” ANOVA results suggest that the “Fine Print” manipulation was successful, since significant differences were found between enforced condition ($M = .07$, $SD = .254$) and unenforced condition ($M = .83$, $SD = .381$; $F(1, 198) = 276.338$, $p < 0.001$). “Company Size” was manipulated, and participants responded to a single-item categorical question (0 = Large and National, 1 = Small and Local), “What kind of retailer is New Heritage?” ANOVA results suggest that the company size manipulation was successful, as significant differences were found between the large and national condition ($M = .10$, $SD = .299$) and small and local condition ($M = .79$, $SD = .412$; $F(1, 198) = 183.381$, $p < 0.001$). Participants also responded to one seven-point Likert scale item, “To what extent is the retailer well-known?” (1 = Strongly disagree, 7 = Strongly agree). ANOVA results suggest that the company size manipulation was successful, as significant differences were found between the large and national condition ($M = 4.94$, $SD = 1.133$) and small and local condition ($M = 3.59$, $SD = 1.532$; $F(1, 198) = 50.425$, $p < 0.001$).

Main Effects

MANOVA revealed significant main effects of fine print on trust, repurchase intention, switching intentions, and word-of-mouth. Specifically, trust was higher for the unenforced condition ($M_{\text{Unenforced}} = 3.947$) than for the enforced condition ($M_{\text{Enforced}} = 3.503$; $F(1, 193) = 6.877$, $p < .05$, partial $\eta^2 = .034$). Repurchase intention was higher for the unenforced condition ($M_{\text{Unenforced}} = 4.319$) than for the enforced condition ($M_{\text{Enforced}} = 3.902$; $F(1, 193) = 6.633$, $p < .05$,

partial $\eta^2 = .033$). Switching intentions was higher for enforced condition ($M_{\text{Enforced}} = 5.364$) than for the unenforced condition ($M_{\text{Unenforced}} = 4.483$; $F(1, 193) = 17.404, p < .001$, partial $\eta^2 = .083$). Word-of-mouth was higher for the unenforced condition ($M_{\text{Unenforced}} = 4.101$) than for the enforced condition ($M_{\text{Enforced}} = 3.411$; $F(1, 193) = 13.220, p < .001$, partial $\eta^2 = .064$). Moreover, MANOVA revealed nonsignificant main effects of company size on trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth.

Interaction Effects: Fine Print and Company Size

MANOVA revealed nonsignificant two-way interaction effects between “Fine Print” and “Company Size” for trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth.

Mediation Analyses: Fine Print and Delight

Mediation analysis was conducted to test the hypothesis that delight explains the tendency of consumers to trust retailers when fine print is unenforced, compared to when fine print is enforced. Specifically using Hayes’s (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where “Fine Print” was included as the independent variable, delight as the mediator, and trust as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates as well as “Company Size” was also included as a covariate. As predicted, fine print was positively associated with delight ($a = 1.1915, SE = .1619, 95\% CI [.8721, 1.5109]$), and delight was positively associated with trust ($b = .2304, SE = .0733, 95\% CI [.0858, .3749]$). Most importantly, the model revealed a significant indirect effect of fine print on trust through the proposed mechanism of delight ($c = .2745, SE = .1128, 95\% CI [.0781, .5282]$). Furthermore, in this model, the direct effect between fine print on trust remained

insignificant ($c' = .1699$, $SE = .1870$, 95% CI [-.1988, .5387]). These results indicate support for H2a.

Mediation analysis was conducted to test the hypothesis that delight explains the tendency of consumers for repurchase intention when fine print is unenforced, compared to when fine print is enforced. Specifically using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Fine Print" was included as the independent variable, delight as the mediator, and repurchase intention as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates as well as "Company Size" was also included as a covariate. As predicted, fine print was positively associated with delight ($\alpha = 1.1915$, $SE = .1619$, 95% CI [.8721, 1.5109]), and delight was positively associated with repurchase intention ($b = .2508$, $SE = .0699$, 95% CI [.1130, .3887]). Most importantly, the model revealed a significant indirect effect of fine print on repurchase intention through the proposed mechanism of delight ($c = .2989$, $SE = .1258$, 95% CI [.0738, .5682]). Furthermore, in this model, the direct effect between fine print on repurchase intention remained insignificant ($c' = .1182$, $SE = .1783$, 95% CI [-.2334, .4698]). These results indicate support for H2b.

Mediation analysis was conducted to test the hypothesis that delight explains the tendency of consumers for switching intentions when fine print is unenforced, compared to when fine print is enforced. Specifically using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Fine Print" was included as the independent variable, delight as the mediator, and switching intentions as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates as well as "Company Size" was also included

as a covariate. As predicted, fine print was positively associated with delight ($\alpha = 1.1915$, $SE = .1619$, 95% CI [.8721, 1.5109]), and delight was negatively associated with switching intentions ($b = -.2229$, $SE = .0925$, 95% CI [-.4054, -.0404]). Most importantly, the model revealed a significant indirect effect of fine print on switching intentions through the proposed mechanism of delight ($c = -.2656$, $SE = .1200$, 95% CI [-.5439, -.0664]). Furthermore, in this model, the direct effect between fine print on switching intentions remained significant ($c' = -.6150$, $SE = .2360$, 95% CI [-1.0805, -.1495]). These results indicate support for H2c.

Mediation analysis was conducted to test the hypothesis that delight explains the tendency of consumers for word-of-mouth when fine print is unenforced, compared to when fine print is enforced. Specifically using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Fine Print" was included as the independent variable, delight as the mediator, and word-of-mouth as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates as well as "Company Size" was also included as a covariate. As predicted, fine print was positively associated with delight ($\alpha = 1.1915$, $SE = .1619$, 95% CI [.8721, 1.5109]), and delight was positively associated with word-of-mouth ($b = .3265$, $SE = .0809$, 95% CI [.1670, .4860]). Most importantly, the model revealed a significant indirect effect of fine print on word-of-mouth through the proposed mechanism of delight ($c = .3890$, $SE = .1422$, 95% CI [.1469, .6903]). Furthermore, in this model, the direct effect between fine print on word-of-mouth remained insignificant ($c' = .3012$, $SE = .2063$, 95% CI [-.1056, .7081]). These results indicate support for H2d.

Mediation Analyses: Company Size and Delight

Similarly, mediation analysis was conducted to test the hypothesis that delight explains the tendency of consumers for trust, repurchase intention, switching intentions, and word-of-mouth when the company size is small, compared to when the company size is large. However, using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), nonsignificant indirect effects were observed. Therefore, H3a, H3b, H3c, and H3d were not supported.

Discussion

From the results it is evident that Fine Print had a significant main effect on trust, repurchase intention, switching intentions, and word-of-mouth, which means that consumers will have higher trust if "Fine Print" is unenforced compared to when "Fine Print" is enforced. Similarly, consumers will have higher repurchase intention if "Fine Print" is unenforced compared to when "Fine Print" is enforced. However, consumers will have higher switching intentions if "Fine Print" is enforced compared to when "Fine print" is unenforced. Similarly, consumers will have higher word-of-mouth when "Fine Print" is unenforced compared to when "Fine Print" is enforced. Furthermore, "Company Size" did not reveal any significant main effects on dependent variables, trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth. Similarly, nonsignificant interaction effects between "Fine Print" and "Consumer Size" can be observed for trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth.

CHAPTER V

STUDY 3

The Fine Print Model

The primary purpose of this chapter is to introduce a model of Customers' Reactions to Enforcement of Fine Print (CREFP) by incorporating Frontline Employee (FLE) Explanation as an independent variable. The chapter begins with a discussion of a brief overview of FLE Explanation as an independent variable. Thereafter, a review of conceptual framework in this direction is presented. A detailed description of the components of the model and hypothesized relationships among components are presented later in this chapter.

Frontline Employee Explanation

The role of frontline employees in service performance and service delivery is of particular importance in service firms (Bitner, Booms, & Tetreault, 1990). As a result, the interactions between service employees and customers are considered to be an essential part for determining service quality and customers' relationship with service providers (Bitner, 1990; Gwinner, Gremler, & Bitner 1998; Hennig-Thurau, Groth, Paul, & Gremler, 2006; Parasuraman, Zeithaml, & Berry, 1985). Frontline employees in sales and service positions participate in unscripted and challenging interactions with customers on a regular basis (Behrman & Perreault, 1984; Singh, 2000; Zablah, Franke, Brown, & Bartholomew, 2012). Similarly, service organizations are also increasingly elevating expectations placed upon service employees to

deliver exceptional services; through treating customers as valued clients or act like as they are treating customers well (Yoo & Arnold, 2016; Zablah et al., 2012) or even building rapport, which positively influences customers' satisfaction and loyalty (Gremler & Gwinner, 2000; 2008). Moreover, frontline employees' narrowly defined job descriptions neither motivates nor provide the necessary resources to go the extra mile to delight customers (Auh, Menguc, & Jung, 2014). Through emotional labor strategies, service employees are expected to align their displayed emotions with organizationally desired emotions (Hochschild, 1983). However, this study is more concerned about frontline employee interactions, especially through information sharing and explanation. Therefore, the focus would be on interactional justice.

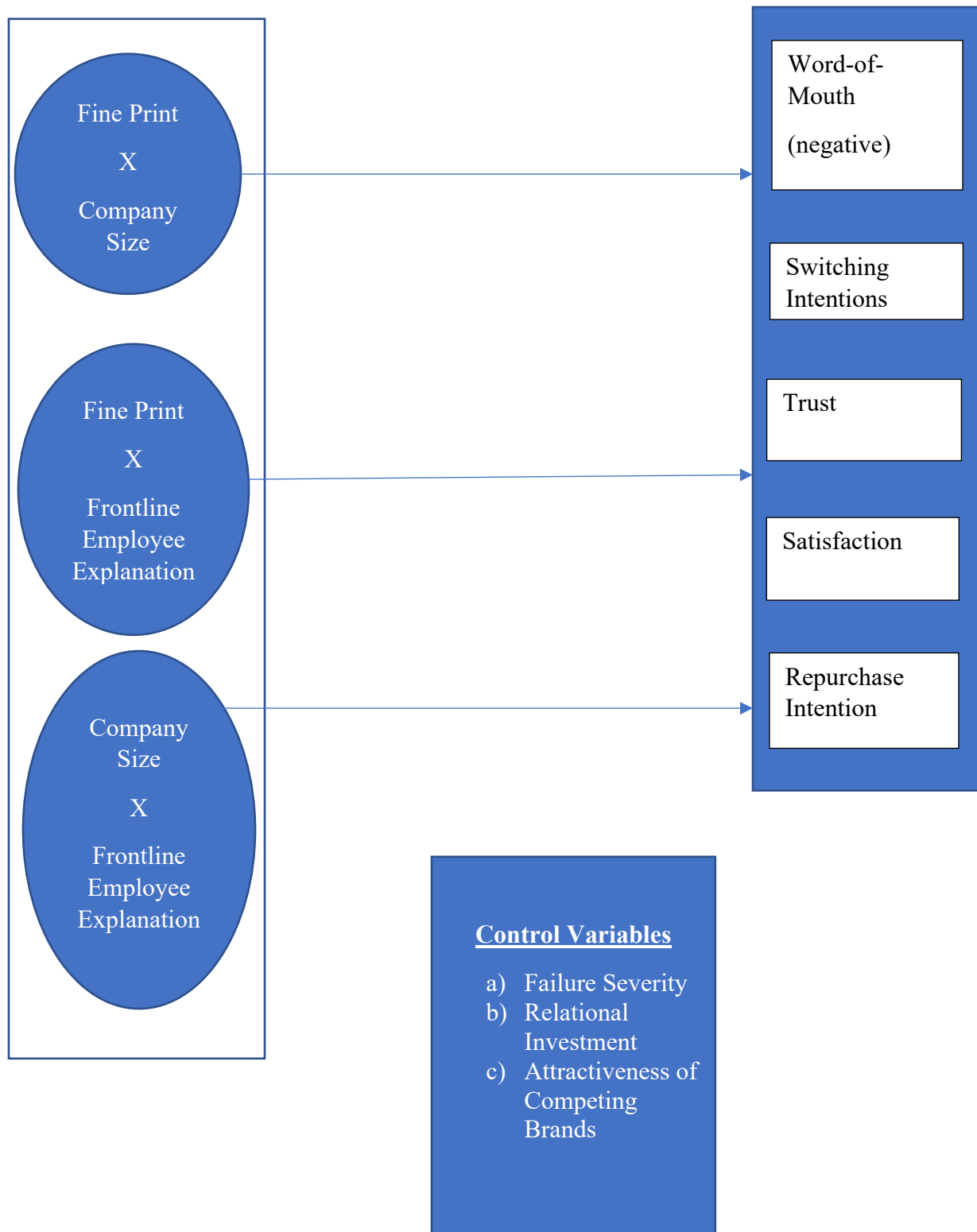
Adapted from social exchange and equity theories, justice theories (distributive, procedural, and interactional) explain the processes and outcomes revolving around service failure and service recovery situations (Patterson, Cowley, & Prasongsukarn, 2006). Interactional justice involves treatment of a customer throughout the process, that is, information is exchanged and outcomes are communicated (Bies & Shapiro, 1987). In other words, interactional justice concerns the manner in which the service problem is dealt with by service providers, as well as the interactions between the service provider and the customer (Bies & Moag, 1986; McColl-Kennedy & Sparks, 2003). For example, the manner in which service personnel treat a customer through politeness, respect, and courtesy, during the recovery process affects perceptions of interactional justice (Patterson et al., 2006). In general, a customer contrasts three key elements: a) the specific service failure or poor service recovery, b) conduct of the service provider, and c) moral principles used by the service provider (Mc-Coll-Kennedy & Sparks, 2003). In this study, service employees are considered to be responsible for providing information, as well as explanation, and failure of doing the same, results in service failure.

Components of the Model

A schematic diagram of the CREFP model is presented in Figure 5.1. This section of the dissertation presents a brief outline of the various components of the model and how they relate to one another. These components include independent variables, “Fine Print,” “Company Size,” and “Frontline Employee Explanation”, and outcome variables. “Fine Print” is categorized as ‘Enforced’ and ‘Unenforced.’ “Company Size” is categorized as ‘Large and national’ and ‘Small and regional’. “Frontline Employee Explanation” is categorized as ‘Explained’ and ‘Unexplained’. Following this, hypotheses are presented, as well as variables that are not considered an integral part of the process, or control variables, but which do have important and measurement influences upon various components of the process.

