

# THE EFFECTS OF DISTRIBUTIVE AND INTERACTIONAL JUSTICE ON COMPLAINANTS' REPATRONAGE INTENTIONS AND NEGATIVE WORD-OF-MOUTH INTENTIONS

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## ABSTRACT

This study examines the effects of distributive justice (i.e., the complainants' perceptions of the fairness of the refund, exchange, or discount offered by the retailer) and interactional justice (i.e., complainants' satisfaction/dissatisfaction with the manner in which the retailer handled the complaint) on complainants' repatronage and negative word-of-mouth intentions. A quasi-experimental design was used; data were analyzed using a 2 X 2 MANOVA. The findings reveal that complainants demand total satisfaction.

## INTRODUCTION

Because of more sophisticated consumers, and increasingly competitive markets, many retailers have come to recognize the strategic importance of remedying consumer complaints. Successful retailers guarantee satisfaction, and encourage their customers to return products they are dissatisfied with for one reason or another. These retailers realize that when a dissatisfied consumer seeks redress they then have an opportunity to remedy the situation. Complainants who are satisfied with the retailer's response (i.e., perceive that justice has been done) are likely to repatronize the retailer, and may even become more loyal customers. However, complainants who are dissatisfied with the retailer's response (i.e., perceive a lack of justice) are likely to vow never to shop there again (i.e., exit) and are likely to tell their friends and relatives about their dissatisfaction (i.e., engage in negative word-of-mouth behavior). Indeed, Gilly and Gelb (1982) found that complainants' level of satisfaction/dissatisfaction with the retailer's response greatly affected their repurchase intentions, while a TARP (1981) study found that consumers who were dissatisfied with the retailer's response engaged in twice as much negative word-of-mouth as did those complainants who were satisfied with the retailers response. Despite this

evidence, recent models of consumer complaining behavior have not investigated the effects of perceived justice on post-redress seeking complaining behaviors such as exit (i.e., repatronage intentions) and negative word-of-mouth behavior (e.g., Singh 1990; Richins 1987, 1983). Because of its impact on complainants' repatronage intentions and their word-of-mouth behavior (both negative and positive), and hence retail sales and profits, the concept of perceived justice deserves additional study.

The purpose of this study is to advance our understanding of perceived justice. The focus is on how two conceptually distinct, but related, aspects of perceived justice affect post-redress seeking complaining behavior. In particular, this study will examine the effects of distributive justice (i.e., complainants' satisfaction/dissatisfaction with the refund, exchange, or discount offered by the retailer) and interactional justice (i.e., complainants' satisfaction/dissatisfaction with the manner in which the retailer handled the complaint) on complainants' repatronage and negative word-of-mouth intentions. This study will be of value to researchers who are developing causal models of complaining behavior, and to managers who design and implement complaint handling procedures. By including perceived justice in their models researchers will be able to explain a greater percentage of the variance of complainants' negative word-of-mouth behavior and their repatronage intentions. By understanding the impact of perceived justice on complainants' repatronage intentions and their word-of-mouth behavior retailers may be better able to relate the costs and benefits associated with remedying consumer complaints to retail sales and profits. Retailers might also use this information to develop more effective employee training programs.

## THEORETICAL DEVELOPMENT AND HYPOTHESES

The concept of justice has evolved over time to include not only the perceived fairness of the tangible outcome (i.e., distributive justice) of a decision, but also the perceived fairness of the procedures used in arriving at that decision (i.e., procedural justice) and the quality of the interaction between the parties involved in the conflict (i.e., interactional justice); see Bies and Moag (1986), Alexander and Ruderman (1987), and Deutsch (1985). The following section will discuss these components of perceived justice in more detail. This study will be concerned primarily with the distributive and interactional aspects of perceived justice, although by nature it will encompass certain aspects of procedural justice. The following section will discuss these components of perceived justice in more detail.

### Distributive Justice

Distributive justice refers to the perceived fairness of the tangible outcome of a decision (Messick and Cook 1983). While studied in many disciplines (e.g., economics, political science, law, psychology) distributive justice has its origins in social exchange theory (Blau 1964; Homans 1974), which emphasizes the role of equity (Adams 1965) in shaping subsequent interpersonal interactions. Issues of distribution are pervasive in society, existing in any situation where there is an exchange type of relationship (Deutsch 1985). From a consumer complaint perspective, distributive justice refers to the perceived fairness of the redress (i.e., in the form of a refund, exchange, discount, or repair) offered by the retailer.

