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THE IMPACT OF PERSONALITY AND SELF-EFFICACY ON CUSTOMER REVENGE BEHAVIOUR

by
ANNELIE EKSTEEN

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Supervisor:
E. Botha

Date:
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**SCHOOL OF MANAGEMENT STUDIES
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Language Quality Assurance Practitioners

Mrs KA Goldstone

Dr PJS Goldstone

**14 Erasmus Drive
Summerstrand
Port Elizabeth
6001
South Africa**

Tel/ Fax: +27 41 583 2882

Cell: +27 73 006 6559

Email: kate@pemail.co.za

pat@pemail.co.za

5 February 2013

TO WHOM IT MAY CONCERN

We hereby certify that we have language-edited the treatise (except for the Bibliography) written by Ms Annelie Eksteen, entitled: THE IMPACT OF PERSONALITY AND SELF-EFFICACY ON CUSTOMER-REVENGE BEHAVIOUR , and that we are satisfied that, provided the changes we have made are effected to the text, the language is of an acceptable standard, and is fit for publication.

Kate Goldstone

BA (Rhodes)

SATI No: 1000168

UPE Language Practitioner (1975-2004)

NMMU Language Practitioner (2005)

Dr Patrick Goldstone

BSc (Stell.)

DEd (UPE)

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ABSTRACT

Betrayed customers are increasingly seeking ways to restore fairness. One way to do this is through customer revenge. Customer revenge behaviour has become an increasingly important topic in marketing research, especially with the far reaching impact that online complaining (a form of indirect revenge) has. Revenge behaviour usually takes place after a service failure and a failed attempt at service recovery, and is an attempt to redress an interpersonal offence by committing an aggressive action against a perceived offender. This is done to 1) get even with the company, 2) restore a moral balance, or 3) is sometimes justified by customers as a moral obligation to restore the balance between the customer and the firm. There are two forms of revenge behaviour: direct and indirect revenge. Direct revenge consists of marketplace aggression and vindictive complaining, and indirect revenge consists of negative word-of-mouth and online complaints.

This study expands and tests a comprehensive model of customer revenge behaviour (adapted from Gregoire, Laufer & Tripp, 2010) within a service environment. Revenge behaviour is usually an attempt to redress an interpersonal offence by committing an aggressive action against a perceived offender (Bechwati & Morrin, 2003; McCullough *et al.*, 2001; Zourrig *et al.*, 2009). Previous models of customer revenge behaviour assumes that all customers go through certain phases towards a desire for revenge and then, possibly, actual revenge behaviour. This study attempts to show that some customers are more likely to enact revenge than others. First, the key role that customers' personality type plays in the development of a desire for revenge is investigated. Personality type can be described as a combination of characteristics that makes up an individuals' character (McCullough *et al.*, 2001). Two personality types (derived from the Big Five personality types) that are hypothesised as being more inclined to developing a desire for revenge: agreeableness and conscientiousness, where customers who have low levels of agreeableness and low levels of conscientiousness are more inclined to develop a desire for revenge.

Second, this study hypothesises that customers' belief in their own abilities, or their level of self-efficacy, will also influence the type of revenge behaviour that they enact. Self-efficacy is defined as an individuals' belief in themselves and it is known to influence behaviour (Alden, 1986; Bandura, 1983; Bandura, Adams & Beyer, 1977; Bandura, Hardy & Howells, 1980). The two types of revenge behaviour investigated are direct (e.g. physical damage) and indirect revenge (e.g. negative word-of-mouth) (Gregoire *et al.*, 2010).

An improved conceptual model for customer revenge behaviour was proposed and tested within a student sample through PLS-based SEM. Both personality type and self-efficacy was found to influence customer revenge behaviour, more specifically, personality type influenced their desire for revenge, and self-efficacy influenced their indirect revenge behaviour. Marketers should, as a result, provide training to frontline staff that would enable them to identify these personality types in order to prevent customers developing a desire for revenge. Furthermore, the self-efficacy levels of customers do affect whether or not customers would take part in indirect revenge (e.g. online complaints), the most damaging and far reaching to a firms' reputation. An improved customer revenge behaviour model was consequently introduced where customer specific traits are controlled for.

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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

When discussing customer dissatisfaction and complaints, “hell hath no fury” like a paying customer scorned (Forbes.com, 2002). Customers, who once might have voiced their dissatisfaction with a firm to a few family members or friends, are now taking their complaints to the masses through a medium that is easily available to all and cheap: the World Wide Web (Ward & Ostrom, 2006). Customers who feel betrayed by the firm are increasingly motivated to restore fairness by all means possible (Gregoire & Fisher, 2008). One way through which customers can restore fairness is through customer revenge.

The desire for customer revenge differs from the standard definitions of customer dissatisfaction, in that it incorporates the “behavioural intention to act against the offending firm” (Bechwati & Morrin, 2003; Zourrig *et al.*, 2009). Revenge behaviour is usually an attempt to redress an interpersonal offence by committing an aggressive action against a perceived offender (Bechwati *et al.*, 2003; McCullough, Bellah, Kilpatrick & Johnson, 2001; Zourrig *et al.*, 2009). This would usually encompass three subsidiary goals: the revenge is usually aimed at getting even with the company; it is seen as a way of restoring the moral balance; and it can sometimes be justified by the offended customers, as a moral obligation to restore the balance between the customers and the firm (Bitner, Booms & Tetreault, 1990). One of the most common forms of revenge behaviour is negative word-of-mouth or WOM that takes place both interpersonally and online. After a service failure, negative WOM that is spread by vengeful customers has a lasting impact, and the influence of negative WOM on the firm’s reputation are devastating and quite uncontrollable (Ward & Ostrom, 2006). This posts an important problem to both academics and practitioners in the marketing field.

Research into customer revenge behaviour has become prominent in recent years (Daunt & Harris, 2012; Gregoire, Laufer & Tripp, 2010; Gregoire & Fisher, 2008; Huefner & Hunt, 2000; Zourrig, Chebat & Toffoli, 2009), with many researchers acknowledging that much is still to be understood about the elements that determine customer revenge behaviour (Alden, 1986; Bandura, Adams & Beyer, 1977; Bandura, 1983; Bandura, Hardy & Howells, 1980; McCullough, Bellah, Kilpatrick & Johnson, 2001). This study aims to contribute to current understanding on the elements that drive customer revenge behaviour after a service failure.

This chapter forms the foundation for this study and provides the scope and objectives of the research. By justifying the importance of the research and providing the theoretical foundations on which research objectives are made, this chapter provides a clear guideline as to the study that is discussed in the chapters to follow. It further provides a brief description of the methodology used in the study. The discussion for this chapter starts with the background to the research.

1.2 BACKGROUND TO THE RESEARCH

The wider theoretical foundations on services marketing and customer behaviour form the foundation of this study. Services marketing have some unique considerations for researchers and practitioners' alike (Luria, Gal & Yagil, 2009; Rathmell, 1966; Swartz & Iacobucci, 2000; Zeithaml, Parasuraman & Berry, 1985) and successful service firms continuously have to incorporate various elements into their service design to ensure good service delivery and success. The unique service elements can be summarised as being intangible, it cannot be separated from production or consumption, there is a high variability in the delivery thereof and services are perishable (Zeithaml, Parasuraman & Berry, 1985). These unique elements pose various problems for the service firm and hence require unique service solutions (Anderson, Fornell & Rust, 1997; Fisk, Bitner & Brown, 1993). Successful service firms continuously make provision for the unique elements they are faced with by taking into consideration the role of their employees (Evans & Cowles, 1990), the customer themselves (Crosby, Evans & Cowles, 1990; Frei, 2008) and by placing emphasis and being good at what they choose to do well (Cadotte, Woodruff & Jenkins, 1987; Frei, 2008; Luria *et al.*, 2009).

Unfortunately, despite all the firms efforts, service failures are an inevitability in any service environment (Fisk, Bitner & Brown, 1993; Hart, Heskett & Sasser, 1990; Rathmell, 1966; Swartz & Iacobucci, 2000; Zeithaml, Parasuraman & Berry, 1985) and provide a valuable opportunity for researches and practitioners to better understand customer revenge behaviour (Bitner, Booms & Tetreault, 1990; Buttle & Burton, 2001; Gregoire & Fisher, 2008; McCollough, Berry & Yadav, 2000; Ward & Ostrom, 2006). These service failures usually provide an opportunity for service firms to recover and form even stronger relationships with their customers (Bitner *et al.*, 1990; Buttle & Burton, 2001; McCollough *et al.*, 2000). However, sometimes service firms fail in their recovery efforts and customers feel betrayed (Bitner *et al.*, 1990; Bougie, Pieters & Zeelenberg, 2003; Ward & Ostrom, 2006). When the service firm does not try to correct a service delivery failure, customers' dissatisfaction translates into a desire to seek revenge against the firm (Gregoire *et al.*, 2010; Gregoire & Fisher, 2008; Ward & Ostrom, 2006).

Desire for revenge emerges in customers who show a behavioural intention to act out against a firm (Bechwati & Morrin, 2003; Zourig *et al.*, 2009) and it is the precursor to customer revenge behaviour (Gregoire *et al.*, 2010; Ward & Ostrom, 2006). Customer revenge behaviour involves a customer inflicting harm on a firm that caused them dissatisfaction due to a poor service delivery (Bechwati *et al.*, 2003; Zourig, Chebat & Toffoli, 2009). The behaviour takes on different shapes and forms but usually are either directly or indirectly aimed at the service firm. Direct customer revenge behaviour usually entails customers causing physical damage to the service firm environment and/or lodging of complaints with service firm employees. The indirect customer revenge behaviour is known as negative word-of-mouth complaints and online or public complaints.

Customers developing a desire for revenge and ultimately customer revenge behaviour are influenced by various elements. In an effort to better understand why and how customers develop a desire for revenge and revenge behaviour, a model for customer revenge behaviour (see Figure 1.1) was developed by Gregoire, Laufer and Tripp (2010). In their model the authors aimed to provide a comprehensive and more cohesive view on how customers evolve from a failed service delivery and recovery to developing a desire for revenge. This model is discussed in depth during Chapter 3, but some of the elements that can be highlighted are the influence of cognitive evaluations such as justice and blame attributions, perceived firm greed, an evaluation of the service failure and relationship commitment. An emotional element, anger is also considered and eventually the different customer revenge behaviour and their influencers are shown. According to Gregoire *et al.* (2010), however, this model has room for the inclusion of other elements such as self-efficacy and personality type (Gregoire *et al.*, 2010). This study argues for the inclusion of these critical elements in the customer revenge behaviour model.

Self-efficacy can be described as an individuals' belief in themselves (Bandura, 1977; McKee *et al.*, 2006) and it is known to influence behaviour (Alden, 1986; Bandura, 1983; Bandura, Adams & Beyer, 1977; Bandura, Adams, Hardy & Howells, 1980). Theory suggests that customers who believe they have strong capabilities in a particular task are more inclined to develop intentions to communicate their grievances directly to the service provider (McKee *et al.*, 2006). As a result this study investigates the impact that self-efficacy has on customer revenge behaviour and evaluates the importance of its inclusion in any research on customer revenge behaviour.

Personality type is seen as a combination of characteristics or qualities that makes up an individuals' character (McCullough *et al.*, 2001) and has also been found to effect customers' revenge behaviour

(Daunt & Harris, 2012; Huefner & Hunt, 2000; McCullough et al., 2001). Different personality types are associated with different motives and behaviour and thus have important implications on service firms and their employees (Daunt & Harris, 2010; Huefner & Hunt, 2000). In a recent study by McCullough et al. (2001) it was shown that personality type have important effects on customer revenge behaviour and as a result this study identifies two personality types for investigation and inclusion into future research studies of customer revenge behaviour (see Section 3.8.2.3). The Big-Five personality dimensions are a strong general taxonomy of personality type (John et al., 2008) with the five dimensions being: extroversion, agreeableness, conscientiousness and neuroticism. For the purposes of this study, two personality types were identified as being important when predicting customer revenge behaviour, agreeableness and conscientiousness.

This first factor (agreeableness), according to the Big Five dimensions, indicates to individuals that are generally more tender-minded, trusting and altruistic (John & Srivastava, 1999; John, Nauman & Soto, 2008). It is thus expected that these individuals are more inclined to ensuring a good quality service delivery due to their embedded altruism (Hurtz & Donovan, 2000; Liao & Chuang, 2004; Zachary & Kuzuhara, 2005). Hence, individuals with low agreeableness type are commonly found to struggle with commitment and they tend to struggle with forgiveness and as a result are expected to be more inclined to developing a desire for revenge (McCullough et al., 2001). The second personality type is conscientiousness and this describes individuals with high impulse control and who follow norms and rules (John & Srivastava, 1999). These individuals have high expectations and as a result are more demanding with a low tolerance for poor service delivery (John et al., 2008). When low levels of conscientiousness are found, customers can be expected to have less constraint and low impulse control hence, a higher potential for developing a desire for revenge.

The impact that these elements have on customer revenge behaviour and their potential importance in future research studies on customer revenge behaviour, is reviewed in the chapters to follow. The understanding of customer behaviour inside a failed service delivery environment thus led to the formation of the research problem and objectives for this study.

1.3 RESEARCH PROBLEM AND OBJECTIVES

As mentioned, some customers are more inclined than others to develop a desire for revenge after a service failure and as a result are influenced by certain elements that could determine their behaviour. Self-efficacy and personality type were highlighted as potentially being important influencers of customer revenge behaviour and thus lead to the formation of the following research problem for this study:

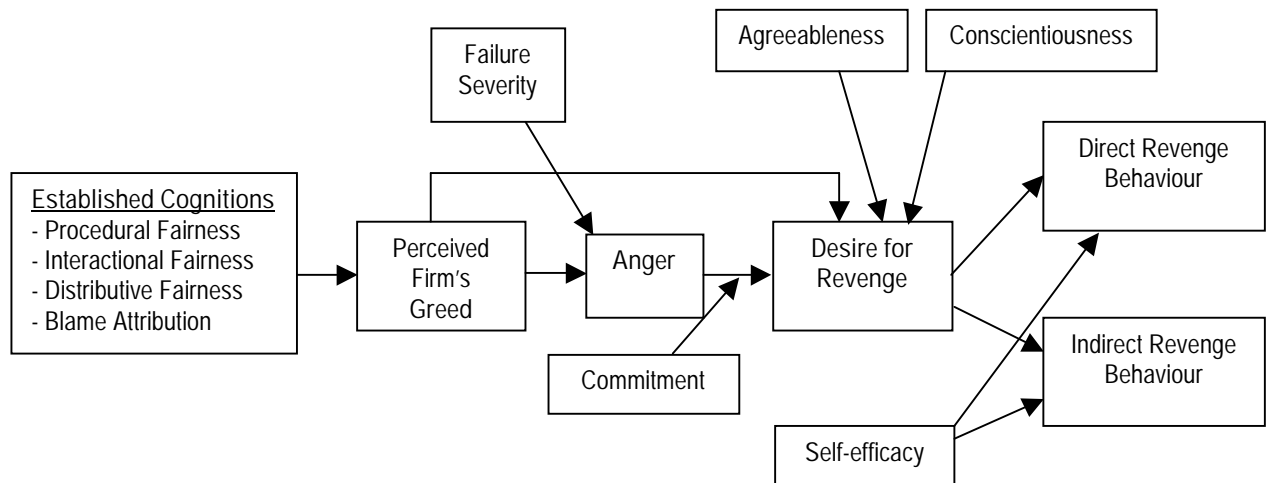
What is the role of self-efficacy and personality type in customer revenge behaviour?

The objectives associated with this research question concerns self-efficacy and personality type. After investigating the different personality types in chapter 3, it was identified that people with low conscientiousness and low agreeableness are most likely to affect customer revenge behaviour. A difference between desire for revenge and revenge behaviour, as well as a difference between direct as opposed to indirect revenge, is also discussed. Consequently, the following primary objectives were formulated:

1. To determine the effect of self-efficacy on customers revenge behaviour.
2. To determine what type of revenge behaviour customers with high self-efficacy would participate in: Direct or indirect revenge?
3. To determine if there is a negative relationship between agreeableness and customers' desire for revenge.
4. To determine if there is a negative relationship between conscientiousness and customers' desire for revenge.

In order to better understand these relationships, and to contribute towards current customer revenge behaviour literature, the influence of self-efficacy and personality type is investigated within the expanded customer revenge model proposed by Gregoire et al., (2010). The conceptual model that is tested in this study is illustrated in Figure 1.1.

Figure 1.1: Conceptual model for customer revenge behaviour



SOURCE: Adapted from Gregoire et al., 2010.

In order to test the whole conceptual model, as well as to test the influence of self-efficacy and personality type while considering the other constructs influencing customer revenge behaviour, the following secondary objectives were formulated (the complete model is discussed during Chapter 2):

5. To determine if established cognitions negatively influences customers' perceived firms' greed.
6. To determine if perceived firms' greed positively influences customer anger.
7. To determine if perceived firms' greed positively influences customers' desire for revenge.
8. To determine if commitment positively influences the relationships between anger and desire for revenge.
9. To determine if customer desire for revenge positively influences direct revenge behavior.
10. To determine if customer desire for revenge positively influences indirect revenge behaviour.

The methodology that was used to measure these objectives is discussed in the following section.

1.4 METHODOLOGY

Consistent with prior research on customer revenge behaviour (Bechwati & Morrin, 2003; Bougie, Pieters & Zeelenberg, 2003; Gregoire et al., 2010; Wetzler, Zeelenberg & Pieters, 2007) this study utilised a student sample. Respondents were asked to complete a self-completion survey that was scenario-based. A scenario was used so that the findings from the surveys could be compared to one another. No incentives were provided. The questionnaire followed the chronological order of an actual customer experience and incorporated questions from the scenario that was about the following stages: the relationship prior to the service, the service recovery and their behaviour. All the measures were

based on 7-point or 5-point Likert scales and each of the constructs measured are listed below. The full questionnaire can be seen in Appendix A.

- *Established cognitions*: procedural fairness, interaction fairness and distributive fairness were measured with well-established scales from the literature (Tax *et al.*, 1998). Blame attribution was measured with a three-item scale used by the original model testing by Gregoire *et al.* (2010) and developed by Maxham and Netemeyer (2002b).
- *Perceived greed*: this was measured using a 7-point scale tested and utilised by Gregoire *et al.* (2010) in their original testing of the model. The scale was adapted from work done by Reeder *et al.* (2002).
- *Anger*: the construct was measured by asking respondents the extent to which they felt anger, outrage, indignation and resentment (Gregoire *et al.*, 2010).
- *Desire for revenge*: this construct was measured using an established five-item scale by Gregoire and Fisher (2008) and asked questions such as "I wanted to get even with the firm".
- *Direct revenge behavior*: marketplace aggression was measured with an established scale by Douglas and Martinko (2001) and vindictive complaining were measured using three-item scale developed by Gregoire and Fisher (2008).
- *Indirect revenge behavior*: for the measurement of negative WOM, a three-item scale was adapted from Maxham and Netemeyer (2002b).
- *Relationship commitment*: was measured using an established three-item scale by De Wulf, Oderkerken-Schroder and Iacobucci (2001).
- *Failure severity*: was measured using an established three-item scale, as used in the original study by Gregoire *et al.* (2010).
- *Self-efficacy*: was measured using an eight-item scale by Chen, Gully and Eden (2001).
- *Personality type's agreeableness and conscientiousness*: these were measured using the established Big Five personality scale adapted for the use in long questionnaires by Rammstedt and John (2007). This scale measures each personality trait with two questions and result in a ten-item scale.

After the data was collected, cleaned and coded, the study made use of partial least square (PLS) structural equation modeling (SEM) using SmartPLS software (Ringle, Wende & Will, 2005). PLS-based SEM allows for the multivariate analysis required by this study as it aims to explain the variance of individual constructs (Chin, 1998). SmartPLS is suitable when analysing data when there are two or more measurements for each element and the variables are analysed simultaneously (Hair, Black,

Babin & Anderson, 2010; Malhotra, 2007). The ability of PLS-based SEM to accurately predict scenarios or behaviour (Hair, et al., 2010) was the guiding factor in the testing of the conceptual model.

For the validation of the constructs with PLS-based SEM, the measurement model was first assessed by looking at the reliability and validity of the scales used to measure the constructs. Internal consistency reliability was assessed with the use of Cronbachs Alpha and these were assessed against the 0.7 guideline. Convergent validity was assessed by making sure the item loadings all load significantly on their latent constructs (AVE's >0.5). Discriminant validity was established by making sure the square root of the AVE's was greater than any correlations on the latent variable correlation table using the Fornell-Lackar criterion.

After establishing the validity of the measurement model, the structural model was assessed before finally accepting or rejecting any hypotheses. The structural model was evaluated by investigating the R-squared values along with path values. The R-squared values were measured according to Chin (2003) where 0.67 is substantial, 0.33 moderate and 0.19 weak. Path values were deemed significant at above 0.2 or below -0.2. Finally the effect size was evaluated, strong effect size is considered at values higher than 0.35. These findings lead to the final acceptance or rejection of hypotheses and confirmation of the conceptual model.

In order to justify the research that has been done for this study, the following section highlights the importance of the work done and described in the chapters to follow.

1.5 JUSTIFICATION OF THE RESEARCH

The purpose of this study is to contribute to the current understanding of customer revenge behaviour through a review of all the factors that have an impact on customers developing a desire for revenge and then also specifically focuses on the inclusion of self-efficacy and personality type. The theoretical review on customer revenge behaviour indicates that the range of harmful actions that customers can exert through their revenge behaviour, can have far-reaching implications on the service firm and its' reputation (Bechwati et al., 2003; Gregoire et al., 2010; McCullough et al., 2001; Zourrig, Chebat & Toffoli, 2009;). It is also an area of research that has received relatively little attention (Gregoire & Fisher, 2008; McCullough et al., 2001; Smith, Bolton & Wagner, 1999; Zourrig et al., 2009) and this study aims to contribute to current theory. Customer revenge behaviour is a phenomenon that affects all

business to customer (B2C) companies. Therefore, a better understanding of this phenomenon would have far reaching impact.

The need for a more comprehensive understanding of customer revenge is important since the existing literature on customer revenge is fragmented and not cohesive in its efforts to explain the progression from service failure to customer revenge behaviour (Alden, 1986; Bandura, 1983; Bandura, Adams and Beyer, 1977; Bandura, Adams, Hardy and Howells, 1980; Daunt & Harris, 2012; Gregoire *et al.*, 2010; Gregoire & Fisher, 2008; Huefner & Hunt, 2000; McCullough, Bellah, Kilpatrick & Johnson, 2001; Zourrig, Chebat & Toffoli, 2009). Consequently, this study proposes and tests an improved customer revenge behaviour model. This model includes the constructs self-efficacy and personality type agreeableness and conscientiousness, which have never before been investigated on this level and it has not been tested with this model (Gregoire *et al.*, 2010). These constructs were found to be theoretically sound and have an important influence on customer revenge behaviour and hence should be included in any future studies (Gregoire *et al.*, 2010; McCullough *et al.*, 2001).

Previous research on customer revenge behaviour, and specifically Gregoire *et al.*'s (2010) model, assumes that all customers go through certain stages towards revenge behaviour when a service failure occurs. Through the inclusion of self-efficacy and personality type, this study proposes that some customers are more likely to take revenge: Those with high levels of self-efficacy, low agreeableness and low conscientiousness. Herewith, the greatest contribution of this study.

Ultimately, this study is concerned with helping marketing managers train their staff to better deal with and identify situations where customer revenge behaviour can result. Service firms' management should be willing to seek continuous service excellence and they should always view service recovery as an opportunity to build stronger and more valuable relationships with their customers. By ensuring fairness through processes, service distribution and interaction with customers the service firm can very quickly and easily limit customer revenge behaviour. Service firms should further aim to be more transparent in their dealings, hence limiting the perception that their own greediness caused failure. These actions will limit customer anger and ultimately prevent a desire for revenge emerging.

By training employees to have the ability to identify different customer personality type, service frontline staff could develop a skill that would prove invaluable to them in terms of managing their customers. In particular, examples of easy ways to deal with low conscientious customers is to ensure that recovery efforts are on time and to create an impression that the firm is working hard at ensuring the service is

recovered as soon as possible. Similarly, low agreeable personality type customers can be dealt with by frontline staff in ways that brings out the elements that are good about the agreeable personality type (trust and altruism). For example, frontline staff can try to nurture a trusting and communal relationship with these customers and then use that relationship to the firms' advantage when a service failure does occur. Lastly, it would be to the advantage of the service firm to keep those customers with high self-efficacy within their service environment. These customers tend to show lower levels of frustration and higher levels of service excellence (McKee *et al.*, 2006).

The following section discusses the layout of this study and provides a framework for the study. These chapters all build up to the final conclusions and recommendations where the managerial implications discussed above are proven to be valid and important considerations for any service firm.

1.6 DEMARCATION OF THE STUDY

The research problem for this study is grounded in services marketing, specifically service failures and ultimately customer revenge behaviour. It is through this theoretical funnel that the theory chapters of this study move (see Figure 1.2 on the next page).

Chapter 1	Introduction
	Research Question, Objectives and Conceptual Framework
Chapter 2	Services Marketing
	Service Failure Service Recovery
	↓
	Customer Revenge Behaviour
	Direct Revenge Behaviour Indirect Revenge Behaviour
	↓
Chapter 3	Customer Revenge Behaviour Model
	Established Cognitions, Greed, Anger, Desire for Revenge, Control Variables, Self-efficacy, Personality Types and Revenge Behaviours
Chapter 4	↓
	Research Design and Methodology
Chapter 5	↓
	Research results and Interpretation
Chapter 6	↓
	Conclusions and Implications

Figure 1.2: Outline of chapters

Chapter 2 serves as the broader scope introduction and theory foundation for services marketing and customer revenge behaviour. The theory discussion is about establishing the academic knowledge and importance of services marketing by reviewing the foundations of services marketing first (section 2.2.1). This is followed and addressed (section 2.2.3) by a review of literature on service failures before customer indirect and direct revenge behavior.

Chapter 3 continues with a review on the evolution of the Customer Revenge Model (see Figure 3.2). The flow of the literature review follows the model and starts with a review on the established cognitions (see section 3.3). This is followed by a review on the impact of perceived greed on anger (section 3.4). This is followed by a discussion of the emotional component, anger (section 3.5) and the differences between indirect and direct customer revenge behaviour are finally reviewed (section 3.6). A discussion on the control variables takes place in section 3.7 and the chapter concludes with a review on self-efficacy and personality type (section 3.8). These discussions lead to the formulation of the conceptual model for this study at the end of Chapter 3 along with the hypotheses that guide the rest of the study.

In order to build on our current understandings of services marketing and customer revenge behaviour, this study reviews theory on these research fields through the two theory chapters of this thesis. For a breakdown of what has been discussed above, see table 1.1 below.

Table 1.1: Theoretical foundations of this study

Section	Theoretical Foundations
2.2.1 – 2.2.3	Services marketing and the importance of the field for both research and industry
2.2.4	Service recovery efforts as the first step to preventing customer revenge behaviour
2.3	Customer revenge behaviour and the differences between direct and indirect revenge
3.2	The Customer Revenge Model and its' impact on our current understandings of customer revenge behavior
3.3	The established cognitions – justice and attribution theories and their impact on our understanding of customer revenge behaviour
3.4	The impact of customers' perceived firm greed on customer anger
3.5	Anger, the emotional component to customer revenge behaviour predictions
3.6	The desire for revenge and its' impact on customer revenge behaviour
3.7	Control variables, such as relationship commitment and failure severity that influence customer revenge behavior
3.8.1.1	Self-efficacy and its' impact on customer revenge behaviour
3.8.2.1	Personality type and their impact on customer revenge behaviour

The theoretical foundations make way for the methodology considerations (Chapter 4) of this study before the results (Chapter 5) of the sample data is presented. This study concludes with the discussion of conclusions and recommendations based on the findings of the study (Chapter 6).

1.7 CONCLUSION

This chapter laid the foundation for this study. It introduced the research problem: *What is the role of self-efficacy and personality type in customer revenge behaviour?* The chapter also established what the objectives of the study are in order to answer the research question. A brief theoretical background for this study was provided in an effort to establish the scope of the research to be done. The aim of this chapter was further to give some insights into the methodology followed in the study, which finally

enabled the researcher to conclude the study with valid and important managerial implications. The insights into customer revenge behaviour that this study provides are the most recent contributions to the research field and thus provide some valuable insights to practitioners and researchers in the services marketing field.

CHAPTER 2: SERVICES MARKETING AND CUSTOMER REVENGE BEHAVIOUR

2.1. INTRODUCTION

The purpose of this study is to contribute to the understanding of customer revenge through of its foundation in service failures and to focus on the various factors that impact customers' desire for revenge. This study aims to contribute to the field of customer revenge behaviour, and to build on the academic knowledge that currently exists by first discussing current literature on revenge behaviour and later adding new insights to why customers' enact revenge behaviour. This chapter aims to lay the foundation for this research by first outlining service marketing, the context of customer revenge behaviour (Gregoire *et al.*, 2010) before progressing through service failures to customer revenge behaviour.

The current Extended Customer Revenge Model (Gregoire *et al.*, 2010) is based on the premise that a customer who has recently experienced a service delivery failure, will be driven through a process that starts with anger and ends in them taking revenge. Revenge behaviour varies between indirect and direct revenge, with both forms of customer revenge being recognised as damaging to the image of any company.

But first, it is important to understand that this research study is based in the field of service marketing. The distinction between the fields of service and goods marketing have, since the early 1970s, been researched; and these have been widely accepted as two different fields of marketing – with each having its own unique attributes, challenges and marketing strategies. As with goods marketing, service marketing has its own set of rules; and it requires unique customised approaches when it comes to the management of customer expectations, experiences and service offerings (Zeithaml, Parasuraman & Berry, 1985).

With each service offering being altered, according to the customer's expectations, the fundamentals of service marketing were very early on discussed by researchers and practitioners alike, with most academics agreeing on four aspects of services that distinguish them from goods marketing. These four characteristics are discussed and their impact on the service encounter is discussed. The term "service encounter" has widespread use in marketing literature and research, but the use of the term usually

focuses on the interpersonal occurrence that takes place in the service provision of the firm (Bitner, Booms & Tetreault, 1990).

For many customers, the service encounter is the service itself (Bechwati & Morrin, 2003; Bitner *et al.*, 1990; Bougie, Pieters, Zeelenberg, 2003). Various definitions of service exist, but simply put, “services are deeds, processes and performances” (Zeithaml, Bitner & Gremler, 2006). Rathmell (1966) had a very simple way of distinguishing between goods and services, stating that: “a good is a thing and a service is an act”. Another service definition sees services as a “performance or experience, which may be equipment- or people-based” (Knight, 1999). For the purpose of this study, a service is seen as referring to an economic output that is not physical, but is consumed at the time it is produced (Quinn, Baruch & Paquette, 1987; Zeithaml *et al.*, 2006:).

The role of the service industry is undeniably important to firms and economies worldwide, with the impact on everyday lives of customers being widespread. Each firm needs to understand what their customers’ expectations are, how they can be achieved, and what elements the firm should focus on when designing a service offering targeted for a unique group of customers (Crosby, Evans & Cowles, 1990). The elements of service delivery and expectations’ management will also be discussed in this chapter, leading up to what happens when a firm fails.

All service firms face the possibility that a service will not meet the customers’ expectations and that they might be disappointed with a service delivery (Zeithaml *et al.*, 1985). This is an important point in any service-delivery offering of which firms should be aware; and they should have systems or processes in place through which they can empower their employees to restore confidence with the customer, and offer an apology before fixing the problem. With each service failure, a chance to recover that service exists, and these ‘moments of truth’ (Tripp & Gregoire, 2011) will also be reviewed in this chapter.

It is, however, possible that a service firm will not recover a service failure to a satisfactory level (or might not bother to fix the problem at all). When these instances occur, and with enough motivation, it is likely that customers will develop a desire for revenge and possibly take revenge on the firm – with the intention to cause harm to the firm’s employees, reputation, physical premises, or to deter other customers from purchasing from the firm.

It is important to note that the customer revenge behaviour can be prevented through a company's damage control efforts (Wirtz & Mattila, 2003). Customers will always first seek recovery from a firm – before pursuing revenge on their service failure (Eccles & Durand, 1998). Gregoire *et al.*, (2010) proposed a model for customer revenge behaviour. This customer revenge model process starts with service failure and it serves as the catalyst for the constructs of the model to follow. The customer did experience a service failure, and would only then resort to various forms of revenge behaviour. Service failure is thus the point from which this study starts exploring the customer revenge model.

In the chapter to follow, theory relating to services and the service industry will be discussed. This will serve as the foundation for how and why a service failure occurs. The inability of a firm to match or to exceed customer expectations, and the reactions of customers are then discussed, before the theory on customer revenge behaviour are reviewed.

2.2. SERVICES MARKETING

The importance of service industries in South Africa and in the rest of the world is undeniable to academics, firms and companies. The current service industry in South Africa is estimated at 65.9% of the GDP; and it employs around 65% of the labour force of the country (CIA, 2012). This equates to approximately R33 billion annually (estimation based on 2011 GDP) (CIA, 2012). With 65% of the South African GDP being generated through service industries. However, the importance of service marketing and the unique challenges these firms face have not always been acknowledged by academics around the world, with the first widely accepted theories only being put forth in the 1980s (Fisk, Bitner & Brown, 1993).

Service marketing has evolved through three main phases in academic literature, evolving from early acknowledgments and clarifications of what services are, to why services are different, and finally to recent service areas dedicated to service quality and service encounters (Fisk *et al.*, 1993). The evolution of services marketing had led to a lot of research being done on how to deal with the specific marketing problems of services marketing, which in turn leads researchers to exploring how to obtain the most effective and satisfying service delivery (see for example: Cadotte, Woodruff & Jenkins, 1987; Crosby, Evans & Cowles, 1990; Knight, 1999; Zeithaml *et al.*, 1985). The following section looks at the theory behind service marketing, and how to deliver a satisfactory service. It also looks at why service failures occur, and how firms can deal with these failures.

2.2.1. Foundations of Services Marketing

In an article by Fisk, Brown and Bitner (1993), the authors went back through the history of service marketing to its origins in the 1970s. Fisk et al. (1993) described the initial emergence of the field as being highly controversial, and not academically accepted by the broader and more established marketing communities. This debate between goods marketing and service marketing questioned the right of the service-marketing field to exist, until a landmark article by Lynn Shostack (1977) published in the *Journal of Marketing*. Shostack was vice president at Citibank, USA and she affected the marketing community deeply with her statement "... service industries have been slow to integrating marketing into the mainstream of decision-making and control because marketing offers no guidance, terminology, or practical rules that are clearly relevant to services" (Shostack, 1977).

Fisk, Brown and Bitner (1993) continue to describe the 1980s as a period in which more notable academic research on service marketing was published in response to the outcry in the late '70s from the private sectors (for example four pieces in the premier journal, the *Journal of Marketing*). The research in the 1980s focused on how services are different from goods; and academics agreed on four characteristics that were posited – in an effort to distinguish services from goods (see for example: Fisk, Bitner & Brown, 1993; Rathmell, 1966; Swartz & Iacobucci, 2000; Zeithaml, Parasuraman & Berry, 1985).

One of the first elements that were highlighted was the intangibility of services (Zeithaml et al., 1985). Services are general performances, rather than objects; they cannot be seen, felt, tasted or touched in the same manner in which goods can be sensed (Rathmell, 1966). Further on, services were seen as being inseparable from production and consumption (Fisk et al., 1993). This means that the customers have to be present during the production of the service. A third element, heterogeneity, is concerned with the potential for high variability in the performance of services (Zeithaml et al., 1985). This distinguishes services from goods – as something that varies from producer to producer, and also from customer to customer, for example a haircut. Lastly, services are described as perishable (Rathmell, 1966; Zeithaml et al., 1985). This means that services cannot be saved or stored for times when the demand is much higher; hence, sometimes too much demand exists, and sometimes too little demand exists.