Conceptual Framework – The Fine Print Model

Figure 5.1



Hypotheses Development

Consumers' expectations about service performance, service process, and service delivery can be evaluated through the expectancy-disconfirmation paradigm (Oliver, 1980; 1981; 1989; 1993). Moreover, postconsumption emotions of consumers result from a perceived discrepancy between the expected performance and the actual performance (Oliver, 1997). Specifically, depending on the level of expectancy confirmation or disconfirmation on customers' benefit dimensions, a service may evoke positive, negative, or a mixed set of emotions (Bagozzi et al., 1999; Chaudhuri 2006; Chitturi et al., 2008; Westbrook & Oliver, 1991). In this study, enforcement/ unenforcement of fine print may lead to emotions, positive, negative, or may be mixed.

Furthermore, paying attention towards FLE Explanation, it can be inferred through prior studies (Mc-Coll-Kennedy & Sparks, 2003; Patterson et al., 2006) that interactional justice concerns the manner in which the service problem is dealt with by service providers, as well as the interactions between the service provider and the customer. Prior studies have found that buyers, unlike sellers, are not fully informed about product quality (Rao & Bergen, 1992). Therefore, it can be inferred, in service transactions, buyers may not be fully informed about service details. In this study, the emphasis is on providing information about fine print associated with the services offered. Therefore, if the service employee did not provide complete explanation informing about service details, including fine print, then that might impact the decision making of consumers, which in turn influence the behavioral intentions of the consumers. Applying the same concept, under service failure scenarios, the interaction between service employee and the customers, and the nature, type, and extent of information exchanged between service employees and customers would possibly lead to information gap thereby

influencing the behavioral intention variables in a negative manner, specifically when fine print is enforced. Similarly, it can also be inferred that when fine print is unenforced, then information exchanged between service employees and the customers would not impact any of the behavioral intentions. However, company size (large and national/small and regional) can also determine consumers' behavioral intentions along with enforcement/unenforcement of fine print, since consumers' personal belief and value systems also guide whether they want to purchase from large or small companies (Paharia et al., 2014; Thompson & Arsel, 2004; Yang & Aggarwal, 2019).

Hypotheses

Interaction Hypotheses: Fine Print and Company Size

H1: For large companies, compared to enforced fine print, unenforced fine print lead to higher (a) trust, (b) satisfaction, (c) repurchase intention, and lower (d) switching intention, and (e) negative word-of-mouth. These contrasts will be non-significant for small companies.

Interaction Hypotheses: Fine Print and Frontline Employee Explanation

H2: When fine print is enforced, compared to no explanation, employee explanation of fine print leads to higher (a) trust, (b) satisfaction, (c) repurchase intention, and lower (d) switching intention, and (e) negative word-of-mouth. These contrasts will be non-significant when fine print is unenforced.

Interaction Hypotheses: Company Size and Frontline Employee Explanation

H3: For large companies, compared to no explanation, frontline employee explanation of fine print leads to higher (a) trust, (b) satisfaction, (c) repurchase intention, and lower (d) switching

intention, and (e) negative word-of-mouth. These contrasts will be non-significant for small companies.

Control Variables

Control variables are same as Study 1, which are relational investment, failure severity, and attractiveness of competing brands.

Research Methodology

The purpose of Study 3 is to establish the interaction effects between the independent variables, “Fine Print”, “Company Size”, “Frontline Employee Explanation”, and the outcome variables, trust, satisfaction, repurchase intention, switching intentions, and negative word-of-mouth behavior.

Design, Sample and Procedure

Three-hundred and ninety-five participants (Female = 211) from Amazon Mechanical Turk (MTurk) took part in this study in return for monetary compensation. One participant did not complete the survey resulting into usable sample size of 394. Participants were randomly assigned to one of the eight between-participant conditions per the 2 (fine print: enforced, unenforced) X 2 (company size: large and national, small and regional) X (frontline employee explanation: explained, unexplained) study design (Appendix B). Participants were instructed that they would be providing their judgments and perceptions about the product and service terms and conditions after reading a scenario involving an airline and the services offered by the airline. Participants were shown a scenario involving an airline and flight cancellation. Airline was used as the service setting for two reasons. First, participants were familiar with the product category. Second, airlines are typically characterized by variability in the quality of products and

services provided during different service encounters. The scenario consisted of a constant neutral description of the product (flight ticket) and manipulated company size (airline), and fine print. The objective was to construct a realistic scenario involving “Fine Print”, “Company Size”, and “Frontline Employee Explanation” in an airline context. “Fine Print” was manipulated as follows:

For enforced – “With no choice left, you left the airport to stay at a hotel near layover city airport and also paid for your own hotel stay.”

For unenforced – “Despite having no obligation to help you, the Everest representative offered you a free voucher for a one night hotel stay at a hotel near layover city airport.”

“Company Size” was manipulated as follows:

Large and national – “You went online and purchased a basic economy flight ticket on Everest airline’s own web site, which is a large and national carrier.”

Small and regional– “You went online and purchased a basic economy flight ticket on Everest airline’s own web site, which is a small and regional carrier.”

“Frontline Employee Explanation” was manipulated as follows:

Explained – “The airline representative also explained in detail the terms and conditions associated with the purchase of the flight ticket.”

Unexplained – “The airline representative simply mentioned that the terms and conditions associated with the flight ticket purchase could be found in the ticket package.”

With these manipulations, I examined consumers’ preferences when fine print is enforced, as well as when fine print is unenforced in the case of both a large and national airline,

as well as a small and regional airline. Specifically, the respondents were asked the following questions about fine print: a) “Were the expenses for hotel stay covered by the terms and conditions of the flight ticket?” (0= Yes, 1 = No), b) “In the end, who paid for the hotel stay?” (0 = You, 1 = Everest), and c) The airline company went extra miles to help me out with regards to the cancellation of the flight.” (7-point Likert scale item where 1 = Strongly disagree, 7 = Strongly agree). In case of “Company Size”, respondents rated the airline using one seven-point Likert scale item - “To what extent is the airline well-known?” (1 = Far too little, 7 = Far too much) and “What kind of airline is Everest?” (0 = Large and National, 1 = Small and Regional). In case of “Frontline Employee Explanation”, respondents were asked the following two questions: 1. “Which of the following statements accurately represents the scenario you just read? - a) The airline representative explained to me in detail the terms and conditions associated with the purchase of the flight ticket, and b) The airline representative did NOT explain to me in detail the terms and conditions associated with the purchase of the flight ticket; instead, he/she referred me to the brochure for the terms and conditions,” and 2. “I am aware of the terms and conditions associated with the purchase of the flight ticket exist,” (1= Strongly disagree, 7 = Strongly agree). Finally, the respondents responded to the three control variables; relational investment, failure severity, and attractiveness of competing brands.

Measures

Multi-item measures (details in Table 5) were used to assess trust, satisfaction, repurchase intention, switching intentions, and negative word-of-mouth behavior. Trust was measured using a four-item, seven-point scale ($\alpha = .785$) adapted from Crosby et al., (1990). Satisfaction was measured using a three-item, seven-point scale ($\alpha = .995$) adapted from Cronin et al., (2000). Switching intentions was measured using a three-item, seven-point scale ($\alpha = .996$)

adapted from Zolfagharian et al., (2017). Word-of-mouth was measured using a three-item, seven-point scale ($\alpha = .898$) adapted from Gelbrich (2010). Repurchase intention was measured using a three-item, seven-point scale ($\alpha = .996$) adapted from Jones et al., (2000). Relational investment was measured using a three-item, seven-point scale ($\alpha = .926$) adapted from Qiu et al., (2015). Failure severity was measured using a three-item, seven-point scale ($\alpha = .907$) adapted from Maxham and Netemeyer (2002). Attractiveness of competing brands was measured using a four-item, seven-point scale ($\alpha = .254$) adapted from Zolfagharian et al., (2017).

Table 5 – Measurement Scale items of constructs (Study 3)

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
1.	Trust a) I believe this airline cannot be relied upon to keep its promises (r). b) I believe this airline is trustworthy. c) I find it necessary to be cautious in dealing with this airline (r). d) Overall, I believe this airline is honest. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Crosby, Evans, and Cowles (1990)	0.785
2.	Satisfaction a) My choice to buy the flight ticket with this airline was a wise one. b) I think that I did the right thing when I went to this airline. c) This airline is exactly what I needed when I was shopping for flight ticket. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Cronin, Brady, and Hult (2000)	0.995
3.	Switching Intentions a) How likely is it that you would switch to another airline? b) How probable is it that you would switch to another airline?	Zolfagharian, Hasan, and Iyer (2017)	0.996

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
	c) What are the chances that you would switch to another airline? (with anchoring of 1= Extremely unlikely, improbable, no chance, 7 = Extremely likely, probable, certain)		
4.	Word-of-Mouth a) I would talk to other people about my negative experience to spread negative word-of-mouth about this airline. b) I would talk to other people about my negative experience to denigrate this airline to others. c) I would talk to other people about my negative experience to warn others not to use this airline. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Gelbrich (2010)	0.898
5.	Repurchase Intention a) How likely is it that you would use the services of this airline again in future? b) How probable is it that you would use the services of this airline again in future? c) What are the chances that you would use the services of this airline again in future? (with anchoring of 1= Extremely unlikely, improbable, no chance, 7 = Extremely likely, probable, certain)	Jones, Mothersbaugh, and Beatty (2000)	0.996
6.	Failure Severity a) It would cause me minor/major problems. b) It would create a small/big inconvenience. c) It would be a minor/major aggravation. (with anchoring of 1= minor, 7 = major)	Maxham and Netemeyer (2002)	0.907
7.	Relational Investment a) I am confident that this retailer provides the best value. b) I feel like there is a bond between this retailer and myself. c) This retailer provides reliable services and great deals. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Qiu et al. (2015)	0.926

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
8.	Attractiveness of Competing Brands a) If I needed to change my retailer, there are other retailers to choose from. b) I would probably be happy with the services of another retailer. c) Compared to this retailer, there are other retailers with which I would probably be equally or more satisfied. d) Compared to this retailer, there are not many other banks with which I could be satisfied (r) (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Zolfagharian, Hasan, and Iyer (2017)	0.254

Results

Manipulation Check

The manipulation check results supported the effectiveness of the manipulations conducted. To check the effectiveness of “Fine Print” manipulation in the scenario, participants responded to two single-item categorical questions: 1. “Were the expenses for hotel stay covered by the terms and conditions of the flight ticket?” (0= Yes, 1 = No), and 2. “In the end, who paid for the hotel stay?” (0 = You, 1 = Everest) and one single-item 7-point Likert scale question: “The airline company went extra miles to help me out with regards to the cancellation of the flight” (7-point Likert scale item where 1 = Strongly disagree, 7 = Strongly agree). ANOVA results suggest that the “Fine Print” manipulation was successful for all the three questions, since significant differences were found between enforced condition and unenforced condition. Specifically, for a) “Were the expenses for hotel stay covered by the terms and conditions of the flight ticket?” ($M_{\text{Enforced}} = .85$, $SD_{\text{Enforced}} = .359$; $M_{\text{Unenforced}} = .58$, $SD_{\text{Unenforced}} = .494$; $F(1,392) = 37.123$, $p < 0.001$), b) “In the end, who paid for the hotel stay?” ($M_{\text{Enforced}} = .11$, $SD_{\text{Enforced}} = .308$;

$M_{\text{Unenforced}} = .88$, $SD_{\text{Unenforced}} = .329$; $F(1,392) = 576.794$, $p < 0.001$), and c) “The airline company went extra miles to help me out with regards to the cancellation of the flight” ($M_{\text{Enforced}} = 2.67$, $SD_{\text{Enforced}} = 1.691$; $M_{\text{Unenforced}} = 5.43$, $SD_{\text{Unenforced}} = 1.516$; $F(1,392) = 291.146$, $p < 0.001$).

“Company Size” was manipulated using one seven-point Likert scale item - “To what extent is the airline well-known?” (1 = Far too little, 7 = Far too much) and “What kind of airline is Everest?” (0 = Large and National, 1 = Small and Regional). ANOVA results suggest that the company size manipulation was successful, as significant differences were found between the large and national condition and small and regional condition. Specifically, for a) “To what extent is the airline well-known?” ($M_{\text{Large and National}} = 4.33$, $SD_{\text{Large and National}} = 1.618$; $M_{\text{Small and Regional}} = 3.22$, $SD_{\text{Small and Regional}} = 1.559$; $F(1,392) = 47.878$, $p < 0.001$), and b) “What kind of airline is Everest?” ($M_{\text{Large and National}} = .24$, $SD_{\text{Large and National}} = .430$; $M_{\text{Small and Regional}} = .78$, $SD_{\text{Small and Regional}} = .418$; $F(1,392) = 155.337$, $p < 0.001$).

“Frontline Employee Explanation” was manipulated using one single-item categorical question and one seven-point Likert scale items – 1. “Which of the following statements accurately represents the scenario you just read? - a) The airline representative explained to me in detail the terms and conditions associated with the purchase of the flight ticket, and b) The airline representative did NOT explain to me in detail the terms and conditions associated with the purchase of the flight ticket; instead, he/she referred me to the brochure for the terms and conditions,” (a) = 0, b) = 1), and 2. “I am aware of the terms and conditions associated with the purchase of the flight ticket” (1 = Strongly disagree, 7 = Strongly agree). ANOVA results suggest that the Frontline Employee Explanation manipulation was successful, as significant differences were found between the informed condition and uninformed condition. Specifically, for 1. “Which of the following statements accurately represents the scenario you just read? ($M_{\text{Informed}} =$ -

.95, $SD_{\text{Informed}} = 10.037$; $M_{\text{Uninformed}} = .73$, $SD_{\text{Uninformed}} = .448$; $F(1,392) = 5.549$, $p < 0.05$), and 2. “I am aware of the terms and conditions associated with the purchase of the flight ticket” ($M_{\text{Informed}} = 5.56$, $SD_{\text{Informed}} = 1.299$; $M_{\text{Uninformed}} = 4.18$, $SD_{\text{Uninformed}} = 1.634$; $F(1,392) = 85.986$, $p < 0.001$).

