Effects of perceived service fairness on emotions, and behavioral intentions in restaurants

Effects of perceived service fairness

1233

Received January 2010

Young Namkung

College of Hotel and Tourism Management, Kyung Hee University, Seoul, Korea, and

Soo Cheong (Shawn) Jang

Department of Hospitality and Tourism Management, Purdue University, West Lafayette, Indiana, USA

Abstract

Purpose – This study aims to investigate interrelationships among perceived service fairness, emotions and behavioral intentions in a restaurant context.

Design/methodology/approach – Data were collected from two casual dining restaurants in the USA. The data were analyzed following Anderson and Gerbing's two-step approach, utilizing both a measurement model and a subsequent structural model.

Findings – This study shows different roles for each fairness perception in relation to emotions and behavioral intentions based on the Mehrabian-Russell model. Setting reasonable prices and providing efficient services in a timely manner were found to be the key to negate negative emotion. At the same time, the findings suggest that providing high-quality tangible outcomes and intangible services are critical to evoke positive emotions and eventually to generate future favorable behaviors.

Research limitations/implications — The data were collected from only casual dining restaurants. Therefore, generalizing the results to other segments of the restaurant industry may not work.

Practical implications – The results of this study can help restaurant managers to develop more effective and efficient strategies for ensuring fairness, thus resulting in higher levels of customer retention and profits.

Originality/value – Compared with previous fairness studies, which have focused exclusively on the role of justice after service failure and recovery, this study considers all service delivery contexts (with or without service failure) in order to provide a richer portrait of service fairness. Also, this study contributes to the services marketing and consumer behavior literature by shedding light on the issue of "fairness" as an axiom for evaluating services in restaurants.

Keywords Service levels, Consumer behaviour, Restaurants, United States of America, Service delivery **Paper type** Research paper

Introduction

The concepts and principles of justice, or fairness, as an evaluative judgment about the appropriateness of a person's treatment by others have stemmed from the work of social scientists (Adams, 1965; Blau, 1964; Homans, 1961). Over the past few decades, justice principles (distributive, procedural, and interactional justice) have been applied to organizational behavior (Folger, 1977; Folger and Konovsky, 1989; Greenberg, 1987, 1990), as well as legal and political settings (Thibaut and Walker, 1975). More recently,



academic and managerial interest in the conceptualization of service fairness has increased in the services marketing literature (Smith *et al.*, 1999; Sparks and McColl-Kennedy, 1998; Tax *et al.*, 1998). Seiders and Berry (1998) suggest that when consumers are vulnerable or disadvantaged a violation of justice principles can trigger perceptions of unfairness. The intangibility of services augments customers' sensitivity to fairness, because it is often difficult for customers to evaluate the service before, and sometimes after, the transaction (Berry *et al.*, 1994; Seiders and Berry, 1998). Linking its effects on emotional and behavioral outcomes, Schneider and Bowen (1999) argue that customers enter into a psychological contract with a service provider to have their needs gratified and to be treated fairly. A service provider's violation of a customer's fundamental need for justice produces undesirable emotional outcomes, which can ultimately cause customers to exit or voice the undesirableness of the situation (Schneider and Bowen, 1999).

It has been commonly accepted that "to customers, fairness and service quality are inseparable" (Berry, 1995, p. 109). However, while the notion of service fairness is related to service quality, it is a distinct phenomenon (Seiders and Berry, 1998). In addition, fairness is not merely one dimension of service but, rather, embraces all dimensions of service quality (Clemmer and Schneider, 1996). Oliver and Swan (1989a, b) suggest that perceived justice is an additional factor in explaining consumers' satisfaction that is not captured in the expectancy disconfirmation paradigm of measuring service quality. In addition, Berry (1995) pointed out that poor service, on most occasions, is not perceived to be unfair. Unfair service, however, is generally judged as being lower in quality (Berry, 1995). As compared to service quality, justice principles offer a distinctive framework for understanding the service consumption process and justice episodes can be used as a core component of service evaluation (Parasuraman *et al.*, 1985; Taylor, 1994). Therefore, it is worthwhile to investigate the appropriateness of fairness themes as a lens for evaluating services.

Although the influential research by Oliver and Swan (1989a, b) facilitated the application of the justice framework to consumer evaluations of products or services, little is known about the relative impact of the different justice dimensions beyond the well-established expectancy disconfirmation paradigm. Prior work has explored the joint influence of perceived justice and the expectancy disconfirmation paradigm on satisfaction, showing that both processes coexist as separate, significant antecedents of customer satisfaction (Oliver and Swan, 1989a, b; Pathak *et al.*, 1994; Patterson *et al.*, 1997). Oliver and Swan (1989a, b) focused only on the distributive dimension of justice, while other researchers have not distinguished between the different dimensions of justice in their work (Pathak *et al.*, 1994; Patterson *et al.*, 1997).

Furthermore, it has been widely recognized that justice considerations elicit emotional responses, especially in the occurrence of injustice (Adams, 1965; Homans, 1974; Morgan and Heise, 1988), and eventually generate behavioral reactions such as complaining, word-of mouth, and patronage (Adams, 1965; Hirschman, 1970; Swan and Mercer, 1983). Although previous justice theories and research suggest emotions are part of the relationship between the experience of injustice and the tendency to retaliate (Allred, 2000; Bies and Tripp, 1995; Skarlicki and Folger, 1997), little has been conducted to examine the relationships among perceived fairness, emotions and behavioral intentions. To fill this important research niche, this research proposed and empirically tested a theoretical model of service fairness, emotions, and behavioral

intentions. Service fairness is defined in this research as a customer's perception of the degree of justice in a service firm's behavior (Seiders and Berry, 1998). More specifically, the objectives of this study were:

- Effects of perceived service fairness
- to investigate interrelationships among perceived service fairness, emotions and behavioral intentions based on the Mehrabian-Russell model and identify the relative importance of each service fairness dimension in restaurants; and

1235

• to provide implications for restaurateurs to contemplate service evaluation through the lens of service fairness.

The significance of fairness in service marketing

Justice refers to an act considered "just" because someone perceives it as such (Cropanzano and Greenberg, 1997; Folger and Cropanzano, 1998; Leventhal, 1980; Seiders and Berry, 1998). Likewise, fairness has been viewed as a fundamental base against which people judge the nature of relationships among people and between social institutions and individuals (Clemmer and Schneider, 1996). Since individuals' reactions to objective reality vary based on individuals' social norms of fair distribution (Walster *et al.*, 1978) and expectations (Thibaut and Kelly, 1959), social science researchers have focused on the subjective aspects of fairness. In line with the previous research scheme, fairness in this study represents the individual's subjective judgments of fairness.

Rooted in social psychology, and successfully applied to work on organizations and legal settings, the conceptualization of fairness has gained both academic and managerial interest within the services marketing literature. Bagozzi (1974) introduced the issue of fairness/equity to marketing through marketing exchange theory. Bagozzi (1975) examined fairness in the context of dyadic reciprocal relationships and argued that maintaining equality is central to the maintenance of ongoing exchange between customer and salesperson. Subsequently, Zaltman *et al.* (1978) have discussed the perceptions of unfair marketing practices and provided consumer implications.

More recent studies have offered a comprehensive framework for understanding service fairness in a variety of service settings. Seiders and Berry (1998) summarized the relevant principles under three justice categories and supported the suitability of justice principles for understanding consumers' fairness judgments. Similarly, Clemmer and Schneider (1996) found that fairness in service settings, such as banks, doctors' offices, fast-food restaurants, and fine restaurants is a complex and multifaceted concept. They suggest that all three types of justice are likely to be relevant to the conceptualization of service fairness and explicate the principles under three fairness themes consumers use as a basis for judging the fairness of a situation (Clemmer and Schneider, 1996).

Consideration has also been given to the effects of fairness in service recovery situations. According to de Ruyter and Wetzels (2000), the effects of equity (justice) considerations in a service recovery context are idiosyncratic to specific service industries, such as hairdressers, dining cafés, department stores, and banks. Addressing the moderating impact of loyalty, Robbins and Miller (2004) found that both distributive and procedural fairness in service recovery management had more significant influence on the reactions of loyal customers. Further, Patterson *et al.* (2006) emphasized the role of cultural orientation in service recovery and revealed that individual-level cultural values, such as individual power distance, uncertainty

avoidance and collectivism, interact with a firm's recovery tactics to influence perceptions of fairness. Although justice principles have offered extensive opportunities for better understanding the significance of fairness appraisal, especially service failure and subsequent recovery contexts, the area of inquiry beyond service failure situations is limited and relatively underdeveloped.

