


Fall 2014

Customer Envy at Service Encounters

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PURDUE UNIVERSITY
GRADUATE SCHOOL
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By Gerardo Anaya

Entitled
Customer Envy at Service Encounters

For the degree of Master of Science

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12/04/2014

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CUSTOMER ENVY AT SERVICE ENCOUNTERS

A Thesis

Submitted to the Faculty

of

Purdue University

by

Gerardo Anaya

In Partial Fulfillment of the

Requirements for the Degree

of

Master of Science

December 2014

Purdue University

West Lafayette, Indiana

Dedicated to the two most important people in my life:
my wife Laura, and my mom Isabel

ACKNOWLEDGEMENTS

One of the greatest pieces of advice that I have received, is to never look too far ahead, and enjoy the journey at heart. That is exactly what I have tried to do during my last two years at Purdue. While there were doubts and fears along the way, I am extremely grateful to the friends and faculty that have given me the encouragement and supported needed to be successful.

I owe no greater appreciation than to my committee chair, advisor, and mentor Dr. Li Miao, for her invaluable wisdom and support. I remember being very anxious in getting started on the thesis, my very first month at Purdue. Never have met or talked to Dr. Miao, I emailed her to ask if we could meet to discuss thesis topics (probably too prematurely). We met for at least an hour, having an in-depth conversation on a number of different research ideas. It was this same genuine devotion to her role as an academic and educator that guided as me a novice researcher throughout my thesis. I have been so fortunate to have her as my committee chair, as she has truly made an impact on my professional career and personal ambitions.

Thank you as always to my amazing mother, who has always been the reason for my success. Being a single mother, has never been easy, but she has always sacrificed over and over again just to give me and my brother an opportunity to be successful.

Finally, I cannot express enough the love and support that my wife Laura has given since we first met our freshman year in college. Thank you for always being the smiling face that I need. I love you.

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ABSTRACT

Anaya, Gerardo J. M.S., Purdue University, December 2014. Customer Envy at Hospitality Service Encounters. Major Professor: Li Miao.

Envy has been regarded as a complex emotion which can produce both positive and negative outcomes for consumers. This study explored the subjective experience of customer envy at service encounters in order to better understand how customers respond to unflattering comparisons with an envied customer. A questionnaire was designed to measure the cognitive appraisals, emotional responses, and consequences of customer envy. Study participants were also asked to share their envy incidents in the survey. A sample of 300 participants was collected and used for analysis. The findings illustrate that distinctively different patterns of cognitive appraisals such as preferential treatment, are associated with specific types of envy. Secondly, customer envy was shown to be a “hybrid” emotion, where other discrete emotions along with envy were experienced. In addition, service providers were found to be a major agency of customer envy. Finally, the results demonstrated that it is not envy, but other emotions experienced simultaneously that triggered interpersonal and organizational consequences. These findings offer insights into how the experience of customer envy is different at service encounters. They also forward implications for service managers as it was

revealed that service employees have the ability to spark negative customer envy encounters.

CHAPTER 1. INTRODUCTION

1.1 Introduction

The service experience in service encounters is often delivered in the same space in which they are produced, and this service delivery is done in the presence of other customers. Given this, customers have the potential to observe when another customer's service experience is better than theirs. For example, imagine while you are checking into your hotel, you witness the front desk agent give the person in front of you a free upgrade. Or perhaps while at a restaurant, you notice the customer at the table next to you order the most expensive thing on the menu that you could not afford. In either scenario, there is a desire to have what the other customer received. More specifically, a feeling of envy may be felt due to this desire of having the advantage that the other has. Service encounters occur every day, suggesting customers are placed in these unpleasant envious situations quite often.

Customers can experience a range of different emotions during service encounters. Some typical emotions that have been studied include satisfaction, anger, hostility, and happiness (Bougie, Pieters, & Zeelenberg, 2003; Grandey, Dickter, & Sin, 2004; Oliver, Rust, & Varki, 1997; Smith, Bolton, & Wagner, 1999). These encompass only a small fraction of the large number of emotions that consumers may experience during service encounters. For that reason, research into consumer's affective responses

during service encounters has received a lot of attention. However, envy in particular has not received the same level of attention from scholars when considering the service encounter setting. Envy is a feeling of inferiority, hostility, and resentment due to an upward comparison with a person or group who have something we want (Smith & Kim, 2007). Due to these features, a few previous studies have researched envy in the consumer context because of the desire for consumers to have products that others have (Ackerman & Perner, 2004; Van de Ven, Zeelenburg, & Pieters, 2011; Wobker & Kenning, 2012). It has been found that people may experience envy quite often in their lives, making it likely to believe that some of those envy incidents can occur while in service settings such as at a restaurant, hotel, or airport (Cohen-Charash, 2009).

Envy is a well-known experience that has garnered much work from scholars of various disciplines (Duffy & Shaw, 2000; Testa & Major, 1990; Van de Ven, Zeelenberg, & Pieters, 2011; Vecchio, 2000). Its antecedents, experiences, and consequences have also been studied from different perspectives. Previous research has understood envy it to be a complex, and multi-faceted emotion that can produce a variety of other co-occurring emotions (Gershman, 2011; Smith & Kim, 2007). Due to this, scholars continue to be interested in studying envy from different perspectives, in order to learn more about an emotion so rich in complexity.

Service encounters contain distinctive features that allow for a rich context in which to study customer envy. It is a unique setting in that it is usually a transaction which involves an intangible product being delivered to multiple customers at the same time, and in the same place for all to witness (Bitner, 1992). Particularly, it is the intangibility aspect of the service encounter which allows for the great potential of

studying customer envy. Previous studies have traditionally focused on studying customer envy which derives from a tangible product (Van de Ven, Zeelenberg, & Pieters, 2011). However, being that a service is intangible, how consumers respond to the desire to have something they cannot truly possess may produce a very different envy experience not studied before. For example, if a customer felt envious when they saw another customer purchase a particular kind of shirt they liked, they could simply go out and purchase the same envy-eliciting shirt. However, consider an envious customer whose waiter gave much better service to another person. Not only does the envious customer need to rely on the service provider to deliver the service, but because it is intangible, it is difficult for them to gauge if they would receive the same quality of service.

Just as important to consider is that the service provider is also involved in the service encounter. Traditionally, the envy experience has been known as only involving two parties, which are those who are envious and those who are envied. So in studying envy in the service encounter context, it presents the opportunity to include a third party, which also happens to have the ability to influence the experiences of both customers (Lewis & McCann, 2004). Hence, this may complicate the subjective experience of the envious consumer as they could experience separate sets of emotions (feelings directed at the envied customer and feelings directed at the service provider) at the same time. As discussed, customer envy has the potential to not only occur often in service encounters, but the envy experience itself can be particularly unique.

Due to the limited research into this topic, the purpose of the present study is to understand the subjective experience of customer envy during service encounters. In

doing so, this study aimed to accomplish four key objectives: 1) to examine cognitive appraisal patterns of customer envy at service encounters; 2) to investigate the affective experience of customer envy at service encounters; 3) to evaluate the role of service provider in customer envy experience at service encounters; and 4) to evaluate the interpersonal and organizational consequences of customer envy at service encounters.

The structure of this thesis continues with a discussion on envy as an emotion, and the number of different emotions that have been linked to it. In addition, the literature review will discuss past research pertaining to envy, and specifically, customer envy. Thereafter, a methodology chapter will explain the survey-based approach, and the analysis procedures utilized. Next, a results chapter will recap the major findings forwarded by this study. Concluding the thesis will be a discussion chapter to explain the results, and an implications chapter to highlight both the theoretical and practical impacts of the study.

CHAPTER 2. LITERATURE REVIEW

2.1 What is envy?

2.1.1 Envy as an Emotion

Envy gains its unpleasantness through its uncomfortable nature that involves the comparison to others who have something we lack. It is an experience that is also associated with the desire to lessen the distance between oneself and the envied individual (Smith & Kim, 2007). As a result, envy has the potential to coexist with a number of related emotions that transpire throughout any envious experience. The latter adds to the definitional complexities and common misunderstandings involved with envy as an emotion. There has been numerous research forwarded attempting to explain the different components and manifestations of envy (Gershman, 2011; Smith & Kim, 2007; Parrott & Smith, 1993; Van de Ven, Zeelenburg, & Pieters, 2009). It is understood that envy carries both positive and negative emotional reactions that range from admiration to resentment, to other core emotions in between like hostility and inferiority (Rodriquez, Parrott, & Hurtado de Mendoza, 2011; Van de Ven, Zeelenburg, & Pieters, 2009). Therefore it is important to explore envy and its multi-emotional component, in order to understand how it may pertain to the service encounter. The first part of this literature

review explores the latter in more depth, by discussing some of the definitional features of envy, along with its most associated emotions.

One way to understand envy as a complex emotion is to avoid seeing it as a static and isolated emotion that results from an unfavorable comparison. Instead, envy is better understood as an emotion that evolves in time and experienced in different stages (Parrott, 1991). Smith (2004) explains how people often experience envy along with other emotions, or transform their envious feelings into other emotions. One explanation for this is that envy is often seen as a shameful and inappropriate feeling to have towards someone else (Elster, 1998; Foster, 1972; Silver & Sabini, 1978). Due to this repugnant feature of envy, people experiencing it look to deflect it by altering it in their mind to be a different emotion (Elster, 1998). Despite efforts to suppress or transmute envy into other emotions, any expressed and visible signs of envy are difficult to conceal (Silver & Sabini, 1978).

In further highlighting how envy can take various forms, consider how the emotions of guilt and shame can play a role in the envy experience. If guilt is a by-product of the inferiority felt with envy, there is less of a chance that another co-occurring and negative feeling like hostility will also arise (Tangney & Salovey, 1999). However, shame as a result of any felt inferiority due to envy, involves a concentrated inward focus. The envious person will give more attention to what themselves are lacking, as opposed to the advantage that the envied other has. Numerous research has used the inward focus as the explanation for hostile actions towards others (Scheff & Retzinger, 1991; Tangney & Dearing, 2002; Tangney & Salovey, 1999). Present in both situations above is a clear cognitive appraisal of the circumstances that lead to feeling one

emotion over another. Thus, any resulting co-occurring emotion that accompanies envy is dependent on the appraisal process of the unfavorable comparison by the individual. (Lazarus, 1991; Miceli & Castelfranchi, 2007). Again, the latter helps demonstrate how it is difficult to define envy, without considering the number of different emotions that have the potential to co-occur with it, and how the envy experienced can take different directions. This multi-directional characteristic of envy is particularly crucial in a service encounter setting that already features some level of unpredictability and complexity.

In defining what envy is, it is also important to explain what envy is not. A common mistake many people make is confusing jealousy and envy to mean the same thing. The most important distinction to note between them is that envy manifests do to a longing of something another has, as opposed to jealousy, which involves the fear of losing something or someone (Parrott & Smith, 1993). More importantly, the key distinction between the two is that envy is seen as more prevalent, as individuals regularly find themselves comparing their achievements or circumstances to others. As it pertains to the service industry, customers may find themselves experiencing envy more often than jealousy because of the opportunity to observe first hand when others are receiving, experiencing, or attaining more than they are.

2.1.2 Benign vs. Malicious Envy

Clarifying the definitional complexities that are associated with envy also involves the understanding of the two types of envy: malicious and benign envy. Research has shown that these are not alike and project the experience of envy differently (Parrott, 1991; Van de Ven, Zeelenburg, & Pieters, 2009). Benign envy is the desire to bring oneself upwards to the level of the envied person, whereas malicious envy is the

desire to bring down the envied person to one's disadvantaged level (Van de Ven, Zeelenburg, & Pieters, 2009). Most importantly, it is the actions brought forward that fundamentally differentiate malicious and benign envy. The hostile feelings that are associated with malicious envy may produce behavior that is negative and even possibly criminal. This is particularly pertinent in the service industry where customers have the ability to influence each other's service experience (Carman & Langeard, 1980).

2.1.3 Episodic vs. Dispositional Envy

Examining envy in the service encounter context suggests customers may experience this emotion as a result of a specific incident. However, the majority of research into envy has studied this emotion by strictly investigating people's general tendency to experience envy. In other words, a dispositional envy perspective dominates the literature in envy. However as Cohen-Charash (2009) argued, it is one thing to study a general tendency to feel envy, but it is quite different to investigate how people experience envy on a situational basis. Her work was able to provide evidence to demonstrate that episodic envy, as opposed to dispositional envy, carries implications that are far more widespread. Hence, episodic envy is the resulting emotion of a specific negative comparison incident with another (Cohen-Charash, 2009). This not only provides support that envy occurs often due to specific upward social comparisons, but it also demonstrates that envy as an episode is very complex, with different behavioral and emotional effects. The present study's service encounter context would answer the call by Cohen-Charash (2009), for more research into this new episodic perspective on envy, as service encounters are situational, and complex incidents where the opportunity for comparison with another customer exists.

An important distinction of episodic envy is that features two components; a feeling component (the emotional experience), and a comparison component (a concentration on the negative comparison) (Cohen-Charash, 2009). Unlike dispositional envy which is composed of only one component (Smith, Parrott, Diener, Hoyle, & Kim, 1999). This dual component of episodic envy grasps the complexity involved with envy as an episodic specific experience. For example, a person may determine their situation to be unfair, compared to what other people generally would experience and would thus feel anger as a result (Mikula, Scherer, & Athenstaedt, 1998). However, the comparison component does not exist in that last example, so episodic envy may not ensue. Likewise, if someone identifies another person doing much better than themselves, and feels no emotional attachment to the comparison, then it would not satisfy the feeling component of episodic envy. In addition, these two components of episodic envy may co-occur, as the appraisal of the situation, and ensuing emotions are not isolated stages (Fridja, 1994).

In sum, envy occurs when a person experiences an upward comparison where another person possesses or obtains something desirable which that individual lacks. As discussed, along with that unfavorable comparison, envy manifests and is experienced as a complex emotion that is accompanied by a host of other positive and negative emotions (Miceli & Castelfranchi, 2007). The co-occurring emotions of envy may include admiration (Neu, 1980; Parrott, 1991; Rawls, 1971; Taylor, 1988), longing/greed (Berke, 1988; Menninger, 1973; Parrott, 1991), jealousy (Parrott & Smith, 1993; Salovey & Rodin, 1984), anger and injustice (Parrott, 1991; Rawls, 1971; Smith, 1991). As is evident, envy is not a simple emotion to comprehend, so it can be difficult to readily differentiate the underlying emotions that accompany it. In comprehending the

complexity of envy, it is necessary to discuss the main reasons why people experience envy, and also consider the features of the service encounter that would foster situations where envy may arise more frequently.

2.1.4 Customer Envy

While envy has been studied extensively as an emotion in social psychology, envy in the consumer context is rather limited. Previous research has demonstrated the powerful effects that emotions carry on consumer behavior and purchase decisions (Havlena & Holbrook, 1986; Sherman, Mathur, & Smith, 1997; Watson & Spence, 2007). Emotions provide insight into explaining and understanding the consumption experience of consumers (Menon & Dube, 2000; Oliver, 1997). Despite the importance given to emotions in the consumer context, envy as an influential emotion has been given limited attention. To date, research on customer envy has focused on purchase behavior (Crusius & Mussweiler, 2012; Van de Ven, Zeelenberg, & Pieters, 2011), pricing comparisons (Ackerman & Perner, 2004) and its drivers and consequences (Wobker & Kenning, 2012). In regards to purchase behavior, the work by Van de Ven, Zeelenberg, and Pieters (2011) found that consumers are willing to pay a higher premium price to attain a product that elicits their envy. Their research was able to demonstrate how experiencing either benign or malicious envy towards another customer who possess the envy-eliciting product can produce two different motivational purchase routes. Experiencing benign envy as a customer, involves the perception that the other obtained the envy-eliciting product fairly, and thus is deserving of their advantage. However, experiencing malicious envy as a consumer, is the perception that the envied customer is not deserving of the envy-eliciting product. Their results showed that only the benignly

envious customer was motivated to also attain the envy-eliciting product, and were also willing to pay a premium to attain it. Thus, envy acts as an economic multiplier, where it produces a continuous cycle of envious consumers seeking to “keep up with the Joneses”.

Along the same lines, pricing comparisons has also been shown to produce traces of envy. Therefore, within customer envy, research into pricing effects has also been given some attention (Ackerman & Perner, 2004). Ackerman and Perner were able to demonstrate how social comparisons are prevalent in the consumer context, as customers constantly seek to gauge their standing against other customers. Their focus on differential pricing comparisons not only found consumer discontent as a consequence, but forwarded evidence for commonly associated features of customer envy that included inferiority and unfairness. Similarly, one study in particular found that those customers considered “loyal” and “repeat customers”, experienced envy as a result of the company extending special pricing offers to attract new customers (Feinberg, Krishna, & Zhang, 2002). Therefore, at least in regards to the pricing perspective, customers recognize their advantaged or disadvantaged position, and respond accordingly in ways that reflect envious behavior. Not considering the loyal/repeat customer referenced above who clearly acknowledges and expects an advantaged status, most customers expect an even playing field for all.

The most focused work thus far into customer envy specifically highlighted its drivers and consequences. Wobker and Kenning (2012) were the first to explicitly and directly investigate customer envy as a real phenomenon, and found that it is both prevalent and carries with it negative consequences for companies. More specifically, their findings conclude that a disposition to feel envy, desire, perceived unfairness and

perceived betrayal were drivers of envy. In addition, those who experienced customer envy indicated lower repurchase and recommendation intention of the company.

Retaliatory behaviors like negative word of mouth were also found as a consequence of customer envy. Although Wobker and Kenning (2012) advanced the work in customer envy, its scenario-based methodology may not provide a clear depiction of what customers truly experience as envy. Also, as their study was exploratory in nature, the incidents that fell under customer envy were vague and not clearly articulated. To bridge the gap, the present study will measure customer envy by identifying its key cognitive appraisals, and explore the emotional content of envy, along with its interpersonal and organizational consequences. More importantly, there will be a specific focus of customer envy in the service encounter context, which holds the potential for a rich exploration.

2.1.5 The Service Encounter and Customer Envy

Although quite limited, envy has been studied in the consumer context, but has primarily pertained to the purchases of tangible products. However, envy can also occur in more intangible exchanges like services. In fact, the service encounter context specifically, can provide an ideal setting in which to study customer envy. For the service industry, the service encounter is a very crucial and delicate component. The service encounter is the simultaneous delivery of service and mutual interaction between the service providers and customers (Bitner, Booms & Tetreault, 1990; Hoffman & Bateson, 1997).