Main Effects

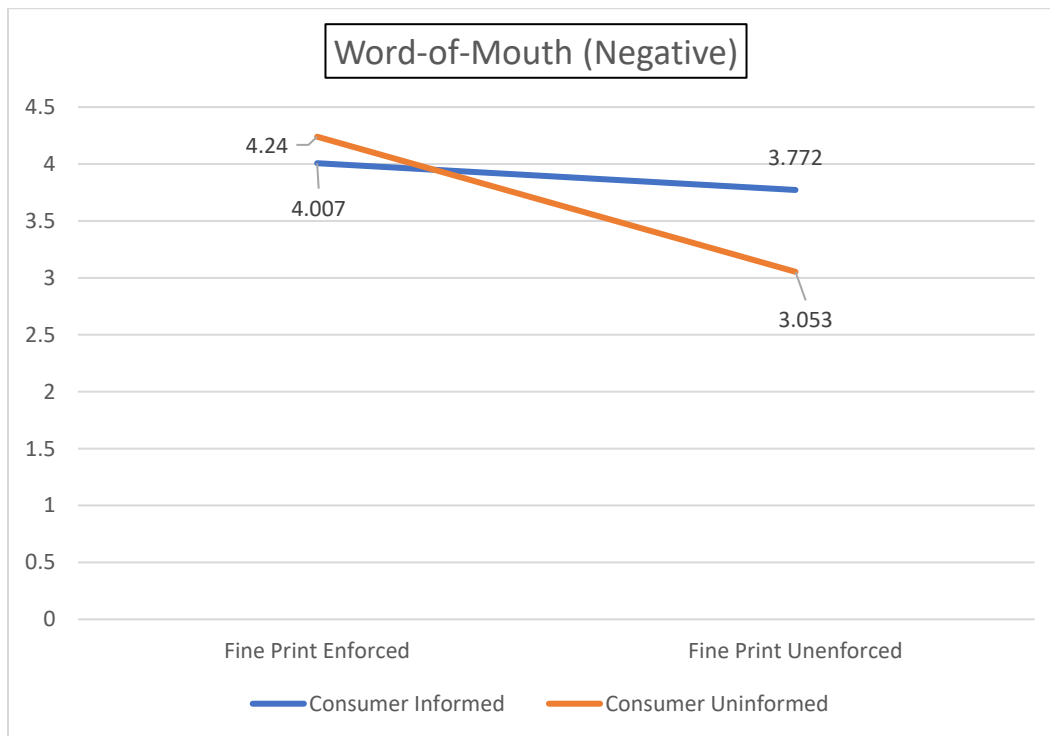
MANOVA revealed significant main effects of fine print on trust, repurchase intention, switching intentions, and negative word-of-mouth and nonsignificant main effect on satisfaction. Specifically, trust was higher for the unenforced condition ($M_{\text{Unenforced}} = 4.253$) than for the enforced condition ($M_{\text{Enforced}} = 3.837$; $F(1, 382) = 14.133$, $p < .05$, partial $\eta^2 = .036$). Repurchase intention was higher for the unenforced condition ($M_{\text{Unenforced}} = 4.303$) than for the enforced condition ($M_{\text{Enforced}} = 3.912$; $F(1, 382) = 8.324$, $p < .05$, partial $\eta^2 = .021$). Switching intentions was higher for enforced condition ($M_{\text{Enforced}} = 5.422$) than for the unenforced condition ($M_{\text{Unenforced}} = 4.631$; $F(1, 382) = 27.796$, $p < .05$, partial $\eta^2 = .068$). Negative word-of-mouth was higher for the enforced condition ($M_{\text{Enforced}} = 4.124$) than for the unenforced condition ($M_{\text{Unenforced}} = 3.412$; $F(1, 382) = 6.816$, $p < .05$, partial $\eta^2 = .018$). Moreover, MANOVA revealed nonsignificant main effects of company size on trust, satisfaction, repurchase intention, switching intentions, and negative word-of-mouth. Similarly, MANOVA also revealed nonsignificant main effects of frontline employee explanation on trust, satisfaction, repurchase intention, switching intentions, and negative word-of-mouth.

Interaction Effects: Fine Print, Company Size and Frontline Employee Explanation

MANOVA revealed nonsignificant three-way interaction between “Fine Print”, “Company Size”, and “Frontline Employee Explanation” for trust, satisfaction, repurchase intention, switching intentions, and negative word-of-mouth behavior. However, significant two-

way interactions between “Fine Print” and “Frontline Employee Explanation” were observed. Specifically, MANOVA revealed significant interaction effects between Fine Print and Frontline Employee Explanation ($F(1, 382) = 4.591, p < .05, \text{partial } \eta^2 = .012$) for negative word-of-mouth (see Figure 5.2). A modified Bonferroni contrast (Keppel, 1991) shows that when Fine Print is enforced, negative word-of-mouth is higher for uninformed consumers compared to informed consumers ($M_{\text{Uninformed}} = 4.240$ vs. $M_{\text{Informed}} = 4.007, p < 0.05$). Conversely, when Fine Print is unenforced, negative word-of-mouth is higher for informed consumers compared to uninformed consumers ($M_{\text{Informed}} = 3.772, M_{\text{Uninformed}} = 3.053, p < 0.05$). These results indicate support for H1e. Furthermore, no significant interaction effects were observed for trust, satisfaction, repurchase intention, and switching intentions.

Figure 5.2 Interaction between Fine Print and Frontline Employee Explanation on Word-of-Mouth



Discussion

From the results it is evident that Fine Print had a significant main effect on trust, repurchase intention, switching intentions, and negative word-of-mouth, which means that consumers will have higher trust if “Fine Print” is unenforced compared to when “Fine Print” is enforced. Similarly, consumers will have higher repurchase intention if “Fine Print” is unenforced compared to when “Fine Print” is enforced. However, consumers will have higher switching intentions if “Fine Print” is enforced compared to when “Fine print” is unenforced. Similarly, consumers will have higher negative word-of-mouth when “Fine Print” is enforced compared to when “Fine Print” is unenforced. Furthermore, “Company Size” and “Frontline Employee Explanation” did not reveal any significant main effects on dependent variables, trust, satisfaction, repurchase intention, switching intentions, and negative word-of-mouth.

Significant interaction effects between “Fine Print” and “Frontline Employee Explanation” can also be observed for negative word-of-mouth, which means that negative word-of-mouth is higher when “Fine Print” is enforced and also when frontline employee did not explain the terms and conditions to the consumers. Conversely, negative word-of-mouth is higher when “Fine Print” is unenforced and also when frontline employee did not explain the terms and conditions to the consumers. The findings, especially the interactions between “Fine Print” and “Frontline Employee Explanation”, suggest that even if the airline representative explained the terms and conditions of the flight ticket in detail along with un-enforcing “Fine Print”, that is, offering a free voucher for a one-night hotel stay, consumers still spread the negative word-of-mouth possibly due to service failure, i.e., cancellation of flight, because the primary purpose of buying the flight ticket is to avail the service of the airline, and merely giving

a free voucher for hotel stay to recover the service failure does not serve the purpose of the customers.

CHAPTER VI

STUDY 4

The Fine Print Model

The primary purpose of this chapter is to introduce a model of Customers' Reactions to Enforcement of Fine Print (CREFP) by incorporating Frontline Employee Sympathy and Frontline Employee Competency as independent variables and delight as a mediator. The chapter begins with a discussion of a brief overview of frontline employee sympathy and frontline employee competency as independent variables. Thereafter, a review of conceptual framework in this direction is presented, as well as a conceptual framework involving delight as a mediator is also presented. A detailed description of the components of the model and hypothesized relationships among components are presented later in this chapter.

Frontline Employee Sympathy

Drawing on emotional dissonance theory, the emotional process which service-sector employees go through has been highlighted (Park, Hyun, & Jhang, 2019). Emotional laborers in the service industries have to display emotions that may differ from what they truly feel depending on the context of client contacts (Hochschild 1979; 1983; Park et al., 2019). In this study, the term 'emotional labor' has been applied to represent 'Frontline Employee'. In service context, the definition of emotional labor by Grandey (2000), can be applied, which states, "the process of faking and suppressing their true emotions" (pg. 101), and particularly employees undertake this kind of display of emotions in order to follow the guidelines imposed by

organizations (Park et al., 2019). Specifically, employees can choose between two acting strategies, surface or deep acting, when displaying expected emotions to customers (Grandey, 2003; Hennig-Thurau et al., 2006). Prior studies have also studied the relationship between emotional dissonance and constructs such as emotional exhaustion, burnout, fatigue, and energy depletion (e.g., Grandey, 2000; Gross, 1998). Park et al., (2019) argued that during interaction with others, when people are emotionally exhausted, they have no emotional resources they can use which would result into less sympathy for others' feelings. In this study, the objective is to examine whether a frontline employee would be sympathetic or unsympathetic depending on whether fine print is enforced or unenforced.

Frontline Employee Competency

According to service quality literature, frontline employee service competencies have been defined as “the combination of interpersonal competencies and professional competencies required to successfully carry out their tasks when serving customers” (Wu, Tsai, & Chen, 2015, pg. 225). Competency can also be captured through service traits such as knowledge, skill, and intelligence (Kirmani, Hamilton, Thompson, & Lantzy, 2017). Although service quality has a direct impact on customer satisfaction (Lee, Lee, & Kang, 2012; Martinelli & Balboni, 2012; Seto-Pamies, 2012), responsiveness and empathy have a significant impact on customer satisfaction, whereas, reliability and responsiveness have an important impact on consumer dissatisfaction, in the banking context (Johnston, 1995). Moreover, Rosen and Karwan (1994) found reliability to be a key factor in restaurant and health care contexts, leaving responsiveness to be the least important factor. Therefore, frontlines employee interpersonal and professional competencies are positively associated with service quality dimensions such as, reliability, responsiveness, empathy, and assurance (Wu et al., 2015). Furthermore, Kirmani et al., (2017)

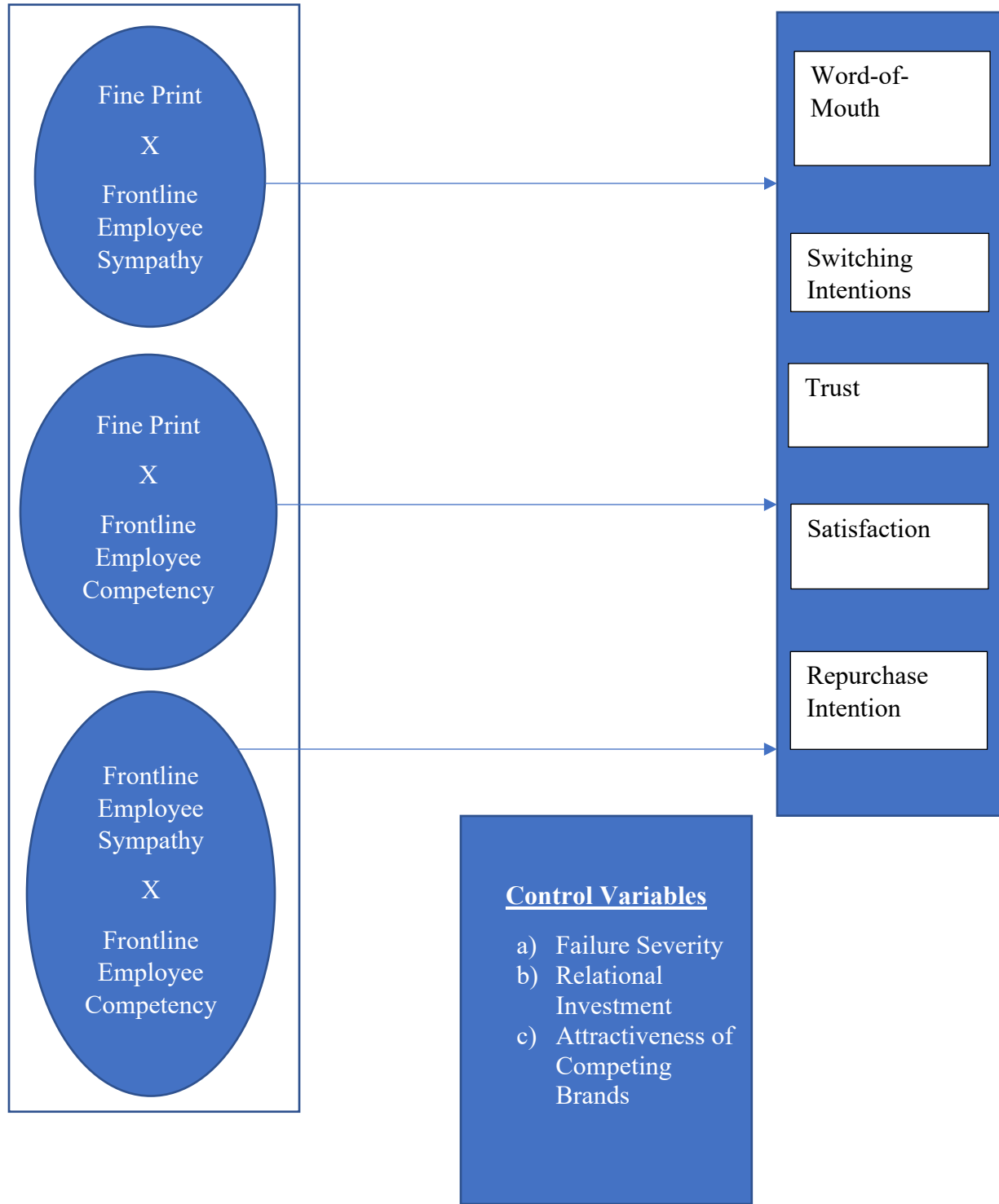
found competence attributes to be more salient than either morality or warmth attributes when immoral behavior is not directly harmful to consumers while choosing service providers. In this study, the objective is to examine whether frontline employee would be competent or incompetent depending on whether fine print is enforced or unenforced.

Components of the Model

A schematic diagram of the CREFP model is presented in Figure 6.1 and Figure 6.2. This section of the dissertation presents a brief outline of the various components of the model and how they relate to one another. These components include the independent variables “Fine Print”, “Frontline Employee Sympathy”, and “Frontline Employee Competency”, a mediator variable, and outcome variables. Following this, hypotheses development and hypotheses are presented, as well as variables that are not considered an integral part of the process, or control variables, but which do have important and measurement influences upon various components of the process.