Factor structure of service fairness

For decades, fairness has been viewed as a three-dimensional construct, comprised of distributive fairness, procedural fairness, and interactional fairness (Alexander and Ruderman, 1987; Bies and Shapiro, 1987). Although the justice principles developed in social psychology may be useful in the contexts for which they were developed, they may have limitations when applied to specific consumption situations. For example, Deutsch (1985) criticized the measurement capabilities of the original justice theory, in that it is difficult for consumers to assess input and output values at the same time. Swan and Oliver (1985) also argued that input/outcome operationalization was problematic because equity items in their study were factored together in certain buyer outcomes. Since there are conflicting views regarding the specification of the dimensions of fairness and it has been suggested that fairness perceptions are context dependent (Brady and Dunn, 1995; Colquitt, 2001), the conceptualization of fairness may not be congruent with the dominant view of a service failure situation.

Consumers conceive fairness or unfairness judgments in that they are likely to understand the situation with regards to the potential to maximize personal benefits or rewards and minimize their investments or sacrifice (Peter and Olson, 1993). To this end, this study incorporated customers' benefit and sacrifice into the original fairness theory (distributive, procedural, and interactional fairness) in order to better understand the under-explored nature of service fairness in an all-inclusive service delivery context. Considering consumer sacrifice and benefit, monetary and time costs associated with customers' consumption experience were applied as the two representative constructs of customer sacrifice, while product (the favorability of the non-interactional form of service) and personnel (the manner in which the customer was treated) gains that a consumer receives from consuming the product or services were implemented as the key aspects of customer benefit. From a consumer sacrifice perspective in consuming products or services, the price paid (price fairness) and the time spent (procedural fairness) are crucial concerns (Fisk and Coney, 1982). The prevalent influence of price is partly due to the fact that the price cue exits in all purchase situations, and, at minimum, represents to all consumers the amount of economic cost that must be sacrificed in any given transaction. Price fairness has been defined as the buyers' judgment regarding the differences between what they expected and what they accepted (Kahneman et al., 1986b). That is, consumers generally have a pre-determined internal standard for prices that may or may not correspond to any actual price at the time the comparative judgment is being made.

Although Winer (1998) stated that the concept of price fairness "defies precise definition" (p. 48), previous research has focused on the relativeness of consumers' perceptions of price. These perceptions are governed by an individual's own acceptable range and social standards (reference price). Since a price fairness judgment is subjective (Xia *et al.*, 2004; Haws and Bearden, 2006), this study assumed that the prices presented on the menu list could be judged differently depending on the

customer's preconceived ideas and current experience with a myriad of stimuli at the restaurant. Therefore, the notion of price in this study was different from that of previous studies where price was held constant as a fixed and absolute concept. To broaden the understanding of a consumer's perception of price fairness, a new definition of price fairness was offered. Price fairness, in this study, refers to "a consumer's overall judgment of price based on a comparison of the actual price to acceptable prices determined by both social standards (reference price) and self-interest (adaptation level). In this study, price fairness was conceptualized as one crucial component of customer sacrifice and the consumer's price perception has been regarded as a variable along with other forms of service fairness".

As another aspect of consumer sacrifice, time has been viewed as a limited and finite resource (Anderson and Shugan, 1991; Kellaris and Kent, 1992). Consumers' evaluations of waiting were not only objectively influenced but also subjectively influenced (Davis and Vollmann, 1990; Hornik, 1984). When two customers who value time differently experience the same wait duration, they are effectively paying different prices for their service encounter (Haynes, 1990). In restaurants, service waits can be induced by the time necessitated for production (e.g. to prepare food) or by demand exceeding the capacity of the delivery system (e.g. customers arriving at a rate that exceeds the service provider's ability to accommodate). In line with these discussions, the original conception of procedural fairness was redefined as "the timeliness and efficiency of a service system" as part of customer sacrifice, because waiting time and delays in service are perceived as a loss.

In regard to consumer benefits, the fairness studies signified that fair behaviors by service firms might be important not only for instrumental aspects, but also for relational aspects (Namasivayam, 2004). Thus, customers' service evaluations derive not only from the favorability of the core service (tangible outcome fairness) but also the manner in which the customer was treated (interactional fairness) (Bitner *et al.*, 1990). Previous justice research suggested that reactions in social settings were largely based on the favorability of the outcomes received (Adams, 1963). According to Gronroos (2007), providing an excellent core product or service is one of the major interests for a service business. Therefore, we expected that perceived outcome fairness would lead to consumers' emotional and behavioral reactions. In this study, outcome fairness refers to "the consumer's subjective assessments about tangible details of the service delivered".

Furthermore, restaurant consumption involves a tremendous amount of human interaction. Shostack (1985) defined the service encounter as "a period of time during which a customer directly interacts with a service" (p. 243). Service encounters are the "critical moments of truth in which customers often develop indelible impressions" of a business (Bitner *et al.*, 2000, p. 139). These critical interchanges often involve mere minutes and can result in guest satisfaction or frustration (Bitner and Hubbert, 1994; Smith and Bolton, 1998). Therefore, interactional fairness in this study refers to "the respect and interest shown to the customer by the service provider such that the customer feels treated fairly during consumption interactions".

On the whole, therefore, this study proposed a four-factor model, instead of traditional three-factor structure, of service fairness (price fairness, procedural fairness, outcome fairness, and interactional fairness) and tested empirically the applicability of the model in evaluating restaurant services.

EJM 44,9/10

1238

Modification of the Mehrabian-Russell model

Mehrabian and Russell (1974) posited that environmental stimuli influence an individual's emotional state, which in turn affects approach or avoidance responses. In their stimulus-organism-response model, the stimuli are external to the person and consist of various elements of physical atmosphere (Bagozzi, 1986). The organism refers to the internal processes and structures that intervene between stimuli external to the person and the final actions or responses (Bagozzi, 1986). This implies that the effect of atmosphere (the stimulus) on consumer behavior is mediated by the consumer's emotional state. According to Mehrabian and Russell (1974), emotional states fall into three basic domains:

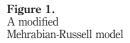
- (1) pleasure;
- (2) arousal; and
- (3) dominance.

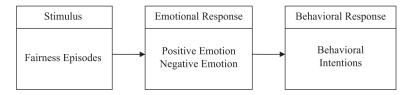
In addition, responses to an environment can be classified as approach or avoidance behavior. Approach behavior includes a desire to stay, to look around and explore the environment, and to communicate with others in the environment, whereas avoidance is comprised of the opposite behaviors (Mehrabian and Russell, 1974). This study applied Mehrabian-Russell's stimulus-organism-response framework and modified it to fit the study setting in several ways (Figure 1). The subsequent sections provide more detailed information on each modification.

Fairness consideration as key stimuli

Emotions are generally characterized as individuals' reactions to events or stimuli (Frijda, 1993) and are fundamentally (although not always) a social phenomenon (Fischer and Tangney, 1995). In order for an emotion to occur, an emotional elicitor must trigger a change in the state of an organism. Over the decades, social scientists have recognized that justice issues provoke emotional reactions, especially individuals' perceptions of injustice. For example, the violation of an equity norm results in a state of "inequity distress" and individuals strive to eliminate the tension of the unpleasant emotional state created by inequity (Adams, 1965). Homans (1974) argued that when the reward received is lower than that expected the recipient is likely to feel anger. Adopting a discrete positive and negative emotion scheme, Lazarus (1991) noted that positive emotions such as joy or pride are associated with events that facilitate the fulfillment of an individual's objectives. Conversely, negative emotions, such as shame or anger are associated with events that hinder the fulfillment of objectives.

In consumer research, Price *et al.* (1995) found that failure to meet interactive justice standards in a service encounter generated negative emotional responses. Likewise, Dubé and Menon (1998) highlighted the critical role of socialization in forming consumer-provider interpersonal exchanges in their study on interpersonal emotions in





services. Hence, feelings of satisfaction with service encounters were widely thought to be influenced by the level of a service provider's devotion to fairness and consistent behavioral patterns (Solomon *et al.*, 1985). It is noteworthy that emotions are capable of being elicited by exposure to the relevant stimulus in service settings. Therefore, perceived service fairness represents the core emotional elicitor, as well as the key construct of interest in this research.