As it pertains to envy, there are key characteristics that define the service encounter, which include intangibility, inseparability, and heterogeneity (Parasuraman,

Zeithaml, & Berry 1985). For example, *inseparability* in services “forces buyer into intimate contact with the production process” (Carman & Langeard 1980, p. 8), but also forces other customers to be involved in the creation of one’s own service. This inseparability feature can be an influential contributor for customer envy. Previous research in customer envy has only focused on tangible products, where the customer envy experienced is post-purchase and gives the envious customer the ability to simply go out and purchase the envy-elicited product (Van de Ven, Zeelenberg, & Pieters, 2011). However, the customer in the service encounter, experiences envy at the same time the other customer is receiving their service, and with other customers and service employees present. Consequently, as research has shown, envy produces negative and hostile behavior that could affect others present in the service encounter (Smith, 2004). So with multiple parties involved in the service encounter, there may lie unique interactions and behaviors.

The *intangibility* component of the service encounter reflects how the delivery of a service cannot be clearly defined and consumed in the same manner that tangible products are consumed and experienced. For example, due to the intangibility of services, it may make it harder for customers to assess their current standing compared to other customers. As discussed earlier, envy primarily originates from an unfavorable upward social comparison. Accordingly, the customer during the service encounter may not be able to clearly articulate the reasons for their disadvantaged standing against another customer. Moreover, since perceived deservingness is a precondition necessary for envy to manifest, the intangible effect of service encounters may misconstrue the typical appraisal patterns that gauge deservingness (Smith, Parrott, Ozer & Moniz, 1994; Van de

Ven, Zeelenberg & Pieters, 2012). In other words, customers may not know if the envied other customer is getting better service because they fairly earned it due to being part of a loyalty program, or if they are just getting treated better for no apparent reason.

Lastly, due to a number of different factors, *heterogeneity* in services describes service providers who are incapable of delivering the same consistent service product every time. How customer envy may play out in this regard, has to do with the perception of the delivered service quality. Inconsistent service quality means that a customer may witness another customer receive excellent service, but then themselves experience a more poor effort by that same employee, producing confusion along with feelings of injustice. Distinct in customer envy is perceived unfairness, which inconsistencies in service deliveries certainly have the potential to foster this feature of customer envy. These unique characteristics discussed illustrate the sensitive nature of the service encounter, and the role that other customers and the service provider ultimately have on the end service product. As fragile and sensitive that the service encounter is, it carries serious financial implications for service organizations. Previous research has shown that customer perception is the key, as customers evaluate each and every service encounter to make a judgment on their perceived quality of a service establishment (Jain, Sethi, & Mukherji, 2009). Hence, the latter not only suggests that customer envy may be present in service encounters, but that it may occur specifically as a result of those unique characteristics of the service encounter.

Beyond defining and explaining the features of the service encounter, a line of research has focused on the affective and emotional component of the service encounter (Liljander & Strandvik, 1997; Mattila & Enz, 2002; Pugh 2001). Involved in the service

encounter are a number of different people; from the customers, to the customer's friends and family present, to the service provider delivering the service. Therefore, crucial at the core of service encounters is the dependence on the interaction between the different parties present, and their emotional responses to these interactions (Czepiel 1990; Solomon, Surprenant, Czepiel, & Gutman, 1985). Emotional experiences are not only present in intimate and heavily involved service encounters, as Mattila and Enz (2002) demonstrated, as customers experience emotions which affect their perceived service quality even in those brief everyday interactions with service providers as well. Their work specifically counters previous research which has focused on emotional responses in services characterized as lasting an extended duration of time and being heavily involved. However, previous research has called for further exploration in service encounters that look beyond the typical emotions studied (Price, Arnould & Diebler, 1995). Since customers can have emotional reactions in those frequent mundane service encounters, and envy is an emotion which can be experienced often, there is reason to believe customer envy is prevalent in service encounters.

Emotions have considerable implications for both customers and front-line service employees in service encounters. For front-line service employees, there is an expectation to produce positive displayed feelings and emotions in the act of delivering the service. However, this "emotional labor" of constantly displaying these required positive emotions have been shown to take a toll on front-line employees (Adelmann, 1995; Brotheridge & Grandey, 2002; Hochschild, 1983). Thus, it is necessary to go beyond just understanding emotions in how they are experienced, because experiencing an emotion and expressing an emotion are quite different. In particular for the service

encounter, the actual display of emotions has received a lot of attention from scholars (Grandey & Brauburger, 2002; Morris & Feldman, 1996; Rafaeli & Sutton, 1989).

Displayed emotions of customers can provide cues for the service providers to be able to act on these displayed emotions as needed (Bitner, Brown, & Mueter, 2000).

However, one feature of envy that makes it different from other emotions is it tends to be a very private and embarrassing emotion. Due to the inferiority and shame involved with envy, people not only tend to suppress feeling envious to others, but detest acknowledging it to themselves in private (Foster, 1972; Salovey, 1991; Silver & Sabini, 1978). In addition, envy is especially unique and unlike other emotions because it cannot be truly expressed through facial expressions, body gestures or other explicit forms (Sabini & Silver, 2005). Ultimately, this means consumers experiencing envy may not display any signs of this envy unless it is expressed through other forms like anger or frustration. Further complicating the issue is that service providers may not be able to react to envious customers until it is too late, and the envy has turned into anger or another negative emotion. Therefore it is necessary to investigate envy in service encounters in order to understand the stages that the customer may go through in experiencing and coping with their envious feelings.

In order to understand customer envy, studying it in the service encounter context allows the opportunity to capture the different stages of it. Again, the one significant characteristic of the service encounter is the fact that customer envy in service encounters will be experienced while in the presence of an audience (i.e. other customers and service provider). Unlike other contexts where one may experience envy in a private setting, due to the nature of the service encounter, customer may be left to experience their envy

while in public. Accordingly, this study seeks to advance the literature in defining and understanding customer envy.

2.2 Who and what do we envy?

2.2.1 We envy people who are similar

Having discussed the different components of envy, it is necessary to know who it is that customers would envy. Previous work on envy has shown that the one's similarity with the envied other is a significant cognitive appraisal of envy (Ben-Ze'ev, 1990). According to Ben-Ze'ev, an individual would only be envious of those who are most similar to them, culturally, physically, and/or intellectually. Therefore these upward social comparisons are believed to only happen with those that share the same experiences and background as themselves. On the other hand, feeling envious towards another person who is very dissimilar is believed to not be possible because the perception is that the gap between the parties is due to factors beyond their control. For example, people might admire, but not envy, professional athletes or actors because they clearly possess skills or abilities that make them special, and therefore clearly different from themselves. On the other hand, there is a general expectation that others who are similar to us should attain and achieve similar experiences. In what Heider (1958) refers to as the "ought" force, people assume that others who share similar backgrounds and circumstances, should end up in a similar outcome, because that is what is "ought" to happen naturally. So when those who are most similar to ourselves attain and achieve more, it violates this "ought" force, and envy transpires.

This similarity component is not devoid of customer envy, as customers must sense some likeness to that other customer who is attaining or achieving more than they

are. As previously discussed, service encounters places multiple customers in the same service setting, allowing the opportunity for observation and comparison with other customers. The literature on customer-to-customer interaction and compatibility provides evidence in the importance of recognizing similarities among customers (Martin, 1995; Pranter & Martin, 1991; Wu, 2007). These scholars have stressed the necessity to group similar customers together in service encounters in terms of preferences, attitudes, sought benefits and more to encourage cohesiveness and positive experiences. In this sense, it is encouraged to make sure the customers in any shared service environment are similar to each other. In fact, research has shown that customers prefer other customers who are similar to them while in service settings, and will actually evaluate other customers based on how similar they are to themselves (Wu, 2007). Hence, perceived similarity of others may also be a relevant cognitive appraisal in customer envy. With research indicating that most customer-to-customer interactions tend to be negative, service organizations may seek to strategically group similar customers together more often (Grove, Fisk, & Dorsch, 1998). As a result of service environments with only homogeneous customers, always present will be the opportunity for envy to foster as customers may reference the “ought” to phenomenon.

2.2.2 We envy things that are self-relevant

Finding relevance and value in the envy-eliciting advantage, is also an important cognitive appraisal as similarity. Individuals will only envy others if it involves an advantage that the other holds in a domain they care about (Parrott, 1991; Salovey & Rodin, 1984; Salovey & Rothman, 1991; Smith & Kim, 2007). For example, one particular study specifically found that students who were told they did poorly on a test

compared to another student with a different career interest produced no envy (Salovey & Rodin, 1984). On the other hand, they demonstrated that a comparison with a student in a similar career track, who is clearly doing better, evoked the full experience of envy.

Therefore, the advantage held by the envied other has to matter in relevance, as individuals instead may experience feelings more similar to admiration towards the other if the domain is not important for the individual (Tesser, 1991). Domain relevance and importance can vary for people, as there may be specific domains where envy has a higher likelihood to ensue (Salovey & Rodin, 1988). Hence, the context in which envy is studied plays a significant part in how people experience it.

For customers in a service encounter, there is reason to believe that particular domains in service settings have a higher likelihood to produce envy more than other domains for customers. Perhaps a customer may not be envious of the other customer at a restaurant who got a better table, but will certainly not be happy if the guest in front of them at the hotel check-in got a free guest room upgrade. Just like evidence shows that people in general place higher value in the family domain, than in the work domain, customers may also evaluate every envy incident depending on the relevance they place in the service setting they are in (Salovey & Rodin, 1988). As previous research supports, we contend that envy may not be present in all situations where customers experience an unfavorable upward comparison with another customer. However, true envy will only manifest when customers place value in the advantage the other customer holds, and in which the domain is highly relevant to them.

2.2.3 Envy as a two-way interaction

In addition, another characteristic of any envy experience is that it typically only involves two parties; the envious person and the envied person(s). However, a key feature of the service encounter is that the service provider is heavily involved. Consequently, this places a third party in the mix which may alter the dynamic of how an individual experiences envy. Although previous research has examined the service provider-consumer interaction, the majority of the research involved their general affective states or evaluated more broad dimensions like perception and satisfaction of the interaction (Ekinici & Dawes, 2009; Gardner 1985; Menon and Dube, 2000; Van Dolen, De Ruyter, & Lemmink, 2004). Yet again, previous work is limited in the study of the specific cognitive appraisals, emotions, and consequences of customer envy in service encounters. The service encounter as a context allows envy to be studied in a situation where three different parties are involved. Already discussed are the dynamic and complex features of the envy experience, in which a number of different emotions co-occur, while unfolding over a relatively brief period of time. This multi-emotional feature of the envy experience is particularly important in this three-way interaction because previous research has shown that envy feelings can transform and take different emotional directions. Hence, this may complicate the emotions felt by the envious customer as they may be experiencing separate sets of emotions at the same time; some towards the envied customer and some towards the service provider. For example, depending on the source of the envious experience, perhaps resentment may be felt towards the service provider, and admiration or hostility towards the envied customer. The present study's focus on the service encounter provides a new perspective in which to investigate customer envy.

2.3 Why do we envy?

2.3.1 Social Comparison

Beyond knowing who it is we envy, it is necessary to understand the reasons for why people envy, and what the specific drivers of it are. For envy to occur there has to be a direct upward social comparison with another person who holds an advantage that the other lacks. Research has shown that social comparisons are a natural everyday occurrence, due to a human necessity to seek self-assessment and self-approval (Festinger, 1954; Kelley, 1967). As a result of constant social comparisons, sometimes one will gauge their own performance compared to others as advantaged or disadvantaged. A low self- evaluation relative to another, signals an internal cue that there is something lacking; which lies the opportunity for envy to arise (Buunk & Gibbons, 1997; Suls & Wheeler, 2000). Envy therefore acts as an indicator to indicate a gap present between the envious and the envied.

Advertisements have been shown to incite upward social comparisons in consumers when it involves images of other people wearing, using, or having something desirable. Although the purpose of advertisements is for consumers to emulate the idealized person being depicted, this upward social comparison often leads to unhappiness and stress on the consumer (Richins, 1995; Tiggemann & McGill, 2004). Given that consumer social comparisons occur with idealized figures on advertisements which are not realistic, consumers may compare themselves to other consumers in real life settings who may be wearing, using, or experiencing something desirable. Moreover, it can be assumed that customers in a service encounter compare themselves to the other customers present more so because they want to gauge their own service experience to

others, to see if it is better or worse. If envy can be elicited in consumers because of advertisement images, than envy can certainly arise in consumers if the upward social comparison is towards a real person.

2.3.2 Perceived Unfairness

Social comparisons is the route in which envy is produced, but the overlying feature as to why people envy is sometimes due to the perceived subjective injustice found via the comparison. More specifically, researchers have argued that this subjective injustice is distinct from the injustice felt with resentment alone (Smith, Parrott, Ozer, & Moniz, 1994; Smith, 2004). The injustice related with resentment involves the perception of the envied individual's advantage seen as objectively fair by common standards. However, unfairness relating to envy, indicates a belief that there is no clear reason why another person is deserving of their advantage. For example, Smith et al. (1994) found that people who subjectively believe the injustice is unfair, experienced discontent and hostility, two emotions characteristic of envy. Social comparisons are made to check this fairness factor, to ensure they are not getting less than others. In other words, perceived unfairness is a key cognitive appraisal to the envious feelings associated with these unpleasant social comparisons.

2.3.3 Preferential Treatment by Service Providers

Of particular importance to this study is that the perceived unfairness present in envious experiences discussed above may actually arise quite often in service encounters. For example, with customer-loyalty programs, and "diamond" tier customer programs, that prioritize the best customers, preferential treatment for them is expected and earned. One of the components of preferential treatment is customization, which involves the

special delivery of services that is not common and done for all customers. However, this preferential treatment may be delivered in the presence of regular customers, who may not realize why the “diamond-tier” customer may be receiving a unique, better, and customized service experience. In addition, what has been termed “service sweethearting”, where employees deliver unauthorized special perks such as free services to selected customers, has been known to occur often, and have negative financial implications for companies (Brady, Voorhees, & Brusco, 2012). Hence, customers may perceive this desired preferential treatment advantage to be unfair, resulting in these non-preferential customers becoming envious, along other negative emotions associated with envy. So although research has found that providing preferential treatment to your best customers can produce positive relational outcomes, for those non-loyalty customers, there is an opportunity for envy to manifest as a result of them not getting the same preferential treatment perks as well (Lacey, Suh, & Morgan, 2007). For all they know, they are equal to the other customer getting the better personalized service. Furthermore, research has found that unearned preferential treatment can also have a negative impact on the recipient of these benefits. Jiang, Hoegg, and Dahl (2013) discovered that customers receiving unearned preferential treatment experienced social discomfort and satisfaction when in the presence of other customers. This demonstrates that preferential treatment, whether fairly earned or not, has a negative impact when there is a perceived comparison between customers. Hence, preferential treatment may prove to be an important cognitive appraisal of customer envy.

As discussed, the service provider can play a role in the manifestation of customer envy in service encounters because they are in the position to provide preferential

treatment. Thus in this situation, the service provider is not only just another party present during the envious customer experience, but also has an influence on the envious incident itself. Discussed earlier was the novelty involved with studying this three-way interaction with envy, due to the complexity in the envy emotions that may develop. Not only is there a whole new party involved in this envy experience, but this third party has the ability to influence both customers experiences (Lewis & McCann, 2004). Perceived unfairness may be especially pertinent as a result, if consumers attribute their envy to an injustice caused by the service provider. In any regard, it is evident that the service provider as a third party can further complicate how envy is experienced.

2.4 Consequences of Envy

2.4.1 Negative Consequences of Envy

Unflattering comparisons and issues of fairness regarding envy towards the envious other only explain one stage of the envious experience. Resulting from this unfavorable comparison is an envy experience that can produce very negative consequences for the envious, envied, and others around. With the service encounter being a delicate and sensitive element of the service delivery, envy's negative effects are especially harmful (Bitner, Booms, & Tetreault, 1990). Hostility from the envious individual towards the envied other has been highlighted as one of the more serious side-effects of envy (Ben-Ze'ev, 1990; Silver & Sabini, 1978; Zizzo & Oswald, 2001). The hostility associated with envy has been shown to take on a destructive and ill-intended direction (Zizzo & Oswald, 2001). Envious experiences can be so intense that hostility felt towards others is expressed explicitly. Gershman (2011) in his work referenced two examples where the hostile nature of envy is so detested that people seek to avoid

achieving any advantaged position against others to avoid backlash. For example, the residents of some small villages in Mexico will not accumulate possessions and wealth beyond the bare minimums to survive. For those residents who are the wealthiest in these villages, they refrain from expressing their upper-class status for fear of hostile and envious neighbors harming them (Dow, 1981; Foster, 1979). Although extreme examples, the latter demonstrates how the hostility associated with envy is one of the more negative emotions produced.

Discussed earlier is the darker type of envy labeled malicious envy, which includes hostility as its main ingredient. Malicious envy, as opposed to the more positive benign envy, is also known for its destructive and degrading nature (Beckman et al. 2002; Duffy & Shaw, 2000; Hoelzl & Loewenstein, 2005; Vecchio, 2005; Zizzo, 2002; Zizzo, & Oswald, 2001). Maliciously envious individuals react to these envy experiences by seeking to deflect their unpleasant feelings by pulling others and more specifically, the envied other down to their disadvantaged status. The hostility and anger that the maliciously envious feel can only be truly satisfied and overcome by removing the advantage the envied other has. Hence, the actions that the maliciously envious takes are a source of the real concern for customer envy in particular. Malicious customer behavior has already received attention from scholars, giving reason to believe customers do act out in destructive manners. In particular, a line of research has forwarded work towards these types of deviant or dysfunctional customers (Fullerton & Punj, 1993; Harris & Reynolds, 2003; Lovelock, 1994). For example, Harris and Reynolds (2003) identified nine categories of deviant customers whose acts ranged from disruptive public displays, to physical and oral abuse of others. Likewise Lovelock (1994) described this as

customer behavior which intentionally or unintentionally disturbs service in order to negatively affect the organization or other customer's service experience. Although envy was not identified as the causal factor for these negative customer types, it does suggest customers do behave in ways that seek to bring down other customers.

While not focusing on malicious envy exclusively, one study identified a few key negative consequences of customer envy. Wobker and Kenning (2012) found that due to the unpleasant nature of customer envy, there were organizational consequences which included lower repurchase intentions, negative word of mouth, vindictive behavior, and third party complaining. The only other consequences that did not involve the organization were that the participants who experienced customer envy, also described feeling angry and dissatisfied with the general experience of this comparison with another customer. While organizational consequences are certainly important to know, their study makes no mention of negative effects for the envied other customer. This further suggests the need for a more focused context like the service encounter in order to consider the three different parties involved in customer envy experiences. In response to this particular research gap, this study will examine the perspectives of all three parties involved in envy experiences to understand a more complete picture of the consequences of customer envy.

