CHAPTER 4
Methodology and Data Collection

The proposed hypotheses were examined using data generated in two studies. The objective of Study 1 was to examine the effect of interaction of focal customer’s service recovery experience and other customers’ online complaints on focal customer’s change in justice perception, controlling for perceived severity of focal customer’s service failure, focal customer’s involvement with the service, and focal customer’s online opinion seeking behavior. Objectives of Study 2 were to (1) investigate the effect of interaction of focal customer’s justice perception and other customers’ complaints on focal customers’ final attitude and final trust after getting exposed to others’ complaints, (2) to assess focal customer’s change in attitude and trust in the presence of other customer’s complaints, and (3) to examine whether the interaction effect on behavioral outcomes (intentions to use the service in future and negative word of mouth) is mediated by focal customer’s final attitude, final trust, change in attitude and change in trust.

Since the model proposed required examination of the effects of other customers’ complaints on focal customers’ attitudes and behavior, an experimental design was appropriate for the present study. Scenario-based experiments were conducted to investigate the impact of other customers’ complaints on focal customer’s attitude and behavior. Scenarios are role playing experiments that’s are best suited to unfold the effects of service failure and service recovery as it allows easy operationalization of difficult and expensive manipulations (Bitner, 1990). They provide researcher with control over confounding variables, and summarize events in a short span of time, that might otherwise take days or weeks to reveal.

The manipulated variables used in the scenario of Study 1 were service recovery outcomes of focal customer (satisfactory vs. unsatisfactory) and service failure context of other
customers’ online complaints (similar vs. dissimilar). The manipulated variables in Study 2 were justice perception of focal customer (high justice perception vs. low justice perception) and service failure context (similar vs. dissimilar).

This chapter details five pretests and two main studies. The objective of the first pretest was to identify involvement levels of customers with frequently used services that have been widely studied in service failure and recovery literature. The second pretest was conducted to identify a service industry that hosted maximum number online complaints on third party websites in the period between May 2nd 2014 and May 4th 2014. The purpose of the third pretest was to examine the severity of service failures posted on the complaint sites. The fourth and fifth pretests were conducted to finalize the manipulations of the scenarios that depicted focal customer’s service recovery experience (satisfactory/ unsatisfactory) and other customers’ service failure context (similar/ dissimilar), mentioned in the online complaints. These pretests also assessed the perceived severity of failures in other customers’ online complaints. Objectives of the main studies were to examine the moderating effect of other customers’ online complaints on service recovery evaluation process of focal customers, with the help of experimental scenarios manipulated in the pretests.

4.1 Pretest 1

Literature on relationship marketing suggests that customers are favorably predisposed towards maintaining long-term relationship with services that are highly involving. The rationales for such disposition are 1) Customers want to avoid the hassles associated with repeat purchase of high involving services (Varki and Wong, 2003) and 2) Customers are constrained to maintain relationship with the service provider due to high switching cost (Bendapudi and Berry, 1997).
Hence, the first pretest was conducted to identify the involvement level of the services that have been frequently used in service failure and recovery literature. Ten service industries were identified which have been extensively used in the literature to test customer’s attitude and behavior in the context of service failure and recovery. 25 students from a University campus were requested to participate in the pretest. Responses were obtained on 10-items, 7-point likert scale of involvement (Beinstock and Stafford, 2006). All participants were asked to rate their involvement level with each of the ten service industries. Responses on the 10-items of involvement were combined and averaged to obtain a composite score of involvement for each service industry. Table 4.1 presents the composite score of involvement for each service industry. The composite scores were examined for drops in average involvement. Based on the composite scores, service industries were divided into two groups. Services that had composite score of more than equal to 5 were clubbed in Group 1 and those with scores less than 5 were clubbed in Group 2. T-test analysis of the two groups revealed that Group 1 consisting of hotels, airlines, internet broadband service, dine-in restaurant, mobile service provider and bank had involvement levels significantly higher than Group 2 comprising of online retailers, fast food joints, amusement park and departmental stores (M_{Group 1} = 5.51, M_{Group 2} = 4.45, t value = 5.46, p< .001). Therefore, Group 1 was considered as high involving services and Group 2 as low involving services.
Table 4.1: Involvement scores of service industries