Early in marketing service research it was also established that both customers and employees have a remarkable impact on the type and success of a service delivery (Fisk *et al.*, 1993). There is a greater role for employees in determining the quality of services than in the manufacturing of goods (Luria, Gal & Yagil, 2009). The inseparability of production and consumption, as well as the intangibility of services, make the standardisation of quality more difficult and costly to improve (Anderson, Fornell & Rust, 1997). These are important considerations for service companies to understand and take into account when aiming to improve productivity and quality management; since, in contrast to goods manufacturers, services are much more dependent on the customized delivery of the service by the firm's employees to the customers (Anderson *et al.*, 1997).

2.2.2 Successful Service Delivery

Meeting or exceeding customer expectations is the most important part of a service delivery by any firm, as these successful encounters are what make customers come back (Hart, Heskett & Sasser, 1990); and this is also what makes customers tell their friends and family about the firm's excellent offerings (Kumar, Petersen & Leone, 2007). Every encounter is an opportunity for the firm to be excellent and to exceed expectations (Frei, 2008); if not, they stand the chance to disappoint customers and have a failed service delivery on record.

In a study done by Frei (2008), four elements came to light that should enable any service firm to achieve greater customer satisfaction. By ensuring that a firm implements and reinforces these elements, any service firm can be expected to consistently deliver service excellence. The first element is determining how customers define excellence when it comes to the service offering. The second entails the firm making sure that it can pay for the increased cost of excellence (funding). Frei (2008) continues to discuss employee management and the ability for the firm to manage customers (for e.g. to manage customer expectations).

Service excellence, like business strategy, can be defined as that which a business chooses to do well (Frei, 2008). An important aspect of any service offering, which also adds to the complexity of the designing of a service, is that managers need to focus on the experiences customers want to have (Cadotte, Woodruff & Jenkins, 1987; Frei, 2008). For example, a firm that offers longer servicing hours for convenience will have a point of differentiation from its competitors, currently a strategy followed by Capitec Bank in South Africa. If customers are seeking greater convenience from their service provider, the longer service hours would serve as the firm's guarantee of better service.

With the structuring of a service offering that is aimed at a specific target audience and offers an unique point of difference, such as longer service offerings, the firm has to find ways to fund these methods of service excellence (Frei, 2008). One of the ways firms are getting funding is by charging more for the service that they offer. Capitec Bank, for instance, charges interest between 18-32% on loans (Capitecbank, 2012). Another way that firms fund their service excellence is through the structuring of benefits into their offering that, in the long run, save the firm money (Anderson *et al.*, 1997). For example, Discovery Health offers preventive screening options to their members that can help lower the risk of getting life threatening (and very expensive) illnesses, such as diabetes, heart disease and cancer. Members are not willing to pay for these benefits through higher premiums, but join the Medical Aid because these benefits are more appealing to them.

Service firms are particularly people-intensive; Crosby, Evans & Cowles (1990) wrote, "The salesperson is the company". Gaining an advantage in the service industry often comes down to the relationships that employees have with the firm's customers (Cadotte, Woodruff & Jenkins, 1987; Crosby *et al.*, 1990; Zeithaml *et al.*, 1985). Every firm should realise the importance of their employees; and consequently, they need to understand what makes them able to achieve excellence; and furthermore, what motivates them to achieve excellence (Frei, 2008). Having the right employee-management system in place can make the difference between a service excellence and a flawed service (Frei, 2008; Luria, Gal & Yagil, 2009). This is also important within the service recovery process as this is where the role of the employee is particularly important, their actions could influence customer revenge behaviour.

An important aspect in service management and also, a differentiating aspect between service and goods management, is that customers affect the cost and quality of a service delivered (Crosby, Evans & Cowles, 1990; Frei, 2008). Frequently, a customer has an impact on the service experience, and also on the experience of other customers. For example, if a customer takes too long to pay for their fast-food order in the drive-through lane at McDonalds, the lane is held up for all the other customers. When it comes to the designing of a service and trying to manage these points in which customer involvement in operations is needed, firms need to find ways to make sure that their customers are able and willing to be involved; and that their involvement could be managed – for it to lead to an enhanced customer experience (Frei, 2008).

Successful service companies have a working plan to incorporate all the elements discussed in their service design, as they realise that within each of these areas excellence alone is not guaranteed.

Having these four elements complementing each other, a service designed for excellence emerges. Most service firms strive to ensure that all the elements are in place; yet service failures are inevitable and do still occur. When they do occur, it is important to be mindful that each failure is an opportunity for the firm to learn and improve on its existing methods and techniques, and that a successful recovery could enhance the relationship with their customers.

2.2.3. Service Failures: The Disconfirmation Paradigm

During a service delivery, customers tend to hold reference points in their minds, as to how they expect the service to be carried out – and the level of satisfaction that they will derive from it (McCollough, Berry & Yadav, 2000). This model, called the disconfirmation paradigm, is used in customer-satisfaction/dissatisfaction (CS/D) literature (Bearden & Teel, 1983; Niedrich, Kiryanova & Black, 2005). The disconfirmation paradigm holds that customers compare perceived product performance with their expectations (McCollough *et al.*, 2000). The service encounters' successful delivery is dependent on customers feeling that these expectations have been met, or perhaps even exceeded.

Performance that exceeds expectations is positively disconfirmed; while performance that falls short of expectations is negatively disconfirmed (Oliver, 1980). The more negative the disconfirmation, the greater the satisfaction; and the more positive the disconfirmation, the greater the dissatisfaction (Cadotte, Woodruff & Jenkins, 1987; Niedrich, *et al.*, 2005; Oliver, 1980).

Before purchasing a service, the expectations by the customers of the service offering are thought to serve as a frame-of-reference (Bearden & Teel, 1983). This frame-of-reference is then the point from which customers will make a comparative judgment of any delivered service (Cadotte, *et al.*, 1987; Churchill & Surprenant, 1982; McCollough, *et al.*, 2000). Early researchers are in agreement that satisfaction is the function of an initial standard (Cardozo, 1965; Cohen & Goldberg, 1970; Oliver, 1980; Weaver & Brickman, 1974). Outcomes are subsequently rated below or above this initial standard – leading then to negative or positive disconfirmation. Satisfaction, then, can be seen as an additive combination of the expectation level and the resulting disconfirmation or confirmation (McCollough *et al.*, 2000; Oliver, 1980).

Satisfaction with a service provided is then argued to be characterized by the surprise a customer experiences after a purchase (Bolton & Drew, 1991). This surprise (whether positive or negative) is based on expectations (Oliver, 1980). Satisfaction is modelled by McCollough *et al.* (2000) as a function

of an initial disconfirmation and recovery disconfirmation, where the initial disconfirmation is defined as the discrepancy between failure expectations (i.e. expecting the service to fail) and service performance (either success or failure).

The recovery disconfirmation is defined as the discrepancy between the recovery expectations (i.e. the customer's expectations of the firm's behaviour after a service failure) (Cadotte *et al.*, 1987) and the recovery performance (the customer's perceptions as to the steps taken by the firm after a service failure) (McCollough *et al.*, 2010). These – both the service failure (negative disconfirmation) and the service recovery (recovery disconfirmation) – are the two key events in customer revenge behaviour (Bolton & Drew, 1991; McCollough *et al.*, 2010).

With every service delivery it is important for the firm to ensure that the customers are satisfied, as satisfaction can be considered to influence the customer's evaluation of the service quality, purchase intentions and behaviour (Bolton & Drew, 1991). Bitner *et al.* (1990) stated that there are a number of factors that can lead to a dissatisfied customer. The importance of assessing and managing customer satisfaction is widely recognised; and it is crucial for firms to determine the critical factors that determine satisfaction and loyalty (Matzler, Bailom, Hinterhuber, Renzl, & Pichler, 2004).

Each company is, however, constrained by certain limitations on the resources available, which affect their service delivery (e.g. people, technology), as well as those resources that enable service recovery (people that understand that a customer is not satisfied, and have the time and capability to resolve the problem). The firm has to decide how scarce resources are best deployed, in order to achieve the highest level of satisfaction and to manage customer expectations. It is important for firms to understand what their customers' beliefs and expectations are, and how they can deliver a service that meets these expectations, as this is what leads to satisfied customers. Because satisfaction is a function of an initial standard, it is important to further understand and manage these initial expectations, in order to further avoid a recovery disconfirmation.

A critical theme running through service marketing is that service firms' need be more customer focused (Anderson *et al.*, 1997; Bitner *et al.*, 1990; Frei, 2008). When a service failure occurs (which inevitably will occur) the firm has to acknowledge the unsatisfactory service delivery, and then immediately seek recovery (Buttle & Burton, 2001). This way the initial standards are being acknowledged and the firm is ensuring that customers won't leave the firm with a sense grievance. When customers seek recovery and fail to obtain the necessary acknowledgment from the firm, these customers turn to revenge

behaviour (Ward & Ostrom, 2006), in order to seek justice for the failure and loss caused by the firm. But first, however, effective service recovery is discussed.

2.2.4. Service Recovery

Every firm must understand that a service failure is an opportunity to build customer relationships (Ward & Ostrom, 2006). Stronger customer relationships can be formed whenever a firm seeks to recover sufficiently and quickly from the service failure (Buttle & Burton, 2001). All customers are willing to give the firm the opportunity to ensure that both the firm and the customer expectations are met, and by willingly admitting that a failure occurred, and stepping in to fix it. Thereby, customers form stronger and more profitable relationships with the firm (McCollough *et al.*, 2000). Service recovery is recognised as a significant determinant of customer satisfaction and loyalty (Mattila, 2001); and as a result, many companies have seen the value of implementing recovery policies, in order to stabilise the relationships with dissatisfied customers.

The service alone is not the single cause of a service failure; but additionally, it is frequently the employee's response to the failure that adds to the customer's dissatisfaction (Bitner, *et al.*, 1990; Buttle & Burton, 2001; McCollough, *et al.*, 2000). Service failure is one of the main reasons driving customers' switching behaviour; consequently, understanding customer recovery is relevant, because a successful recovery may lead to customer retention, which would clearly affect a company's profitability (McCollough *et al.*, 2000). When a service failure occurs, the recovery process is likely to have a greater impact on loyalty than the original service failure (Buttle & Burton, 2001). Often the customer needs are for knowledge and communication (Bitner *et al.*, 1990; Bougie *et al.*, 2003) about why their expectations were not met – and why a service failed. This study will measure service failure severity, as these issues are considered to be part of the customer revenge model.

In the context of this study, it is also important to understand service recovery in order to counteract customer revenge behaviour. When customers sense that a company does not make the necessary effort to address complaints or treat customers with respect, such customers are then likely to feel betrayed (Ward & Ostrom, 2006). When customers complain to a firm, and their complaints are ignored or inadequately addressed, they will interpret the firm's actions as betrayal, and that the company does not see them as being worthy customers (Bitner *et al.*, 1999; Bougie *et al.*, 2003; Ward & Ostrom, 2006).

When the firm does not try to correct a service delivery failure with a good service recovery effort, the customers' dissatisfaction will translate into a desire for revenge against the firm (Gregoire *et al.*, 2010; Gregoire & Fisher, 2008; Ward & Ostrom, 2006). The customer revenge model proposed by Gregoire *et al.* (2010) places the perceived greed of the firm as being the first variable that could lead to a desire for revenge against the firm. They suggested that, only after customers have gone through the various stages (i.e. feelings of perceived fairness, greed and anger), does a desire for revenge finally emerge.

The likelihood of the customers' intentions to seek revenge is measured in this study along with the types of customer revenge behaviour that they would express. The firm holds the power to prevent revenge behaviour and its' harmful impact on the firm's reputation by having a successful recovery process in place (Ward & Ostrom, 2006). Successful recovery from failed services can restore the relationship with the customer to being positive and mutually beneficial (Bitner *et al.*, 1999). But, if there is a failed recovery attempt, customers are likely to seek revenge through either direct or indirect customer revenge behaviour.

2.3. CUSTOMER REVENGE BEHAVIOUR: DIRECT AND INDIRECT REVENGE

After a service failure, customers want to know see the firm acknowledge it, provide reasons for why it happened, and that they are trying to correct it (Ward & Ostrom, 2006). However, when a firm does not acknowledge the service failure, customers feel exploited, and they are likely to develop a desire for revenge (Aquino, Bies & Tripp, 2006). Customer revenge behaviour destroys firm reputations and can result in big financial losses for the service firm (McCullough *et al.*, 2001)

Customer revenge involves a customer inflicting some harm on a firm in retaliation for a service failure (and possible perceived damages) that the firm has caused them (Bechwati *et al.*, 2003; Zourrig, Chebat & Toffoli, 2009). Revenge is usually an attempt to redress an interpersonal offence by voluntarily committing an aggressive action against the perceived offenders (McCullough *et al.*, 2001). It is an effort by the victim to inflict damage or injury on the party responsible for causing the harm inflicted (Aquino *et al.*, 2006). Revenge usually occurs with the aim of achieving certain goals, such as restoring the moral balance, or teaching the offender a lesson; but it is also an interpersonal problem-solving strategy (McCullough *et al.*, 2001).

In terms of the revenge behaviour taken by customers towards the firm, customer revenge is usually the driving force behind customers exerting negative word-of-mouth (WOM), vindictive complaining, and

then switching to an alternative product or service (Bechwati et al., 2003; Gregoire et al., 2010; Zourrig et al., 2009). Consequently, revenge behaviour can be divided into direct and indirect revenge behaviour; where indirect revenge behaviour includes WOM and vindictive complaining; and direct revenge behaviour includes damages to the physical environment of the firm or lodging a complaint against an employee (Aquino et al., 2006; Bechwati et al., 2003; Wetzer et al., 2007).

2.3.1. Direct Revenge

When customers complain directly to the firm, the impact on the firm's reputation is not as widely felt, but the sense of satisfaction for the customer is much more immediate (Aquino et al., 2006). When customers take out their feelings of anger and disappointment directly on the service firm, this is known as direct complaints, and the impact is usually only felt by the frontline employees and the potential damage to the reputation of the firm is limited to those customers within the service environment (Gregoire & Fisher, 2008).

In customer revenge behaviour proposed by various academics, most agree that different customers tend to react differently to service failures (Gregoire, et al., 2010; Mattila & Wirtz, 2004; Oliver, 1980). The first line of complaint for customers is usually to complain directly to frontline employees. Some customers might not have the option (i.e. they are not face-to-face), or they might not have the self-confidence to complain in a store filled with other customers. For these customers, there is usually the option to complain directly through the firm's call centre or via email (Mattil & Wirtz, 2004).

Below is an example of a customer that complained through a call centre, but did not find this satisfactory; and the firm lost the customer as a return shopper.

"I had to go through four automated menus before getting a 'real' person. No-one, not even the gal that answered the supposed Customer Relations line, even so much as offered me an: "I'm sorry" for my bad experience! I will never shop at Wal-Mart again!" (Contact Help, 2011)

Direct revenge, as in the example, usually manifests itself first as a complaint by customers directly aimed at the firm (Gregoire et al., 2010; Mattila & Wirtz, 2004). But customers can also take to other means of direct revenge: by damaging property, violating policies, hitting objects or slamming doors. Direct revenge also includes 'face-to-face' outbursts, which place intense pressure on frontline employees (Gregoire et al., 2010; Luria, Gal & Yagil, 2009), when attempting to deal with a frustrated

and unsatisfied customer. Two specific categories of direct revenge are measured in this study: vindictive complaints and direct complaints (Gregoire et al., 2010).

Vindictive complaining, a common form of direct revenge, occurs when customers use verbal attacks when engaging with the firm's representatives (Gregoire et al., 2010; Gregoire & Fisher, 2008). Extreme anger is usually the driving force behind these vengeful acts, where it can lead to damage being done to the firm's property and/or physical or emotional harm to the employees of the firm (McColl-Kennedy, Patterson, Smith & Brady, 2009). These types of direct outburst usually have a very direct and immediate effect on the company's reputation, as potential customers are instantly exposed to the complaints and negative comments regarding the firm's reputation in service delivery.

The damaging results, however, are short-lived, since the firm becomes aware of the outbursts immediately; and as a result, it can take quick action to rectify the situation (McColl-Kennedy et al., 2009; Zeithaml, Bitner & Greiner, 2006). Firms can take the necessary actions to prevent any further damage, since they have control over the environment in which the retaliation is taking place (Gregoire et al., 2010; McColl-Kennedy et al., 2009).

Another form of direct revenge is direct complaints. Direct complaints from customers are usually aimed at the frontline personnel in the firm (McColl-Kennedy et al., 2009). These frequent direct verbal attacks put employees under pressure; and they can result in higher overhead costs for the firm, as frequent complaints can lead to an increase in the absenteeism of valuable employees (Gregoire et al., 2010).

Direct complaints are, however, seen to be the easiest form of customer revenge behaviour for a firm to deal with; and the impact of the customer revenge behaviour on the firm's reputation can be very quickly minimized (McColl-Kennedy, et al., 2009; Matilla, 2001). Positive relations can be restored through offerings, such as discounts, reimbursements or free products (Gregoire et al., 2010; McColl-Kennedy et al., 2009).

The opposite applies to indirect customer revenge behaviour – where customers spreading negative WOM, for example, are less-easily identified and the impact on the reputation of the firm can be much more widespread – before the firm could manage to correct the failure by retaliating in a positive manner – for both the firm and the customer.

2.3.2 Indirect Revenge

Customers who experience anger and frustration may be likely to spread negative WOM, in order to take revenge on the firm (Bechwati & Morrin, 2003). These communications are usually very damaging for the firm, because when customers indulge in WOM, with the intention of taking revenge, they tend to slander the firm's reputation in the process (Wetzer et al., 2007). One extremely harmful form of negative WOM is electronic complaints (or negative eWOM), where customers take their complaints online in an effort to damage the firm's reputation (Singh, 1990). Customers who join complaint websites are usually dealing with their betrayals in various ways via websites, such as causing injury to the offender; or alternatively, they will try to vent their negative emotions on sympathetic others through negative word-of-mouth actions (Gregoire & Fisher, 2008). Successful sites attract thousands of supporting or similarly betrayed customers (Ward & Ostrom, 2006). This is in contrast to customers taking revenge directly on the servicing firm.

The effects on a firm's reputation have been increased in recent years with the introduction of the Internet, where "consumer complaining is changing from a private to a public phenomenon" (Ward & Ostrom, 2006); and as a result, this has seen more attention from researchers. Below is an example of such an display of customer revenge through online channels:

"So the customer took a video of the sleeping repairman, and added a music track by the Eels, and posted it to his blog, along with a list of his complaints about Comcast. Within days, his video shot around the Internet like a rocket, appearing on many websites. Hundreds of thousands of people watched it, including Comcast executives, who immediately fired the sleeping repairman, sent someone else to fix the modem, and revamped its customer service" (ABC News, 2006).

The above illustration is an example of how customers can carry out indirect revenge through the use of social media, such as online complaint sites, to make their voices heard. Indirect revenge is an anonymous form of complaint, as there is no direct contact between the firm and the person complaining, when they carry out their harmful actions against the offender (Gregoire et al., 2010). One distinguishing factor of indirect revenge from direct revenge is that customers' revenge is usually aimed at the firm, rather than at its employees or representatives (Gregoire & Fisher, 2008).

Based on the model proposed by Gregoire et al. (2010), two forms of indirect revenge that will be measured in this study are negative word-of-mouth and online public complaining. Spreading negative word-of-mouth can be seen as an indirect form of retaliation (Gregoire & Fisher, 2008). When sharing

their bad experiences with others, customers hope to destroy the reputation of the firm, and to thereby discourage others from using their products or services (Gregoire & Fisher, 2008). Negative word-of-mouth (WOM) has long seen researchers dedicating studies to its impact on firms' and brands' reputations (see Bougie *et al.*, 2003; Kalamas, Laroche & Makdessian, 2008; Maxham & Netemeyer, 2002b; Parasuraman *et al.*, 1985).

Online complaints are a phenomenon defined "as the act of using the Internet to publicly complain about firms" (Gregoire, Tripp & Legoux, 2009). User-generated content websites (such as YouTube.com) and third-party organisations (such as Complaints.com) offer platforms through which customers can get even with firms with more confidence (Gregoire *et al.*, 2010; Gregoire & Fisher, 2008; Gregoire, Tripp & Legoux, 2009).

Online complaints and their far-reaching impact received specific attention with the study done by Ward and Ostrom (2006), in which customer-complaint websites' role and effect on reputations were investigated. Ward and Ostrom (2006) found that most customer complaint websites were trying to achieve certain goals: (1) Presenting commercial failures as betrayals; (2) building up the seriousness of the harm inflicted; (3) stereotyping the firm's executives as betrayers of customers; (4) pointing to the posted complaints of other customers; (5) presenting themselves as "crusaders fighting for the respect due"; and (6) encouraging others to perceive themselves as a group joining arms against the firm.

If an online complaint site is successful, it can attract thousands of hits, hundreds of supporting messages, and even media attention, as was the case for the infamous "United breaks guitars" (Tripp & Gregoire, 2011). This famous incident of online revenge behaviour attracted 150 000 views on YouTube.com within the first day of being on the Internet, and 5 million views just a month later. Media all over the world reported on this very successful online complaint by an unhappy United Air Line customer; and the damage to the firm's reputation was far-reaching (Tripp & Gregoire, 2011).

Customer complaining online has usually exhausted all direct-complaint avenues; and as a result, makes customers feel twice violated (Tripp & Gregoire, 2011): firstly, when they experience a less-than-satisfactory service; and secondly, when the company did not address the problem in a satisfactory manner. This leads to customers experiencing a sense that the firm does not care about their patronage (Gregoire & Fisher, 2008; Bechwati & Morrin, 2003). Online public complaining is almost always preceded by "double deviations", specifically a failed service delivery as well as a failed service recovery attempt (Tripp & Gregoire, 2011).

This is good news for companies, because it means that online complainers are not necessarily individuals who go online at the slightest provocation (Gregoire & Fisher, 2008). This realization gives firms the chance to correct a service and to ensure that they have well-functioning customer-complaint departments, where they can turn poor customer service incidents into opportunities to build better relationships with their customers, and in turn, to create lifelong repurchasing behaviour. Having said this, very little is still known about negative eWOM and there have been many calls for research into this area (Duant & Harris, 2012; Gregoire, Lafer & Tripp, 2010; Gregoire & Fisher, 2008; Huefner & Hunt, 2000; McCullough, Bellah, Kilpatrick & Johnson, 2001; Zourrig, Chebat & Toffoli, 2009). This study aims to better understand this phenomenon in the context of customer revenge behaviour (as discussed in greater depth in the following chapter).

An important aspect of customer revenge behaviour through online channels is that, due to the audience's uncensored view of the firm mentioned, customer dissatisfaction could well result from purely viewing the complaints made by others (Cho, Im, Hiltz & Fjermestad, 2002). By posting the negative opinions on feedback systems, like Complaints.com, customers help others to avoid the same pitfalls; and this also encourages a sense that customers' opinions are important (Ward & Ostrom, 2006). These insights just confirm the notion that well-functioning customer-complaint departments are vital in ensuring the reputation and life-long profitability of servicing firms.

Indirect complaints, and specifically online complaints, have gained popularity with customers around the world with the growth of the Internet since the early 1990s (Ward & Ostrom, 2006). Academics and firms alike have recently placed more emphasis on better understanding and trying to control the damage that this form of revenge can cause. Understanding how likely a person is to complain online to thousands of people is important for the firm, as this can guide the firm in what recovery and damage control systems are required. Different customers (e.g. different age groups, gender, personality, etc.) use a firm's service and these differences guide the types of revenge behaviour customers seek. Consequently, the distinction between these two types of customer revenge behaviour is highlighted, and measured separately in this study.

2.4. CONCLUSION

In this chapter the theoretical foundations have been laid to establish the basis of the customer revenge model and how this has evolved. The importance of service marketing industries around the world has

been established in this chapter, with the unique characteristics of a service marketing firm highlighted. The landscape of marketing has changed, and space has been made for the inclusion of different and more tailored marketing strategies by firms. The service firm provides an offering to customers that cannot be touched, smelt, tasted, but must rather be experienced.

Because services are experiences, there comes a reality that not every service offering will be the same, that not every customer will expect the same, and that not every day will bring about the same service offering. Services are also highly influenced, and under the control of the employees offering the service. One example would be a hairdresser. In the case of hairdressers, customers typically go to the same hairdresser over and over again as s/he knows what their expectations are. For the hairdresser at the salon, not every customer that walks in is the same, and how s/he has to adapt the service offering is specific and unique to each customer that sits down on the chair. This individual customisation, however, is difficult for large companies and service failure is often inevitable. When customer expectations are not met, a service failure occurs. Once the customer has complained, a possibility for a service recovery emerges.

When a firm is made aware of a service failure, the firm holds the responsibility of recovering service failure, and correcting the mistakes that were made. When a successful solution to a failed service delivery is offered, customers will leave a firm satisfied in the firm's abilities to please them; and they will possibly form an even stronger relationship with this firm. However, when a firm fails to recover from a failed service delivery, the customers might seek further justice.

In their attempts to seek justice for a failed service delivery, customers harm the firm's reputation and can cause a loss of potential customers' business through revenge behaviour. Through direct or indirect customer revenge behavior, aimed at the service firm, customers gain a sense of getting their voices heard and making their damages or losses known to the world. The introduction of the Internet has worsened the effects of indirect customer complaints of any firm's reputation, and the effects of these damages can be much more far-reaching than expected. With the literature review on services marketing, service failure and successful service recovery, this chapter laid the foundation for the comprehensive theory discussion of customer revenge behaviour. Thus, the following chapter will build on these foundations and explore the various elements that drive customers to seek revenge.

CHAPTER 3: THEORETICAL FOUNDATION OF THE CUSTOMER REVENGE MODEL AND THE INTRODUCTION OF SELF-EFFICACY AND PERSONALITY TYPE

3.1. INTRODUCTION

After every service failure there is an opportunity for the firm to regain trust, and a positive relationship with the customers that were disappointed (Buttle & Burton, 2001; De Matos *et al.*, 2007; Mattila, 2001; McCollough *et al.*, 2000; Zeithaml *et al.*, 2006). However, sometimes the service recovery efforts were unsatisfactory, and this leads to further disappointment for customers, increasing the likelihood of customers developing a desire for revenge (Gregoire & Fisher, 2008; Ward & Ostrom, 2006). When customers are disappointed – both by the failed service delivery and the recovery efforts – they develop a desire for revenge (Gregoire *et al.*, 2010). The variables that drive their revenge behaviour will be investigated in this chapter.

In this chapter a review of the literature on customer revenge behaviour is given, focusing particularly on the “Extended Customer revenge Model” (Gregoire, Laufer & Tripp, 2010). This model of customer revenge behaviour assumes that all customers go through certain stages towards enacting revenge. However, some customers are more likely to enact revenge than others. Increasingly, authors are speculating about the influence of personality type and customers’ levels of self-efficacy on customer revenge behaviour (Gregoire *et al.*, 2010). Some studies have broadly looked into the impact that these constructs can have on customer revenge behaviour (Alden, 1986; Bandura, 1977, 1983, 1993; Bandura *et al.*, 1980; McCullough, Bellah, Kilpatrick & Johnson, 2001;), but none have unified it with extant customer revenge theory or models – in an effort to get a holistic and comprehensive view of customer revenge behaviour. This chapter reviews the current literature on self-efficacy and personality type, as well as the expected influences that these appear to have on customer revenge behaviour – in an effort to demonstrate the importance of their inclusion in the model for customer revenge behaviour.

The previous chapter discussed customer revenge behaviour and the two forms of customer revenge behavior, direct and indirect revenge. In this chapter, the most widely accepted model for customer revenge behaviour is discussed. This chapter starts by discussing the evolution of existing customer revenge models; and it forms the foundation for the subsequent adapted conceptual model for customer revenge behaviour.

3.2. THE EMERGENCE OF THE CUSTOMER REVENGE MODEL

Throughout the preceding chapter, the foundation of customer revenge behaviour in the service industry was discussed. Building on this, this section presents a review on the evolution of our understanding of customer revenge behaviour. In the review of literature on customer revenge behaviour, it became clear that customer revenge behaviour are consistently defined throughout the literature as customers inflicting some harm on a firm in retaliation for the damages that the firm has caused them (Gregoire et al., 2009; Zourrig, et al, 2009). It was also noted that all customers became much more likely to seek revenge after a firm has failed to redress the initial service failure (see Bechwati & Morrin, 2003).

The rest of this study will exclusively focus on the models by Gregoire et al. (2010) as these authors presented the most comprehensive models that include all the constructs from previous studies. These previous studies are highlighted below in Table 3.1:

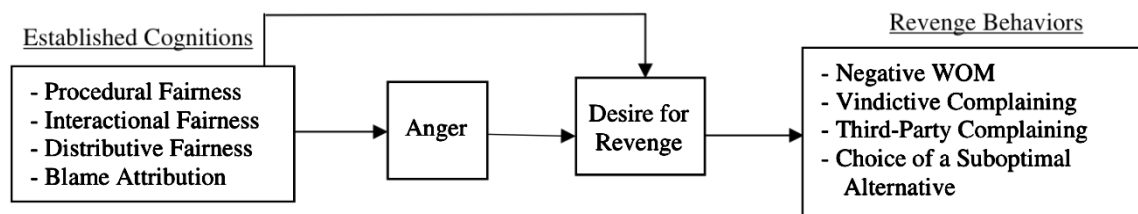
Table 3.1: Previous customer revenge behaviour literature

Authors	Definition of revenge
Huefner and Hunt (2000)	Customer retaliation: "an aggressive behaviour done with the intention of getting even"
Bechwati and Morrin (2003)	Desire for vengeance: "the retaliatory feelings that customers feel toward a firm, such as the desire to exert some harm on the firm"
Wetzer, Zeelenberg and Pieters (2007)	Revenge goal is associated with "aggressive goal" and a "desire to hurt"
Gregoire and Fisher (2008)	Customer retaliation "represents the efforts made by customers to punish and cause inconvenience to a firm for the damages it caused them"
Zourrig, Chebat and Toffoli (2009)	Revenge: "the infliction of punishment or injury in return for perceived wrong"

The customer revenge behaviour model incorporates all these various studies into a comprehensive model, which is based on the behaviour that customers display after the *double deviation* (Bitner et al., 1990). The term *double deviation* refers to a double fault that a firm would have undergone: a failed service-delivery, and also, a failed attempt (or none at all) at recovery. The evolution of the two existing customer revenge models will be discussed in this section, starting with the first model, the "extant

customer revenge model" (Gregoire et al., 2010). The "extant customer revenge model" (Gregoire et al., 2010), was created using previous customer revenge literature (see Table 1.1) and serves as the foundation on which Gregoire et al. (2010) built their extended model. This model is illustrated below (Figure 3.1):

Figure 3.1: An extant customer revenge model by Gregoire, Laufer and Tripp, 2010



SOURCE: Gregoire et al., 2010

This extant model makes a distinction, as in other literature, between a desire for revenge and the observable revenge behaviour (Bechwati & Morrin, 2003; Gregoire & Fisher, 2008). The model illustrates that a desire for revenge increases the likelihood of customer revenge behaviour (Gregoire et al., 2010). There is an emphasis on a desire for revenge as customers are not always able to transform their desire into actions.

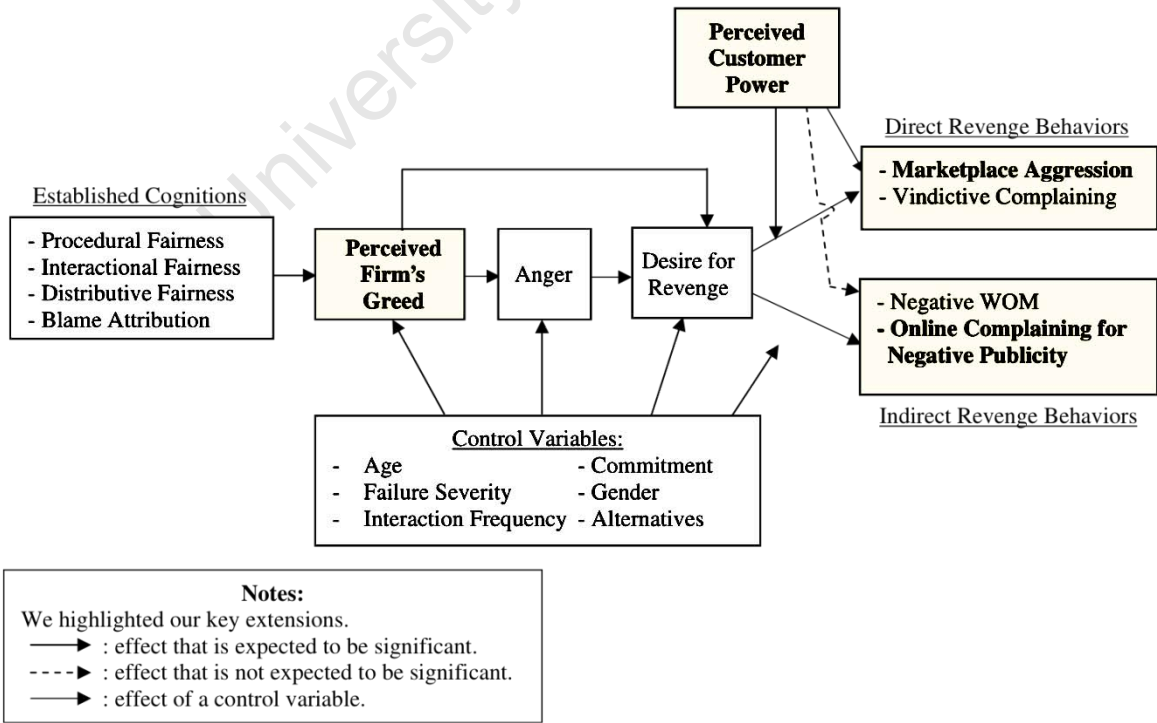
The research by Zourrig et al. (2009) highlighted the range of harmful actions that are available to customers; and these are also incorporated into the extant model. The extant model simultaneously incorporates the effects of four cognitions on desire for revenge (procedural-, interactional-, distributive fairness, and blame attribution). These established cognitions are thoroughly discussed later in this chapter (section 3.3).

The extant model also incorporates the effect of negative emotions on customer responses after service failures (Bougie et al., 2003). There have been an increased focus on anger; and consequently, a lot of theoretical advances have focused on the area of anger. This may be defined as a strong emotion that involves an impulse to respond and react (Fitness, 2000). Anger has been found to be a strong predictor of customer revenge (McColl-Kennedy et al., 2009; Zourrig et al., 2009); and it remains one of the foundational elements in customer revenge behaviour. With the inclusion of this emotional route, the model asserts that the established cognitions lead to anger, which in turn, creates a desire for revenge (Bechwati & Morrin, 2003).

Along with this emotional route, Gregoire et al. (2010) incorporate into the model a direct and cognitive route. Via the cognitive route, the established cognitions are found to directly create the desire for revenge, without any emotional involvement (Bechwati & Morrin, 2007). This is referred to as the cognitive route to revenge as the perceived justices of the established cognitions acts as direct cognitive antecedents to customer satisfaction (del Rio-Lanza, Vazquez-Casielles & Diaz-Marin, 2009). The perceived justices of the established cognitions inside the extant model thus represents a cognitive appraisal dimension that helps to explain the emotions triggered by service recovery (del Rio-Lanza et al., 2010) This cognitive route is explained, as being caused by customers having the need to teach the firm a lesson; and it has been found to have a strong impact on customer revenge behaviour (Gregoire et al., 2010; Bechwati & Morrin, 2007). In the extant customer revenge model, the model accounts for both the cognitive and emotional routes (Gregoire et al., 2010).