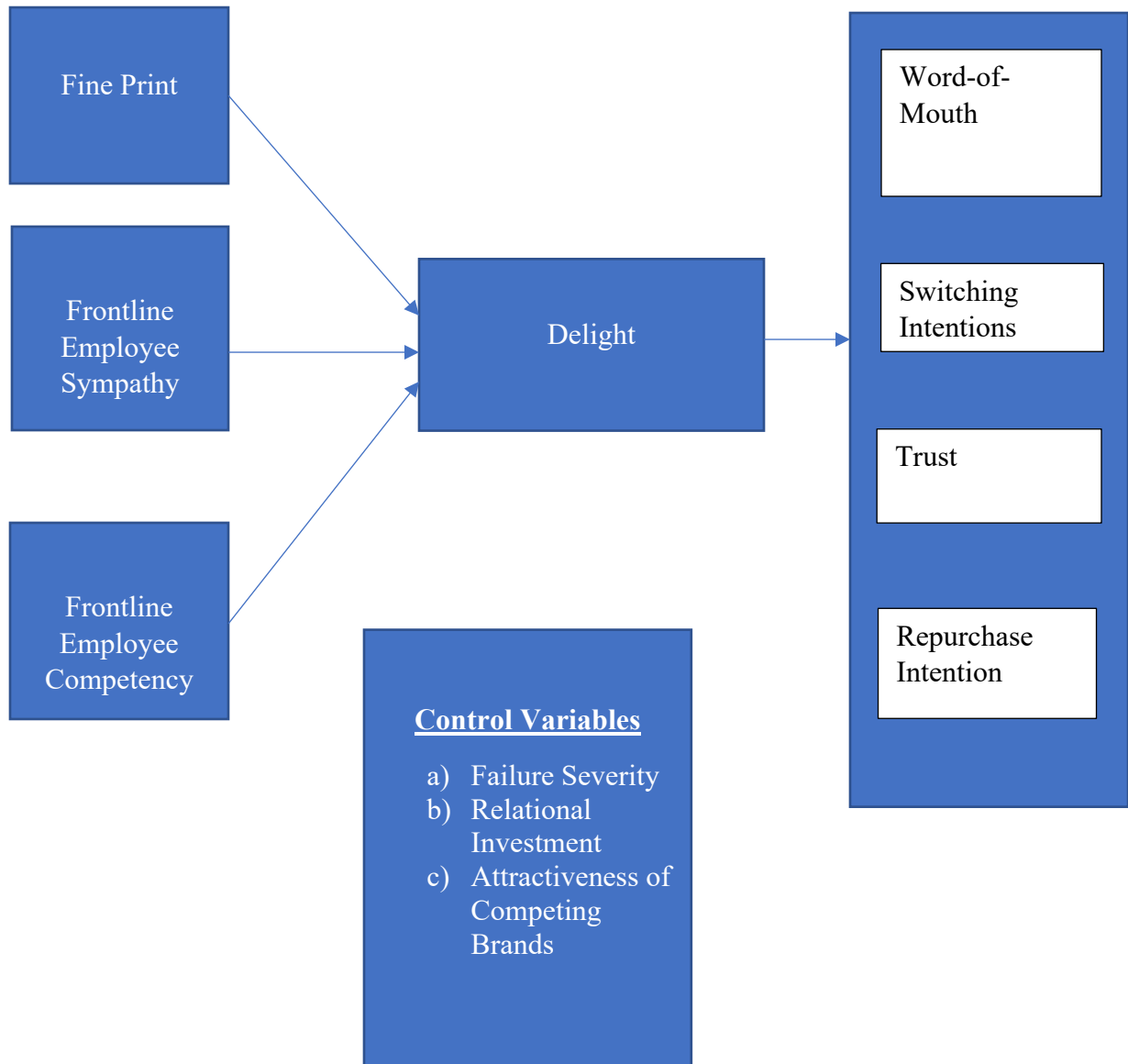
Conceptual Framework – The Fine Print Model

Figure 6.1



Conceptual Framework – The Fine Print Model (Delight Mediator)

Figure 6.2



Hypotheses Development

Expectancy-disconfirmation paradigm (Oliver, 1980; 1981; 1989; 1993), through past research, helps evaluate consumers' expectations about service performance, service process, and service delivery. Postconsumption emotions of consumers result from a perceived discrepancy between the expected performance and the actual performance (Oliver, 1997). Specifically, depending on the level of expectancy confirmation or disconfirmation on customers' benefit dimensions, a service may evoke positive, negative, or a mixed set of emotions (Bagozzi et al., 1999; Chaudhuri, 2006; Chitturi et al., 2008; Westbrook & Oliver, 1991). In this study, enforcement/unenforcement of fine print may lead to emotions, positive, negative, or may be mixed.

Furthermore, paying attention towards frontline employee sympathy, it can be inferred, through prior studies (Park et al., 2019), that frontline employees, during interaction with others, could be emotionally exhausted as they would have no emotional resources they can use which would result into less sympathy for others' feelings. Applying the same concept in this study, under service failure scenarios, the interaction between consumers and frontline employees would possibly lead to emotional exhaustion for frontline employees thereby leading to less sympathy, specifically when fine print is enforced. Similarly, it can also be inferred that when fine print is unenforced, then frontline employees should have less emotional exhaustion thereby leading to more sympathy towards the consumer. In case of frontline employee competency, frontlines employees depicting interpersonal and professional competencies would impact consumers' behavioral intentions positively, leading to higher (trust, satisfaction, repurchase intention, and word-of-mouth) and lower (switching intentions).

Hypotheses

Interaction Hypotheses: Fine Print and Frontline Employee Sympathy

H1: Consumers are likely to have higher a) trust, b) satisfaction, c) repurchase intention, d) word-of-mouth, and lower e) switching intentions when frontline employee is sympathetic (unsympathetic) in the case of an unenforced fine print condition, but this effect is attenuated in the case of an enforced fine print condition.

Interaction Hypotheses: Fine Print and Frontline Employee Competency

H2: Consumers are likely to have higher a) trust, b) satisfaction, c) repurchase intention, d) word-of-mouth, and lower e) switching intentions when frontline employee is competent (incompetent) in the case of an unenforced fine print condition, but this effect is attenuated in the case of an enforced fine print condition.

Interaction Hypotheses: Frontline Employee Sympathy and Frontline Employee Competency

H3: Consumers are likely to have higher a) trust, b) satisfaction, c) repurchase intention, d) word-of-mouth, and lower e) switching intentions when frontline employee is sympathetic (unsympathetic) when frontline employee is competent, but this effect is attenuated when frontline employee is incompetent.

Mediating Hypotheses: Fine Print and Delight

H4: Delight mediates the effect of enforced/unenforced fine print on a) trust, b) repurchase intention, c) switching intentions, and d) word-of-mouth.

Mediating Hypotheses: Frontline Employee Sympathy and Delight

H5: Delight mediates the effect of frontline employee (sympathetic/unsympathetic) on a) trust, b) repurchase intention, c) switching intentions, and d) word-of-mouth.

Mediating Hypotheses: Frontline Employee Competency and Delight

H6: Delight mediates the effect of frontline employee competency (competent/incompetent) on a) trust, b) repurchase intention, c) switching intentions, and d) word-of-mouth.

Control Variables

Control variables are same as Study 1, which are relational investment, failure severity, and attractiveness of competing brands.

Research Methodology

The purpose of Study 4 is to establish the interaction effects of independent variables, “Fine Print,” “Frontline Employee Sympathy,” “Frontline Employee Competency,” and the outcome variables, trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth behavior as well as mediation effect of “Delight” on outcome variables, trust, repurchase intention, switching intentions, and word-of-mouth.

Design, Sample and Procedure

This study employed a 2 (fine print: enforced, unenforced) X 2 (frontline employee sympathy: sympathetic, unsympathetic) X 2 (frontline employee competency: competent, incompetent) between-subjects design. Three hundred and ninety-two participants (Male = 241) from Amazon Mechanical Turk (MTurk) took part in return for monetary compensation. One participant did not complete the survey resulting into usable sample size of 391. Respondents

were given one of the eight proposed designs (Appendix B), of which one was randomly assigned to each respondent. The objective was to construct a realistic scenario involving “Fine Print”, “Frontline Employee Sympathy”, and “Frontline Employee Competency” in a banking context. Participants were instructed that they would be providing their judgments and perceptions about product and service terms and conditions after reading a scenario involving banking products and services offered by a bank. Bank was used as the service setting for two reasons. First, participants were familiar with the product category. Second, banks are typically characterized by variability in the quality of products and services provided during different service encounters. The scenario consisted of a constant neutral description of the product (checking account) and manipulated frontline employee sympathy (sympathetic/unsympathetic), frontline employee competency (competent/incompetent), and fine print. “Fine Print” was manipulated as follows:

For enforced – “At the end, with no choice left, you accept \$25 monthly maintenance charge.”

For unenforced – “At the end, despite having no obligation to help you, the agent waives the \$25 fee and refunds it to your account.”

“Frontline Employee Sympathy” was manipulated as follows:

Sympathetic – “Over the phone, the agent sincerely apologizes for the misunderstanding and inconvenience and gives you ample opportunity to voice your concerns.”

Unsympathetic – “Over the phone, the agent offers no apologies for the misunderstanding and inconvenience and gives you little opportunity to voice your concerns.”

“Frontline Employee Competency” was manipulated as follows:

Competent – “The agent gives you clear and complete information about the terms and conditions. The agent appears very knowledgeable about their products and services.”

Incompetent – “The agent gives you unclear and incomplete information about the terms and conditions. The agent appears highly ignorant about their products and services.”

With these manipulations, I examined consumers’ preferences in case when fine print is enforced as well as when fine print is unenforced in case of situations when frontline employee was a) sympathetic/unsympathetic, and b) competent/incompetent the large. Specifically, the respondents were asked the following questions about fine print: 1. First One Bank went extra miles to help me out by waiving off the maintenance charges for the checking account (7-point Likert scale item where 1 = Strongly disagree, 7 = Strongly agree), and 2. In the end, did you have to pay the maintenance charges? (0 = Yes, 1 = No). In case of “Frontline Employee Sympathy”, respondents rated the banking services using two seven-point Likert scale items (1 = Strongly disagree, 7 = Strongly agree) – a) The bank employee was sympathetic, and b) The bank employee was supportive. In case of “Frontline Employee Competency”, respondents rated the banking services using two seven-point Likert scale items (1 = Strongly disagree, 7 = Strongly agree) – a) The bank employee was an expert in providing the service, and b) The bank employee seemed to be extremely experienced. Finally, the respondents responded to the three control variables, namely, relational investment, failure severity, and attractiveness of competing brands as well as the demographic items.

Measures

Multi-item measures (details in Table 6) were used to assess trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth behavior. Trust was measured

using a four-item, seven-point scale ($\alpha = .660$) adapted from Crosby et al., (1990). Satisfaction was measured using a three-item, seven-point scale ($\alpha = .918$) adapted from Cronin et al., (2000). Switching intentions was measured using a three-item, seven-point scale ($\alpha = .777$) adapted from Zolfagharian et al., (2017). Word-of-mouth was measured using a two-item, seven-point scale ($\alpha = .931$) adapted from Brown et al., (2005). Repurchase intention was measured using a three-item, seven-point scale ($\alpha = .908$) adapted from Jones et al., (2000). Delight was measured using a two-item, seven-point scale ($\alpha = .934$) adapted from Ahrholdt et al., (2019). Relational investment was measured using a three-item, seven-point scale ($\alpha = .931$) adapted from Qiu et al., (2015). Failure severity was measured using a three-item, seven-point scale ($\alpha = .887$) adapted from Maxham and Netemeyer (2002). Attractiveness of competing brands was measured using a four-item, seven-point scale ($\alpha = .700$) adapted from Zolfagharian et al., (2017).

Table 6 – Measurement Scale items of constructs (Study 4)

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
1.	Trust a) I believe this bank cannot be relied upon to keep its promises (r). b) I believe this bank is trustworthy. c) I find it necessary to be cautious in dealing with this bank (r). d) Overall, I believe this bank is honest. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Crosby, Evans, and Cowles (1990)	0.660
2.	Satisfaction	Cronin, Brady, and Hult (2000)	0.918

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
	<ul style="list-style-type: none"> a) My choice to open a checking account with this bank was a wise one. b) I think that I did the right thing when I went to this bank. c) This bank is exactly what I needed when I was shopping for a checking account. (with anchoring of 1= Strongly disagree, 7 = Strongly agree) 		
3.	<p>Switching Intentions</p> <ul style="list-style-type: none"> a) How likely is it that you would switch to another bank? b) How probable is it that you would switch to another bank? c) What are the chances that you would switch to another bank? (with anchoring of 1= Extremely unlikely, improbable, no chance, 7 = Extremely likely, probable, certain) 	Zolfagharian, Hasan, and Iyer (2017)	0.777
4.	<p>Word-of-Mouth</p> <ul style="list-style-type: none"> a) If a friend were shopping for a banking product or service, how likely is it that you would recommend this bank? b) If you were helping your son, daughter, or other close relative make a decision on what bank to shop for a banking product or service, how likely is it that you would recommend this bank? (with anchoring of 1= Definitely would not, 7 = Definitely would) 	Brown et al., (2005)	0.931
5.	<p>Repurchase Intention</p> <ul style="list-style-type: none"> a) How likely is it that you would use the services of this bank again in future? b) How probable is it that you would use the services of this bank again in future? c) What are the chances that you would use the services of this bank again in future? (with anchoring of 1= Extremely unlikely, improbable, no chance, 7 = Extremely likely, probable, certain) 	Jones, Mothersbaugh, and Beatty (2000)	0.908
6.	Delight	Ahrholdt, Gudergan, and Ringle (2019)	0.934

Sl. No.	Constructs	Source	Reliability (Cronbach's alpha)
	a) I was delighted with the service from this bank. b) I was elated with the service from this bank. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)		
7.	Failure Severity a) It would cause me minor/major problems. b) It would create a small/big inconvenience. c) It would be a minor/major aggravation. (with anchoring of 1= minor, 7 = major)	Maxham and Netemeyer (2002)	0.887
8.	Relational Investment a) I am confident that this bank provides the best value. b) I feel like there is a bond between this bank and myself. c) This bank provides reliable services and great deals. (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Qiu et al. (2015)	0.931
9.	Attractiveness of Competing Brands a) If I needed to change my bank, there are other banks to choose from. b) I would probably be happy with the services of another bank. c) Compared to this bank, there are other banks with which I would probably be equally or more satisfied. d) Compared to this bank, there are not many other banks with which I could be satisfied (r) (with anchoring of 1= Strongly disagree, 7 = Strongly agree)	Zolfagharian, Hasan, and Iyer (2017)	0.700