Unipolar approach to emotional responses

Mehrabian and Russell's (1974) scale offered a bipolar framework for emotional responses to environmental stimuli. Although the major structural dimension of affective experience is often found to be the ubiquitous bipolar continuum of pleasantness-unpleasantness (Russell, 1983), several limitations in its application to consumption-related emotion studies have been recognized. For example, Westbrook (1987) noted that the unipolar view for investigating consumption experiences. This is because the bipolar conceptualization allows ambivalence or the joint occurrence of pleasant and unpleasant states, as well as indifference or the occurrence of neither pleasant nor unpleasant states. Babin *et al.* (1998) demonstrated that, despite its convenience, the bipolar view was inadequate to capture consumer emotions, showing that feeling a negative emotion does not preclude the occurrence of a positive emotion. Research on personal reports of individual affective experiences has indicated two largely independent unipolar dimensions corresponding to positive and negative affect (Abelson *et al.*, 1982).

The emotions expressed during the various steps of a justice process can be characterized in a number of ways, including positive or negative, solitary or a set, and experienced or expressed (Jasso, 2006). A recent fairness study also applied a discrete emotions approach, suggesting that perceived price unfairness is associated with feelings of disappointment or anger (Xia *et al.*, 2004). Similarly, in social justice research, the effects of procedural justice on discrete emotional responses were investigated using happiness-related emotions (happiness, joy, and pride) and sadness-related emotions (disappointment, anger, and frustration) (Krehbiel and Cropanzano, 2000).

Hence, these studies have suggested that a unipolar view is the most appropriate for understanding consumption emotions associated with the concept of fairness, indicating that customers feel happiness and unhappiness at the same time. Since each emotion can have unique influences on behavioral responses within a unipolar framework, human behavior depends on the relative efficacy of positive and negative emotional states. Therefore, instead of using Mehrabian and Russell's pleasure-arousal framework this study adopted a unipolar approach. This approach is based on Izard's (1977) Differential Emotions Scale (DES) to consumption emotions in response to fairness considerations: positive and negative emotions. The flexibility and comprehensiveness of Izard's (1977) differential-emotions measurements allows these emotion labels to be used extensively in diverse contexts (Holbrook, 1986; Westbrook, 1987). These discussions lead to the following research hypotheses.

- H1-1a. Customer perceptions of price fairness have a positive effect on positive emotion.
- H1-1b. Customer perceptions of price fairness have a negative effect on negative emotion.

- H1-2a. Customer perceptions of procedural fairness have a positive effect on positive emotion.
- H1-2b. Customer perceptions of procedural fairness have a negative effect on negative emotion.
- H1-3a. Customer perceptions of outcome fairness have a positive effect on positive emotion.
- H1-3b. Customer perceptions of outcome fairness have a negative effect on negative emotion.
- H1-4a. Customer perceptions of interactional fairness have a positive effect on positive emotion.
- H1-4b. Customer perceptions of interactional fairness have a negative effect on negative emotion.

Behavioral intention as a surrogate indicator of actual behavior

A modification of the relationships between stimuli and emotional responses leads to consumer behaviors. Zaltman *et al.* (1978) studied consumer recognition of unfair marketing practices at different stages: prior-to-purchase, concurrent-to-purchase, and post-purchase. The results showed that increased awareness of unfair and deceptive practices would increase consumer propensity to complain. Blodgett *et al.* (1993) proposed a model of consumer complaining behavior and concluded that the effects of perceived justice on consumer complaining, word-of-mouth, and patronage behavior.

Moreover, previous research has incorporated behavioral intentions such as willingness to repurchase, willingness to purchase more in the future, and willingness to recommend the store to others, within Mehrabian-Russell's framework (Baker *et al.*, 2002; Hightower *et al.*, 2002; Macintosh and Lockshin, 1997). Donovan and Rossiter (1982) were interested in understanding patronage intentions, such as willingness to return to the store and to deliver good word-of-mouth to fellow customers, because of the need to forecast customer buying behavior. Behavioral intention is defined as "the degree to which a person has formulated conscious plans to perform or not perform some specified future behavior" (Warshaw and Davis, 1985, p. 214). That is, intention to perform a behavior is the proximal cause of such a behavior (Shim *et al.*, 2001). Because behavioral intentions have been specified as a surrogate indicator of actual behavior in marketing studies (Fishbein and Ajzen, 1975), this study also used behavioral intentions as an outcome construct influenced by emotions.

Emotions as a precursor of behavioral intention

A substantial amount of research shows that affect is a significant antecedent of consumer behavior (Derbaix and Pham, 1991; Havlena and Holbrook, 1986; Hirschman and Holbrook, 1982). The idea is that people often base their judgments about external events on the affective reactions they are experiencing at the time of judgment (Schwarz and Clore, 1996). Therefore, they used affect as a basis for judgment, judging something more favorably when they are happy (Pham, 1998; Schwarz and Clore, 1996). To understand how emotions affect thought processes, Weiner (1985) posited that when evaluating negative circumstances, individuals distinguish among self-responsibility, other responsibility and situation responsibility. For example, a

customer who tips over a wine glass is likely to form negative emotions such as shame (self-responsibility). On the other hand, a customer whose waiter spills wine on her skirt is likely to generate emotions such as anger (other responsibility). Since individuals tend to perceive events in a manner that confirms their attribution (Keltner *et al.*, 1993, Taylor, 1994), self-attributed as well as situation-attributed emotions are expected to have less negative impact on service evaluations than other-attributed emotions.

Unlike negative emotions, positive emotions (e.g. joy, interest, happiness, excitement) have been found to have consistent effects. Positive emotions, if they remained unchanged throughout the service encounter, are expected to produce a favorable experience regardless of the agency (Tu, 2004). Likewise, people who experience positive emotions derived from the provision of fairness perceive use this to construct an evaluative judgment of favorable service firms. This leads them to spread positive word-of-mouth to others or revisit the organization. Given that Adams (1965) described inequity distress as a motivational state preceding actions to restore equity, emotions obviously have an impact on consumer behaviors. Therefore, this leads to the next two research hypotheses:

H2a. Customers' positive emotions have a positive effect on behavioral intentions.

H2b. Customers' negative emotions have a negative effect on behavioral intentions.

Fairness consideration as a precursor of behavioral intention

Although the Mehrabian and Russell model did not propose a stimulus-response linkage, the effects of fairness on behavior have received substantial attention in all phases of justice study. Response to perceived inequity includes not only emotional reactions but also actions to restore a state of equity. Adams (1965) suggested that a behavioral component is inherent to the justice evaluation process. In addition, Hirschman (1970) posited that customers could utter their discontent directly to the management ("voice") in order to correct injustice. In his exit and voice theory loyalty acts as a mediating variable affecting the nature of response.

The relationship between perceived fairness and behavioral response has received considerable attention from marketing researchers in general, and specifically from consumer behavior scholars. For example, Huppertz *et al.* (1978) found that consumers' inequity perceptions affect their patronage of a store in retail settings. Swan and Mercer (1983) noted that perceived equity lead to behavioral consequences such as complaining/complimenting, intentions, word-of mouth, and repurchase/avoidance.

Linking justice concepts to customer service, Clemmer (1993) found that service fairness significantly predicted repatronage intentions. In Blodgett *et al.*'s (1993) study, perceived justice was also found to be the main determinant of complainant, negative word-of-mouth behavior and repatronage intentions. Further, it was found to mediate the effects of likelihood of success, attitudes toward complaining, product importance, and stability and controllability of complaining behavior. Although not rooted in justice theory, Leung *et al.* (1998) also found that a variable representing distributive justice concerns significantly predicted customer loyalty. Therefore, the following hypotheses are proposed:

H3-1. Customer perceptions of price fairness have a positive effect on behavioral intentions.

1242

- H3-2. Customer perceptions of procedural fairness have a positive effect on behavioral intentions.
- H3-3. Customer perceptions of outcome fairness have a positive effect on behavioral intentions.
- H3-4. Customer perceptions of interactional fairness have a positive effect on behavioral intentions.