2.4.2 Positive Consequences of Envy

While negative consequences of envy have received the majority of the attention from scholars, some have pointed out that envy can spur positive and productive reactions. In fact benign envy acts as the parallel opposite of malicious envy because it can act as productive motivator where the envious person seeks to move one's self up to

the level of the envied other (Cohen-Carash, 2009; Epstein, 2003; Van de Ven, Zeelenberg, & Pieters, 2009). Although benign envy still possesses the same unpleasant nature and feelings of inferiority associated with any envy experience, it is still known to be distinctly different from malicious envy (Van de Ven, Zeelenberg, & Pieters, 2009). Moreover, unlike malicious envy, benign envy is known to be free of hostility, which as discussed earlier, is what truly gives envy its harmful reputation (Parrott, 1991). In addition, scholars have actually pointed out that envy in its purest form creates a “call to action” and sparks a more concentrated effort to solve the source of the inferiority felt (Plutchik, 2002; Smith & Kim, 2007). Essentially, many argue that if not for envy, people would never recognize any disadvantages, weaknesses, or inferiorities they hold, and would never have a chance to do something about it. The real benefits of benign envy are especially highlighted when focusing on customer envy specifically. Considering the old homage of “keeping up with the Joneses”, benign envy motivates consumers to work harder to achieve, attain and possess the same desired advantage the envied other has. Economically, Belk (2008) thought of customer envy as simply a more optimistic type of envy where consumers seek to emulate desired achievements, rather than sulk and do nothing. When considering the consumer context, for envious subjects to emulate and seek to achieve what others have, means to have to spend more and buy more in order to possess and experience just as much as the envied customer. In fact, some scholars have stressed that envy in society as a whole can spark widespread positive economic activity (Cabral, 2010). Recently, empirical work was forwarded to provide evidence that both benign and malicious envy motivate productive economic reactions to the envious experience (Van de Ven, Zeelenburg, & Pieters, 2011). Although their work still showed

a distinction between the two different types of envy, both sparked a willingness to spend more to attain a more improved product. Their research further confirms envy as a positive economic lubricant, and explains why companies may desire to evoke envy among consumers.

2.4.3 Individual Differences in Customer Envy

Another key issue involved with envy, is the aspect of social desirability. With envy being a very private emotion that often carries with it elements of shame and guilt, social desirability may come into play. Social desirability describes the need to behave in a way that adheres to a subjective sense of social norms (Edwards, 1957; Greenwald & Satow, 1970). In other words, it describes the human tendency to present oneself in the most positive light, while avoiding revealing socially unacceptable traits (Fisher, 1993). Envy is considered to be a socially undesirable emotion, so researchers have understood the difficulty in accounting for what is known as social desirability bias (Fisher, 1993; Gold, 1996; Montaldi, 1999). Individuals may refrain from reporting their envious feelings accurately, in order to pander to their social desirability.

CHAPTER 3. METHODOLOGY

3.1 Pilot Study

Before beginning the data collection process, a small scale pilot study with a sample of 25 participants was conducted. The pilot survey was distributed via the Amazon Mechanical Turk website, which is commonly used to recruit survey participants online. A brief discussion on the study's use of Amazon Mechanical Turk will be given in a later section.

The survey contained text boxes after each question, to allow participants to provide feedback. Specifically, they were asked to write down anything that was unclear or confusing about the questions being asked of them. Of particular importance was ensuring the initial prompt which asked to recall their envious experience, was actually referring to envy associated with a service encounter. Unlike in the Van de Ven et al. (2011) study where they focused on customer envy resulting from a tangible product that the advantaged customer possessed, this study was to examine customer envy in a service encounter context.

As a result of the feedback provided in the pilot study, as well as the results of the survey itself, there were notable changes made to the survey. Where appropriate, the anchor point labeled "moderately characteristic" was changed to "neutral". This change was first

suggested by a survey participant, who believed “neutral” was a better indicator of feeling indifferent, rather than feeling a moderation of. Another important change was in the three items regarding the action taken towards the service employee by the envious customer. Instead of the items reading as if the actions had taken place, they were modified to read as intentions or tendencies. For example, the item was changed from “I gave the service employee..” to “I wanted to give the service employee..”.

In addition, after reviewing the results that pertained specifically to the consequences, it was determined that individual differences among the participants needed to be controlled for. Consequently, both a dispositional envy scale and social desirability scale were included to account for these differences among the survey participants.

Overall, the feedback provided was positive and no major issues surfaced. Specifically, there was no concern with any of the questionnaire items, so the survey was deemed acceptable and ready to distribute.

3.2 Procedure

An online-based survey, utilizing the Qualtrics online software, was used as the main instrument to collect all data. The survey was advertised and distributed through the Amazon Mechanical Turk website (MTurk). MTurk is a marketplace consisting of both requesters and workers, where requesters post tasks they wish to have done, and if interested, workers can choose to complete them for compensation. The task for this study’s survey was published and made available on March 20th, 2014. It included clear instructions for how workers would be re-directed to the Qualtrics survey. At the completion of the survey, they would receive a code, which they would then enter on the

MTurk instructions task page for completion and compensation. MTurk participants were prevented from completing the task more than once, in order to avoid duplicate survey responses from the same participant.

The MTurk task was also advertised through two main popular online MTurk forums, mturkforum.com and turkernation.com. A brief description of the task and its HTML link was posted in the form of a thread, on both forums to recruit workers. Strict measures were taken to maintain absolute anonymity for both the researcher and participants alike.

Utilizing the Amazon Mechanical Turk online marketplace to collect data has grown over the past few years (Ipeirotis, 2010). Academic researchers have also begun to utilize MTurk to distribute and conduct their online-surveys. Studies have found that the quality of data between Mturk samples and other traditional samples (like a college student population) is very similar (Paolacci, Chandler, & Ipeirotis, 2010). In fact, a study from a combined effort from researchers at Massachusetts Institute of Technology, Yale University and University of California-Berkely, demonstrated that a typical MTurk sample is very representative of the United States population (Berinsky, Huber, & Lenz, 2012). More specifically, an MTurk sample, in regards to gender distribution, education levels, ethnicity and age, more strongly matches national U.S averages, than does a commonly used convenience sample of undergraduate college students (Berinsky, Huber, & Lenz, 2012). Therefore, since the study wanted to reflect a demographic representative of a general U.S consumer, recruiting participants through MTurk was deemed appropriate.

A total of 337 tasks were made available on Mturk, and participants were compensated \$1.20 for completing the task. However, 7 submitted tasks were rejected for not following instructions and providing a story that was completely unrelated to customer envy. Thus, in sum, 330 survey completed responses were collected.

Following an extensive screening of the data, 26 responses were removed. The first reason a response was removed was because the story shared at the beginning of the survey either had nothing to do with customer envy or it was not pertaining to a specific incident. An example of a story whose response was deleted, involved being envious of a co-worker. Responses were also removed if the survey participants missed the two attention check questions within the survey. The first attention check was in the middle of the survey, and the second attention check was towards the end. Responses were only deleted if both attention check questions were missed. Survey duration time was also referenced to check for participants who were simply “clicking” through the survey. Therefore, in total, 311 valid responses were used for analysis.

3.3 Survey Instrument

The survey was self-administered, and contained the following five sections: (1) recall of an envy episode in a service encounter, (2) cognitive appraisals, (3) emotional responses, (4) interpersonal and organizational consequences, (5) demographic information. Qualtrics was used to create, edit and launch the survey. The appendix includes the questionnaire in its entirety.

3.4 Measures

Objective and Subjective Unfairness

Perceived unfairness is an important cognitive appraisal of the envy experience. Therefore both the objective and subjective unfairness of the situation were measured (Smith, Parrott, Ozer, & Moniz, 1994). Both sets of measurement items utilized a 9-point scale anchored from 1 (not at all characteristic) to 9 (very characteristic). Smith et al. (1994) utilized six items to measure perceived subjective unfairness, and these items were slightly modified to better fit the context of the present study. For example, the item that read “feeling unfairly treated by life” was changed to “feeling unfairly treated in the situation”. These slight modifications were done to concentrate the focus of the unfairness to the situational context of the service encounter. Moreover, the words “good fortune” were replaced by “good luck” in two of the items to keep the wording as clear as possible. These items modified read as follows: “it seemed unfair that the good luck of the person I envied came naturally to him/her” and “it seemed unfair that the person I envied had advantages over me because of lucky circumstances”. These items were specifically meant to capture the more personal and individual perception of the injustice.

Perceived objective unfairness also established by Smith et al. (1994) included a set of three items created to capture a more justifiable explanation for the feelings of injustice felt due to the envy. These items included “an objective judge who knew the facts would agree that the person envied did not deserve his or her good luck”, “anyone would agree that the envied person’s advantage was unfairly obtained”, and “the person whom I envied achieved his/her advantage or superiority though undeniably unjust actions or unjust procedures”. Here, the items were designed as a direct opposite to the

subjective perception, where the questions sought to assess the more socially acceptable understanding of the unfairness (Smith et al., 1994, p. 706). For this study, the items pertaining to objective and subjective unfairness were used as a composite measure for perceived unfairness. This allowed for one variable that captures both elements of perceived unfairness.

Preferential Treatment

This study focuses on the consumer context, and one pre-cursor believed to be a predictor of envy is the preferential treatment given by service providers (Lacey et al, 2007; Van de Ven et al., 2011). A slightly modified version of the preferential treatment scale established by Lacey et al. (2007) was utilized. The modification included changing the perspective of the preferential treatment received from self to another customer. A 9-point Likert scale from 1 (strongly disagree) to 9 (strongly agree) was used, and a “not applicable” anchor point was added. The five items used to measure preferential treatment of another customer were “the service employee did things for the other customer that he/she doesn’t do for most customers”, “the service employee placed the other customer on the priority list when dealing with other customers”, “the service employee gave the other customer faster service than most customers get”, “the service employee gave the other customer better treatment than most customers get”, and “the service employee gave the other customer special things that most customers don’t get”. These items were intended to gauge one potential source of envy which is the special and better service delivered to some customers but not to all.

Perceived Similarity

Another prominent cognitive appraisal for envy to arise is the extent to which one is similar with the envied individual (Ben-Ze'ev, 1990). In order to capture this sense of similarity in a straight-forward manner, a similarity scale was used. Participants were asked to indicate their level of similarity with the other customer on a 9-point Likert scale ranging from 1 (not similar at all) to 9 (highly similar). These five items included “to what extent did the other customer appear to be similar to you in social-economic status”, “to what extent was the other customer similar to you in age”, “to what extent was the other customer similar to you in customer status (i.e. repeat/loyal customer vs. occasional customer)”, “to what extent was the other customer similar to you in terms of the situation you were both in”. Additionally, one item specifically asked a simple yes/no question which forwarded the following item “was the other customer of the same gender as yourself”.

Perceived Importance

Self-relevance, just like similarity, is one of the common cognitive appraisals associated with envy (Parrott, 1991; Salovey & Rodin, 1984; Salovey & Rothman, 1991; Smith & Kim, 2007). To measure this self-relevance and value placed on the envy-eliciting advantage, a single item was established, and read as follows: “recall the particular thing, benefit or privilege the other customer got, how important was it to you?”. Participants were asked to indicate their level of perceived importance of the envy-eliciting advantage on a 9-point Likert scale ranging from 1 (not important at all) to 9 (very important).

Emotional Content of Envy

Envy is a complex and complicated emotion to understand because of the many emotions that co-occur and manifest alongside it. Envy was measured specifically as its own emotion to capture the core feelings experienced by the envious customer. However, isolating and studying envy by itself may not give a complete picture of what the envious person truly experiences. Therefore, a number of different but related emotions were also studied to fully explore the envious customer episode. The potential associated emotions also measured along with envy included “longing”, “motivation to improve”, “degradation”, “anger”, “ill-will”, “pettiness”, “low self-esteem”, “unhappiness”, “helplessness” “disapproval of feelings”, “resentment” and “admiration” (Feather & Nairn, 2005; Maher, Clark, & Maher, 2010; Parrot & Smith, 1993).

While the number of different emotions that could occur during envious situations were included, naturally it was necessary to measure envy outright as its own isolated variable. In doing so, a set of nine items, split into two different components were utilized (Cohen-Charash, 2009). The *feeling* component was made up of six items which included “rancor” (resentment, ill-will), “some hatred”, “bitter”, “I have a grudge against X” (resentment, bitterness), “gall” (irritated, annoyed) and “envious”. While the second component labeled *comparison* was composed of four items: “a desire to have what X has”, “feeling lacking some of the things X has”; (c) “X has things going better for him/her than I do and “envious”. To better fit the present context, a few modifications were made to these items. For example, the subject of “x” in their item was replaced with “the other customer”, again to directly express who the focus of the emotion was directed at (i.e. “a desire to have what the other customer has”). In addition, to avoid confusion,

the items “rancor” and “gall” were replaced with “ill-will” and “annoyed” respectively. Lastly, Cohen-Charash (2009) included two exact items labeled envious in their questionnaire. To avoid redundancy, this study simply included envious as one item, and also changed the item to read “envious towards other customer”. This set of items is especially relevant for this study, because they pertain to envy as a response to a specific incident, rather than envy from a dispositional perspective. As this study’s focus of envy is from the service encounter context, it is appropriate to use items that are tailored to this incident-specific context.

In order to fully explore envy, and all of its accompanying feelings, emotions and thoughts, the set of items established by Parrot and Smith (1993) was used. Their extensive list of items covered variables which they considered to be most prominent in any envious experience. However, a major part of their study also included items that measured jealousy, which is not a focus in this study. Therefore, their 59 items were reduced to only 41 items, and slight modifications were made to a few items to better fit the present context. The variables that were established to study jealousy and were thus excluded from the study were “irrationality”, “loneliness”, “uncertainty”, “fear” and “distrust”. In the end, this study focused on nine variables, resulting in 41 items, anchored from 1 (not at all characteristic) to 9 (very characteristic).

Admiration was also studied as a potential co-occurring emotion alongside envy. In order to measure any admiration experienced in the envious experience, two items were borrowed and slightly adapted to fit the present study (Maher, Clark, & Maher, 2010). Specifically, their items were modified to specify that the admiration would be towards the other customer. Thus, the two items were “admiration towards the other

customer”, and “respect towards other customer”. The same 9-point scale of 1 (not at all characteristic) to 9 (very characteristic) was also used on these items.

Like admiration, resentment is a key variable that may be present in envious experiences. However, unlike admiration, resentment may be an emotion that can be directed at either the other customer or the service employee. The items created by Feather and Nairn (2005) were used to measure resentment by the envious customer. An anchored 9-point scale of 1 (not at all characteristic) to 9 (very characteristic) was also used on these items. Their measure consisted of the following three items: “resentful”, “feeling of injustice”, and “indignant”. Again, to specify who the resentment is directed at, their items were adjusted slightly to denote this. So besides the item “feeling of injustice”, the other two items were asked twice, once directed towards the other customer, and the second time directed towards the employee. For example, the two items read as “resentful towards the customer” and “resentful towards the employee.

Interpersonal Behavioral Consequences

To address the third objective of assessing the interpersonal and organizational consequences of customer envy at service encounters, a set of items measuring action tendencies were used. Borrowing from Van de Ven et al. (2009), two sets of items specifically were utilized from their questionnaire that each measured the ensuing action tendencies taken by the envious customer. In total there were eight items that were designed to measure two different constructs of interpersonal consequences. Four of the items that measured interpersonal consequences were categorized as “hurting the other”, and four other items that also measured interpersonal consequences were categorized as “improving my own situation”. The items created to capture the construct of “hurting the

other” were as follows: “wanted to take something from the other customer”, “wanted to degrade the other customer”, “tried to hurt the other customer’s position”, “talked negatively about the other customer.” While the items created to capture the construct of “improving my own situation” included: “wanted to improve my own situation”, “wanted to be near the other customer”, “complimented the other customer sincerely”, and “reacted actively”. The only modifications made to their items for this study were that it was specified that the actions were directed towards the other envied customer exclusively. All items were anchored on a 9-point scale ranging from 1 (not at all) to 9 (very much so).

Similarly, envious customers may also seek to take out their frustration towards the service employee. By referencing the consumer retaliatory behavior research, a set of items that measured complaining was used. By using the items established by Grégoire and Fisher (2008), it can provide a way of knowing how an envious customer reacts towards the service employee. To coincide with the measures that captured the action tendencies towards the other customer, some slight modifications were made to their items. For example, one item in this study read as “[I wanted to] give the employee(s) a hard time” instead of “I gave the representative(s) a hard time”. The latter was to keep a consistent perspective between the actions directed towards the other customer and the employee. In other words, both sets of items measure the desire to react, rather than how they actually reacted. All items were measured with the similar 9-point scale, but anchor points were labeled and ranged from 1 (strongly disagree) to 9 (strongly agree).

Negative Word of Mouth

One factor that has a significant influence on a service organization's success is negative word of mouth (Anderson, 1998; Richins, 1983). In order to measure negative word of mouth, a three-item scale developed by Blodgett, Hill and Tax (1997) was used. As an example, one of their items read "given what happened, how likely are you to warn your friends and relatives not to stay at this retail store". For this study, a 9-point scale anchored with 1 (not at all likely) to 9 (very likely) was used to measure negative word of mouth.

Repurchase Intention

In identifying the organizational consequences of envy, the repurchase intention of the envious consumer was measured. The objective of this measure was to gauge the extent to which they assign blame to the organization, by whether they intend to return as a customer. To measure the repurchase intention, a two-item scale using a 9-point range anchored with 1 (not at all) to 9 (quite a lot) was utilized (Yi & La, 2004). Their items included the following, "how often do you intend to revisit the service establishment" and "how high is the probability that you will revisit the service establishment".

Satisfaction with Service Encounter

To assess if the envy experience had any effect on the customer's overall experience, the satisfaction with the service encounter was also measured. The six-item satisfaction scale (Oliver & Swan, 1989) included the following items, "pleased me/displeased me", "contented with/disgusted with", "very satisfied with/very dissatisfied with", "did a good job for me/did a poor job for me", "wise choice/poor

choice” and “happy with/ unhappy with”. These items were anchored on a 9-point scale with 1 (not at all characteristic) to 9 (very characteristic).

Control Variables

As one of the modifications that came about from the pilot study, it was determined important to account for the differences among the survey participants in relation to the variables being studied. Specifically, the tendency to experience envy and a measure that captures an individual’s social desirability response tendencies were included.

To assess the extent to which an individual has a predisposition to experience envy regularly, the Dispositional Envy Scale was utilized (Smith et al., 1999). The eight-item measure included items such as “I feel envy every day” and “I am troubled by feelings of inadequacy”. Although their original measure was anchored on a 5-point Likert scale, this study employed a 9-point scale from 1 (strongly disagree) to 9 (strongly agree), to maintain the consistency with all previous items. To restate, the importance of capturing this predisposition to experience envy is necessary to filter out the true situational specific envy experiences, that may arise from day to day situations like a service encounter.