Gregoire et al. (2010) built on this theory with the inclusion of three theoretical constructs. Their first inclusion is the idea that customers' perception of a firm's greediness (perceived greed) is influential in triggering a desire for revenge. Their second addition is the role of customer power in predicting a desire for revenge; and thirdly, it is to distinguish between direct and indirect revenge behaviour (Gregoire et al., 2010). This extended model is illustrated below in Figure 3.2.

Figure 3.2: An extended customer revenge model



SOURCE: Gregoire, Laufer and Tripp, 2010

The need for a comprehensive model is important, since the existing literature on customer revenge is fragmented and not cohesive in its efforts to explain the progression from service failure to customer revenge behaviour (Gregoire *et al.*, 2010). There is also a need for other research avenues that deserve future attention (Daunt & Harris, 2012; Gregoire & Fisher, 2008; Huefner & Hunt, 2000; McCullough, Bellah, Kilpatrick & Johnson, 2001; Zourrig, Chebat & Toffoli, 2009). Key constructs, such as personality type and self-efficacy, should be tested for their important effects on the model (Gregoire *et al.*, 2010; Gregoire & Fisher, 2008; McCullough *et al.*, 2001). The purpose of this study is to evaluate all the constructs – along with the impact of additional constructs such as personality type and self-efficacy – thereby contributing to the understanding of customer revenge behaviour.

Before discussing the additional constructs of the figure (see Figure 3.2), a thorough description of the elements of the extended customer revenge model will follow. All these elements will be discussed with the knowledge that each type of behaviour that flows out of the variables is based on the customer's experience of a service failure – and service-recovery failure (Gregoire *et al.*, 2010). The premise exists that these customers have tried to resolve the failed service delivery with the company; and they have been left feeling ignored and disappointed by the firms' insufficient, or lack of, interest in resolving the problem equitably (Bitner *et al.*, 1990; Gregoire *et al.*, 2010).

The following discussions start with the established cognitions: the first cognitive route that customers take when evaluating the service failure; thereafter, the next constructs of the model, as they appear in the extended customer revenge model, are discussed.

3.3. ESTABLISHED COGNITIONS: JUSTICE AND ATTRIBUTION THEORY

Most researchers (see for example Mattila, 2001; McColl-Kennedy & Sparks, 2003; Wean, Beatty & Jones, 1997) start their investigations of customer revenge behaviour with the Justice and Attribution theories (Bechwati & Morrin, 2003). The Justice theory is composed of: procedural fairness, interactional fairness and distributive fairness. For the attribution theory, this is collectively known as blame-attribution (Bechwati and Morrin, 2003, 2007; Gregoire *et al.*, 2010; Gregoire and Fisher, 2008; Zourrig *et al.*, 2009). The following sections discuss the Justice and Attribution theories and their impact on customer revenge behaviour.

3.3.1 The Justice Theory

The Justice theory is a fundamental theory in revenge and service literature (Gregoire *et al.* 2010; Bechwati & Morrin, 2003; Gregoire & Fisher, 2006); and it relies on three customer judgments: distributive fairness, procedural fairness and interactional fairness (Bechwati & Morrin, 2003; Blodgett, Hill & Tax, 1997). These judgments form the established cognitions or the first step in customer revenge behaviour (Gregoire *et al.*, 2010).

Customers evaluate the fairness of the treatment they received from a firm after a service recovery, (McColl-Kennedy & Spark, 2003); and if customers come to the realization that they were treated unfairly by the firm, they will seek revenge (Gregoire & Fisher, 2006; Hocutt, Chakraborty & Mowen, 1997). Customers' level of satisfaction – and their future loyalty – will depend on whether the customers feel that they were treated fairly, and that justice was done (McColl-Kennedy & Sparks, 2003).

In an effort to establish the fairness of the treatment that they have received, customers will evaluate the compensation that was given by the firm (del Rio-Lanza *et al.*, 2010) – in an effort to fix the damages caused by the initial service failure (distributive fairness). Customers would further try to evaluate how fair and quick the processes were through which they had to go, in order to obtain any sort of compensation from the firm for the damages initially caused (procedural fairness) (Goodwin & Ross, 1992). After this, and by far the most important evaluation, would be their evaluation of how fairly they were treated by the employees with whom they had to deal (interaction fairness) (Weun *et al.*, 2004). These evaluations form what is known as the Justice Theory (Bechwati & Morrin, 2003; Gregoire *et al.*, 2010; Gregoire & Fisher, 2006).

When customers come to the conclusion that they were treated unfairly by the firm, either in the amount of compensation they received from the firm or because the recovery process took too long, then such customers will seek to find someone to blame (Bechwati & Morrin, 2007; Bradfield & Aquino, 1999). When there is someone (a firm or an employee) to blame, the desire for revenge becomes much more evident (Folkes, 1984; Gregoire *et al.*, 2010). The three forms of justice that would contribute to customers' feelings of satisfaction with a service-recovery effort are discussed in the following sections. The following sections discuss each of the three justices that are known as the Justice Theory, starting with the distributive fairness.

3.3.1.1 Distributive Fairness

Within a service-recovery context, distributive fairness refers to the perceived fairness of the remedy offered by the seller (Blodgett *et al.*, 1997). Types of remedies include refunds, exchanges, repairs, discounts, store credit and free gifts. The perceptions of distributive justice rest with individual complaints and reflect the customers' impressions of the tangible outcomes (Blodgett *et al.*, 1997).

Low levels of perceived justice correspond to high levels of negative emotions (anger); and low levels of positive emotions (such as joy) (del Rio-Lanza, Vazquez-Casielles, Diaz-Martin, 2009). This links to the extant model (Figure 3.1) by Gregoire *et al.* (2010), in which the link between perceived justices and a desire for revenge are illustrated as having a direct cognitive route for customers who have experienced a failed service delivery and also a failed recovery.

Distributive justice raises customers' satisfaction level with appropriate service-recovery efforts (del Rio-Lanza, Vazquez-Casielles, Diaz-Martin, 2009). In the case of a service failure, customers would expect a tangible compensation for the damages caused by the firm that provided the service. Customers expect different levels of compensation – based on their perception of the severity of the failure (Hocutt, Chakraborty & Mowen, 1997). On a broader level, judgments of distributive justice are formed as a result of comparisons with other customers (McColl-Kennedy & Sparks, 2003).

Within a service failure and recovery context, it may be assumed that customers' point of comparison would be with other customers (Hocutt *et al.*, 1997). Since this is not always possible, customers may rely more on procedural and interaction justice actions when evaluating the fairness of a service-recovery process (McColl-Kennedy & Sparks, 2003). When the firm handles complaints in a favourable manner, the compensation was in line with the perceived costs experienced by the customer (Blodgett *et al.*, 1997).

For customers to feel that they have been treated fairly after a service recovery, it is important that they have a sense of justice being done. This means that they need to feel that, in comparison with other customers and in reflection of the damages caused by the service failure, customers need to have a sense that they got what they deserved from the firm. Besides this first element, distributive justice, customers will also rely on two other justices (procedural and interaction fairness) for an evaluation of a

service-recovery effort made by the firm which caused the failure leading to their initial dissatisfaction. Procedural fairness is discussed in the following section.

3.3.1.2. Procedural Fairness

Procedural fairness refers to the perceived fairness of the policies, procedures and criteria used by decision-makers in arriving at the outcome of a dispute or negotiation (Blodgett *et al.* 1997). Fair procedures are seen as consistent, unbiased – and are based on accurate information and on ethical standards (Blodgett *et al.* 1997). Fair procedures also allow both parties to provide input into the decision (Goodwin & Ross, 1992).

A focal issue in retail and service complaints is the speed with which the conflict is resolved (Blodgett *et al.*, 1997; Hart *et al.*, 1990). This dimension of speed reflects the timeliness, responsiveness and convenience of the complaint-handling process (Blodgett *et al.*, 1990). Various studies have cited the negative emotional states, and the resulting dissatisfaction caused by the perceived unfairness of too-long waiting periods in these servicing situations (McColl-Kennedy & Sparks, 2003; Blodgett *et al.*, 1997; Gregoire *et al.*, 2010).

Time lost by the customer is seen as aggravating and expensive – with waiting being especially disconcerting when the customer is angry and uncertain (del Rio-Lanza, Vazquez-Casielles, Diaz-Martin. 2009; McColl-Kennedy & Sparks, 2003). The time delay adds to the conviction of the customer that the firm has some control over the delay, which is likely to be the case in customer complaint situations. The delay in the handling of customer complaints results in negative feelings for the customers – and the resulting emotional route (through anger), which leads customers to the point of having a desire for revenge (del Rio-Lanza, Vazquez-Casielles, Diaz-Martin. 2009; Gregoire *et al.*, 2010).

When customers have sought recovery from a firm due to a service failure, their satisfaction with the recovery efforts, and the compensations they received from the firm, will be evaluated in the light of how the firm arrived at the decision of how (or how much) to compensate the customer(s) affected (Blodgett *et al.*, 1997). Typically, customers will see unfairness when there has been a delay in the processing of the complaint, the process control, inaccessibility, wrong timing and an inflexibility to adapt to customers' recovery needs (Schoefer & Ennew, 2005).

Procedural fairness is seen as being a more important issue than outcome fairness. That is, being treated fairly goes further than simply receiving a fair outcome (McColl-Kennedy & Sparks, 2003). It appears that it is how the outcome is received, rather than what is received, that matters most to the customer. The last of the three justices to be reviewed is interactional fairness. A review of this third construct of established cognitions follows.

3.3.1.3 Interactional Fairness

The final element in the evaluation of justice by customers is the assessment of how fairly the customer feels s/he was treated during the service-recovery process (Blodgett *et al.*, 1997; Weun, Beatty & Jones, 2004). How fairly the customer feels the firm has treated them is the final, and probably the most important, aspect of the service-recovery assessment (McColl-Kennedy & Sparks, 2003). The assessment of how the customer was treated during the recovery process is known as interactional fairness.

Interactional fairness refers to the manner in which individuals are treated throughout the process of conflict resolution (Blodgett *et al.*, 1997; Gregoire *et al.*, 2010; McColl-Kennedy & Sparks, 2003; Weun *et al.*, 2004). One example of the fairness of treatment is the courtesy, or the lack of courtesy, by the employees handling the complaint. Elements of this form of justice include interpersonal sensitivity, treating people with dignity and respect, or providing explanations for events (McColl-Kennedy & Sparks, 2003). It has been found that fair interpersonal treatment contributes to the satisfaction with service encounters (Bitner *et al.*, 1990); it enhances evaluations of service quality, and results in more favourable repurchase intentions (Blodgett *et al.*, 1997).

In a customer-complaint context, the concept of perceived justice (measured as different kinds of fairness) offers a valuable framework for explaining customers' reactions to the complaint episodes (Blodgett *et al.*, 1997). It is also consistent with the service-marketing literature, which recognises the importance of process and interpersonal communication during a service encounter (Blodgett *et al.*, 1997; Bitner *et al.*, 1990). It has been found that interpersonal treatment (the relationship between the firms' employee and the customer) contributes to satisfaction with the service encounters; it enhances any evaluations of the service quality, as well as acceptable repurchase intentions.

When unfairness is perceived, an angry party (in this instance, the customer) seeks to determine who is responsible for the offence and the motives and intentions of the wrongdoer (McColl-Kennedy & Sparks,

2003). Accountability is fundamental to the fairness theory; and it is argued that for an injustice to have occurred, someone must be to blame (Folger & Cropanzano, 1998). It is with the collective assessment of injustice through distributive, procedural and interactional fairness that customers will come to a conclusive decision as to how fair and just the treatment was that they received (Blodgett *et al.*, 1997). The service-recovery process is the only chance a firm has to rectify and correct any injustices that the customer might have experienced during a service failure.

When customers come to a collective decision that the injustices they have received is due to the firm, there comes a realization that anger towards the firm is justified (Casado Diaz & Mas Ruiz, 2002); and a desire for revenge emerges (Gregoire *et al.*, 2010). It is for this reason that a fourth element in the evaluation of established cognitions is included in the extended customer revenge model by Gregoire *et al.* (2010). The route to customers feeling angry and vengeful towards a firm is fairly direct after they have come to the conclusion that a failure recovery was due to injustice from the firm (Gregoire & Fisher, 2006; Hocutt *et al.*, 1997).

Because blame gets assigned to the service firm in any failure scenario, and in particular in a services environment, the blame attribution is discussed in the follow section. When customers determine that the poor service and the poor recovery efforts are due to the firm's actions, they will place blame on the firm and they will not take any personal responsibility for causing the poor service experience (Kelley & Michela, 1980). Establishing who is to blame for the poor service recovery (i.e. the attribution theory) and the resulting consequences are discussed next.

3.3.2 The Attribution Theory

Attribution theory is well known within the field of social psychology; and it has been used in many studies to explain human behaviour (Bechwati & Moring, 2003; Folger & Cropanzano, 1998; Kelly & Michela, 1980). Attribution theory specifically focuses on how people react to certain scenarios (Folger & Cropanzano, 1998). In customer behaviour, the existence of the attribution theory is an important factor to note, since an understanding of why a service has failed or succeeded, is an established cognition that will drive customers' behaviour. Hence, the attribution theory within the customer service environment rests on the ability of customers to classify the causes of a service failure (Kelley & Michela, 1980).

Attribution theory views people as rational information processors, and their actions as being influenced through their causal inferences (Folkes, 1984). It is not just the judgment concerning the product that has failed that determines the customer response; people try to determine why the service failed; and the reason why the service failed influences what they will do in response (Kelley & Michela, 1980). Determining who or what is to blame for a service failure will determine the customers' reactions to the service failure. For instance, in South Africa there has been a consistent problem with insufficient power supply by the nation's only electricity provider, Eskom. Customers were quick to assign blame and become angry with Eskom when the firm did unscheduled maintenance work on their power supply lines, which left thousands of customers without power for hours, or days on end. If, however, customers had lost their power supply due to stolen power lines or poor weather conditions, Eskom would not have been at the forefront of a nation filled with angry customers seeking better customer service from the largest electricity supplier in the country.

Within attribution theory, understanding how customers assign blame gives researchers the ability to determine and predict customer behaviour (Folkes, 1984). One way of determining customer behaviour from their attribution is based on the research done by Weiner (1980). Weiner was most successful in developing a system that categorises the causes for failure by their underlying causal properties or dimensions.

The first dimension by which customers categorises the causes for service failure (attribution) is stability (Weiner, 1980). Stability refers to the notion that causes can be relatively temporary (fluctuating over time) or permanent (remaining stable over time) (Folkes, 1984). As regards the example of poor electricity supply by Eskom in SA, the outages of electricity have been very frequent; and as a result, Eskom has been classified by customers as being consistent in its reasons for poor service delivery. Because the reasons are always the same for unplanned and uncommunicated power outages, customers have become increasingly more enraged with the firm.

The second dimension by which customers would categorise the causes for failure is locus (Weiner, 1980). The primary concern here is: Was the service failure due to something that the customer did or did not do? Or, was the failure located somewhere in the delivery process of the service (Folkes, 1984)? Again, with the example of Eskom, customers will become further frustrated when the problems persist with the power supply by Eskom. Here, the fault is clearly with the firm; and the firm is not fixing the causes of the poor service delivery.

Lastly, customers would categorise the cause for failure through an evaluation of controllability (Weiner, 1980). Causes can be volitional (where choice is involved) or non-volitional (where various constraints have caused a service failure) (Folkes, 1984). As with the example of Eskom, a non-volitional cause of the poor power supply could be due to the theft of power lines.

This system whereby the customers would classify a service failure and a poor recovery effort would be vital in the assigning of blame for the damages or losses caused (Bechwati & Morrin, 2003). When customers come to the conclusion that, as with the example mentioned, Eskom has been persistent in their poor service delivery – with the failures being caused by the firm – and that the prevention of the failures was within the firm's control, predicting who the customers would blame for the losses and damages becomes more clear.

However, the ability of customers to classify the causes of a service failure (attribution) is affected by three antecedents or causes: information, beliefs and motivation (Kelly & Michela, 1980). Information refers to the consequences of an action, as they consider other possible actions that could have been taken by the firm. Secondly, the attribution is affected by the perceiver's beliefs. This refers to what other actors would have done in the same situation (social desirability). The third cause is motivation that refers to what the customer perceives as the motivation for the firm's behaviour (Kelly & Michela, 1980). This is when customers believe a firm's greed was the motivator for the firm's actions. When customers are sure of the firm's role in the damages caused by a poor service delivery and recovery, their anger increases and a desire for revenge emerges.

The three antecedents of attribution describe how customers place blame on a firm for a failed service delivery and it is also the means through which a firm can correct a service failure and prevent customers from getting angry and having a desire for revenge (Bechwati & Morrin, 2007; Gregoire et al., 2010). For example, if the firm can motivate and give more information as to why a failure occurred, customers might be willing to forgive the poor service delivery, and not to seek revenge. It is when service firms fail to seek successful recovery that customers are motivated by their emotions (anger) to seek revenge and to damage a firms' reputation.

Attribution is an important factor in revenge behaviour. Research has shown that having someone to blame is a necessary condition for pursuing revenge (Bradfield & Aquino, 1999). Even a share of the blame is an important determinant of a desire for revenge (Bechwati & Morrin, 2007). In situations

where the perceived injustice can be attributed to a single entity, rather than several entities, the desire for revenge was found to increase (Bechwati & Morrin, 2007).

The justice and attribution theory are the established cognitions at the heart of the model by Gregoire *et al.*, (2010). These are based on the behaviour that customers show after a failed service recovery. The attribution theory is the last cognitive evaluation that occurs with customers; and it is also the last cognitive attribute that leads to customers blaming the firm and making that firm the target of their revenge behaviour. Another key influencer of customers' desire for revenge is the customers' impression of how the firm's greediness impacted the poor service delivery and service recovery (Gregoire *et al.*, 2010). Since the firm has been blamed for the service failure and the lack of service recovery, the logical flow in the cognitive reasoning process for customers, would be to determine why the firm failed to live up to expectations (Bruhn & Lowrey, 2012).

If the customers are of the opinion that the firm caused the poor service delivery; and they can attribute the firms' actions to the failed service, and the failed recovery to its greediness, according to the model, customers' behaviour grows into anger towards the firm (Gregoire *et al.*, 2010).

3.4. THE IMPACT OF GREED ON CUSTOMER ANGER

The following construct that has an impact on customer revenge behaviour is the notion that a firm caused damage or unsatisfactory service delivery due to its own desire for profits (greed) (Gregoire *et al.*, 2010). Customers can sense when a poor service delivery occurred due to the firm's desire to make more profit (Gregoire *et al.*, 2010). Perceived greed refers to when a customer judges that a firm has taken advantage of a situation merely to serve its own best interests; and it has done so in such a way that this proved detrimental to the customer's interests (Crossley, 2009).

Greed is an ongoing occurrence in human nature, since it serves powerful egotistic wants and needs that are reinforced and rewarded at all levels of society (Bruhn & Lowrey, 2012). Ambition is a highly valued behaviour in some societies and organizations more than others; it creates innovation, efficiency and opportunity for oneself and others (Bruhn & Lowrey, 2012). However, some firms – and the individuals within those firms – may become obsessed with extraordinarily large needs (and greeds) for materialistic wealth and possessions, which can become measures of power and achievement (Wang & Mumigham, 2011).

Greed is defined as the abnormal need for the acquisition of materialistic wealth, and an unfulfilled obsessive desire for more possessions to satisfy a variety of social and emotional needs, such as power and status (Wang & Murnighan, 2011). When a firm, driven by employees' greediness, causes damage or harm to its customers through service failures, these customers will attribute the damages to the firm and its employees (Gregoire et al., 2010).

The severity of the failure also increases the perceived greed and anger of customers (Crossley, 2009). This effect manifests in customers who have had to incur a greater inconvenience when going through the recovery process; and as a result, felt more anger, and also felt as though the firm was trying to exploit them. During the study there was evidence that, in general, the greater the amount of harm, the more the customers felt as though the firm intended some harm to happen (Gregoire et al., 2010).

All of the judgments regarding the established cognitions and greed made by customers during the service failure are due to their belief that the firm was at fault and responsible (Gregoire et al., 2010). Hence why the blame attribution is also related to perceived greed. The established cognitions, the attribution and a firm's perceived greed all contribute to the emotional reaction a customer will have after a failed service delivery and a poor recovery (Fitness, 2000). When a customer cannot find adequate reasons as to why a firm failed at a service delivery, and decides instead that the firm's action, or failure to act, was due its own profit-seeking behaviour – then the emotional response is anger – and this is the final stage in the customer revenge behaviour model (see Figure 3.2) before exhibiting a desire for revenge (Gregoire et al., 2010).

3.5. THE EMOTIONAL ATTRIBUTE: ANGER

Following greed, and in conjunction with the justice and attribution theory that translates into established cognitions, there then comes another factor in the development of customer revenge behaviour: the emotion of anger (Gregoire et al., 2010). This is an emotional route that customers follow that is in addition to the cognitive routes discussed so far. Barriers to customers achieving their goals (for example, having a quick and efficient service recovery) commonly generate anger and aggressive feelings within a person (Bennett, 1997). Therefore, the cognitive route entails the established cognitions and greed evaluation and the emotional route involved in reaching a desire to seek revenge cannot be ignored, and this will also be reviewed in the following section.

In the extant model, the route that is followed from the established cognitions to revenge behaviour is through the variable of anger (Gregoire et al., 2010). Anger is a stand-alone construct in the model, as it shows the emotional component through which customers evolve from dissatisfaction to revenge behaviour. Barriers to customers achieving their goals (for example having a quick and efficient service delivery) commonly generate anger and aggressive feelings within a person (Bennett, 1997).

Anger is viewed as an emotional element that is associated with tense feelings and a tendency to attack the target (i.e. the person/firm responsible) both verbally and non-verbally (Fitness, 2000). People who feel unjustly treated may not always take direct confrontational action to 'get even'; but they may rather take covert retaliatory action, such as theft or sabotage (Fitness, 2000). Some research studies have noted that more research is required to determine whether anger and dissatisfaction are distinctive emotions; and how they affect behaviour is of interest to marketing management (Bechwati & Morrin, 2003).

There is a difference between an angry customer and a dissatisfied customer (Bougie, Pieters & Zeelenberg, 2003). Anger (described as a feeling) is associated with appraising an event as harmful and frustrating; it is aimed at another person or institution (Bechwati & Morrin, 2003). Angry customers usually think of violence and how unfair a situation was. They tend to want to get back at the firm and/or want to hurt the firm. In contrast, dissatisfied customers have a feeling of non-fulfilment; and they think that they have missed out on something (Bougie et al., 2003).

Kalamas et al. (2008) found that angry customers are less satisfied, give lower service evaluations, have higher perceptions of injustice, and give weaker ratings of corporate image. Furthermore, it has been found that angry customers are less likely to spread positive word-of-mouth; and are more likely to complain, exhibit negative repurchase intentions, and engage in third-party action.

Studies on customer revenge behaviour acknowledge and state that anger is an important predictor of customer revenge behaviour (Bechwati & Morrin, 2003; Gregoire et al., 2010; Kalamas, Laroche & Makdessian, 2008), hence the inclusion of anger emotions (outrage, resentment and indignation). These emotions are important when doing an analysis of revenge behaviour. Anger is usually accompanied by a tendency to lash out at the source of failure; and the greater the levels of frustrations, the more aggressive the person's behaviour is likely to become (Bennett, 1997).

Angry customers are also driven to complain to third parties, which can be damaging to the reputation of service firms, especially if these complaints become public (Bechwati & Morrin, 2003). Even when a customer has had past experiences with the firm that were positive, managers need to be careful when dealing with angry customers, as these negative experiences tend to stand out in the memory; and they become the only information retrieved when evaluating the firm or when considering repurchasing options (Bechwati & Morrin, 2003; Bennett, 1997).

It is for this reason that the existing customer revenge model incorporates anger as an emotional stage through which customers' progress after a service failure has occurred, and the firm has failed to provide any recovery to the customer in a satisfactory manner (Bennett, 1997). It is an important emotional component in the prediction of customer behaviour after a service failure; although it should be viewed as an addition to the previously discussed cognitive routes. It is a key emotion indicator for firms that a customer needs to be attended to; and a poor service instance has to be corrected before these customer(s) seek revenge on the firm.

At this point in the customer revenge behaviour model (see Figure 3.2) the desire for revenge emerges. The following section will discuss this together with the specific customer revenge behaviour that could occur, bearing in mind that both direct and indirect revenge behaviour has been introduced and reviewed in the previous chapter.

3.6. THE DESIRE FOR REVENGE AND REVENGE BEHAVIOUR

When reviewing customer revenge behaviour, it is important to understand that before an act of revenge takes place, the customers have experienced a desire for revenge; and all the preceding factors that influence that desire (as discussed above) (Gregoire *et al.*, 2010). It is important to differentiate between the desire for customers' revenge and the concept of revenge behaviour. The desire for customer revenge incorporates the definition stating that it is a "behavioural intention to act against the offending firm" (Bechwati & Morrin, 2003).

Revenge behaviour is usually an attempt to redress an interpersonal offence by committing an aggressive action against a perceived offender (Bechwati & Morrin, 2003; McCullough, Bellah, Kilpatrick & Johnson, 2001; Zourrig *et al.*, 2009). This would usually encompass three subsidiary goals: the revenge is usually aimed at getting even with the company; it is seen as a way of restoring the moral

balance; and it can sometimes be justified by the offended customers, as a moral obligation to restore the balance between the customers and the firm (Bitner, Booms & Tetreault, 1990).

Desire for revenge leads to revenge behaviour; however, customers are not always able to transform their desire for revenge into actions (Bechwati & Morrin, 2003; Gregoire *et al.*, 2010). Some might fear retaliation, or feel that revenge is immoral. Another key predictor of whether desire for revenge will lead to revenge behaviour is the level of power that the customers have in their relationship with the firm (Bechwati & Morrin, 2003). For example, low-power customers (i.e. customers who are reliant on the firm's service) tend to be reluctant to engage in direct revenge – because of the fear of counter-retaliation (Bechwati & Morrin, 2003; Gregoire *et al.*, 2010).

On the other hand, high-power customers are more inclined to take direct revenge, as they do not fear any counter-retaliation (Aquino, *et al.*, 2006). Customers fear retaliation to their actions less in the world of online complaints, since this context offers them a buffer against any direct retaliation from firms (Aquino, *et al.*, 2006; Ward & Ostrom, 2006). This concept of customer power and the impact that it would have on a desire for revenge and revenge behaviour is a construct that was introduced by Gregoire *et al.*, (2010) in their extended customers' revenge model. It is however a contentious idea and inconsistent results have been found regarding this (Gregoire *et al.*, 2010; Gregoire & Fisher, 2008).

This study considers the possibility that the path from a desire for revenge to actual revenge behaviour may well be subject to certain constructs' effects, such as personality type. It is, however, important to understand that without the existence of a desire to take revenge, revenge behaviour would not occur, as the desire for revenge is the origin of most retaliatory behaviour (Gregoire, Tripp & Legoux, 2009).

Constructs such as failure severity and relationship commitment were further constructs included as control variables inside the extended customer revenge behaviour model (Gregoire *et al.*, 2010). Control variables measured in this study will be discussed next, and serve as an introduction to the effects that outside variables can have on the progression from a poor service failure through the customers' revenge behaviour. These control variables impact how customers would react and how quickly they would progress through the customer revenge model.

3.7. CONTROL VARIABLES TO THE CUSTOMER REVENGE BEHAVIOUR MODEL

The control variables inside the extended customer revenge behaviour model (Gregoire et al., 2010) are: age, failure severity, customer commitment, gender and alternatives. In the extended customer revenge model, Gregoire et al., (2010) account for the variables customer commitment, interaction frequency, failure severity, and also perceived alternatives. The effects of the control variables on the extended customer revenge model were not all found to be significant in the study (age, gender and alternatives) by Gregoire et al., (2010). Thus the researcher in this study decided to include only two of the variables previously found to be significant (Gregoire et al., 2010), failure severity and customers' relational commitment to the firm.

Commitment refers to the customer's willingness to maintain a relationship with a firm (De Wulf et al., 2001; Gregoire et al., 2010). Organisational commitment is the strength of an individual's involvement in a particular organisation (Harrison-Walker, 2001). The nature of the services makes it particularly important for both practitioners and researchers to consider relationship commitment as a marketing phenomenon (Berry, 1995; Bitner, 1995; Fullerton, 2003). Customer advocacy and positive word-of-mouth are regarded as important consequences of customer commitment (Fullerton, 2003; Morgan & Hunt, 1994, Price & Arnould, 1999).

Customers who are committed in their relationship with a service provider are expected to act as advocates for the service organisation (Fullerton, 2003; Gremler & Gwinner, 2000). Advocacy and positive word-of-mouth communications have a lengthy tradition of research in service marketing (Morgan & Hunt, 1994). However, less is known about advocacy (or the opposite thereof) as a consequence of customer commitment (or lack thereof) in marketing relationships (Fullerton, 2003; Morgan & Hunt, 1994).

The researchers of this study believe that before anger translates into a desire to seek revenge against a firm, the customers would first (even subconsciously and within seconds) evaluate how committed they are to continuing their relationship with the firm (Fullerton, 2003; Morgan & Hunt, 1994). This relates to a contentious debate in customer revenge behaviour literature, where researchers argue, on the one hand, that "*love is blind*" and other researchers argue that "*love is hate*" or "*love turns to hate*" in customer revenge behaviour. The notion that "*love is blind*" (Gregoire, Tripp & Legoux, 2009) drives this theory along with the research foundations that have been established on customers' willingness to advocate a service relationship when they are committed to that relationship (Fullerton, 2003; Gremler

& Gwinner, 2000; Morgan & Hunt, 1994). "Love is blind" describes a situation whereby a customer ignores negative information that is not in line with the relationship norms which they are accustomed to with a firm and hence they disregard the failure due to personal elements (Gregoire & Fisher, 2006). This is done in order to avoid discomfort felt by the customer and therefore, the desire for revenge is lessened (Gregoire & Fisher, 2006).

On the other hand, the notion of "love turns to hate" states that when a customer is involved in a highly committed relationship with a service firm, it violates the relationship norms and the customer feels betrayed (Gregoire *et al.*, 2009; Gregoire & Fisher, 2006). This betrayal magnifies the customer's desire for justice and can lead to worsened levels of extreme revenge acts (Gregoire *et al.*, 2009). As a result, the researcher decided to keep this variable within the model, for this study to be tested for its role in customer revenge behaviour.

Failure severity, the second control variable that this study included, is a variable that was found to affect customers' responses to service recovery (Smith, Bolton & Wagner, 1999). The level or extent of damage or loss that a service failure caused a customer is believed to be a contributing factor on how customers would react to the service failure (Gregoire *et al.*, 2010; Smith *et al.*, 1999). If the damage was severe and the loss (financially or emotionally) was extensive to the customer, then this could contribute to how angry the customer would become at the service failure; and also when the full damage caused was not compensated for through the service recovery efforts (Bechwati & Morrin, 2003; Kalamas *et al.*, 2008).

The impact that the failure severity has on customers' emotional reaction to a service failure is expected to be important (Gregoire *et al.*, 2010), as it increases the level of anger the customer expresses towards a firm after a service failure. Hence, its role in the customer revenge model would be measured accordingly.

The extended customer revenge model of Gregoire *et al.*, (2010), as it stands at this point, is based on strong theoretical foundations, and comprises some of the variables that could influence customer-revenge behaviour. The model is extensive in its measurement of various elements that could impact customer revenge behaviour, but it does leave room for the inclusion of many other variables (Gregoire *et al.*, 2010). The model proposed by Gregoire *et al.*, (2010) assumes that all customers go through certain stages, reaching either a desire for revenge or actual revenge, when there has been a service failure and perceived injustice. However, many authors (Daunt & Harris, 2012; Gregoire *et al.*, 2010;

Gregoire & Fisher, 2008; McKee, Simmers & Licata, 2006) have argued that some customers are more likely to enact revenge than others. More specifically, researchers have eluded that customers' level of self-efficacy and their personality type might be a key influencing factor (Gregoire *et al.*, 2010; Gregoire & Fisher, 2008). It is exactly these two constructs that this study aimed to focus on in an attempt to expand current customer revenge theory. By measuring the impact that customer self-efficacy and personality type have on behaviour, valuable insights can be made to our understanding of customer revenge behaviour (Daunt & Harris, 2012; McCullough, Bellah, Kilpatrick & Johnson, 2001; McKee Simmers & Licata, 2006) – and to the extended customer revenge model (Gregoire *et al.*, 2010).

3.8. THE INFLUENCE OF PERSONALITY TYPE AND SELF-EFFICACY ON CUSTOMER REVENGE

This study proposes that customers' level of self-efficacy (or belief in their own abilities) and their personality type could be key influencer of whether customers act out their desire for revenge. The following sections aim to justify the inclusion of these constructs into the current customer revenge behaviour model. Therefore, the theoretical foundations for the effects that self-efficacy and personality type could have on customer revenge behaviour are discussed in the sections to follow.

3.8.1. Self-efficacy

Self-efficacy is a psychological term that roughly corresponds to a person's belief in his or her own competence (Bandura, 1983). Self-efficacy is the belief that individuals tend to hold of themselves – through which they interpret social feedback (Alden, 1986). Self-efficacy has been found to influence individuals' attempts to approach feared objects, to have persistence in feared situations, and to engage in adaptive coping (Alden, 1986; Bandura, 1983; Bandura, Adams & Beyer, 1977; Bandura, Hardy & Howells, 1980).

The effects that self-efficacy can have on the behaviour of customers during their progression from a failed service delivery through to revenge behaviour is expected to be influenced by the sense of self-worth that these customers hold. The importance of including the role that self-efficacy might play in the customers' revenge model is something that Gregoire *et al.* (2010) acknowledged, and forms part of this study. The following section discusses the theory of self-efficacy along with the possible impacts that it might have on the current understanding of customers' revenge behaviour.

3.8.1.1 The Role of Self-efficacy on Customers' Behaviour

Customer behaviour is influenced by many constructs, and one of these is an individual's belief in himself (or herself) (McKee *et al.*, 2006). Customers' level of self-efficacy has been found to influence many aspects of the behaviour of fearful (or low self-esteem) individuals (Alden, 1986; Bandura, 1983, Bandura, Adams & Beyer, 1977; Bandura, Hardy & Howells, 1980). Self-efficacy exerts its influence by way of four processes. These include: cognitive, motivational, affective and selection processes (Bandura, 1977; Bandura, 1993).

Bandura (1977) wrote about the influence of self-efficacy on behaviour through these four processes as being the guiding factors in how individuals would decide to behave. Herewith, an explanatory example: If a person believes in his/her own abilities to throw a piece of paper into a basket, s/he is much more likely to try to throw the piece of paper into the basket than the individual who is not so sure of his/her own ability. This cognitive belief and understanding of one's own capabilities is the first process in establishing self-efficacy (Bandura, 1982; McKee, Simmers & Licata, 2006). Through the cognitive representation of future outcomes, individuals can generate motivators of behaviour (Bandura, 1977; Bouffard-Bouchard, 1990). Back to the example mentioned, if a person has the cognitive belief that his/her abilities exist, then the motivation to try to throw the paper in becomes greater.

These cognitive processes are what cause an individual to have affective cognition to do something; thus, affect is elicited only after a certain amount of cognitive processing of information has been accomplished (McKee *et al.*, 2006). This also causes the individual to be selective in what attempts are made, based on his/her belief in own capabilities and the existing motivation to try (Gist & Mitchell, 1992). People with a high sense of efficacy visualize successful scenarios that provide positive support for their performance; however, people that doubt their efficacy visualize scenarios and dwell on all the negative things that could go wrong (Bandura, 1993).