Figure 1 depicts the conceptual model proposed by this study. It displays the relationships among perceived service fairness (price/procedural/outcome/interactional), emotions (positive/negative), and behavioral intentions. Perceived quality is treated as an exogenous variable, whereas customer emotions and behavioral intentions are considered as endogenous variables.

Methodology

Measure

A survey questionnaire was initially developed based on previous studies including Clemmer and Schneider (1996). It was then reviewed by three managers of full-service restaurants and two academic professionals in the hospitality industry to assure content validity. Table I presents the means and standard deviations of each item in relation to the constructs of interest in this study: service fairness, emotions, and behavioral intentions. Service fairness items included "the food I ordered was reasonably priced", "the quality of the food was higher than I expected", "I was seated in a timely manner", and "the server provided equal service to all customers". Each dimension of perceived service fairness was measured using a seven-point scale: "How much do you agree or disagree with these statements?" (1 = strongly disagree and 7 = strongly agree).

In this study, researchers modified measures of emotional responses to the restaurant experience on the basis of Izard's DES, which has been used most frequently in consumption emotion research (Richins, 1997; Machleit and Eroglu, 2000; Laros and Steenkamp, 2005). As the first step toward developing restaurant-specific emotion measures, the researchers generated a pool of emotions embedded in the restaurant experience by conducting in-depth interviews with students and faculty members at a Midwestern university. Based on Izard's categorization of emotion labels, researchers grouped customers' emotional response words into six categories by deleting irrelevant words and adding the most frequently mentioned words from the respondents. Finally, researchers created a measure of emotions comprised of the following categories:

- joy (happy, pleased, welcomed, warmhearted);
- peacefulness (comfortable, relaxed, at rest);
- refreshment (refreshed, cool);
- anger (angry, furious, outraged);
- distress (frustrated, disappointed, upset, downheartedness); and
- disgust (disgusted, displeased, bad).

| Variable ^a | Mean ± SD | Effects of perceived service |
|---|--|------------------------------|
| Price fairness The food I ordered was reasonably priced The cost seemed appropriate for what I got | 5.70 ± 0.99 5.87 ± 0.94 | fairness |
| Procedural fairness I was seated in the order I arrived I was seated in a timely manner The server took my order in a timely manner Food was served in a timely manner | 6.01 ± 1.01 6.06 ± 1.01 6.02 ± 1.03 5.96 ± 1.06 | 1243 |
| Outcome fairness The quality of the food was higher than I expected The service was better than I expected | 5.67 ± 1.04 5.63 ± 0.99 | |
| Interactional fairness The server was friendly The server provided equal service to all customers The server exhibited no bias toward me The server was attentive in providing good service | 6.16 ± 0.91 6.00 ± 0.98 6.00 ± 1.00 6.01 ± 0.98 | |
| Positive emotion Joy Peacefulness Refreshment | 5.54 ± 0.88 5.59 ± 0.97 5.39 ± 1.06 | |
| Negative emotion Anger ^b Distress ^b Disgust ^b | 1.91 ± 1.18 1.75 ± 1.15 1.69 ± 1.15 | |
| Behavioral intention I would like to come back to this restaurant in the future I would recommend this restaurant to my friends or others I would say positive things about this restaurant to others | 6.06 ± 0.85 5.97 ± 0.93 5.96 ± 0.98 | m |
| Notes: a All items were measured on a seven-point Likert scale ranging from $1 = \text{strongly agree.}$ b Reverse coding items | Table I. Descriptive statistics of variables | |

The emotion items were also measured on a seven-point scale ranging from 1 ("While in this restaurant I do not feel this emotion at all") to 7 ("While in this restaurant I feel this emotion strongly").

In addition, respondent behavioral intentions, such as willingness to return, intention to recommend the restaurant to others, and intention to say positive things about the restaurant to others, were also measured on a seven point scale (1 = extremely disagree to 7 = extremely agree) based on Zeithaml *et al.*'s (1996) study.

Data collection

A pilot study was first conducted at a Midwestern university in the USA with 40 students who had visited a full-service restaurant within the last four weeks. The reliabilities of each construct were well above the suggested cutoff of 0.70, indicating internal consistency (Nunnally, 1978). Some wordings were modified

slightly based on respondent feedback. Because a consumer's evaluation of service fairness may be an important determinant for eliciting emotional and behavioral responses, as compared to limited service restaurants, the data used for this study was collected from two mid- to upper-scale restaurants, one in a Midwestern city and one in an Eastern city in the USA. To reduce potential incompatibility resulting from different locations, consistencies in the restaurants were considered in terms of average guest check, level of food quality, atmospherics, and services. Once the restaurants gave permission, self-administered questionnaires were distributed by restaurant staff to randomly selected restaurant patrons who were waiting for their checks after dinner. Customers were asked to think about the service that they had just experienced from the fairness perspective and completed the survey on a voluntary basis. A total of 354 questionnaires were obtained over a three-week period. After the elimination of incomplete questionnaires, a total of 326 questionnaires was used in this study.

Data analysis

The data were analyzed following Anderson and Gerbing's (1988) two-step approach: a measurement model and a subsequent structural model. The rationale for this approach is that the precise representation of the reliability of the indicators can be best achieved in two stages to avoid interaction of the measurement model and the structural model (Hair *et al.*, 1998). The multiple-item scales of seven constructs were subjected to a confirmatory factor analysis to determine whether the manifest variables reflected the hypothesized latent variables. The adequacy of the individual items was assessed by composite reliability, convergent validity, and discriminant validity. Once the measures were validated, structural equation modeling (SEM) was used to test the validity of the proposed model and the hypotheses.

Results

Measurement model

On the basis of Anderson and Gerbing's (1988) two-step approach, this study first conducted a confirmatory factor analysis (CFA) with a maximum likelihood to estimate the measurement model by verifying the underlying structure of constructs. This study also checked unidimensionality, reliabilities, and validities of the seven-factor measurement model before testing the structural model (Table II). As illustrated in Table II, the level for internal consistency in each construct was acceptable with Cronbach's α estimates ranging from 0.78 to 0.94 (Nunnally, 1978). Composite reliabilities estimates, ranging from 0.77 to 0.94, are considered acceptable (Fornell and Larcker, 1981; Nunnally and Bernstein, 1994). In addition, all variance extracted estimates (price fairness = 0.78; procedural fairness = 0.70; outcomes fairness = 0.63; interactional fairness = 0.74; positive emotion = 0.63; negative emotion = 0.84, behavioral intentions = 0.80) exceeded the recommended 0.50 threshold (Fornell and Larcker, 1981).

Convergent validity was first observed since all confirmatory factor loadings exceeded 0.70, and all were significant, with t-values ranging from a low of 10.49 to a high of 26.38 at the α level of 0.001 (Anderson and Gerbing, 1988). Thus, these results evidenced the convergent validity of the measures. Discriminant validity was assessed by comparing the average variance extracted (AVE) with the squared correlation

| Construct ^a (Cronbach's α) | Standardized factor loadings | Item reliabilities | Composite reliabilities | AVE ^b | Effects of perceived service |
|---------------------------------------|------------------------------|-----------------------|-------------------------|------------------|------------------------------|
| Price fairness (0.87) | | | 0.88 | 0.78 | fairness |
| P_1 | 0.84 | 0.77 | | | |
| P_2 | 0.92 | 0.77 | | | |
| Procedural fairness (0.90) | | | 0.90 | 0.70 | 1245 |
| PR ₁ | 0.92 | 0.81 | | | |
| PR 2 | 0.92 | 0.83 | | | |
| PR 3 | 0.79 | 0.78 | | | |
| PR ₄ | 0.70 | 0.68 | | | |
| Outcome fairness (0.78) | | | 0.77 | 0.63 | |
| O_1 | 0.78 | 0.63 | | | |
| O_2 | 0.81 | 0.63 | | | |
| Interactional fairness | | | | | |
| (0.91) | | | 0.92 | 0.74 | |
| I_1 | 0.85 | 0.78 | | | |
| I_2 | 0.89 | 0.83 | | | |
| I_3 | 0.87 | 0.80 | | | |
| I_4 | 0.84 | 0.77 | | | |
| Positive emotion (0.82) | | | 0.84 | 0.63 | |
| E_1 | 0.73 | 0.64 | | | |
| E_2 | 0.92 | 0.76 | | | |
| E_3 | 0.71 | 0.65 | | | |
| Negative emotion (0.94) | | | 0.92 | 0.84 | |
| E ₄ | 0.89 | 0.86 | 0.02 | 0.01 | |
| E_5 | 0.95 | 0.90 | | | |
| E_6 | 0.91 | 0.87 | | | |
| Behavioral intentions | | | | | |
| (0.92) | | | 0.94 | 0.80 | |
| B ₁ | 0.89 | 0.85 | | | |
| B_2 | 0.91 | 0.85 | | | |
| B_3 | 0.89 | 0.85 | | | |
| - | | | | | |