Similarly, social desirability as a tendency response was also measured due to the negative associations with feeling envious. A shortened form of the Marlowe-Crowne social desirability scale was used (Greenwald & Satow, 1970). The six-item measure was anchored on a 9-point Likert scale of 1 (strongly disagree) to 9 (strongly disagree). Items in this measure assessed both the positive and negative perspective of social desirability, including items such as “no matter who I’m talking to, I’m always a good listener” and “I

sometimes try to get even, rather than forgive and forget”. Both this and the dispositional envy scale were also controlled for as variables in the study of episodic envy by Cohen-Charash (2009). Thus, it was determined that these two variables would account for a large portion of any differences among the individual participants.

3.5 Data Analysis

SPSS package 21 was used to run all statistical analyses on the data collected. In addition to the different analysis methods discussed below, basic descriptive statistics were ran where appropriate in the different analysis sections.

A qualitative data analysis approach to analyzing the survey envy episodes was utilized. Survey participants were asked to recall their customer envy experiences as detailed as possible. A broad definition of envy was given, and participants were instructed that the envy experience had to specifically involve an encounter with another customer and/or the service employee. No word or character limit restrictions were given, so participants could freely recall their envious experience. In total, the qualitative data to be analyzed consisted of 311 episodes. The end goal of the qualitative analysis was to produce a typology of envy triggers.

Open coding was deemed appropriate in order to identify and categorize different envy triggers from the qualitative data (Holton, 2010). This open coding process relies heavily on the principles of grounded theory, which allow for themes and categories to emerge organically from the textual data alone, and not from any pre-conceived theoretical understandings (Corbin & Strauss, 1990). Specifically, a story-by-story open coding procedure was done, as the goal was to assign each story to a particular type of envy trigger. In doing this, as recommended by Glaser (1998), the researcher considered

the following series of questions in order to assist in applying codes: What is this data a study of? What category does this incident indicate? What is actually happening in the data? What is the main concern being faced by the participants? By considering these questions, it helped aid the researcher in applying codes that went beyond merely describing the situation, but conceptually understanding the focus of the envy experience.

The initial stage of open coding consisted of applying one or more relevant labels to each story, as seen fit (Glaser & Holton, 2004). As the coding process continued, new labels emerged, while patterns were also seen as some labels kept reappearing. In the follow up stage, the researcher reevaluated the initial coding stage by condensing labels considered to be conceptually similar. Thus, at the conclusion of the open coding process, each story contained only one label (or code).

The open coding process concluded when no new labels were found and the researcher could simply apply existing labels to the triggers.

An exploratory factor analysis was conducted on the large set of emotional responses recorded, in order to extract overlying categories. A varimax rotation was employed as it is the most popular rotation method because it loads each variable high on one factor, while low on another (Abdi, 2003). As such, it allows for understanding the dimensionality of the emotional responses associated with the envy triggers.

A series of multivariate analysis of covariance (MANCOVA) were performed on the three different sets of dependent variables: cognitive appraisals, emotional responses, and interpersonal/organizational consequences. These three sets of dependent variables were each analyzed separately with the envy triggers as the independent variables, while also considering social desirability and dispositional envy as covariates. In conjunction

with the MANCOVA analysis, pairwise comparisons were also ran to identify precisely where the differences were between the three sets of dependent variables and the envy triggers. The least significant difference (LSD) adjustment was used in analyzing the pairwise comparisons (Williams & Abdi, 2010).

A canonical correlation analysis was chosen for assessing the relationship among the three sets of variables considered. Specifically, the multivariate relationship between the cognitive appraisal variables (perceived unfairness, preferential treatment, perceived similarity, perceived importance) and the emotional response variables were measured. Similarly, the relationship between the emotional response variables and the interpersonal and organizational consequences were also assessed. Canonical correlation was chosen due to its advantages when considering a multivariate approach with a large number of variables. This procedure is able to simultaneously assess the correlations between several different dependent and independent variables. In addition, the canonical correlation analysis is able to produce variates (functions) that can be interpreted for theoretically consistent relationships among the different sets of variables (Sherry & Henson, 2005).

CHAPTER 4. RESULTS

4.1 Demographic Profile of the Sample

A frequency statistics analysis was conducted in order to gather personal and social-economic characteristics of the survey participants. The results are shown in Table 1. There were a total of 311 participants in the study. Males made up 57.9% of the total, while females made up 42.1%. Regarding the age breakdown, the largest age group were participants between 25 to 34 years old at 44.7%, followed by the age group of 35-44 years old with 19.9%, while 14.1% of the participants were between 45 and 54 years old. In addition, the following age groups of 18 to 24, 55 to 64 and 65 to 74 years old constituted 12.9%, 7.1%, and 1.3% of the total respectively. Representative of the United States population, the majority of the participants were White (74%), while 9.3% identified themselves as Asian/Pacific Islander, 9.3% as Black or African American, 4.2% as Hispanic or Latino, 2.6% as other, and .3% as Native American or American Indian.

Participant's highest level of education reported indicated that the majority attained a Bachelor's degree (35%), while 22.2% received some college credit, but no degree earned, 17% earned an Associate's degree, 10.6% were a high school graduate, diploma or equivalent, 9% earned a Master's degree, 3.9% had some trade/technical/vocational training, 1.3% earned a Professionals degree, and 1% a

Doctorate degree. In regards to the participant's annual household income, the income brackets with the three highest frequencies were those in the following brackets: \$30,000 to \$39,999 (13.5%), \$40,000 to \$49,999 (13.2%), and \$20,000 to \$29,999 (12.9%).

Please refer to Table 1, for all other percentages on income. The United States median annual household income in 2013 was \$51,759 (U.S. Census Bureau, 2014, p. 6). Thus revealing that the sample is representative of national income levels, as close to 56.6% of participants were below, and 43.4% were above the median annual household income.

Table 1 Demographics and Personal Characteristics (N = 311)

Characteristics	Descriptions	N	Percentage (%)
Gender	Male	180	57.9
	Female	131	42.1
Age (Years)	18 to 24	40	12.9
	25-34	139	44.7
	35-44	62	19.9
	45-54	44	14.1
	55-64	22	7.1
	65-74	4	1.3
Ethnicity/Race	White	230	74
	Hispanic or Latino	13	4.2
	Black or African American	29	9.3
	Native American or American Indian	1	.3
	Asian/Pacific Islander	30	9.6
	Other	8	2.6
	Highest Level of Education	High school graduate, diploma, or the equivalent (e.g. GED)	33
Some college credit, no degree earned		69	22.2
Trade/technical/vocational training		12	3.9
Associate's degree		53	17
Bachelor's degree		109	35
Master's degree		28	9
Professional degree		4	1.3
Doctorate degree		3	1
Annual Household Income	Less than \$10,000	16	5.1
	\$10,000 to \$19,999	37	11.9
	\$20,000 to \$29,999	40	12.9
	\$30,000 to \$39,999	42	13.5
	\$40,000 to \$49,999	41	13.2
	\$50,000 to \$59,999	32	10.3
	\$60,000 to \$69,999	32	10.3

Table 1 Continued

\$70,000 to \$79,999	25	8
\$80,000 to \$89,999	12	3.9
\$90,000 or more	34	10.9

4.2 Types of Customer Envy Triggers

As a result of the open coding analysis, five major triggers of customer envy emerged. The envy triggers were in fact the labels that were applied to each story. In sum, the open coding process produced five categories of envy triggers that were considered mutually exclusive, and individually unique. The five type of envy triggers are “The Lucky one”, “The Joneses”, “The Favorite”, “The Freebies” and “The Royals”.

Table 2 below displays the frequency statistics for the five types of envy triggers.

Table 2 Frequencies of Type of Envy Triggers

Type of Envy Triggers	Frequency	Percentage of Total
The Lucky One	41	13.2
The Joneses	58	18.6
The Favorite	101	32.5
The Freebies	86	27.7
The Royals	25	8
Total	311	

“The Lucky One”

Triggers under this category involve a focus on the good fortune of the other customer as a result of chance. Stories under this label typically involved situations where the other customer won a contest, such as a lottery or giveaway. Under this same category, stories also included incidents where the other customer was lucky enough to purchase or attain the last desired product in stock. In either situation, the envy episode involves solely the other customer, and what they attained. The service provider was not

a party of interest under this type of episode because it did not involve them picking and choosing who got to win the prize or buy the last product in stock. The underlying key component in these stories was luck, as customers understood their envy was attributed to chance. A total of 41 stories (13.2%) were labeled under this category. Examples of “The Lucky One” envy trigger went as follows:

“It was when I was in line at Disneyland back growing up in the 80's and the person behind my family at the monorail was the 35th anniversary (35,000,000th) customer or something like that. My dad and mom were in shock too since we hurried to get to catch t and if it was just a little longer till we got there we would have been the winners. The family behind us received a whole lot of fun things and items that I wish I could have had. There were free return passes, coupons, hotel discounts and anything you can think of was there. I remember I was only 6 years old but I remember how envious I was of them and wished we could have won instead.” (Male, Age 35-44)

“I was in the store looking for a specific item. When I finally found the item I felt lucky because I caught it right when the store attendant was marking the item to be on sale. But as I went to get it, another person beat me to it and got the last item tere. I felt very envious and dismayed.” (Female, Age 18-24)

“The Joneses”

This category refers to episodes where the heart of the envy stems from who the other customer is and/or what they are able to afford. This type of trigger captures the experience of envy in the most traditional sense. Across all stories under this type of envy episode, the central point was the direct and unflattering comparison with another

customer who was clearly in a better financial position than themselves. The stories usually described the other wealthy customer purchasing a significantly more expensive product or service that the envious customer could not afford. Although the envy mainly stemmed from who the other customer is, participants in these stories also frequently chose to concentrate on their own inferiority to the other customer. Included under this category, were a total of 58 stories (18.6%). Examples under this type of envy trigger were:

“I feel envious when I go to bars and a person orders a large round of expensive drinks for all his/her friends. It makes me sad that I can't do something like that and my friends are too poor to even buy a round in the first place” (Male, Age 18-24)

“I felt envious when I saw someone buying a new computer, and a bunch of video games all in one purchase. I wish I could have that much disposable income. I felt a bit jealous and a little bitter, and hoped I could one day be able to do that myself.” (Male, 18-24)

“The Favorite”

Stories that included this type of envy trigger mainly described situations where the service provider unfairly gave the other customer better service. Accordingly, the service provider was more of a focus than the other customer. Likewise, the unfair nature of the service inequality was also a key characteristic of these stories. Also of importance was that the source of envy was an intangible advantage that the other customer held, which was the better treatment or service. Stories under this category included for example, a waitress who was giving another table faster service or a retail employee

giving another customer more attention. It is believed under this type of envy trigger, all customers are equal in status, and any special treatment given to another customer is due to selective and unfair treatment by the service provider. A total of 101 stories (32.5%) were labeled as “The Joneses”. Below are typical examples of this type of envy trigger:

“The worst that I experienced was at a restaurant, I didn't know who this guy was, but everyone was doing their best to make sure he had the best of service while we were sitting there with empty glasses. When our food finally arrived it was cold and I was almost afraid to return it because I felt that I was bothering them. I just thought it was wrong the way we were treated. As for the guy, he was sucking it all up and not bothered by anyone else's discomfort” (Female, Age 45-54)

“I was once shopping with my mom and I went to try my clothes on and I noticed that the lady at the dressing rooms was so polite to the other ladies that where there. So after seeing her act like that I assumed that she was very nice but once I went and tried on my clothes she was really rude to me she never said hello or thanks like she did for the other ladies in the store.” (Female, 18-24)

“The Freebies”

This category alludes to triggers of envy where the source of envy was a monetary benefit or advantage the other customer had. This monetary advantage considered incidents where either the other customer attained the advantage by themselves or the service provider was responsible for it. As such, fairness was not relevant as a characteristic of this envy trigger. Examples of where the source of envy was a monetary advantage included customers receiving a discount from the service provider for their

purchase, getting something free from the service provider, or simply included stories of customers using coupons to save money. The differentiating factor that separated this type of envy trigger from the “The Favorite” category, was that the actual source of envy was something tangible, like saving money. So to contrast, while the “The Favorite” envy trigger’s two major components were unfairness and that the benefit was intangible, the “The Freebies” key component was that the other customer’s advantage was a tangible monetary benefit. In sum, 86 stories (27.7%) were categorized as “The Freebies”.

Consider the following stories:

“This occurred once during a stay at a Las Vegas hotel. I saw another guest receive a room upgrade, and it appeared to be for free. The other customer was very chatty, friendly, and gregarious. I was envious that he received the room upgrade. This was after I had already checked in and was about to walk up to my room, so I didn't want to walk back and feel the need to ask for an upgrade too. I felt as though it was unfair, and that I was unfortunate. I also felt somewhat resentful” (Male, Age 25-34)

“Recently on a flight the person in front of me was asked if he would like to switch seats with someone in first class who had gotten in a fight with their boyfriend and wanted to move. I was extremely envious that while I was sitting in coach for a four hour flight the person one seat in front of me got to move to first class free of charge.” (Male, Age 25-34)

“The Royals”

This type of envy trigger applies to a focus on the other customer’s fair and self-earned better service experience. Unlike the “The Favorite” category, these stories did not

directly involve the service provider, because the special treatment was fairly earned and given. The source of the envy is the better service experience the other customer received. However, what makes this type of envy trigger distinct is that the other customer himself/herself was fully responsible for attaining this better experience. Whether it had to do with the other customer being a frequent flier and getting special perks, or the other customer cut in line at the grocery store and was able to get faster service, the customer achieved this advantage on their own. Thus, in both situations, the participant was envious of the better service experience, but recognized that the other customer attained that advantage through their own means. A total of 25 stories (8%) emerged under this type of envy trigger. The incidents below captures the core features of this category:

“I was checking in for my flight and the line was incredibly long. After about 30 minutes of waiting it was finally my turn to check my bags. All of a sudden, a staff member approaches me and tells me to wait while another person cuts in front of me. It turns out that he was a frequent flyer with the airline and was flying first class. I was very envious of his ability to cut everyone in line and to speed through the bag checking process”

(Male, Age 25-34)

“Last time I was at an airport, exhausted and juggling my kids and luggage, I felt very envious as the first/business class passengers that got to go sit in their roomy seats while I waited in line to be squashed like a sardine.” (Male, Age 35-44)

4.3 Factor Analysis of Emotional Responses

In order to produce a smaller set of emotional response variables, an exploratory factor analysis was performed. A total of 56 emotional response items were considered under this analysis. By referencing the scree plot (see Figure 1) and only considering factors with eigenvalues greater than 1, eight factors were extracted. Items were removed with factor loadings less than .40, or which cross-loaded across more than one factor, and the difference was less than .10 (Hair, Anderson, Tatham, & Black, 1998). After the analysis, 47 of the 56 items remained in consideration, with each factor having 1 to 14 items. The eight factors and their item loadings are presented in Table 3, and were labeled as follows: (1) low self-esteem, (2) anger towards customer, (3) anger towards employee, (4) envy, (5) unhappiness, (6) disapproval of feelings, (7) admiration, and (8) unlucky. The complete results of the factor analysis, with associated means and standard deviations for each factor are presented in Table 3.

Table 3 Factor Loadings, Means, and Standard Deviations of Eight Factors of Emotional Responses (N=311)

Emotional Responses	Factor Loadings								M	SD
	1	2	3	4	5	6	7	8		
<i>Factor 1: Low self-esteem</i>									3.95	2.24
Lacking confidence	.83									
Self-doubt	.86									
Insecure	.84									
Self-conscious	.82									
Dissatisfied with myself	.81									
Felt like a failure	.84									
Privately ashamed of myself	.81									
Aware of my inferior qualities	.80									
Felt inferior	.76									
Emotional pain	.61									
Helpless	.40									
<i>Factor 2: Anger towards customer</i>									4.23	2.11
Angry at other customer		.84								
Bitter at other customer		.74								
Hostile towards other customer		.81								
Hostile towards employee		.41								
I would feel some pleasure if the person who caused this emotion experienced some failure		.67								
I would feel unhappy if the person who caused this emotion experienced some good luck		.67								
Feelings lasted a long time		.42								
Ill-will		.59								
Bitter		.52								
Some hatred		.75								
I had a grudge against the other customer		.76								
Resentment towards customers		.69								
Aggravated with customer		.75								
<i>Factor 3: Anger towards employee</i>									3.93	2.39
Felt degraded			.41							
Felt humiliated in front of others			.45							
Angry at employee			.86							
Bitter at employee			.85							
Hostile towards employee			.79							
Resentment towards employee			.86							
Aggravated with employee			.87							
<i>Factor 4: Envy</i>									7.05	1.66
Longing for what the other customer had				.61						
I had a desire to have what the other customer had				.75						
Felt lacking some of the things that the other customer had				.72						
The other customer had things going better for him/her than I did				.76						
Felt envious towards the other customer				.79						
<i>Factor 5: Unhappiness</i>									5.05	2.09
Hurt feelings					.52					
Unhappy					.59					
Upset					.52					
Helpless					.60					
Not in control					.58					
<i>Factor 6: Disapproval of feelings</i>									3.57	1.71
At first I denied to myself that I felt this emotion						.67				

Table 3 Continued

Felt sinful	.62		
Guilt over feeling ill will toward someone	.77		
This emotion came on unexpectedly	.63		
<i>Factor 7: Admiration</i>		4.04	2.32
Felt admiration towards the other customer	.63		
Respect towards the other customer	.67		
<i>Factor 8: Unlucky</i>		6.01	2.5
Felt unlucky	.54		

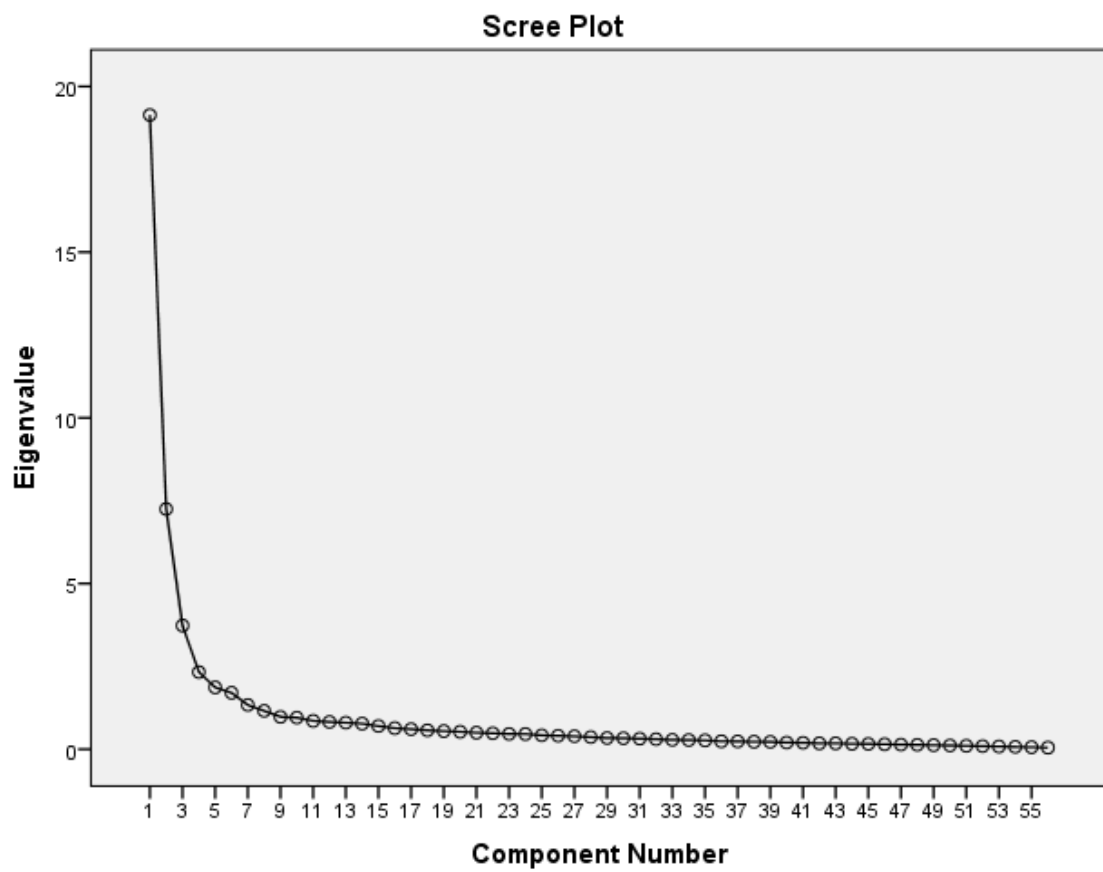


Figure 1 Scree Plot

4.4 Envy Triggers and Cognitive Appraisals, Emotional Responses, Interpersonal/Organizational Consequences

A series of multivariate analysis of covariance (MANCOVA) were ran on the three different sets of dependent variables, with the envy triggers as the independent variables, and the set of control variables as social desirability and dispositional envy. The cognitive appraisal variables included perceived unfairness, preferential treatment, perceived similarity, and perceived importance. As a result of the factor analysis, the eight emotional response variables included “low self-esteem”, “anger towards customer”, “anger towards employee”, “envy”, “unhappiness”, “disapproval of feelings”, “admiration” and “unlucky”. The set of interpersonal and organizational consequences included the following six variables: “hurting the other”, “improve own situation”, “complaining”, “encounter satisfaction”, “negative word of mouth”, and “repurchase intention”. The proceeding section will detail the MANCOVA results for the three sets of dependent variables, with type of envy trigger as an independent variable.