<table>
<thead>
<tr>
<th>Service Industry</th>
<th>Composite Score_ Involvement (n=25)</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td>6.06</td>
<td>1.19</td>
</tr>
<tr>
<td>Airlines</td>
<td>5.76</td>
<td>1.01</td>
</tr>
<tr>
<td>Internet Broadband Service</td>
<td>5.44</td>
<td>1.69</td>
</tr>
<tr>
<td>Dine-in restaurants</td>
<td>5.40</td>
<td>4.14</td>
</tr>
<tr>
<td>Mobile service provider</td>
<td>5.36</td>
<td>1.75</td>
</tr>
<tr>
<td>Banks</td>
<td>5.03</td>
<td>1.76</td>
</tr>
<tr>
<td>Online retailers</td>
<td>4.68</td>
<td>1.98</td>
</tr>
<tr>
<td>Fast food joints</td>
<td>4.46</td>
<td>1.71</td>
</tr>
<tr>
<td>Amusement Parks</td>
<td>4.38</td>
<td>1.83</td>
</tr>
<tr>
<td>Departmental Stores</td>
<td>4.30</td>
<td>1.64</td>
</tr>
</tbody>
</table>

4.2 Pretest 2

The second pretest was conducted to identify a service sector that hosted maximum number of online complaints on third party complaint sites in the period between 2nd May, 2014 and 4th May 2014. Various Indian complaint websites such as consumercomplaints.in, consumercourtforum.in, complaintsboard.com and iComplaints.in were analyzed. As provided in Table 4.2, it was observed that mobile service providers were found to host maximum number of complaints (n= 38996) in that period followed by complaints about online retailers (n= 21744) in the same time span. Even though mobile service providers hosted highest number of complaints, it was not chosen as the research context as it was found in Pretest 1 that the involvement level of customers with mobile services was high and relationships with service provider in mobile service industry could be biased because of high switching cost. The next service industry that hosted highest number of complaints in the same time period and perceived as less involving service was online retailers (e-retailer). Hence, online retail was chosen as the service context for the current research.
Table 4.2: Number of online complaints across service industries

<table>
<thead>
<tr>
<th>Service Industry</th>
<th>Mouthshut</th>
<th>Consumer court forum</th>
<th>Consumer complaints forum</th>
<th>icomplaints</th>
<th>Summated complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile service provider</td>
<td>4559</td>
<td>8258</td>
<td>24220</td>
<td>1959</td>
<td>38996</td>
</tr>
<tr>
<td>Online retailers</td>
<td>10316</td>
<td>2724</td>
<td>7380</td>
<td>1324</td>
<td>21744</td>
</tr>
<tr>
<td>Banks</td>
<td>821</td>
<td>1660</td>
<td>13080</td>
<td>875</td>
<td>16436</td>
</tr>
<tr>
<td>Internet Broadband Service</td>
<td>2815</td>
<td>2640</td>
<td>6760</td>
<td>539</td>
<td>12754</td>
</tr>
<tr>
<td>Airlines</td>
<td>1030</td>
<td>345</td>
<td>2880</td>
<td>156</td>
<td>4411</td>
</tr>
<tr>
<td>Departmental stores</td>
<td>NA</td>
<td>NA</td>
<td>740</td>
<td>165</td>
<td>905</td>
</tr>
<tr>
<td>Hotels and Restaurants</td>
<td>NA</td>
<td>256</td>
<td>360</td>
<td>96</td>
<td>712</td>
</tr>
<tr>
<td>Amusement Parks</td>
<td>NA</td>
<td>NA</td>
<td>60</td>
<td>NA</td>
<td>60</td>
</tr>
</tbody>
</table>

4.3 Pretest 3

The third pretest was conducted to identify severity of e-retail failures reported on online complaint sites. This pretest was conducted to manipulate the scenarios depicting other customers’ online complaints. To assess the severity of e-retail failures posted on complaint sites, a cursory analysis was conducted on 40 online complaints that were randomly selected from four online complaint sites namely, mouthshut.com, consumer court forum, consumer complaints forum and icomplaints. It was found that all complaints reported one or the other e-retail failures which has been categorized as high severe failures by Forbes, Kelly and Hoffman (2005). These failures include slow/unavailable service, pricing error, packaging errors, product defect, out of stock, bad information, size error, special order and customer error. Further, two judges were independently asked to assess the severity of service failures of these 40 online complaints. It was found that 37 complaints (92 percent) and 40 complaints (100 percent), judged by the two judges respectively, were perceived as high severe failures, confirming the
findings of Forbes’ et al (2005). Hence, scenarios of other customers’ online complaints were manipulated as high severe e-retail failures.