Results

Manipulation Check

The manipulation check results supported the effectiveness of the manipulations conducted. To check the effectiveness of “Fine Print” manipulation in the scenario, participants

responded to two questions: a) First One Bank went extra miles to help me out by waiving off the maintenance charges for the checking account (7-point Likert scale item where 1 = Strongly disagree, 7 = Strongly agree), and b) In the end, did you have to pay the maintenance charges? (0 = Yes, 1 = No). ANOVA results suggest that the “Fine Print” manipulation was successful for both of these questions, since significant differences were found between enforcement condition and unenforced condition. Specifically, for – a) First One Bank went extra miles to help me out by waiving off the maintenance charges for the checking account ($M_{\text{Enforced}} = 2.74$, $SD_{\text{Enforced}} = 2.077$; $M_{\text{Unenforced}} = 5.19$, $SD_{\text{Unenforced}} = 1.478$; $F(1,389) = 179.638$, $p < 0.001$), b) In the end, did you have to pay the maintenance charges? ($M_{\text{Enforced}} = .03$, $SD_{\text{Enforced}} = .173$; $M_{\text{Unenforced}} = .71$, $SD_{\text{Unenforced}} = .456$; $F(1,389) = 377.682$, $p < 0.001$). “Frontline Employee Sympathy” was manipulated using two seven-point Likert scale items - a) The bank employee was sympathetic, and b) The bank employee was supportive. ANOVA results suggest that the frontline employee sympathy manipulation was successful, as significant differences were found between the sympathetic condition and unsympathetic condition. Specifically, for a) The bank employee was sympathetic ($M_{\text{Sympathetic}} = 5.15$, $SD_{\text{Sympathetic}} = 1.473$; $M_{\text{Unsympathetic}} = 3.27$, $SD_{\text{Unsympathetic}} = 1.999$; $F(1,389) = 113.238$, $p < 0.001$), and b) The bank employee was supportive ($M_{\text{Sympathetic}} = 5.11$, $SD_{\text{Sympathetic}} = 1.470$; $M_{\text{Unsympathetic}} = 3.45$, $SD_{\text{Unsympathetic}} = 2.012$; $F(1,389) = 87.491$, $p < 0.001$). “Frontline employee competency” was manipulated using two seven-point Likert scale items – a) The bank employee was an expert in providing the service, and b) The bank employee seemed to be extremely experienced. ANOVA results suggest that the frontline employee competency manipulation was successful, as significant differences were found between the competent condition and incompetent condition. Specifically, for a) The bank employee was an expert in providing the service ($M_{\text{Competent}} = 5.46$, $SD_{\text{Competent}} = 1.269$; $M_{\text{Incompetent}} = 3.30$, $SD_{\text{Incompetent}} =$

2.035; $F(1,389) = 155.069, p < 0.001$), and b) The bank employee seemed to be extremely experienced ($M_{\text{Competent}} = 5.49, SD_{\text{Competent}} = 1.339; M_{\text{Incompetent}} = 3.27, SD_{\text{Incompetent}} = 2.032; F(1,389) = 161.119, p < 0.001$).

Main Effects

MANOVA revealed significant main effects of fine print on switching intentions and nonsignificant main effects on trust, satisfaction, repurchase intention, and word-of-mouth. Specifically, switching intentions was higher for the enforced condition ($M_{\text{Enforced}} = 5.182$) than for the unenforced condition ($M_{\text{Unenforced}} = 4.824; F(1, 380) = 9.092, p < .05, \text{partial } \eta^2 = .023$). Moreover, MANOVA revealed significant main effects of frontline employee sympathy on trust and nonsignificant main effects on satisfaction, repurchase intention, switching intentions, and word-of-mouth. Specifically, trust was higher when frontline employee was sympathetic ($M_{\text{Sympathetic}} = 3.606$) than when frontline employee was unsympathetic ($M_{\text{Unsympathetic}} = 3.430; F(1, 380) = 4.313, p < .05, \text{partial } \eta^2 = .011$). Furthermore, MANOVA revealed significant main effects of frontline employee competency on trust and switching intentions and nonsignificant main effects on satisfaction, repurchase intention, and word-of-mouth. Specifically, trust was higher when frontline employee was competent ($M_{\text{Competent}} = 3.706$) than when frontline employee was incompetent ($M_{\text{Incompetent}} = 3.330; F(1, 380) = 19.348, p < .05, \text{partial } \eta^2 = .048$). Switching intentions was higher when frontline employee was incompetent ($M_{\text{Incompetent}} = 5.129$) than when frontline employee was competent ($M_{\text{Competent}} = 4.877; F(1, 380) = 4.655, p < .05, \text{partial } \eta^2 = .012$).

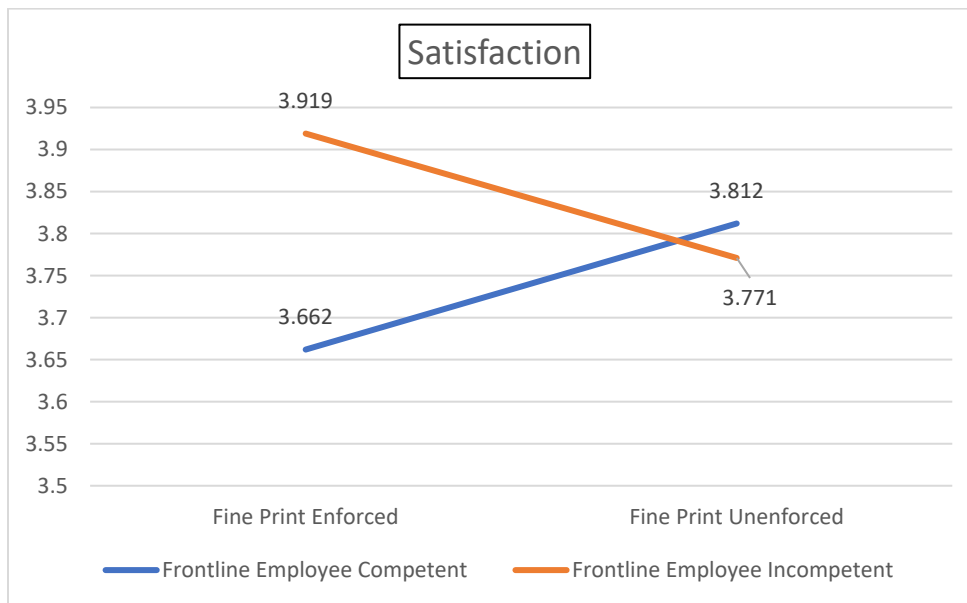
Interaction Effects: Fine Print and Frontline Employee Sympathy

MANOVA did not reveal any significant two-way interaction effects between “Fine Print” and “Frontline Employee Sympathy”.

Interaction Effects: Fine Print and Frontline Employee Competency

MANOVA revealed significant two-way interaction effects between Fine Print and Frontline Employee Competency ($F(1, 380) = 2.809, p < .10, \text{partial } \eta^2 = .007$) for satisfaction (see Figure 6.3). A modified Bonferroni contrast (Keppel, 1991) shows that when fine print is enforced, satisfaction is higher for incompetent frontline employee compared to competent frontline employee ($M_{\text{Incompetent}} = 3.919$ vs. $M_{\text{Competent}} = 3.662$). Conversely, when fine print is unenforced, satisfaction is higher for competent frontline employee compared to incompetent frontline employee ($M_{\text{Competent}} = 3.812, M_{\text{Incompetent}} = 3.771$). These results indicate partial support for H2b.

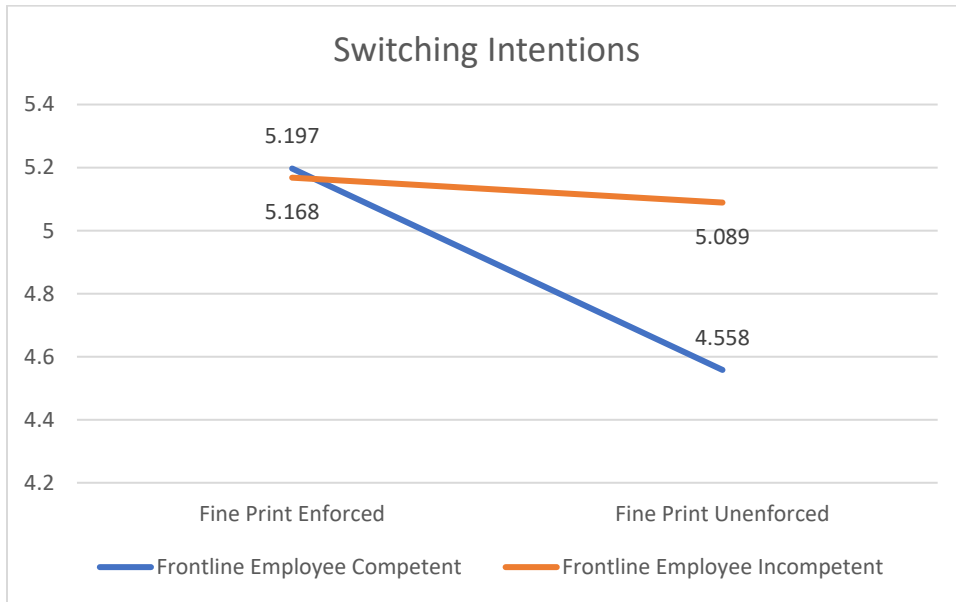
Figure 6.3 Interaction between Fine Print and Frontline Employee Competency on Satisfaction



Furthermore, MANOVA also revealed significant interaction effects between Fine Print and Frontline Employee Competency ($F(1, 380) = 5.950, p < .05, \text{partial } \eta^2 = .015$) for switching intentions (see Figure 6.4). A modified Bonferroni contrast (Keppel, 1991) shows that when fine print is enforced, switching intentions is higher for competent frontline employee compared to

incompetent frontline employee ($M_{\text{Competent}} = 5.197$ vs. $M_{\text{Incompetent}} = 5.168$). Conversely, when fine print is unenforced, switching intentions is higher for incompetent frontline employee compared to competent frontline employee ($M_{\text{Incompetent}} = 5.089$, $M_{\text{Competent}} = 4.558$). These results indicate support for H2d.

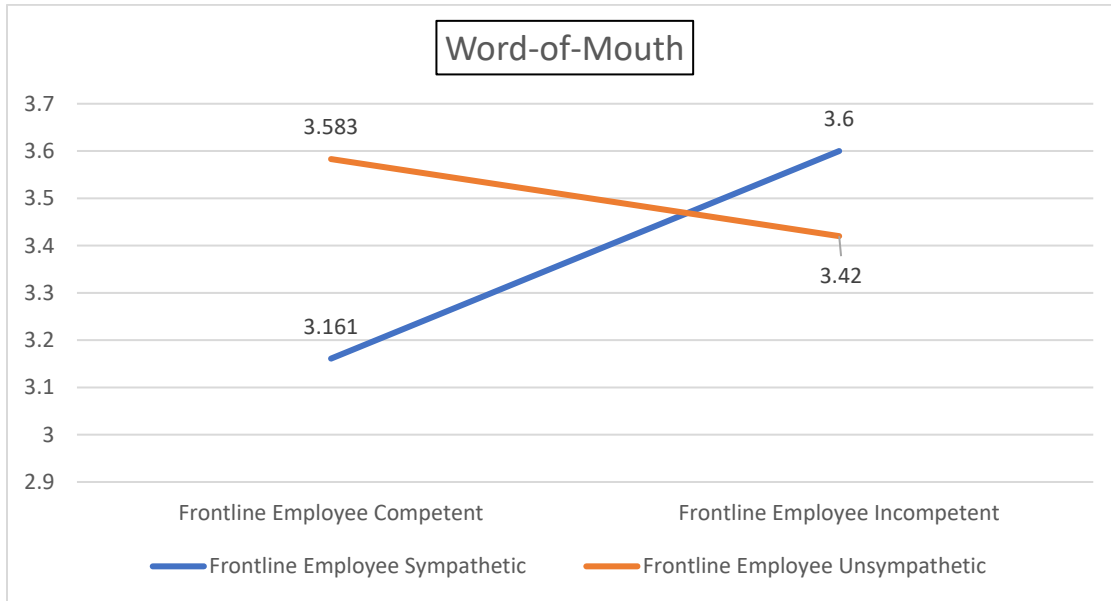
Figure 6.4 Interaction between Fine Print and Frontline Employee Competency on Switching Intentions



Interaction Effects: Frontline Employee Sympathy and Frontline Employee Competency

MANOVA revealed significant two-way interaction effects between Frontline Employee Sympathy and Frontline Employee Competency ($F(1, 380) = 7.504, p < .05$, partial $\eta^2 = .019$) for word-of-mouth (see Figure 6.5). A modified Bonferroni contrast (Keppel, 1991) shows that when frontline employee is sympathetic, word-of-mouth is higher for incompetent frontline employee compared to competent frontline employee ($M_{\text{Incompetent}} = 3.600$ vs. $M_{\text{Competent}} = 3.161$). Conversely, when frontline employee is unsympathetic, word-of-mouth is higher for competent frontline employee compared to incompetent frontline employee ($M_{\text{Competent}} = 3.583$, $M_{\text{Incompetent}} = 3.420$). These results indicate support, in opposite direction, for H3e.

Figure 6.5 Interaction between Frontline Employee Sympathy and Frontline Employee Competency on Word-of-Mouth



Interaction Effects: Fine Print, Frontline Employee Sympathy and Frontline Employee Competency

MANOVA revealed significant three-way interaction effects between “Fine Print”, “Frontline Employee Sympathy”, and “Frontline Employee Competency” for repurchase intention and nonsignificant interactions for trust, satisfaction, switching intentions, and word-of-mouth behavior. Specifically, MANOVA revealed significant interaction effects between Fine Print, Frontline Employee Sympathy, and Frontline Employee Competency ($F(1, 380) = 5.161, p < .05, \text{partial } \eta^2 = .013$) for repurchase intention (see Figure 6.6 and Figure 6.7). A modified Bonferroni contrast (Keppel, 1991) shows that when fine print is unenforced and frontline employee is sympathetic and incompetent, repurchase intention is higher compared to when fine print is enforced and frontline employee is sympathetic and incompetent ($M_{\text{UnenforcedSympatheticIncompetent}} = 3.818$ vs. $M_{\text{EnforcedSympatheticIncompetent}} = 3.529$). Moreover, a modified

Bonferroni contrast (Keppel, 1991) also shows that when fine print is unenforced and frontline employee is unsympathetic and competent, repurchase intention is lower compared to when fine print is enforced and frontline employee is unsympathetic and competent

($M_{\text{UnenforcedUnsympatheticCompetent}} = 3.840$ vs. $M_{\text{EnforcedSympatheticCompetent}} = 3.526$).