Notes: $^{a}P_{1}$, reasonably priced food; P_{2} , appropriate cost; PR_{1} , seated in order of arrival; PR_{2} , seated in a timely manner; PR_{3} , order was taken in a timely manner; PR_{4} , efficient service; O_{1} , better service; O_{2} , food quality; I_{1} , friendly server; I_{2} , provide equal service to all customers; I_{3} , no bias toward me; I_{4} , attentive server; E_{1} , joy; E_{2} , peacefulness; E_{3} , refreshment; E_{4} , anger; E_{5} , distress; E_{6} , disgust; E_{1} , willingness to return; E_{2} , willingness to recommend; E_{3} , willingness to say positive things. E_{2}

Table II.Reliabilities and confirmatory factor analysis properties

between constructs (Fornell and Larcker, 1981). The inter-factor correlations between the seven constructs, estimated by the ϕ coefficient, ranged from 0.49 to 0.74. Discriminant validity was evident since the variance extracted estimates, ranging from 0.63 to 0.84, exceeded all squared correlations of each pair of constructs, ranging from 0.24 to 0.55. These results suggest that the seven factors are distinct and unidimensional. Also, confirmatory measurement models demonstrated the soundness of measurement properties ($\chi^2_{(168)}=314.463,\ p<0.001;\ \chi^2/\mathrm{df}=1.872;$ NFI = 0.988; TLI = 0.993; CFI = 0.995; IFI = 0.995; RMSEA = 0.052).

EJM 44,9/10

Table III presents the intercorrelations among the seven constructs in this study. The shared correlations, representing the shared variance among the constructs, were found not to exceed the average variance explained. This suggests that the measures were distinct and unidimensional measures.

1246

Structural equation modeling (SEM)

Structural equation modeling was performed to test the validity of the proposed model and the hypotheses. The results of the standardized parameter estimates and t-values are presented in Table IV. Figure 2 presents the estimated model, illustrating the direction and magnitude of the impact of the standardized path coefficients. The χ^2 statistic indicated that the overall model did not fit the data well ($\chi^2_{(169)}=314.950$, p<0.001). Given the sensitivity of the χ^2 statistics to sample size (Bentler and Bonett, 1980; Hair *et al.*, 1998), other fit indexes were also examined. First, normed χ^2

| Construct | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--|---|-------------------------------------|-----------------------------|---------------------|-------------|-------|---|
| Price fairness Procedural fairness Outcome fairness Interactional fairness Positive emotion Negative emotion | 1 0.74 0.49 0.61 0.50 - 0.44 | 1 0.58 0.67 0.44 - 0.46 | 1 0.58 0.45 - 0.31 | 1 0.53 - 0.36 | 1 - 0.29 | 1 | |
| 7. Behavioral intention | 0.72 | 0.67 | 0.48 | 0.71 | 0.61 | -0.36 | 1 |

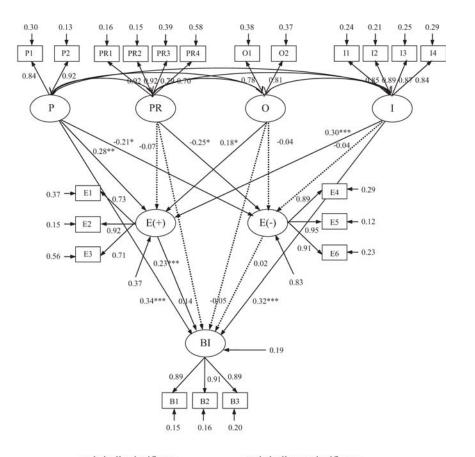
Table III.Correlations among the latent constructs

Note: All correlations are significant at p = 0.05

| Hypothesized path (stated as alternative hypothesis) | Standardized path coefficients | <i>t</i> -value | Results |
|---|--------------------------------|--------------------|------------------------|
| $H1-1a$. Price fairness \rightarrow Positive emotion $H1-1b$. Price fairness \rightarrow Negative emotion | 0.28 - 0.21 | 3.008** -2.272* | Supported Supported |
| H1-2a. Procedural fairness \rightarrow Positive emotion | - 0.21 07 | -2.272 -0.678 | Not supported |
| $H1-2b$. Procedural fairness \rightarrow Negative emotion | -0.25 | -2.470* | Supported |
| $H1-3a$. Outcome fairness \rightarrow Positive emotion | 0.18 | 2.248* | Supported |
| $H1-3b$. Outcome fairness \rightarrow Negative emotion | -0.04 | -0.416 | Not supported |
| $H1-4a$. Interactional fairness \rightarrow Positive emotion | 0.30 | 3.565 * * * | Supported |
| $H1-4b$. Interactional fairness \rightarrow Negative emotion | -0.04 | -0.524 | Not supported |
| $H2$. Positive emotion \rightarrow Behavioral intentions | 0.23 | 4.369 * * * | Supported |
| $H3$. Negative emotion \rightarrow Behavioral intentions | 0.02 | 0.504 | Not supported |
| $H4-1$. Price fairness \rightarrow Behavioral intentions | 0.34 | 4.776 *** | Supported |
| $H4-2$. Procedural fairness \rightarrow Behavioral intentions | 0.14 | 1.916 | Not supported |
| $H4-3$. Outcome fairness \rightarrow Behavioral intentions | -0.05 | -0.763 | Not supported |
| $H4-4$. Interactional fairness \rightarrow Behavioral intentions | 0.32 | 5.021 *** | Supported |

Table IV.Structural parameter estimates

Notes: NFI, normed fit index; TLI, Tucker-Lewis index; CFI, comparative fit index; IFI, incremental fit index; RMSEA, root mean square error of approximation. Goodness-of-fit statistics: $\chi^2_{(169)} = 314.950, \ p < 0.001; \ \chi^2/df = 1.864; \ NFI = 0.988; \ TLI = 0.993; \ CFI = 0.995; \ IFI = 0.995; \ RMSEA = 0.052. *p < 0.05; **p < 0.01; ***p < 0.001$



Effects of perceived service fairness

1247

statistically significant statistically not significant; *p < 0.05, **p < 0.01, ***p < 0.001

Notes: P = Price Fairness; PR = Procedural Fairness; O = Outcome Fairness; I = Interactional Fairness; E(+) = Positive Emotion; E(-) = Negative Emotion; BI: Behavioral Intentions

Figure 2. Structural equation model with parameter estimates

 $(\chi^2/\text{degrees of freedom})$ was considered to reduce the sensitivity of the χ^2 statistic. The value of the normed χ^2 was 1.864, which was below the cut-off criterion of 3 (Hair *et al.*, 1998), and showed that the model fit the data well $(\chi^2/\text{df} = 1.864)$. Other goodness-of-fit indices proved that the structural model fit the data reasonably (NFI = 0.988; TLI = 0.993; CFI = 0.995; IFI = 0.995; RMSEA = 0.052). The model's fit as indicated by these indexes was deemed satisfactory; thus, it provided a good basis for testing the hypothesized paths.

The parameter estimates in a structural model exhibited the direct effects of one construct on the other and thereby a significant coefficient at a certain level of α reveals a significant casual relationship between latent constructs. (Figure 2, Table IV). H1-1a, which hypothesized a positive relationship between price fairness and positive emotion, was supported ($\gamma_{11}=0.28$, t=-3.008, p<0.01). Likewise, H1-1b, which

predicted a negative relationship between price fairness and negative emotion, was supported ($\gamma_{21} = -0.21$, t = -2.272, p < 0.05). The results of the first two hypotheses demonstrated that when consumers evaluated the money they paid as fair, they tended to have more positive and less negative emotions.