A number of marketing studies have found that equity evaluations impact upon consumer satisfaction, quality-of-service ratings, and repurchase intentions (Fisk and Coney 1982; Mowen and Grove 1983; Huppertz, Arenson, and Evans 1978; Oliver and Swan 1989). It follows that complainants' perceptions of the fairness of the retailer's offer of redress (i.e., distributive justice) will influence whether they will repatronize the retailer and whether they will subsequently engage in negative word-of-mouth

behavior. Therefore, the following hypotheses are offered:

H1a: Distributive justice will have a positive effect on subjects' repatronage intentions.

H1b: Distributive justice will have a negative effect on subjects' negative word-of-mouth intentions.

### Interactional Justice

Interactional justice refers to the quality and fairness of the interpersonal treatment people experience during the resolution of a conflict (Bies and Moag 1986; Bies and Shapiro 1987). Previous studies have identified several aspects of interactional justice: truthfulness, respect, justification for treatment (Bies and Moag 1986), politeness, friendliness, sensitivity, interest, and honesty (Clemmer 1988). Other aspects of interactional justice include empathy and assurance (Parasuraman, Zeithaml, and Berry 1985), directness and concern (Ulrich 1984), and the provision of an explanation or apology (Bitner, Booms, and Tetreault 1990; Bies and Shapiro 1987). In a retailing context, interactional justice refers to the complainant's level of satisfaction/dissatisfaction with the manner in which the retailer handled the complaint (i.e., was the complainant treated with courtesy and respect, did the retailer listen to the complainant's side of the story, did the retailer offer an apology?). The concept of interactional justice may explain why some people perceive an overall lack of justice even though they would characterize the outcome to be fair (Bies and Shapiro 1987). Since retailer-customer communication is a necessary and central feature of a complaint (Jacoby and Jaccard 1981; TARP 1986; Westbrook 1987) the concept of interactional justice offers considerable potential in contributing to our understanding of consumer complaining behavior.

Limited empirical or theoretical research has been conducted on interactional justice. In general, it has been found that fair interpersonal treatment contributes to satisfaction with service encounters (Bitner, Booms, and Tetreault 1990; Tyler 1987), enhanced evaluations of service

quality (Parasuraman, Zeithaml, and Berry 1985), and better evaluations of complaint resolutions (Goodwin and Ross 1989). Based on previous research, the following hypotheses are offered:

H2a: Interactional justice will have a positive effect on subjects' repatronage intentions.

H2b: Interactional justice will have a negative effect on subjects' negative word-of-mouth intentions.

### **Procedural Justice**

Procedural justice refers to the perceived fairness of the procedures, or criteria, used by decision makers in arriving at their decision (Thiabaut and Walker 1975; Lind and Tyler 1988). A key aspect is whether the concerned party perceives the criteria used to be unbiased and impartial. Other aspects of procedural justice include whether the decision maker considered both sides of the issue, and whether the focal party was allowed input into the decision (Greenberg and Folger 1983). From a retailing perspective, many aspects of procedural justice are intertwined with interactional justice. Having a stated return policy, such as "no refunds without a receipt," or "no refunds or exchanges after 30 days," is strictly a procedural issue. However, many aspects of the procedure also contain elements of interactional justice. For example, whether the retailer gives the complainant a chance to explain the problem, and whether the retailer seems to take this information into consideration, are also important aspects of the interaction between the complainant and the retailer. For purposes of this study, these latter aspects of procedural justice are included under the domain of interactional justice.

### **Distributive Justice X Interactional Justice**

There is much evidence to suggest that complainants' perceptions of interactional (and procedural) justice can affect their perceptions of distributive justice. Research in social psychology and organizational behavior has shown that even if concerned parties do not receive the outcome they desired, they may still be satisfied if they perceive

the procedures to be fair, or if they were allowed the opportunity to provide input into the decision (Deutsch 1975). In a marketing context, Goodwin and Ross (1989) found that consumers were willing to repatronize the offending service provider when only a token remedy was received, *if* they perceived the procedure to be fair and the interaction to be positive. Apparently, the perceived fairness of interpersonal (and procedural) treatment, through some halo effect or similar mechanism, influenced complainants' perceptions of the fairness of the outcome. Since it has been shown that complainants' perceptions of interactional justice may impact upon their perceptions of distributive justice, an key issue is whether the interaction of distributive and procedural justice will in turn impact upon complainants' repatronage intentions and their negative word-of-mouth behavior. In order to answer this question it is hypothesized that:

H3a: There will be a significant interaction effect between distributive and interactional justice on complainants' repatronage intentions.