4.4 Pretest 4

The fourth pretest was conducted to finalize 1) scenarios of focal customer’s own service failure and service recovery experience and 2) scenarios of other customers’ online complaints about e-retail failures in similar and dissimilar context. In addition, pretest 4 also assessed perceived severity of failure in online complaints. Responses were obtained using a structured questionnaire. First, the respondents were given a stimulus which asked them to role play as focal customer who had a service failure with a fictitious online retailer, easyshop.com, followed by a satisfactory or unsatisfactory recovery. The service failure scenario was as follows,

“A camera worth Rs. 6000/-, is not delivered on the promised date by easyshop.com.”

This was followed either by a satisfactory or an unsatisfactory recovery stimulus. In the satisfactory condition, “focal customer enquires about the delay and the service employee provides information very politely and informs about the current shipment status. He apologizes for the delay and assures that the camera will be delivered next day, and eventually the camera is delivered with an apology note for the delay.”

In the unsatisfactory recovery condition, “focal customer enquires about the delay and the service employee is unable to provide any information and is very rude, he neither explains nor apologizes for the delay, and denies responsibility of the shipment either. Eventually the camera is not delivered.”

Following these stimuli, respondents were asked to evaluate the service recovery performance on a two-item, 7-point likert scale, with ‘1’ indicating strongly disagree and ‘7’ indicating strongly agree. The items of the scale are included in Appendix A
A second stimulus was developed through a scenario that manipulated other customers’ online complaints, reporting service failures which have failure contexts either similar or dissimilar to that of focal customers. Three online complaints were used for the manipulation as earlier studies have shown that on an average people read 2.6 online reviews (Baumbauer-Sachse and Mangold, 2007). Further, Chevalier and Mayzlin (2006) argued that length of online complaints affects information quality of the complaints. Therefore, the length of the complaints in the present study was set to three lines, a standard that has been suggested by Lee, Park and Han (2008). In the scenario depicting similar context of service failure between focal customer and other customers, online complaints of other customers were of “products not received and wrong item delivered” whereas in dissimilar context, the online complaints were about “poor return policy, order cancellation and bad information” The manipulation check of these stimuli was checked with a two-item, seven point semantic differential scale anchored at e.g., ‘1’ indicating dissimilar failure context and ‘7’ indicating similar failure context to focal customer’s failure context. The types of service failures that were used for manipulating other customers’ online complaints were chosen based on the study of Forbes et al., (2005). According to Forbes et al., (2005), failures such as slow/ unavailable service, pricing errors, packaging errors, product defect, out of stock, bad information, size error, special order, and customer error were perceived as high severe failures. To assess perceived severity of failures in online complaints, provided in the scenario, respondents were asked to rate the severity of failure in online complaints on a 10-point semantic differential scale ranging from ‘1’ minor problem to ‘10’ major problem.

To test the manipulations of service recovery, service failure context of online complaints, and perceived severity of failure in the complaints, four sets of questionnaires were
prepared, having four possible combinations of scenarios depicting satisfactory/unsatisfactory recovery with similar/dissimilar service failure context:

1) Satisfactory recovery/ similar context
2) Satisfactory recovery/ dissimilar context
3) Unsatisfactory recovery/ similar context
4) Unsatisfactory recovery/dissimilar context.

Severity of the online complaints was expected to be high as per the findings of Forbes et al., (2005). Each set of questionnaires was administered to four different groups of students, comprising of 8 to 10 students in each group.

The collected data were first analyzed to assess the service recovery manipulations of focal customer. Independent sample t-tests were performed on the scores of service recovery as dependent variable and manipulated levels of service recovery conditions as two independent fixed factors. As presented in Table 4.3, results revealed a significant main effect of service recovery conditions on service recovery evaluation \( (F(1, 38) = 35.73, p < .001) \). Participants in satisfactory recovery condition \( (M = 5.72) \) perceived the recovery efforts of the service provider more positively than those in unsatisfactory recovery condition \( (M= 3.52) \).