4.4.1 Envy Triggers and Cognitive Appraisals

The MANCOVA results revealed significant differences among the types of envy triggers in three of the cognitive appraisal variables, $F(16, 892.712) = 5.283, p < .001$, Wilks's $\lambda = .759$. Specifically, the envy triggers revealed significant main effects on perceived unfairness, $F(4, 295) = 11.929, p < .001$, preferential treatment, $F(4, 295) = 9.159, p < .001$, and perceived similarity, $F(4, 295) = 5.042, p = .001$. The latter implies there were differences present among the five types of envy triggers, in each of those three cognitive appraisals. There was not a significant main effect for perceived

importance. Tables 4 and 5 present the complete MANCOVA results, with within-subject and between-subject F -values for the effects.

LSD pairwise comparisons were conducted to specifically identify where the differences in envy triggers were among perceived unfairness, preferential treatment, perceived similarity and perceived importance. All significance tests were compared at the alpha level of .05. Refer to Table 6 for a complete summary of the significant pairwise comparisons.

Table 4 Significant Multivariate Effects for Cognitive Appraisals (at $p < .001$)

Independent Variables	Wilks' Lambda	F	df	Error df
Types of Envy Triggers	.76	5.28	16	892.71
Dispositional Envy	.93	7.23	3	293

Table 5 Significant Univariate Effects for Cognitive Appraisals (at $p < .05$)

Dependent Variables	Effect	MS	F	df	Error df
Perceived Unfairness	Types of Envy	37.33	11.93	4	295
	Triggers	50.24	16.05	1	295
	Dispositional Envy				
Preferential Treatment	Types of Envy Triggers	62.72	9.16	4	295
Perceived Similarity	Types of Envy Triggers	12.68	5.04	4	295

Table 6 Significant mean difference t -tests for Cognitive Appraisals (at $p < .05$)

Dependent Variables	Comparison	Mean Difference	95% Simultaneous Confidence interval	
			Lower	Upper
Perceived Unfairness	FAV – LO	1.34	.65	2.02
	FAV – JON	1.75	1.17	2.33
	FAV – FREE	1.42	.89	1.93

Table 6 Continued

	FAV – ROY	1.05	.27	1.83
Preferential Treatment	FAV – LO	1.94	.93	2.96
	FAV – JON	1.60	.74	2.46
	FAV – FREE	2.15	1.39	2.91
	FAV – ROY	1.70	.54	2.85
Perceived Similarity	JON – FAV	-.96	-1.48	-.44
	JON – FREE	-1.16	-1.69	-.62
	JON - ROY	-.81	-1.56	-.06

Note: LO = The Lucky One, JON = The Joneses, FAV = The Favorite, FREE = The Freebies, ROY = The Royals

Table 7 Estimated Marginal Means for Cognitive Appraisals

Dependent Variables	Types of Envy Triggers	Mean	Std. Error	95% Confidence Interval	
				Lower	Upper
Perceived Unfairness	The Lucky One	4.91	.29	4.32	5.49
	The Joneses	4.49	.23	4.03	4.95
	The Favorite	6.24	.17	5.89	6.59
	The Freebies	4.83	.19	4.45	5.20
	The Royals	5.19	.35	4.49	5.89
Preferential Treatment	The Lucky One	5.55	.44	4.68	6.42
	The Joneses	5.89	.34	5.21	6.57
	The Favorite	7.49	.26	6.97	8.01
	The Freebies	5.34	.28	4.78	5.90
	The Royals	5.80	.525	4.76	6.83
Perceived Similarity	The Lucky One	5.61	.26	5.08	6.14
	The Joneses	5.00	.20	4.59	5.41
	The Favorite	5.96	.16	5.64	6.28

Table 7 Continued

	The Freebies	6.16	.17	5.82	6.50
	The Royals	5.81	.31	5.18	6.43
	The Lucky One	6.38	.94	5.80	6.95
	The Joneses	6.86	.22	6.40	7.31
Perceived Importance	The Favorite	6.76	.17	6.41	7.10
	The Freebies	6.40	.18	6.03	6.77
	The Royals	6.42	.34	5.73	7.10

a. Covariates appearing in the model are evaluated at the following values: Dispositional Envy = 3.34, Social Desirability = 5.77.

As suggested by the univariate results, the envy triggers had effects on three types of cognitive appraisals. As was evident, customer envy experiences can feature different cognitive appraisals. Specifically, there was a significant main effect of the “The Favorite” envy trigger on two of the cognitive appraisals. The marginal means of perceived unfairness, preferential treatment, perceived similarity, and perceived importance are reported in Table 7. Participants in the “The Favorite” envy trigger category reported higher levels of perceived unfairness than every other type of envy trigger. Likewise, this type of envy trigger also had significantly higher levels of preferential treatment than any other type of envy trigger. The latter implies that a number of envy incidents in this study involved a strong sense of injustice in how other customers are treated better. The perception of fairness and preferential treatment appear to be important cognitive features for some incidents of customer envy.

Moreover, the “The Joneses” envy trigger revealed the lowest levels of perceived similarity among the five types of envy triggers. Those participants in the “The Joneses” envy trigger had a mean level of perceived similarity with the other customer of ($M = 5.006$) vs. “The Joneses” ($M = 5.964$), “The Freebies”, ($M = 6.163$) and “The Royals” ($M = 5.813$). Envious customers in this category had little in common with their envied rival, which could possibly explain some of the distinct emotions experienced in this type of envy trigger as well. Thus, the level of likeness with the envied rival then plays a role in how customer envy is experienced. These findings pinpoint some potentially key aspects of the cognitive evaluations envious customers experience in relation to the how their envy was triggered.

4.4.2 Envy Triggers and Emotional Responses

The MANCOVA results revealed a significant main effect of the types of envy triggers on the eight emotional response variables, $F(32, 1045.248) = 5.771, p < .001$, Wilks’s $\lambda = .549$. The F -tests showed that the only univariate main effects for type of envy triggers were with the following emotional response variables: “low self-esteem”, $F(4, 290) = 9.5, p < .001$, “anger towards customer”, $F(4, 294) = 3.669, p = .006$, “anger towards employee”, $F(4, 290) = 21.861, p < .001$, “envy”, $F(4, 290) = 2.736, p = .029$, “unhappiness”, $F(4, 290) = 5.215, p < .001$, “disapproval of feelings”, $F(4, 290) = 2.590, p = .037$, and “admiration”, $F(4, 290) = 3.459, p = .009$. See Tables 7 and 8 for the F -values of all significant effects. Overall, these were the emotional response variables where differences were known to exist among the five types of envy triggers.

LSD pairwise comparisons were analyzed to identify where exactly the differences lied in the five envy triggers among the eight variable responses. All

significance tests were compared at the alpha level of .05. Table 9 shows the summary of all significant pairwise comparison tests.

Table 8 Significant Multivariate Effects for Emotional Responses (at $p < .001$)

Independent Variables	Wilks' Lambda	<i>F</i>	<i>df</i>	Error <i>df</i>
Types of Envy Triggers	.55	5.77	32	1045.25
Dispositional Envy	.74	12.41	8	283
Social Desirability	.94	2.09	8	283

Table 9 Significant Univariate Effects for Emotional Responses (at $p < .05$)

Dependent Variables	Effect	<i>MS</i>	<i>F</i>	<i>df</i>	Error <i>df</i>
Low Self-Esteem	Types of Envy Triggers	33.69	9.50	4	290
	Dispositional Envy	239.28	67.48	1	290
Anger Towards Customer	Types of Envy Triggers	13.23	3.67	4	290
	Dispositional Envy	136.52	37.87	1	290
	Social Desirability	35.32	9.80	1	290
Anger Towards Employee	Types of Envy Triggers	92.02	21.86	4	290
	Dispositional Envy	18.20	4.33	1	290
	Social Desirability	45.65	10.85	1	290
Envy	Types of Envy Triggers	6.56	2.74	4	290
	Dispositional Envy	45.54	19.41	1	290
Unhappiness	Types of Envy Triggers	19.34	5.22	4	290
	Dispositional Envy	86.05	23.21	1	290
	Social Desirability	17.12	4.61	1	290
Disapproval of Feelings	Types of Envy Triggers	6.51	2.60	4	290
	Dispositional Envy	81.84	32.56	1	290
Admiration	Types of Envy Triggers	17.86	3.46	4	290
	Dispositional Envy	65.85	10.92	1	290
Unlucky					

Table 10 Significant mean difference *t*-tests for Emotional Responses (at $p < .05$)

Dependent Variables	Comparison	Mean Difference	95% Simultaneous confidence interval	
			Lower	Upper
Low Self-Esteem	JON – LO	1.87	1.07	2.66
	JON – FAV	1.35	.72	1.97
	JON – FREE	1.75	1.10	2.39
	JON – ROY	1.98	1.08	2.87
Anger Towards Customer	FAV – FREE	1.07	.51	1.636
Anger Towards Employee	FAV – LO	2.82	2.02	3.62
	FAV – JON	2.23	1.55	2.90
	FAV – FREE	2.30	1.70	2.90
	FAV – ROY	2.19	1.28	3.10
Envy	JON – LO	.69	.03	1.34
	JON – FAV	.82	.31	1.33
	JON – ROY	.78	.05	1.51
Unhappiness	FREE – LO	-.78	-1.55	-.02
	FREE – JON	-.97	-1.62	-.31
	FREE – FAV	-1.28	-1.84	-.71
Disapproval of Feelings	JON – LO	.70	.03	1.37
	JON – FAV	.76	.231	1.28
	JON – FREE	.79	.25	1.33
Admiration	LO – JON	-1.34	-2.30	-.38
	LO – FREE	-1.22	-2.12	-.32
	JON – FAV	.90	.14	1.65
	FAV – FREE	-.77	-1.44	-.10
Unlucky	LO – JON	1.49	.45	2.53
	LO – FAV	1.11	.16	2.07
	LO – FREE	1.31	.33	2.28
	LO – ROY	1.34	.07	2.61

Note: LO = The Lucky One, JON = The Joneses, FAV = The Favorite, FREE = The Freebies, ROY = The Royals

Table 11 Estimated Marginal Means for Emotional Responses

Dependent Variables	Types of Envy Triggers	Mean	Std. Error	95% Confidence Interval	
				Lower	Upper
Low Self-Esteem	The Lucky One	3.37	.31	2.75	4.00
	The Joneses	5.24	.25	4.75	5.73
	The Favorite	3.89	.19	3.51	4.27
	The Freebies	3.50	.20	3.09	3.90
	The Royals	3.27	.37	2.52	4.01
Anger Towards Employee	The Lucky One	2.70	.34	2.02	3.38
	The Joneses	3.30	.27	2.76	3.83
	The Favorite	5.52	.21	5.11	5.94
	The Freebies	3.22	.22	2.78	3.66
	The Royals	3.34	.41	2.53	4.15
Anger Towards Customer	The Lucky One	4.05	.32	3.41	4.68
	The Joneses	4.27	.25	3.77	4.77
	The Favorite	4.77	.19	4.39	5.15
	The Freebies	3.70	.20	3.29	4.11
	The Royals	3.33	.41	2.53	4.15
Envy	The Lucky One	6.93	.26	6.42	7.45
	The Joneses	7.62	.20	7.22	8.03
	The Favorite	6.80	.15	6.49	7.11
	The Freebies	7.11	.16	6.78	7.45
	The Royals	6.84	.31	6.23	7.45

Table 11 Continued

Unhappiness	The Lucky One	5.08	.32	4.44	5.72
	The Joneses	5.27	.25	4.76	5.77
	The Favorite	5.57	.19	5.19	5.96
	The Freebies	4.30	.21	3.89	4.71
	The Royals	4.83	.38	4.07	5.59
Disapproval of Feelings	The Lucky One	3.47	.26	2.94	4.00
	The Joneses	4.17	.21	3.76	4.59
	The Favorite	3.42	.16	3.10	3.74
	The Freebies	3.38	.17	3.04	3.72
	The Royals	3.66	.31	3.04	4.29
Admiration	The Lucky One	3.28	.38	2.53	4.04
	The Joneses	4.63	.30	4.03	5.22
	The Favorite	3.73	.23	3.27	4.19
	The Freebies	4.50	.24	4.01	4.99
	The Royals	3.60	.45	2.70	4.50
Unlucky	The Lucky One	7.09	.41	6.27	7.91
	The Joneses	5.60	.32	4.96	6.24
	The Favorite	5.97	.25	5.48	6.47
	The Freebies	5.78	.26	5.25	6.31
	The Royals	5.75	.49	4.78	6.72

Table 11 Continued

a. Covariates appearing in the model are evaluated at the following values: Dispositional Envy = 3.3561, Social Desirability = 5.7531.

While the univariate F -tests indicated there to be differences in the emotions experienced, participants in every type of envy trigger still reported envy to be the strongest emotion felt. More importantly however, envy was shown to be a shared emotion among the five types of envy triggers. Except in the case of the “The Joneses”, there were no significant differences in the level of envy experienced among the five types of envy triggers; “The Lucky One”, ($M = 6.937$), “The Joneses”, ($M = 7.625$), “The Favorite”, ($M = 6.804$), “The Freebie”, ($M = 7.118$), “The Royals”, ($M = 6.876$). While customers in the five types of envy triggers all experienced similar levels of envy as the primary emotion, the results also showed that the subjective experience of envy varied considerably depending on the specific types of co-occurring emotions customers experienced. For example, the envy experience characteristic of the “The Favorite” category featured anger towards the employee as the distinguishing emotion. Referring to the significance tests and marginal means of this emotion, the “The Favorite” was ($M = 5.527$) compared to “The Lucky One”, ($M = 2.703$), “The Joneses”, ($M = 3.302$), “The Freebies” ($M = 3.226$), and “The Royals”, ($M = 3.341$). All pairwise comparisons were very significant and had p -values less than .001. The means illustrate the unique distinction of anger towards the service provider was present only in the “The Favorite” envy episode. This suggests anger is an emotion that customers are capable of experiencing in envy incidents involving the service provider.

In contrast, low self-esteem and disapproval of feelings were two emotions that complicated the envy experienced for customers in the “The Joneses” envy trigger incidents. Participants in this category experienced the highest levels of low self-esteem among all of the type of envy triggers. Disapproval of feelings was also significantly higher than all of type of envy triggers but one: “The Joneses” ($M = 4.176$), “The Lucky One” ($M = 3.288$), “The Favorite” ($M = 3.421$) and “The Freebies” ($M = 3.387$). The marginal means for both of these emotions can be found on Table 11. Both of these are emotions distinctively different from envy, but were strongly characteristic in the “The Joneses” category. For the customers in this category, central to their envy experience was the focus on their inferiority that was not identified in the envy experiences of customers in other envy trigger categories.

The “The Lucky One” type of envy trigger also contained a different emotion not found in any other envy trigger. Not surprisingly, the “The Lucky One” trigger revealed significantly higher levels of the emotion “unlucky”, in comparison to all other envy triggers. The main feature of the “The Lucky One” focused on the good fortune of the envied customer, but many participants under this category also focused on their own sense of unluckiness, which this finding supports. In referencing the marginal means and significance tests, the “The Lucky One” had a mean of ($M = 7.094$) against “The Joneses” ($M = 5.603$), $p = .005$, “The Favorite” ($M = 5.976$), $p = .022$, “The Freebies” ($M = 5.785$), $p = .009$ and “The Royals” ($M = 5.755$), $p = .039$. As this reveals, a sense of misfortune can be an underlying emotion being experienced with customer envy. Depending on the situation of how the customer envy came to be, emotions like unluckiness can be more salient for certain types of customer envy incidents. Thanks to

these findings, it revealed that incidents of customer envy have the potential to take on different emotional paths aside from envy.