A further important belief system, which is concerned with self-efficacy, is the perceived level of control (Alden, 1986; Bandura, 1993). This refers to people's views on the extent to which they can control their environment (Alden, 1986). People who are plagued by self-doubt anticipate the futility of any efforts to modify their life situation. They produce little change – even in environments that provide many potential opportunities for such change (Bandura, 1993). But those that believe in their own self-efficacy, through perseverance and ingenuity, figure out ways of exerting some control over the situations in which they find themselves (Alden, 1986; Bandura *et al.*, 1980).

Individuals' cognitive evaluation of their own abilities and the level of control they have within the service environment would influence how they react and operate inside that environment (Bandura, 1993). This suggests that if a customer establishes that they are good at ensuring they receive a good service, and they are able to control the environment, they are more likely to believe they can accomplish something with their revenge-seeking actions.

Most individuals hold some sort of a notion of what they believe their self-worth is, and how capable they would be in certain scenarios at achieving success. It is this fundamental belief in self that drives behaviour, and causes individuals to attempt certain things, but others not (Alden, 1986; Bandura, 1977, 1983, 1993; Bandura, *et al*, 1980). It is also these cognitive beliefs that guide individual behaviour that is expected to have an influence on customers' revenge behaviour.

3.8.1.2 The Impact of Self-efficacy on the Customers' Revenge Model

The same role that self-efficacy plays in customers' beliefs that they can alter the experience that they had with a firm (Bandura, 1993), would play a role in whether the customers decide to seek revenge. Self-efficacy relates to the predictors and outcomes of a sense of task-specific self-perceived ability (McKee *et al.*, 2006). Predictors of self-efficacy include successful prior task completion and having the experience of seeing others performing a task (Bandura, 1982; McKee *et al.*, 2006).

Therefore, customers' perceived self-efficacy operates as a cognitive influencer of action (Bandura, 1982). This means that those who believe that they possess the necessary knowledge and skills to perform a particular task feel more comfortable taking action.

It is also important to note that self-efficacy is specific to a given task, as opposed to a general perception of ability or self-esteem (Gist & Mitchell, 1992). Within the customer revenge behaviour model (see Figure 3.2), a customer's self-confidence – in terms of the service-delivery environment – needs to be high before a customer would take to complaining directly to the service firm. Customers with a lack of self-confidence in the service setting often fail to comment (McKee *et al.*, 2006). Hoffman and Bateson (1997) listed three issues that contribute to this failure to complain.

Firstly, the customers do not know the appropriate process (who to contact or how). Secondly, they do not feel qualified to judge the level of service that they have received (which is often intangible and variable in a service environment); and finally, they feel uncomfortable confronting service-provider

personnel. Customers do not complain directly to the service firm when they do not feel self-confident in the service context (McKee *et al.*, 2006).

This behaviour is expected to be consistent with the understanding of self-efficacy, which states that people tend to gravitate toward those tasks they feel they are capable of, and thus avoid any tasks they feel would exceed their abilities (Ozer & Bandura, 1990). People tend to avoid activities they believe exceed their coping capabilities (Bandura, 1982). And people, who believe they have strong capabilities in a particular task, are more likely to engage in problem-solving strategies relating to that task (Bouffard-Bouchard, 1990). This suggests that customers who believe they have strong capabilities in a given service environment are more likely to develop intentions to communicate their grievances directly to the service provider (McKee *et al.*, 2006). In the context of customer revenge behaviour, customers' level of self-efficacy would impact their revenge behaviour (both directly and indirectly).

Another key factor that could influence customers' desire for revenge, and consequently their revenge behaviour, is their personality type (Gregoire *et al.*, 2010). The following section reviews the theoretical foundations on personality type, and the inclusion of personality type in the customer revenge behaviour model (see Figure 3.2).

3.8.2 Personality Type

Personality is the combination of characteristics or qualities that form an individual's distinctive character (McCullough *et al.*, 2001). Customers' personality type is another one of the many constructs that motivate individual behaviour and guide decisions and actions (Cattell, 1980; John & Pervin, 1999). Personality type has also been found to affect customers' revenge behaviour (Daunt & Harris, 2012; McCullough *et al.*, 2001). Daunt and Harris (2012) found personality type to be a cognitive influencer of customer behaviour and McCullough *et al.*, (2010) found certain personality types less inclined to forgive. The effects that personality types might have on customers developing a desire for revenge, and then revenge behaviour, was acknowledged by Gregoire *et al.*, (2010) and its inclusion in the customer revenge behaviour model thus forms part of this study.

When a service failure occurs, customers' reactions are influenced by their own personalities in such a way that their reactions are aligned with what comes most naturally to them. Hence, the impact of what customer personality types on the desire for revenge. This is reviewed in the following sections.

3.8.2.1 The Impact of Personality Type on Customer Revenge Behaviour

Different personality characteristics are associated with particular motivations behind customers' behaviour; and this has implications for frontline service personnel (Daunt & Harris, 2012). The personality of customers imposes cognitive pressures on their behaviour in different environments, and understanding personality type could influence employees' interaction styles with customers (Daunt & Harris, 2012; Huefner & Hunt, 2000).

A recent study by McCullough, Bellah, Kilpatrick and Johnson (2001) has been instrumental in highlighting the effect that personalities might have on customers' revenge behaviour. In their article, the authors described forgiving as complex – with a range of motivational changes that occur in the aftermath of a significant interpersonal offence. When a person forgives someone (or a firm) for an offence, their motivations, such as seeking revenge and avoiding contact with that offender, are lessened; and other relationships constructs, such as restoring a positive relationship, are restored (McCullough *et al.*, 2001).

Research projects on forgiveness in the field of social psychology have been numerous; but little attention has been given to the individual differences that might influence forgiveness (McCullough *et al.*, 2001; McCullough & Hoyt, 2002). One of the possibilities that previous research studies have not taken into consideration is that some personality types are simply more revengeful than others. In an effort to establish the various motivating factors behind customer revenge behaviour, personality types that are more inclined to seek revenge, should be investigated – for their potential to guide customers' revenge behaviour (Gregoire *et al.*, 2010; McCullough *et al.*, 2001).

As McCullough and Hoyt (2002) had done in their study of personality types and revenge behaviour, this study aimed to classify individuals according to the Big-Five personality model. The Big-Five taxonomy of personality classification emerged in the early 1940s; and it has since then been used as an effective and popular tool for the classification of personality types, and further as a predictor of individual behaviour. Researchers and practitioners in the field of personality assessment have since the 1970s been faced by a large number of personality assessments and scales (John, Nauman & Soto, 2008). Popular scales have included the ego-resilience and ego-control dimensions measured by Block and Block, together with the Q-sort, the four scales on the Myers-Briggs Type Indicator and the 20 scales on the California Psychological Inventory (CPI).

Many researchers hoped to develop that one scale that would be adopted by all others; however it led to a fragmented field (John *et al.*, 2008). Instead, what was needed was a descriptive model or taxonomy of personality types that would allow researchers to study specific domains of related personality characteristics. After decades of research, the field finally achieved consensus on a general taxonomy of personality type: the “Big-Five” personality dimensions.

3.8.2.2 The BFI Personality Model

The Big-Five personality model does not represent a particular theoretical perspective; but it was instead derived from the natural language terms that people use to describe themselves and others (John, Nauman & Soto, 2008; John & Pervin, 1999;). Cattell in the 1980s conducted several factor analyses, and identified 12 personality factors, generating a 16 Personality-Factors questionnaire (John & Pervin, 1999). The pioneering work of Cattell (1980) led to other researchers examining the structures of trait ratings; and these were eventually narrowed down to just five factors.

After decades of research, researchers are in consensus that the Big-Five personality dimensions are a strong general taxonomy of personality type (John *et al.*, 2008). In 2006, the number of Big-Five publications exceeded 300 per year (John *et al.*, 2008). The Big-Five structure has the advantage that everybody can understand the words that define the factors, rather than replacing all previous systems. Instead, the Big-Five taxonomy serves as an integrative function, because it represents all the various systems of personality description in a single common framework (John *et al.*, 2008).

The Big-Five Personality dimensions are typically labelled as (John & Pervin, 1999):

- I. Extroversion or Surgency (talkative, assertive, energetic);
- II. Agreeableness (good-natured, co-operative, trustful);
- III. Conscientiousness (orderly, responsible, dependable);
- IV. Emotional stability versus Neuroticism (calm, not neurotic, not easily upset); and
- V. Intellect of Openness (intellectual, imaginative, independent-minded).

Extroversion (Factor I) implies an energetic approach toward the social and material world, and includes type, such as sociability, activity, assertiveness and positive emotionality (John & Srivastava, 1999). Examples of behaviour are: For these individuals to approach strangers at a party and introduce

themselves and to take the lead in organising projects would come naturally and spontaneously. Verbal labels associated with extroversion include energetic and enthusiastic (John *et al.*, 2008). Individuals scoring high in extroversion usually hold social status in groups and leadership positions. They show positive emotional expression and have a lot of friends. Individuals scoring low in extroversion have poorer relationships with their parents, and are often rejected by their peers (John *et al.*, 2008).

Agreeableness (Factor II) shows communal orientations towards others, and includes type, such as altruism, tender-mindedness, trust and modesty (John & Srivastava, 1999). Examples of behaviour for these individuals are that they tend to emphasise the good qualities of other people, when they talk about them. They often lend things to people they know and console friends when they are upset. Verbal labels of agreeableness are altruism and affection (John *et al.*, 2008). Scoring high in agreeableness indicates that these people have better performance in working and team groups. Low agreeableness often indicates interpersonal problems and juvenile delinquency (John *et al.*, 2008).

Conscientiousness (Factor III) describes socially prescribed impulse control that facilitates task- and goal-directed behaviour, such as thinking before acting, following norms and rules, and planning and prioritising tasks (John & Srivastava, 1999). Behavioural examples are that they arrive early, or on time, for appointments; and they study hard to get good grades. Verbal labels associated with conscientiousness are constraint and control of impulses. Scoring high on this factor shows better job performance and an adherence to treatment regimens. Scoring low often indicates substance abuse, poor diet and attention-deficit disorder (John *et al.*, 2008).

Neuroticism (Factor IV) contrasts emotional stability and even-temperedness with negative emotionality, such as feeling anxious, nervous sad and/or tense (John & Srivastava, 1999). Examples of neurotic behaviour are getting upset with somebody that is angry with one, being unable to relax and take it easy, and being unable to accept the good or bad in life without complaint or bragging. Verbal descriptions of neurotic people are negative emotionality and nervousness. Scoring high in neuroticism shows poorer coping skills and reaction to illness; and these individuals often experience burnout and job changes. Low scores will show a feeling of commitment to work organisations and great relationship satisfaction.

The last factor, *Openness* (Factor V) describes the breadth, depth, originality and complexity of an individuals' mental and experiential life (John & Srivastava, 1999). Behaviour are taking their time to learn something simply for the joy of learning, watching documentaries and looking for stimulating

activities that break up the routine. Verbal descriptions include originality and open-mindedness. High scores in openness usually show that these individuals have years of schooling completed, have better performance on creativity tests, and have distinctive-looking work and home environments. Low-end scores show more conservative attitudes such as conservative political and religious preferences (John *et al.*, 2008).

The impact that these different personality dimensions could have on customer revenge behaviour and their impact on the customer revenge model are discussed in the following section. These dimensions and their inclusion in the model should further contribute to the current understanding of customer revenge behaviour.

3.8.2.3 The Role of the BFI Personality Type in the Customer Revenge Behaviour Model

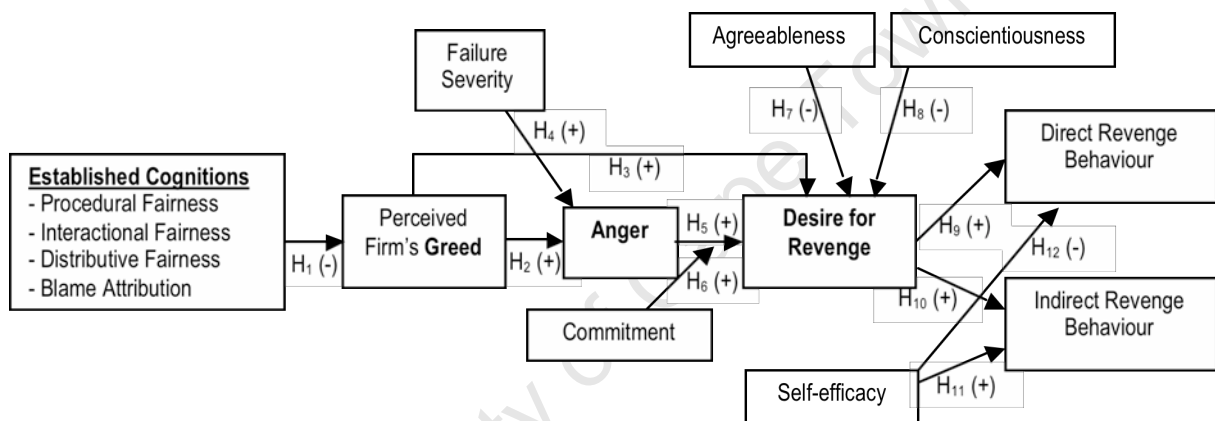
When referring to customers' service and the general servicing environment, people who are more agreeable are generally people who would ensure a quality service delivery – due to their embedded altruism (Hurtz & Donovan, 2000; Liao & Chuang, 2004; Zachary & Kuzuhara, 2005). On the reverse side of this, we would expect people who are low on agreeableness to show more revenge behaviour (McCullough *et al.*, 2001). People who are low in agreeableness have more conflict with their peers, and they struggle with commitment. They tend to struggle with forgiveness; and therefore, combined with their limited sense of commitment, they are more inclined to develop a desire for revenge (McCullough *et al.*, 2001).

Within the customer service environment, another personality factor that may be expected to contribute to a desire for revenge is conscientiousness. Some of the key behavioural type of conscientiousness are that customers would expect on-time, or early delivery of services; they work hard at achieving success (John *et al.*, 2008), and would expect the same from the service firm; and they tend to follow norms and rules (John & Srivastava, 1999), thereby expecting the same from the service firm. Conscientious customers have high expectations; and they thus have a low tolerance for poor service delivery and recovery from a firm. Customers with low conscientiousness have less constraint and low impulses control (John *et al.*, 2008), contributing to their increased likelihood to seek revenge. Following the literature review on all the different constructs of the customer revenge model, and after an explanation as to the inclusion of some new constructs to the model, a conceptual model was formed. The conceptual model, along with the different hypotheses for this model, is discussed next.

3.9 CONCEPTUAL MODEL WITH HYPOTHESES

This study focuses on customer revenge behaviour in a services context, and with the addition of self-efficacy and personality type to an existing model, it should offer valuable insights into the many aspects that drive customer revenge behaviour. With a review on the current constructs of the customer revenge model (by Gregoire et al., 2010), and by establishing the significance for the inclusion of self-efficacy and personality type (specifically agreeableness and conscientiousness) to the model, this study sets the stage for what could be considered the most recent research into the understanding of customer revenge behaviour.

Figure 3.3: Conceptual model for Customer Revenge Behaviour



SOURCE: Adapted from Gregoire et al., 2010

The conceptual model (see Figure 3.3) is adapted from the original customer revenge model (of Gregoire et al., 2010) and includes the constructs of self-efficacy and two personality types. The conceptual model indicates where the researcher predicts the additional constructs for self-efficacy and personality type. As mentioned during the literature review on these constructs, self-efficacy is expected to influence the types of customer revenge behaviour (Alden, 1986; Bandura et al., 1980), and personality type are expected to influence the desire for revenge (McCullough et al., 2001). Based on the literature review above, and the conceptual model that was developed, the following hypotheses were developed:

H₁: Established cognitions negatively influence customers' perceptions of the firm's greed.

H₂: Customers' perception of the firm's greed positively influences customers' feelings of anger towards the firm.

H₃: Customers' perception of the firm's greed positively influences customers developing a desire for revenge.

H₄: The failure severity of the service positively influences customers' feelings of anger.

H₅: Feelings of anger are positively related to customers' developing a desire for revenge.

H₆: Commitment positively moderates the relationship between anger and the desire for revenge, such that if commitment is high, the impact of anger on desire for revenge is higher.

H₇: Agreeable personality type is negatively related to customers' desire for revenge.

H₈: Conscientious personality type negatively related to customers' desire for revenge.

H₉: Customer desire for revenge positively impacts their direct revenge behaviour.

H₁₀: Customer desire for revenge positively impacts indirect revenge behaviour.

H₁₁: Customer self-efficacy is positively related to their indirect revenge behaviour.

H₁₂: Customer self-efficacy is positively related to their direct revenge behaviour.

These hypotheses are the result of a theoretical review of the existing customer revenge model, as well as new variables, finally concluding in a conceptual model. This conceptual model will form the basis of any analysis done during Chapter 6 and any recommendations made in Chapter 7.

3.10. CONCLUSION

Through the comprehensive review of the literature on customers' revenge behaviour, this chapter has aimed to form a theoretical foundation for the research question and the objectives of this study, ultimately proposing an improved customer revenge behaviour model. The theory discussed in this chapter was explained in a chronological manner, as customers are expected to progress through the different constructs and reach the point in which tangible expressions of their revenge behaviour can be seen by a firm. This chapter has also argued that customers' personalities and levels of self-efficacy influence their revenge behaviour; and an improved model has accordingly been proposed.

The chapter started with a review on the evolution of the two customer revenge models (Gregoire *et al.*, 2010), and it continued to discuss all the constructs and variables that are found within those existing models (see Figures 3.1. and 3.2). The model for customer revenge behaviour started off with a review of those cognitions known as the *justice and attribution theories*, and found that when customers believe they have been treated unfairly, they seek to attribute the unfair treatment to the firm. When they establish that the firm was to blame, they will try to establish whether this was due to the firm's greediness – and this will translate into anger. The emotional component then aggravates and frustrates

the customers into developing a desire for revenge; and this then translates into various revenge behaviour.

The revenge behaviour were also reviewed and classified into direct or indirect revenge behaviour. The control variables of service failure and relationship commitment were also reviewed before a theoretical foundation was created for the inclusion of new variables to the existing model (Figure 3.2).

The new constructs included in this concept model (see Figure 3.3) both aim to contribute to the current understanding of customers' revenge behaviour. By investigating the effects that self-efficacy and personality type might have on customers' behaviour, this study hopes to enable academics to better understand what causes certain customers to seek revenge, and what leads others not to seek revenge. Along with various studies done before, the understanding of customers' revenge behaviour is intended to better predict how customers would react after a failed service delivery – and thus enabling firms responsible for service deliveries to have the necessary trained employees and systems in place that would be able to facilitate an effective service recovery.

This chapter thus concludes the literature review on customer revenge behaviour within a service environment, and forms the foundation for the creation of a new customer revenge model. The chapter also serves as the logical and theoretical foundation for conducting the research, and serves as guidance for the researcher, while conducting the research. The following chapter will now review the methodology that was used to collect data for this study – before the findings and results are given and discussed.

CHAPTER 4: METHODOLOGY

4.1 INTRODUCTION

The previous chapters described the existing literature on customer revenge behaviour after a service failure. A review of the existing literature on customer revenge behaviour investigated whether personality type and self-efficacy could have any influence on the revenge behaviour manifested by customers after service failures. Based on the research question of this study and the implications this research could have on the existing knowledge within the field of marketing research, this chapter gives an outline of the methodology followed in reaching the research conclusions given at the end of this study.

In terms of the methodology of this study, the chapter starts with an explanation of the research design and the methods employed. The research design section describes the various methods of gathering data, and it also discusses the primary-data collection method used in this study. Sampling methods available to marketing researchers and the sampling method chosen for this study are described – before the actual data collection is discussed.

This is followed by a description of the type of questionnaire, and the measures used – along with the procedures used in the collection of data. Finally, a review of the data-analysis software is done. This is followed by a review of the ethical principles that should be considered by marketing researchers when undertaking any research study. This chapter lays the foundation in terms of how data was collected, and how data analysis was able to resolve the research questions that emerged from the marketing literature on customer revenge behaviour.

4.2 THE RESEARCH DESIGN

Research designs can be classified as exploratory or conclusive, where conclusive research designs include both descriptive and causal research studies (Malhotra, 2007). The objective of exploratory research is to understand the problem confronting the researcher (Malhotra, 2007). Exploratory research designs focuses on collecting either secondary or primary data, in order to interpret these in an unstructured format (Shiu, Hair, Bush & Ortinau, 2009). Conclusive research is typically more formal

and structured (Malhotra, 2007), and is based on large, representative samples where data obtained are subjected to quantitative analysis (McDaniel & Gates, 2012).

Consistent with the research done by Gregoire, *et al.*, (2010), the exploratory research of external secondary studies was done to discover the academic literature that exists on customer revenge behaviour, service failures and the models that have emerged on customer revenge behaviour. The marketing literature on service failures has been accumulated for years (Bearden & Teel, 1983; Cadotte *et al.*, 1987; Churchill & Surprenant, 1982; McCollough, *et al.*, 2000; Niedrich, *et al.*, 2005; Oliver, 1980). This study contributes to the literature by building on these existing works. In order to contribute to the knowledge on customer revenge behaviour and service failures, a review of the secondary data alone is not sufficient; and hence, primary research was required.

Primary data is collected specifically to address a research objective, when the value of the secondary research is inadequate for the research objectives of the study (Malhotra, 2007; Shiu *et al.*, 2009; Tustin, Ligthelm, Martins & Van Wyk, 2005). Primary data collection was done in an effort to contribute to the extended customer revenge model (Gregoire *et al.*, 2010). The objectives of primary data collection were: To test the influence of personality and self-efficacy in customer revenge behaviour. When primary research is undertaken, it is important for the researcher to decide on the most appropriate research method (qualitative or quantitative research), and also what primary data-collection method would be the most appropriate for the study (Malhotra, 2007; Shiu *et al.*, 2009).

Qualitative research refers to research where the findings are not subject to quantification or quantitative analysis (McDaniel & Gates, 2012), and it is usually associated with experiments (Shiu *et al.*, 2009). Qualitative research is usually used to examine the attitudes, feelings and motivations of the sample (Shiu, *et al.*, 2009); while quantitative research can be used to find statistically significant differences within the sample (McDaniel & Gates, 2012; Tustin *et al.*, 2005). In marketing research, quantitative research usually involves the collection of primary data from a large sample set. This study has the intention of generalising the results to a wider population (McDaniel & Gates, 2012; Tustin *et al.*, 2005; Shiu, *et al.*, 2009). The aim of quantitative research is to be able to generalise the findings from a specific sample population, based on the results of a representative sample of that population (Tustin, *et al.*, 2005, Shiu, *et al.*, 2009). Most researchers believe that descriptive research designs are quantitative in nature (Shiu *et al.*, 2009).

When selecting a primary data-collection method, Tustin *et al.*, (2005) list five factors that can guide the researcher in establishing the method of data collection. Firstly, there would be the volume and the variety of data required (Tustin *et al.*, 2005). Some research methods lend themselves more to the collection of greater volumes and a wider variety of data than others. Generally, more data is collected through paper-based surveys and computer-based surveys compared with observation and experimentations. The second determining factor is the objectivity of data required (Tustin *et al.*, 2005). This means that data collected should be free of personal prejudice or bias on the part of the researcher and the interviewer.

The third factor guiding the choice of data-collection method is the reliability of data required (Tustin *et al.*, 2005). This means that similar results should be obtained by independent, but comparable measures, of the same constructs. Another factor guiding the choice of data-collection method is the time required for decision-making (Tustin *et al.*, 2005). Usually self-administered mail surveys take longer to complete than in-house personal surveys; however, electronic mail surveys can be done quickly and inexpensively (Tustin *et al.*, 2005). This leads to the final factor guiding the choice of method; and that is the element of cost (Tustin *et al.*, 2005). Every study should be carried out at the lowest possible cost, but with a consideration of the objectivity and reliability of data. In South Africa, the cost of in-house self-completion survey with individuals or households is normally three times that of telephone interviews, and eight times that of a mail survey (Tustin *et al.*, 2005).

In this study, the objective was to investigate the influence of customers' self-efficacy and personality type on their revenge behaviour. In other words, two new constructs were included in the existing extended customer revenge model. In order to do so, qualitative research would not have been sufficient as a primary data-collection method, because the researcher was not testing for attitudes and feelings, or the motivating reasons behind customers' behaviour, but rather the possibilities for certain behaviour to occur. Qualitative research would also not have been conducive to the statistical techniques used to test the conceptual model.

As a result of the objectives of this study, and in consequence of the guiding factors discussed, a quantitative research design was followed in this study. The guiding factors in terms of the volume and variety of data required, the need for reliability of data, and also the limitation to the costs of the study led to the researcher using a paper-based survey. This is discussed in greater depth in the following section.

4.2.1 The Research Method

The use of survey methods is the mainstay of marketing research in general (Shiu *et al.*, 2009) with one of the distinguishing features of survey research methods being the need to collect data from large groups of people (Malhotra, 2007). One of the advantages of surveys is their ability to accommodate large sample sizes at low costs (Shiu *et al.*, 2009). A further advantage is that data obtained from a survey method allow the researcher to make inferences about the target population (Malhotra, 2007). One of the disadvantages of survey research is that the respondents might not be willing or able to provide the desired information (Malhotra, 2007).

For the purpose of this study, the researchers employed a survey method for the following reasons:

- The need to obtain data for a fairly large dataset of respondents (more than 200);
- This type of data-collection method is suitable to the data-analysis methods used in the study;
- Reliability considerations of data gathered. Reliable data is required to ensure accurate testing of the conceptual model;
- Budget constraints in terms of the limited funding available;
- High sample control; and
- The method had previously been employed by earlier studies similar in nature (Gregoire *et al.*, 2010; Gregoire & Fisher, 2007; McCullough *et al.*, 2001; Zourrig *et al.*, 2009).

The method chosen for administering the surveys was self-completion surveys under the category of personal interview surveys (Malhotra, 2007). This method proved to be very successful in terms of its reliability, and it was in support of the research design and opportunity explored in this study. The advantages and disadvantages of the chosen different research designs are listed on the next page in Table 4.1; and these are discussed as well.

Table 4.1 Advantages and disadvantage of the different survey methods

Criteria	Telephone	Self-Completion	Mail	Electronic
High sample control	A	A	D	D
Difficulty in locating respondents at home	A	D	A	A
Inaccessibility of homes	A	D	A	A
Unavailability of a large pool of trained interviewers	A	D	A	A
Large population in rural areas	D	A	D	D
Unavailability of maps	A	D	A	A
Unavailability of current telephone directory	D	A	D	A
Unavailability of mailing lists	A	A	D	A
Low penetration of telephones	D	A	A	D
Lack of an efficient postal system	A	A	D	A
Low level of literacy	D	A	D	D
Face-to-face communication culture	D	A	D	D
Poor access to computers and the internet	n/a	A	n/a	D

Note: An "A" denotes an advantage of the method, while a "D" signals a disadvantage. "n/a" shows not applicable.

SOURCE: Malhotra, 2007

As shown in the above table, the advantages of personal interviews are numerous. The first is the high sample control that exists when using person sampling; the only other method that allows for this is the use of telephone sampling. Some of the disadvantages of personal surveys are the difficulty of locating respondents at their homes, inaccessibility of homes and the unavailability of a large pool of trained interviewers. Despite these disadvantages however, none apply to this study, as the study was not home-based, but instead was done on the University campus; and a large number of interviewers were not required; as the students were interviewed in groups of between 50-80 students per class, with the survey being explained to the whole group simultaneously (Malhotra, 2007).

A further advantage of self-completion survey over the other methods is the access to large populations in rural areas. Self-completion surveys require the availability of maps for interviewers. These give the necessary directions for finding the respondents (Malhotra, 2007).

Further advantages of a self-completion survey over other methods are that telephone directories, mailing lists, postal services or telephonic access are not required. Low levels of literacy for respondents would not affect the responses gathered, as the interviewer would be able to assist and explain questions to the respondents. The second advantage that self-completion surveys have over other methods is that the method works well where face-to-face communication is acceptable and tolerated (Malhotra, 2007). The final advantage of self-completion surveys is that no access to computers or the Internet is required (Malhotra, 2007).

For all the reasons listed above, self-completion survey where used as the survey method for this study. The following section will discuss the target population that was identified for this study. Thereafter, the research instrument used is discussed.

4.2.2 The Target population

In earlier studies on customer revenge behaviour and in the extended customer revenge model, researchers often used student populations from which to draw their samples (Gregoire *et al.*, 2010; Gregoire & Fisher, 2008; Tax *et al.*, 1998; McCullough *et al.*, 2001). As this study aims to build on the research done by previous researchers, this study also utilise student populations from which to draw samples. The use of students in other similar customer revenge behaviour studies is a common method of obtaining descriptive primary data that can be used for the analysis of research problems or opportunities. Shiu *et al.*, (2009) state that student samples allow for a relatively large number of respondents to be interviewed in a relatively short time. However, the question was asked whether students are truly representative of the general population. The technique is nevertheless still frequently used in large surveys (Malhotra, 2007); and for this study, it proved adequate for the exploration of a conceptual customer revenge behaviour model.

This study is paper-based and quantitative in nature; and the sampling plan for this study is discussed in the following section. Tustin *et al.*, (2005) describe the nature of sampling as the process whereby a researcher chooses a subset of a population (or universe) to be used in the research study. The opposite of sampling would be a study of an entire population; this would be known as a census.

When developing a sample plan, the first step is to define the population of interest (Tustin *et al.*, 2005). Here, the population was drawn from the University of Cape Town, as this sample would provide the descriptive elements required to keep this study in line with previous research done. The sample for this

study was limited to students in the business faculty, and the administration of paper-based surveys to these students. Permission was given both the Director of Student Affairs (Appendix B) and the Ethics Committee (Appendix C) at the University of Cape Town. And this allowed the researchers to hand out the paper questionnaires to the students.

The target population for this study was students; and this usually results in a mean age of 20 years old. Most similar studies found more male than female respondents in their student samples (Gregoire *et al.*, 2010; McCullough *et al.*, 2001; Tax *et al.*, 1998). The racial classification of students was also measured in this study; and because of the unique South African profile of students, the diversity of the population was expected to be broad – but with a larger proportion of the students being either white or black.

In order to establish how the respondents were chosen from the identified student population, the next section addresses the principles of sample design.

4.2.3 The Sample Design

Researchers have two options as to how they can pick the respondents (Tustin *et al.*, 2005). The first is through a probability sampling; this method gives each element in the population a known, non-zero probability of being included in the sample (Malhotra, 2007). This means that sample elements are selected by chance; and this chance is known for each element that is being selected (McDaniel & Roger, 2010). The second option is through non-probability sampling, where the elements chosen rely on the discretion of the researcher (Malhotra, 2007). With non-probability sampling, the degree of sampling error cannot be determined, whereas with probability sampling, a statistical evaluation of the sampling error can be undertaken. This enables the researcher to determine the likelihood that the sample is unrepresentative – and by how much (McDaniel & Roger, 2010; Tustin *et al.*, 2005, Shiu *et al.*, 2009).

Various sampling techniques exist for both probability and non-probability sampling (Malhotra, 2007; Shiu *et al.*, 2009). For this study the researcher was given no option but to use the non-probability sampling technique referred to as convenience sampling. The reason for this decision was the inability to obtain student registration or class lists from the University of Cape Town by order of the Ethics Committee. Some of the strengths and weaknesses of convenience sampling method are listed below:

Table 4.2: The strengths and weaknesses of convenience sampling techniques

Strengths	Weaknesses
Less time consuming	Selection bias
Less expensive	Sample not representative
Most convenient	Not recommended for casual research

SOURCE: Shiu *et al.*, 2009

As listed in the table above, convenience samples are the least time-consuming and expensive of all the sampling techniques. The sampling units are accessible, easy to measure and co-operative. However, many sources of selection bias are present; and the sample could end up not being representative. The convenience sampling technique is also quick to administer; and thus, it is the least time-consuming of all the selection techniques (Shiu *et al.*, 2009).

The research instrument that was used to obtain primary data from the student sample is discussed in the following section.

4.2.4 The Research Instrument

The questionnaire for this study used structured questions, as opposed to unstructured questions, where the respondents were required to choose the appropriate options that apply from a predetermined set of options. The benefit of this format is that it reduces the amount of thinking and effort required by the respondents (Shiu *et al.*, 2009). It further also helps with reducing interviewer bias because both the interviewer and the respondent have only to check a box of multiple options as answers (Malhotra, 2007; Shiu, *et al.*, 2009). Additionally, this approach was used, as there are established and reliable scales available to measure all the key constructs investigated in this study.

A Likert-scale approach, similar to that used in other studies investigating customer revenge behaviour (Gregoire *et al.*, 2010; Gregoire & Fisher, 2006), was used in the questionnaire design. Previous studies in the fields of customer revenge and service failure used seven-point scales (Gregoire *et al.*, 2010; Gregoire & Fisher, 2006). Likewise, this study also employed 7-point Likert scales, along with some 5-point scales. In a study by Dawes (2007) it was found that there was little difference between the 5- and 7-point scales, since, once these were rescaled, they produced the same mean score. This approach was mainly used to counteract the effect of common method bias or variance.

By utilising both 7-point and 5-point scales, the study controlled for common method variance (CMV). Common method variance refers to the amount of spurious covariance shared among variables because of a common method used in collecting data (Malhotra, Kim & Patil, 2006). Measurement error threatens the validity of the conclusions about relationships between measures and was recognised to have both a random and a systematic component (Podsakoff, MacKenzie & Lee, 2003). CMV can be controlled for both pre- and post-hoc, and one of the methods for controlling for CMV in the study's design is to vary the scale numbers. As this was employed by this study, CMV was not tested for post-hoc (i.e. during data analysis).

The questionnaire design followed the chronological order of a previously described customer experience; and it incorporated questions on the following stages: The relationship before the service failure that the respondent had with the service provider; the service failure itself; the service recovery; and the respondents' behaviour in response to the failed recovery. The questions were largely based on the study done by Gregoire *et al.*, (2010); and all the scale items along with their constructs are discussed in the following section.

4.2.5 Questionnaire Design

In order to build on the work done by Gregoire *et al.*, (2010), this study used the established scales for the existing variables, as in the original study done in the development of the extended customer revenge model. The new variables to the customer revenge model, self-efficacy and personality type, however, were tested with questions not used in the original study by Gregoire *et al.*, (2010). It was suspected that no pre-testing of the questionnaire was needed, as this study is merely an extension of the study by Gregoire *et al.*, (2010) with the use of the established scales. The final reliability scores of the scales confirmed this suspicion. All the constructs used in the analysis of the conceptual model (as introduced at the end of Chapter 3) are given in the tables (Table 4.3, 4.4 and 4.5) and discussed on the next pages.

Table 4.3: Measurement scales and items used in the questionnaire

Construct	Number of Items used	Scale obtained from	Reliability obtained by previous authors	Measurement scale used
Blame attribution	3	Gregoire, Laufer & Tripp (2010)	0.89	7
Greed	5		0.92	7
Anger	4		0.92	5
Desire for revenge	5		0.97	7
Marketplace aggression	3		--	7
Relationship commitment	3		0.90	7
Negative WOM	4		0.96	7
Vindictive complaining	3		0.96	5
Online complaining	3		0.95	5
Distributive fairness	3		0.98	5
Interactional fairness	4		0.95	7
Procedural fairness	4		0.96	5
Failure severity	3	0.93	7	
Personality (BFI)	10	Rammstedt & John (2007)	0.75	7
Self-efficacy	8	Chen, Gully & Eden (2001)	0.89	7

To enable students to complete the questionnaire, the interviewer first described the service failure scenario in which the students had to place themselves. By utilizing a scenario approach to this questionnaire, the study controlled for memory bias that previous studies had noted to be a concern (Gregoire et al., 2010). The service episode described was as follows:

"You recently signed up for a new cellular contract with a network service provider. The service provider told you that, in order for the network to get activated, you had to wait 24 hours for activation that would enable your cellular network. You left the store and waited for the activation; however, after more than 24 hours of waiting, your cellular network was not activated, and you had to return to the service provider's store to ask about the activation. While at the store, the sales agents in the store did not

seem apologetic and blamed the problem on a system failure that should be sorted within the next 12 hours. Again, you left the store without having an active network on your new cell-phone."