Further, manipulations of scenarios depicting degree of perceived similarity between focal customer’s service failure context and other customers’ service failure context were also analyzed using independent sample t-test. Independent sample t-tests were performed on the scores of degree of perceived similarity as dependent variable and manipulated levels of two service failure contexts as independent fixed factors. Results revealed an insignificant main effect of service failure contexts on the degree of perceived similarity of failure contexts.
(F_(1, 38) = .15, p = .68). As provided in Table 4.3, participants in similar service failure context and dissimilar service failure context evaluated these two contexts similarly (M_{similar} = 4.72) and (M_{dissimilar} = 4.52). Mean of perceived severity of failure of other customers’ online complaints were found to be M_{severity} = 8.00, indicating high perceived severity of service failure. The results indicated that manipulations of similar and dissimilar service failure contexts required further refinement. A fifth pretest was conducted to identify online complaints with distinct similar and dissimilar failure contexts.

Table 4.3: Manipulation check of Pretest 4

<table>
<thead>
<tr>
<th>Independent Factors</th>
<th>F-value</th>
<th>Satisfactory (S.D)</th>
<th>Unsatisfactory (S.D)</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Recovery</td>
<td>35.73</td>
<td>5.72 (0.72)</td>
<td>3.52 (1.50)</td>
<td>&lt;.001</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Failure Context</th>
<th>F-value</th>
<th>Similar (S.D)</th>
<th>Dissimilar (S.D)</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.15</td>
<td>4.72 (1.73)</td>
<td>4.52 (1.50)</td>
<td>0.68</td>
</tr>
</tbody>
</table>

4.5 Pretest 5

In this pretest, service failure of focal customer was kept same as in Pretest 4. However, service recovery scenarios were moderated to an extent so that the intensity of satisfactory and unsatisfactory recovery was reduced. This was done, to avoid formation of any extremely favorable or unfavorable perception of the recovery efforts of the service provider, which might influence perception of similarity of other customers’ failure context. The insignificant difference between similar and dissimilar failure contexts were possibly due to the carry over effects of the extreme perception, evoked by the recovery efforts, on subsequent evaluation of online complaints. Hence satisfactory recovery condition was modified into a scenario as the following,
“On enquiring with easyshop, customer care personnel apologized for the delay and on tracking its status they said that the camera has been shipped already. Two days later the package gets delivered. The customer care personnel calls you to follow up the delivery and express their regret for the delay.”

Similarly, in the unsatisfactory recovery condition, the modified scenario was as follows, “On enquiring with easyshop, customer care personnel said that the camera has been shipped. However, they are unable to track the order online. Customer care of easyshop is not able to provide any explanation for the delay, in spite of making repeated calls.”

In the next scenario, the failure contexts of the online complaints were modified to make the difference between similar and dissimilar failures more acute. In similar context, the online complaints dealt with issues related to “products not received” whereas in the dissimilar context, the online complaints reported about issues such as, “erroneous information regarding shipping charges, overcharging beyond MRPs, and hidden charges.” Similar to Pretest 4, four sets of experimental scenarios were randomly assigned to four different groups of students, consisting of 15 students in each group. Each set of students received one of the unique conditions;

1) Satisfactory recovery/ similar context,
2) Satisfactory recovery/ dissimilar context,
3) Unsatisfactory recovery/ similar context, and
4) Unsatisfactory recovery/dissimilar context.

Further, to examine perceived severity of failure in the updated online complaints, the respondents in four different experimental conditions were asked to rate the severity of failure in the online complaints. Severity of failure was measured using a single item ten-point semantic differential scale anchored at ‘1’ indicating minor problem and ‘10’ indicating major problem.
To test the service recovery manipulation, independent sample t-test was conducted with service recovery conditions as independent fixed factors and service recovery evaluation as the dependent variable. Table 4.4 presents the results which showed a significant main effect of service recovery conditions (independent fixed factors) on mean scores of service recovery evaluation ($F_{(1, 55)} = 14.89 \ p < .001$). Participants in satisfactory recovery condition ($M = 4.70$) perceived the recovery efforts of the service provider to be more positive than those in unsatisfactory recovery condition ($M = 3.04$).