Figure 6.6 Interaction of Fine Print (Enforced), Frontline Employee Sympathy, and Frontline Employee Competency on Repurchase Intention

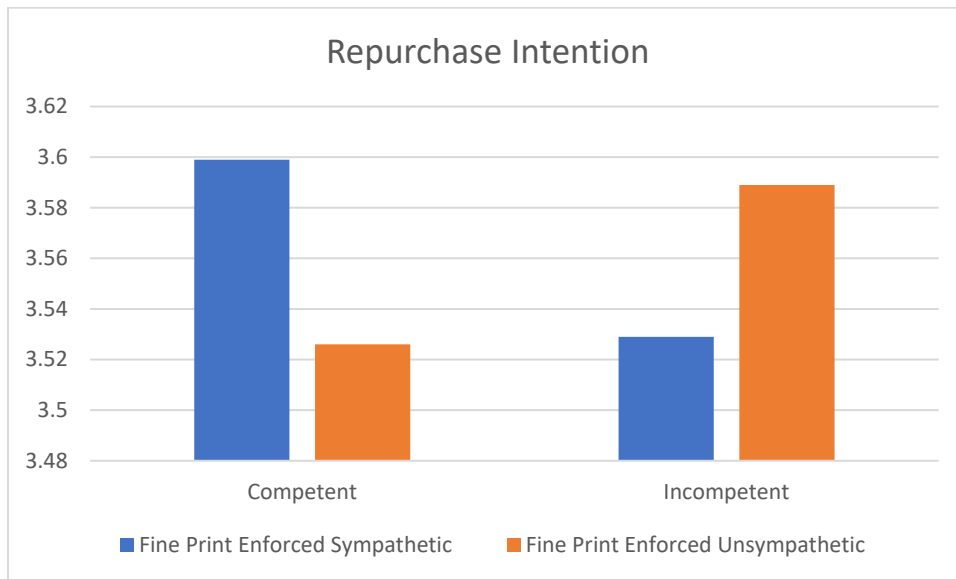
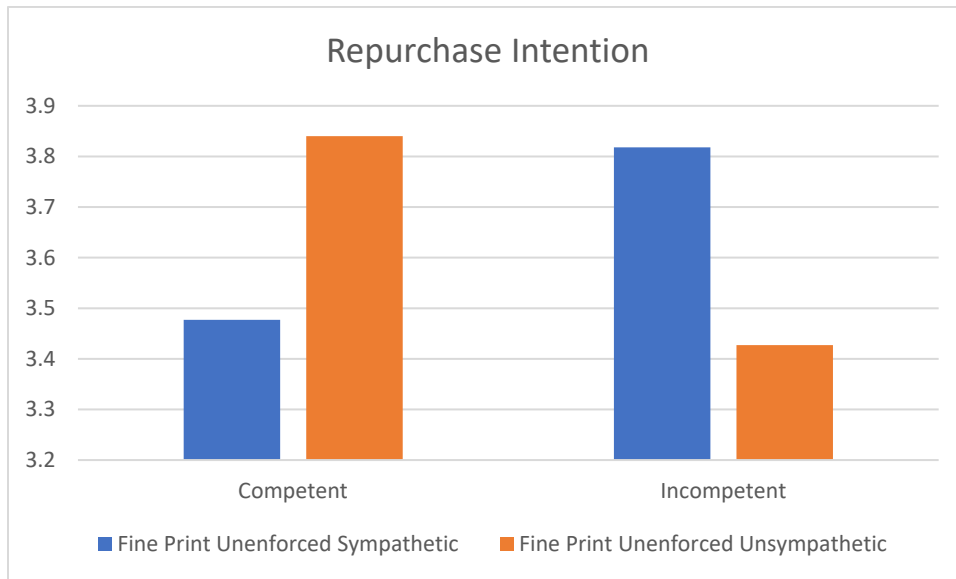


Figure 6.7 Interaction of Fine Print (Unenforced), Frontline Employee Sympathy, and Frontline Employee Competency on Repurchase Intention



Mediation Analyses: Fine Print and Delight

Mediation analysis was conducted to test the hypothesis that delight explains the tendency of consumers for trust, repurchase intention, switching intentions, and word-of-mouth when fine print is enforced, compared to when fine print is unenforced, as well as when frontline employee is sympathetic compared to frontline employee unsympathetic. Specifically using Hayes’s (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where “Fine Print” was included as the independent variable, delight as the mediator, and trust as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates as well as “Frontline Employee Sympathy” and “Frontline Employee Competency” were also included as a covariate. As predicted, fine print was positively associated with delight ($\alpha = .2270$, $SE = .1070$, 95% CI [.0166, .4373]), and delight was positively associated with trust ($b = .1802$, $SE = .0406$, 95% CI [.1004, .2601]). Most importantly, the model revealed a significant indirect effect of

fine print on trust through the proposed mechanism of delight ($c = .0409$, $SE = .0215$, 95% CI [$.0025$, $.0877$]). Furthermore, in this model, the direct effect between fine print on trust remained insignificant ($c' = .0021$, $SE = .0856$, 95% CI [$-.1663$, $.1704$]). These results indicate support for H4a.

In case of repurchase intention, using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Fine Print" was included as the independent variable, delight as the mediator, and repurchase intention as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates as well as "Frontline Employee Sympathy" and "Frontline Employee Competency" were also included as a covariate. As predicted, fine print was positively associated with delight ($a = .2270$, $SE = .1070$, 95% CI [$.0166$, $.4373$]), and delight was positively associated with repurchase intention ($b = .3361$, $SE = .0452$, 95% CI [$.2472$, $.4249$]). Most importantly, the model revealed a significant indirect effect of fine print on repurchase intention through the proposed mechanism of delight ($c = .0763$, $SE = .0379$, 95% CI [$.0070$, $.1561$]). Furthermore, in this model, the direct effect between fine print on repurchase intention remained insignificant ($c' = .0070$, $SE = .0953$, 95% CI [$-.1804$, $.1944$]). These results indicate support for H4b.

For switching intentions, using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Fine Print" was included as the independent variable, delight as the mediator, and switching intentions as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates as well as "Frontline Employee Sympathy" and "Frontline Employee Competency" were also included as a covariate. As predicted, fine print

was positively associated with delight ($\alpha = .2270$, $SE = .1070$, 95% CI [.0166, .4373]), and delight was negatively associated with switching intentions ($b = -.2315$, $SE = .0548$, 95% CI [- .3392, -.1237]). Most importantly, the model revealed a significant indirect effect of fine print on switching intentions through the proposed mechanism of delight ($c = -.0525$, $SE = .0302$, 95% CI [-.1227, -.0027]). Furthermore, in this model, the direct effect between fine print on switching intentions remained significant ($c' = -.2343$, $SE = .1155$, 95% CI [-.4614, -.0071]). These results indicate support for H4c.

In the case of word-of-mouth, using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Fine Print" was included as the independent variable, delight as the mediator, and word-of-mouth as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates as well as "Frontline Employee Sympathy" and "Frontline Employee Competency" were also included as a covariate. As predicted, fine print was positively associated with delight ($\alpha = .2270$, $SE = .1070$, 95% CI [.0166, .4373]), and delight was positively associated with word-of-mouth ($b = .3695$, $SE = .0527$, 95% CI [.2658, .4732]). Most importantly, the model revealed a significant indirect effect of fine print on word-of-mouth through the proposed mechanism of delight ($c = .0839$, $SE = .0407$, 95% CI [.0065, .1681]). Furthermore, in this model, the direct effect between fine print on word-of-mouth remained insignificant ($c' = -.1775$, $SE = .1112$, 95% CI [-.3961, .0411]). These results indicate support for H4d.

Mediation Analyses: Frontline Employee Sympathy and Delight

Mediation analysis was conducted to test the hypothesis that delight explains the tendency of consumers for trust, repurchase intention, switching intentions, and word-of-mouth

when frontline employee is sympathetic compared to when frontline employee is unsympathetic. Specifically using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Frontline Employee Sympathy" was included as the independent variable, delight as the mediator, and trust as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates, as well as "Fine Print" and "Frontline Employee Competency" were also included as a covariate. Frontline employee sympathy was negatively associated with delight ($\alpha = -.2257$, $SE = .1035$, 95% CI [-.4292, -.0222]), and delight was positively associated with trust ($b = .1783$, $SE = .0405$, 95% CI [.0986, .2580]). Most importantly, the model revealed a significant indirect effect of frontline employee sympathy on trust through the proposed mechanism of delight ($c = -.0402$, $SE = .0245$, 95% CI [-.0969, -.0029]). Furthermore, in this model, the direct effect between frontline employee sympathy on trust remained insignificant ($c' = -.1323$, $SE = .0827$, 95% CI [-.2949, .0303]). These results indicate support for H5a.

In the case of repurchase intention, using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Frontline Employee Sympathy" was included as the independent variable, delight as the mediator, and repurchase intention as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates as well as "Fine Print" and "Frontline Employee Competency" were also included as a covariate. Frontline employee sympathy was negatively associated with delight ($\alpha = -.2257$, $SE = .1035$, 95% CI [-.4292, -.0222]) and delight was positively associated with repurchase intention ($b = .3369$, $SE = .0451$, 95% CI [.2482, .4256]). Most importantly, the model revealed a significant indirect effect of frontline employee sympathy on repurchase intention through the proposed mechanism of

delight ($c = -.0760$, $SE = .0379$, 95% CI [$-.1566$, $-.0077$]). Furthermore, in this model, the direct effect between frontline employee sympathy on repurchase intention remained insignificant ($c' = .0633$, $SE = .0921$, 95% CI [$-.1177$, $.2443$]). These results indicate support for H5b.

For switching intentions, using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Frontline Employee Sympathy" was included as the independent variable, delight as the mediator, and switching intentions as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates, as well as "Fine Print" and "Frontline Employee Competency" were also included as a covariate. Frontline employee sympathy was negatively associated with delight ($\alpha = -.2257$, $SE = .1035$, 95% CI [$-.4292$, $-.0222$]) and delight was negatively associated with switching intentions ($b = -.1952$, $SE = .0561$, 95% CI [$-.3054$, $-.0850$]). Most importantly, the model revealed a significant indirect effect of frontline employee sympathy on switching intentions through the proposed mechanism of delight ($c = .0441$, $SE = .0255$, 95% CI [$.0037$, $.1023$]). Furthermore, in this model, the direct effect between frontline employee sympathy on switching intentions remained insignificant ($c' = .1019$, $SE = .1144$, 95% CI [$-.1231$, $.3268$]). These results indicate support for H5c.

In the case of word-of-mouth, using Hayes's (2017) PROCESS macro (Model 4; 5,000 bootstrapped samples), mediation analysis was conducted, where "Frontline Employee Sympathy" was included as the independent variable, delight as the mediator, and word-of-mouth as the dependent variable. Moreover, control variables, relational investment, failure severity, and attractiveness of competing brands were included as covariates, as well as "Fine Print" and "Frontline Employee Competency" were also included as a covariate. Frontline employee sympathy was negatively associated with delight ($\alpha = -.2257$, $SE = .1035$, 95% CI [$-.4292$, $-.0222$])

.4292, -.0222]) and delight was positively associated with word-of-mouth ($b = .3601$, $SE = .0517$, 95% CI [.2585, .4618]). Most importantly, the model revealed a significant indirect effect of frontline employee sympathy on word-of-mouth through the proposed mechanism of delight ($c = -.0813$, $SE = .0418$, 95% CI [-.1701, -.0078]). Furthermore, in this model, the direct effect between frontline employee sympathy on word-of-mouth remained insignificant ($c' = .1873$, $SE = .1055$, 95% CI [-.0201, .3948]). These results indicate support for H5d.

Mediation Analyses: Frontline Employee Competency and Delight

In the case of “Frontline Employee Competency”, no significant indirect effects were observed with delight as a mediator. Therefore, there is no support for H6a, H6b, H6c, and H6d.

Discussion

From the results it is evident that Fine Print had a significant main effect on switching intentions, which means that consumers will have higher switching intentions if “Fine Print” is enforced compared to when “Fine Print” is unenforced. Moreover, Frontline Employee Sympathy had a marginal significant main effect on trust, which means that trust was higher when frontline employee was sympathetic than when frontline employee was unsympathetic. Frontline Employee Competency also had significant main effect on trust and switching intentions, which means that trust was higher when frontline employee was competent than when frontline employee was incompetent, and switching intentions was higher when frontline employee was incompetent than when frontline employee was competent.

Furthermore, marginally significant interaction effects between “Fine Print” and “Frontline Employee Competency” can also be observed for satisfaction, which means that when fine print is enforced, satisfaction is higher for incompetent frontline employee compared to

competent frontline employee. Conversely, when fine print is unenforced, satisfaction is higher for competent frontline employee compared to incompetent frontline employee. Moreover, significant interaction effects between “Fine Print” and “Frontline Employee Competency” can also be observed for switching intentions, which means that when fine print is enforced, switching intentions is higher for competent frontline employee compared to incompetent frontline employee. Conversely, when fine print is unenforced, switching intentions is higher for incompetent frontline employee compared to competent frontline employee.

Significant interaction effects between Frontline Employee Sympathy and Frontline Employee Competency can also be observed for word-of-mouth, which means that when frontline employee is sympathetic, word-of-mouth is higher for incompetent frontline employee compared to competent frontline employee. Conversely, when frontline employee is unsympathetic, word-of-mouth is higher for competent frontline employee compared to incompetent frontline employee. Significant interaction effects between Fine Print, Frontline Employee Sympathy, and Frontline Employee Competency can also be observed for repurchase intention, which means that when fine print is enforced and frontline employee is sympathetic and incompetent, repurchase intention is higher compared to when fine print is unenforced and frontline employee is sympathetic and incompetent. Moreover, it can also be observed that when fine print is enforced and frontline employee is unsympathetic and competent, repurchase intention is lower compared to when fine print is unenforced and frontline employee is unsympathetic and competent.

From the findings it can be inferred that consumers have trust in frontline employee who are competent and simultaneously show switching intentions for frontline employees who are incompetent. It can also be observed that consumers spread word-of-mouth for the bank when

the frontline employee is sympathetic and incompetent. It shows that consumers favor sympathy against competency. Similar findings can also be observed for repurchase intention even if fine print is enforced.

Furthermore, delight mediates the behavioral intention variables such as, trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth. Prior studies have highlighted, for example, delight and satisfaction both as mediators (Chitturi et al., 2008; Wang, 2011). However, this study has examined delight as a mediator affecting the behavioral intentions variables.

CHAPTER VII

CONCLUSION

General Discussion

The objective of this dissertation is to investigate the effects of enforcement and/or unenforcement of “Fine Print” on consumers’ reactions. In examining consumers’ reactions to the Fine Print phenomenon, several relationships between Fine Print, Company Size, Frontline Employee Explanation, Expectation, Frontline Employee Sympathy, Frontline Employee Competency, Delight, and behavioral intentions have been empirically tested across four studies. Findings across those four studies provide insights into the complex interrelationships between the Fine Print, Company Size, Frontline Employee Explanation, Expectation, Frontline Employee Sympathy, Frontline Employee Competency, Delight, and behavioral intention constructs. These studies examine the combined impact of the fine print phenomenon on behavioral intentions mediated by delight. The current study, to the best of my knowledge, is the first to apply the Fine Print phenomenon in service environments. This is important because Fine Print represents a key factor where both service firms and consumers perform effectively in today’s competitive market.