This scenario was described with an emphasis on the frustrations that this was causing – and also, that the sales agent at the store was not apologetic in any way towards you. From this point, the scenario was built on, and described as follows:

"The frustrations were building; and you were now waiting for the service to become active before the start of the weekend. It had now been 36 hours since you received your contract – with the weekend about to start – and your cell-phone was still not active on the cellular network. You decided to go back again to the store, but got there too late, as the store was already closed for the weekend. You are now left with no active cell-phone and a weekend wait before you can return to the store to complain again."

It was at this point that students were asked to complete the questionnaires, bearing in mind the frustrations that they are feeling, and also the irritations that come with having a brand new cell-phone, but not being able to use it. The researcher did not emphasise the amount of complaining that was done, or that your feelings were being aggravated by having to complain several times. This was done in an effort to keep the scenario clear of any opinions of the researcher that could have influenced the respondents' answers. The full set of questions used in the questionnaire can be seen in Appendix A. All the questions used in this study were taken from established questionnaires used in previous studies in the fields of customer revenge, service failure and revenge behaviour.

In keeping with the conceptual customer revenge model, the first order of measurement discussed here is the *established cognitions*. The established cognitions in the extended customer revenge model, and also the items measured in this study are: Procedural fairness; interaction fairness; and distributive fairness – and the theory of blame attribution. Gregoire *et al.*, (2010) chose well-established scales from the literature to measure distributive, interaction and procedural fairness (Maxham & Netemeyer, 2002a; Tax, *et al.*, 1998).

The variable blame attribution was measured by means of a three-item scale developed by Maxham and Netemeyer (2002b). Interaction fairness and blame attribution were measured using seven-point scales; while procedural and distributive fairness was measured with five-point scales, to combat Common Method Variance. All of these scales were marked with "strongly disagree" and "strongly agree" on either side of the spectrum.

The following variable in the conceptual customer revenge behaviour model measured is the *perception of a firm's greed*. In the development of the extended customer revenge behaviour model, Gregoire et al., (2010) measured perceived greed by using four semantic differential items that were adapted from the works by Campbell (1999) and Reeder et al., (2002). Perceived greed was measured using a seven-point scale – from strongly disagreeing to agree strongly, and by the use of five questions (Gregoire et al., 2010).

For the measurement of a *desire for revenge (DR)*, an established five-item revenge scale adapted by Gregoire and Fisher (2006) was used. The scale has been intensively used in workplace research (Aquino et al., 2006) and social psychology (McCullough et al., 2001). The scale included items, such as "I wanted to get even with the company"; and it was rated on a seven-point Likert scale between strongly disagree and strongly agree.

In an effort to measure *direct revenge behaviour*, the four items used were adapted from the aggression scale developed by Douglas and Martinko (2011). This question was measured by means of a 7-item scaled, and included items, such as: "I have damaged property belonging to the firm". Here, a formative (versus reflective) conceptualization was appropriate because this scale includes aggressive behaviour that can be dependent on each other (Bollen & Lennox, 1991).

For example, a customer could damage a firm's property without bending its policies (for example slam the door resulting in a knocked over a pot plant), or vice versa. In turn, the measurement of vindictive complaining was reflective; and this was based on a three-item scale developed by Gregoire and Fisher (2008).

Relationship commitment, or the willingness of a customer to maintain a relationship with the firm (De Wulf et al. 2001), was measured by using a three-item scale. The questions were rated using a seven-point Likert scale, ranging from strongly disagree through to agree strongly. The next construct measured was *failure severity*. Established scales were used to measure these variables, as well (Gregoire et al. 2010); and these were measured against a seven-point Likert scale for all three items used.

The first of the additional constructs that this study proposed, in order to add to the understanding of customer revenge behaviour, was *personality type*. The measurement of personality type was done through the incorporation of the Big-Five personality factors. The original Big-Five Inventory (BFI) of

John, Donahue and Kentle (1991) is a 44-item BFI that was developed because of the need for a short instrument that could measure the prototypical components of the Big Five that are common across all studies (John & Pervin, 1999). The two personality types identified during the literature review was agreeableness and conscientiousness, these two would be measured and included in this study (see page 56).

Some earlier researchers in the field of customer behaviour were able to use the measurement of personality through the Big Five (BFI) indicators effectively. (See a list of works published on customer behaviour and personality type below):

Table 4.4: Previous research on the impact of BFI on customer behaviour

Authors	Year	Research/Literature Published
Hurley	1998	Customer service behaviour: "explore the effect of personality on customer service behaviour among frontline sales personnel" using validated scales that measure personality constructs.
McCullough, Bellah, Kilpatrick and Johnson	2001	Vengefulness: "the nature of vengefulness and its relationship to forgiveness and other variables". Measures of the Big Five personality factors explained 30% of the variance in vengefulness.
Fraj and Martinez	2006	Behaviour patterns of consumers: "focused on psychographic variables and, in particular on personality features" using a Big Five factor structure scale.
Matzler, Bidmon and Graber-Krauter	2006	Explore the relationship among "two personality type (extraversion and openness), brand affect and loyalty"
Mulyanegara, Tsarenko and Anderson	2009	Explore the relationship between consumer personality and brand personality "as measured by constructs reflecting the Big Five dimensions"

In a study by Rammstedt and Oliver (2006), a questionnaire was tested and published in the Journal of Research in Personality that enabled the testing of the Big Five using a 10-item short version, which allowed researchers to test for the BFI Inventory in less than one minute. The BFI uses short phrases, based on trait adjectives, which retain the advantages of simplicity, as well as avoiding some of the pitfalls, such as multiple meanings or ambiguity (John & Pervin, 1999). For example, the questions: "I will be able to achieve most of the goals that I have set for myself" were rated on a seven-point Likert scale.

Upon coding of the datasets, the scoring of the BFI-10 scales was done in accordance with the outlines provided by Rammstedt and Oliver (2006). The negative statements were reversed-scored and these questions can be seen in Appendix A, the reverse scored items were: 1 (Reverse Scored) and 6 for the testing of extraversion, questions 2 and 7 (Reverse Scored) for agreeableness, questions 3 (Reverse

Scored) and 8 for conscientiousness, and question 4 (Reverse Scored) and 9 for the testing of openness.

The second measure whereby this study aims to contribute to the understanding of customer revenge behaviour is *self-efficacy*. Previous studies that have utilised the measurement of self-efficacy and its impact on customer behaviour are listed in the table below:

Table 4.5: Self-efficacy and its use by previous researchers

Authors	Year	Research/Literature Published
Ozer and Bandura	1990	Tested how "that perceived coping and cognitive control self-efficacy govern the effects of personal empowerment"
Gist and Mitchell	1992	Behaviour understanding: "efficacy perceptions may also be influenced by differences in personality, motivation and the task itself". A model for the determinants of self-efficacy proposed
McKee, Simmers and Licata	2006	Customers' role: "customers' beliefs about their own ability to participate in a service and its effect on response to service"

For the measurement thereof, the general self-efficacy scale by Chen, Gully and Eden (2001) was utilized in this study. Their scale was tested and found to have higher reliability and greater predictability than earlier scales (Chen, Gully & Eden, 2001). The scale consists of eight items with questions rated on a seven-point Likert scale. The intention of these items was to establish what the respondents' self-belief was; and it aimed to do this through questions, such as: "I will be able to achieve most of the goals that I have set for myself"; and: "When facing difficult tasks, I am certain that I will accomplish them" (see the full list of questions in Appendix A).

This study allowed for all the respondents to prefer not to answer certain questions pertaining to the descriptive questions as per instruction from the UCT Ethics Committee. Respondents did not have to provide their age or gender. And within the Race question, respondents were given the option to "prefer not to answer". These responses were all coded as missing values in the dataset. These were all captured as zero (0) into the statistical program utilised for the analysis of the descriptives for this study. The following section will discuss how the researcher went about collecting data for this study. The following section then addresses how data was collected.

4.3 DATA COLLECTION

Permission to survey the students was granted from the Faculty Ethics Committee (see Appendix C), as well as the Director of Student Affairs at UCT (see Appendix B). I facilitated the study myself; and was able to explain the procedure of the study to the students. Data collection took place on the 14 of May 2012 on the campus; and no incentives were provided to any of the students to participate in the survey. The respondents were assured that the study would be anonymous, and that they could stop participating in the study at any point. No student would be penalised for not taking part; and any question that was not clear or understood would be explained to him/her. This was also clear in the introduction of the questionnaire.

In an effort to remain consistent with previous research done in the field of customer revenge behaviour (Gregoire & Fisher, 2008; Gregoire, *et al.*, 2010) and service recovery (Tax, *et al.*, 1998), this study was conducted using field studies. Field studies entail the researcher being in the field (target area) where respondents for survey can be found and asked to complete the questionnaire. In this field study, I spent a day on the campus of a university, administering the questionnaires to students that were enrolled in the business management faculty. Lecturers set aside fifteen minutes at the end of their scheduled classes, in order to allow me the opportunity to introduce myself to the class and to ask those willing to stay, to fill out the questionnaire.

With myself being present in the classroom at the time, this enabled students to ask questions about anything in the questionnaire that was not clear or understandable; and it also lowered the amount of unanswered questions, as a result. The following section reviews data analysis techniques that were utilised in this study.

4.4 DATA ANALYSIS

After data collection, data was cleaned and coded. All the questions were pre-coded on the questionnaires. All the negatively worded items in the questionnaires were reverse-scored; and all 298 questionnaires collected were deemed useful. Data was coded into two statistical software programs: SPSS (for the descriptive statistics) and SmartPLS (Ringle, Wende & Will, 2005) for the structural equation modelling.

4.4.1 Descriptive Statistics

The major objective of descriptive research is to describe something, usually sample characteristics, and thus to provide researchers with the ability to establish whether their findings can be compared with those of other similar studies – due to their similar samples (Gregoire et al., 2010). Hence, the reasons for conducting descriptive research are as follows (Malhotra, 2007):

- To describe the characteristics of relevant groups, such as customers in service industries;
- To estimate the percentage in a specified population that are exhibiting certain behaviours;
- To determine the perceptions of product characteristics;
- To determine the degree to which marketing variables are associated; and finally
- To make specific predictions.

Descriptive statistics is a way to summarise and condense the information obtained during this study, in order to uncover an underlying meaning – by incorporating measures of central tendency for the study (Shiu et al., 2009). Three typical central tendency measures are: The mean, median and mode; and these locate the centre of the distribution (Shiu et al., 2009; Malhotra, 2007). Different levels of measurement allow for different permissible descriptive statistics, such as nominal (mode), ordinal (median), interval (mean) and ratio (mean) (Kotze, 2005). The mean is the most commonly used measure of central tendency (Malhotra, 2007); it is used to estimate the average value when data was collected using interval or ratio scales (Shiu et al., 2009; Malhotra, 2007).

Another important measure associated with the mean is the standard deviation. This refers to the difference between the mean and an observed value (Malhotra, 2007). A distribution with a large standard deviation signifies that its constituent values do not fall close to the mean; while a small deviation would show that the values are close to the mean (Shiu et al., 2009). Another way to explain the deviation levels is that the size of the standard deviation tells you something about the level of agreement between the respondents when they answered a question (Shiu et al., 2009).

Where multiple items were used for the measurement of a construct, summated scales were used. Summated scales were calculated with the use of the SPSS software through a statistical function that calculates the mean scores for all the items used in measuring the construct. For the purpose of this study, the following constructs were measured through summated scales, along with the following descriptive statistics that were employed for each of the constructs measured in the questionnaire:

Table 4.6: Descriptive statistics to be used in this study

Construct Measured	Question in the questionnaire	Summated scale	Descriptive statistic
Negative WOM	1,2 and 3	Yes	Mean and standard deviation
Marketplace aggression	4 – 7	Yes	Mean and standard deviation
Vindictive complaints	8,9 and 10	Yes	Mean and standard deviation
Relationship commitment	11, 12 and 13	Yes	Mean and standard deviation
Perceived alternatives	14 and 15	Yes	Mean and standard deviation
Blame attribution	16,17 and 18	Yes	Mean and standard deviation
Greed	19 – 23	Yes	Mean and standard deviation
Anger	24 – 27	Yes	Mean and standard deviation
Desire for revenge	28 – 32	Yes	Mean and standard deviation
BFI	33 – 42	Yes	Mean and standard deviation
Self-efficacy	43 – 50	Yes	Mean and standard deviation
Interaction fairness	51 – 54	Yes	Mean and standard deviation
Procedural fairness	55 – 58	Yes	Mean and standard deviation
Distributive fairness	59 – 61	Yes	Mean and standard deviation
Failure severity	62 – 64	Yes	Mean and standard deviation
Online complaints	66 – 68	Yes	Mean and standard deviation
Age	69	No	Frequency
Gender	70	No	Frequency
Race	71	No	Frequency

The sample characteristics obtained through the descriptive statistics shown in Table 4.6 for this study are discussed in the results chapter (Chapter 6). The descriptive statistics describe the sample (and how it reflects the target population) before further inferential statistics can be done. The form of inferential statistics that was undertaken in this study is structural equation modelling.

4.4.2 Structural Equation Modelling

Structural equation modelling is a multivariate statistical technique that has grown in popularity over the past 20 years (Shiu *et al.*, 2009) due to its ability to simultaneously estimate multiple dependence relationships, while also incorporating multiple measures for each construct. Statistical techniques can be classified as univariate or multivariate (Malhotra, 2007). Univariate techniques are appropriate when there is only a single measurement of each element in the sample, or when there are several measurements, but each variable is analysed in isolation. Multivariate techniques are suitable for analysing data, when there are two or more measurements of each element, and the variables are analysed simultaneously (Hair, Black, Babin & Anderson, 2010; Shiu *et al.*, 2009; Malhotra, 2007). Thus, any simultaneous analysis of more than two variables can be loosely considered a multivariate analysis (Hair *et al.*, 2010).

Multivariate techniques differ from univariate techniques in that they shift the focus from the levels (averages) and distributions (variances) of the phenomena to instead focus on the degree of relationships (correlations or covariances) among the phenomena (Malhotra, 2007). The importance of multivariate analysis has grown in recent years – due to many software programs advancing in their ability to deal with large numbers of complex data (Shiu *et al.*, 2009), and this has led to researchers being able to start understanding complex marketing problems that involve more than one variable (Shiu *et al.*, 2009; Malhotra, 2010).

For statistical analysis to be considered truly multivariate, all the variables must be random and interrelated in such a way that their different effects cannot meaningfully be interpreted separately (Hair *et al.*, 2010). The multivariate character lies in the multiple variates, or multiple combinations of variables, and not only in the number of variables (Hair *et al.*, 2010; Malhotra, 2010). The classification of multivariate techniques is based on three judgments that any researcher should make (Hair *et al.*, 2010). The first question is: Can the data variables be divided into independent and dependent classifications? This indicates whether a dependent or an interdependent technique should be used.

For this study, a regression relationship was selected. A regression relationship is represented by a one-headed arrow in the model, flowing from an independent construct to dependent constructs (Hair *et al.*, 2010). In this study, the conceptual customer revenge behaviour model shows a set of constructs that were identified as dependent variables, and that were to be predicted or explained by other

variables. The second question is how many dependent constructs are there? And finally, what type of measurement scale is employed by the variables? The conceptual customer revenge behaviour model for this study shows multiple dependent constructs with the measurement thereof listed in Table 4.7. In this study, multiple relationships of dependent and independent variables exist; and thus the statistical technique for multivariate analysis used in this study is structural equation modelling. The benefits of using structural equation modelling (SEM) when dealing with multiple relationships are discussed in the following sections.

The benefit of using structural equation modelling (SEM) is that it enables the researcher to test key theoretical relationships in one technique (Hair *et al.*, 2010; Shiu, *et al.*, 2009). The core purpose of SEM is to explain the relationships among multiple variables; and in doing so, to depict all the relationships among constructs (both dependent and independent variables) involved in the analysis (Hair *et al.*, 2010; Shiu *et al.*, 2009). Causal inference, which involves hypothesised cause-and-effect relationships, enables researchers to explain how some cause determines a given effect (Hair *et al.*, 2010).

Covariance is a systematic relationship between two variables – where a change in the one implies a corresponding change in the other (Malhotra, 2010). As with multiple regressions, SEM can determine the systematic and statistically significant covariation between constructs (Hair *et al.*, 2010). Hence, statistically significant estimated paths in the structural model provide evidence of covariation, and structural relationships between constructs are typically the paths for which causal inferences are most often hypothesised (Hair *et al.*, 2010). There are two different approaches to structural equation modelling (SEM): variance- and covariance-based SEM. The following table summarises the differences between these two approaches:

Table 4.7: Summary comparison of PLS-SEM and CB-SEM approaches

Basis of Comparison	PLS-SEM	CB-SEM
Objective:	Prediction-oriented	Theory-oriented: Parameter oriented
Approach:	Variance-based	Covariance-based
Assumptions:	Predictor-specific (non-parametric)	Multivariate normal distribution and independent observations (parametric)
Relationship between a latent variable and its measures:	Can be modelled in either formative or reflective mode	Typically only reflective indicators
Implications:	Optimal for prediction accuracy	Optimal for parameter accuracy
Model complexity:	Large complexity (e.g. 100 constructs, 1000 indicators)	Small to moderate complexity (e.g. <100 indicators)
Sample size:	Power analysis based on the portion of the model with largest number of predictors. Recommendations for minimum observations range from 30 to 100 cases.	Ideally based on power analysis of specific model. Recommendations for the minimum number of observations range from 200 to 800.

SOURCE: Hubona, 2010.

As summarised in the above table, the difference in PLS-SEM and CB-SEM have practical implications for data analysis when choosing one of the two methods. The main objective of PLS-SEM analysis is to be prediction-oriented; hence, the emphasis is placed on predicting behaviours or scenarios in contrast to that of the theory orientation (Chin, Henseler, Vinzi, Wang, 2010; Hubona, 2010). The approach of PLS-SEM is variance-based, and not covariance, which allows for more than two constructs to be used, and implies that changes in one could impact all the constructs in a model (Hubona, 2010). The assumption is that non-parametric dependent observations are made and that the relationship between latent variables can be modelled in either formative or reflective mode (Chin *et al.*, 2010; Hubona, 2010). This results in optimal prediction accuracy – even for a large and very complex model (Chin *et al.*, 2010; Hubona, 2010).

For the purposes of this study, and due to the nature of the conceptual model being tested, a PLS-SEM approach was chosen. The ability of this technique to accurately predict scenarios or behaviours is the guiding factor in the testing of the conceptual customer revenge behaviour model, and thus in the selection of data-analysis techniques (Hubona, 2010). The use of PLS-SEM allows for any model to be complex with many constructs and indicators (as with this study a total of 16 constructs' and 68 indicators were loaded). The approach is also not restricted to covariance, but rather variances, thus

allowing for the testing of more than two constructs and the impact on each other (Chin *et al.*, 2010; Malhotra, 2010; Hubona, 2010).

The following section discusses how PLS-based SEM that was done through the use of SmartPLS (Ringle, Wende & Will, 2005) software in this study.

4.4.3 PLS-based SEM using SmartPLS Software

The data analysis package used through which the PLS-based SEM analysis was done is known as SmartPLS (Ringle, Wende & Will, 2005), as it enabled the researcher to test the conceptual customer revenge behaviour model with the use of the qualitative data captured. The popularity of using PLS-based SEM in marketing research studies has grown in recent years with the characteristics of PLS-based SEM path-modelling being more and more relevant for the studies on international marketing (Henseler, Ringle & Sinkovics, 2009). According to a review of PLS-based SEM by Henseler, Ringle and Sinkovics (2009) on the use of PLS-based SEM in marketing research studies, more than 20 studies using PLS-based SEM have been published in five top-tier marketing journals, the majority being between 2003 and 2009.

The characteristics that make PLS-based SEM so popular are summarised by Henseler, Ringle and Sinkovics (2009), as follow: Firstly, PLS-based SEM delivers latent variable scores (in other words proxies of the constructs, which are measured by one or several indicators). Secondly, PLS-based SEM can be used to analyse small sample sizes and the 200+ sample size of covariance-based SEM is not required. Another benefit of PLS-based SEM is that it can estimate very complex models with many latent and manifest variables (as with what is required from structural equation modelling). Furthermore, PLS-based SEM modelling has less stringent assumptions about the distribution of variables and error terms. A normal distribution is not required for all constructs. And lastly, PLS-based SEM can handle both reflective and formative measurement models.

In PLS-based SEM, the researcher first assesses the reliability and validity of the scales used to measure the constructs in the study. This is done by looking at the measurement model. With regard to the measurement model, the internal consistency reliability, indicator reliability, convergent and discriminant validity of the measurement scales are assessed.

Internal consistency reliability is assessed with the use of Cronbach's Alpha, where the indicators should load with values greater than 0.7, and the composite reliability should also be more than 0.7 for exploratory research, and more than 0.8 when testing existing models. For the measurement of indicator reliability, item loadings should be higher than 0.7, or where negative, the squared item loadings should be higher than 0.5. When establishing whether measures or scales have evidence of convergent validity, item loadings should load significantly on the latent constructs (AVE's > 0.5). For establishing discriminant validity, the square root of the AVEs should be greater than any correlations on the latent variable correlation table (Fornell-Larcker Criterion) (Fornell & Larcker, 1981).

Measurement models are assessed with regard to their reliability and validity (Henseler, Ringle & Sinkovics, 2009). Usually, the first criterion that is checked is internal consistency reliability, of which the traditional criterion is Cronbach's α (Cronbach, 1951). This provides an estimate for the measurement scale's internal consistency reliability based on the indicator inter-correlations. Although Cronbach's α assumes that all the indicators are equally reliable, PLS prioritises the indicators according to their reliability, resulting in a more reliable composite (Henseler, Ringle & Sinkovics, 2009). A second reliability measure utilised in PLS is Composite Reliability. This is similar to Cronbach alpha, and is a measure of the strength or weakness of each composite. Values greater than 0.8 indicate a strong composite reliability; and together with the Cronbach Alpha values, this indicates whether a scale is internally consistent, or not.

After the reliability and validity of the measurement model has been established, the structural model can be assessed – finally allowing for the rejection or acceptance of the stated hypotheses. The following key aspects of the model are assessed when interpreting the structural model. R-squared values indicate the structural fit of the constructs in the model. These values are assessed, according to Chin (2003), where 0.67 is substantial, 0.33 is moderate and 0.19 is weak. The next structural consideration is to establish whether the path values of the inner model are significant. Path values are considered significant when they are above 0.2, or below -0.2. The final consideration for structural fit is to examine the effect sizes of the additions that were made to the model. The effect size is considered weak when the values are between 0.02 and 0.15, moderate when between 0.15 and 0.35, and strong when higher than 0.35. These findings result in the final acceptance or rejection of the hypotheses of the conceptual model.

Before concluding this chapter, the ethical considerations of this study need to be considered. These ethical considerations should always be a reminder that all research should adhere to the same ethical

standards. The methodological techniques highlighted can only be executed successfully if the researcher keeps these ethical considerations, as discussed next, in mind.

4.5 ETHICAL CONSIDERATIONS

Ethics, or what is deemed to be acceptable or unacceptable in human conduct, have become a key issue in marketing research (Akaah & Riordan, 1989; Tustin *et al.*, 2005). Business ethics are a subset of the values held by a society as a whole; and business environments are increasingly being exposed to problems ranging from bribery and extortion to theft and vandalism. As a result, business ethical issues are becoming of high importance to business conduct and policies (McDaniel & Gates, 2012). It is also important that marketing researchers acknowledge that the effective practice of their profession depends on the goodwill and participation of the public (Tustin *et al.*, 2005). McDaniel and Gates (2012) maintain that high standards for ethics and professionalism go hand-in-hand; and good ethics provide a solid foundation for professionalism.

The Ethics Institute of South Africa (EthicsSA) was established in South Africa in September 1999, as an institutional response to a worldwide recognition of the relevance and importance of ethical conduct. Ethics are not optional or discretionary behaviours to normal business; ethics should not be an afterthought, and all marketing should be a function of an ethical structure. "Marketing is ethical by being informative or truthful; or [it is] unethical by being misleading or untruthful" (Tustin *et al.*, 2005). Marketing researchers face numerous ethical considerations when trying to obtain data for research studies, some of which are to treat clients fairly – maintaining research confidentiality and maintaining research integrity (McDaniel & Gates, 2012; Tustin *et al.*, 2005).

Tustin *et al.*, (2005) state that researchers have some general obligations to the people who provide data in marketing research studies. These are: The participants should not be harmed; they should not be deceived; they must be willing and informed; and data should be held in confidence. After the research has been completed, the researcher should also make available copies of the questionnaires used, describe the sample design used, give a description of where and when data was collected; and the data analysis relevant to the study should be shown.

Every marketing research organization has an ethical code of conduct. The American Marketing Association (AMA) and the South African Marketing Research Association (SAMRA) are examples of organizations with a code of ethics that outlines the obligations of the various parties involved in a research process. It is important for researchers to remember that they are obliged to adhere to the

ethical standards of marketing research, in order to keep intact the reliability of marketing research studies – and also, not to bring into question the ethics of previous studies done.

4.6. CONCLUSION

In this chapter, the foundation was set from which data analysis of the results from data gathered could be discussed. This study set out to answer the research question: *what is the role of self-efficacy and personality type in customer revenge behaviour?* The literature review on customer revenge behaviour and service failures led to the researcher of this study gathering primary data, in order to contribute to the existing knowledge in these fields.

The methodology described in this chapter gives an outline of what procedures were used in deciding the data-collection methods, which sampling size to choose, how data were collected and analysed, and which software packages were used in the analysis of the data. The final consideration was the ethical issues involved in primary data collection, and how these considerations were implemented in this study. This study collected primary data by allowing for students to voluntarily take part in the research, and also to keep data confidential.

The following chapter will now report back on the results obtained through the methods reviewed in this chapter. The next chapter will start by discussing the descriptive statistics employed on the sample obtained, and will then progress through the various PLS-based SEM techniques discussed, in order to finally accept or reject the hypotheses formed at the end of the previous chapter (Chapter 3).

CHAPTER 5: RESULTS

5.1. INTRODUCTION

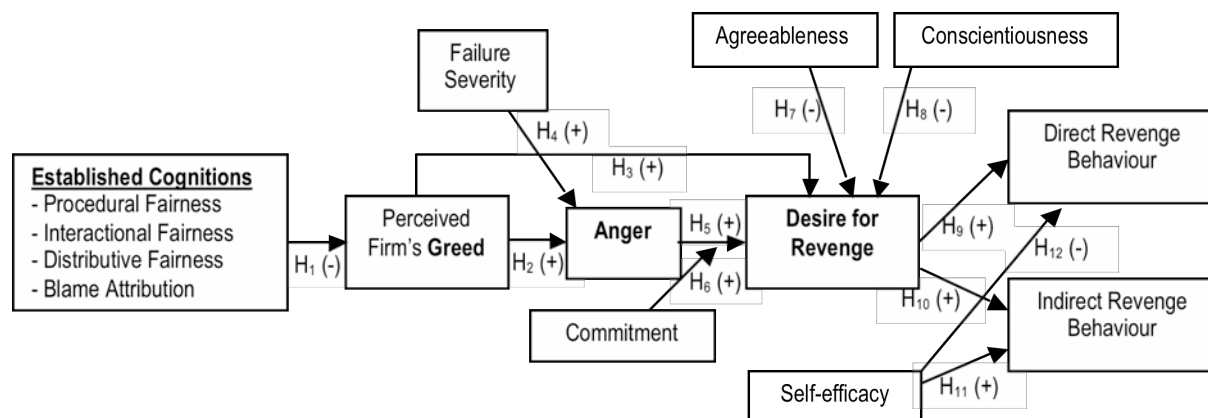
The previous chapter reviewed the methodology of this study. It also discussed the research design for this study. The research method chosen was a self-completion survey and the sample design was convenience sampling. A brief description was given of the sample obtained. The questionnaire design with the scales used was reviewed and an overview was given of the ethical concerns when using student samples. The data analysis method chosen was identified as a multivariate analysis – through structural equation modelling (SEM) – and the difference between variance- and covariance-based SEM was highlighted. This led to a justification for using partial least squares (PLS) modelling in analysing the data for the study.

In this chapter, the results of the multivariate analysis of the customer revenge model are discussed. The descriptive statistics are given on the sample characteristics, such as gender frequencies, age mean and sample size. Thereafter, the data for each of the research constructs measured in the model is presented in terms of the means and standard deviations. The chapter concludes with the results of both the measurement and structural model, as obtained through the PLS-based SEM. In the structural model, the results of the hypotheses are addressed. First, however, a summary of the hypotheses that was tested is provided.

5.2. SUMMARY OF THE HYPOTHESES

The conceptual model for this study was given in Chapter 3, after a literature review on the constructs for the model and the theoretical foundations for the inclusion of the new constructs had been established. The figure below is the conceptual model again – along with the hypotheses formulated for this study.

Figure 5.1: Conceptual model including hypotheses



SOURCE: Adapted from Gregoire et al., 2010.

Herewith, a summary of the hypotheses that were tested in this study:

H₁: Established cognitions negatively influence customers' perceptions of the firm's greed.

H₂: Customers' perception of the firm's greed positively influences customers' feelings of anger towards the firm.

H₃: Customers' perception of the firm's greed positively influences customers developing a desire for revenge.

H₄: The failure severity of the service positively influences customers' feelings of anger.

H₅: Feelings of anger are positively related to customers' developing a desire for revenge.

H₆: Commitment positively moderates the relationship between anger and the desire for revenge, such that if commitment is high, the impact of anger on desire for revenge is higher.

H₇: Agreeable personality type is negatively related to customers' desire for revenge.

H₈: Conscientious personality type is negatively related to customers' desire for revenge.

H₉: Customer desire for revenge positively impacts their direct revenge behaviour.

H₁₀: Customer desire for revenge positively impacts indirect revenge behaviour.

H₁₁: Customer self-efficacy is positively related to their indirect revenge behaviour.

H₁₂: Customer self-efficacy is positively related to their direct revenge behaviour.

As is evident from both the model and its related hypotheses, after a service failure customers first determine the fairness (procedural, interaction and distributive) of the situation, as well as who is to blame. The less fair customers perceive the situation to be, the greedier they perceive the firm to be. Then they can either move through the cognitive route (i.e. because of this injustice around the service failure, a desire for revenge is developed) or the emotional route (i.e. become angry about the incident,

and the angrier they are, the greater their desire for revenge). Their anger towards the firm is influenced by how severe the service failure was. The relationship between customers' anger and their desire for revenge is also moderated by their commitment to the firm. In this case, if customers are committed to the firm, their shock and disbelief at the service failure will increase their likelihood to develop a desire for revenge.

This study also hypothesises that their desire for revenge is influenced by how low customers' agreeableness and conscientiousness is. After moving through these phases, customers might then decide whether to enact revenge. And they can either take direct revenge, or indirect revenge. The form of revenge that they take is influenced by their belief in their own abilities, i.e. their level of self-efficacy. The following chapter tests whether this model is correct. Before an examination of the model results are done and the hypotheses are confirmed or rejected, some descriptive statistics about the sample are reviewed. But first, a brief description of the fieldwork conducted.

5.3. FIELDWORK

Permission to survey the students was granted from the Faculty Ethics Committee (see Appendix C), as well as the Director of Student Affairs at UCT (see Appendix B). The researcher facilitated the study herself and data collection took place on the 14th of May 2012 on the University of Cape Town campus. No incentives were provided to any of the students and the respondents were assured that the study was anonymous, and that they could stop participating in the study at any point. No student were penalised for not taking part and any question that was not clear was explained to him/her.

The field study took place on one day on the campus of the university where lecturers granted fifteen minutes at the end of their scheduled classes to the researcher in order to ask students to take part. The researcher used that opportunity to introduce herself to the class and ask those willing to stay, to fill out the questionnaire. All the questionnaires were returned to the researcher at the end of the class as the students left and the questionnaires numbered for data capturing purposes.

5.4. SAMPLE SIZE AND RESPONSE RATE

Sample-sized formulas cannot be used for non-probability samples (Shiu *et al.*, 2009), as this often implies more of a subjective judgment made by the researcher based on his/her personal experience and intuition. Justification for the use of a non-probability sample was given in the previous chapter (see section 4.2.3).

The total number of respondents that completed the questionnaires was $n=298$ (see Table 5.1). Such a sample size is similar to those used in other similar studies, such as those done by Gregoire *et al.* (2010), McCullough, Bellah, Kilpatrick and Johnson (2001), Rammstedt and John (2007). This sample size was deemed to be adequate this study. In order to get some estimate of a response rate, the response rate for this study was calculated by dividing the total number of completed questionnaires ($n=298$) by the total number of sample members asked (352) to take part in the study. This response rate is high (Malhotra, 2007), as the final dataset included 85% (as only eight respondents' questionnaires were eliminated for missing values) of the attempted surveys that were completed (see Table 5.1).

With the researcher being present in the classroom at the time, this enabled students to ask questions about anything in the questionnaire that was not clear or understandable; and it also lowered the amount of unanswered questions, as a result. The final sample had 234 completed questionnaires

5.5. DESCRIPTIVE STATISTICS

The descriptive statistics of this study are the various population characteristics (frequency characteristics on the sample study) and interval scales (means and standard deviations on key constructs measured). These are the minimum descriptive statistics associated with these various levels of measurement (Malhotra, 2010).

5.5.1 Population characteristics

The first descriptive statistics presented in this section is the population characteristics of the sample obtained for this study. These characteristics are summarised in the table on the next page, where the

total number of respondents is indicated (N), along with the frequency percentages for each of the constructs. Age was measured by calculating the mean score of those respondents that did answer.

Table 5.1: Population characteristics on the sample study

	Included		Mean
	N	Percent	
Age	230	77.2%	20.54
Gender	298	100%	
Female	126	42.3%	
Male	102	34.2%	
Prefer not to answer	4	1.30%	
Race	298	100%	
Asian	1	0.3%	
Black	40	13.4%	
Coloured	16	5.4%	
Indian	20	6.7%	
White	126	42.3%	
Prefer not to answer	29	9.7%	

The average age of the respondents was 20.54 years. A larger percentage of the respondents did not indicate their age (n=68) and the results in 22.8% of the sample are presented as: "age unknown". The split of the genders was: 42.3% female and 34.2% male (the rest was unanswered). The racial classification of the sample can also be seen in the table above. The most frequent race classification for this sample is: Whites at 42.3% (n=126), followed by Blacks at 13.4% (n=40). Indian respondents were at 6.7% (n=20), and Coloureds were 5.4% (n=16) of the sample.

These sample characteristics are similar to those used in previous studies by Gregoire and Fisher (2008); Gregoire, Laufer and Tipp (2010); McCullough, Bellah, Kilpatrick and Johnson (2001) for research on customer revenge behaviour. Most studies found a tendency towards more males than females in their respondents' demographics; and for those who used student samples, the mean age group was between 20 and 25 years. Consequently, this study was deemed comparable with other key studies on revenge behaviour. In the next section, the descriptive statistics regarding the key constructs of the proposed customer revenge behaviour model measured are discussed.