A separate independent sample t-test was performed to assess the manipulation of perceived similarity of service failure context. Results revealed significant main effect of similar and dissimilar service failure contexts on mean scores of similarity perception ($F_{(1, 55)} = 49.3, \ p < .001$). As presented in Table 4.4, participants in similar service failure context perceived the service failure context of online complaints as more similar ($M = 5.50$) than participants in dissimilar service failure context ($M = 3.60$). In addition, focal customer’s perceived the online complaints as high severe failures with mean, $M_{\text{severity}} = 7.78$. Hence, scenario manipulations for focal customers’ satisfactory and unsatisfactory recovery experience, and other customers’ similar and dissimilar failure contexts were found acceptable for the main study.

**Table 4.4: Manipulation Check of Pretest 5**

<table>
<thead>
<tr>
<th>Independent Factors</th>
<th>F-value</th>
<th>Satisfactory (S.D)</th>
<th>Unsatisfactory (S.D)</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Recovery</td>
<td>14.89</td>
<td>4.70 (1.22)</td>
<td>3.04 (1.9)</td>
<td>&lt;.001</td>
</tr>
<tr>
<td></td>
<td>Means (S.D)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Failure Context</td>
<td>49.30</td>
<td>5.50 (1.02)</td>
<td>3.60 (1.04)</td>
<td>&lt;.001</td>
</tr>
</tbody>
</table>
4.6 Main Study

The main study was conducted to assess the moderating effect of other customers’ online complaints on the impact of focal customer’s service recovery experience on their justice perception, attitude and behavior. The main study consisted of two studies.

In Study 1, respondents were exposed to the scenario that depicted focal customer’s service failure, service recovery encounter and online complaints. Responses were obtained from a sample of 130 students of a university on the following aspects,

a) The first section detailed the demographic details of the respondents; gender and age.

b) The second section captured respondents’ personal involvement with the purchase of a camera from a hypothetical online retailer (e-tailer.com), and their online opinion seeking behavior.

c) The third section depicted focal customer’s service failure and recovery encounter followed by questions on manipulation check and initial justice perception.

d) In the fourth section, respondents were exposed to scenarios depicting online complaints of other customers’ followed by manipulation check questions.

e) In the last section responses were obtained on final justice perception of the respondents.

In Study 2, respondents were exposed to scenarios similar to that of Study 1. Responses from a sample of 234 students were obtained on the following sections,

a) First, demographic details of the respondents; age, gender and familiarity with online shopping were obtained.

b) The second section was similar to that of Study 1.
c) In the third section, scenarios of focal customer’s service failure and recovery encounter were presented, followed by questions on manipulation check and initial trust and attitude towards service provider.

d) The fourth section exposed the respondents to complaints of other customers followed by manipulation check questions.

e) The final section obtained responses on final attitude, final trust and behavioral intentions of the respondents.

4.7 Experimental Design

The design of both Study 1 and Study 2 were a 2 x 2 factorial design. The first factor was service recovery with two levels, namely, satisfactory and unsatisfactory recovery for Study 1, and high and low justice perception for Study 2. The second factor in both the studies was service failure context in online complaints. The service failure context was measured at two levels, similar and dissimilar service failure context. Perceived level of similarity was assessed in terms of resemblance of service failure context of focal customer and the failure context of other customers as described in the online complaints. Four different experimental conditions were developed as shown in Table 4.5 and Table 4.6 for Study 1 and Study 2 respectively. Equal number of subjects was randomly assigned to each of the experimental conditions.