Study 1 – Findings showed that consumers will have higher switching intentions and negative word-of-mouth if “Fine Print” is enforced compared to when “Fine Print” is unenforced. It was also observed that satisfaction and repurchase intention are higher when “Fine Print” is unenforced in case of the large and national retailer compared to when fine print is

enforced. While the same was not true for small and local retailer where satisfaction and repurchase intention are higher when “Fine Print” is enforced compared to when “Fine Print” is unenforced. These interaction effects towards satisfaction and repurchase intention can give some idea about customer favorability or empathy or affinity towards small and local retailers than large and national retailers. That is, consumers’ personal belief and value systems play a role whether they choose to purchase from small versus large companies (Paharia et al., 2014; Thompson & Arsel, 2004; Yang & Aggarwal, 2019).

Study 2 - From the results it is evident that consumers have higher trust, repurchase intention, and word-of-mouth if “Fine Print” is unenforced compared to when “Fine Print” is enforced. However, consumers will have higher switching intentions if “Fine Print” is enforced compared to when “Fine print” is unenforced. Findings also revealed that “Company Size” did not have any effect on dependent variables; trust, satisfaction, repurchase intention, switching intentions, and word-of-mouth. That is, regardless of the size of the company, consumers make their decisions based on other factors involved, such as enforcement/unenforcement of fine print. Furthermore, delight mediates the behavioral intention variables such as, trust, repurchase intention, switching intentions, and word-of-mouth. Prior studies have highlighted, for example, delight and satisfaction both as mediators (Chitturi et al., 2008; Wang, 2011). Therefore, this study has examined delight mediating the other four behavioral intentions variables except satisfaction.

Study 3 – Findings showed that consumers will have higher trust and repurchase intention if “Fine Print” is unenforced compared to when “Fine Print” is enforced. However, consumers will have higher switching intentions and negative word-of-mouth if “Fine Print” is enforced compared to when “Fine print” is unenforced. It was also observed that size of airline

and frontline employee explanation to consumers did not have any effects on trust, satisfaction, repurchase intention, switching intentions, and negative word-of-mouth. However, interaction effects between “Fine Print” and “Frontline Employee Explanation” showed that negative word-of-mouth is higher when “Fine Print” is enforced and also when consumers were not given any explanation by frontline employee. Whereas, negative word-of-mouth is higher when “Fine Print” is unenforced and also when consumers were not given any explanation by frontline employee. The findings, especially the interactions between “Fine Print” and “Frontline Employee Explanation”, suggest that even if the frontline employee explained the terms and conditions of the flight ticket in detail along with un-enforcing “Fine Print”. That is, after offering a free voucher for a one-night hotel stay, consumers still spread the negative word-of-mouth possibly due to service failure, i.e., cancellation of flight, because the primary purpose of buying the flight ticket is to avail the service of the airline, which is the core service, carrying fundamental value the service product offers (Wang, 2011).

Study 4 – Findings showed that consumers will have higher switching intentions if “Fine Print” is enforced compared to when “Fine Print” is unenforced. Trust was higher when frontline employee was sympathetic than when frontline employee was unsympathetic. Furthermore, trust was higher when frontline employee was competent than when frontline employee was incompetent, and switching intentions was higher when frontline employee was incompetent than when frontline employee was competent. Furthermore, it was also observed that when fine print is enforced, satisfaction is higher for incompetent frontline employee compared to competent frontline employee. Whereas, when fine print is unenforced, satisfaction is higher for competent frontline employee compared to incompetent frontline employee. For switching intentions, it was observed that when fine print is enforced, switching intentions is higher for

competent frontline employee compared to incompetent frontline employee. Whereas, when fine print is unenforced, switching intentions is higher for incompetent frontline employee compared to competent frontline employee.

In the case of word-of-mouth, it was observed that when frontline employee is sympathetic, word-of-mouth is higher for incompetent frontline employee compared to competent frontline employee. Whereas, when frontline employee is unsympathetic, word-of-mouth is higher for competent frontline employee compared to incompetent frontline employee. For repurchase intention, it was found that when fine print is enforced and frontline employee is sympathetic and incompetent, repurchase intention is higher compared to when fine print is unenforced and frontline employee is sympathetic and incompetent. Moreover, it can also be observed that when fine print is enforced and frontline employee is unsympathetic and competent, repurchase intention is lower compared to when fine print is unenforced and frontline employee is unsympathetic and competent.

From the findings it can be inferred that consumers have trust in frontline employees who are competent and simultaneously show switching intentions for frontline employees who are incompetent. It can also be observed that consumers spread word-of-mouth for the bank when the frontline employee is sympathetic and incompetent. It shows that consumers favor sympathy against competency. Similar findings can also be observed for repurchase intention even if fine print is enforced.

Furthermore, delight mediates the behavioral intention variables such as, trust, repurchase intention, switching intentions, and word-of-mouth. Prior studies have highlighted, for example, delight and satisfaction both as mediators (Chitturi et al., 2008; Wang, 2011). Therefore, this

study has examined delight as a mediator for the other four behavioral intentions variables except satisfaction.

Research Implications

This research contributes towards consumer and services literature by demonstrating that, for some service industries, conceptualizing “Fine Print” along with company size, consumer information, frontline employee sympathy and competency impacts behavioral intentions of consumers. The experiments also help explain more of the variance in consumers’ behavioral intentions depending on the context of the service industries, namely, retailing, airlines, and banking. For these industries, the results indicate that the inclusion of interaction terms between Fine Print, company size, consumer information, frontline employee sympathy and frontline employee competency significantly adds to the explanation of the behavioral intention variables. Since results suggest mediating relationships between Fine Print and the behavioral intention variables, future studies might wish to explore mediating and moderating effects with other variables. The significance of the results concerns the fact that understanding of consumers’ behavioral intentions in service environments appear to require much deeper examination of marketers’ perceptions beyond service quality, service performance, or other behavioral intention variables. Furthermore, consistent with previous research, delight appears consistent in mediating some of the behavioral intention variables.

Managerial Implications

In terms of managerial implications, findings support the view that fine print has both positive and negative impact on consumers’ behavioral intentions. Specifically, the behavioral intentions vary based on whether fine print is enforced or unenforced or whether the size of the company is large or small or it is national or local. The behavioral intentions also vary based on

frontline employee interactions through employee sympathy and competency. The result on the Fine Print-behavioral intentions link suggests that to enhance customer trust, satisfaction, repurchase intention, and word-of-mouth, a service provider can spend its effort in improving the enforcement rules of different terms and conditions as well as improve interactional fairness, including fairness or equitableness of its policies (Oliver & Swan, 1989). The experiments conducted allow a service provider to identify its strengths and weaknesses in the Fine Print and frontline employee components relative to its competitors. The confirmation of the mediating role of delight has an important implication to management. It is more important for management to focus on delight, since those can influence the behavioral intentions of the consumers. Hence, service firms have to undertake strategies to improve the behavioral intentions of consumers in case fine print has any adverse effect on consumers.

Limitations and Future Research

As is the case with any research, this study has some limitations that offer opportunities for future research. I would like to highlight that the present research accommodated retailing, airlines, and banking as service settings, hence it might be probable that findings might or might not get replicated in other studies involving different types of service settings. However, since three types of service industries were explored, such broader focus might enhance generalizability of the results. Also, since the models were tested using experimental designs, strong evidence of causal effects can be inferred.

In this dissertation, it was explored how consumers react when fine print is enforced/unenforced in service settings. In a series of studies, it was shown that enforcement and/or unenforcement has an impact on consumers' behavioral intentions. However, other behavioral intentions variables such as grudge and retaliation could also be examined in future

studies. Furthermore, other emotional mediators could also be examined as well as moderators to examine the relationship between Fine Print and dependent variables. Amongst several questions that remain unanswered by this research, one question can be attributed towards consumers' political ideologies. For example, future research can explore if liberals prefer fine print to be unenforced compared to enforcement, and whether conservatives prefer fine print to be enforced compared to unenforcement. Moreover, future research may also explore boundary conditions for service environments, such as, hotel services, where consumers might believe that enforcement of fine print might not negatively affect their behavioral intentions. Another boundary condition to be explored may involve hospital services, where enforcement of fine print might negatively affect behavioral intentions of consumers. Finally, other types of high/low involvement products and services could also be examined to examine the behavioral intentions.

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APPENDIX A

APPENDIX A

DEMOGRAPHICAL ITEMS

- a) Age - Out of the groups below, in which group does your age falls?
Under 18 ,18 - 24,25 - 34,35 – 44, 45 – 54, 55 – 64, 65 – 74, 75 – 84, 85 or older
- b) Gender - What is you gender?
Male, Female, Other, Prefer not to say
- c) Ethnicity - Out of the ethnic groups, in which group does your ethnicity falls?
White, Black or African American, Native American or American Indian or Alaska Native, Asian, Native Hawaiian or Pacific Islander, Hispanic or Latino, Other
- d) Education level - What is your education level?
Less than high school, High school graduate, Some college, 2 year degree, 4 year degree, Professional degree, Master's or Doctorate
- e) Income level - What is your income level per annum?
Less than \$10,000, \$10,000 - \$39,999, \$40,000 - \$79,999, \$80,000 - \$99,999, \$100,000 and more

APPENDIX B

APPENDIX B

Study 1 Scenario

- A. Last year you purchased a Fruit Juice Blender for \$85 from New Heritage by visiting their store. New Heritage is a large and national retailer and has been in electronics business for 25 years. The Blender came with a one-year manufacturer warranty. You also purchased a 3-year extended warranty for \$10 offered by New Heritage, which is independent from the manufacturer warranty. It has been over one year now and your blender has stopped functioning due to **overheating**, a problem that most blender warranties cover. You visit a manufacturer-certified service center and learn that it would cost \$55 to repair the blender. Since the manufacturer warranty has expired by now, you call New Heritage to file a claim toward the extended warranty you had purchased, but the claim specialist denies your claim reasoning that overheating is **not covered** under the terms and conditions of the extended warranty. With no choice left, you pay the full amount of \$55 from your own pocket and the service center repairs your Blender.
- B. Last year you purchased a Fruit Juice Blender for \$85 from New Heritage by visiting their store. New Heritage is a large and national retailer and has been in electronics business for 25 years. The Blender came with a one-year manufacturer warranty. You also purchased a 3-year extended warranty for \$10 offered by New Heritage, which is independent from the manufacturer warranty. It has been over one year now and your blender has stopped functioning due to **overheating**, a problem that most blender warranties cover. You visit a manufacturer-certified service center and learn that it would cost \$55 to repair the blender. Since the manufacturer warranty has expired by now, you call New Heritage to file a claim toward the extended warranty you had purchased, but the claim specialist denies your claim reasoning that overheating is **not covered** under the terms and conditions of the extended warranty. Despite having no obligation to help you, the claim specialist notifies you that they will honor your claim and repair your Blender at no cost to you.
- C. Last year you purchased a Fruit Juice Blender for \$85 from New Heritage by visiting their store. New Heritage is a small and local retailer and has recently entered in electronics business. The Blender came with a one-year manufacturer warranty. You also purchased a 3-year extended warranty for \$10 offered by New Heritage, which is independent from the manufacturer warranty. It has been over one year now and your blender has stopped functioning due to **overheating**, a problem that most blender warranties cover. You visit a manufacturer-certified service center and learn that it would cost \$55 to repair the blender. Since the manufacturer warranty has expired by now, you call New Heritage to file a claim toward the extended warranty you had purchased, but

the claim specialist denies your claim reasoning that overheating is **not covered** under the terms and conditions of the extended warranty. With no choice left, you pay the full amount of \$55 from your own pocket and the service center repairs your Blender.

- D. Last year you purchased a Fruit Juice Blender for \$85 from New Heritage by visiting their store. New Heritage is a small and local retailer and has recently entered in electronics business. The Blender came with a one-year manufacturer warranty. You also purchased a 3-year extended warranty for \$10 offered by New Heritage, which is independent from the manufacturer warranty. It has been over one year now and your blender has stopped functioning due to **overheating**, a problem that most blender warranties cover. You visit a manufacturer-certified service center and learn that it would cost \$55 to repair the blender. Since the manufacturer warranty has expired by now, you call New Heritage to file a claim toward the extended warranty you had purchased, but the claim specialist denies your claim reasoning that overheating is **not covered** under the terms and conditions of the extended warranty. Despite having no obligation to help you, the claim specialist notifies you that they will honor your claim and repair your Blender at no cost to you.

Study 2 Scenario

A. Last year you purchased a Fruit Juice Blender for \$85 from New Heritage by visiting their store. New Heritage is a national retail chain store with over 10,000 employees nationwide and has been in electronics business for 25 years. The Blender came with a one-year manufacturer warranty. You also purchased a 3-year extended warranty for \$10 offered by New Heritage, which is independent from the manufacturer warranty. It has been over one year now and your blender has stopped functioning due to overheating, a problem that most blender warranties cover. You visit a manufacturer-certified service center and learn that it would cost \$55 to repair the blender. Since the manufacturer warranty has expired by now, you call New Heritage to file a claim toward the extended warranty you had purchased, but the claim specialist denies your claim reasoning that overheating is not covered under the terms and conditions of the extended warranty. With no choice left, you pay the full amount of \$55 from your own pocket and the service center repairs your Blender.

B. Last year you purchased a Fruit Juice Blender for \$85 from New Heritage by visiting their store. New Heritage is a national retail chain store with over 10,000 employees nationwide and has been in electronics business for 25 years. The Blender came with a one-year manufacturer warranty. You also purchased a 3-year extended warranty for \$10 offered by New Heritage, which is independent from the manufacturer warranty. It has been over one year now and your blender has stopped functioning due to overheating, a problem that most blender warranties cover. You visit a manufacturer-certified service center and learn that it would cost \$55 to repair the blender. Since the manufacturer warranty has expired by now, you call New Heritage to file a

claim toward the extended warranty you had purchased, but the claim specialist denies your claim reasoning that overheating is not covered under the terms and conditions of the extended warranty. Despite having no obligation to help you, the claim specialist notifies you that they will honor your claim and repair your Blender at no cost to you.