H3b: There will be a significant interaction effect between distributive and interactional justice on complainants' negative word-of-mouth intentions.

Of particular interest is whether complainants who experience high levels of interactional justice, but low levels of distributive justice, will report high levels of repatronage intentions and low levels of negative word-of-mouth intentions.

## **METHODOLOGY**

### **Design**

A 2 X 2 MANOVA design was employed, with distributive and interactional justice as the independent variables, and repatronage intentions and negative word-of-mouth intentions as the dependent variables. Subjects were asked to read a scenario describing a situation in which they were dissatisfied with a product and subsequently sought redress from the retailer. Subjects were asked to imagine that this situation actually

happened to them, and to imagine how they would have felt and what they subsequently would have done. A total of four scenarios were created, representing the various combinations of high and low distributive justice and high and low interactional justice. In the different scenarios, consumers (i.e., subjects) were offered an exchange or a store credit (high distributive justice) or a 40% discount on another pair of tennis shoes (low distributive justice), and were either treated with courtesy and respect (high interactional justice) or were treated somewhat rudely (low interactional justice). Subjects were then asked about their repatronage intentions and their negative word-of-mouth intentions. See Exhibit 1 for the four scenarios.

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### EXHIBIT 1

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#### Scenario #1 High Distributive/High Interactional

Imagine that you purchased a pair of moderately priced, name-brand tennis shoes a couple of months ago (for yourself, your spouse, or a son or daughter) and you just noticed that they are already starting to fall apart. Under normal conditions the tennis shoes should have lasted much longer; therefore, you decide to take them back to the retailer and ask for a refund or an exchange. Upon entering the store you are greeted by a salesperson who asks if he can help you. You say "Yes" and proceed to tell him why you are returning the tennis shoes. The salesperson very politely listens to your story and agrees that the shoes should not have worn out so soon. He asks if you have a receipt and you answer "No, since these are name-brand shoes it did not even occur to me that they might wear out so quickly." "I understand," says the salesperson, somewhat apologetically, "If you will excuse me for a second I will get the manager and let you talk with her." A few seconds later the manager enters the room, "Hi, my name is Karen. I am very sorry that you had a problem with these shoes. Normally they are a very good brand. We sold a lot of these shoes. Since you do not have a receipt we cannot refund your money, but we will be glad to let you exchange the old pair for a comparably priced pair of tennis shoes, or if you like, we could issue you a store credit." The manager then proceeds to show you all the different pairs of tennis shoes in stock.

#### Scenario #2 High Distributive/Low Interactional

Imagine that you purchased a pair of moderately

priced, name-brand tennis shoes a couple of months ago (for yourself, your spouse, or a son or daughter) and you just noticed that they are already starting to fall apart. Under normal conditions the tennis shoes should have lasted much longer; therefore, you decide to take them back to the retailer and ask for a refund or an exchange. Upon entering the store you are greeted by a salesperson who asks if he can help you. You say "Yes" and proceed to tell him why you are returning the shoes. The salesperson asks if you have a receipt and you answer "No, since these are name-brand shoes it did not even occur to me that they might wear out so quickly." The salesperson states that since you do not have a receipt, and since you *have* been wearing the shoes, he cannot give you a refund or exchange the shoes for another pair. You point out that you have purchased this brand previously from this store, and that these shoes should not have worn out so quickly. The salesperson does not appear very interested in listening to your story and when another customer enters the store he excuses himself saying "I'll be back in a few minutes" and leaves to greet the other customer. In a few minutes the salesperson returns and says "I'm sorry, our policy is that we need a receipt, otherwise we can't even be sure that you bought the shoes at our store." You protest, "But I just bought these shoes two months ago. I thought this store stood behind its products!" You then ask to speak to the manager. The salesperson, somewhat impatiently, says "OK" and calls the manager on the telephone. A few seconds later the salesperson says "the manager is really busy now, but if you can wait a few minutes she will try to be out as quickly as she can." After several minutes the manager finally appears and asks the salesperson to explain the problem. When the salesperson finishes talking you tell the manager, "I have purchased several pairs of shoes at this store in the past and have never had a problem, but for some reason this particular pair of shoes just did not hold up. This pair lasted only two months. I really think that you should do something about it." The manager reiterates that since you do not have a receipt she cannot refund your money; however, she *would* be willing to let you exchange the tennis shoes for a comparably priced pair, or issue you a store credit. She then suggests that you look around at the other tennis shoes in stock.

