Consumer Responses To Service Failure Events In Strategic Alliances: A Justice Theory Perspective

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Service failure and recovery is the topic of this thesis, with a focus on strategic alliance settings. There is little research on consumer responses to service failure events in settings that involve multiple organizations in the service provision. That is despite the fact that in the past decade many service firms have committed significant resources to operational aspects of collaborative business arrangements such as strategic alliances. This research aims to address the lack of service failure/recovery research in settings other than the currently prevalent individual service provider-consumer setting. At the same time it attends to the paucity of alliance research on consumers in, and their evaluation of, alliance entities. Drawing on organizational justice theory as a theoretical framework, this thesis adapts, extends, and tests in an airline alliance setting a model of organizational justice, recently proposed by Cropanzano and colleagues (2001). Consequently, considerable insights into consumer responses to service failure events in strategic alliance settings were gained.

The thesis consisted of three major studies. In the first study, the in-depth interviewing technique was employed with 22 informants to 1) explore consumer responses to service failure events in airline alliance settings, 2) identify factors that influence these responses, and 3) assess the applicability of the proposed model of organizational justice in an alliance setting. Findings indicated that consumer responses differed significantly, depending on which alliance entity was evaluated. Consumers’ identification with a particular airline (social identity), the mood they are in prior the service encounter with alliance entities (pre-consumption mood), and which alliance airline caused the service failure (locus of service failure) emerged as important factors influencing consumer responses. Results also provided initial support for the proposed model.

Study 2 examined the impact of pre-consumption mood (positive versus negative), interactional (high versus low) and distributive justice (comparison of the outcome of others: better versus unknown) (manipulated), and social identity (strong versus weak) (measured) on consumer evaluations of, and behaviour towards, three distinct alliance entities (home carrier, partner airline, alliance). The 2x2x2x3 mixed factorial design used a student sample (n=241), randomly allocated to one of eight treatment conditions. Repeated measures MANOVA was used to analyse the results. Findings showed 1) main effects for interactional justice and entity that were further clarified by an interaction effect of
interactional justice and entity, 2) a main effect for social identity, and 3) an interaction effect of pre-consumption mood, distributive justice, and entity.

Building on the results of Study 2, the third major study utilized a 2x2x2x3 mixed factorial design that tested the impact of social identity strength (strong versus weak), locus of service failure (home carrier versus partner airline), and social accounts (excuse versus apology) (manipulated) on consumer evaluations and behavioural intentions of the three alliance entities (home carrier, partner airline, alliance). Furthermore, the model of organizational justice in a multiple service provider setting was tested. A sample of business travellers (n=200) was randomly assigned to one of eight treatment conditions. Results were analysed using repeated measures MANOVA and multiple regression analysis. Findings identified three main effects for social identity, locus of service failure and entity that were further clarified by two interaction effects: 1) social identity and entity, and 2) locus of service failure and entity. A consumer’s strong identification with the home carrier resulted in greater satisfaction and more favourable intentions towards the home carrier than both the partner airline and the alliance. In contrast, a consumer weakly identifying with the home carrier was more satisfied with and had more favourable intentions towards the home carrier than the partner airline but not the alliance. Furthermore, if the home carrier caused the service failure it was rated significantly lower than the partner airline in terms of event fairness but higher for in terms of global fairness, satisfaction, and behavioural intentions. Similarly, the partner airline was rated significantly higher than the alliance in terms of event fairness, while the alliance received significantly higher behavioural intention ratings. In contrast, if the service failure was caused by the partner airline, consumers perceived the partner airline significantly less fair at the event and global level, and rated it significantly lower in terms of satisfaction and behavioural intentions than the home carrier and the alliance. Finally, study results provided support for the proposed model of organizational justice in a multiple service provider setting.

The thesis made several theoretical contributions. To the researcher’s knowledge, this was the first investigation of the impact of service failure events on consumer responses in an alliance. It was also the first study that identified factors that influence consumer responses to service failures in alliances. Finally, Cropanzano and colleagues’ (2001) work was extended beyond a single organization setting.
TABLE OF CONTENTS

Abstract i
Table of Contents iii
Acknowledgments xi
Certification xii

CHAPTER 1: INTRODUCTION
1.1 Background 1
1.2 Research Problem 1
1.3 Justification for this Research 4
1.4 Methodology 5
1.5 Thesis Structure 6
1.6 Definitions 7
1.7 Delimitations 9
1.8 Chapter Summary 10

CHAPTER 2: SERVICE FAILURE & RECOVERY IN STRATEGIC ALLIANCES
2.1 Introduction 11
2.2 Service Failure & Recovery – Single Service Provider Setting 11
   2.2.1 Service Encounter 12
   2.2.2 Service Failure 14
   2.2.3 Service Recovery 15
2.3 Service Failure & Recovery – Multiple Service Provider Setting 19
   2.3.1 Brand Alliance Research 20
   2.3.2 Positivity/Negativity Effect Research 21
2.4 Strategic Alliance Research 23
   2.4.1 Strategic Alliances in the Tourism and Hospitality Industry 24
   2.4.2 Strategic Airline Alliances 25
2.5 Chapter Summary 30
## CHAPTER 3: THEORETICAL FRAMEWORK

3.1 Introduction

3.2 Organizational Justice Theory
   3.2.1 Interactional Justice (IJ)
   3.2.2 Distributive Justice (DJ)
   3.2.3 Procedural Justice (PJ)
   3.2.4 Informational Justice (INFG)

3.3 Nexus of Organizational Justice Theory and Alliance Research
   3.3.1 Event versus Social Entity Paradigm
   3.3.2 Model of Organizational Justice
   3.3.3 Model of Organizational Justice in Airline Alliances

3.4 Chapter Summary

## CHAPTER 4: STUDY 1 – IN-DEPTH INTERVIEWS

4.1 Introduction

4.2 Method
   4.2.1 In-depth Interviews - General Considerations
   4.2.2 Sample
   4.2.3 Material
   4.2.4 Procedure
   4.2.5 Data Analysis

4.3 Results
   4.3.1 Service Failure Events
   4.3.2 Model of Organizational Justice in Airline Alliances
      4.3.2.1 Elements - Model of Organizational Justice
      4.3.2.2 Consumer Responses to Multiple Social Entities in an Alliance Setting
   4.3.3 Factors influencing Consumer Responses
      4.3.3.1 Consumer’s Relationship with an Airline
      4.3.3.2 Focus beyond an Encounter with a Service Provider
      4.3.3.3 Locus of Service Failure – Assignment of Responsibility

4.4 Chapter Summary
## CHAPTER 5: EXTENDED THEORETICAL FRAMEWORK

5.1 Introduction 74
5.2 Extended Model of Organizational Justice 74
5.3 Factors affecting Consumer Responses 81
  5.3.1 Attribution 82
  5.3.2 Social Identity 85
  5.3.3 Pre-Consumption Mood 90
  5.3.4 Service Recovery Measures 94
5.4 Chapter Summary 96