4.4.3 Envy Triggers and Interpersonal Consequences/Organizational Consequences

The MANCOVA results showed a significant multivariate main effect of the types of envy triggers as the independent variables on the six interpersonal and organizational consequence dependent variables, $F(24, 1002.433) = 4.735, p < .001$, Wilks's $\lambda = .688$. Examining the univariate main effects on the types of envy triggers, all interpersonal and organizational consequence variables were significant except "improve own situation", $p = .323$. As a result of there being differences found among the five types of envy triggers in almost every consequence variable, further investigation was needed to identify where the differences were. Post-hoc tests of the pairwise comparisons were once again performed to examine specific differences among the type of envy triggers on the set of interpersonal and organizational consequence variables. An alpha level of .05 was used for the pairwise comparison t -tests. The MANCOVA and ANCOVA F results, as well as the pairwise comparison results are presented in Tables 12, 13, and 14.

Table 12 Significant Multivariate Effects for Interpersonal and Organizational Consequences (at $p < .001$)

Independent Variables	Wilks' Lambda	<i>F</i>	<i>df</i>	Error <i>df</i>
Types of Envy Triggers	.69	4.74	24	1002.43
Dispositional Envy	.91	4.83	6	287
Social Desirability	.91	4.50	6	287

Table 13 Significant Univariate Effects for Interpersonal and Organizational Consequences (at $p < .05$)

Dependent Variables	Effect	<i>MS</i>	<i>F</i>	<i>df</i>	Error <i>df</i>
Hurting Other Customer	Types of Envy Triggers	6.91	2.59	4	292
	Dispositional Envy	50.63	18.95	1	292
	Social Desirability	41.42	15.50	1	292
Complaining	Types of Envy Triggers	95.77	17.57	4	292
	Social Desirability	81.10	14.88	1	29
Encounter Satisfaction	Types of Envy Triggers	18.78	3.75	4	292
Negative Word of Mouth	Types of Envy Triggers	34.59	11.48	4	292
	Social Desirability	12.24	4.06	1	292
Repurchase Intention	Types of Envy Triggers	43.08	8.66	4	292
	Dispositional Envy	25.78	5.18	1	292
	Social Desirability	31.90	6.41	1	292

Table 14 Significant mean difference *t*-tests for Interpersonal and Organizational Consequences (at $p < .05$)

Dependent Variables	Comparison	Mean Difference	95% Simultaneous confidence interval	
			Lower	Upper
Hurting Other Customer	FREE – LO	-.82	-1.47	-.16
	FREE – ROY	-.98	-.1.71	-.24
Improve Own Situation	FREE – FAV	.469	.03	.91
Complaining	FAV – LO	2.47	1.56	3.39
	FAV – JON	2.48	1.72	3.24
	FAV – FREE	2.35	1.67	3.04
	FAV – ROY	2.36	1.33	3.39
Encounter Satisfaction	FAV – JON	-1.10	-1.83	-.37
	FAV – FREE	-1.15	-1.80	-.49
Negative Word of Mouth	FAV – LO	1.45	.77	2.13
	FAV – JON	1.60	1.04	2.17
	FAV – FREE	1.36	.85	1.86
	FAV – ROY	1.30	.53	2.06
Repurchase Intention	FAV – LO	-1.89	-2.76	-1.02
	FAV – JON	-1.31	-2.04	-.58
	FAV – FREE	-1.71	-2.36	-1.05
	FAV – ROY	-1.05	-2.04	-.07

Note: LO = The Lucky One, JON = The Joneses, FAV = The Favorite, FREE = The Freebie, ROY = The Royals

Table 15 Estimated Marginal Means for Interpersonal and Organizational Consequences

Dependent Variables	Types of Envy Triggers	Mean	Std. Error	95% Confidence Interval	
				Lower	Upper
Hurting Other Customer	The Lucky One	3.09	.28	2.54	3.64
	The Joneses	2.59	.21	2.17	3.02
	The Favorite	2.69	.16	2.36	3.01
	The Freebies	2.27	.17	1.92	2.63
	The Royals	3.25	.32	2.60	3.89
Improve Own Situation	The Lucky One	3.68	.25	3.18	4.18
	The Joneses	3.74	.19	3.36	4.13
	The Favorite	3.55	.15	3.26	3.85
	The Freebies	4.02	.16	3.70	4.34
	The Royals	3.64	.29	3.05	4.23
Complaining	The Lucky One	2.47	.40	1.68	3.26
	The Joneses	2.46	.30	1.86	3.07
	The Favorite	4.94	.23	4.48	5.41
	The Freebies	2.59	.25	2.09	3.09
	The Royals	2.58	.46	1.66	3.50
Encounter Satisfaction	The Lucky One	3.72	.38	2.96	4.47
	The Joneses	4.06	.29	3.48	4.64
	The Favorite	2.96	.22	2.51	3.40
	The Freebies	4.10	.24	3.62	4.59
	The Royals	3.86	.44	2.98	4.75

Table 15 Continued

Negative Word of Mouth	The Lucky One	3.48	.29	2.89	4.06
	The Joneses	3.33	.22	2.88	3.78
	The Favorite	4.93	.17	4.59	5.28
	The Freebies	3.58	.19	3.20	3.95
	The Royals	3.63	.34	2.95	4.32
Repurchase Intention	The Lucky One	6.33	.38	5.58	7.08
	The Joneses	5.76	.29	5.18	6.33
	The Favorite	4.44	.22	4.00	4.89
	The Freebies	6.15	.24	5.67	6.63
	The Royals	5.50	.44	4.62	6.38

a. Covariates appearing in the model are evaluated at the following values: Dispositional Envy = 3.3554, Social Desirability = 5.7709

The majority of the differences in both the interpersonal and organizational consequences were found in the “The Favorite” type of envy episode. This type of envy episode had higher levels of complaining, encounter satisfaction, negative word of mouth, and lower levels of repurchase intention compared to all the other envy triggers. The full pairwise comparison statistics can be found on Table 14. Clearly, customer envy incidents characteristic of the “The Favorite” category have the potential for damaging repercussions. As noted earlier, the “The Favorite” envy trigger category contained a large portion of all of the envy incidents collected in this study. Therefore, the customer

envy studied can have direct consequences for service organizations, the envious customer, and envied customer alike.

In conducting a MANCOVA, the following assumptions were checked: univariate/multivariate outliers, independence, multivariate normality, and homogeneity of variance-covariance matrices. Although there were univariate outliers found in every group for the cognitive appraisal, emotion, and consequence variables, by comparing the actual means to the 5% trimmed means, the outliers were found to not have a significant influence on the actual mean. Likewise in regards to multivariate outliers, in referencing Mahalanobis distance squared statistics, four observations were identified as outliers. However, after removing these four observations, they did not affect any of the results, therefore they were kept. The independence assumption was satisfied, as all observations were independent of each other. The assumption of multivariate normality was checked by testing the univariate normality of each dependent variable for each group. Although, there were violations for some of the dependent variables, MANCOVA procedures are robust to this violation when there are at least 20 cases in each factor group, as supported by the Central Limit Theory (Ito, 1980). In referencing both the Box's M Test and Levene's Test of Equality, it revealed that there were unequal variances between some groups. However, in further investigating this violation, it was discovered that ratio of the largest variance to the smallest variance for each group on each dependent variable was never bigger than 5:1. In fact, in all but one case (preferential treatment - "The Favorite"), the ratio was 2:1 or less. Therefore, the analysis was robust to this violation.

4.5 Canonical Correlation Analysis

In order to evaluate the multivariate relationship between two variable sets, a canonical correlation analysis was conducted running the four cognitive appraisal variables as predictors of the eight emotional response variables. The full model was statistically significant using the Wilks's $\lambda = .254$ criterion, $F(32, 1082.13) = 15.19, p < .001$. Wilks's λ denotes the variance unexplained by the model, so $1 - \lambda$ produces the full model effect size of .745, showing that the full model accounted for a large portion of the total variance shared between the two variable sets. The analysis revealed four functions with squared canonical correlations (Rc^2) of .607, .20, .140, and .056 respectively. Furthermore, as the dimension reduction analysis shown in Table 17 demonstrates, since the last function by itself (Function 4) was significant, this indicates that all functions preceding it were also significant at $p < .05$. However, only the first three functions were considered appropriate for interpretation, given that the Rc^2 effect for the last function only explained 5.6% of the remaining variance in the variable sets after the previous three functions were already in the model.

Canonical loadings for each variable in Function 1, Function 2, and Function 3 are presented in Table 16. Under Function 1, the relevant dependent variables were anger towards customer, anger towards employee and unhappiness. All three variables contributed highly to the canonical variate with loadings of -.893, -.825 and -.737 respectively. Meaning, these were the dependent variables that were most prominent. The most relevant independent variables under Function 1 were perceived unfairness and preferential treatment, with perceived unfairness correlating the highest to the canonical variate at -.982. Across both variable sets, perceived unfairness and preferential treatment

were positively related to anger towards customer, anger towards employee and unhappiness. In other words, the more unfair and blatant that the preferential treatment is, the angrier and unhappy the envious customer will be. As a result of these relationships among the variable sets, Function 1 was labeled “Unfair treatment”. Of particular importance is that anger towards the employee was one of the emotions which showed how the affective responses of customer envy differ. Likewise, perceived unfairness and preferential treatment were also both found to be prominent features of certain envy incidents.

For Function 2, the dependent variables that contributed that highest to the function were envy, low self-esteem, and unhappiness. Perceived importance was the only relevant independent variable under Function 2, and was positively related to the relevant dependent variables. This positive association indicates that the higher the importance placed on the envy-eliciting advantage, the stronger the envy, low self-esteem, and unhappiness will be experienced. As the relationship between these variables demonstrates, due to the focus on the value of what the other customer has, direct feelings of envy, along with other frustrating emotions transpire. Thus, this function was labeled “Longing and traditional envy”.

Considering Function 3, only the dependent variables low self-esteem and unlucky were important with a structure coefficient of .596 and -.543. Meanwhile perceived similarity was the only relevant independent variable with a structure coefficient of -.831 and .45 respectively. Comparing the canonical loadings of both variable sets, perceived similarity was negatively related to low self-esteem, but positively related to unlucky. Perceived similarity was the trigger appraisal of the

encounter that lead primarily to low self-esteem, and unluckiness. Both the low self-esteem and unlucky emotion variables pertain to a sharp inward focus on one's own inadequacies and misfortune. Given the description of these variables, and their relationships, Function 3 was labeled "unflattering comparison". These relationships once again support the notion that customer envy experiences differ. Both the low self-esteem and unlucky variables were found to be emotions that were featured in certain types of envy incidents, which make the association to perceived similarity even more interesting.

Table 16 Results for Canonical Correlation Analysis (Cognitive Appraisals to Emotional Responses)

	<u>Canonical Variates</u>		
	Function 1	Function 2	Function 3
<i>Canonical Correlation</i>	.607*	.20*	.14*
Dependent Variables			
Low Self-Esteem	-.343	<u>-.572</u>	<u>.596</u>
Anger Towards Customer	<u>-.893</u>	-.178	.141
Anger Towards Employee	<u>-.825</u>	.290	.227
Envy	-.294	<u>-.726</u>	.143
Unhappiness	<u>-.737</u>	<u>-.497</u>	.098
Disapproval of Feelings	-.343	-.192	.305
Admiration	.352	-.297	-.035
Unlucky	<u>-.464</u>	-.172	<u>-.534</u>
Independent Variables			
Perceived Unfairness	<u>-.982</u>	.107	-.061
Preferential Treatment	<u>-.567</u>	-.328	.450
Perceived Similarity	-.038	.342	<u>-.831</u>
Perceived Importance	-.376	<u>-.818</u>	-.201

Note: Canonical loadings greater than |.45| are underlined * $p < .05$

Table 17 Dimension Reduction Analysis (Cognitive Appraisals to Emotional Responses)

<i>Roots</i>	<i>Wilks's λ</i>	<i>F</i>	<i>Hypothesis DF</i>	<i>Error DF</i>	<i>Significance of F</i>
1 to 4	.254	15.19	32	1082.13	.000
2 to 4	.648	6.55	21	844.76	.000
3 to 4	.810	5.43	12	590	.000
4 to 4	.943	3.54	5	296	.004

To further understand the complete customer envy experience, a second canonical correlation analysis was performed. This time, an analysis was conducted using the eight emotional response factors as predictors of the six consequence variables. The analysis resulted in six functions with Rc^2 effects of .697, .496, .232, .092, .037 and .011 for each successive function. Including all functions, the full model was statistically significant once again using the Wilks's λ criterion, $F(48, 1421.14) = 17.588, p < .001$. The model was able to explain a large portion of the variance shared between the variable sets as the r^2 effect size was .899.

Once again referencing the squared canonical correlations, only the first three functions were deemed important for investigation, as they explained 69.7%, 49.6% and 23.2% of the shared variance, respectively. Unlike the last three functions which together explained less than 15% of the shared variance. Just as important, in once again referencing the dimension reduction analysis shown in Table 19, because Functions 4 through 6 were statistically significant at $p < .001$, all functions preceding it were also significant at that level.

Table 8 Results of Canonical Correlation Analysis (Emotional Responses to Consequences)

	Canonical Variates		
	Function 1	Function 2	Function 3
<i>Canonical Correlation</i>	.69***	.49***	.23***
Dependent Variables			
Hurting Other Customer	<u>-.596</u>	<u>-.739</u>	-.268
Improve Own Situation	-.162	.075	<u>-.923</u>
Complaining	<u>-.941</u>	.267	-.103
Encounter Satisfaction	.411	-.130	-.389
Negative Word of Mouth	<u>-.784</u>	.128	.182
Repurchase Intention	<u>.495</u>	-.430	-.057
Independent Variables			
Low Self-Esteem	-.268	.067	<u>-.531</u>
Anger Towards Customer	<u>-.796</u>	<u>-.521</u>	-.213
Anger Towards Employee	<u>-.957</u>	.259	-.055
Envy	-.049	-.063	<u>-.471</u>
Unhappiness	<u>-.568</u>	-.050	-.415
Disapproval of Feelings	-.234	-.146	<u>-.515</u>
Admiration	.246	.257	<u>-.852</u>
Unlucky	-.261	-.088	<u>-.119</u>

Note: Canonical loadings greater than $|.45|$ are underlined *** $p < .001$

Table 19 Dimension Reduction Analysis (Emotional Responses to Consequences)

Roots	Wilks's λ	F	Hypothesis DF	Error DF	Significance of F
1 to 6	.100	17.58	48	1421.14	.000
2 to 6	.333	10.38	35	1218.14	.000
3 to 6	.662	5.27	24	1012.90	.000
4 to 6	.863	2.92	15	803.72	.000
5 to 6	.951	1.84	8	584	.066
6 to 6	.988	1.10	3	293	.347

Table 18 reports the canonical loadings for each variable in Functions 1 through 3. Under Function 1, hurting the other customer, complaining, negative word of mouth and repurchase intention were the most relevant dependent variables. In regards to the independent variables, anger towards customer, anger towards employee and unhappiness

were the most relevant variables. All structure coefficients had the same sign, indicating a positive relationship between both variable sets. The predictor variables under this function involve very negative and hostile emotions. While the consequence variables relevant under this function consisted of behavioral tendencies related to getting back at the service provider and envied customer. As such, Function 1 was labeled as “Anger and vindictive behavior”, due to these associated variables. Anger towards the employee and those interpersonal and organizational consequences were all features found in the “The Favorite” envy episode. This lends further support for the link between the anger in the emotional experience of envy, and its negative consequences.

Under Function 2, hurting the other customer was the only relevant dependent variable, according to the loadings, with a structure coefficient of $-.739$. Meanwhile anger towards customer was the only relevant independent variable with a structure coefficient of $-.521$. These variables also showed a positive relationship as well. The envied customer was the focus of this relationship. Specifically, a strong sense of resentment clouds this relationship. Given that both variables considered the other envied customer, Function 2 was labeled “Hostility towards customer and bringing them down”.

Finally, under Function 3 improving own situation was the only important dependent variable. However, there were four independent variables deemed to be relevant: low self-esteem, envy, disapproval of feelings, and admiration. Admiration contributed the highest to the canonical variate with a structure coefficient of $-.852$. Examining the function as a whole, it can be seen that improving own situation was positively related to low self-esteem, envy, disapproval of feelings and admiration. Individually, each of these emotions compelled the envious customer to respond

proactively. Thus, this relationship reveals there to be a more positive outcome of a customer envy experience. Given this, Function 3 was labeled “Motivated to improve” due to the desire to overcome envy in a constructive manner. In addition, this also highlights low self-esteem and disapproval of feelings, which were prominent emotions that were also found to co-occur along with envy.

The assumptions necessary to conduct a canonical correlation include: linearity, multivariate normality, homoscedasticity, and multicollinearity. By checking the linear relationships between the cognitive appraisal and emotion variables, there revealed to be no non-linear relationships in any of the significant relationships found in the canonical correlation results. Likewise, in checking the linear relationships between the emotion and consequence variables, the only non-linear relationships were between variables not found to be correlated in the results. As discussed previously, although the multivariate normality assumption was violated, it is robust to this violation because of the Central Limit Theory, by having at least 20 cases in each group. Likewise, the homoscedasticity assumption violation, after further investigation, revealed to not be a problem, due to the ratio of largest variance to smallest variance in each group being small. There were no issues with multicollinearity, as the variance inflation factors (VIFs) of every single independent variable were not greater than 3.

CHAPTER 5. CONCLUSIONS

5.1 Discussion

The results show that customer envy at service encounters is cognitively complex. Distinctively different patterns of cognitive appraisals are associated with specific types of envy triggers. Customers assessed and interpreted particular features of their envious encounter differently depending on how their envy came to be. For example, if customer envy was triggered by “The Favorite” category, the envious customer focused on the perceived unfairness and preferential treatment of the situation. Both of these cognitive appraisals were strongly featured only when the customer envy was triggered due to service providers giving better service to the envied customer. The canonical correlations analysis also revealed both of these appraisal dimensions to be significantly related to key emotional responses of envy such as anger, and unhappiness. Likewise, if customer envy was due to the “The Joneses” envy trigger, the cognitive appraisal centered on the perceived similarity with the envied customer. The lowest levels of perceived similarity were also found in this particular type of customer envy trigger. Also, as supported by the canonical correlation results, perceived similarity was also strongly related to other key emotional responses such as low self-esteem and unluckiness. Lastly, every trigger of customer envy was appraised as highly important, confirming the relevance and value of whatever elicited participants’ envy. In addition, the strongest feelings of envy and low

self-esteem were known to occur when the envious customer appraised the envy-eliciting as highly important.