#### Scenario #3 Low Distributive/High Interactional

Imagine that you purchased a pair of moderately priced, name-brand tennis shoes a couple of months ago (for yourself, your spouse, or a son or daughter) and you just noticed that they are already starting to fall apart. Under normal conditions the tennis shoes should have lasted much longer; therefore, you decide to take them back to the retailer and ask for a refund or an exchange. Upon entering the store you are greeted by a salesperson who asks if he can help you. You say "Yes" and proceed to tell him why you are returning the shoes. The

salesperson very politely listens to your story and agrees that the shoes should not have worn out so soon. He asks if you have a receipt and you answer "No, since these are name-brand shoes it did not even occur to me that they might wear out so quickly." "I understand" says the salesperson, somewhat apologetically, "If you will excuse me just for a second I will get the manager and let you talk with her." A few seconds later the manager enters the room, "Hi, I'm Karen. I am very sorry that you had a problem with these shoes. Normally they are a very good brand. We sold a lot of these shoes." She then explains that store policy is that without a receipt she cannot refund your money, nor can she exchange the shoes. You protest "But I just bought these shoes two months ago, and they are worn out already." The manager says "I understand how you feel. We really do appreciate your business." Because of your inconvenience she then offers you a 40% discount on any other pair of tennis shoes in stock, and asks if you would like to look around.

#### **Scenario #4**

##### **Low Distributive/Low Interactional**

Imagine that you purchased a pair of moderately priced, name-brand tennis shoes a couple of months ago (for yourself, your spouse, or a son or daughter) and you just noticed that they are already starting to fall apart. Under normal conditions the tennis shoes should have lasted much longer; therefore, you decide to take them back to the retailer and ask for a refund or an exchange. Upon entering the store you are greeted by a salesperson who asks if he can help you. You say "Yes" and proceed to tell him why you are returning the shoes. The salesperson asks if you have a receipt and you answer "No, since these are name-brand shoes it did not even occur to me that they might wear out like they did." The salesperson states that since you do not have a receipt, and since you *have* been wearing the shoes, he cannot give you a refund or exchange the shoes for another pair. You point out that you have purchased this brand previously from this store, and that these shoes should not have worn out so quickly. The salesperson does not appear very interested in listening to your story and when another customer enters the store he excuses himself saying "I'll be back in a few minutes" and leaves to greet the other customer. In a few minutes the salesperson returns and says "I'm sorry, our policy is that we need a receipt, otherwise we can't even be sure that you bought the shoes at our store." You protest, "But I just bought these shoes two months ago. I thought this store stood behind its products!" You then ask to speak to the manager. The salesperson, somewhat impatiently, says "OK" and calls the manager on the telephone. A few seconds later the salesperson says "the manager is really busy now, but if you can wait a few minutes she will try to be out as quickly as she can." After several minutes the manager finally appears and asks the salesperson to explain the problem. When the salesperson

finishes talking you tell the manager, "I have purchased several pairs of shoes at this store in the past and have never had a problem, but for some reason this particular pair of shoes just did not hold up. This pair lasted only two months. I really think that you should do something about it." The manager reiterates that since you do not have a receipt she cannot refund your money, nor can she exchange the shoes for a new pair. However, "because of your inconvenience" she then offers you a 40% discount on any other pair of tennis shoes in stock, and suggests that you look around.