5.5.2 Interval scale

The type of scale (5-point or 7-point Likert), the sample size (N), the mean and the standard deviations for the constructs measured are shown in Table 5.2.

Table 5.2: Descriptive statistics – mean and standard deviation scores of the interval scales

Scales	Type of Scale Used (5-point vs 7-point)	N	Mean	Std. Deviation
Interactional Fairness	7	231	3.64	1.08
Procedural Fairness	5	231	2.18	0.72
Distributive Fairness	5	183	1.87	0.75
Blame Attribution	7	232	5.65	1.04
Perceived Greed	7	232	3.95	0.49
Anger	5	231	3.49	0.80
Desire for Revenge	7	231	3.79	1.38
Negative WOM	7	232	4.24	0.85
Online Complaints	5	109*	3.66	0.94
Marketplace Aggression	7	232	3.02	1.04
Vindictive Complaining	5	232	2.62	0.95
Relationship Commitment	7	231	4.30	1.17
Failure Severity	7	230	4.87	1.13
Agreeableness	7	232	4.54	0.91
Conscientiousness	7	232	4.53	0.86
Self-efficacy	7	232	5.56	0.80

* Lower response rate for this question as it only required an answer if respondents indicated a likelihood to complain in the previous question

Each of the above constructs was measured by using multiple items (as previously discussed in section 4.2.4); and thus, summated scales were used (discussed in section 4.2.5 and shown in Table 4.3). Each of the constructs' mean scores (and its constituent scale items' mean scores) is discussed in greater depth in the following sections; and these discussions will continuously refer back to the above table and the questionnaire (see Appendix A).

5.5.2.1 Established cognitions

Respondents' established cognitions comprise four dimensions: interaction fairness, procedural fairness, distributive fairness, and blame attribution. When reviewing the summated mean scores of the respondents' answers on the first constructs for established cognitions, interaction fairness scored 3.64, procedural fairness 2.18, distributive fairness 1.87 and blame attribution 5.65. This indicates that the average respondent disagree with the statements made for each item. The items were measured using 5-point and 7-point scales.

Interaction fairness was measured using four items on a 7-point scale. With regards to the employees that interacted with me, how do you agree with the following statements: "treated me in a polite manner", "gave me detailed explanations and relevant advice", "treated me with respect" and "treated me with empathy". Procedural fairness was measured using four items on a 5-point scale and asked the questions based on the level of service failure experienced. Here respondents were asked to indicate their level of agreement with the following: "Despite the hassle caused by the problem, the firm responded fairly and quickly", "I feel the firm responded in a timely fashion to the problem", "I believe the firm has fair policies and practices to handle problems" and "with respect to its policies and procedures, the firm handled the problem in a fair manner".

Distributive fairness was measured with three questions (5-point scale) and these were also related to the service failure experienced. "Overall, the outcomes I received from the service firm were fair", "given the time, money and hassle, I got fair outcomes" and "I got what I deserved". Blame attribution was the last of the established cognitions measured; this was on a 7-point scale. Respondents were asked to keep their experience with the firm in mind when indicating their level of agreement with the following: "the firm was responsible for the poor service", "the service failure was the firms' fault" and "I completely blame the firm for what happened".

Overall, the respective mean scores for the three dimensions (interaction, procedural and distributive) imply that the average respondent disagreed with the statement that they were treated fairly by the firm. For the measurement of blame attribution, the mean score indicates that the average respondent does agree with the statements that the poor treatment they received should be blamed on the firm.

The standard deviations for procedural fairness ($s=0.71$) and distributive fairness ($s=0.74$) (see Table 5.2) were very low, indicating that most of the respondents agreed with the notion (responses are dispersed fairly closely around the mean). However, the deviation on the interaction fairness and blame attribution items were moderate ($s=1.08$). This implies that there was variance in the respondents' perceptions of the interaction fairness and blame attribution in the scenario and the firm involved.

5.5.2.2 Perceived Greed

The next construct evaluated was perceived greed; and this was measured with five items on a 7-point scale. The questions were: "the firm did not intend to take advantage of me", "the firm was motivated by its' own interests", "the firm tried to abuse me", "the firm had good intentions" and "the firm had bad intentions". The respondents showed a mean score of 3.95 for this construct, which indicates that they on average agreed with the questions stating that the firm's actions were as a result of its own greediness. The summated standard deviations on this scale were very low ($s=0.49$); and this indicates that most of the respondents were in agreement on this statement.

5.5.2.3 Anger

The next construct listed in Table 5.2 is anger. This construct was measured using four items on a 5-item scale. The construct was measured asking the question "when you first realised the poor service, indicate to which extend you felt: outraged, resentful, indignation and angry". The mean score for these constructs is 3.49; and this indicates that the respondents all felt some level of anger after the service failure by – on average – agreeing with the statements. The standard deviation is low ($s=0.8$) for this construct; and this shows that most of the respondents were in agreement with this statement.

5.5.2.4 Desire for Revenge

The desire for revenge construct was measured using five items on a 7-point scale. Respondents were asked to rate the extend to which they would: "take actions to get the firm in trouble, punish the firm in some way, cause inconvenience to the firm, get even with the service firm and make the service firm get what it deserved". The mean score for this construct is 3.79; and this indicates that the average respondents agreed with the statements – indicating a desire for revenge. The standard deviations here were slightly higher ($s=1.3$) than the rest of the constructs discussed up to this point, indicating that the responses were dispersed slightly more widely around the mean.

5.5.2.5 Revenge Behaviour

Customer revenge behaviour in the extended model consists of both direct and indirect revenge behaviour. These two constructs were measured through four dimensions, with two dimensions for each construct. Negative WOM and online complaining was used to measure for indirect revenge behaviour. And then, marketplace aggression and vindictive complaining were used to measure for direct revenge behaviour.

The first dimension measured was negative WOM; and here the mean for this item was 4.24 on a 7-point scale, indicating that the average respondent would spread negative word-of-mouth about a firm after a service failure. This dimension also had a low standard deviation ($s=0.8$). The second dimension is online complaints and the summated mean score here was 3.6 (5-point scale), also indicating a notion for respondents to take to the internet when voicing their opinions about a poor service firm. The standard deviation on the means for online complaints is also low ($s=0.9$).

The first dimension – to measure direct revenge behaviour marketplace aggression – and the mean score is 3.04 (7-point scale), showing that the average respondent was somewhat less inclined to take to violent actions aimed at the firm. The standard deviation is slightly higher here, showing a wider dispersion of the responses ($s=1.0$). The last of the direct revenge behaviour constructs measured was vindictive complaining. For this dimension, the mean score is 2.62 (5-point scale); and this also shows that the average respondent was less inclined to complain directly to the firm or to its representatives.

The standard deviation was lower ($s=0.9$); and this indicates a narrower dispersion of the responses. The means of these four constructs all indicate that for this sample, the respondents were inclined to take to indirect revenge behaviour through negative word-of-mouth and online complaints than through any form of direct revenge behaviour.

5.5.2.6 Relationship Commitment

Measurement for relationship commitment was done through three items, using a 7-point scale. Questions asked were based on respondents' relationship with the firm: "I was very committed to my relationship with the firm", "the relationship was something I intended to maintain for a long time" and "I put a lot of effort into maintaining this relationship for a long time".

On average (mean=4.3), respondents were in agreement with the statements that they were committed to their relationship with the service firm. The standard deviation for commitment was moderate ($s=1.1$); and this indicates that the respondents were slightly more widely dispersed from the mean on this construct. In other words, 68% of respondents were between “neutral” and “agree” with regards to their commitment to the firm in the scenario. Their commitment to the relationship could stem from the scenario in which a contractual agreement was signed with the firm; and the respondents’ could not possibly end their relationships with the firm.

5.5.2.7 Failure Severity

Failure severity was measured by using three items on a 7-point scale and respondents were asked to indicate the level of dissatisfaction that was caused by the poor service recovery. The mean score of 4.8 (7-point scale) indicate that on average, the respondents experienced major problems, inconveniences and aggravation due to the poor service recovery efforts of the firm. The standard deviation here was moderate ($s=1.1$); and shows that the responses were slightly more widely scattered around the mean.

5.5.2.8 Agreeableness

The first additional construct to the model was the personality type of agreeableness. This was measured by using two different items on 7-point scales. Respondents were asked to answer the questions based on how well to the statements describe their personality: “generally trusting” and “tend to find fault with others”. The average for agreeableness of 4.5 indicates that the average respondent was fairly agreeable in personality type, with the standard deviance low ($s=0.9$). The slightly low standard deviation shows that most of the respondents were closely dispersed around the mean; and thus many had the personality type seen as being agreeable.

5.5.2.9 Conscientiousness

The second addition to the model was the personality type of conscientiousness. This was measured also using two different item questions on 7-point scales. Again, respondents were asked to answer the questions based on how well the statements describe their personality: “tend to be lazy” and “does a thorough job”. Conscientious personality type were found to be evident, with the mean score of 4.5, thereby indicating that the average respondent was not lazy and was focused on doing a thorough job,

indicating high levels of conscientiousness. The standard deviation for this summated scale was low ($s=0.86$); and this indicates that the responses are fairly to the mean.

5.5.3.10 Self-efficacy

The final additional construct measured was self-efficacy; and this was measured by using eight items on a 7-point scale. The respondents showed a mean of 5.56 for this construct, indicating an alignment with the statement that self-belief and self-worth exist significantly in the respondents. The scale measured how much each respondent believed they could achieve as regards personal goals; whether they could accomplish difficult tasks and obtain success. The standard deviation was low ($s=0.80$) for a seven-point scale, which further indicates that most responses are fairly closely dispersed around the mean, i.e. there was not a lot of variation in the respondents' belief regarding their level of self-efficacy.

These descriptive statistics are fundamental in its ability to provide an idea of how the average respondent used in this sample can be described. In the original study by Gregoire, et al. (2010) their survey of students showed similar means to what was obtained in this study. In other words, the descriptive statistics and realized sample of this study suggests that the results of this study are comparable to those of the original model. Therefore, the inferential statistics for this study can now be discussed and compared to previous research.

5.6. THE CUSTOMER REVENGE BEHAVIOUR MODEL

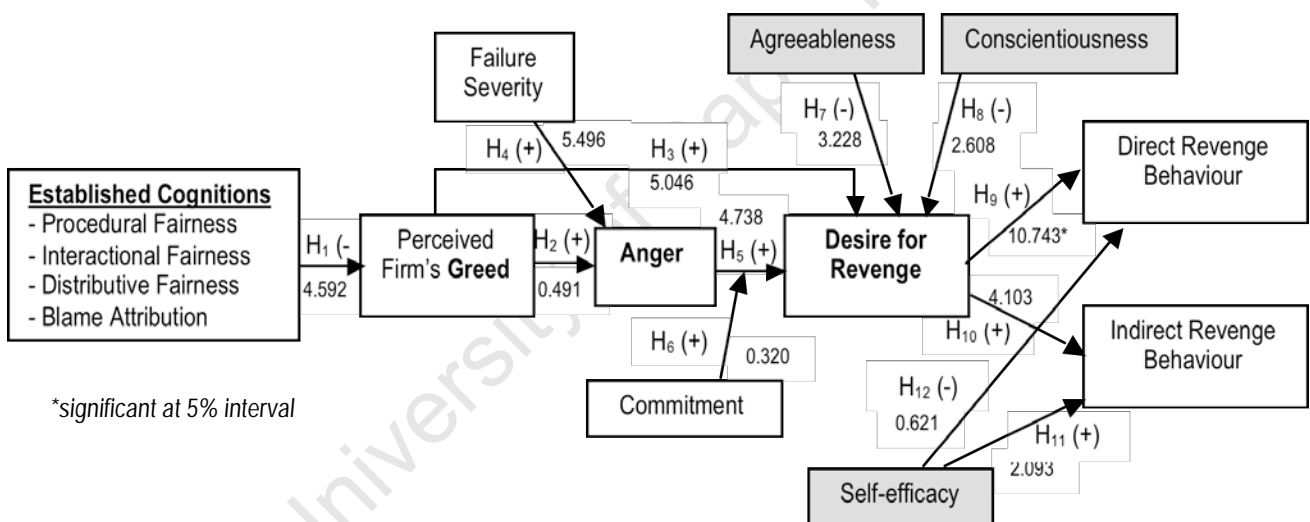
To assist with the interpretation of the analysis done with structural equation modelling, partial least square analysis (PLS) through the SmartPLS software (Ringle, Wende & Will, 2005) was used. The interpretation of the results obtained through PLS is reported in the following sections, and consists of reporting on the measurement and structural models. Firstly, an interpretation of the measurement model itself is given. This will include reliability measures for internal consistency and indicator reliability. Validity measures also form part of the measurement model interpretation and include convergent and discriminant validity. Lastly, the factor loadings of the indicators are reviewed. Thereafter, the structural model is discussed; and this comprises an evaluation of R-squares, path values and effect sizes (Fornell & Lacker, 1981; Haenlein & Kaplan, 2004). After the measurement and structural model are discussed, an overall model discussion will follow where conclusions are drawn regarding the hypotheses proposed in Chapter 3.

5.6.1 MEASUREMENT MODEL

The first set of indicators to be discussed from the measurement model is the indicator reliability and the reliability of internal consistency. Here, the researcher will first show the internal consistency of the existing customer revenge behaviour model; and this is followed by the indicator reliability. Discriminant validity is measured, according to the Fornall-Lackar criteria; and the last section on reliability is done by interpreting the factor loadings or cross loadings of the indicators (Haenlein & Kaplan, 2004).

The conceptual model was first examined for measurement reliability and validity – before any interpretation was attempted. The t-values associated with each of the hypothesised relationships are shown below in Figure 5.2.

Figure 5.2: Conceptual model with t-values based on the bootstrapping procedure in SmartPLS



The AVE scores, composite reliability and R-square values for evaluation of the measurement model are combined, and shown below in Table 5.3. These values were used in determining the reliability and validity of the measurement model. Reliability refers to the extent to which a variable or set of variables is consistent with what it is intended to measure (Hair et al., 2010). Validity refers to the extent with which the measures correctly represent the concepts. It indicates the degree to which it is free from any systematic or non-random errors (Hair et al., 2010). Validity is concerned with how well the concept is defined by the measures; whereas reliability relates to the consistency of the measures.

Table 5.3. Reliability of the measurement model

	AVE	Composite reliability	R Square	Cronbach's alpha
Anger	0.54	0.82	0.11	0.72
Desire for Revenge	0.71	0.92	0.33	0.90
Direct Revenge	0.36	0.79	0.27	0.69
Indirect Revenge	0.49	0.77	0.12	0.66
Perceived Greed	0.34	0.48	0.07	0.17
Agreeableness	0.50	0.50		0.12
Anger * Commitment	0.32	0.84		0.85
Commitment	0.35	0.55		0.86
Conscientiousness	0.44	0.48		0.42
Established Cognitions	0.31	0.78		0.73
Failure Severity	0.74	0.90		0.83
Self-Efficacy	0.60	0.92		0.90

Average variance extracted (AVE) is a summary measure of convergence among a set of items representing a latent construct (Hair *et al.*, 2010; Malhotra, 2007). AVE is the average percentage of variation among the items of a construct (Hair *et al.*, 2010). Composite reliability evaluates the reliability of constructs by combining attribute evaluations into an overall measure; and this indicates the overall similarity between attributes (Hair *et al.*, 2010). R-square is the correlation coefficient squared (also referred to as the coefficient of determination); and the value indicates the percentage of total variation explained (Hair *et al.*, 2010; Shiu *et al.*, 2009). Cronbach Alpha is a measure of reliability that ranges from 0 to 1, with values of 0.60 to 0.70, deemed to be the lower limits of acceptability (Hair *et al.*, 2010; Shiu *et al.*, 2009; Malhotra, 2007).

5.6.1.1 Reliability

From Table 5.3, it may be seen that the Cronbach's alpha was greater than 0.7 for the constructs of anger, desire for revenge, commitment, conscientiousness, established cognitions, failure severity and self-efficacy. For the constructs of direct revenge (0.69) and indirect revenge (0.66), even though not high, these figures were still satisfactory (Malhotra, 2010), and were also found acceptable by Gregoire *et al.* (2010) for being greater than 0.65. Constructs with low values are perceived greed (0.17), agreeableness (0.12) and conscientiousness (0.42).

Perceived greed was kept in the conceptual model, as the literature review stated that the inclusion of this variable is theoretically sound; and it was found to have had a high Cronbach's alpha in the study by Gregoire *et al.* (2010). The reliability of the constructs for agreeableness and conscientiousness, however, are low – due to the fact that only two items for each construct were used; and this is less than the required 3 to 5 items (Malhotra, 2010). Rammstedt and John (2006), however, acknowledge that reliability is lost when using short-scale items; but when the main purpose of the study is not to investigate personality type and time is truly limited, the BFI-10 offers an adequate assessment of personality.

For composite reliability, all the values were higher than 0.8, except for perceived greed (0.48), agreeableness (0.50), commitment (0.55) and conscientiousness (0.48). The Cronbach's alpha and composite reliability values indicate that the model is internally consistent, except for the constructs of perceived greed, agreeableness and commitment. These constructs were, however, retained due to their theoretical importance, as was established in Chapter 3.

For indicator reliability, individual items' loading on their relevant constructs was examined. These loadings can be seen in Appendix D. Most items had item loadings of lower than 0.7. These are seen in the constructs for blame attribution, distributive fairness, procedural fairness, anger, direct revenge, indirect revenge, relationship commitment, conscientiousness and agreeableness. These values were kept in the model, as the literature supports their inclusion (Bandura, 1977, Bechwati & Morrin, 2003; Gregoire *et al.*, 2010; Rammstedt & John, 2006).

With the above values, the internal consistency reliability and indicator reliability of the measurement model could be established. Next, the validity of the model is discussed.

5.6.1.2 Validity

Convergent validity was evaluated by examining the significance of each item loading (see Table 5.5 for AVEs: average variance explained by latent variables). For convergent validity, the items that are indicators of a specific construct should converge or share a high proportion of variance in common (Hair *et al.*, 2010; Malhotra, 2007). An AVE of 0.5 or higher is a good measure for suggesting adequate convergence (Hair *et al.*, 2010). The measures showing evidence of convergent validity (higher than 0.5) were anger, desire for revenge, agreeableness, failure severity and self-efficacy. Measures with low convergent validity were commitment (0.35), direct revenge (0.36), established cognitions (0.31)

conscientiousness (0.44) and perceived greed (0.34). These measures were, however, kept due to their theoretical importance, as mentioned earlier as well as established in chapter 3.

To further evaluate validity, discriminant validity was examined. Discriminant validity is the extent to which a construct is truly distinct from other constructs (Hair *et al.*, 2010). Thus, high discriminant validity provides evidence that a construct is unique, and captures some phenomena that other measures do not. (Malhotra, 2007; Hair *et al.*, 2010) Establishing validity was done through the examination of the Fornall-Lacker Criterion (1981). The Fornall-Lacker criterion claims that one factor's AVE should be higher than its squared correlation with every other factor (Fornall & Lacker, 1981; Hair *et al.*, 2010). This can be assessed by looking at the latent variable correlation table below (Table 5.4), where the squared AVEs for each construct is shown horizontally along with the correlations of each variable.

These loadings should be assessed in conjunction with the cross-loadings of the indicators (Fornall & Lacker, 1981). For assessment of the cross-loadings, all item loadings should be higher than any of their cross-loadings.

Table 5.4: Correlations for the measurement of Measurement model validity

	Agreeableness	Anger	Anger * Commitment	Commitment	Conscientiousness	Desire for Revenge	Direct Revenge	Established Cognitions	Failure Severity	Indirect Revenge	Perceived Greed	Self-efficacy
Agreeableness	0.71											
Anger	-0.17	0.73										
Anger*Commitment	-0.10	0.03	0.57									
Commitment	0.01	0.04	0.04	0.59								
Conscientiousness	0.21	-0.09	-0.11	-0.10	0.67							
Desire for Revenge	-0.26	0.35	-0.18	0.07	-0.18	0.84						
Direct Revenge	-0.13	0.31	-0.12	0.08	-0.04	0.51	0.60					
Established Cognitions	-0.04	-0.09	0.03	0.02	-0.14	-0.05	-0.08	0.56				
Failure Severity	-0.05	0.33	-0.04	-0.03	0.09	0.25	0.27	-0.28	0.86			
Indirect Revenge	0.04	0.26	-0.01	-0.05	-0.09	0.26	0.19	-0.26	0.47	0.70		
Perceived Greed	-0.05	0.14	-0.14	0.10	0.02	0.40	0.30	-0.28	0.33	0.22	0.58	
Self-efficacy	-0.01	0.09	-0.01	-0.05	0.00	-0.03	-0.06	-0.10	0.09	0.21	-0.02	0.77

Evidence of discriminant validity was found, because the square roots of AVEs along the diagonal were greater than all the correlations of the other scales below or beside them (Appendix E). With cross-loadings the loading of an indicator on its assigned latent variable should be greater than its cross-

loadings on all other latent variables. Here, all the constructs were found to show evidence of discriminant validity – except for blame attribution, which loaded higher on a few other constructs (interaction fairness, procedural fairness and distributive fairness), and conscientiousness and agreeableness, which loaded higher on one other construct (anger). Consequently, the convergent and discriminant validity of the models was established.

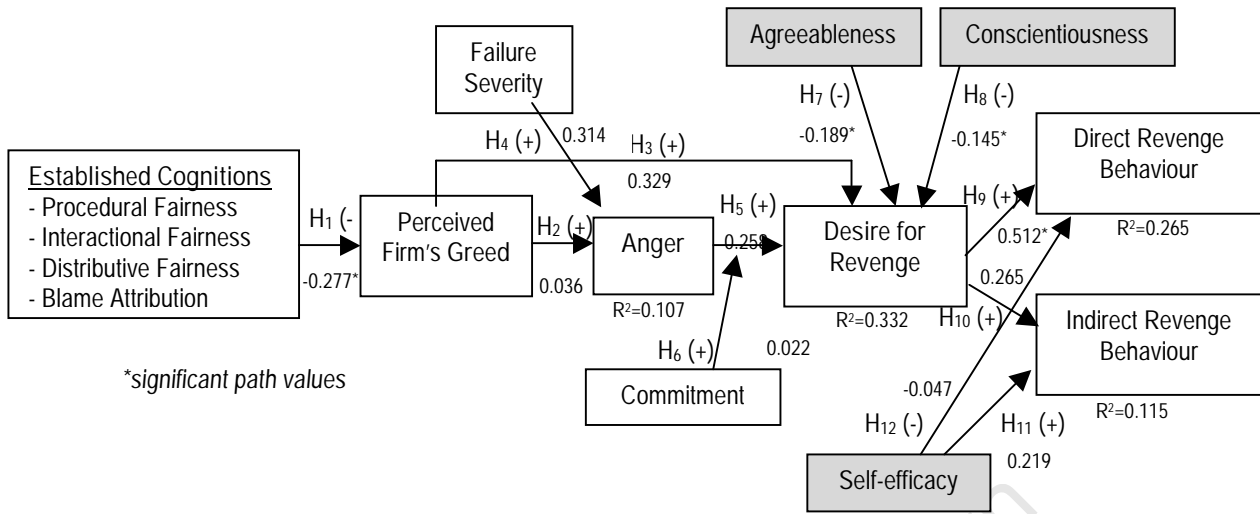
The results of the measurement model were satisfactory on most of the constructs used in the model, with the exception of a few. These constructs were all, however, kept merely for their theoretical importance. For the constructs that were measuring personality, it was established during the selection of the scales, that these scales would be lower in validity and reliability – due to the shorter scale used. The original Big-5 personality scale would have lengthened the questionnaire beyond what was practically possible, as the questionnaire was already 20-minutes long.

Time was limited for the questionnaires to be administered; and it was decided to use the 10-item scale (as shown in Chapter 4 and see Questionnaire in Appendix A) instead. After establishing the reliability and the validity of the model, the structural model was subsequently evaluated.

5.6.2 STRUCTURAL MODEL

The R square values of the latent endogenous variables in the model were assessed, in order to determine THE fit of the structural model. The R square values were assessed against the criteria by Wynn Chin (2003), where 0.67 is substantial, 0.33 is moderate and 0.19 is weak. These R square values can be seen in Figure 5.1 below.

Figure 5.3: Conceptual model with path coefficients and R square obtained through the PLS algorithm



Anger received an R square of 10.7%; and according to Chin (2003), this is a weak fit. Desire for revenge has an R square of 33.2%, and direct revenge an R square of 26.5%. These values indicate a moderate fit, according to Chin (2003). Indirect revenge has an R square of 11.5%, and greed an R square of 7%. These R square values, according to Chin, indicate that for anger, indirect revenge and greed are both a weak fit, and the desire for revenge is a moderate fit. It is, however, important not to merely consider the R square, but also the path coefficients (Chin, 1998). The R square value holds less power if the path coefficients are significant, and above or below -0.2 (Chin, 1998).

The second consideration for structural model fit, is an evaluation of the path values. Path values are considered significant when above 0.2 (or below -0.2). The path values found to be significant (shown and marked in Figure 5.1) where for established cognitions through to greed, greed to the desire for revenge, anger to the desire for revenge, desire for revenge to both direct and indirect revenge, and failure severity to anger. The path values were all significant, except for self-efficacy to direct revenge (-0.047) and commitment to the desire for revenge (0.022). For both the variables with low R square value (greed and anger), their respective path values were significant; hence, these variables are considered acceptable for inclusion in the model (Chin, 1998).

The last consideration for structural fit is to examine the effect sizes of the additions of self-efficacy, agreeableness and conscientiousness to the original model. The effect sizes were 0.097 on desire for revenge, 0.053 on indirect revenge, and 0.001 on direct revenge behaviour. These results show that there was a very weak effect on the original R square values of the model (Cohen, 1988). This indicates

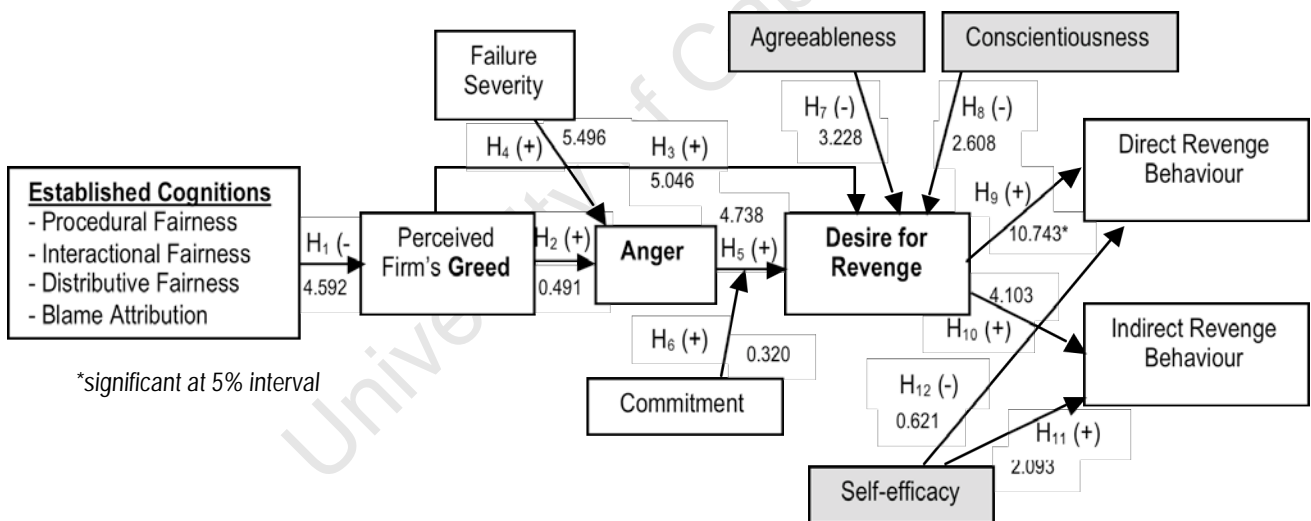
that there is little difference between the model without self-efficacy, agreeableness and conscientiousness and the model that includes these variables.

The above evaluations indicate that the model is stable, and that the inclusion of the new variables did not produce any drastic changes (Cohen, 1988); and overall, the measurement and structural model provided a valid and reliable instrument for the findings of the model. The following section will discuss the overall model fit, as well as which hypotheses were rejected or accepted.

5.6.3 OVERALL MODEL AND HYPOTHESES

In order to establish which variables are to be kept, and which hypotheses are to be accepted, or rejected, the overall model was tested. For the purpose of discussion, the conceptual model with the hypotheses tested is shown below as Figure 5.4.

Figure 5.4: Conceptual model with t-values



The path coefficients (Figure 5.1) and t-values (Figure 5.2) for the model were examined to determine the significance of the relationships between the variables. The t-values were computed through the boot-straping procedure, and a five per cent significance level ($\alpha=0.05$) was used to test the hypotheses.

Below are the findings for all the hypotheses, as they were tested for in the conceptual model:

- H₁ indicated that there is a negative relationship between established cognitions and perceived firm's greed, with a path coefficient of -0.277, and an associated t-value of 4.592.
- H₂ indicated no relationship between perceived greed and anger, with a path coefficient value of 0.036 and a t-value of 0.491.
- H₃ indicated a strong positive relationship between perceived firm's greed and the desire for revenge, with a path coefficient of 0.329 and a t-value of 5.046.
- H₄ indicated a strong positive relationship between failure severity and anger, with a path coefficient of 0.314 and a t-value of 5.496.
- H₅ indicated a positive relationship between anger and desire for revenge, with a path coefficient of 0.258 and a t-value of 4.738.
- H₆ indicated there is commitment has no moderating effect between anger and the desire for revenge, with a path coefficient of 0.022, and an associated t-value of 0.320.
- H₇ indicated a negative relationship between agreeableness and the desire for revenge, with a path coefficient of -0.189, and a t-value of 3.228.
- H₈ indicated a negative relationship between conscientiousness and the desire for revenge, with a path coefficient of 0.148, and a t-value of 2.608.
- H₉ indicated a strong positive relationship between the desire for revenge and direct revenge behaviour, with a path coefficient of 0.512, and a t-value of 10.743.
- H₁₀ indicated a strong positive relationship between the desire for revenge and indirect revenge behaviour, with a path coefficient of 0.265, and a t-value of 4.103.
- H₁₁ indicated that the association between self-efficacy and indirect revenge behaviour was positive, with a path coefficient of 0.219, and an associated t-value of 2.093.
- H₁₂ indicated no relationship between self-efficacy and direct revenge, with a path coefficient of -0.047, and an associated t-value of 0.621.

The conceptual model was found to be reliable and valid as a measurement model with R squares being accepted, along with their path coefficients on the structural model, confirming that the model is structurally strong. All the hypotheses were accepted but for one (H₂), although the implications are interesting; and these are discussed in Chapter 6 along with the recommendations and the conclusions.

5.7. CONCLUSION

The results (Chapter 5) contained a review of the sample study that was done, in order to establish the reliability and validity of a conceptual model, as hypothesised in Chapter 3. This chapter gave insights into the fieldwork that was conducted for this study, and summarized the hypotheses for this study before giving the sample size (n=298) and a response rate (85%) for this sample of students. This served as the foundation for the sample, and has given an insight into the type of sample that was obtained. Descriptive statistics were given on the sample, and a thorough examination of the mean and the standard deviations – of all the model constructs – was conducted.

According to the approach of structural equation modelling (SEM) through partial least square (PLS), the reporting of the results was done by first establishing the measurement model for reliability and validity. This was followed by an evaluation of the structural model for significance in the path coefficients, R squared loadings and the inner model loadings. This finally led to the conceptual models' hypotheses being either accepted or rejected. All the hypotheses, except for one (H₂), were accepted. These results will now be discussed for further findings and recommendations – before drawing any conclusions for this study.

CHAPTER 6: RECOMMENDATIONS AND CONCLUSIONS

6.1. INTRODUCTION AND BRIEF OVERVIEW OF THE STUDY

This chapter serves as the final chapter of the study into customer revenge behaviour. It follows after the data have been collected and analysed. This chapter addresses the findings as they relate to each research objective; and it attempts to answer the research question of this study. This chapter also aims to relate the results of the study to the theory, as discussed in Chapters 2 and 3.

Firstly, service marketing was discussed in Chapter 2. The difference between service marketing and the marketing of goods (Fisk, Bitner & Brown, 1993; Rathmell, 1966; Swartz & Iacobucci, 2000; Zeithaml, Parasuraman & Berry, 1985) led to the statement that unique marketing solutions are required for service marketing (Zeithaml *et al.*, 1985). Luria, Gal and Yagil (2009) stated that employees have a greater role in determining the quality of a service than do those working in the manufacture of goods. Frei (2008) lists four elements that allow a service firm to achieve greater customer satisfaction; and the most vital of these are the management of employees, in order to facilitate successful customer management.

Successful companies regularly have to incorporate various elements in their service design, in order to deliver an excellent service if possible. Most firms strive to ensure that important service delivery elements are always in place. Nevertheless, service failures are inevitable; and they do occur. Chapter 2 continued by discussing the theoretical foundations of a service failure – from the perspective of the disconfirmation paradigm (see section 2.2.3). Hart, Heskett and Sasser (1990) found in their study that meeting or exceeding customer expectations is the most important part of a service delivery, as these successful encounters are what make customers come back.

A theoretical term that is used to describe customers' expectations and satisfaction levels is known as the disconfirmation paradigm. Disconfirmation paradigm is used in customer satisfaction/dissatisfaction (CS/D) literature and it states that customers compare the perceived service performance with their expectations (Bearden & Teel, 1983; McCollough, Berry & Yadav, 2000; Niedrich, Kiryanova & Black, 2005; Oliver, 1980). There are a number of reasons why customers become dissatisfied (Bitner *et al.*, 1990), but the management of customer satisfaction and dissatisfaction remain crucial issues for any firms' success.

The notion that service firms should manage customer dissatisfaction was reviewed in Chapter 2 (see section 2.2.4). Service firms must recognise the importance of a service failure; and they should see this as an opportunity to build stronger relationships with their customers. Buttle and Burton (2001) stated that the recovery process is likely to have a greater impact on loyalty than the original service failure; and consequently, it was recognised as a significant determinant of customer satisfaction and loyalty (Mattila, 2001). But it was frequently the employee's poor response to a service failure that adds to customers' dissatisfaction (Bitner *et al.*, 1990; Buttle & Burton, 2001; McCollough *et al.*, 2000).

When a service firm does not try to correct a service delivery failure, the customer's dissatisfaction could translate into a desire to seek revenge of some sort against the firm (Gregoire *et al.*, 2010; Gregoire & Fisher, 2007; Ward & Ostrom, 2006). Customer revenge behaviour involves a customer inflicting some harm on a firm in retaliation for a service failure caused by the firm (Bechwati & Moring, 2003; Zourrig, Chebat & Toffoli, 2009). These revenge behaviour types are known as direct or indirect customer revenge behaviour; and they were reviewed in order to establish their potential impact on the service firm (see Section 2.3). Distinguishing between the different forms of customer direct and indirect revenge behaviour formed the concluding theoretical foundations for Chapter 2.

Chapter 3 aimed to review the evolution of the model of customer revenge behaviour; and it started off by discussing the extant customer revenge model (see Figure 3.1) compiled by Gregoire, Laufer and Tripp (2010). This model made an important distinction, stating that there was a difference between a desire for revenge and the observable customer revenge behaviour (Bechwati & Morrin, 2003; Gregoire & Fisher, 2008). Gregoire *et al.*, (2010) built on the first model by making room for the inclusion of an emotional route (anger), as well as a cognitive route (perceived greed).