C. Last year you purchased a Fruit Juice Blender for \$85 from New Heritage by visiting their store. New Heritage is an independent, local retail store with five employees and has recently entered in electronics business. The Blender came with a one-year manufacturer warranty. You also purchased a 3-year extended warranty for \$10 offered by New Heritage, which is independent from the manufacturer warranty. It has been over one year now and your blender has stopped functioning due to overheating, a problem that most blender warranties cover. You visit a manufacturer-certified service center and learn that it would cost \$55 to repair the blender. Since the manufacturer warranty has expired by now, you call New Heritage to file a claim toward the extended warranty you had purchased, but the claim specialist denies your claim reasoning that overheating is not covered under the terms and conditions of the extended warranty. With no choice left, you pay the full amount of \$55 from your own pocket and the service center repairs your Blender.

D. Last year you purchased a Fruit Juice Blender for \$85 from New Heritage by visiting their store. New Heritage is an independent, local retail store with five employees and has recently entered in electronics business. The Blender came with a one-year manufacturer warranty. You also purchased a 3-year extended warranty for \$10 offered by New Heritage, which is independent from the manufacturer warranty. It has been over one year now and your blender has stopped functioning due to overheating, a problem that most blender warranties cover. You visit a manufacturer-certified service center and learn that it would cost \$55 to repair the blender. Since the manufacturer warranty has expired by now, you call New Heritage to file a claim toward the extended warranty you had purchased, but the claim specialist denies your claim reasoning that overheating is not covered under the terms and conditions of the extended warranty. Despite having no obligation to help you, the claim specialist notifies you that they will honor your claim and repair your Blender at no cost to you.

Study 3 Scenario

A. You planned to visit XYZ city for your vacation and decided to purchase a flight ticket from your departure city airport. You went online and purchased a basic economy flight ticket on Everest airline's own web site, which is a large and national carrier. The itinerary had a 3-hour layover at layover city enroute to destination city. On the day of the trip, after you landed in layover city to catch your connecting flight to destination city, you found that the connecting flight had been cancelled due to bad weather conditions. The representative of Everest also announced that the next flight to destination city would be next day. You then realized that you would have to spend the night in layover city. The airline representative also explained in detail the terms and conditions associated with the purchase of the flight ticket. With no choice left,

you left the airport to stay at a hotel near layover city airport and also paid for your own hotel stay.

B. You planned to visit XYZ city for your vacation and decided to purchase a flight ticket from your departure city airport. You went online and purchased a basic economy flight ticket on Everest airline's own web site, which is a large and national carrier. The itinerary had a 3-hour layover at layover city enroute to destination city. On the day of the trip, after you landed in layover city to catch your connecting flight to destination city, you found that the connecting flight had been cancelled due to bad weather conditions. The representative of Everest also announced that the next flight to destination city would be next day. You then realized that you would have to spend the night in layover city. The airline representative also explained in detail the terms and conditions associated with the purchase of the flight ticket. Despite having no obligation to help you, the Everest representative offered you a free voucher for a one night hotel stay at a hotel near layover city airport.

C. You planned to visit XYZ city for your vacation and decided to purchase a flight ticket from your departure city airport. You went online and purchased a basic economy flight ticket on Everest airline's own web site, which is a small and regional carrier. The itinerary had a 3-hour layover at layover city enroute to destination city. On the day of the trip, after you landed in layover city to catch your connecting flight to destination city, you found that the connecting flight had been cancelled due to bad weather conditions. The representative of Everest also announced that the next flight to destination city would be next day. You then realized that you would have to spend the night in layover city. The airline representative also explained in detail the terms and conditions associated with the purchase of the flight ticket. With no choice left, you left the airport to stay at a hotel near layover city airport and also paid for your own hotel stay.

D. You planned to visit XYZ city for your vacation and decided to purchase a flight ticket from your departure city airport. You went online and purchased a basic economy flight ticket on Everest airline's own web site, which is a small and regional carrier. The itinerary had a 3-hour layover at layover city enroute to destination city. On the day of the trip, after you landed in layover city to catch your connecting flight to destination city, you found that the connecting flight had been cancelled due to bad weather conditions. The representative of Everest also announced that the next flight to destination city would be next day. You then realized that you would have to spend the night in layover city. The airline representative also explained in detail the terms and conditions associated with the purchase of the flight ticket. Despite having no obligation to help you, the Everest representative offered you a free voucher for a one night hotel stay at a hotel near layover city airport.

E. You planned to visit XYZ city for your vacation and decided to purchase a flight ticket from your departure city airport. You went online and purchased a basic economy flight ticket on Everest airline's own web site, which is a large and national carrier. The itinerary had a 3-hour layover at layover city enroute to destination city. On the day of the trip, after you landed in layover city to catch your connecting flight to destination city, you found that the connecting flight had been cancelled due to bad weather conditions. The representative of Everest also

announced that the next flight to destination city would be next day. You then realized that you would have to spend the night in layover city. The airline representative simply mentioned that the terms and conditions associated with the flight ticket purchase could be found in the ticket package. With no choice left, you left the airport to stay at a hotel near layover city airport and also paid for your own hotel stay.

F. You planned to visit XYZ city for your vacation and decided to purchase a flight ticket from your departure city airport. You went online and purchased a basic economy flight ticket on Everest airline's own web site, which is a large and national carrier. The itinerary had a 3-hour layover at layover city enroute to destination city. On the day of the trip, after you landed in layover city to catch your connecting flight to destination city, you found that the connecting flight had been cancelled due to bad weather conditions. The representative of Everest also announced that the next flight to destination city would be next day. You then realized that you would have to spend the night in layover city. The airline representative simply mentioned that the terms and conditions associated with the flight ticket purchase could be found in the ticket package. Despite having no obligation to help you, the Everest representative offered you a free voucher for a one night hotel stay at a hotel near layover city airport.

G. You planned to visit XYZ city for your vacation and decided to purchase a flight ticket from your departure city airport. You went online and purchased a basic economy flight ticket on Everest airline's own web site, which is a small and regional carrier. The itinerary had a 3-hour layover at layover city enroute to destination city. On the day of the trip, after you landed in layover city to catch your connecting flight to destination city, you found that the connecting flight had been cancelled due to bad weather conditions. The representative of Everest also announced that the next flight to destination city would be next day. You then realized that you would have to spend the night in layover city. The airline representative simply mentioned that the terms and conditions associated with the flight ticket purchase could be found in the ticket package. With no choice left, you left the hotel to stay at a hotel near layover city airport and also paid for your own hotel stay.

H. You planned to visit XYZ city for your vacation and decided to purchase a flight ticket from your departure city airport. You went online and purchased a basic economy flight ticket on Everest airline's own web site, which is a small and regional carrier. The itinerary had a 3-hour layover at layover city enroute to destination city. On the day of the trip, after you landed in layover city to catch your connecting flight to destination city, you found that the connecting flight had been cancelled due to bad weather conditions. The representative of Everest also announced that the next flight to destination city would be next day. You then realized that you would have to spend the night in layover city. The airline representative simply mentioned that the terms and conditions associated with the flight ticket purchase could be found in the ticket package. Despite having no obligation to help you, the Everest representative offered you a free voucher for a one night hotel stay at a hotel near layover city airport.

Study 4 Scenario

A. First One Bank is running a promotion: They offer a \$150 bonus if you open a checking account and set up a \$500 direct deposit within 60 days after account opening date. You open an account, complete a direct deposit of \$500 within the first 60 days, and receive the \$150 bonus. After two months, however, you notice a \$25 fee charged to your account and described as “monthly account maintenance fee”. You call First One and learn that, according to the account’s terms and conditions, a direct deposit is required each month; otherwise, there’ll be a \$25 monthly fee for account maintenance. Over the phone, the agent sincerely apologizes for the misunderstanding and inconvenience and gives you ample opportunity to voice your concerns. After listening to you patiently, the agent gives you clear and complete information about the terms and conditions. The agent appears very knowledgeable about their products and services. At the end, with no-choice left, you accept the \$25 monthly maintenance charge.

B. First One Bank is running a promotion: They offer a \$150 bonus if you open a checking account and set up a \$500 direct deposit within 60 days after account opening date. You open an account, complete a direct deposit of \$500 within the first 60 days, and receive the \$150 bonus. After two months, however, you notice a \$25 fee charged to your account and described as “monthly account maintenance fee”. You call First One and learn that, according to the account’s terms and conditions, a direct deposit is required each month; otherwise, there’ll be a \$25 monthly fee for account maintenance. Over the phone, the agent sincerely apologizes for the misunderstanding and inconvenience and gives you ample opportunity to voice your concerns. But after listening to you patiently, the agent gives you unclear and incomplete information about the terms and conditions. The agent appears highly ignorant about their products and services. At the end, with no-choice left, you accept the \$25 monthly maintenance charge.

C. First One Bank is running a promotion: They offer a \$150 bonus if you open a checking account and set up a \$500 direct deposit within 60 days after account opening date. You open an account, complete a direct deposit of \$500 within the first 60 days, and receive the \$150 bonus. After two months, however, you notice a \$25 fee charged to your account and described as “monthly account maintenance fee”. You call First One and learn that, according to the account’s terms and conditions, a direct deposit is required each month; otherwise, there’ll be a \$25 monthly fee for account maintenance. Over the phone, the agent offers NO apologizes for the misunderstanding and inconvenience and gives you little opportunity to voice your concerns. But, the agent gives you clear and complete information about the terms and conditions. The agent appears very knowledgeable about their products and services. At the end, with no-choice left, you accept the \$25 monthly maintenance charge.

D. First One Bank is running a promotion: They offer a \$150 bonus if you open a checking account and set up a \$500 direct deposit within 60 days after account opening date. You open an account, complete a direct deposit of \$500 within the first 60 days, and receive the \$150 bonus. After two months, however, you notice a \$25 fee charged to your account and described as “monthly account maintenance fee”. You call First One and learn that, according to the account’s

terms and conditions, a direct deposit is required each month; otherwise, there'll be a \$25 monthly fee for account maintenance. Over the phone, the agent offers NO apologies for the misunderstanding and inconvenience and gives you little opportunity to voice your concerns. In addition, the agent gives you unclear and incomplete information about the terms and conditions. The agent appears highly ignorant about their products and services. At the end, with no-choice left, you accept the \$25 monthly maintenance charge.

E. First One Bank is running a promotion: They offer a \$150 bonus if you open a checking account and set up a \$500 direct deposit within 60 days after account opening date. You open an account, complete a direct deposit of \$500 within the first 60 days, and receive the \$150 bonus. After two months, however, you notice a \$25 fee charged to your account and described as "monthly account maintenance fee". You call First One and learn that, according to the account's terms and conditions, a direct deposit is required each month; otherwise, there'll be a \$25 monthly fee for account maintenance. Over the phone, the agent sincerely apologizes for the misunderstanding and inconvenience and gives you ample opportunity to voice your concerns. After listening to you patiently, the agent gives you clear and complete information about the terms and conditions. The agent appears very knowledgeable about their products and services. At the end, despite having no obligation to help you, the agent waives the \$25 fee and refunds it to your account.

F. First One Bank is running a promotion: They offer a \$150 bonus if you open a checking account and set up a \$500 direct deposit within 60 days after account opening date. You open an account, complete a direct deposit of \$500 within the first 60 days, and receive the \$150 bonus. After two months, however, you notice a \$25 fee charged to your account and described as "monthly account maintenance fee". You call First One and learn that, according to the account's terms and conditions, a direct deposit is required each month; otherwise, there'll be a \$25 monthly fee for account maintenance. Over the phone, the agent sincerely apologizes for the misunderstanding and inconvenience and gives you ample opportunity to voice your concerns. But after listening to you patiently, the agent gives you unclear and incomplete information about the terms and conditions. The agent appears highly ignorant about their products and services. At the end, despite having no obligation to help you, the agent waives the \$25 fee and refunds it to your account.

G. First One Bank is running a promotion: They offer a \$150 bonus if you open a checking account and set up a \$500 direct deposit within 60 days after account opening date. You open an account, complete a direct deposit of \$500 within the first 60 days, and receive the \$150 bonus. After two months, however, you notice a \$25 fee charged to your account and described as "monthly account maintenance fee". You call First One and learn that, according to the account's terms and conditions, a direct deposit is required each month; otherwise, there'll be a \$25 monthly fee for account maintenance. Over the phone, the agent offers NO apologies for the misunderstanding and inconvenience and gives you little opportunity to voice your concerns. But, the agent gives you clear and complete information about the terms and conditions. The agent appears very knowledgeable about their products and services. At the end, despite having no obligation to help you, the agent waives the \$25 fee and refunds it to your account.

H. First One Bank is running a promotion: They offer a \$150 bonus if you open a checking account and set up a \$500 direct deposit within 60 days after account opening date. You open an account, complete a direct deposit of \$500 within the first 60 days, and receive the \$150 bonus. After two months, however, you notice a \$25 fee charged to your account and described as “monthly account maintenance fee”. You call First One and learn that, according to the account’s terms and conditions, a direct deposit is required each month; otherwise, there’ll be a \$25 monthly fee for account maintenance. Over the phone, the agent offers NO apologizes for the misunderstanding and inconvenience and gives you little opportunity to voice your concerns. In addition, the agent gives you unclear and incomplete information about the terms and conditions. The agent appears highly ignorant about their products and services. At the end, despite having no obligation to help you, the agent waives the \$25 fee and refunds it to your account.

BIOGRAPHICAL SKETCH

Sudipto Sarkar (sarkas29@outlook.com) earned his Doctor of Philosophy in Business Administration (Marketing concentration) from The University of Texas Rio Grande Valley (UTRGV) in July 2020. He started his Ph.D. program in August 2016 and graduated in July 2020. He earned his undergraduate degree in Bachelor of Commerce (Honours in Accountancy) from University of Calcutta in 2005 and Master of Business Administration (specialization in Finance) from University of Wisconsin Oshkosh in 2015.

Dr. Sarkar worked as a research assistant and assistant instructor at UTRGV for four years. His research interests include pricing, services marketing, and consumer privacy. He has presented several research papers and posters at leading marketing conferences organized by American Marketing Association, Society for Marketing Advances, and Academy of Marketing Science. He also attended a doctoral consortium organized by American Marketing Association Global Marketing Special Interest Group. He was also one of the finalists for the doctoral dissertation proposal competition organized by Society for Marketing Advances at the 2019 Society for Marketing Advances Annual Conference. He also taught various courses such as, Pricing Strategy, Principles of Marketing, and Retailing.

Prior entering academia, Dr. Sarkar has worked in accounting firms as an assistant auditor for about six years. He started his auditing career at an accounting firm in Kolkata, India, where he worked a little over five years. After completing his MBA, he joined a Big Four accounting firm in Tampa, Florida where he worked for about six months.