As these findings demonstrate, customer envy during service encounters can be appraised in very different ways. Smith and Ellsworth (1985) were among the first to explicitly identify that emotions can vary based on how an encounter is appraised and interpreted. As they found, cognitive appraisals assist in explaining how certain emotions are different from each other. Similarly, previous research has recognized that the triggers of envy, just like emotions, are also cognitively complex (Parrott, 1991; Salovey & Rodin, 1984; Smith, 1991; Smith & Kim, 2007; Van de Ven, et al., 2012). More importantly, the significant cognitive appraisals that were found to be important in this study are in fact well-known appraisals of envy traditionally. For example, perceived injustice is understood to be a strong predictor of the more malicious and hostile form of envy (Smith, Parrott, Ozer, & Moniz, 1994). Typically, envious individuals will subjectively assess this fairness factor, to determine if the envy-eliciting advantage of another was well deserved (Smith 1991). Interestingly in this study however, perceived unfairness along with preferential treatment created a unique cognitive appraisal combination. Preferential treatment is a characteristic related to service encounters. Preferential treatment appears to be related to the “legitimacy” appraisal dimension, which refers to identifying whether an outcome is deserving or not (Smith & Ellsworth, 1985). In this case, envious customers determined that the service provider was responsible for their envy experience, and that the better treatment given to the envied customer was not deserved. Envious individuals have also been shown to appraise the degree of similarity with their envied rival. It is believed that people can only envy others

who are very similar to themselves (Elster, 1991; Parrott, 1991; Salovey & Rodin, 1984; Schaubroeck & Lam, 2004). More specific to this study, some scholars have proposed that customers will more often compare themselves and their own situation with other similar customers (Xia, Monroe, & Cox, 2004) However in this study, the pattern of cognitive appraisal relating to similarity revealed an opposite effect. When customer envy was triggered due to “The Joneses” envy trigger, envious customers cognitively evaluated there to be little to no similarity with the envied customer. This suggests that customers in service encounters do not need to find likeness with the envied customer to experience envy. Hence, there is a distinctive pattern of the cognitive appraisal of perceived similarity as it pertains to customer envy in service encounters. Self-relevance is a key cognitive appraisal found in most envy encounters; people need to find value and relevance in what or who they envy for it to occur (Parrott, 1991; Salovey & Rodin, 1984; Salovey & Rothman, 1991; Smith & Kim, 2007). This study revealed that customers also have to find relevance or value in the envy-eliciting advantage, as perceived importance was the only cognitive appraisal strongly related to envy. These findings again show that the subjective emotional experience of customer envy is contingent on how the comparison incident is appraised.

The results show that customer envy at service encounters is a “hybrid” emotional experience underlined by envy, but defined by other discrete emotions such as anger, low self-esteem, disapproval of feelings, and unluckiness. The findings suggest that envy, although it was always the strongest emotion felt, was not the emotion which defined the overall subjective experience of a customer envy episode. Rather, envious customers experienced other significant emotions beyond envy, which produced qualitatively

different emotional experiences. This discovery is in line with previous research which has shown that envy can be associated with a number of different emotions (Gershman, 2011; Parrott & Smith, 1993; Rodriguez, Parrott & Hurtado de Mendoza, 2010; Van de Ven, Zeelenburg & Pieters, 2009). The results of this study extend this understanding by demonstrating exactly which emotions that co-occur with envy produce subjectively different emotional experiences for customers. In this study, such qualitatively different envy experiences are labeled as different shades of envy. For example, a blend of both low self-esteem and disapproval of feelings were the emotional responses of customers whose envy was triggered by the “The Joneses” category. This emotional experience can be labeled as “blue envy”, due to the inferiority and shame associated with this emotional experience. Another type of emotional experience featured anger towards the employee as the discrete emotion which accompanied envy, as caused by the “The Favorite” envy trigger. The label “red envy” is appropriate to describe the hostile affective response unique to this variation of customer envy. Finally, a third type of emotional experience of envy was identified and is labeled as “green envy”. Not surprisingly, high levels of the emotional response of unlucky were featured in the type of envy trigger called “The Lucky One”. “Green envy” describes this pure form of envy coupled by both strong feelings of envy and unluckiness. Envy was the shared emotion experienced by customers in this study, while low self-esteem, anger towards employee, disapproval of feelings, and unlucky were emotions which distinguished how envy can be experienced differently.

The latter demonstrates that the subjective experience of such different emotional paths of envy is qualitatively different. This study demonstrated how particular emotions

can stand out along with envy. Envy is understood as an emotion “unfolding in time”, which helps in explaining how other emotions can co-occur alongside it. (Parrott, 1991, p. 12) More importantly, the varying emotional experiences of customer envy found in this study are supported by the transmutational process described by Smith and Kim (2007). They argue that envy can be an initial emotional response that can transform into other emotions. Instead of a transformation, this study proposes that envy acts as the underlying feeling which allows for other higher-order emotional states in the envious customer. Envy does not change into anger towards the employee, envy is just the emotion felt alongside it. As it pertains to customer envy in service encounters, three different types of emotional experiences were found to transpire; “blue envy”, “red envy”, and “green envy”. “Blue envy” is characterized by envy alongside a strong inward focus of one’s inferiority. “Red envy” featured by envy combined with hostility towards the service employee. “Green envy” described as envy in its purest form due to the co-occurring emotion of unluckiness. As will be discussed later, these distinct co-occurring emotions, not envy, were also associated with particular behavioral consequences.

The different relationships between the envy triggers and the “shades” of envy, mirror some of the key characteristics between malicious and benign envy. For example, “The Favorite” envy trigger, and its elements of unfairness, which are related to the “Red Envy” emotional experience are characteristic of malicious envy. Malicious envy is known to be the more hostile form of envy, and is associated with a desire to cause more harm than good (Van de ven, Zeelenburg, & Pieters, 2009). This is further supported by the finding that anger towards the other customer, which is featured in “Red Envy”, was positively related to hurting the other customer. Hence, it appears that some participants

in this study experienced both the hostile emotional features and behavioral tendencies typically associated with malicious envy. Conversely, some participants' envy episodes were more symbolic of benign envy. Particularly, those participants in "The Joneses" envy trigger, who experienced "Blue Envy", appear to resemble the inspiring nature of benign envy, with a desire to have what the envied rival has. As the canonical correlation results support, the specific co-occurring emotions of low self-esteem, and disapproval of feelings are related to the behavioral response of improving own situation. As Van de ven, Zeelenburg, and Pieters (2009) also found, despite the negative and unpleasant emotions still felt with benign envy, it produced a more positive reaction of also attaining the other's advantage. Ultimately, the latter suggests the subjective experience of customer envy parallels the two conceptually understood types of envy.

Another key finding of this research is that service providers can be a major agency of customer envy and spark a unique triadic envy encounter that makes customer envy cognitively and emotionally complex. Previous studies have suggested that the envy experience only involves two people (Ben-Ze'ev, 1990; Miceli & Castelfrenchi, 2007; Parrott & Smith, 1993; Smith & Kim, 2007). The results demonstrate this to not always be true, as envious customers can experience envy directed at another customer and anger directed at the employee. This implies that envy as a social emotion, much like jealousy, is characterized by interpersonal interactions between one or more individuals (Parkinson, 1996; Parrott & Smith, 1993; Salovey & Rodin, 1986; Tangney & Salovey, 1999). The distinct exchange of emotions between the envious customer, envied customer and service provider found in this study portrayed a very unique triadic interaction. Moreover, according to Parkinson (1996), the emotional significance of these

social encounters hinges on how particular features of these interactions are appraised. Specifically, he proposed that envy is thought to be an emotion that is dependent on the appraised status on one's current relationship with other people. For the envious customer, the cognitive appraisal of preferential treatment captures the issue at heart in this three-way social encounter. The envious customer observed and interpreted that the service provider was unfairly giving another customer preferential treatment. As such, the customer experienced envy towards the customer and anger towards the employee. Equally as bad, research has shown that even the envied customer who received the unearned preferential treatment will feel social discomfort and dissatisfaction (Jiang, Hoegg, & Dahl, 2013). Finally, for the service provider, they may have to deal with the negative reactions from both customers. The latter suggests that everyone involved in the envy experience loses. This study is one of the few to identify a three-way interpersonal process with the emotion of envy. Envy is not just experienced individually and in private as previous studies have alluded (Foster, 1972; Schoeck, 1969). Instead, envy is a social emotion which can develop through the unique interaction between the service provider and other customers in a service encounter.

One of the most interesting findings of the research is that while envy is a predominant emotion experienced in a customer envy episode, it is not envy but other emotions simultaneously experienced that trigger both interpersonal and organizational consequences. Interestingly, the emotions that produced the different shades of envy, were also the emotions that were related to particular interpersonal and organizational consequences. As supported by both the customer envy trigger "The Favorite" and the canonical correlation results, anger towards the employee was strongly related to

complaining, negative word of mouth, and repurchase intention. In contrast, anger towards the customer was positively related to hurting the other customer. Finally, the proactive tendency to improve one's own situation was positively related to low self-esteem, disapproval of feelings and unlucky. The latter further demonstrates how the co-occurring emotions of envy have a bigger impact on the overall outcomes of the envy experience. Hence, the emotion of envy itself does not yield negative or positive outcomes.

More importantly, the canonical correlation results indicate that envious customers who are angry, will direct their hostility primarily towards the service provider, and not their envied rival. However, the traditional understanding has been that any hostility associated with envy results in destructive behavior intended on harming the position of the envied person (Zizzo & Oswald, 2001). In contrast, this study shows that a customer envy experience may involve a concentration of hostility mainly directed at the employee and service organization, and much less so towards the envied customer. Different from what previous research has shown, the destructive nature of envy known to occur can directly affect others besides the envied rival (Ben-Ze'ev, 1990; Silver & Sabini, 1978; Zizzo & Oswald, 2001). One reason for this shift in how hostility is directed could be due to the nature of the service encounter. Unlike envy in social settings, envious customers in service encounters can identify an additional party responsible for their envy. More significant perhaps, is that the focus of envy is on the advantage the other customer has, rather than who the customer is. It is because of this focus on what the other customer received (better service), and who gave it to them, that leads them to direct their anger primarily at the service provider. If the envious customer would have received the same

great service, it would have negated the condition of the envy-eliciting advantage. As this study demonstrates, the issue of service equality in service encounters appears to play a critical role in explaining why customers concentrate their anger towards the employee, and not their envied rival.

These findings demonstrate that customer envy experiences can differ dramatically based on the relevant cognitive appraisals, subjective emotional experiences, and consequences. Overall, the focus of a customer envy experience can vary, depending on how it is triggered, appraised, the emotions involved, and the consequences. More specifically, Figure 2 displays the conceptual model which illustrates that the focus of a customer envy experience can be service provider-driven, advantage-driven, or customer-driven. The service provider-driven envy describes an envy experience where the service provider is the causal agent, which thus provokes emotions and consequences directed at them. The advantage-driven envy features an emphasis particularly on the envy-eliciting advantage, privilege, or service the envied customer possessed. Lastly, the customer-driven envy describes an envy experience where the customer's envy is primarily due to how the envied customer is much superior to them

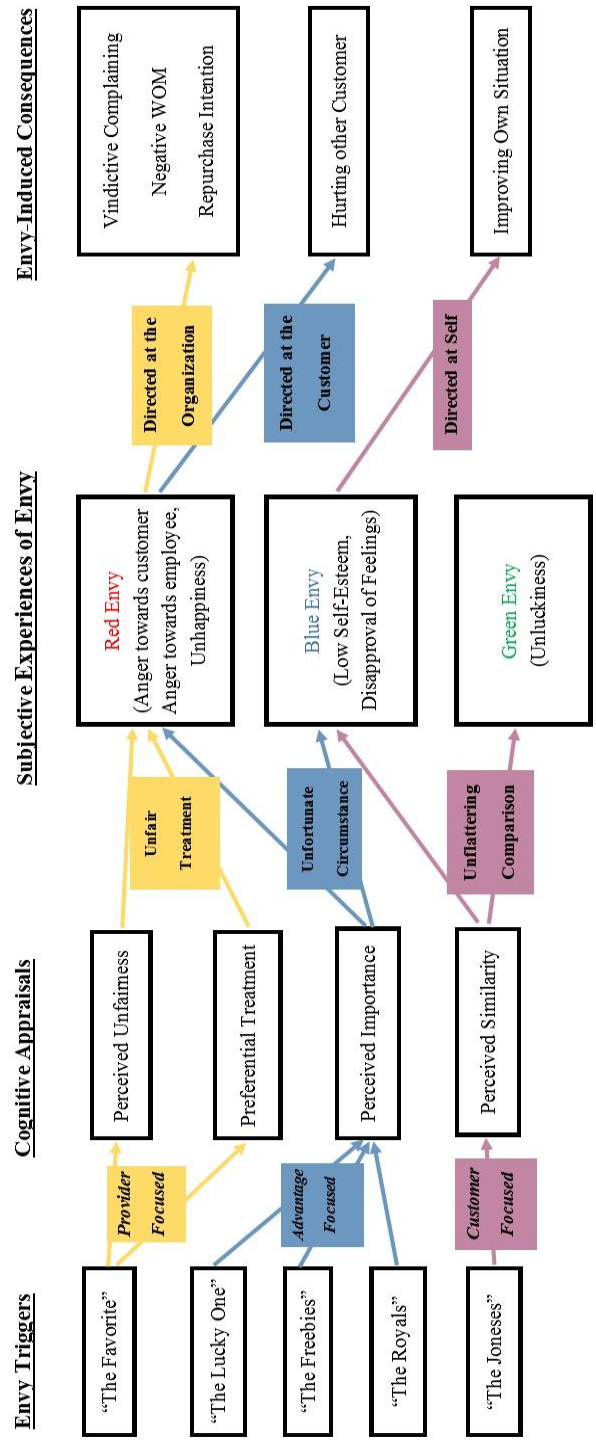


Figure 2: Conceptual Model of Customer Envy Experiences

5.2 Implications

5.2.1 Theoretical Implications

This study contributes to the relatively limited area of research on customer envy in the service encounter context. Researchers have typically regarded envy as a positive emotion which companies should seek to induce in their customers (Belk, 2008; Corneo & Jeanne, 2001; Crusius & Mussweiler, 2012; Epstein, 2003; Van de Ven, et al., 2011). However, this study suggests customer envy can have much more negative and destructive outcomes for customers and service companies. The service context is a unique environment in which to examine customer envy as customers share the same physical service environment with one another, and interactions between customers and service providers are easily observable. As Van de Ven, Zeelenberg and Pieters (2011) stated, “It would be interesting to investigate the role that envy plays in such preferential service and retail treatments” (p. 994). To that regard, this thesis adds valuable insight into the subjective experience of customer envy. Specifically, the cognitive appraisals, emotional responses, and consequences studied produced meaningful findings that helped uncover aspects of the customer envy experience not previously investigated. Particularly, three key implications for theory arose from the present study.

One of the most surprising and intriguing findings of the research is that other emotions experienced along with envy are more dominant in the subjective experience of customer envy. Envy has been known to produce a host of different emotions, such as anger, low self-esteem, and admiration (Miceli & Castelfranchi, 2007; Parrott, 1991; Smith & Kim, 2007). It is understood that because envy unfolds in time, other emotions can be experienced along with it (Parrott, 1991). While previous research suggests that

envy is a complex emotion that involves the simultaneous experience of a host of emotions, this study showed that envy seemed to act as the default emotion, while other emotions were more influential in defining the overall emotional experience. This contribution is significant because empirical evidence has been limited in demonstrating precisely how and when the different emotions complicate the envy experience. In this study, the emotions of unlucky, low self-esteem, disapproval of feelings, and anger towards employee were key emotions that distinguished different envy experiences. For example, customers who become envious of wealthier customers and their lavish purchases, see their envy turn into low self-esteem, forcing them to focus on their inferiority. While those customers who envy others' better service experience, are angrier at the service provider, which shifts the attention and blame on them. Previous research on envy has reiterated how it involves an array of emotions, but empirical evidence to support this claim has been limited (Miceli & Castelfranchi, 2007; Richards, 2000; Smith, 2004; Smith & Kim, 2007). This study provided some initial evidence that depicted exactly how other emotions can be more defining and dominate particular envy experiences. Specifically, three different types of subjective envy experiences were discovered: "red envy", "blue envy", and "green envy". Each of these "shades" of envy, describe a very different customer envy experience. This typology of subjective envy experiences demonstrates that future work on customer envy, should not be investigated, without considering other potentially influential emotions.

This study also contributes to the envy literature by examining envy in a triadic interaction. Envy has traditionally been understood to involve the envious person and the envied other (Ben-Ze'ev, 1990; Miceli & Castelfrenchi, 2007; Parrott & Smith, 1993;

Smith & Kim, 2007). Studies into the different components of envy have been limited within this dyadic interaction perspective. As this study demonstrated however, there lies an interplay between the envious customer, envied customer, and the service provider that delivered the envy-eliciting experience. Unlike envy experiences in other contexts, envious customers in service encounters may contend with two different people being directly involved. One source of envy identified in this study was the unfair preferential treatment given by the service provider. As a result of service providers treating other customers better, customers not receiving the same level of service, experienced both envy and anger. More importantly, anger did not just transpire along with envy, but rather, anger was directed at someone other than the envied person. This finding confirms that an envious person can experience two different sets of emotions, aimed at different people. In other words, envy can be a social emotion, which involves an exchange of other emotions between different people. As other studies have shown, the social nature of the service encounter in regards to preferential treatment allows for comparisons and interactions between the different parties present (Jiang, Hoegg, & Dahl, 2013). Thus, envy itself plays out differently in this social triad interaction. The envied person is merely perceived as the recipient of the envy-eliciting advantage, and does not actually instigate the social comparison. Instead, the envy felt towards the other customer is just an outcome of the preferential actions by the service provider. Other emotions involving triadic interactions like jealousy have received a lot of attention because of the different emotional exchanges occurring (Ben-Ze'ev, 1990; Parrot & Smith, 1993; Salovey & Rodin, 1984). Although three people are involved, there is one person who plays the biggest role. The blame factor of envy is shifted from the envied person to the service

provider. The ability to demonstrate this key distinction is one of this study's major contributions. Similar to the experience of jealousy, and how the rival who has taken the jealous person's advantage is solely to blame, the service provider is responsible for the envy incited in customers. For envious individuals in these triadic situations, it is as if the envied customer and the service provider are working in tandem against them. By only looking at dyadic interactions, researchers could be possibly missing key features of the envy experience. Future research could study envy in other triadic interaction contexts to further examine how the process of envy is complicated with an additional person involved.