H1-2a, which hypothesized a positive relationship between procedural fairness and positive emotion, was not supported. On the contrary, H1-2b, which predicted a negative relationship between procedural fairness and negative emotion, was supported ($\gamma 22 = -0.25$, t = -2.470, p < 0.05). This result indicated that in terms of the timeliness and efficiency of service, as consumers' perceived level of unfairness increased they were more likely to experience negative emotions.

As predicted by H1-3a, outcome fairness ($\gamma_{13} = 0.18$, t = 2.248, p < 0.05) significantly influenced positive emotion. This significant path implied that restaurant customers who reported receiving favorable outcomes from the service delivery process experienced more positive emotions than customers who reported unfavorable outcomes. In contrast, H1-3b, which predicted a negative relationship between outcome fairness and negative emotion, was not supported.

As expected in H1-4a, interactional fairness had a significant impact on positive emotion ($\gamma_{14}=0.30,\,t=3.565,\,p<0.001$). In contrast, in H1-4b, which predicted a negative relationship between interactional fairness and negative emotion, was not supported. The key benefits to consumers, i.e. outcome and interactional fairness, were found to be significant predictors of positive emotion but were not the key determinants of negative emotion.

With regard to the relationships between the two types of emotions and behavioral intentions, H2a, linking positive emotion and behavioral intentions, was supported ($\beta_{31}=0.23$, t=4.369, p<0.001). Unexpectedly, H2b, which posited a relationship between negative emotion and behavioral intentions, was not statistically significant. These findings suggest the possibility that positive emotion may be a better indicator for predicting consumer behavior in service settings than negative emotion. Since price fairness and procedural fairness were the two most important criteria for generating negative emotions, managers should seriously consider the importance of those two fairness aspects and their potential to elicit negative emotions.

Regarding the associations between each of the four fairness constructs and behavioral intentions, H3-1, which predicted a positive relationship between price fairness and behavioral intentions, was supported ($\gamma_{31} = 0.34$, t = 4.776, p < 0.001). Likewise, H3-4, which predicted a positive relationship between interactional fairness and behavioral intentions, was also supported ($\gamma_{34} = 0.32$, t = 5.021, p < 0.001). Although H3-2 posited a positive relationship between procedural fairness and behavioral intentions that was not supported, the effect of procedural fairness as a predictor of behavioral intentions was marginally significant (p = 0.055). This result implies that ensuring procedural fairness may lead to positive future behavioral responses. In contrast, H3-3, which predicted a positive relationship between outcome fairness and behavioral intentions, was not supported. These findings indicate a strong relationship between non-product related attributes (i.e., prices and service attributes) and consumer behavioral intentions in service environments. One reason that there was no significant association between outcome fairness and behavioral intentions could be related to the settings of this study. In full-service restaurants, food itself may not be the essential experience that the average customer seeks, so quality food might not be enough to generate favorable behavioral outcomes. On the contrary, the high-value of money and services in full-service restaurants may ensure consumer re-patronage. However, we cannot exclude the possibility that food quality could indirectly be connected to unfavorable behaviors, including complaining to others and contemplating switching to competitors.

Effects of perceived service fairness

Conclusions

1249

This study investigated the usefulness of fairness concepts in evaluating restaurant experiences in an all-inclusive service delivery context and examined the relationship among service fairness, emotions, and behavioral intentions based on the Mehrabian-Russell model. This study showed different roles for each fairness dimension in relation to emotions and behavioral intentions. As expected, the two aspects of fairness under the customer sacrifice aspect had significant effects on negative emotions. Conversely, the two aspects of fairness under the customer benefits aspect had significant effects on positive emotions. From a customer sacrifice perspective, price fairness was found to be a significant predictor of both positive and negative emotions and ultimately future behavioral intentions. Since it was the only dimension of fairness that had a significant effect on all mediating and dependent constructs, the significance of price fairness should be recognized.

As another aspect of customer sacrifice, procedural fairness seems to act as a basic requirement. The violation of procedural fairness elicited negative emotions, whereas the promise of procedural fairness did not ensure positive emotions. That is, just ensuring procedural fairness may not be enough to create positive emotions, while violating procedural fairness may cause customers to experience negative emotions. The results qualified procedural fairness as a basic requirement, in the sense that consumers expect service delivery to be efficient and quick without any delays or deceptions. Whenever this is the case, they do not notice it. Conversely, consistent with previous work (Hui and Tse, 1996; Katz *et al.*, 1991; Taylor, 1994), when the service is slow, customers regard the delay as a waste of time and evaluate the service in a negative way.

From a customer benefit side, favorability of tangible outcomes has been found to be a significant predictor of positive emotions. Although it showed no significant direct effect on behavioral intentions, it did indirectly affect behavioral intentions through positive emotions. Since tangible outcomes would appear to be facilitators for enhancing positive emotion and eventually purchase behavior, providing an excellent core product or service could be one of the most useful means to ensure the success of a restaurant business.

Another customer benefit feature, interactional fairness, has also been found to be a significant determinant of positive emotions. Contrary to outcome fairness, interactional fairness had significant direct effects on behavioral intentions and indirect effects through positive emotions. The findings verified that customers are often influenced by the knowledge and skills of employees in forming opinions about the service offerings (Gronroos, 1988) and inadequate interactions may directly lead to unfavorable behaviors. Further, as past research confirms (Bitner *et al.*, 1994; Iacobucci *et al.*, 1995), the excellence of interpersonal interaction between the customer and contact employee affects consumer service evaluations. Given these results, it might be useful to convey a perception of fair services that are characterized by friendly and attentive servers and exhibition of equal services to all customers without any bias.

The role of positive emotion should be obvious given the hedonic nature of restaurants. Thus, restaurant managers could improve the probability of favorable

behavioral intentions by establishing fair and reasonable prices and improving the quality of interaction between customers and service providers, which would elicit positive emotions.

Regarding the non-significant relationship between negative emotion and behavioral intentions, the results should be interpreted with caution. Since customer responses to unjust service experiences could be stronger than those perceived as just (Schneider and Bowen, 1999), negative emotional reactions have often been observed in association with perceived customer unfairness. A possible reason for the lack of a significant relationship between negative emotion and behavioral intentions could be the insufficiency of negative emotion items employed in this study. Although the measures of emotion developed in psychology may be useful in the contexts for which they were developed, they may have limitations when applied to specific consumer settings, such as restaurants. That is, specific situation-oriented measures need to be developed to capture consumer-related emotions.

Although this study did not support the proposed effect of negative emotions on behavioral intentions, this may reflect consumers' variations in levels of emotional expressivity (Gross *et al.*, 2000) and involvement (Maheswaran and Meyers-Levy, 1990) that may obstruct the expression of negative feelings, even on self-reported questionnaire. In addition, understanding the research context might help explain these non-significant links. The non-significant effect of negative emotion on behavioral intentions might become significant if the study focused on the consumer's perception of service fairness in a situation where a service failure occurred; however, this study dealt with the issue of service fairness in an all-inclusive service delivery context (including non-service failure situations).

Managerial implications

This study provides several managerial implications. This study offers managers a perspective for how consumers evaluate services from a fairness standpoint. The results of this study can help restaurant managers to better understand how each type of service fairness can contribute to eliciting either positive or negative emotion and eventually affect consumer behavioral intentions. This information should help restaurant managers develop more effective and efficient strategies for ensuring fairness, thus resulting in higher levels of customer retention and profits.

Adding more benefits and reducing the sacrifices for customers is the key to achieving success in business. In terms of customer sacrifice, among all four service fairness dimensions price fairness appears to be the sole dimension of fairness that has significant effect on all mediating (positive and negative emotions) and dependent constructs (behavioral intentions). Since establishing pricing strategies is critical to successful business, marketing managers should understand that consumers may judge the social acceptability of the price in relation to community standards or rules, and at the same time they judge the economic acceptability of the price magnitude in relation to their own self-interest. According to Helson's (1964) adaptation level theory, a consumer uses a standard of comparison, which is called the adaptation level, when judging a product's price (the stimulus). Each individual, based on prior experience with a myriad of stimuli, possesses a corresponding average adaptation level. This adaptation level embodies the field of subjective indifference and serves as a foundation when estimating further stimuli. Therefore, restaurateurs should strive to

1251

Interestingly, fast service does not bring about any positive emotions, whereas slow service produces negative emotions. This finding is in line with previous studies related to the negative emotions generated by waiting for services (Chebat and Filiatrault, 1993; Hui *et al.*, 1997). This would suggest to service providers that they should ensure the "first-come, first-served" policy whereby the requests of customers are attended to in the order they arrived, without any biases or preferences. As noted by Maister (1985), filling the time preceding services is also advisable to reduce negative emotional consequences and benefit the customers as well. For example, presenting menus to waiting restaurant patrons can fill their time as well as diminish the length of time needed to order after seating them (Taylor, 1994).