## CHAPTER 6: STUDY 2 – EXPERIMENT 1

6.1 Introduction 102
6.2 Method 102
  6.2.1 Experimental Designs – General Considerations 102
  6.2.2 Design 109
  6.2.3 Sample 110
  6.2.4 Stimulus Material 110
  6.2.5 Procedure 114
  6.2.6 Data Analysis 115
6.3 Results 115
  6.3.1 Realism and Manipulation Checks 115
  6.3.2 Attributions of Responsibility 117
  6.3.3 Consumer Evaluations and Behaviour 120
6.4 Discussion 128
  6.4.1 Social Identity 128
  6.4.2 Pre-Consumption Mood 128
  6.4.2 Service Recovery Measures 130
6.5 Chapter Summary 131
9.3 Managerial Implications

9.4 Limitations

9.5 Future Research

9.6 Chapter Summary

References

LIST OF TABLES

Table 1.1 Definitions of Useful Terms 8
Table 4.1 Informant Profile 50
Table 4.2 Service Failure Events Identified by Informants 54
Table 4.3 Illustrative Samples – Event Justice Perceptions and Event Fairness; Global Justice Perceptions and Global Fairness 62
Table 5.1 Summary of Research Questions and Hypotheses 97
Table 6.1 Overview of Experimental Designs 105
Table 6.2 Scripts for the Manipulation of Independent Variables 112
Table 6.3 Realism Checks 116
Table 6.4 Manipulation Checks 117
Table 6.5 Descriptives for Responsibility - Interactional Justice x Entity Interaction 117
Table 6.6 Descriptives for Responsibility - PCM x Entity Interaction 119
Table 6.7 Summary of Significant MANOVA Results 121
Table 6.8 Descriptives for Anger and Satisfaction - Interactional Justice x Entity Interaction 123
Table 6.9 Descriptives for Repeat Purchase Intentions – PCM x DJ-OO x Entity Interaction 126
Table 6.10 Summary of Findings – Study 2 133
Table 7.1 Demographic and Travel Profile of the Sample 136
Table 7.2 Scripts for the Manipulation of Independent Variables 138
Table 7.3 Dependent Variables and Scale Reliabilities 140
Table 7.4 Realism Checks 144
Table 7.5 Manipulation Checks 146
Table 7.6 Summary of Significant MANOVA Results 147
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.7</td>
<td>Descriptives for Event and Global Fairness, Satisfaction and Behavioural Intentions - Locus of SF x Entity Interaction</td>
<td>150</td>
</tr>
<tr>
<td>7.8</td>
<td>Descriptives for Satisfaction and Behavioural Intentions – Social Identity x Entity Interaction</td>
<td>153</td>
</tr>
<tr>
<td>7.9</td>
<td>Summary of Findings – Study 3 (Part 1)</td>
<td>161</td>
</tr>
<tr>
<td>8.1</td>
<td>Pearson Correlation Coefficients for Correlations Between Event/Global Justice Perceptions and Event/Global Fairness Evaluation</td>
<td>164</td>
</tr>
<tr>
<td>8.2</td>
<td>Pearson Correlation Coefficients for Correlations Between Event/Global Justice Perceptions and Consumer Response Measures</td>
<td>165</td>
</tr>
<tr>
<td>8.3</td>
<td>Pearson Correlation Coefficients for Correlations Between Event/Global Justice Perceptions and Consumer Response Measures</td>
<td>165</td>
</tr>
<tr>
<td>8.4</td>
<td>Pearson Correlation Coefficients for Correlations between Event and Global Fairness</td>
<td>166</td>
</tr>
<tr>
<td>8.5</td>
<td>Pearson Correlation Coefficients for Correlations between Event/Global Fairness and Consumer Response Measures</td>
<td>167</td>
</tr>
<tr>
<td>8.6</td>
<td>Pearson Correlation Coefficients for Correlations Between Satisfaction and Behavioural Intentions</td>
<td>167</td>
</tr>
<tr>
<td>8.7</td>
<td>Multiple Regression Analysis – Tests of Model Relationships</td>
<td>178</td>
</tr>
<tr>
<td>8.8</td>
<td>Multiple Regression Analysis - Tests of Mediation Effects – Partner Airline dealt with SF</td>
<td>188</td>
</tr>
<tr>
<td>8.9</td>
<td>Multiple Regression Analysis - Tests of Mediation Effects – Home Carrier dealt with SF</td>
<td>189</td>
</tr>
<tr>
<td>8.10</td>
<td>Summary of Findings – Study 3 (Part 2)</td>
<td>190</td>
</tr>
<tr>
<td>9.1</td>
<td>Research Contributions</td>
<td>195</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Thesis Structure</td>
<td>7</td>
</tr>
<tr>
<td>2.1</td>
<td>Framework of Literature Review</td>
<td>13</td>
</tr>
<tr>
<td>2.2</td>
<td>Cycle of Service for Flight Experiences with a Global Airline Alliance</td>
<td>31</td>
</tr>
<tr>
<td>3.1</td>
<td>Integrative Model of Organizational Justice</td>
<td>42</td>
</tr>
<tr>
<td>3.2</td>
<td>Model of Organizational Justice in Airline Alliances</td>
<td>46</td>
</tr>
<tr>
<td>5.1</td>
<td>Integrative Model of Organizational Justice – Expanded and Simple Form</td>
<td>77</td>
</tr>
<tr>
<td>5.2</td>
<td>Expanded Model of Organizational Justice – Including Event and Global Fairness</td>
<td>77</td>
</tr>
<tr>
<td>5.3</td>
<td>Expanded Model of Organizational Justice</td>
<td>78</td>
</tr>
<tr>
<td>5.4</td>
<td>Expanded Model of Organizational Justice in Airline Alliances</td>
<td>79</td>
</tr>
<tr>
<td>6.1</td>
<td>Responsibility Ratings by Interactional Justice and Entity</td>
<td>118</td>
</tr>
<tr>
<td>6.2</td>
<td>Responsibility Ratings by Pre-Consumption Mood and Entity</td>
<td>120</td>
</tr>
<tr>
<td>6.3</td>
<td>Anger Ratings by Interactional Justice and Entity</td>
<td>124</td>
</tr>
<tr>
<td>6.4</td>
<td>Satisfaction Ratings by Interactional Justice and Entity</td>
<td>125</td>
</tr>
<tr>
<td>6.5</td>
<td>Repeat Purchase Intention Ratings by PCM, DJ-OO, and Entity - Positive PCM</td>
<td>126</td>
</tr>
<tr>
<td>6.6</td>
<td>Repeat Purchase Intention Ratings by PCM, DJ-OO, and Entity – Negative PCM</td>
<td>127</td>
</tr>
<tr>
<td>7.1</td>
<td>Event Fairness Ratings by Locus of Service Failure and Entity</td>
<td>150</td>
</tr>
<tr>
<td>7.2</td>
<td>Global Fairness Ratings by Locus of Service Failure and Entity</td>
<td>151</td>
</tr>
<tr>
<td>7.3</td>
<td>Satisfaction Ratings by Locus of Service Failure and Entity</td>
<td>151</td>
</tr>
<tr>
<td>7.4</td>
<td>Behavioural Intentions Ratings by Locus of Service Failure and Entity</td>
<td>152</td>
</tr>
<tr>
<td>7.5</td>
<td>Satisfaction Ratings by Social Identity and Entity</td>
<td>154</td>
</tr>
</tbody>
</table>
Figure 7.6  Behavioural Intentions Ratings by Social Identity and Entity  155
Figure 8.1  Expanded Model of Organizational Justice  170
Figure 8.2  Summary of Model Testing - Home Carrier caused SF/Partner Airline deals with SF  183
Figure 8.3  Summary of Model Testing - Partner Airline caused SF/Home Carrier dealt with SF  184
Figure 9.1  Expanded Model of Organizational Justice in Airline Alliances  208