These inclusions by Gregoire *et al.*, (2010) led to the emergence of an extended customer revenge model (see Figure 3.2). The model was discussed in Chapter 3 (see sections 3.3 to 3.7); and the researcher found that, theoretically, the model could be improved by including self-efficacy and personality type as variables that could also influence customer revenge behaviour. Previous models of customer revenge behaviour assumed that all customers move through certain phases, after a service failure, ultimately towards revenge behaviour. The inclusion of self-efficacy and personality type in the customer revenge behaviour model proposes that some customers are more likely to affect revenge than others: Specifically, these would include those with high levels of self-efficacy and low levels of agreeableness (as a Big Five personality type), as well as low levels of conscientiousness (as another

Big Five personality type). As a result, self-efficacy and personality type were incorporated into the existing customer revenge behaviour model, and an improved conceptual model for customer revenge behaviour emerged. During the final sections of Chapter 3 (see section 3.8), the variable of self-efficacy and the relevant personality type were discussed; and their theoretical importance in our understanding of customer revenge behaviour was well established.

Alden (1986) described self-efficacy as the belief that individuals have in themselves and through which they interpret social feedback. Individuals' levels of self-efficacy have been found by various researchers (see for example Alden, 1986; Bandura, 1983, Bandura, Adams & Beyer, 1977; Bandura, Hardy & Howells, 1980) to influence many aspects of behaviour; and this was discussed (in section 3.8.1.1). The impact of self-efficacy on the customer revenge model was discussed in the following section (3.8.1.2); and the theoretical significance of this variable in our understanding of customer behaviour was established. Understanding the importance of self-efficacy, leads to the formation of the following key hypotheses for this study. These were: H_{11} : *Self-efficacy is positively related to indirect revenge behaviour*; and H_{12} : *Self-efficacy is positively related to direct revenge behaviour*.

The second variable contributing to the understanding of customer revenge behaviour was personality type (see section 3.8.2). The personality of customers imposes cognitive pressures on their behaviour in different environments; and an understanding of the different personality type could influence employees' interaction styles with customers (Daunt & Harris, 2012; Huefner & Hunt, 2000). McCullough *et al.*, (2001) stated that research projects in the fields of social psychology have been numerous, but little attention has been given to the individual differences that might influence customers' willingness to forgive service failures.

Personality type was found as one of the elements that influence customer revenge behaviour and is theoretically important when evaluating customer revenge behaviour. As used by McCullough and Hoyt (2002) the Big Five personality dimensions (John & Pervin, 1999) were utilized for this study. The Big Five personality types are: Extroversion, Openness, Conscientiousness, Agreeableness and Neuroticism. The five personality dimensions were evaluated for their suitability in including them for this study and low agreeableness and low conscientiousness was established as being the most likely types to predict customer revenge behaviour, specifically customers' desire for revenge. This led to the last two hypotheses: H_7 : *Agreeableness is negatively related to a desire for revenge* and H_8 : *Conscientious personality type is negatively related to customers' desire for revenge*.

Following the review of all the variables, the addition of self-efficacy and personality type was found to be valuable in giving insights into the many aspects that drive customer revenge behaviour. And subsequently, the conceptual model for this study was formulated (see Figure 3.3).

The methodology for this study was discussed in chapter 4. Primary research was used to gather data for the testing of the conceptual model (see section 4.2) and the target population comprised students (section 4.2.2). Students were chosen in order to remain as close to the sample used for the existing customer revenge behaviour research (see for example Bechwati & Morrin, 2003; Bougie, Pieters & Zeelenberg, 2003; Folkes, 1984; Gregoire *et al.*, 2010; Gregoire, Tripp & Legoux, 2009; McColl-Kennedy, Patterson, Smith & Brady, 2009; McCullough, Bellah, Kilpatric & Johnson, 2001; Wetzler, Zeelenberg & Pieters, 2007). The sampling design identified convenience sampling as the sampling technique used in this study (see section 4.2.3) and the research instrument and its relevant scales were then discussed (section 4.2.4 and 4.2.5).

Data analysis was also discussed in the methodology chapter (section 4.4) - in an effort to provide theoretical justifications for the use of Structural Equation Modelling (SEM) through Partial Least Square (PLS) analysis in this study. The theoretical justification for this technique gave some of the benefits for using SEM, the most important being that it enables the researcher to test multiple key theoretical relationships in one technique (Hair, Black, Babin & Anderson, 2010; Shiu, Hair, Bush & Ortinau, 2009). SmartPLS software was used to test the PLS-based SEM and support for the model was thereby obtained.

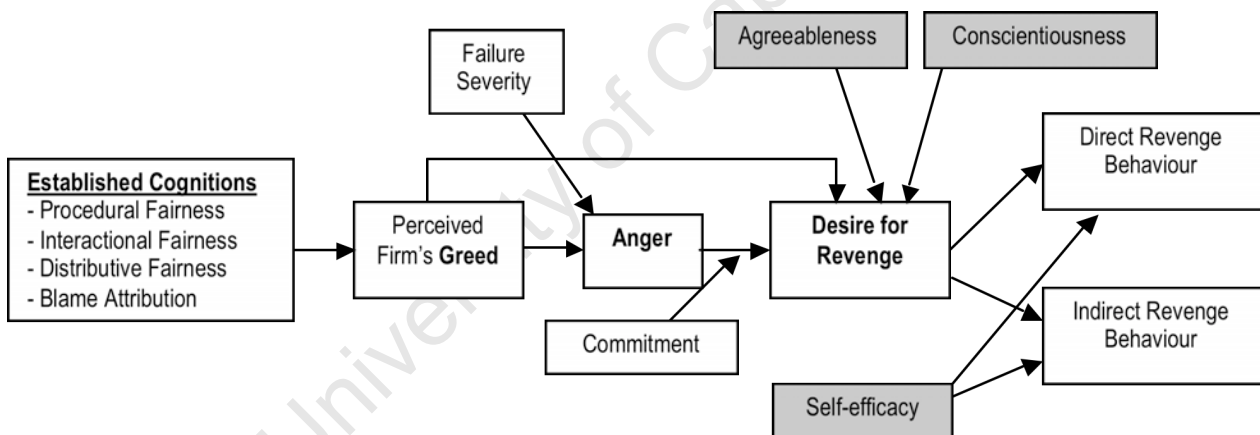
The results chapter (see Chapter 5) discussed the realised sample size ($n=298$) and justified the size as being acceptable (see section 5.4). The descriptive statistics were given for the study by first providing a table with population characteristics (see Table 5.1) as well as descriptive statistics for interval scale data (see Table 5.2). The interval scales with mean values were discussed before the conceptual model was tested for measurement fit (see section 5.6.1) and evaluated for structural fit (section 5.6.2). For measurement fit the reliability (see Table 5.3) and validity (see section 5.6.1.2) were evaluated. For structural fit the R squares of the latent endogenous along with their path coefficients of the variables in the model were tested (see Figure 5.3). This led to the final overall model fit determination through an evaluation of the t-values (see Figure 5.4) and as a result all the hypotheses were accepted but one, H_{12} .

This chapter provides conclusions and recommendations based on these results; and it discusses the results of the research objectives that the study measured. This chapter starts with a discussion of the implications of the findings from the model, and then critically examines the findings related to the research objectives of this study. Thereafter the managerial implications of these findings are discussed. The chapter concludes with the possible limitations of this study and the implications for future research before a final conclusion that summarises and ties the study together.

6.2. CONCLUSIONS ABOUT THE MODEL

The research objectives of this study were to test the existing customer revenge behaviour model by Gregoire *et al.*, (2010), as well as to test the influence that self-efficacy and personality type would have on the model. For the purpose of the discussion, the theoretical model tested in this study is provided again.

Figure 6.1: Final customer revenge behaviour model



SOURCE: Adapted from Gregoire *et al.*, 2010

Each relationship in the above mentioned model relates to a specific objective of the study. Herewith all the primary objectives of the study:

1. To determine the effect of self-efficacy on customers revenge behaviour.
2. To determine what type of revenge behaviour customers with high self-efficacy would participate in: Direct or indirect revenge?
3. To determine if there is a negative relationship between agreeableness and customers' desire for revenge.
4. To determine if there is a negative relationship between conscientiousness and customers' desire for revenge.

Herewith all the secondary objectives of the study:

5. To determine if established cognitions negatively influences customers' perceived firms' greed.
6. To determine if perceived firms' greed positively influences customers' desire for revenge.
7. To determine if perceived firms' greed positively influences customer anger.
8. To determine if failure severity of the service will positively influence customers' feelings of anger.
9. To determine if feelings of anger are positively related to customers' developing a desire for revenge.
10. To determine if commitment positively influences the relationships between anger and desire for revenge.
11. To determine if a desire for revenge positively influences direct revenge behaviour.
12. To determine if a desire for revenge positively influences indirect revenge behaviour.

The conclusions regarding each of these stated relationships, as well as the extant model, were discussed in turn. The following section will discuss if the relevant constructs' influence are significant, according to the path coefficients (reported in section 5.6.2) and relevant t-values (reported in section 5.6.3). The discussions are in accordance with the logical flow of the model and conclusions regarding each of the research objectives will be highlighted as each construct is reviewed. The conclusions of each construct starts with the established cognitions (objective 5).

6.2.1. Established Cognitions

Established cognitions were reviewed in Chapter 3 (section 3.3) as a combination of the Justice and Attribution theory. Justice theory comprised: procedural fairness, interaction fairness and distributive fairness (Blodgett, Hill & Tax, 1997; Bechwati & Morrin, 2003). The attribution theory is otherwise known as blame attribution (Bechwati & Morrin, 2003, 2007; Gregoire, et al., 2010; Gregoire & Fisher, 2008; Zourrig et al., 2009). The mean scores out of 7 for these measurements were: interaction fairness 3.64, procedural fairness 2.18, distributive fairness 1.87 and blame attribution 5.65. Therefore, indicating that the sample respondents felt that they were both treated unfairly, and that the firm was to blame.

A direct relationship between the established cognitions and the firm's greediness was the first relationship measured (see Objective 5 p.110). The established cognitions were found to have a significantly negative effect on the customers' perceived firm's greed. This is consistent with the research done by Gregoire et al. (2010) and this was also as predicted in the literature review (Gregoire

& Fisher, 2006; Hocutt, Chakraborty & Mowen, 1997; McColl-Kennedy & Spark, 2003). This relationship were found to have a negative relationship with perceived greed and this indicates that the less fair the customers' perceive their treatment to be, the more reason they have to blame the firm for it (i.e. the more angry they become). In other words, the angrier they become, the more likely they are to be influenced into developing a desire for revenge.

When customers come to a decision that the injustices they have received were due to the firm, anger towards the firm becomes justified and a desire for revenge emerges (Gregoire *et al.*, 2010). Since the firm has been blamed for the service failure and the resulting lack of service recovery, the logical flow in the cognitive reasoning process for customer would be to first determine why the firm failed to live up to expectations. If customers were to find that the firms' actions were driven by its' own greediness, the need to seek revenge would be so much higher (Gregoire *et al.*, 2010). It is for this reason that the next construct in the model is perceived greed.

6.2.2 Perceived Firm Greed

The second variable in the customer revenge model was perceived firm greediness. Greed was established as a powerful egoistic need that reinforces people's behaviour in being increasingly obsessed with an excessively large desire for materialistic wealth and possessions (Wang & Munigham, 2011). This desire for more profit, sometimes leads to a service firm providing a less than satisfactory service. Greed is often perceived by customers within a service firm as the cause of damages or harm to customers through poor service delivery efforts (Gregoire *et al.*, 2010). It is for these reasons that this construct was included in the model and found to be theoretically valid for this study.

For this study, objective 7 (p.110) aimed to determine if the firms' perceived greed influences customers' feelings of anger. The relationship between perceived greed and anger was not found to be significant in this study (see Figure 5.2). This is in disagreement with the findings of the previous study by Gregoire *et al.* (2010) but could be attributed to the fact that the construct was measured through a scenario based questionnaire and the impact of the type of scenario created for this study influenced the level of greediness that was perceived by the respondents. The mean value for the sample was 3.95 out of 7.

However, when looking at the significance of the relationship between perceived greed and the desire for revenge (see Objective 6 p.110), this was found positively related. This suggests that customers do

not need to follow the emotional route through anger in order to develop a desire for revenge. And leads to the conclusion that the more greedy customers perceive the firm to be, the more likely they are to develop a desire to seek revenge. This is confirmation of what was predicted and also in agreement with the study by Gregoire *et al.*, (2010). Therefore, objectives 6 and 7 of the study were met. The following section looks at the conclusion regarding the emotional component of this model, anger, and the influence this has on whether or not customers develop a desire for revenge (Objective 9 p.110).

6.2.3 Anger

The emotional component of customer revenge behaviour has been established as anger towards the firm. It is a stand-alone variable in the model as it carries a lot of weight in the process whereby customers evolve from dissatisfaction to revenge behaviour (Bechwati, 2003; Gregoire *et al.*, 2010; Kalamas, Laroche & Makdessian, 2008). Previous research into the effects of anger has concluded that customers who feel unjustly treated develop tendencies to attack the firms' frontline staff both verbally and non-verbally (Fitness, 2000). Angry customers are also driven to complaints to third parties and such WOM complaints can be damaging to the reputation of the relevant service firm (Bennett, 1997; Bechwati, 2003). Anger is thus an important predictor of customer revenge behaviour, especially after a service failure (McColl-Kennedy *et al.*, 2009; Wetzer *et al.*, 2007).

Anger (sample mean value of 3.49 out of 5) was also confirmed in this study to be a significant influencing factor in customer revenge behaviour. The construct was found to have a significantly positive relationship with the desire for revenge and thus it confirms the theory and meets another objective of this study (see Objective 9 p.110). It implies that customers who have feelings of frustration and anger towards a service firm are likely to develop a desire for revenge.

The model tested in this study also found that some customers did not even experience any anger, but instead moved straight from perceiving the firm's greediness as the cause for their dissatisfaction, through to developing a desire for revenge (Objective 6 p.110). This was also confirmed in the findings of Gregoire *et al.*, (2010). Another construct discussed was the impact that the severity of the failure would have on customers' anger. This relationship is discussed in the following section.

6.2.4 Failure Severity

Failure severity is a variable that was found to affect customers' response to service recovery (Smith, Bolton & Wagner, 1999). The extent of the damage caused by a service failure was believed to be a contributing factor to how customers react to a service failure (Gregoire *et al.*, 2010; Smith *et al.*, 1999). This means that, if the damage caused to the customer from the service failure was severe, it could contribute to how angry the customer will be with the firm (Bechwati & Morrin, 2003; Kalamas, Laroche & Makdessian, 2008).

Respondents reported that the scenario that was provided rated as high failure severity with a mean value of 4.87 out of 7. Failure severity was found to have a significantly positive effect on anger in this study and thus confirms that customers are emotionally aggravated because of to the severity of a service failure. The impact was found to be of significance in this study due to the sample respondents' view that the service failure caused them severe inconveniences and the failed service recovery efforts were further damaging to their experience with the service firm (mean 4.87 out of 7). These findings confirm that failure severity impacts customer revenge behaviour and this finding supports the inclusion of this construct as having an influence on anger in the customer revenge model. Further on, this meets objective 8 (see p.110) regarding the relationship between failure severity and anger.

Before customers can act out their revenge, however, there needs to be a desire for revenge. This desire for revenge happens after customers have been angered - both by their unfair treatment and their anger towards the firm have been made evident (Gregoire *et al.*, 2010). The concluding findings on the desire for revenge as well as the variables that influence this construct are discussed in the following sections.

6.2.5 Desire for revenge

It is important to acknowledge the difference between the desire for revenge and revenge behaviour (see section 3.6). Desire for revenge leads to revenge behaviour, with the revenge behaviour usually being an attempt to redress an interpersonal offence by committing some action against an offender (Bechwati *et al.*, 2003; McCullough, Bellah, Kilpatrick & Johnson, 2001; Zourrig *et al.*, 2009).

The desire for revenge did exist with respondents in this study (mean 3.79 out of 7). The construct was also found to be a strong predictor of whether customer revenge behaviour would emerge with a strong relationship between desire for revenge on both direct and indirect revenge. This was a confirmation of the research by Gregoire *et al.*, (2010); and it serves as a valuable insight into the progression of customers through the course of the customer revenge behaviour model. Furthermore, it addresses objectives 11 and 12 (see p.110). This suggests that service firms do have one final chance to stop customers from exerting revenge behaviour.

The desire for revenge was made a stand-alone construct in the customer revenge model because the researcher predicted that developing a desire for revenge is influenced by customer personality type and that all customers who desire revenge would not necessarily act out this desire. One influencing factor, over which researchers have been in disagreement however, is the influence of relationship strength, measured through commitment, on customers' desire for revenge.

6.2.6 Commitment

Relationship commitment, in this context, refers to the customers' willingness to maintain a relationship with a firm after a service failure has already occurred (De Wulf *et al.*, 2001; Gregoire *et al.*, 2010). Gregoire *et al.*, (2010) stated that before anger translates into a desire for revenge and revenge behaviour emerge, the customer would first cognitively evaluate how committed they are to continuing their relationship with the firm.

In section 3.7, the idea of "*love is blind*" (as opposed to "*love is hate*") was discussed and it was proposed that the "*love is blind*" approach could drive customers' unwillingness to seek revenge after a service failure. When customers are in a long term committed relationship with a firm, they tend to be blind to the firm's mistakes. Hence the desire for revenge is lessened (Gregoire & Fisher, 2008). On the other hand, authors who support the "*love is hate*" approach, stated that when a customer is involved in a highly committed relationship, the service failure is viewed as the ultimate betrayal and this magnifies the customers' desire for revenge (Gregoire *et al.*, 2009).

Commitment was not found to have a significant effect on customers' desire for revenge and this addresses objective 10 (see p.110). This "insignificant" relationship has interesting implications for the "*love is blind*" vs "*love is hate*" argument - "*love is not blind nor does it turn to hate*". Commitment to a firm does not necessarily impact whether or not customers' desire for revenge will emerge. The

managerial implications of this are far reaching and were discussed in a later section. The next two constructs that were proposed to have an influence on whether the desire for revenge would be increased or not, are the two personality variables (objectives 3 and 4, p.109), and these were discussed next.

6.2.7 Agreeableness

Understanding customers' personality type could influence employees' interaction styles with customers and it could also influence customers' behaviour (Daunt & Harris, 2012; Huefner & Hunt, 2000). The most commonly used personality type classification system is the Big Five personality types. These comprise the following five personality types: Extroversion, agreeableness, conscientiousness, neuroticism and openness. After the literature review, it was established that the first personality type most likely to influence customer desire for revenge, was agreeableness. High levels of agreeableness indicate that people will perform better in work groups and they usually manifest trust and altruism (John & Srivastava, 1999). People who are more agreeable are generally customers who would want to ensure a quality service due to their embedded altruism (Zachary & Kuzuhara, 2005; Hertz & Donovan, 2000; Liao & Chuang, 2004). On the other hand, low levels of agreeableness are likely to lead to an increased desire for revenge.

In this study, the respondents showed high levels of agreeableness (mean score of 4.54 out of 7) and they were negatively related to desire for revenge. This is in agreement with the statement that the lower the levels of agreeableness, the more likely customers would be to develop a desire for revenge (McCullough *et al.*, 2001). These findings relate to objective 3 and the implications thereof are important for the managers of service firms. These managerial implications were further discussed in section 6.4.

The second personality construct identified to influence desire for revenge was conscientiousness (see objective 4, p.109). The theoretical considerations of this variable and the conclusions on the findings of the role in the customer revenge behaviour model are discussed next.

6.2.8 Conscientiousness

Some of the key behaviour type of conscientiousness are customers who would expect on-time delivery, who are hard working themselves and successful (John *et al.*, 2008). This means that they would expect the same from the service firm (John *et al.*, 2008), as they would have high expectations

with a low tolerance for poor service delivery and recovery from a firm. This study suggests that customers who show a low level of conscientiousness are more likely to seek a desire for revenge due to their low levels of impulse control and having less constraint (John & Srivastava, 1999) than their counterparts with higher levels of conscientiousness (John *et al.*, 2008). In objective 3, this study therefore set out to determine whether conscientiousness has a negative relationship with customers' desire for revenge.

The main scores for the sample study showed that the average respondent had high levels of conscientiousness (4.53 out of 7) and there were a negative relationship between conscientiousness and desire for revenge. This indicates that the higher the levels of conscientiousness, less likely customers are to developing a desire for revenge due to their increased ability to have constraint and impulse control. Objective 4 (see p.109) was therefore met. This has an important managerial implication that indicates these customers might just switch service providers and not even complain about the poor service. The managerial implications of these findings are discussed in greater detail later in this chapter, but first the different customer revenge behaviour is reviewed.

6.2.9 Customer Revenge Behaviour

Customer revenge behaviour involves a customer inflicting some harm on a firm in retaliation for a service failure that the firm has caused (Bechwati *et al.*, 2003; Zourrig, Chebat & Toffoli, 2009). In terms of the actions taken by customers, customer revenge is usually displayed in different ways, such as indirect negative WOM, directly aimed at the firm vindictive complaints and the switching of service providers (Bechwati & Moring, 2003; Gregoire *et al.*, 2010; Zourrig *et al.*, 2009). Revenge behaviour for this study was divided into direct and indirect revenge behaviour and each type of revenge behaviour has different implications for the firm (Bechwati & Morrin, 2003; Zourrig, Chebat & Toffoli, 2009) and each has different managerial implications.

The relationship between having a desire for revenge and actually acting out revenge behaviour (both direct and indirect) was significant and positive in this study (see Figure 5.2). This implies that once a customer has established unfair treatment and has established that the firm is to blame for this unfair treatment, they would subsequently get angry with the firm and develop a desire for revenge. They are then likely to manifest some form of revenge behavior. This study has demonstrated that customers were more likely to enact direct revenge behavior as opposed to indirect revenge, due to the size of the correlation between desire for revenge and indirect revenge behavior. These findings confirm both

objective 11 and 12 (see p.110). Another contributing factor to whether customers will act out direct revenge as opposed to indirect revenge is their level of self-efficacy (or their belief in their own abilities). This relates to objective 2 (see p.109).

6.2.10 Self-efficacy

The categorisation of revenge behaviour into two types (direct vs. indirect revenge) is important for two reasons. First, these different behaviours produce different consequences for the firm (Bechwati & Morrin, 2003; Gregoire *et al.*, 2010) and secondly, these acts are predicted by somewhat different antecedents (Gregoire *et al.*, 2010; Zourig *et al.*, 2009). One of the antecedents proposed by this study is self-efficacy. Self-efficacy, as described by Alden (1986), can be seen as the belief that individuals hold of themselves. This sense of self-worth is expected to influence the types of revenge behaviour that customers would exert. This study consequently set out to determine the impact of self-efficacy on revenge behaviour (see objective 1, p.109), specifically direct and indirect revenge behaviour (see objective 2, p.109).

Theory has suggested that customers' personal judgment of self-efficacy serves as a predictor of customer revenge behaviour (Bandura, 1982; McKee, Simmers & Licata, 2006). However, previous research 1) has not looked at the influence of this construct on customer revenge behaviour, when considering the influence of other factors (i.e. tested the whole model), and 2) has not differentiated between direct and indirect revenge. Self-efficacy was predicted to have an influence on both direct and indirect revenge behaviour as it was believed that if customers held any level of self-efficacy, their desire for revenge would translate into actual revenge behaviour.

Respondents for this study had high levels of self-efficacy with a mean score of 5.56 out of 7. For the respondents of this study, this meant that they had relatively high levels of self-belief within this service scenario explained to them. And interestingly, customers' level of self-efficacy only influenced their indirect revenge behaviour (e.g. negative WOM and online complaining). This meets objectives 1 and 2 (see p.109) of this study. Indirect revenge behaviour such as online complaining is the most damaging form of revenge behaviour to a firms' reputation, since it is permanent and it reaches a much broader audience for a much longer time.

Based on these discussions, the overall conclusions regarding the research objectives that this study aimed to measure are briefly discussed in the following section.

6.3 OVERALL CONCLUSIONS REGARDING THE RESEARCH QUESTION AND OBJECTIVES

The overall conclusions on the research objectives will first be done for the primary objectives and then the secondary objectives. The first primary research objective (see objective 1, p.109) of this study, was to determine the effect of self-efficacy on customer revenge behaviour. Here the research concluded that self-efficacy did have an influence on customer revenge behaviour and the objective was met. The second primary objective (see objective 2, p.109) was to determine the relationship between self-efficacy and the two types of revenge behaviour. With regard to these objectives, the study found a high correlation between self-efficacy and indirect revenge behaviour, thus meeting the second primary objective for this study.

The next set of primary research objectives for this study set out to determine whether there is a negative relationship between agreeableness (objective 3, p.109) as well as conscientiousness (objective 4) and customers' desire for revenge. For both these objectives there was a significant negative correlation between these two personality types and customers developing a desire for revenge. This confirms both objectives 3 and 4 (see p.109). For both these objectives, the implications of a negative significant relationship indicate that the lower customers' levels of agreeableness and conscientiousness, the more likely they are to develop a desire for revenge.

With regards to the secondary research objectives for this study (see objectives 5 – 12, p.110), all these objectives were met. For each of these objectives the rest of the model (as adapted from Gregoire et al., 2010) was proved significant and the impact of the new constructs were found to add valuable insights into customer revenge behaviour. Therefore indicating that some customers are more inclined than others to develop a desire for revenge after a service failure and as a result they are influenced by certain elements that could determine their behaviour. By confirming both the primary and secondary objectives for this study, the research question, *What is the role of self-efficacy and personality type in customer revenge behaviour?*, is answered in this study.

The managerial implications of self-efficacy have an influence on indirect customer revenge behaviour as well as do the implications of personality type have an influence on a desire for revenge. These issues are discussed in the following section. These and all other new insights along with their implications for customer relationship management, service marketing research and service firm management are discussed in the following section.

6.4. MANAGERIAL IMPLICATIONS

Previous models of customer revenge behaviour assumed that *all* customers go through certain cognitive and emotional steps towards developing a desire for revenge and possibly acting out their desire for revenge in the form of either direct or indirect revenge behaviour. This study, however, shows that some customers are more likely to develop a desire for revenge. And some customers are more likely to enact indirect as opposed to direct revenge. More specifically, customers with low levels of conscientiousness and agreeableness are more likely to develop a desire for revenge. Once the desire for revenge turns into actual revenge behaviour, customers with high levels of self-efficacy are more likely to take indirect revenge (e.g. online complaints). This form of revenge behaviour is the most damaging to a firm, with far reaching consequences.

However, each significant relationship in the suggested customer revenge behaviour model also has far reaching implications for managers. By ensuring *fairness* through processes, service distribution and interactions with customers, the likelihood of customers exerting revenge behaviour are lessened. Procedural fairness would ensure that all customers get the same level of quick and efficient treatment (McColl-Kennedy *et al.*, 2003). This should be ensured during all the different procedures and policies that are involved in guiding the service recovery efforts (for example shorten the waiting periods when giving feedback to customers). Fair service distribution (i.e. giving all the customers access to the same level of service) would ensure that customers all get the same level of compensation after a service failure (McColl-Kennedy *et al.*, 2003; del Rio-Lanza *et al.*, 2009), and also that the compensation provided to customers is enough to cover the damages or losses caused by the service failure. Training frontline personnel on courteous behaviour, treating people with dignity and providing fair explanations, would help to ensure interaction fairness (Weun *et al.*, 2004). Within the customer revenge behaviour model, treating customers with fairness is the starting point in lessening customer revenge behaviour (Gregoire *et al.*, 2010). If customers do not think that they have been treated unfairly, the cycle of customer revenge behaviour does not even begin.

When a failure occurs, the firm should be able to accept *blame* when deserved, and then focus on giving strong and valid reasons as to why a service failure occurred. The firm should then provide a quick and satisfying service recovery effort, thus stopping customers from getting angry. When a successful service recovery is provided to the customer, the progression through anger and the rest of the model is likely to be avoided and ultimately possibly limiting any negative impacts on the firms' reputation (Spreng, Harrell & Mackoy, 1995).

Service firms can lessen the impact of anger by decreasing the severity of the service failure (for e.g. giving a free value-added offering as compensation while the customer waits) during the recovery process. Firms can help lessen the impact of a service failure by implementing more training and thought-out processes and techniques, which would enable frontline staff to provide quicker and more satisfactory recovery solutions. Durand and Eccles (1998) recommended the following steps to successful service recovery: empowerment and training. Durand and Eccles (1998) states that staff needs to be made aware that they are responsible for ensuring customers leave with a positive impression of the firm and they need to be trained in customer best service practices. Best practices involve the staff first offering compassion to the customer, and then present a solution that meets the needs and expectations of the customer (Brown, Mowen, Donovan & Licata, 2002). This would lower the negative emotional response to a poor service delivery and can deter customers from developing a strong desire for revenge.

Customers' *personality* type also influence desire for revenge. Training employees on the different personality types might give frontline personnel the tools they need to deal with the different personality types; and they could possibly thereby avoid revenge behaviour. Managers should pay attention to customers that have an altruistic orientation towards the firms' employees; these customers are usually very trusting of the firm and they have high levels of altruism (Hurtz & Donovan, 2000; John & Srivastava, 1999; Liao & Chuang, 2004; Zachary *et al.*, 2005). Customers with a high agreeableness personality type should be identified and the positive aspects of their personalities (for example their embedded altruism) should be used to the firms' advantage (Brown *et al.*, 2002), and customers with low agreeableness should also be identified as high risk customers with regards to customer revenge behaviour. High altruism, that is commonly associated with the agreeableness personality type, leads to customers who want to make the service better. They provide information and guidance to the firm that enables frontline staff to deliver better services, properly tailored to their customers' needs (Brown *et al.*, 2002).

Another personality type that frontline staff should be made aware of is a customer who has low levels of conscientiousness. Customers with low levels of conscientiousness show less constraint and have lower impulse control than their high scoring counterparts (John *et al.*, 2008), increasing their likelihood to seek revenge. As a result, frontline staff should be trained in identifying customers with lower levels of conscientiousness, typically such customers would always be late for their appointments and they would show limited control of their impulses (John & Srivastava, 1999). These customers are more likely to enact a desire for revenge and possibly also revenge behaviour and should therefore be treated with

care. By empowering staff to give such customers the best service recovery, their increased levels of desire could be contained and the likelihood of revenge behaviour would be limited.

When customers are identified as being less agreeable and conscientious of nature, service firm personnel should focus their attention on them and try to give their best service recovery efforts to them first. When dealing with customer low in conscientiousness, frontline staff should try to create the impression that the firm is working hard to ensure the service is recovered and to be task-orientated. For the customer with low agreeable personality type, staff should try to play to these customers' trusting and communal sides by making them feel as if we are all in this together. This study showed that this personality type is more inclined to developing a desire for revenge and hence these customers should receive the firm's immediate attention.

Self-efficacy refers to the belief that an individual holds of himself (Alden, 1986) in terms of how capable s/he would be in certain scenarios at achieving success (Bandura, 1977, 1983, 1993). When customers believe that they are capable and able to demand more from a service firm that which they have received, they are more inclined to complain to their friends and family. Service firm management must remember that self-efficacy is task specific, which means that customers need to believe that their capabilities inside a service environment are high before they would be considered as having high levels of self-efficacy (McKee et al., 2006).

High levels of self-efficacy were found to have a significant correlation with indirect revenge behaviour in the form of negative WOM and online complaints. This means that when customers have a high belief in their own abilities, they are more inclined to spreading negative WOM and/or to complain online about a firm after a service failure. Online channel management has become more important in recent years with customer being able to 'tell the world' about their complaints with far-reaching damages to the firms reputation. However, the firm can manage the impact of online complaints through the management of their online presence. Firms have started employing online specialists to manage their response to online complaints and also limit the damage that can be done. These specialists can be costly, but smaller firms could also employ or utilise staff members to keep track of and respond to complaints. The most important aspect of online complaints is not that it must be prevented, but that it must rather be used to the firms advantage. Respond quickly and provide adequate and sufficient solutions or compensations to customers complaining online, this could change the image of the company into one of a firm with its customers happiness as its number one priority.

When customers are unsure of what to do, their role ambiguity is reduced (Harline & Ferrel, 1996). Role ambiguity enables customers to adapt to changes and this makes them more open and inviting of new and improved service delivery techniques, and as a result, this would tend to make them have a better service experience (Harline & Ferrel, 1996). A practical example of this would be to provide self-service kiosks with interactive instructions for customers so that they could choose their own coupons or vouchers for when a flight was delayed.

By giving the customer control over his/her own service recovery process (for example to have a choice of compensation), the firm enables the customer to control the outcomes of the recovery process. Service firms should have service recovery efforts that place some responsibilities in the hands of the customer, for example allowing customers to choose what compensation they would prefer (e.g. asking the customer, would you like to be put on the next flight or would you prefer a refund?).

These managerial implications serve to assist service firms to better understand and manage their customers. By having a better understanding of customers and their behaviour, services firms can better manage their expectations and provide better service recovery efforts. This study contributes to our understanding of customer revenge behaviour, but like all previous studies, has some limitations. The limitations of this study are discussed in the section to follow.

6.5. LIMITATIONS OF THIS STUDY

This study proposed the inclusion of customer personality type and self-efficacy into an existing customer revenge model. This comprehensive model is important in order to bring together the fragmented nature of the literature on customer revenge behaviour (Gregoire *et al.*, 2010). The study has used an adequate sample size (Shui *et al.*, 2010) and an established methodology in this area of research. However, the limitations associated with this design specifically revolve around the questionnaire (specifically that it used a scenario-based approach), the sample design, the target population and the research method.

Scenario-based field studies involve some bias that could affect the accuracy of a customers' recall. For example respondents could interpret the scenario differently; and hence, they might draw different conclusions from the experience presented to them (Smith *et al.*, 1999). This study however has aimed to control this by giving the exact same scenario to all those surveyed. This has also taken care of any

memory bias that has been known to emerge in previous studies done (Gregoire *et al.*, 2010; Gregoire & Fisher, 2006; McCullough *et al.*, 2001).

A further limitation of this study is that the sample used was convenience based due to ethical objections regarding using class registry lists. The use of a convenience sample could limit how reliable the findings are when extrapolating the results to the general population (Shui *et al.*, 2010; Malhotra, 2007). As a result the representativeness of the sample cannot be measured, since sampling error estimates cannot be calculated.

The use of a student sample and also only the University of Cape Town students is another limitation of the study (Bello, Leung, Radebaugh, Tung & Witteloostuijn, 2009; Bougie *et al.*, 2003). However, the study was based on the design followed by many previous researches and as a result it can be compared with the findings of other similar studies (Gregoire *et al.*, 2010; McCullough *et al.*, 2001; Tax, 1998). For the intended objectives of this study, the student sample proved satisfactory. The reliability and validity of the data were also later established in the results chapter.

The use of self-completion surveys also has some limitations in terms of the high response rate it produces. There is also a lack of in-depth data that can be obtained, the potential for response error is higher and there is a lack of monitoring capabilities from the researchers' side in terms of making sure that the respondents understood the questions (Shui *et al.*, 2009). These limitations were however, controlled for in this study as the response rate was high and all the questions were specific and needed no probing (as was established in a pre-test). A last limitation of self-administered questionnaires is that data acquisition is slow (Malhotra, 2007). This proved true for this study as the capturing of the data took a few weeks since the researcher had no assistance, captured and checked everything herself. The alternative can be to use computer-generated questionnaires that are captured and coded electronically; these could be emailed to students (Malhotra, 2007).

The following section provides some ideas for future research avenues for both researchers and practitioners in the field of services marketing and customer behaviour.

6.6 FUTURE RESEARCH

This study established that some customers are more likely to take revenge than others. Not only could personality type and self-efficacy have an influence, but also customer demographics, switching costs,

fear of counter-retaliation, social factors in employee motives, social factors that influence the capacity to forgive, customer loyalty as well as how customers cope with anger during the service encounter. Each of these potential research areas were reviewed during the following discussion.