At the same time, restaurants should provide high quality services to evoke positive emotions and generate future favorable behaviors. Although the association between outcome fairness and behavioral intentions was not significant in this study, restaurant managers should not ignore the importance of tangible outcomes because food quality may act as a basic qualifier for restaurants (Sulek and Hensley, 2004). Considering its indirect impact on behavioral intentions through positive emotions, tangible outcomes might have to exceed expectations to generate positive future behaviors. Therefore, in a competitive business environment, restaurant managers should maintain tangible outcomes at a level that meets or exceeds customer standards and provide additional effects with differentiated service aspects.

Moreover, this study demonstrates that consumers weigh interactional fairness for their positive emotional and behavioral responses. This finding supports earlier work done by Bettencourt and Brown (1997), which argued that contact employees delight the customer by providing "little extras" and spontaneous exceptional service during the service encounter for customer satisfaction and positive emotional responses. Therefore, service operators in restaurants where customers spend time interacting with service providers need to pay close attention to implementing policies that facilitate evaluations of high interactional fairness and train servers to present the appropriate traits, such as politeness, courtesy, impartiality and fair-mindedness.

Limitations and future research

Despite its contributions and managerial implications, several limitations of the study need to be addressed. First, the data were collected from only casual dining restaurants. Therefore, generalizing the results to other segments of the restaurant industry may not work. Future studies should consider service fairness issues in other restaurant segments and examine the relative importance of each service fairness dimension among those segments. The sampling frame of this study was another limitation. A national sample of respondents was not used; the sample was drawn from two restaurants in two states. If the survey were expanded to include more states and countries, the crucial fairness themes may be different. Furthermore, from a methodological stance, future studies should refine and revalidate the fairness measurement items used in this study and test the applicability of the concept of fairness in evaluating restaurant services as compared to that of service quality.

This study emphasizes the importance of emotions in the field of service settings. However, our results did not support the proposed effect of negative emotion on behavioral intentions. Since customer responses to unjust service experiences are generally stronger than those perceived as just (Schneider and Bowen, 1999), negative emotional reactions often have been observed in association with perceived consumer unfairness. For example, rudeness elicits a strong emotional response (Goffman, 1983). A possible reason for the lack of a significant relationship between negative emotion and behavioral intentions could be the insufficiency of negative emotion items employed in this study. Although the measures of emotion developed in psychology may be useful in the contexts for which they were developed, they may have limitations when applied to emotions in specific consumption situations. That is, specific situation-oriented measures need to be developed to capture consumption-related emotions. Along this line, more attention should be paid to measuring emotions elicited within the idiosyncratic nature of restaurant service.

Another direction for future research involves personal and situational characteristics, such as sensitivity to fairness, level of loyalty and a wider range of different service problems or contexts, which could possibly moderate the relationships among constructs. As Lerner (1981) noted, based on personal sensitiveness to fairness, the importance of fairness may vary from extreme to irrelevant. In what ways do fairness considerations differ in terms of the level of sensitivity to fairness or criticality of the service encounter? How does the level of loyalty to a certain restaurant influence the way customers process and evaluate service fairness? Are loyal groups more likely to tolerate unfairness than non-loyal groups? Or are frequent customers more antagonistic to unfair service and begin to express their opinions on inadequate situations? Customers who have experienced a consistent quality of food might regard one disappointing meal as an exception. However, another customer who receives food of poor quality their first time at a restaurant might not have the same response. Thus, additional research is needed to more deeply examine the moderating role of the level of loyalty and the level of frequency between negative emotions and behavioral intentions. The perceived severity of service failure may also account for a customer's perception of service fairness. Thus, future research that includes these variables may help broaden our knowledge of the customer's perceptions of service fairness and its relationship with their emotional and behavioral responses.

References

- Abelson, R.P., Kinder, D.R., Peters, M.D. and Fiske, S.T. (1982), "Affective and semantic components in political person perception", *Journal of Personality and Social Psychology*, Vol. 42, pp. 619-30.
- Adams, J.S. (1963), "Toward an understanding of inequity", *Journal of Abnormal and Social Psychology*, Vol. 67, pp. 422-36.
- Adams, J.S. (1965), "Inequity in social exchange", Advances in Experimental Social Psychology, Vol. 2, pp. 267-99.
- Alexander, S. and Ruderman, M. (1987), "The role of procedural and distributive justice in organizational behavior", *Social Justice Research*, Vol. 1, pp. 177-98.

Allred, K.G. (2000), "Anger and retaliation in conflict: the role of attribution", in Deutsch, M. and Coleman, P.T. (Eds), The Handbook of Conflict Resolution: Theory and Practice, Jossey-Bass, San Francisco, CA, pp. 236-55.

Effects of perceived service fairness

Anderson, E.W. and Shugan, S.M. (1991), "Repositioning for changing preferences: the case of beef versus poultry", *Journal of Consumer Research*, Vol. 18 No. 2, pp. 219-32.

Anderson, J.C. and Gerbing, D.W. (1988), "Structural modeling in practice: a review and recommended two-step approach", *Psychological Bulletin*, Vol. 103 No. 3, pp. 411-23.

1253

- Babin, B.J., Darden, W.R. and Babin, L.A. (1998), "Negative emotions in marketing research: affect or artifact?", *Journal of Business Research*, Vol. 42, pp. 271-85.
- Bagozzi, R.P. (1974), "Marketing as an organized behavioral system of exchange", Journal of Marketing, Vol. 38 No. 4, pp. 77-81.
- Bagozzi, R.P. (1975), "Marketing as exchange", Journal of Marketing, Vol. 39 No. 4, pp. 32-9.
- Bagozzi, R.P. (1986), *Principles of Marketing Management*, Science Research Associates, Chicago, IL.
- Baker, J.A., Parasuraman, A., Grewal, D. and Voss, G.B. (2002), "The influence of multiple store environment cues on perceived merchandise vale and patronage intentions", *Journal of Marketing*, Vol. 66 No. 2, pp. 120-41.
- Bentler, P.M. and Bonett, D.G. (1980), "Significance test and goodness of fit in the analysis of covariance structures", *Psychology Bulletin*, Vol. 88, pp. 588-606.
- Berry, L.L. (1995), On Great Service: A Framework for Action, The Free Press, New York, NY.
- Berry, L.L., Parasuraman, A. and Zeithaml, V.A. (1994), "Improving service quality in America: lessons learned", *Academy of Management Executive*, Vol. 8 No. 2, pp. 32-44.
- Bettencourt, L.A. and Brown, S.W. (1997), "Relationships among workplace fairness, job satisfaction, and prosocial service behaviors", *Journal of Retailing*, Vol. 73, pp. 39-61.
- Bies, R.J. and Shapiro, D.L. (1987), "Interactional fairness judgment: the influence of causal accounts", *Social Justice Research*, Vol. 1, pp. 199-218.
- Bies, R.J. and Tripp, T.M. (1995), "The use and abuse of power: justice as social control", in Cropanzano, R. and Kacmar, K.M. (Eds), Organizational Politics, Justice, and Support: Managing the Social Climate of Work Organizations, Quorum Books, New York, NY, pp. 131-45.
- Bitner, M.J. and Hubbert, A.R. (1994), "Encounter satisfaction versus overall satisfaction versus quality: the customer's view", in Rust, R.T. and Oliver, R.L. (Eds), *Service Quality: New Directions in Theory and Practice*, Sage Publications, Thousand Oaks, CA, pp. 72-94.
- Bitner, M.J., Booms, B.H. and Mohr, L.A. (1994), "Critical service encounters: the employee's viewpoint", *Journal of Marketing*, Vol. 58 No. 4, pp. 95-106.
- Bitner, M.J., Booms, B.M. and Tetreault, M.S. (1990), "The service encounter: diagnosing favorable and unfavorable incidents", *Journal of Marketing*, Vol. 54 No. 1, pp. 71-85.
- Bitner, M.J., Brown, S.W. and Meuter, M.L. (2000), "Technology infusion in service encounters", Academy of Marketing Science, Vol. 28 No. 1, pp. 138-49.
- Blau, P.M. (1964), Exchange and Power in Social Life, Wiley, New York, NY.
- Blodgett, J.G., Granbois, D.H. and Walters, R.G. (1993), "The effects of perceived justice on complainants' negative word-of-mouth behavior and repatronage intentions", *Journal of Retailing*, Vol. 69 No. 4, pp. 399-428.
- Brady, F.N. and Dunn, C.P. (1995), "Business meta-ethics: an analysis of two theories", *Business Ethics Quarterly*, Vol. 5 No. 3, pp. 385-98.