LIST OF APPENDICES

Appendix A  Interview Guide  238
Appendix B  Samples of Instruments – Study 2  239
Appendix C  Samples of Instruments – Study 3  303
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I dedicate this thesis to my parents with love and gratitude for encouraging and supporting me to follow my dreams wherever that may take me.
STATEMENT OF ORIGINAL AUTHORSHIP

I certify that this work has not been previously submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

Signature of Candidate                                Date: 18 November 2005
CHAPTER 1

INTRODUCTION
CHAPTER 1
INTRODUCTION

1.1 BACKGROUND

Service failure and recovery (SF/R) is the topic of this thesis, with a focus on strategic alliance settings. The past decades have witnessed a dramatic shift globally from manufacturing-based economies towards service-based economies. In the Australian economy, for example, service industries represent 77% of total employment and 70% of Gross National Product (Hanson, 2000). Lovelock, Patterson, and Walker (1998, p. 6) asserted that, “In the next decade 90% of all new jobs in Australia are expected to be in the services sector.” Yet, services marketing is fundamentally different to product marketing, due to services’ distinct characteristics of 1) heterogeneity of service outcomes, 2) inseparability of production and consumption, 3) perishability, and 4) intangibility (e.g., Berry, 1980; Shostack, 1977; Thomas, 1978). In view of these characteristics, it is difficult to achieve a zero defect rate, thus service failures inevitably occur (Hart, Heskett, & Sasser, 1990).

A service failure occurs when customers’ expectations are not met (Bell & Zemke, 1987). Similar to service quality and satisfaction, it is customers’ perceptions that determine whether a service failure has occurred; even if the service has been performed according to a provider’s service blueprint (Shostack, 1992), if customers perceive a deviation from their expectations a service failure has taken place. Consequently, a service failure is subjective as it depends on customers’ perceptions and is not necessarily consistent with a service provider’s perception of a service failure (Bejou & Palmer, 1998). In contrast, service recovery refers to the actions a service provider takes in response to a service failure (Groenross, 1988), with the aim to return customers to a state of satisfaction. However, service recovery has to go beyond putting things back to normal; it is critical to consider the processes and outcomes that will enhance customer perceptions (Johnston, 1995).

1.2 RESEARCH PROBLEM

Service failure and recovery has recently received considerable research attention (Smith, Bolton, & Wagner, 1999; Tax, Brown, & Chandrashekaran, 1998; Sparks & McColl-Kennedy, 2001) due to its critical impacts on customer satisfaction (McCollough, Berry, & Yadav, 2000), word-of-mouth (Blodgett, Hill, & Tax, 1997), and repeat purchase
intentions (Keaveney, 1995). However, thus far research has been limited to investigating the effects of SF/R on customer evaluations in situations in which one organisation was the sole service provider. Consequently, current service failure/recovery research has ignored potential consumer responses in situations in which two or more service providers are closely linked in the provision of services to the customer by means of a strategic alliance.

Strategic alliances have become a prominent form of business arrangement, especially since the late 1980s and beyond. Early literature emphasised the need for strategic alliances due to the changed business environment whereby collaborative or cooperative strategies were proposed as viable counterparts to competitive strategies as a key strategic management tool (e.g., Hamel, Doz, & Prahalad, 1989; Harrigan, 1986; Ohmae, 1989). Critical issues such as the definition of strategic alliances (Varadarajan & Cunningham, 1995), motivations to enter these arrangements (Glaister & Buckley, 1996), key factors for their success and demise (Li, 2000), and selection criteria for alliance partners (Harvey & Lusch, 1995) were focused on in subsequent research. However, an apparent lack of research is the impact of alliances on customers. That may in part be explained by the fact that the vast majority of alliance research to date has focused on tangible products rather than services. Yet, even in the services context, the lack of inclusion of the customer has been lamented by several researchers (Hellman, 1995; O’Farrell & Wood, 1999). Thus, at present SF/R research has not focused on settings other than individual customer-individual service provider settings, while alliance research has largely ignored the customer in and his/her evaluation of alliance offerings. Recognizing the importance of both service failure/recovery and strategic alliances to service providers, the present research aims to address this research gap.

Following the review of the literature and identification of research gaps, the research problem is stated as follows:

**How does a service failure event and subsequent service recovery of an alliance partner impact on a consumer’s evaluation of, and behaviour towards, the various alliance entities?**
Justice theory and fairness theory, both originating in organisational research, have recently been applied in the context of service failure and recovery (Smith et al., 1999; Sparks & McColl-Kennedy, 1998; Tax et al., 1998). Both theories are regarded as especially appropriate to investigate the nexus of SF/R and alliance research. In their review of organisational justice research Cropanzano, Byrne, Bobocel, and Rupp (2001) argued for a differentiation between individuals’ appraisal of justice relating to a particular event from appraisals of justice relating to a particular individual, group, or organisation (social entities), noting a prevalent focus on event justice in previous studies. Their model of organisational justice has been adapted and applied to guide this thesis investigation, with a focus on SF/R in an airline alliance context. Furthermore, the model has been extended to assess justice appraisals of multiple, related social entities (home carrier, partner airline, and alliance), consistent with the strategic airline alliance setting. Therefore, the critical question to what extent a service failure event and subsequent recovery is not only impacting a customer’s evaluation of the airline on which the service failure occurred but also how that service failure event and recovery affects evaluations of the partner airline and the alliance can be addressed.

Several research questions and related hypotheses were developed to guide the investigation. These research questions and hypotheses were developed in chapters 2, 3, and 5, and listed in Table 5.1 at the end of chapter 5. Research questions, centred around four research issues, are stated as follows:

1.1 What consumer evaluations are formed following a service failure event in a strategic alliance setting?

1.2 How do consumers form evaluations of, and behaviours towards, various alliance entities following a service failure event in a strategic alliance setting?

1.3 How does the locus of the service failure impact on consumer responses to a service failure event in a strategic alliance setting?

2. How does consumers’ strength of identification with an airline impact on their responses to a service failure event in a strategic alliance setting?
3. How does pre-consumption mood impact on consumer responses to a service failure event in a strategic alliance setting?

4. How do service recovery measures impact on consumer responses to a service failure event in a strategic alliance setting?

Chapters 4, 6, 7, and 8 report the findings of this thesis investigation that address the research problem, individual research questions, and related hypotheses.

1.3 JUSTIFICATION FOR THIS RESEARCH

The proposed research is justified on three grounds that will be discussed in turn: 1) the continued focus on service excellence, 2) recent changes in the business environment, and 3) a lack of academic research. The first justification centres on the continued focus on service excellence to build strong relationships with customers to gain a sustainable advantage in an increasingly competitive business environment (Bates, Bates, & Johnston, 2003). Potential benefits of strong, long-term relationships have been well documented in the literature (Morgan & Hunt, 1994), and according to Reichheld and Sasser (1990) include continued patronage of loyal customers who display decreased price sensitivity over time, a concomitant reduction of marketing costs, and ‘partnership’ actions adopted by those customers. Reichheld and Sasser (1990) also demonstrated that an increase in customer retention results in a substantial increase in service providers’ profits. Service failures, however, inhibit a firm’s ability to develop long-term relationships with its customers. In a single service provider setting, a service firm has direct control over the quality of its service provision and relationship-building efforts. In contrast, in a strategic alliance setting, a service provider relinquishes this direct control by encouraging its customers to use the services of an alliance partner (Weber, 2002). In order to ensure that a service firm’s membership in a strategic alliance is beneficial to, rather than compromises its competitive position in the long-term, an understanding of potential impacts of a service failure event by an alliance partner is critical.