Another important contribution to the service encounter research is that the perceived lack of control over the situation by the envious customer may be an important factor that evokes negative reactions toward service organizations. The perceived lack of control over the situation by the envious customer renders them unable to attain the same advantage of the envied customer. This inability to remedy their envy occurred for participants in the "The Lucky One", "The Freebies" and "The Favorite" envy triggers. In all the other types of envy triggers, the envious customer had the ability to control their own fate by having the means to attain the same envy-eliciting advantage. However, for those envious customers in these envy trigger categories, they did not have this same opportunity. Especially in the "The Favorite" category, where the source of the envy is the better service the other customer received, they are entirely dependent on the service employee to deliver the same quality of service. For this reason, it can be inferred that perceived control over the situation by the customer is low, although it was not directly measured in this study. If such is the case, this perceived lack of control may help explain

how these triggers of envy produced the most negative emotions and consequences. The work by Testa and Major (1990) helps support this discovery. In their study, half of their participants were placed in the “high control” group, and were told they had the ability to improve their performance compared to an envied other. While the other half of their participants were placed in the “low control” group, and were told they had no chance of improving their performance. Their results concluded that participants in the “low control” group reported the highest depressive and hostile reactions. This inability to cure their envy leaves customers in a very precarious state, as they are left to sour in their envy, anger, and unhappiness. It is no surprise that participants in the “The Favorite” category reported the lowest levels of encounter satisfaction and repurchase intention. This study offers an explanation for the frustration normally involved with customer envy. There needs to be a constructive means for these customers to get over their envy, or as previous research and the current study shows, anger and frustration may lead to retaliatory behaviors aimed at the service provider. Other studies have also stressed that perceived control is an important factor to consider in any upward comparison (Lockwood & Kunda, 1997; Major, Testa, & Blysm, 1991; Miceli & Castelfranchi, 2007; Taylor, Wayment, & Carrillo, 1996). Hence it is important to realize that service employees are rendering the envious customer helpless and unable to get over their envious feelings, leading them to react negatively towards the organization and other customers.

5.2.2 Practical Implications

For service providers, the findings of these studies carry significant practical implications that can impact their customers, employees and the service organization.

One key finding was the discovery that service providers can be responsible for many customer envy incidents. Preferential treatment was the means in which service employees triggered envy incidents, meaning service managers may need to reevaluate this strategy. In addition, due to this preferential treatment, envious customers became angry at the service employee for their negative experience.

This study has practical implications for service managers who empower their front-line employees to customize their service deliveries. A large number of the envy incidents in this study consisted of service employees giving special treatment to some customers but not others. This perceived unfair preferential treatment led to envy experiences that produced the most negative emotional responses, as well as organizational consequences. Service managers should be particularly concerned of what has been described as discretionary service behavior being displayed by the employees who have the most direct contact with their customers (Blancero & Johnson, 1997). This behavior alludes to service employees who self-select when and when not to provide great service. While there has been evidence that has shown the benefits of empowering service employees, this study uncovered a prevailing issue of employees abusing this autonomy given to them (Bowen & Lawler, 1995; Rafiq & Ahmed, 1998). Perceived unfair preferential treatment creates a perception of service unfairness that has damaging repercussions for service providers (Carr, 2007; Fournier, Dobsha, & Mick, 1998; Seiders & Berry, 1998; Smith, Bolton, & Wagner, 1999; Sparks & McColl-Kennedy, 1998). Service managers should seek to prevent this unfair discretionary behavior, by stressing to their employees the importance of an equal and great service experience for all customers. Strict guidelines should be enforced to set clear expectations for front-line

employees who have been given the opportunity to specialize their service delivery. For example, waiters should be instructed to monitor the time they spend at each of their assigned tables, in order to avoid paying too much attention to one table over another. In addition, because service employees may be subconsciously providing inconsistent preferential treatment, service managers should be proactive in catching employees in the act, in order to identify and make them aware of the issue. A fine balance is needed between empowering front-line employees to customize their service delivery, and avoiding unfair preferential treatment. As research supports, too much service directed at a customer may be just as damaging as providing too little service (George & Jones, 1991).

Secondly, service providers may need to identify how to avoid any perceived unfair preferential treatment in the first place. Sometimes preferential treatment is fair and rightfully earned by certain customers. Customer-loyalty programs that reward repeat customers provide certain perks which allow for preferential treatment. One common example are hotel rewards programs where guests accumulate points, which offer a variety of benefits such as room upgrades or late check-outs. As this study demonstrated, preferential treatment as one of these perks caused envy in customers. More importantly however, it was only when customers deemed the preferential treatment unfair, that other negative emotions like anger and unhappiness were experienced. Customers who recognized when preferential treatment was rightfully and fairly earned, only experienced the emotion of envy. Hence, service providers need to better communicate and signal when delivering rightfully earned special treatment. Otherwise those non-preferential customers will not understand why they are not receiving the same benefits. It has been

understood that when preferential treatment is delivered in plain sight to customers, it is crucial that other non-preferential customers understand the reason for this disparity in service quality (Schneider & Bowen, 1999). Airlines do a great job at explicitly indicating when passengers in their rewards programs are receiving preferential treatment. An announcement will usually be made for all to hear, welcoming those passengers that are part of their frequent flier program to board the airplane first. This study supports the use of strategies like this in order to avoid confusion and perceived unfairness. Service providers who provide preferential treatment need to implement very intentional signals that justify why certain customers are receiving better service. At hotel check-ins, front desk agents could subtly announce when a guest is part of their rewards program if upgrading their room: “As part of being a platinum level guest, we have upgraded your room free of charge”. Over 60% of all the envy incidents collected involved unfair preferential treatment. The latter suggests that service managers could avoid the more negative features of customer envy, if they are able to successfully communicate the fairness in any preferential treatment given to all customers present.

Lastly, service managers should be concerned of the high levels of anger directed at service employees that was found in this study. In many of the envy incidents, service employees were blamed for the envy experienced by a customer due to the perceived unfair preferential treatment given to another customer. The only variable measured to assess any direct retaliatory response towards the service employee was complaining. However, in addition to complaining, front-line service employees are also vulnerable to other hostile behavioral reactions by envious customers. Aside from the hostility typically associated with envy, angry customers have been known to lash out at service employees,

both verbally and physically (Grandey, Dickter & Sin, 2004; Harris & Reynolds, 2003; Rupp & Spence, 2006; Yagil, 2008; Zizzo & Oswald, 2001). Therefore service managers should not regard envy as just a negative emotion that only their customers will occasionally have to experience. Instead, the interpersonal consequences of customer envy could extend much further. It is certainly possible that an envious and angry customer may take out their frustration on the service employee who caused them to feel that way (Bonifield & Cole, 2007). In order to avoid envious customers emotionally abusing service employees, service managers could create service recovery tactics specific to envy resulting from perceived unfair preferential treatment. Strategies could include training employees when providing preferential treatment to customers in rewards programs, to also make sure to offer entry into these same programs to any other customers present in the service encounter. Essentially, this gives envious customer an opportunity to attain the same envy-eliciting benefits. Another solution may be to avoid delivering perks to higher-status customers in such a manner that is highly visible to all customers. Service employees could be more discrete when upgrading a room, offering complimentary drinks, or simply treating them as extra special.

5.3 Limitations

As the previous section shows, this study's findings contribute greatly to better understanding the customer envy experience, however there are some limitations to consider. First, the study relied solely on self-reported data, as survey participants were asked to recall an actual incident where they experienced envy as a customer. Although participants were instructed to recall the incident with as much accuracy and detail as possible, there are commonly known issues of accuracy and method bias with self-

reported data (Gonyea, 2005; Podsakoff, Mackenzie, Lee, & Podsakoff, 2003). More specific to this topic, envy has been recognized as being a very private emotion that most are embarrassed to admit to experiencing (Foster, 1972; Salovey, 1991; Silver & Sabini, 1978; Schoeck, 1969). In fact, most people will not even admit to acknowledging envy in private as well. For this reason, there is some concern that participants either withheld details of their envy experience or downplayed the intensity of the negative emotions reported. Due to these concerns, there have been suggestions for how to compensate for this issue by measuring envy indirectly (Montaldi, 1999; Smith et al., 1999; Smith & Kim, 2007). However, in order to derive a typology of the different triggers of envy, asking participants to recall an envy experience directly was necessary. Even so, in many of the recalled envy episodes shared by participants, they did not seem to downplay or restrain from sharing some of the more embarrassing details.

Secondly, the preferential treatment, which was found to be a significantly important cognitive appraisal, was measured and based on customers' perception. Lacey, Suh and Morgan (2007) suggest that a customer's perception of preferential treatment will vary based on their own relationship with the service provider. In other words, a number of different factors, which were not measured, could contribute into how preferential treatment was perceived. For example, the purchase behavior of the envious customer could be a moderating variable between preferential treatment and customer envy. Perhaps customers who are frequent patrons of a service organization, will be more likely to notice when other customers are receiving better service. Therefore, it cannot be conclusively determined that the perceived preferential treatment of the envied customer was rightfully earned or not. While this study also analyzed actual recalled episodes of

customer envy through the open-coding process, this still relied heavily on the subjective assessment of the preferential treatment given to the envied customers. Nonetheless, considering that consumers are perceptive consumer's status, it was important to measure this perception on other consumers' status (Drèze & Nunes, 2009)

The third potential limitation of this research is that causality between the cognitive appraisals, emotions, and consequences cannot be inferred as this study was not experimental. In order to establish causal relationships, perhaps a scenario-based experiment could have been conducted to objectively measure the cause and effect between the different variable sets. Without experimentally testing for causality, only correlations can be drawn between the cognitive appraisals and emotions, as well as between the emotions and consequences. Due to the limited research in customer envy at service encounters, it was necessary to first explore the overall subjective experience of actual customer envy incidents, instead of measuring causal relationships through simulated experimental scenarios. Thus, this allowed the opportunity to examine customer envy with real customer experiences.

Finally, although envy is a universal emotion that can be experienced by everyone, the results of the study may not be generalizable to all cultures, as beliefs about envy may vary by culture. People in every culture will inevitably be put in situations, where they will have to recognize another doing better than themselves in some fashion or another. However, some cultures detest envy so much, that people will refrain from attaining wealth and possessions beyond what is perceived to be the bare minimum, for fear of provoking envious hostility (Dow, 1981; Foster, 1979). Moreover, in many cultures, envy is even branded as a sin, suggesting people in those cultures may be

especially sensitive to experiencing or witnessing envy (Aquaro, 2004; Heider, 1958; Silver & Sabini, 1978). This variation in how envy is experienced and understood may be even greater when considering the consumer context. The relevant cognitive appraisals, co-occurring emotions, and consequences to customer envy found in this study, may vary across consumers from different cultures. Thus, caution should be exercised when generalizing the findings of this study beyond the United States culture.

5.4 Future Studies

The findings found in this study produced a number of important discoveries for research about envy in both the consumer and social sciences contexts. Key findings of the study spark the need for further investigation, as more questions arose. The following section will highlight a few key areas of further exploration.

Already discussed was the feature of unfair discretionary service behavior as found in the “The Favorite” type of envy trigger. One possible follow-up study would be to validate the distinction between fair and unfair preferential treatment. Discovered in this study were two qualitatively different envy experiences for customers who either appraised the preferential treatment as fair or unfair. For participants in the “The Royals” category, the preferential treatment was considered fairly earned, and as a result, no negative emotional responses or consequences were found. Meanwhile, participants in the “The Favorite” type of envy trigger, deemed the preferential treatment unfairly earned, consequently producing very negative emotional responses and consequences. This distinction between fair and unfair preferential treatment and how they produce very different outcomes for the envious customer can be further studied. Perhaps a scenario-based study could be conducted where participants are placed into two different groups,

where one group is exposed to an obviously unfair preferential treatment scenario, and the other group a fair preferential treatment scenario. In doing this, the cognitive appraisal of fairness should be directly measured to ensure any differences in the envy experience are attributed mainly to this factor.

Another potential area of research as a result of this study is investigating the coping strategies of envious customers. More importantly perhaps, is examining how envious customers cope in envy incidents characterized by a perceived low-control over the situation. This pertains to experiences where the envious customer has little control in coping with their envy by overcoming it themselves. The source of envy was something that the service employee provided, meaning the customer did not have the option of merely going out and attaining the same envy-eliciting advantage. This situation leaves the envious consumer in a very vulnerable and frustrating position. Although this study measured hurting the other customer and improving their own position as two possible interpersonal coping strategies, further research could seek to identify further coping mechanisms employed by the envious customer. Previous research has investigated and discussed coping strategies as it pertains to envy encounters in general social settings (Salovey & Rodin, 1988; Smith & Kim, 2007). However, research into coping strategies of customer envy is much more limited in customer envy experiences at service encounters characterized by a perceived low-control. Determining whether the coping strategies in these low-control envy incidents bring forth positive or negative behavior could reveal whether envious customers react proactively or destructively in service encounters.

In further understanding customer envy, it would be valuable to differentiate between envy that stems from either tangible or intangible products. Although many of the envy episodes shared involved the service encounter, a number of the incidents shared by participants did include the envy of tangible products or possessions such as monetary benefits. Thus, it is difficult to conclusively determine whether the source of the envy was intangible or tangible in the incidents found under each type of envy trigger. Therefore, a future study could seek to measure customer envy, with a direct emphasis on the tangibility of the envy-eliciting product or service. In doing so, it could be better understood whether the products which cannot be explicitly felt or seen, create a more frustrating envious experience for consumers. Smith and Kim (2007) proposed that goods that are not noticed, visible, or audible, are not capable of being envied. However, this study revealed this not to be true, as consumers are certainly capable of envying items which are not tangible. Further work still needs to be conducted to study if the customer envy experience can differ, depending on whether the envious customer can physically possess the envy-eliciting product or not.

By studying the customer envy experience, it revealed that the two other parties present in an envy encounter, may be heavily involved and impacted as much as the envious customer. Thus, another valuable study would be to examine the perspective of the service employee who caused the envious episode, as well as the envied customer who was the recipient of the better service. Specifically, an interview-based study could be conducted, which could consist of individual interviews with people who have experienced envy as a customer, people who have received a better service, and service employees who have caused envy episodes. Jiang, Hoegg, and Dahl (2013) found that

customers who receive unearned preferential treatment, actually feel social discomfort and dissatisfaction when in the presence of other people. This is especially relevant to this study, as the majority of envy episodes consisted other customers receiving unearned and unfair better service. Interview questions could ask the participant if they have ever noticed another customer being envious of them, and if that envious customer had ever lashed out back at them. In regards to the service employee, it would be just as valuable to understand their perspective as well. While previous studies have studied the employee's perspective on service encounters and service failures, little is known about their perception of customer envy (Bitner, Booms, & Mohr, 1994; Chung-Herrera, Goldschmidt, & Hoffman, 2007; Lewis & Clacher, 2001). Thus, front-line service employees could be interviewed to find out if they are aware they are causing envy in customers, and if so, have they ever had an envious customer direct their anger at them. Ultimately, this interview-based study could uncover some of key features pertaining to customer envy episodes containing the triadic interaction identified in this study.

Lastly, envy-triggered complaining was found to be one of the main organizational consequences of customer envy. Specifically, envious customers only had tendencies to complain when they experienced envy along with anger towards the employee. Previous research has identified a number of different factors which determine when and how consumers engage in certain types of complaining behavior (Blodgett, Wakefield, & Barnes, 1995; Kim, Wang, & Mattila, 2010; Sing & Wilkes, 1996). The majority of the work has concentrated on outcome-based customer complaining behavior, where the complaining is a reaction to a disappointing consumption or service experience (Godwin, Patterson, & Johnson, 1995). However, envy-triggered complaining could be

different, considering the emotional response to the service failure with customer envy, results in the co-occurring emotion of anger. Where dissatisfied customers may complain as an “information-seeking response”, angry and envious customers may complain merely as a means to get back at the service provider (Bougie, Pieters, & Zeelenberg, 2003, p. 389). More work needs to be done to investigate the intentions of envious customers who complain. Perhaps, customers whose envy was caused by the service provider, may also engage in “information-seeking” complaining, in order to better understand injustice related to their experience. Any research on this would broaden the understanding on the line of work on customer complaining behaviors.

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APPENDIX

APPENDIX: SURVEY INSTRUMENT

Information Sheet

You are invited to take part in research about envious consumer experiences people may have at service establishments. We are interested in learning about how consumers experience envy towards other consumers, and some of the effects associated with that. We ask that you read this form before agreeing to be a part of this research. This survey should take about 5 to 10 minutes to complete. Participation is voluntary and responses will be kept anonymous. Anything you tell us will remain confidential. In any sort of report of the study, we will not include any information that will make it possible to identify you. We are not asking for your name, address, or phone number. Your name and other identifying information will not be kept with this survey. The surveys will be filed securely; only the researchers for this study will have access to the records. The risks to your physical, emotional, social, professional, or financial well-being are considered to be 'less than minimal'. You have the option to not respond to any questions that you choose and you are free to stop doing the survey at any time without any consequences. For those participants receiving compensation via Amazon Mechanical Turk, upon completion of the survey, a survey confirmation code will be provided, please copy and paste this code back into the original task request page in Amazon Mechanical Turk to receive payment. We ask that you only participate in this survey once. Submission of the completed survey will be interpreted as your informed consent to participate and that you confirm that you are at least 18 years of age. If you have any questions about the research, please contact Joel Anaya via email at g.joel.anaya@gmail.com or Dr. Miao at lmiao@purdue.edu. If you have questions about your rights while taking part in the study or have concerns about the treatment of research participants, please call the Human Research Protection Program at (765) 494-5942, email (irb@purdue.edu) or write to: Human Research Protection Program - Purdue University Ernest C. Young Hall, Room 1032 155 S. Grant St., West Lafayette, IN 47907-2114

Please enter your mTurk worker ID.

Q1 As consumers, we often feel a variety of emotions during our purchasing and service experiences. In this study, we want you to focus on one specific emotion: Envy. **Envy is what you may feel in situations where you perceive another person having an advantage that you desire, but do not have.** For example, one may experience envy when seeing another guest get a free room upgrade at hotel check-in; or witnessing restaurant customers at the next table get better service from the same server; or seeing another customer at the grocery store check-out line reduce his/her bill by half by using coupons.

Please recall an encounter with another customer, where you felt envious towards him or her (this may involve a service employee or may not).

In the space below, as detailed and vividly as possible, please describe the situation and how you felt:

Q16 What is your gender?

- Male
- Female

Q17 What is your age?

- 18-24 years old
- 25-34 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- 65-74 years old
- 75 years or older

Q18 What is your highest level of education?

- High school graduate, diploma, or the equivalent (eg. GED)
- Some college credit, no degree earned
- Trade/technical/vocational training
- Associate degree
- Bachelor's degree
- Master's degree
- Professional degree
- Doctorate degree

Q19 Which of the following options best describes your annual household income before tax?

- Less than \$10,000
- \$10,000-\$19,999
- \$20,000 - \$29,999
- \$30,000 - \$39,999
- \$40,000 - \$49,999
- \$50,000 - \$59,999
- \$60,000 - \$69,999
- \$70,000 - \$79,999
- \$80,000 - \$89,999
- \$90,000 or more

Q20 Please specify your ethnicity.

- White
- Hispanic or Latino
- Black or African American
- Native American or American Indian
- Asian/Pacific Islander
- Other

Thank you for taking part in this study. Your validation code for mTurk is
\${e://Field/mTurkCode} You will need to enter this code on the mTurk HIT page to
receive payment. Please press on the continue button (>>) one more time.