<table>
<thead>
<tr>
<th>Focal Customer’s Service recovery</th>
<th>Failure context in other customers’ online complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Similar Context</td>
</tr>
<tr>
<td>Satisfactory Recovery</td>
<td>Satisfactory + Similar</td>
</tr>
<tr>
<td>Unsatisfactory Recovery</td>
<td>Unsatisfactory + Similar</td>
</tr>
</tbody>
</table>
Table 4.6: Manipulated Experimental Conditions for Study 2

<table>
<thead>
<tr>
<th>Focal Customer’s Justice Perception</th>
<th>Failure context in other customers’ online complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Similar Context</td>
</tr>
<tr>
<td>High Justice Perception</td>
<td>High Justice + Similar</td>
</tr>
<tr>
<td>Low Justice Perception</td>
<td>Low Justice + Similar</td>
</tr>
</tbody>
</table>

One of the experimental factors, service recovery in Study 1 and justice perception in Study 2 respectively, was manipulated at two levels; satisfactory and unsatisfactory in Study 1, and high and low justice perception in Study 2. Drawing from justice theory (Colquitt et al., 2005), service recovery literature suggests that satisfactory recovery impacts customers’ justice perception positively (Maxham III and Netemeyer, 2002). Recovery of a service failure is often appraised in terms of fairness of the procedures taken up to recover the failure, how fairly the service provider interacts with the customers to resolve the complaint made about the service failure, and also fairness of the final outcome of the recovery process. All these dimensions together make up customer’s overall justice perception about the recovery (Dewitt, Nguyen and Marshall, 2008). A recovery episode that is perceived as satisfactory is likely to have high overall justice perception. Therefore, both Study 1 and Study 2 used same scenarios to depict service failure and recovery encounter of focal customer.

The second experimental factor was manipulated at levels of similar and dissimilar service failure contexts of complaints, posted on a hypothetical complaint site. These complaints were of service failures which had similar context to that of focal customer’s own service failure or of service failures that were dissimilar to that of focal customer’s own service failure context. For example, in similar context; focal customer’s service failure context was about “delayed delivery of a product from the hypothetical online retailer”, and online complaints of other
customers were of service failures that were “about undelivered product or delayed delivery of product.” In dissimilar context, complaints of other customers were of service failures regarding pricing errors or overcharged products. As per the recommendation of Bambauer-Sachse and Mangold (2007), number of complaints used to create the scenario of online complaint site was three.

4.8 Data Collection Procedure

Study 1 was conducted in a classroom setting. Faculty members of the management stream were approached and requested to spare 15 minutes of their sessions to conduct the experiment. Each section had a random mix of students specializing in various functional areas of management, having class strength of 30 to 35 in each section. There were four sets of experimental conditions, viz:

1) Focal customer’s satisfactory recovery/other customers’ similar failure context,
2) Focal customer’s satisfactory recovery/other customers’ dissimilar failure context,
3) Focal customer’s unsatisfactory recovery/other customers’ similar failure context, and
4) Focal customer’s unsatisfactory recovery/other customers’ dissimilar failure context.

A unique experimental condition was randomly assigned to each of the four sections. The moderator, in each section briefed the students and asked for their consent of participation before administering the experimental scenarios. Those who did not want to respond to the questionnaire were allowed to leave the process. Eventually, a total of 130 responses were obtained from the four sections representing four experimental conditions, each condition having 30-35 respondents.

Similar class room setting was used for Study 2. Management student of two universities were recruited for this study. Consent of faculty members were obtained to conduct the
experiment in eight different sections having class strength of 30 to 35 in each section. In Study 2, respondents were assigned to one of the four the experimental conditions, resulting in 55-60 respondents in each condition. The rest of the procedure was similar to Study 1. Eventually, a total of 234 responses were obtained across four experimental conditions of Study 2. Respondents in each experimental condition ranged from 55 - 60. Respondents in Study 1, first responded to demographic questions, followed by questions regarding involvement with the service and online opinion seeking behavior. The succeeding section exposed the subjects to service failure and recovery scenarios. All 130 respondents were exposed to same service failure episode but one of the two levels of service recovery episodes. Respondents had to role play as the focal customer who had experienced the failure and recovery encounter.

Respondents of Study 2 were also exposed to the same scenarios describing failure and recovery encounter of a focal customer. All 234 respondents were exposed to one of the two levels of recovery episodes that indicated high or low justice perception. The service failure and recovery manipulations used in Study 1 and Study 2 are described below.
1. Service failure with satisfactory recovery (high justice perception) manipulation:

Your experience of purchase with easyshop.com:
You have ordered a camera on easyshop.com. It is to be delivered to you in 5 business days. However, it is not delivered after 5 business days and you are not able to track the status online.