A second justification for research on service failure and recovery in a multiple service provider setting is recent changes in the business environment. The dramatic increase in the past decade in the number of strategic alliances in general, and the airline industry in particular, has already been noted earlier in this chapter. However, apart from the formal structure of strategic alliances underlying collaborative business arrangements,
more loosely structured business networks have also risen to prominence (Achrol & Kotler, 1999). Indeed, Drucker (1993) described the economy of the future as a network society. Achrol and Kotler (1999, p. 146) argued that, “marketing outcomes are increasingly decided by competition between networks of firms rather than by competition among firms.” Vargo and Lusch (2004, p. 6), in their call for marketing’s evolution to a services-dominant logic, stated that, “firms can have long-term viability only if they learn in conjunction with and are coordinated with other channel and network partners.”

The third justification for this research relates to the fact that despite changes in the business environment, the individual firm-customer dyad has remained the contextual focus of much of the extant services marketing research (Gitell, 2002). Only recently have service researchers begun to examine provider-provider relationships and their impact on consumer evaluations and behaviour (Smith & Tax, 2005). Thus, it is critical to gain a better understanding of the impact of service failure events on multiple service providers, and the effect of contextual factors in the service failure/recovery process in multiple service provider settings.

1.4 METHODOLOGY

The purpose of this section is to describe the major methodological approaches employed in this thesis investigation. Detailed justification and further explanation of methodological procedures are provided in chapters 4, 6, 7, and 8. This thesis investigation used data collected from three major studies, pilot studies, and pre-tests.

In Study 1, 22 informants were interviewed about service failure events they had experienced on flights that were serviced by two or more alliance airlines. The aim of this study was to gain insights into consumers’ perceptions of airline alliances in general and service failure events in airline alliance settings in particular. Informants were frequent flyers based in Hong Kong, China. Content analysis was used to examine informants’ transcripts. Findings of the in-depth interviews led to the adaptation of Cropanzano and colleagues’ (2001) model of organisational justice, and the incorporation into the research design of three factors that emerged as potentially impacting consumer responses to service failure events in airline alliances.
In Study 2, an experimental design using a scenario method was employed to collect quantitative data about consumer responses to a specific service failure event in an airline alliance setting. The aim of this study was to assess the impact of specific factors (pre-consumption mood, social identity, interactional and distributive justice) on consumer evaluations of, and behaviour towards, three distinct alliance entities (home carrier, partner airline, and alliance). Given its accessibility, a convenience sample comprising 241 students at a university in the Eastern United States was utilised. Repeated measures MANOVA was used for the data analysis. Results of this analysis provided the input for the refinement of influential factors tested in Study 3.

Study 3 also used a scenario-based experimental design. The sample comprised frequent travellers based in Hong Kong and Australia. A random sampling approach was employed; data was collected from 200 respondents. In this study, a theory testing approach was taken, with a particular focus on a model of organisational justice, developed on the basis of Cropanzano and colleagues’ (2001) model. The assessment of influential factors on consumer responses to a service failure event in an alliance setting also continued. Repeated measures MANOVA and multiple regression analysis were the two major data analysis techniques employed in Study 3.

1.5 THESIS STRUCTURE

Perry (1998) argued that a thesis should highlight discrete sections within a unified structure. This thesis reflects his argument. Figure 1.1 provides a schematic view of this unified thesis structure. In addition, the presentation of chapter information is also sequential. In chapters 2 and 3, the review of the literature examines previous research within three areas: 1) service failure and recovery, 2) strategic alliances, and 3) justice theory. Cropanzano and his colleagues’ (2001) model of organisational justice is identified as a potentially suitable theoretical framework guiding this thesis investigation. Chapter 4 reports on the findings of qualitative research that demonstrated the suitability of Cropanzano and colleagues’ model in the study setting, and identified additions to the existing model. Furthermore, three factors potentially affecting consumer responses to a service failure event in an alliance setting are identified. In light of the findings reported in chapter 4, chapter 5 extends the theoretical framework by revisiting Cropanzano and colleagues’ model, and adapting and extending it with respect to the study setting. Literature relating to the three factors that emerged from the qualitative research – attribution, social identity, and pre-consumption mood - is also reviewed. Research gaps
were identified during the course of this review, and research questions and hypotheses developed. In chapters 4, 6, 7, and 8 the three major studies conducted as part of this thesis investigation are reported. Each chapter details the respective study’s method and findings, and findings are compared with past research. The final chapter is an integrative framework that includes material from past research reviewed in chapters 2, 3, and 5, the three main studies of this thesis, and new material not examined previously. Emphasis is placed on highlighting the contribution this thesis makes to the body of knowledge.

**Figure 1.1**

**Thesis Structure**

- Chapter 1: Introduction
- Chapter 2: SF/R in Strategic Alliances
- Chapter 3: Theoretical Framework
- Chapter 4: Interviews
- Chapter 5: Extended Theoretical Framework
- Chapter 6: Experiment 1
- Chapter 7: Experiment 2 MANOVA
- Chapter 8: Experiment 2 Model Testing
- Chapter 9: Conclusion

1.6 DEFINITIONS

Perry (1998) noted that terms used by researchers often have different meanings. Accordingly, general terms, which have an explicit meaning within the context of this thesis, have been defined in Table 1.1. Further definitions of specific constructs that have been investigated in this thesis are provided in the relevant section of the literature review.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Failure</td>
<td>occurs when customers’ expectations are not met (Bell &amp; Zemke, 1987).</td>
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<td>Service Recovery</td>
<td>the actions a service provider takes in response to a service failure (Groenross, 1988).</td>
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<tr>
<td>Distributive Justice</td>
<td>extent to which the final outcome is perceived as fair (Homans, 1961)</td>
</tr>
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<td>Procedural Justice</td>
<td>extent to which the policies and procedures used to achieve the final outcome are perceived as fair (Thibaut &amp; Walker, 1975)</td>
</tr>
<tr>
<td>Interactional Justice</td>
<td>extent to which one’s personal interactions with a firm’s employees are perceived as fair (Bies &amp; Moag, 1986)</td>
</tr>
<tr>
<td>Informational Justice</td>
<td>extent to which explanations about outcomes and procedures are perceived as fair (Greenberg, 1990)</td>
</tr>
<tr>
<td>Event Justice Perceptions</td>
<td>perceptions of individual justice dimensions at the event level, including distributive, procedural, interactional, and informational event justice perceptions (Cropanzano et al., 2001)</td>
</tr>
<tr>
<td>Global Justice Perceptions</td>
<td>perceptions of individual justice perceptions at the social entity level, including distributive, procedural, interactional, and informational global justice perceptions (Cropanzano et al., 2001)</td>
</tr>
<tr>
<td>Event Fairness</td>
<td>overall evaluation of fairness of a social entity in a particular event (Cropanzano et al., 2001)</td>
</tr>
<tr>
<td>Global Fairness</td>
<td>overall evaluation of fairness of a social entity across specific events and over time (Cropanzano et al., 2001)</td>
</tr>
</tbody>
</table>
Social Entity may be a person, group, or organisation (Cropanzano et al., 2001)

Social Identity a person’s identity defined in terms of various social group categories (Tajfel & Turner, 1979).