#### **Subjects**

Data were collected via a self-report questionnaire administered to staff and faculty employees at a major university in the mid-south. Subjects were given \$5 in exchange for their participation. A total of 60 (15 per cell) useable responses were collected. Fifty-two of the 60 respondents were female. Fifty-eight percent of the respondents classified themselves as clerical workers, 27% held professional jobs, while 15% worked in administrative positions. Respondents were fairly evenly divided between the different age levels; 17% were between the ages of 18-24, 28% were between 25-34, 27% were between 35-44, and 28% were between the ages of 45-64. Thirteen percent of the respondents reported that their highest educational level was high school, 35% had attended some college, 27% had completed college, and 25% had post-college experience. Twenty-six percent of the respondents had household income of less than \$20,000, 27% reported household income between \$20,000 - \$35,000, 15% had income in the \$35,000 - \$44,999 range, 18% reported income between \$45,000 - \$64,000, and 13% had income in excess of \$65,000.

#### **Measures**

Subjects' repatronage intentions and negative word-of-mouth intentions were each measured with three items (see Exhibit 2 for a listing of these items), using 7-point Likert-type scales. The resulting measures were highly reliable; Cronbach's alpha for both repatronage and negative word-of-mouth intentions equaled .93. In order to perform manipulation checks on the independent variables and to rule out potential

confounds (Perdue and Summers 1986) measures were also collected on subjects' perceptions as to the levels of distributive and interactional justice, and on their attitudes toward complaining (i.e., seeking redress). Distributive justice was measured with three global items, resulting in a Cronbach's alpha of .97, while interactional justice was measured with four items, with Cronbach's alpha equaling .93. Attitude toward complaining was measured with two items, with Cronbach's alpha equaling .75. (See Exhibit 2.)

### Manipulation Checks

In order to ensure that subjects did indeed perceive a significant difference between experimental conditions (i.e., between high and low distributive justice, and between high and low interactional justice) manipulation checks were performed (Perdue and Summers 1986). A series of planned t-tests revealed that subjects in the high distributive justice conditions did indeed perceive higher levels of distributive justice higher ( $\bar{x}=6.22$ ) than did those subjects in the low distributive justice condition ( $\bar{x}=1.94$ ;  $t_{58}=18.36$ ,  $p=.000$ ), while subjects in the high interactional condition perceived higher levels of interactional justice higher ( $\bar{x}=5.83$ ) than did those subjects in the low interactional justice condition ( $\bar{x}=2.02$ ;  $t_{58}=17.42$ ,  $p=.000$ ). As would be expected, subjects' perceptions as to the level of interactional justice did not significantly differ across the high ( $\bar{x}=4.34$ ) and low ( $\bar{x}=3.53$ ) distributive conditions ( $t_{58}=1.46$ ,  $p=.150$ ), while subjects' perceptions as to the level of distributive justice did not significantly differ across the high ( $\bar{x}=4.36$ ) and low ( $\bar{x}=3.81$ ) interactional conditions ( $t_{58}=.90$ ,  $p=.371$ ). These results demonstrate that we were successful in our manipulation of high and low levels of both independent variables, and that the differing levels of each variable did not significantly affect subjects' perceptions of the other variable. In order to rule out potential confounding variables (i.e., unmeasured variables) subjects were also asked about their attitudes toward complaining. A one-way ANOVA found that respondents across the four conditions did not differ in their attitudes toward complaining ( $F_{3,56}=1.16$ ,  $p=.333$ ), demonstrating homogeneity across groups and thus providing evidence as to

internal validity (Cook and Campbell 1979).