You enquire easyshop.com about the order status:
On enquiring with easyshop, customer care personnel apologized for the delay and on tracking its status they said that the camera has been shipped already. Two days later the package gets delivered. Customer care personnel mails you to follow up the delivery and express their regret for the delay.

2. Service failure with unsatisfactory recovery (low justice perception) manipulation

Your experience of purchase with easyshop.com:
You have ordered a camera on easyshop.com. It is to be delivered to you in 5 business days. However, it is not delivered after 5 business days and you are not able to track the status online.

You enquire easyshop.com about the order status:
On enquiring with easyshop, customer care personnel said that the camera has been shipped. However, they are unable to track the order online. Customer care of easyshop is not able to provide any explanation for the delay, in spite of making repeated calls.

After reading the above scenario, subjects of Study 1 filled out the manipulation check scales and scales on their initial justice perception after the recovery episode. Respondents of Study 2, after filling out the manipulation check scales, responded to the scales that measured initial trust and initial attitude towards the service provider. Having responded to these questions, subjects in both Study 1 and Study 2 were exposed to the next experimental factor, i.e. the online complaints. However, before exposing to this factor, they were asked to read a small paragraph about easyshop’s background in order to create a time lag between respondents’ own experience and exposure to other complaints. All 130 respondents of Study 1 and 234 respondents of Study
2, assigned to satisfactory or unsatisfactory recovery conditions, were exposed to either similar or dissimilar failure context of other customers’ online complaints. The depiction of online complaints is as follows,

1. **Similar failure context:**

   **Posted: 02.01.14 by Amrit47**
   **Product not delivered**

   I ordered a camera worth Rs.6000 from easyshop.com. I received an e-mail stating that the item has been shipped, yet I have *not received it*. I have tried to track the shipment but have not got any clue of the order status.

   **Posted: 04.01.14 by Preet19**
   **Never received my order**

   I ordered a camera worth 6000 from easyshop but they have *not delivered the product*. On checking with easyshop they said, they were unable to track the order. I paid for a product that has not reached me.

   **Posted: 05.01.14 by Purna05**
   **No product!!!!**

   I ordered a camera worth Rs.6000 from easyshop. When I tried to track the shipment, I found that product was miss-routed. Though easyshop’s status says it is delivered, *I have not got any product.*
2. Dissimilar failure context

**Sale product above MRP**
I ordered one Nova Hair Dryer via online through credit card payment. Easyshop sold me this product at 263/- rupees without shipping charges. But the product I received have just 120/- rupees cost as per mention MRP on this product.

**Collection of large payment / lesser invoice**
Payment of Rs 150 + Rs 20 (shipping) has been made for this product. However, the cost of the item as per the invoice is Rs 40 + Rs 20 (shipping). Refund the balance Rs 110 immediately to avoid further escalation of the issue.

**Wrong charging of shipping cost**
Easyshop advertised free shipping within India but they charged me Rs 100 for shipping cost. The shipping cost was included in the total amount in last page which was over looked by me because I was assured for free shipping.

The final section of the questionnaire of Study 1 hosted the manipulation check scales for the complaints followed by final justice perception scale. At the end, participants in both the studies were debriefed and thanked for participation. Sample questionnaires used for collecting data for Study 1 are provided in Appendix B.1

Similar manipulation check scales of complaints were used in the concluding section of Study 2 questionnaire. Additionally, this section included scales on final trust, final attitude, and intention to spread NWOM, and repurchase intention. Sample questionnaire, used for collecting data for Study 2 is provided in Appendix B.2
4.9 Measures

Apart from using manipulation check scales to measure service failure severity, service recovery evaluation and degree of similarity of service failure context, Study 1 and Study 2 used established scales on customer’s involvement with online retail service (Beinstock and Stafford, 2006) and customer’s online opinion seeking behavior (Sun et al., 2006). Further, Study 1 used established scales on overall justice perception and Study 2 used established scales on attitude, trust, intention to spread NWOM and repurchase intentions. All measures used in Study1 and Study 2 are explained below.