Strategic Alliance relatively enduring, inter-firm, cooperative arrangement, involving flows and linkages that use resources and/or governance structures from autonomous organisations, for the joint accomplishment of individual goals linked to the corporate mission of each sponsoring firm (Parkhe, 1993)

Airline Alliance characterised by long time frame, wide scope, and a high level of commitment; incorporates code-sharing, joint services, block seats, joint marketing, joint fares, franchise agreements, schedule co-ordination, frequent flyer benefits, airport slot sharing, joint purchase and repairs of spare parts, shared use of hangars, joint development of technical and training procedures, baggage handling, and ground maintenance (French, 1997; Li, 2000; Rhoades & Lush, 1997).

Code-sharing an airline uses its designator codes to market flights operated by another carrier as its own flights (Hannegan & Mulvey, 1995)

Home Carrier airline a consumer frequently flies with and/or has a favourable attitude of

1.7 DELIMITATIONS

In this section, the arbitrary boundaries to the thesis investigation are outlined. First, the research setting was confined to the airline alliance context. There are special conditions present in this setting that may not be found in other service alliance settings. Thus, findings from this research may not be readily transferable into other service alliance settings.
Second, samples for this research were largely confined to 1) frequent air travellers and 2) respondents of Western origin. Given the focus on airlines’ most profitable customers, frequent flyers, results may not be readily transferable to less frequent travellers. The selection of respondents based on their origin was purposeful to avoid the potential influence of differences in values, evaluations, and behaviour due to differences in people’s cultural background. This selection calls for further research of customers in different cultural settings.

Third, contextual factors impacting consumer responses to a service failure event in a strategic alliance setting, detailed in the model of organisational justice in an alliance context, have been restricted arbitrarily to four factors. This data reduction produces a simple model but may overlook the complexity of consumer evaluations and behaviour in an alliance setting. Further, potential moderating influences such as gender have not been examined.

1.8 CHAPTER SUMMARY

In this chapter, the foundations for the thesis investigation have been outlined. The background to the research problem, the research problem and individual research questions guiding this research have been introduced. The thesis investigation has been justified on both theoretical grounds and for its practical usefulness to marketers. Key aspects of the methodology and the structure of the thesis have been outlined. Useful terms have been listed. A detailed description of the thesis investigation follows in chapters 2 to 8.

In chapter 2, the review of the literature commences with the aim of building a theoretical framework that will guide this thesis. Literature relating to service failure and recovery, and its impact on key marketing outcomes such as customer satisfaction, word-of-mouth communication, and repeat purchase intentions is examined. The discussion then shifts from service failure/recovery in a single service provider context to service failure/recovery in a multiple service provider context. Finally, literature pertaining to a specific multiple service provider setting - strategic airline alliances - is reviewed.
CHAPTER 2

SERVICE FAILURE & RECOVERY IN STRATEGIC ALLIANCES
CHAPTER 2
SERVICE FAILURE & RECOVERY IN STRATEGIC ALLIANCES

2.1 INTRODUCTION

In chapter 1, the outline of the thesis investigation was presented. The major research focus on service failure and recovery was identified, and the setting of airline alliances introduced. The research problem was stated as: “How does a service failure event and subsequent service recovery of an alliance partner impact on a consumer’s evaluation of, and behaviour towards, the various alliance entities?” The purpose of chapters 2, 3, and 5 is to build a theoretical foundation for the research that will be reported in chapters 4, 6, 7, and 8. Building this foundation will be achieved in chapter 2 with a review of the service failure/recovery literature, with a particular focus on differences between single and multiple service provider settings. Literature pertaining to strategic alliances, in particular strategic airline alliances will also be reviewed. The core research problem to be resolved in this thesis will be identified; research questions that lead to the resolution of the research problem, together with specific hypotheses to guide the research program, will be highlighted in chapters 3 and 5.

In the first section of chapter 2, research on service failure and recovery, and its impact on key marketing outcomes such as customer satisfaction, word-of-mouth communication, and repeat purchase intentions is assessed. Then, the discussion shifts from service failure/recovery in a single service provider context to service failure/recovery in a multiple service provider context. Finally, literature pertaining to a specific multiple service provider setting - strategic airline alliances - is reviewed. A framework for the examination of the relevant literature discussed in chapters 2, 3, and 5 is displayed in Figure 2.1.

2.2 SERVICE FAILURE & RECOVERY–SINGLE SERVICE PROVIDER SETTING

Hoffman and Kelley (2000) pointed to a significant increase in the number of studies that focus on service-recovery related issues in the past ten years. They noted a focus on a variety of topics, including the types of service failures across industries (Bitner, Booms, & Tetreault, 1990; Gremler & Bitner, 1992), customer attributions of failures (Bitner & Hubbert, 1994; Folkes & Kostos, 1986), customer complaining behaviour (Hunt, 1991; Keaveney, 1995; Singh & Widing, 1991), customer expectations for service recovery (Kelley & Davis, 1994), types of recovery strategies in specific industries (Brown, Cowles,
recovery strategies in multicultural settings (Watkins & Liu, 1996; Wee & Cheong, 1991),
and recovery evaluations (Blodgett, Hill, & Tax, 1997; Boshoff & Leong, 1998; Goodwin
& Ross, 1992; Smith & Bolton, 1998; Sundaram, Jurowski, & Webster, 1997; Tax, et al.,
1998). More recently, theories from other disciplines, such as justice and fairness theory
from organisational research have been applied to extend the understanding of service
failure and recovery (Collie, Sparks, & Bradley, 2000; McColl-Kennedy & Sparks, 2003;
Smith, et al., 1999; Sparks, 2002; Tax et al., 1998). Following is a discussion of key issues
relating to service failure and recovery within the context of a service encounter.

2.2.1 Service Encounter

A service encounter is that period of time during which the customer and the service
firm interact in person, over the telephone, or through other media (Shostack, 1985).
Mostly, it is social in nature, involves one human being interacting with another (Czepiel,
Solomon, Suprenant, & Gutman, 1985), and is heavily reliant on the service provider’s
interpersonal skills (Nikolich & Sparks, 1995). Customer perceptions of service encounters
are important elements of perceptions of quality, customer satisfaction, and service loyalty
(e.g., Bitner et al., 1990; Solomon, Suprenant, Czepiel, & Gutman, 1985). The evaluation
of multiple service encounters results in overall service evaluations (Bolton & Drew, 1991).
Several studies confirmed that there is a high correlation between the evaluation of service
encounters and more global service evaluation measures (e.g., Bitner & Hubbert, 1994;
Suprenant & Solomon, 1987).