The current research does not look into the impact what switching costs might have on customers willingness to seek revenge (De Matos *et al.*, 2007; Kalamas, Laroche & Makdessian, 2008). When a service relationship is long-standing with high barriers of entry or exit costs (e.g. contractual clauses that binds the customer to the firm), it could prove interesting to investigate how these elements could alter customer behaviour (Kalamas *et al.*, 2008). The question could be asked whether customers would seek no revenge at all, or would they switch between direct and indirect revenge behaviour.

Another interesting notion is the fear of counter-retaliation (Gregoire *et al.*, 2010). When customers are afraid of how the firms' frontline staff would react, would it change their preferences from direct to indirect revenge behaviour? If the firms' has frontline staff that are not open to complaints and are abusive in their manners, would that influence customers to seek indirect revenge through means such as the internet and thus causing more damage to the firms' reputation? The impact of the firms' frontline staff on the customer revenge behaviour is thus a further suggestion for future research.

Employee behaviour and the impact it has on customer revenge behaviour is another element that could prove valuable when trying to predict the type of revenge behaviour chosen by customers (Gregoire *et al.*, 2010). If the frontline staff were motivated by their own social factors (e.g. attitude and social status), how would that influence the type of customer revenge behaviour chosen? Customers perceive poor attitude in many ways and how that can influence their behaviour could prove to be another interesting construct (Crossley, 2009).

Social factors (e.g. attitudes, emotions and values) that guide the capacity to forgive are also expected to influence customer revenge behaviour (McCullough *et al.*, 2001). The desire for revenge emerges when a customer is not able to forgive a firm for a poor service delivery and the recovery efforts failed (McCullough *et al.*, 2001). The ability to forgive a poor service delivery is guided by various social factors (McCullough *et al.*, 2001) and it would prove valuable for researchers to investigate the impact of these elements on customer revenge behaviour.

A further suggestion for future research is the impact of relationship commitment (Gregoire & Fisher, 2008). The debate regarding the "love is hate" as opposed to "love is blind" approach to customer

revenge seems unresolved (Gregoire & Fisher, 2008; Gregoire et al., 2009). Understanding where and how relationship commitment plays a role is yet to be fully understood by researchers (Gregoire & Fisher, 2008). Relationship commitment is then also related to customer loyalty and how far a customer is willing to go to remain with a service provider (Gregoire et al., 2010). Loyalty also guides how many service failures (or how severe of a failure) a customer is willing to tolerate before *enough is enough*.

Anger is another important construct that is not yet fully understood by researchers (Bougie et al., 2003; Kalamas et al., 2008). In this study, the role of anger was measured, but it is also important for researchers to understand how customers deal with their anger emotions during a service encounter (Bougie et al., 2003). Certain customers might be able to suppress their anger more than others, translating in different revenge behaviour. The impact of how customers deal with their anger has not yet been fully investigated and could also prove to show some valuable insights into how to deal with the angry customer.

Certain demographic variables should also impact customers' desire for revenge and ultimately their revenge behaviour (Gregoire et al., 2010; Zourrig et al., 2009). For example, age. Younger individuals would probably be more likely to act out indirect revenge in the form of online complaints simply because they are better acquainted with computers and the internet. This fell outside of the purposes of this study, but could yield some interesting insights into the different dynamics between age groups and their revenge behaviour. Other demographic variables that could influence revenge behaviour include gender, language and culture (Zourrig et al., 2009).

6.7. CONCLUSIONS

This study set out to contribute to the current understanding of customer revenge behaviour and it specifically looked at the influence of self-efficacy and customers' personality type. The purpose of this chapter was to discuss the conclusions that were drawn from the research findings obtained through the collection of data. All the various elements of the customer revenge behaviour model were discussed along with the conclusions on these variables and their importance in the inclusion of the model. Managerial implications of these variables were also highlighted before some limitations where given, even though insignificant.

The literature suggested that there was room for the generation of a more comprehensive model that would tie together our understanding of customer revenge behaviour. This study found that some

customers are more likely to act out customer revenge than others, thereby contributing to the theory. These findings provide a good foundation, on which all future research into customer revenge behaviour should be done.

“Fixing breakdowns in service -- we call this service recovery -- has enormous impact on customer satisfaction, repeat business, and ultimately, profits and growth” (The Wall Street Journal, 2012). This quote underlines the importance of understanding the elements that drive customer revenge behaviour as this understanding could ultimately aid the firm in sustaining profits and future growths. It only takes a few very unhappy customers to initiate a potentially devastating chain of events that will affect a firms’ reputation.

University of Cape Town

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APPENDIX A:
QUESTIONNAIRE

University of Cape Town

APPENDIX E

	Agreeableness	Anger	Anger * Commitment	Commitment	Conscientiousness	Desire for Revenge	Direct Revenge	Established Cognitions	Failure Severity	Indirect Revenge	Perceived Greed	Self-efficacy
Failure Severity	-0.023	0.284	-0.023	-0.034	0.089	0.207	0.266	-0.182	0.846	0.395	0.242	0.184
Failure Severity	-0.054	0.226	0.008	-0.024	0.039	0.134	0.179	-0.245	0.848	0.393	0.260	0.133
Failure Severity	-0.064	0.319	-0.083	-0.031	0.101	0.289	0.253	-0.283	0.893	0.423	0.353	-0.048
Agreeableness	0.003	-0.061	0.061	-0.135	0.209	-0.018	-0.027	-0.034	-0.001	-0.085	0.024	-0.348
Agreeableness	0.998	-0.169	-0.106	0.021	0.197	-0.261	-0.126	-0.034	-0.055	0.048	-0.052	0.013
Conscientiousness	0.142	-0.058	-0.100	-0.094	0.940	-0.160	-0.054	-0.138	0.121	-0.061	0.004	0.133
Conscientiousness	0.183	-0.079	-0.024	0.000	0.079	-0.055	0.044	0.021	-0.092	-0.089	0.031	-0.392
Marketplace Aggression	-0.093	0.060	0.012	0.085	-0.051	0.137	0.343	0.129	0.010	-0.051	0.061	-0.082
Marketplace Aggression	-0.079	0.110	0.019	0.065	-0.071	0.220	0.499	0.109	-0.019	-0.017	0.077	-0.064
Marketplace Aggression	-0.193	0.231	-0.091	-0.039	-0.092	0.273	0.457	-0.060	0.290	0.179	0.086	0.108
Marketplace Aggression	-0.091	0.251	-0.097	0.080	-0.019	0.288	0.627	-0.098	0.133	0.054	0.192	-0.096
Negative WOM	-0.012	0.226	0.076	-0.056	-0.086	0.160	0.153	-0.150	0.379	0.567	0.096	0.114
Negative WOM	0.007	0.276	-0.034	0.035	-0.059	0.149	0.093	-0.017	0.302	0.433	0.116	0.188
Negative WOM	0.007	-0.109	0.055	-0.029	-0.127	-0.048	-0.048	0.300	-0.226	-0.397	-0.063	-0.276
Anger	-0.134	0.830	-0.021	0.120	-0.131	0.386	0.333	-0.030	0.303	0.210	0.185	0.086
Anger * Commitment	-0.185	-0.008	0.806	-0.053	-0.132	-0.137	-0.039	0.124	-0.008	-0.058	-0.172	0.002
Anger * Commitment	-0.145	0.043	0.714	-0.017	-0.151	-0.109	-0.014	0.100	0.008	-0.041	-0.133	0.067
Anger * Commitment	-0.088	-0.075	0.737	-0.064	-0.160	-0.157	-0.120	0.076	-0.081	0.020	-0.092	-0.001
Anger	-0.151	0.786	0.016	0.018	-0.004	0.230	0.226	-0.127	0.202	0.171	0.118	0.063
Anger * Commitment	-0.086	0.038	0.595	-0.077	-0.043	-0.086	-0.011	0.070	-0.100	-0.062	-0.159	0.027
Anger * Commitment	-0.091	0.091	0.448	0.040	-0.077	0.018	0.013	0.010	-0.009	-0.013	-0.092	0.087
Anger * Commitment	-0.019	-0.089	0.457	0.048	-0.087	-0.018	-0.066	0.002	-0.130	-0.030	-0.113	-0.007
Anger	-0.034	0.531	-0.004	-0.073	-0.071	0.074	0.055	-0.037	0.147	0.152	0.064	-0.007
Anger * Commitment	0.004	-0.047	0.261	0.044	0.004	-0.015	-0.052	0.082	-0.166	-0.045	-0.148	0.020
Anger * Commitment	-0.016	0.015	0.195	0.087	-0.001	0.062	0.129	0.136	-0.081	-0.031	-0.149	0.041
Anger * Commitment	-0.003	0.009	0.331	0.123	-0.005	-0.028	-0.049	0.067	-0.136	-0.074	-0.105	0.028
Anger	-0.159	0.743	0.107	-0.045	-0.028	0.199	0.178	-0.079	0.258	0.223	-0.003	0.076
Anger * Commitment	-0.087	0.114	0.643	0.129	0.056	-0.093	-0.045	-0.066	0.040	0.008	-0.083	-0.058
Anger * Commitment	-0.034	0.077	0.629	0.212	-0.027	-0.081	-0.065	-0.083	0.021	0.044	-0.071	-0.001
Anger * Commitment	0.119	0.062	0.614	0.161	-0.005	-0.127	-0.130	-0.097	-0.033	0.043	-0.013	-0.043
Blame Attribution	-0.131	0.132	0.016	0.031	-0.028	0.152	0.125	-0.286	0.242	0.276	0.107	0.241
Blame Attribution	-0.051	0.110	-0.036	-0.010	0.057	0.092	0.081	-0.243	0.144	0.169	-0.013	0.224
Blame Attribution	-0.110	0.120	-0.012	0.017	0.001	0.069	0.056	-0.243	0.266	0.241	-0.013	0.239
Distributive Fairness	-0.039	-0.105	0.060	-0.065	-0.084	-0.109	-0.189	0.459	-0.062	-0.022	-0.182	0.055
Distributive Fairness	-0.007	-0.055	0.045	-0.028	-0.083	-0.081	-0.159	0.438	-0.062	-0.024	-0.119	0.107
Distributive Fairness	0.000	-0.067	0.020	0.032	-0.024	-0.063	-0.130	0.417	-0.061	-0.021	-0.091	0.102
Desire for Revenge	-0.166	0.349	-0.100	0.022	-0.208	0.807	0.358	-0.046	0.250	0.270	0.222	0.021
Desire for Revenge	-0.186	0.359	-0.170	0.087	-0.163	0.873	0.432	-0.040	0.263	0.228	0.339	0.029
Desire for Revenge	-0.260	0.301	-0.209	0.099	-0.108	0.848	0.485	-0.086	0.198	0.227	0.381	-0.070
Desire for Revenge	-0.213	0.231	-0.143	0.094	-0.124	0.845	0.459	-0.016	0.166	0.183	0.388	-0.058
Desire for Revenge	-0.274	0.218	-0.133	-0.019	-0.187	0.834	0.413	-0.009	0.193	0.189	0.342	-0.024
Perceived Greed	0.017	0.075	-0.161	0.077	-0.059	0.256	0.045	-0.179	0.157	0.144	0.604	0.031
Perceived Greed	-0.032	0.144	-0.064	0.125	-0.039	0.319	0.304	-0.190	0.282	0.160	0.821	-0.030
Perceived Greed	0.181	-0.054	-0.028	0.031	-0.002	-0.078	-0.095	0.060	-0.009	0.035	-0.087	0.015
Perceived Greed	-0.059	0.089	-0.118	0.022	0.097	0.253	0.251	-0.262	0.298	0.224	0.739	-0.018
Perceived Greed	-0.033	-0.007	0.029	-0.051	-0.070	-0.201	-0.138	0.012	-0.085	0.008	-0.338	0.051
Interaction Fairness	0.004	-0.015	0.007	0.050	-0.200	-0.075	-0.010	0.672	-0.170	-0.127	-0.206	0.016
Interaction Fairness	-0.044	-0.077	-0.040	0.026	-0.074	0.011	-0.059	0.755	-0.265	-0.255	-0.206	-0.151
Interaction Fairness	-0.008	-0.051	0.024	0.060	-0.092	0.000	-0.012	0.775	-0.167	-0.082	-0.240	0.041
Interaction Fairness	-0.010	-0.027	-0.065	0.004	-0.030	0.019	0.052	0.718	-0.212	-0.269	-0.164	-0.144
Online Complaints	0.050	0.157	0.006	-0.074	-0.121	0.220	0.156	-0.204	0.342	0.873	0.211	0.091
Online Complaints	0.057	0.135	-0.012	-0.058	-0.119	0.227	0.155	-0.197	0.323	0.866	0.199	0.105
Online Complaints	0.066	0.142	-0.015	-0.092	-0.111	0.230	0.165	-0.195	0.323	0.857	0.180	0.090
Procedural Fairness	-0.089	-0.069	0.038	0.002	-0.081	0.002	-0.028	0.641	-0.218	-0.203	-0.148	-0.094
Procedural Fairness	-0.003	-0.100	-0.012	0.000	-0.022	-0.031	-0.042	0.591	-0.175	-0.264	-0.086	-0.093
Procedural Fairness	-0.020	-0.005	0.068	0.089	-0.071	0.035	0.021	0.610	-0.181	-0.255	-0.138	-0.171
Procedural Fairness	-0.106	0.005	0.088	-0.017	-0.135	0.023	0.016	0.571	-0.165	-0.182	-0.153	-0.220
Commitment	0.075	0.039	0.160	0.124	-0.076	-0.030	-0.030	0.057	0.061	0.104	-0.044	0.094
Commitment	0.056	0.079	0.089	0.579	-0.112	0.016	0.079	-0.034	0.034	0.120	0.016	0.069
Commitment	0.046	0.038	0.127	0.841	-0.108	0.040	0.021	0.078	-0.001	-0.022	0.061	-0.004
Self-efficacy	0.008	0.062	0.012	-0.097	-0.008	-0.077	-0.105	-0.076	0.114	0.199	-0.024	0.819
Self-efficacy	-0.039	0.006	-0.032	-0.039	0.008	-0.059	-0.054	-0.035	0.094	0.116	-0.028	0.816
Self-efficacy	0.002	0.052	-0.053	0.020	-0.013	-0.053	-0.091	-0.031	0.057	0.200	-0.087	0.827
Self-efficacy	-0.001	0.074	-0.010	0.016	-0.023	0.022	-0.021	-0.063	0.042	0.090	0.001	0.723
Self-efficacy	0.002	0.044	-0.027	-0.046	-0.033	0.044	-0.036	-0.097	-0.002	0.167	0.033	0.770
Self-efficacy	-0.053	0.073	0.017	-0.011	-0.029	-0.004	0.003	-0.051	0.035	0.156	-0.046	0.822
Self-efficacy	-0.105	0.196	0.058	-0.092	0.004	-0.001	-0.014	-0.084	0.127	0.096	0.010	0.699
Self-efficacy	0.055	0.085	0.016	-0.052	0.073	0.006	-0.005	-0.158	0.114	0.197	0.032	0.701
Vindictive Complaining	-0.038	0.160	-0.084	0.122	0.018	0.343	0.707	-0.096	0.154	0.106	0.148	0.022
Vindictive Complaining	-0.097	0.258	-0.088	0.069	-0.013	0.431	0.798	-0.050	0.205	0.187	0.288	-0.090
Vindictive Complaining	0.000	0.166	-0.103	-0.036	0.004	0.352	0.631	-0.126	0.272	0.214	0.302	-0.055
Vindictive Complaining	-0.097	0.258	0.181	0.069	-0.013	0.431	0.798	-0.049	0.205	0.190	0.282	-0.089
Vindictive Complaining	0.000	0.167	0.088	-0.037	0.004	0.352	0.630	-0.118	0.272	0.206	0.302	-0.054

Cross-Loadings for the assessment of validity for the Measurement Model. Evidence of discriminant validity was found, because the square roots of AVEs along the diagonal were greater than all the correlations of the other scales below or beside them.



UNIVERSITY OF CAPE TOWN

Dear Sir or Madam:

The following questionnaire will only take ten minutes to complete. Your answers will be strictly confidential. These findings will be used in an academic study and only aggregate findings will be reported. This questionnaire is completely anonymous. By completing this questionnaire, you as respondent: Implicitly give consent to take part in the research study; Are aware that participation is voluntary, and that you understand that you may withdraw at any point in time without any adverse consequences; and that you understand that you have a right of access to the researcher in order to clarify any issue, should doubts arise. If you have any queries, or if you would like to have access to the findings, please don't hesitate to contact Annelie Eksteen (eksteena@gmail.com).

Make sure that you answer ALL that questions in the questionnaire.

The questionnaire will be based on the scenario that is described below, for the duration of the questionnaire, all questions will refer to this incident and will be referred to as *Name in Case*.

You recently signed for an upgrade of a cell phone contract through Provider ABC. Upon signing your contract, you were informed of a waiting period of two days before activation of your new network services. After two days of waiting for activation, your phone did not switch on to the network and you had to go into the store of Provider ABC to ask about your service. The assistant was unable to give you a reason for the delay and advised you to wait an additional 24 hours before returning to the store. You left the store feeling frustrated and irritated that you still have not received the service that you have already paid for in advance and you have also not been given any reason as to why your service is not active. After the additional waiting period, you had to return to the store yet again, only to find the store was not operating over weekends and you would now have to wait until the next working day to be able to enquire about your failed activation of your network through Provider ABC.

Please keep the incident on your mind throughout the questionnaire when answering each question. *From this point forward, in this questionnaire, the service provider in question will be referred to as Name in Case.*

With regards to your service with Name in Case, indicate your level of agreement with the following statements:		Strongly Disagree (1)	Disagree Somewhat (2)	Disagree (3)	Disagree Agree (4)	Agree (5)	Agree Somewhat (6)	Agree Strongly (7)
1	I spread negative word-of-mouth about a company or service firm.	1	2	3	4	5	6	7
2	I denigrated the service firm to my friends.	1	2	3	4	5	6	7
3	When my friends were looking for a similar service, I told them to buy from the firm.	1	2	3	4	5	6	7
4	I have damaged property belonging to the service firm.	1	2	3	4	5	6	7
5	I have deliberately bent or broken the policies of the firm.	1	2	3	4	5	6	7
6	I have showed signs of impatience and frustration to someone at the firm.	1	2	3	4	5	6	7
7	I have hit something or slammed a door in front of (an) employee(s).	1	2	3	4	5	6	7

In the described scenario, you first returned to the store in order to complain about your poor service delivery, now please answer the below:

Would you complained to the firm in order to...		Strongly Disagree (1)	Disagree (2)	Agree (3)	Agree Somewhat (4)	Strongly Agree (5)
8	...Give a hard time to the representatives.	1	2	3	4	5
9	...Be unpleasant with the representatives of the company.	1	2	3	4	5
10	...Make someone from the organisation pay for the poor service.	1	2	3	4	5

Regarding your relationship with Name in Case		Strongly Disagree (1)	Disagree Somewhat (2)	Disagree (3)	Disagree Agree (4)	Agree (5)	Agree Somewhat (6)	Agree Strongly (7)
11	I was very committed to my relationship with the firm.	1	2	3	4	5	6	7
12	The relationship was something I intended to maintain for a long time.	1	2	3	4	5	6	7

13	I put a lot of effort into maintaining this relationship for a long time.	1	2	3	4	5	6	7
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APPENDIX A: STUDENT QUESTIONNAIRE (CONT.)

If you are considering leaving Name in Case, is it due to the fact that...		Strongly Disagree (1)	Disagree Somewhat (2)	Disagree (3)	Disagree Agree (4)	Agree (5)	Agree Somewhat (6)	Agree Strongly (7)
14	There are many alternatives for this product and/or service.	1	2	3	4	5	6	7
15	I could take my business elsewhere.	1	2	3	4	5	6	7

Please tick/circle the appropriate answer:

The following questions are all pertaining to the above-mentioned event that you experienced with Name in Case:

Please indicate your agreement with the following statements:		Strongly Disagree (1)	Disagree Somewhat (2)	Disagree (3)	Disagree Agree (4)	Agree (5)	Agree Somewhat (6)	Agree Strongly (7)
16	The firm was responsible for the poor service.	1	2	3	4	5	6	7
17	The service failure was the firm's fault.	1	2	3	4	5	6	7
18	I completely blame the firm for what happened.	1	2	3	4	5	6	7
19	The firm did not intend to take advantage of me.	1	2	3	4	5	6	7
20	The firm was motivated by its' own interests.	1	2	3	4	5	6	7
21	The firm tried to abuse me.	1	2	3	4	5	6	7
22	The firm had good intentions.	1	2	3	4	5	6	7
23	The firm had bad intentions.	1	2	3	4	5	6	7

When you first realised the poor service, Indicate to which extend you felt...		Strongly Disagree (1)	Disagree (2)	Agree (3)	Agree Somewhat (4)	Strongly Agree (5)
24	Outraged	1	2	3	4	5
25	Resentful	1	2	3	4	5
26	Indignation	1	2	3	4	5
27	Angry	1	2	3	4	5

During the service failure incident, Indicate to what extend you wanted to...		Strongly Disagree (1)	Disagree Somewhat (2)	Disagree (3)	Disagree Agree (4)	Agree (5)	Agree Somewhat (6)	Agree Strongly (7)
28	...Take actions to get the firm in trouble.	1	2	3	4	5	6	7
29	...Punish the firm in some way.	1	2	3	4	5	6	7
30	...Cause inconvenience to the firm.	1	2	3	4	5	6	7
31	...Get even with the service firm.	1	2	3	4	5	6	7
32	...Make the service firm get what it deserved.	1	2	3	4	5	6	7

Thinking of the way you felt through the recovery episode (i.e. when you went back to the store to enquire), indicate your agreement with the following statement:		Strongly Disagree (1)	Disagree (2)	Agree (3)	Agree Somewhat (4)	Strongly Agree (5)
33	Through the service recovery, I felt I had leverage over the service firm.	1	2	3	4	5
34	I had the ability to influence the decisions made by the firm.	1	2	3	4	5
35	The stronger my conviction, the more I was able to get my way with the firm.	1	2	3	4	5
36	Because I had a strong conviction of being right, I was able to convince the firm.	1	2	3	4	5

Thank you for your participation thus far. There are a few more questions on the next page.

APPENDIX A: STUDENT QUESTIONNAIRE (CONT.)

How well do the following statements describe your personality? I see myself as someone who...		Strongly Disagree (1)	Disagree Somewhat (2)	Disagree (3)	Disagree Agree (4)	Agree (5)	Agree Somewhat (6)	Agree Strongly (7)
37	...Is reserved.	1	2	3	4	5	6	7
38	...Is generally trusting.	1	2	3	4	5	6	7
39	...Tends to be lazy.	1	2	3	4	5	6	7
40	...Is relaxed, handles stress well.	1	2	3	4	5	6	7
41	...Have a few artistic interests.	1	2	3	4	5	6	7
42	...Is outgoing, sociable.	1	2	3	4	5	6	7
43	...Tends to find fault with others.	1	2	3	4	5	6	7
44	...Does a thorough job.	1	2	3	4	5	6	7
45	...Gets nervous easily.	1	2	3	4	5	6	7
46	...Has an active imagination.	1	2	3	4	5	6	7

Please indicate to what level you agree with the following statements:		Strongly Disagree (1)	Disagree Somewhat (2)	Disagree (3)	Disagree Agree (4)	Agree (5)	Agree Somewhat (6)	Agree Strongly (7)
47	I will be able to achieve most of the goals that I have set for myself.	1	2	3	4	5	6	7
48	When facing difficult tasks, I am certain that I will accomplish them.	1	2	3	4	5	6	7
49	In general, I think that I can obtain outcomes that are important to me.	1	2	3	4	5	6	7
50	I believe I can succeed at almost any endeavor to which I set my mind.	1	2	3	4	5	6	7
51	I will be able to successfully overcome many challenges.	1	2	3	4	5	6	7
52	I am confident that I can perform effectively on many different tasks.	1	2	3	4	5	6	7
53	Compared to other people, I can do most tasks very well.	1	2	3	4	5	6	7
54	Even when things are tough, I can perform quite well.	1	2	3	4	5	6	7

Please indicate to what level you agree with the following statements: With regards to Name in Case, the employees that interacted with me...		Strongly Disagree (1)	Disagree Somewhat (2)	Disagree (3)	Disagree Agree (4)	Agree (5)	Agree Somewhat (6)	Agree Strongly (7)
55	...Treated me in a polite manner.	1	2	3	4	5	6	7
56	...Gave me detailed explanations and relevant advice	1	2	3	4	5	6	7
57	...Treated me with respect.	1	2	3	4	5	6	7
58	...Treated me with empathy.	1	2	3	4	5	6	7

With regards to the service failure that you experienced with Name in Case, please indicate to what level you agree with the following statements:		Strongly Disagree (1)	Disagree (2)	Agree (3)	Agree Somewhat (4)	Strongly Agree (5)
59	Despite the hassle caused by the problem, the firm responded fairly and quickly.	1	2	3	4	5
60	I feel the firm responded in a timely fashion to the problem.	1	2	3	4	5
61	I believe the firm has fair policies and practices to handle problems.	1	2	3	4	5
62	With respect to its policies and procedures, the firm handled the problem in a fair manner.	1	2	3	4	5
63	Overall, the outcomes I received from the service firm were fair.	1	2	3	4	5
64	Given the time, money and hassle, I got fair outcomes.	1	2	3	4	5
65	I got what I deserved.	1	2	3	4	5

APPENDIX A: STUDENT QUESTIONNAIRE (CONT.)

Please indicate the level of dissatisfaction that was caused by the poor service <u>recovery</u> by Name in Case. The poor recovery caused me...							
66	Minor Problems (1)	2	3	4	5	6	Major Problems (7)
67	Small Inconveniences (1)	2	3	4	5	6	Major Inconveniences (7)
68	Minor Aggravation (1)	2	3	4	5	6	Major Aggravation (7)

69. How likely are you to complain publically about Name in Case, for example create a "Blog" about your experiences and/or complain through an online website (other than directly to the Service Provider)?

Extremely Likely	Somewhat Likely	Unlikely	Highly Unlikely
------------------	-----------------	----------	-----------------

If you answered yes, please answer the below three questions:

I would complain to an online website about Name in Case in order...		Strongly Disagree (1)	Disagree (2)	Agree (3)	Agree Somewhat (4)	Strongly Agree (5)
70	To make public the behaviours and practices of the firm.	1	2	3	4	5
71	To report my experience to other consumers.	1	2	3	4	5
72	To spread the word about my misadventure.	1	2	3	4	5

73. What is your age (years)? _____

74. What is your gender? (Cross appropriate box)

Male	Female
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75. What is your race?

Prefer not to answer	White	Black	Indian	Coloured
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Thank you for taking part in this survey.

Your time and efforts are appreciated.

APPENDIX B:
PERMISSION FROM DIRECTOR OF STUDENT AFFAIRS

University of Cape Town



RESEARCH ACCESS TO STUDENTS

DSA 100

NOTES

1. This form must be FULLY completed by applicants that want to access UCT students for the purpose of research.
2. Return the completed application form together with your research proposal to: Moonira.Khan@uct.ac.za; or deliver to: Attention: Executive Director, Department of Student Affairs, North Lane, Steve Biko Students' Union, Room 7.22, Upper Campus, UCT.
3. The turnaround time for a reply is approximately 10 working days.
4. NB: It is the responsibility of the researcher/s to apply for and to obtain ethical clearance and access to staff and/or students, respectively to the (a) Faculty's 'Ethics in Research Committee' (EiRC) for ethics approval, and (b) Executive Director, HR for approval to access staff for research purposes and the (c) Executive Director, Student Affairs for approval to access students for research purposes.
5. For noting, a requirement of UCT (according to Senate policy) is that items (1) and (4) apply even if prior clearance has been obtained by the researcher/s from any other institution.

SECTION A: RESEARCH APPLICANT/S DETAILS

Position	Staff / Student No	Title and Name	Contact Details (Email / Cell / land line)
A.1 Student Number	EKSANN001	Ms Annelie Eksteen	eksteena@gmail.com/0827311962
A.2 Academic / PASS Staff No.	01422418	Mrs EM Botha	Elsamari.botha@uct.ac.za / x4053
A.3 Visiting Researcher ID No.			
A.4 University / Institution at which employed / or a registered student	UCT	Address if not UCT:	
A.5 Faculty/ Department/School	School of Management Studies, Commerce		
A.6 APPLICANTS DETAILS If different from above	Title and Name	Tel.	Email

SECTION B: RESEARCHER/S SUPERVISOR/S DETAILS

Position	Title and Name	Tel.	Email
B.1 Supervisor	Mrs EM Botha	X4053	Elsamari.botha@uct.ac.za
B.2 Co-Supervisor/s (a)			

SECTION C: APPLICANT'S RESEARCH STUDY FIELD AND APPROVAL STATUS

C.1 Degree (if a student)	In partial completion of the course BUS3008W (Research in Marketing) in the Business Science degree.		
C.2 Research Project Title	Students either need to do a project on the influence of social presence in online buying or trust and privacy concerns of consumers today.		
C.3 Research Proposal	Attached:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
C.4 Target population	Students' peers and commerce students.		
C.5 Lead Researcher details	If different from applicant: Elsamari Botha		
C.6. Will use research assistant/s	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
C.7 Research Methodology and Informed consent:	Attached:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
C.8 Ethics clearance status	Approved by the EiRC:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> Awaiting response : <input type="checkbox"/>
	Application for ethics was sent to HREC, ethics approval was delayed till approval from this application. Please see attached letter, point number 3, from.HREC		

SECTION D: APPLICANT/S APPROVAL STATUS FOR ACCESS TO STUDENTS FOR RESEARCH PURPOSE (To be completed by the ED, DSA or Nominee)

APPROVAL STATUS	Approved / Not Approved	Applicant/s Ref. No.:	Comments:	
	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	EKSANN001/ Ms Annelie Eksteen		
APPROVED BY:	Designation	Name	Signature	Date
	Executive Director Department of Student Affairs	Moonira Khan		8 May 2012

APPENDIX C:
ETHICS COMMITTEE APPROVAL

University of Cape Town



Faculty of Commerce Ethics in Research Committee

Courier: Room 2.21 Leslie Commerce Building Upper Campus University of Cape Town
Post: University of Cape Town • Private Bag • Rondebosch 7701
Email: Irwin.brown@uct.ac.za
Telephone: +27 21 650-2311
Fax No.: +27 21 689-7570
28 March 2012

UCT/COM/025/2012

Ms Annelie Eksteen
School of Management Studies
University of Cape Town
eksteena@gmail.com

Dear Ms Eksteen

Project title: The impact of personality, self-efficacy and embeddedness on customer revenge

This letter serves to confirm that the project entitled “**The impact of personality, self-efficacy and embeddedness on customer revenge**”, as described in your final submitted undated protocol, has been approved. You may proceed with the research subject to the following conditions:

Access approval from Director: Student Affairs

Please note that if you make any substantial change in your research procedure that could affect the experiences of the participants, you must submit a revised protocol to the Committee for approval.

Best wishes for great success with your research.

Regards,

IRWIN BROWN

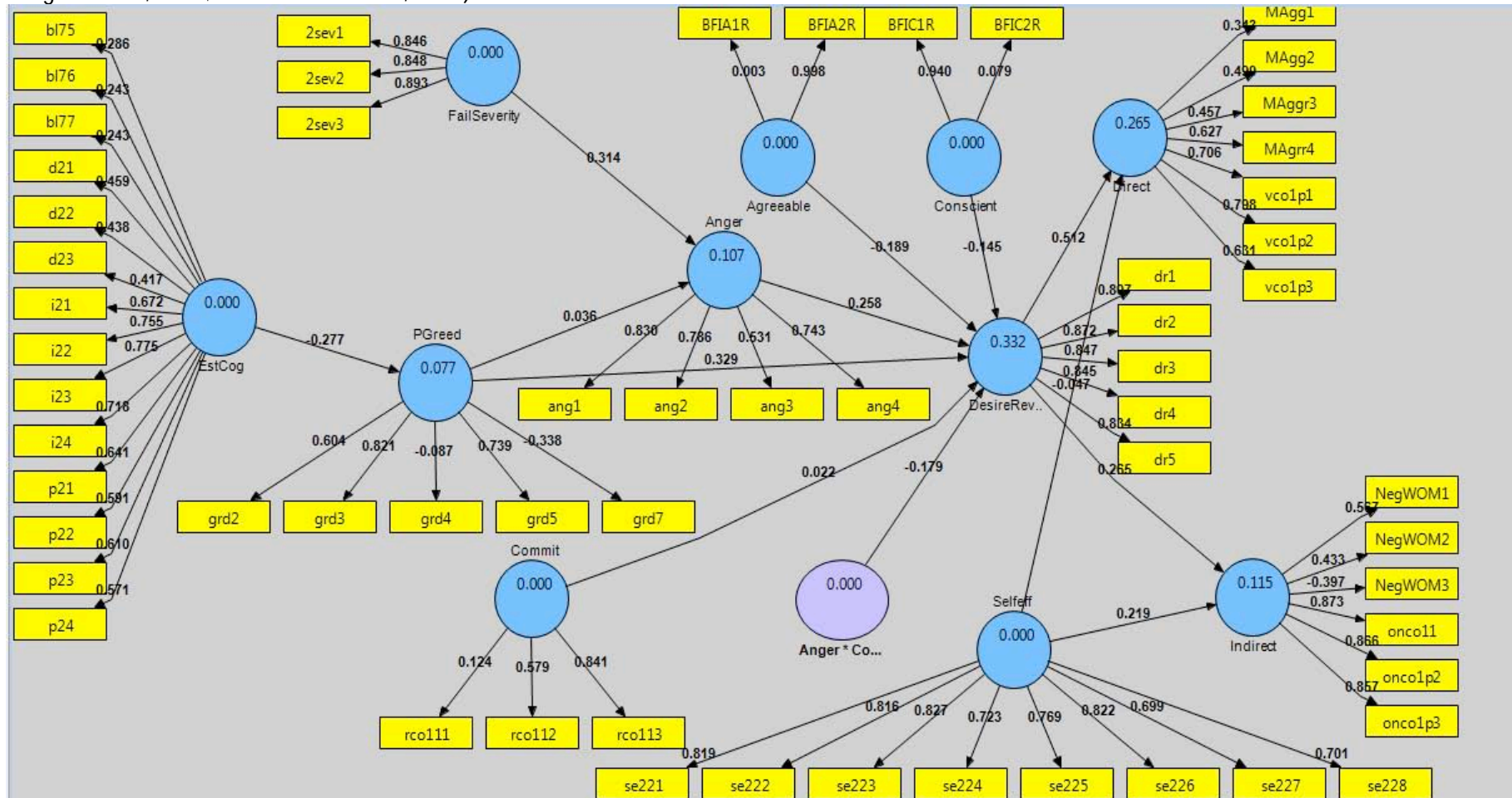
Prof Irwin Brown
Commerce Faculty Ethics in Research Committee

APPENDIX D:
PLS MODEL ITEM LOADINGS
(RELIABILITY OF THE MEASUREMENT MODEL)

University of Cape Town

Appendix D: PLS Model Item Loadings

The below figure is the PLS item loadings for the evaluation of reliability of the Measurement Model. Most items had item loadings of lower than 0.7. These are seen in the constructs for blame attribution, distributive fairness, procedural fairness, anger, direct revenge, indirect revenge, relationship commitment, conscientiousness and agreeableness. These values were kept in the model, as the literature supports their inclusion (Bandura, 1977, Bechwati & Morrin, 2003; Gregoire et al., 2010; Rammstedt & John, 2006).



APPENDIX E:
PLS CROSS LOADINGS
VALIDITY OF THE MEASUREMENT MODEL

University of Cape Town