### Results

A 2 X 2 MANOVA was used to assess the affects of distributive (high/low) and interactional (high/low) justice on complainants' repatronage and negative word-of-mouth intentions. Hypotheses 3a and 3b stated that there would be an interaction effect between distributive and interactional justice on subjects' repatronage and negative word-of-mouth intentions; however, these hypotheses were rejected (Pillais statistic = .059,  $F_{2,55}=1.74$ ,  $p=.186$ ; see Tables 1 and 2). Since no interactions were found attention was then directed to main effects. As hypothesized (H1a and H1b), distributive justice had a significant main effect on subjects' repatronage and negative word-of-mouth intentions (Pillais statistic = .499,  $F_{2,55}=27.37$ ,  $p=.000$ ). Univariate analyses revealed that the main effect of distributive justice was significant for both repatronage intentions ( $F_{1,56}=51.99$ ,  $p=.000$ ) and negative word-of-mouth intentions ( $F_{1,56}=46.52$ ,  $p=.000$ ); subjects in the high distributive justice conditions reported higher repatronage intentions, and lower negative word-of-mouth intentions, as compared to subjects in the low distributive justice conditions. As hypothesized (H2a and H2b), interactional justice also had a significant main effect on subjects' repatronage and negative word-of-mouth intentions (Pillais statistic = .374,  $F_{2,55}=16.40$ ,  $p=.000$ ). Univariate analyses revealed that the main effect of interactional justice was significant for both repatronage intentions ( $F_{1,56}=61.34$ ,  $p=.000$ ) and negative word-of-mouth intentions ( $F_{1,56}=51.03$ ,  $p=.000$ ); subjects in the high interactional conditions reported higher repatronage intentions, and lower negative word-of-mouth intentions, as compared to subjects in the low interactional justice conditions. See Table 2 for the MANOVA summary. In order to ascertain the proportion of variance accounted for by each of the main effects omega-squared ( $\omega^2$ ) was calculated. Together, distributive and interactional justice explained 57.31% of the variance of repatronage intentions and 52.69% of the variance of negative word-of-mouth intentions. Distributive justice explained 35.41%, and interaction justice explained 21.91% of the variance of subjects' repatronage intentions,

Table 1

		Interactional Justice					
		High		Low			
Distributive Justice	High	1	2	3	4	<u>REPAT</u>	<u>NWOM</u>
	Low	3	4	3	4	<u>REPAT</u>	<u>NWOM</u>
		<u>REPAT</u> 6.07 (1.12)	<u>NWOM</u> 1.78 (1.36)	<u>REPAT</u> 3.49 (1.43)	<u>NWOM</u> 4.31 (1.23)	<u>REPAT</u> $\bar{x} = 4.78$ $\sigma^2 = (1.82)$	<u>NWOM</u> 3.05 (1.81)
		n=15		n=15			
		<u>REPAT</u> 2.96 (1.89)	<u>NWOM</u> 4.98 (1.87)	<u>REPAT</u> 1.49 (0.80)	<u>NWOM</u> 6.13 (1.15)	<u>REPAT</u> $\bar{x} = 2.22$ $\sigma^2 = (1.61)$	<u>NWOM</u> 5.55 (1.63)
		n=15		n=15			
		$\bar{x} = 4.51$ $\sigma^2 = (2.20)$	3.38 (2.28)	$\bar{x} = 2.49$ $\sigma^2 = (1.53)$	5.22 (1.49)	$\bar{x} = 3.50$ $\sigma^2 = (2.14)$	4.30 (2.13)

while distributive justice explained 34.45%, and interactional justice explained 18.24% of the variance of subjects' negative word-of-mouth intentions.

Since all main effects were significant, attention was then focused on pairwise group comparisons. In testing for differences in subjects' repatronage and negative word-of-mouth intentions across each of the four groups (or conditions) the Student-Newman-Keuls test for multiple comparisons was used. For repatronage intentions, the results show that all group means are significantly different from one another, except for those of groups 2 (high-distributive/low-interactional,  $\bar{x}=3.49$ ) and 3 (low-distributive/high-interactional,  $\bar{x}=2.96$ ); see Table 3A. Interestingly, the repatronage intentions of those subjects who experienced high distributive, but low interactional justice were not significantly

different from the repatronage intentions of those subjects who experienced low distributive, but high interactional justice. The same findings hold true for negative word-of-mouth intentions; again all group means are significantly different from one another, except for those of groups 2 (high-distributive/low-interactional,  $\bar{x}=4.31$ ) and 3 (low-distributive/high-interactional,  $\bar{x}=4.98$ ); see Table 3B. The negative word-of-mouth intentions of those subjects who experienced high distributive, but low interactional justice were not significantly different from the negative word-of-mouth intentions of those subjects who experienced low distributive, but high interactional justice.