The performance during a service encounter depends on several factors, including
the attitudes of front-line staff and the behaviour of customers. However, due to the number
of uncontrollable factors and the nature of a service with its inherent characteristics it is
impossible to assure a 100% error-free service – service failures are inevitable (Hart, et al.,
1990; Sparks, Bradley, & Callan, 1997). Yet, Zemke and Schaaf (1990) noted that while in
manufacturing industries allowances are typically made for breakage, spoilage, or items that
do not meet required standards, the same does not necessarily hold true for service systems
that are often managed as though service failures are impossible.
Figure 2.1
Framework of the Literature Review

- **SF/R in Single Service Provider Context**
  - Definitions
  - SF/R and Consumer Responses
  *Chapter 2*

- **SF/R in Multiple Service Provider Context**
  - Brand Alliances
  - Positivity/Negativity Effect
  *Chapter 2*

- **Strategic Alliances**
  - Service Sector Alliances
  - Airline Alliances
  *Chapter 2*

- **SF/R in Strategic Alliance Setting**

- **Organisational Justice Theory**
  *Chapter 3*

- **Model of Organisational Justice**
  *Chapter 3 & Chapter 5*

- **Attribution**
  *Chapter 5*

- **Social Identity**
  *Chapter 5*

- **Pre-Consumption Mood**
  *Chapter 5*
2.2.2 Service Failure

A service failure occurs when customers’ expectations are not met (Bell & Zemke, 1987). Similar to service quality and satisfaction, it is customers’ perceptions that determines whether a service failure has occurred; even if the service has been performed according to a provider’s service blueprint (Shostack, 1984), if customers perceive a deviation from their expectations a service failure has taken place. Consequently, a service failure is subjective as it depends on customers’ perceptions and is not necessarily consistent with a service provider’s perception of a service failure (Bejou & Palmer, 1998; Halstead, Morash, & Ozment, 1996; Michel, 2001).

Sparks’ (2001) classification of service failures differentiates between acts of omission and acts of commission. Acts of omission are committed if the service offering is not provided, for example, a flight is cancelled or a reserved seat on an aircraft is not available due to overbooking. Conversely, acts of commission refer to situations where the service is delivered but not to acceptable standards. Such acts may relate to the quantity and quality of the service provision, its timing, location, and cost. Depending on the circumstances, all of these acts may potentially represent core service failures – service failures that represent large loss situations for the customer which require more substantial service recovery strategies than minor service failures (Bitner et al., 1990). Further differentiation of service failures is based on the entities that caused the service failure (organisation, customer, other customers, or a combination of these) and issues such as their severity, duration, frequency, and avoidability (Sparks, 2001).

The probability of a service failure depends on a number of factors. For example, new employees, technology, and first-time customers may increase service failure rates (Michel, 2001). If a service failure occurs and customers experience dissatisfaction they may either directly complain to the organisation or alternatively, simply engage in negative word-of-mouth communication that is detrimental to the organisation (Blodgett et al., 1997). If the former is the case, the organisation has an opportunity to rectify the situation by means of an effective service recovery. Therefore, while service failure is inevitable, dissatisfied customers are not, provided that the service recovery is effective (Hart et al., 1990).
2.2.3 Service Recovery

Reichheld and Sasser (1990) suggested that businesses commonly lose 15 to 20% of their customer base each year. A number of reasons account for this rate of defection, including better prices and/or better products by competitors. Some of these factors may be beyond the control of the service provider. However, defection due to poor service recovery is largely controllable. Several studies found that the ability to recover from a service failure favourably affects customers’ evaluation of the service and the organisation (Smith & Bolton, 1998; Tax et al., 1998). Yet, according to a study by Hart et al. (1990), more than 50% of customers felt more negative about the organisation after they had complained about a service failure. Therefore, not only is an understanding of the importance of service recovery critical but equally so is that of appropriate measures and procedures. In this context, Sparks and McColl-Kennedy (2001) argued that while previous research has established the importance of effective service recovery, the exact measures and procedures appear to be much less established.

Service recovery is a customer retention strategy, as is complaint management (Halstead et al., 1996). Complaint management is a direct response to a customer’s complaint. Yet, as noted by several researchers (e.g., Richins, 1983), up to two-thirds of customers may not complain about a service failure, leaving the service encounter dissatisfied. Even if customers voice their dissatisfaction, many firms choose not to respond to complaints, even though customers are willing to allow the firm to recover from the service failure (Hart et al., 1990). In contrast, service recovery focuses on service failures and the service provider’s immediate reaction to it. Service recovery has been defined as the actions a service provider takes in response to a service failure (Groenross, 1988), aimed at returning the customer to a state of satisfaction. However, service recovery has to go beyond putting things back to normal; it is critical to consider the kind of processes and outcomes that will enhance customer perceptions (Johnston, 1995).

Recovering a failed service delivery can take several forms. Rectifying the original service breakdown is considered the most desirable option, though it may not always be feasible, for example, if a flight has been delayed (Sparks, 2001). Explanations for the service failure, an apology, compensation in the form of a refund or discount, and providing customer input into the service recovery process are additional measures service providers can draw upon in the service recovery process (Blodgett et al., 1997; Goodwin & Ross, 1990; Hoffman et al., 1995). However, equally, and in many instances more importantly
than the provision of these individual measures are the timeliness and the manner in which these service recovery measures are offered to the customer (Blodgett, 1993; Blodgett, et al., 1997). This fact, and the various service recovery measures, will be discussed in more detail in section 3.2 that focuses on the various types of justice.

Sundaram et al. (1997) suggested that the more critical the consumption of a service is to a customer the greater is that customer’s desire for the service to be performed without major shortcomings; if shortcomings do arise a greater effort will be expected from the provider’s service recovery. Studies by Webster and Sundaram (1998), Tax et al. (1998) and Blodgett et al. (1997) confirmed the importance of service criticality. Hoffman and Kelley (2000) proposed a number of additional factors that impact the evaluation of service recovery effectiveness, namely the depth of the customer-service provider relationship, the duration and degree of customisation of the service encounter, and customers’ switching costs. Consequently, the relative effectiveness of service recovery strategies is situation-specific (Levesque & McDougall, 2000).

Initially, service recovery was viewed as a reaction to errors when customers complain (Andreasen & Best, 1977). That was in line with earlier research that noted a greater prominence of defensive marketing strategies seeking to maximize customer retention following a service failure, such as complaint, excuse, and defection management programs (Fornell & Wernerfelt, 1987; Reichheld & Sasser, 1990) and customer satisfaction guarantees (Hart, 1988). However, as mentioned earlier, most customers do not complain, necessitating a more proactive view of service recovery as a strategic management tool that goes beyond simply addressing complaint behaviour. The importance of such a perspective is evident when the impact of service recovery on key measures such as satisfaction, word-of-mouth communication, and repeat-purchase intentions are examined. Evidence suggests that effective recovery of service failures contributes to more positive customer evaluations of the organisation (Smith & Bolton, 1998; Tax et al., 1998). However, if a recovery is ineffective, a customer may develop even more negative attitudes towards the company (Hart et al., 1990), resulting in detrimental effects on satisfaction, word-of-mouth, and repeat purchase intentions. These effects will be discussed next.
Impact of Service Recovery on Customer Satisfaction

Several studies suggested that a service provider’s inability or unwillingness to recover effectively from a service failure and the consequent repeated disconfirmation of service expectations, are likely to result in dissatisfied customers (Johnston & Fern, 1999; Parasuraman, Zeithaml, & Berry, 1985). After all, customers experience what Bitner et al. (1990) referred to as a ‘double deviation’ from expectations in that the firm failed to deliver on 1) the initial service and 2) the service recovery. Conversely, effective service recovery may lead to customer satisfaction (e.g., Bitner Booms, & Mohr, 1994; Fornell & Wernerfelt, 1987; Hart et al., 1990; Johnston, 1995). Service recovery effort has also been linked to satisfaction in that the greater the effort by a service provider to recover in an excellent manner, the greater is customer satisfaction (Goodwin & Ross, 1992; Kelley & Davis, 1994; Smith et al., 1999; Tax et al., 1998). Recognizing that staff may be unable to respond in a timely manner to a service failure, Colenutt and McCarville (1994) established that in some instances the involvement of the customer in the service recovery following an explanation, apology, and discount offer could lead to satisfaction.