- Chebat, J.C. and Filiatrault, P. (1993), "The impact of waiting in line on consumers", *Journal of Bank Marketing*, Vol. 11 No. 2, pp. 35-40.
- Clemmer, E.C. (1993) in Cropanzano, R. (Ed.), Justice in the Workplace: Approaching Fairness in Human Resource Management, Lawrence Erlbaum Associates, Hillsdale, NJ.
- Clemmer, E.C. and Schneider, B. (1996), "Fair service", in Swartz, T.A., Bowen, D.E. and Brown, S.W. (Eds), *Advances in Services Marketing and Management*, Vol. 5, JAI Press, Greenwich, CT, pp. 109-26.
- Colquitt, J.A. (2001), "On the dimensionality of organizational justice: a construct validation of a measure", *Journal of Applied Psychology*, Vol. 86 No. 3, pp. 386-400.
- Cropanzano, R. and Greenberg, J. (1997), "Progress in organizational justice: tunneling through the maze", *International Review of Industrial and Organizational Psychology*, Vol. 12, pp. 317-72.
- Davis, M.M. and Vollmann, T.E. (1990), "A framework for relating waiting time and customer satisfaction in a service operation", *Journal of Service Marketing*, Vol. 4 No. 1, pp. 61-9.
- de Ruyter, K. and Wetzels, M. (2000), "Customer equity considerations in service recovery: a cross-industry perspective", *Journal of Service Industry Management*, Vol. 11 No. 1, pp. 91-108.
- Derbaix, C. and Pham, M.T. (1991), "Affective reactions to consumption situations: a pilot investigation", *Journal of Economic Psychology*, Vol. 12 No. 2, pp. 325-55.
- Deutsch, M. (1985), Distributive Justice, Yale University Press, New Haven, CT.
- Donovan, R.J. and Rossiter, J.R. (1982), "Store atmosphere: an environmental psychology approach", *Journal of Retailing*, Vol. 58 No. 1, pp. 34-57.
- Dubé, L. and Menon, K. (1998), "Why would certain types of in-process negative emotions increase post-purchase consumer satisfaction with services? Insights from an interpersonal view of emotions", in Swartz, T.A., Bowen, D.E. and Brown, S.W. (Eds), Advances in Services Marketing and Management, Vol. 7, JAI Press, Greenwich, CT, pp. 131-58.
- Etzioni, A. (1988), *The Moral Dimension Towards a New Economics*, The Free Press, New York, NY.
- Fischer, K.W. and Tangney, J.P. (1995), "Self-conscious emotions and the affect revoluscious emotions", in Tangney, J.P. and Fischer, K.W. (Eds), *Self-conscious Emotions: The Psychology of Shame, Guilt, Embarrassment, and Pride*, Guildford Press, New York, NY, pp. 2-22.
- Fishbein, M. and Ajzen, I. (1975), *Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research*, Addison-Wesley, Reading, MA.
- Fisk, R.P. and Coney, K.A. (1982), "Postchoice evaluation: an equity theory analysis of consumer satisfaction/dissatisfaction with service choices", in Hunt, H.K. and Day, R.L. (Eds), Conceptual and Empirical Contributions to Consumer Satisfaction and Complaining Behavior, School of Business, Indiana University, Bloomington, IN, pp. 9-16.
- Folger, R. (1977), "Distributive and procedural justice: combined impact of 'vice' and improvement on experienced inequity", *Journal of Personality and Social Psychology*, Vol. 35, pp. 108-19.
- Folger, R. and Cropanzano, R. (1998), *Organizational Justice and Human Resource Management*, Sage Publications, Thousand Oaks, CA.
- Folger, R. and Konovsky, M.A. (1989), "Effects of procedural and distributive justice on reactions to pay raise decision", *Academy of Management Journal*, Vol. 32 No. 1, pp. 115-30.

Fornell, C. and Larcker, D.F. (1981), "Evaluating structural equation models with unobservable variables and measurement error", *Journal of Marketing Research*, Vol. 18 No. 1, pp. 39-50.

Frijda, N.H. (1993), "Moods, emotion episodes, and emotions", in Lewis, J.M. and Haviland, M. (Eds), *Handbook of Emotions*, Guilford, New York, NY, pp. 381-404.

- Goffman, E. (1983), "The interaction order", American Sociological Review, Vol. 48, pp. 1-17.
- Greenberg, J. (1987), "A taxonomy of organizational justice theories", *Academy of Management Review*, Vol. 12, pp. 9-22.
- Greenberg, J. (1990), "Organizational justice: yesterday, today, and tomorrow", Journal of Management, Vol. 16 No. 2, pp. 399-432.
- Gronroos, C. (1988), "Source quality: the six criteria of good perceived service quality", *Review of Business*, Vol. 9 No. 3, pp. 10-13.
- Gronroos, C. (2007), Service Management and Marketing: Customer Management in Service Competition, 3rd ed., Wiley, New York, NY.
- Gross, J.J., John, O.P. and Richards, J.M. (2000), "The dissociation of emotion expression from emotion experience: a personality perspective", *Personality and Social Psychology Bulletin*, Vol. 26, pp. 712-26.
- Hair, J.F., Anderson, R.E., Tatham, R.L. and Black, W.C. (1998), Multivariate Data Analysis, 5th ed., Prentice-Hall, Upper Saddle River, NJ.
- Havlena, W.J. and Holbrook, M.B. (1986), "The varieties of consumption experience: comparing two typologies of emotion in consumer behavior", *Journal of Consumer Research*, Vol. 13 No. 3, pp. 394-404.
- Haws, K.L. and Bearden, W.O. (2006), "Dynamic pricing and consumer fairness perceptions", Journal of Consumer Research, Vol. 33 No. 3, pp. 304-11.
- Haynes, P.J. (1990), "Hating to wait: managing the final service encounter", *Journal of Services Marketing*, Vol. 4, pp. 20-6.
- Helson, H. (1964), Adaptation-level Theory, Harper & Row, New York, NY.
- Hightower, R., Brady, M.K. and Baker, T.L. (2002), "Investigating the role of the physical environment in hedonic service consumption: an exploratory study of sporting events", *Journal of Business Research*, Vol. 55 No. 4, pp. 697-707.
- Hirschman, A.O. (1970), Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States, Harvard University Press, Cambridge, MA.
- Hirschman, E.C. and Holbrook, M.B. (1982), "Hedonic consumption: emerging concepts, methods, and propositions", *Journal of Marketing*, Vol. 46 No. 3, pp. 92-101.
- Holbrook, M.B. (1986), "Emotion in the consumption experience: toward a new model of the human consumer", in Peterson, R.A., Hoyer, W.D. and Wilson, W.R. (Eds), *The Role of Affect in Consumer Behavior: Emerging Theories and Applications*, Lexington Books, Lexington, MA, pp. 17-52.
- Homans, G.C. (1961), Social Behavior: Its Elementary Forms, Harcourt, Brace, and World, New York, NY.
- Homans, G.C. (1974), Social Behavior: Its Elementary Forms, revised edition, Harcourt, Brace, and World, New York, NY.
- Hornik, J. (1984), "Subjective vs objective time measures: a note on the perception of time in consumer behaviour", *Journal of Consumer Research*, Vol. 11 No. 1, pp. 615-9.
- Hui, M.K. and Tse, D.K. (1996), "What to tell consumers in waits of different lengths: an integrative model of service evaluation", *Journal of Marketing*, Vol. 60, pp. 81-90.

Effects of perceived service fairness

1255