## DISCUSSION

Although this study found no significant interaction effect, it did find both distributive and

**Table 2**  
**MANOVA Summary**

Test	d.f.	F-value	sign.
Effect of Distributive X Procedural on Repatronage and Negative Word-of-Mouth			
Multivariate Pillais	2,55	1.74	.186
Effect of Distributive on Repatronage and Negative Word-of-Mouth			
Multivariate Pillais	2,55	27.37	.000
Effect of Distributive on Repatronage			
Univariate F	1,56	51.99	.000
Effect of Distributive on Negative Word-of-Mouth			
Univariate F	1,56	46.52	.000
Effect of Interactional on Repatronage and Negative Word-of-Mouth			
Multivariate Pillais	2,55	16.40	.000
Effect of Interactional on Repatronage			
Univariate F	1,56	32.56	.000
Effect of Interactional on Negative Word-of-Mouth			
Univariate F	1,56	25.10	.000

**Table 3A**  
**Summary of Group Differences for Repatronage Intentions (Newman-Keuls Test)**

Group	1	2	3	4	Dist/Intr	Mean	Rank
1	-				high/high	6.07	1
2	*	-			high/low	3.49	2
3	*	ns	-		low/high	2.96	3
4	*	*	*	-	low/low	1.49	4

1) \* signifies a significant difference between groups at the  $p = .05$  level  
 2) repatronage intentions was measured on a 1 - 7 scale, with 1 denoting highly unlikely and 7 denoting highly likely

interactional justice to have significant main effects on subjects' repatronage and negative word-of-mouth intentions. These findings show that both elements of justice are crucial determinants of complainants' subsequent shopping behavior and negative word-of-mouth behavior. Complainants demand both high distributive justice and high interactional justice, as evidenced by the mean repatronage and negative word-of-mouth scores for the high/low, low/high, and low/low distributive/interactional conditions (see Tables 3A and 3B).

**Table 3B**  
**Summary of Group Differences for Negative Word-of-Mouth Intentions (Newman-Keuls Test)**

Group	1	2	3	4	Dist/Intr	Mean	Rank
1	-				high/high	1.78	1
2	*	-			high/low	4.31	2
3	*	ns	-		low/high	4.98	3
4	*	*	*	-	low/low	6.13	4

1) \* signifies a significant difference between groups at  $p = .05$  level  
 2) negative word-of-mouth intentions was measured on a 1 - 7 scale, with 1 denoting highly unlikely and 7 denoting highly likely

In all three of these conditions subjects' repatronage intentions were relatively low, and their negative word-of-mouth intentions were relatively high. These findings clearly demonstrate that complainants (and consumers in general) demand total satisfaction.

Interestingly, there were no significant differences between the repatronage and negative word-of-mouth intentions of those subjects who experienced high-distributive/low-interactional justice and those subjects who experienced low-distributive/high-interactional justice. Apparently, courtesy, friendliness, and empathy (i.e., high interactional justice) are not enough to overcome the dissatisfaction complainants' experience when their request for a refund or exchange is not granted (i.e., low distributive justice). Likewise, the satisfaction of receiving a full refund or exchange (i.e., high distributive justice) is offset by the ill effects of a rude and insensitive retail employee (i.e., low interactional justice). These findings demonstrate that if complainants do not receive the redress they expect, or are dissatisfied with the manner in which the retailer handled their complaint, they are likely to tell others about their dissatisfaction and to exit. Again, consumers demand total satisfaction.

It should be pointed out that the anticipated halo effect of interactional justice did not materialize. Subjects who experienced low distributive, but high interactional justice reported significantly lower repatronage intentions, and significantly higher negative word-of-mouth



intentions than those complainants who experienced both high distributive and high interactional justice. These findings conflict with those of Goodwin and Ross (1989), who found that complainants' were willing to repatronize the offending service retailer when only a token remedy was received, if they perceived the procedure to be fair and the interaction to be positive.

Though both components of justice are important, it appears that distributive justice plays a larger role in determining complainants' repatronage and negative word-of-mouth intentions than does interactional justice. Distributive justice explained 35.41% of the variation of repatronage intentions and 34.45% of the variance of negative word-of-mouth intentions, while distributive justice explained 21.91% of the variance of repatronage intentions and 18.24% of the variance of negative word-of-mouth. Furthermore, when the repatronage and negative word-of-mouth intentions of the four groups are rank-ordered (see Tables 3A and 3B), one finds that these rankings can be explained primarily by the level of distributive justice. The two high-distributive justice conditions (groups 1 and 2) are ranked more favorably in terms of both repatronage intentions and negative word-of-mouth intentions than are the two low-distributive conditions (groups 3 and 4). The same is not true of interactional justice; group 2 (high-distributive/low-interactional) is ranked more favorably than group 3 (low-distributive/ high-interactional). These findings appear to indicate that complainants' place a greater weight on the amount and type of redress offered by the retailer, as compared to their interaction with the retailer.