Impact of Service Recovery on Word-of-Mouth Communication

Word-of-mouth communication refers to an exchange of thoughts, ideas, or comments between two or more consumers, none of whom is a marketing source (Mowen & Minor, 1998). That is, they tell others, external to the transaction, of their (dis)pleasure with the service and service provider. The importance of effective service recovery is highlighted when considering that customers who experience a service failure tell nine to ten people about their poor service experience while satisfied customers only tell four to five individuals about their positive experience (Collier, 1995). Several studies confirmed that ineffective service recovery leads to negative word-of-mouth (e.g., Bitner et al., 1994; Blodgett, Wakefield, & Barnes, 1995; Richins, 1983). Conversely, service recovery that is marked by courteous and respectful treatment is likely to result in positive word-of-mouth (Blodgett, et al., 1997). Maxham (2000) noted that a high level of effort in a service recovery resulted in greater positive word-of-mouth communication than only moderate service recovery effort.

In examining the effect of word-of-mouth communication, it is not only the impact on friends, relatives, and colleagues that has to be taken into consideration but equally so the one resulting from submissions to a third party like a consumer claims tribunal following a service failure, whereby the ineffective service recovery becomes a matter of
public record. If covered widely in the press, the impact on the service provider may be much more damaging and widespread than if confined to individual cases (Fisher, Garrett, Arnold, & Ferris, 1999).

**Impact of Service Recovery on Repeat Purchase Intentions**

Repeat purchase intentions are closely linked to customer satisfaction (Yi, 1990). As is the case with customer satisfaction, a successful service recovery may also positively contribute to future repeat purchase intentions (Blodgett et al., 1997; Goodwin & Ross, 1992; Sparks & Bradley, 1997). Kelley and colleagues (1993) suggested that retention exceeded 70% for customers who experienced a satisfactory service recovery. Conversely, switching behaviour as a result of ineffective service recovery has also been reported, especially after a failure in a core service (Dube & Maute, 1996; Keaveney, 1995). Yet, even if a service failure is not resolved to the satisfaction of the customer, s/he may remain with the service provider; indeed, Levesque and McDougall (1993, p. 52) suggested that this phenomenon occurs in about 50% of cases. Switching costs, the lack of perceived alternatives, constraints in terms of time, money, and choice, habit and inertia represent possible reasons (Bitner, 1990). Alternatively, customers may switch to another firm even if satisfied with a service recovery – in these instances constraining factors may be of a low magnitude (Colgate & Norris, 2001). Therefore, it is important to differentiate between positive attitudes about a service provider and repeat purchase when discussing loyalty (Dick & Basu, 1994).

Loyalty is of importance to a firm for a number of reasons. Loyal customers are the most profitable customers since they tend to spend more over a long time period. The ‘lifetime’ value of loyal customers can be enormous (Reichheld & Sasser, 1990). At the same time costs can be substantially decreased. Furthermore, loyal customers represent a source of positive word-of-mouth communication, often resulting in referral business. The customer retention model, developed by Bain & Co, illustrates how the creation and maintenance of a relationship generates profit (Jacob, 1994). Repeat sales, reduced selling costs, increased customer value, and increased new business from referrals are all factors contributing to increased profitability.
As is apparent from this review of studies, researchers have devoted considerable attention to the study of service failure and recovery in recent years (De Witt & Brady, 2003; Smith et al., 1999; Tax et al., 1998). Yet, the vast majority of previous research has concentrated on the impact of a single service failure event, in part facilitated by the critical incident technique. More recently, several researchers have begun to investigate how multiple service failure events over an extended time period influence consumer evaluations (e.g., Mittal, Katrichis, & Kumar, 2001; Mittal, Kumar, & Tsiros, 1999), consistent with the notion of a distinction between encounter and cumulative satisfaction (e.g., Bitner & Hubbert, 1994). However, research to date has neglected the investigation of effects of SF/R in situations in which two or more service organisations are involved in the service provision, as is the case in strategic alliance settings. The review of relevant literature now turns to this shift from a single to a multiple service provider setting for service failure/recovery research first, by commenting on the reasons for this change towards multiple service provider settings and the importance to adapt, and second, by reviewing literature that can provide insights into potential shared and differential effects on multiple service providers.

2.3 SERVICE FAILURE & RECOVERY - MULTIPLE SERVICE PROVIDER SETTING

The past decade has witnessed a dramatic increase in the number of strategic alliances in general and the airline industry in particular. However, in services marketing the individual firm-customer dyad has remained the contextual focus of much of the extant research (Gitell, 2002). Only recently have service researchers begun to examine provider-provider relationships and their impact on consumer evaluations and behaviour (Gitell, 2002; Smith & Tax, 2005). In a single service provider setting, a service firm has direct control over the quality of its service provision and relationship-building efforts. In contrast, in a strategic alliance setting, a service provider relinquishes this direct control by encouraging its customers to use the services of an alliance partner (Weber, 2002). In order to ensure that a service firm’s membership in a strategic alliance is beneficial to, rather than compromises its competitive position in the long-term, an understanding of potential impacts of a service failure by an alliance partner is critical. Literature pertaining to brand alliances and the positivity/negativity effect can offer insights into potential impacts on multiple service providers, and each is discussed in turn.
2.3.1 Brand Alliance Research

In brand alliances the intent is to capitalize on a brand’s equity; that is, the value that a brand’s name adds to a product or service. In recent years brand alliances have become a popular market entry strategy as marketers attempt to capitalize on the complementary features of different brands, with co-branding and dual branding representing the two most prominent branding alliance strategies. Much previous research has focused on the concept of co-branding in which two brands combine into a single product (e.g., Cathay Pacific Citibank Credit Card). However, of particular interest in the context of this thesis is the concept of dual branding – a strategy whereby two (or more) brands share the same facilities (typically restaurants, e.g., Arby’s/Long John Silvers, Dunkin Donuts/Haagen-Dazs) and so provide consumers with the opportunity to use either one or both brands. The rationale for such an arrangement is similar to that of strategic airline alliances in that the service providers (restaurants/airlines) share expenses and facilities while providing greater variety and convenience to customers. There is, however, the question whether such a strategy can impair consumers’ image of the core brands, and dilute their brand equity (Farquhar, 1994), when consumers attribute a negative experience with one brand partner to the other. Impacts may even be more far-reaching, with potential impacts on customer satisfaction and repeat purchase intentions.