4.9.1 Manipulation Checks

In Study 1, manipulation check for service recovery was performed using responses obtained on two items 7-point semantic differential scale of service recovery. Respondents were asked to evaluate the service recovery efforts taken up by the service provider to recover the service failure. The first item of the scale was anchored at ‘1’ indicating unsatisfactory recovery and ‘7’ indicating satisfactory recovery, and the second item was anchored at ‘1’ indicating unfavorable recovery and ‘7’ indicating favorable recovery. The second manipulation check was performed to assess perceived severity of failure in complaints posted online by other customers. Severity of failure was measured using a single item, 10-point likert scale, ranging from strongly disagree to strongly agree. The third manipulation check was performed to assess perceived similarity of service failure context between the scenarios depicting focal customer’s service failure context and service failure contexts mentioned in the online complaints of other customers. Two 7-point semantic differential scale items were used to check the degree of similarity in the contexts. The first item was anchored at ‘1’ indicating very dissimilar and ‘7’ indicating very similar, whereas the second item was anchored at ‘1’ very un-alike and ‘7’ indicating very alike.
In Study 2, manipulation check for justice perception was performed using responses obtained on three items of overall justice perception, adapted from Dewitt et al., (2008). The responses were obtained on a 7-point likert scale ranging from ‘1’ indicating strongly disagree to ‘7’ indicating strongly agree. Manipulation check, to assess the degree of similarity of service failure contexts was performed using responses obtained on same items, used in Study 1.

### 4.9.2 Justice Perception

Overall justice perception was measured at two stages, initial and final justice perception of focal customers. Scale of overall justice perception was adapted from Dewitt et al., (2008). It was measured once before exposing the respondents to other customers’ online complaints and once after reading the complaints. The responses were obtained on six items 7-point likert scale, ranging from ‘1’ indicating strongly disagree to ‘7’ indicating strongly agree. The scale items are detailed in Appendix A

### 4.9.3 Attitude

Attitude was also measured at two stages: initial and final attitude. Initial attitude was measured after the scenario describing focal customer’s service failure and service recovery encounter, whereas final attitude was measured after the respondents were exposed to other customers’ online complaints. A four item scale adopted from Ahluwalia et al., (2000). The responses were obtained on a 7-point bi-polar semantic differential scale. The scale ranged from ‘-3’ to ‘3’. The scale items are included in Appendix A

### 4.9.4 Trust

Trust was measured at two stages - as initial and final trust. Initial trust was measured following the service failure and recovery scenario and final trust was measured after the scenario depicting other customers’ complaints. An established scale of four items was adopted from Sirdeshmukh,
Singh and Sabol (2002). Responses were collected on 7 point bipolar semantic differential scale that ranged from -3 to 3. The items are included in Appendix A

4.9.5 Negative Word of Mouth (NWOM)

Several researchers have used the validated scale of Blodgett et al., 1997 for measuring NWOM. NWOM was measured using a two items scale adapted from Blodgett et al., 1997. The responses were obtained on 7-point likert scale ranging from ‘1’ indicating strongly disagree to ‘7’ indicating strongly agree. The two items used are included in the Appendix A

4.9.6 Repurchase Intention (RPI)

Since the present study is in the service context, we measured RPI as intent to make purchases in the future. We adapted the scale developed by Agarwal and Karahanna (2000). Responses were obtained on two items, 7-point likert scale ranging from ‘1’ indicating strongly disagree to ‘7’ indicating strongly agree. The items are detailed in Appendix A.

4.9.7 Involvement

Involvement was measured with an established scale of ten items 7-point likert scale developed by Bienstock and Stafford (2006). Respondents were asked to imagine a hypothetical situation in which they had to purchase a camera from online retailer, easyshop.com. Respondents were asked to respond to the items that measured their involvement with this situation, given in Appendix A. Responses were obtained on 7-point likert scale ranging from ‘1’ indicating strongly disagree to ‘7’ indicating strongly agree.

4.9.8 Online opinion seeking behavior

Consumer’s online opinion seeking behavior was measured with an established scale of eight items, adopted from Sun, Youn and Wu (2006). The scale items are included in Appendix A.
Responses were obtained on 7-point likert scale ranging from ‘1’ indicating strongly disagree to ‘7’ indicating strongly agree.

The next chapter provides the results of the analyses conducted and discusses the findings.