### LIMITATIONS

Because of the nature of this study it is somewhat limited. Subjects were asked to read a scenario and to imagine themselves in that situation; they were then asked as to their repatronage and negative word-of-mouth intentions. With this type of methodology subjects may naturally focus more heavily on distributive justice. Because of the artificial nature of the study, many aspects of interactional justice (tone of voice, sincerity, care, concern, empathy, etc.) may

not have been quite as vivid as the amount and type of redress offered. As a result, subjects might not have experienced the same emotions as they would if the events described had actually happened. Therefore, there may have been a built-in bias toward subjects placing greater weight on the amount and type of redress offered, making it appear as though interactional justice has less of an impact on complainants' repatronage intentions and negative word-of-mouth behavior as compared to distributive justice. In order to better assess the effects of interactional justice vis-a-vis distributive justice what is needed is a cross-sectional study, focusing on actual situations in which consumers were dissatisfied with a product and subsequently sought redress from the retailer.

### MANAGERIAL AND RESEARCH IMPLICATIONS

The present findings have implications for both marketing scholars and retail managers. Researchers studying consumer complaining behavior should include perceived justice in their models. The focus of recent studies of complaining behavior has been to explain and predict which type of complaint behavior (i.e., among redress seeking, negative word-of-mouth, or exit) a dissatisfied consumer would choose (e.g., Singh 1990). In order to better understand why some dissatisfied consumers engage in negative word-of-mouth and exit it is important to examine the effects of perceived justice. Once a consumer seeks redress, other complaining behaviors (e.g., negative word-of-mouth and exit) are largely dependent upon the complainant's ensuing levels of distributive and interactional justice.

The finding that subjects' repatronage and negative word-of-mouth intentions in the high-distributive/low-interactional and low-distributive/high interactional conditions were significantly different than those in the high-distributive/high-interactional condition has important implications for retail managers. First of all, retailers must be willing to stand behind the products they sell. In addition to guaranteeing refunds and exchanges, retailers must also ensure that complainants are treated with courtesy and respect. Retailers must instill in their employees

the customer-service/ customer-satisfaction concept, and must train employees as to proper complaint handling procedures. Formal training programs, and on-going constructive feedback, are important. Today's consumers demand 100% satisfaction. Considering that it costs five times as much to attract a new customer as it does to retain a current one (Desatnick 1988), it is essential that retailers guarantee satisfaction and resolve customer complaints.

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**Attitude Toward Complaining** 4.65 1.84 .75  
 - I am usually reluctant to complain to a store regardless of how bad a product is.  
 - I feel uncomfortable when I have to return to return a defective product to a store.  
 \* all items were measured on a 7-point scale.

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## Exhibit 2

### List of Items for Each Measured Construct (Including Means, Standard Deviations, and Cronbach Alphas)

	<u>Mean</u>	<u>S.D.</u>	<u>Alpha</u>
<b>Repatronage Intentions</b>	3.50	2.14	.93
- How likely is it that you would shop at this retail store in the future?			
- If this situation had really happened I would never shop at this retail store again.			
- I would recommend to a friend that he/she shop at this retail store.			
<b>Negative Word-of-Mouth Intentions</b>	4.30	2.13	.93
- What is the likelihood that you would complain to friends and relatives about this retailer?			
- How likely would you be to warn your friends and relatives not to shop at this retail store?			
- I would make it a point to tell all my friends and relatives <i>not</i> to shop at this store.			
<b>Distributive Justice</b>	4.08	2.34	.97
- Given the circumstances, I feel that the retailer offered adequate compensation.			
- I do not feel that I got what I deserved (i.e., regarding a refund or exchange).			
- Taking everything into consideration, the manager's offer was quite fair.			
<b>Interactional Justice</b>	3.92	2.10	.93
- The employees treated me with courtesy and respect.			
- The store attended to my complaint in a very prompt manner.			
- The employees seemed to care about me as a customer.			
- The employees listened to my side of the story.			