Several studies in the brand alliance context investigated the extent to which the impressions of one brand are transferred to or are affected by the impressions of the other brand to which it is strategically linked (Park, Jun, & Shocker, 1996; Rao & Rueckert, 1994; Rao, Qu, & Rueckert, 1999; Simonin & Ruth, 1998). These studies, however, are primarily placed in the consumer goods domain. In the few instances in which services were evaluated, service providers were assessed on specific standardized criteria only, without taking into consideration the variability in service delivery (Levin & Levin, 2000). Nevertheless, the findings of these studies identify several potential effects for service failure and recovery in strategic alliance settings.

In general, studies investigating brand alliances have derived positive results. For example, brand alliances may trigger the transfer of consumer affect from a high-quality brand to a low-quality brand (Levin, Davis, & Levin, 1996), improve the image of partners and signal greater product quality (Park et al., 1996), positively influence consumers’ quality perceptions of unobservable product attributes of a partner brand (Rao et al., 1999),
and contribute to the development of favourable attitudes towards the brand combination (Simonin & Ruth, 1998).

However, detrimental effects of brand alliances may also be observed. Farquhar (1994) pointed to the possibility of consumers blaming the wrong brand for their dissatisfaction by attributing a negative experience with one brand partner to the other. Such asymmetries pose a risk of diluting brand associations. More recently, Janiszewski and van Osselaer (2000) found the timing of consumer exposure to individual brands versus the alliance to be a key factor influencing whether a brand alliance is beneficial or not to the partnering brands. Another stream of literature that informs the thinking of effects for partners in service alliances is the one on positivity/negativity effects.

2.3.2 Positivity/Negativity Effect Research

The negativity effect, that is, the greater weighting of negative information as compared to positive information, has received considerable support in the psychology, consumer, and marketing literature (Ahluwalia, 2002; Herr, Kardes, & Kim, 1991; Mittal, Ross, & Baldasare, 1998; Skowronski & Carlston, 1987). Offering a rationale for this phenomenon, Taylor (1991) asserted that negative events have the potential to evoke more physiological, cognitive, affective, and behavioural activity, and prompt more cognitive analysis than neutral and positive events. In the marketing context, negativity effects are perceived to prevail due to negative information being more diagnostic in categorizing target products and services into evaluative categories (Herr et al., 1991). More specifically, Mittal, Ross, et al. (1998) observed that utility-preserving attributes (e.g., safety in air travel) appear to have a higher potential for negative disconfirmation, whereas utility-enhancing attributes (e.g., entertainment aboard a flight) have a higher potential for positive disconfirmation.

Recently, Ahluwalia (2002) argued that the negativity effect’s robustness in consumer environments might be overstated. Specifically, she noted important differences in the experimental settings in which this effect has been obtained and marketplace conditions, with subjects in past studies having typically evaluated unknown or hypothetical targets with the goal of forming an accurate impression. Yet, in the marketplace consumers may be familiar with brands and process brand-related information with a variety of other processing goals, such as impression and defence motivation. Her study yielded two interesting results. First, brand familiarity was shown to have an impact; when consumers
are familiar with a brand and like it, the negativity effect is attenuated, in contrast to an unfamiliar brand. Thus, if consumer pay attention to new information about the brand, they are likely to demonstrate only a weak negativity effect as even a weak positive attitude is likely to invoke consistency motivation, enhancing the weight given to attitude-consistent positive information.

Second, as consumers’ involvement and familiarity with the brand increases, they are likely to pay more attention to new information about the brand (Pechmann & Stewart, 1990). Whether this increased attention translates into strengthening, eliminating, or reversing the negativity effect is dependent on individuals’ processing goals. Specifically, when consumers are motivated by accuracy concerns, a negativity effect is likely to be observed. However, this effect is eliminated with impression-involved individuals and reversed into a positivity effect by defence-motivated consumers who may be committed to the brand. In summary, a strong negativity effect is only likely to emerge when consumers are highly involved in a decision or product category but not attached to the brand, and if they are not motivated by any social concerns in processing the new information.

Common to all studies reported in this section so far, however, is that they have focused on a tangible product rather than a service context. In contrast to the negativity effect prevalent for products, Folkes and Patrick (2003) proposed a positivity effect in consumers’ inferences about service providers. They argued that when a consumer has little experience with a service, positive information about a single employee leads to inferences that the firm’s other service providers are similarly positive to a greater extent than negative information leads to inferences that the firm’s other service providers are similarly negative. This positivity effect was supported across their four studies that differed in methods and measures.

However, the authors based their study on a number of assumptions that may not be reflective of conditions in the marketplace. For example, Folkes and Patrick (2003) examined the impact of the positivity effect for inexperienced customers. However, brand loyal customers are the focus of airlines’ efforts; they do have prior experience with the airline, and on that basis have formed opinions and expectations. Customers may also hold strong beliefs about the particular airline, about airline services in general, and alliances in particular. Furthermore, the authors argued that the majority of services are somewhat good or bad. However, high severity service failure events do occur, and often have a significant
impact on the customer-service provider relationship. Finally, in their study, the focus was on friendliness that can be classified as one form of interactional justice. However, there are other elements that are commonly assessed in service failure/recovery situations, both within interactional justice and in other justice dimensions such as procedural, distributive, and informational justice. Previous studies have shown that there may be a positivity effect for some elements and a negativity effect for others (Wojciszke, Brycz, & Borkenau, 1993), so that it would appear useful to investigate the effect for a combination of justice dimensions.

In this section, the importance of service failure/recovery research in a multiple service provider setting has been established. Next, literature pertaining to the selected multiple service provider setting, strategic alliances, in particular strategic airline alliances, is examined. The selection of strategic airline alliance settings for this thesis investigation was based on four factors: 1) the airline industry was the first sector of the tourism industry to implement strategic alliances in the late 1980s, 2) airline alliances are today at an advanced stage in terms of integration and public awareness, 3) variations in service quality and a relatively high incident rate of service failure events in the airline industry have been well documented (Bowen & Headley, 2005), and 4) given the increased frequency of international business travel, experience with service failure events in airline alliance settings was perceived to be high. Therefore, the airline alliance setting was considered most appropriate for the investigation of service failure and recovery in a multiple service provider context.

2.4 STRATEGIC ALLIANCE RESEARCH

Strategic alliances (SAs) between firms, in both the manufacturing and service sector, have risen to prominence in the last decade. Fundamental changes in the competitive business environment contributed much to the accelerated pace of strategic alliance formation. Ohmae (1989) pointed to the growing domestic and international competition, shortening product life cycles, the rapid pace of technological change, the convergence of consumer preferences across the world, rampant protectionism, and rising capital investment costs as key contributing factors. Many firms that lack certain resources (e.g., competencies, finances) to succeed in their own right in such an environment have sought to align themselves with firms that can act in a complementary fashion, with the aim of jointly achieving a competitive advantage (Faulkner, 1995).
Parkhe (1993, p. 794) defined strategic alliances as “relatively enduring, interfirm, cooperative arrangements, involving flows and linkages that use resources and/or governance structures from autonomous organisations, for the joint accomplishment of individual goals linked to the corporate mission of each sponsoring firm.” Business alliances, strategic partnerships, strategic networks, interorganisational linkages, interfirm cooperation, collaborative agreements, quasi-integration strategies, cooperative, coalition, and collective strategies, and corporate linkages are some of the alternative terminology used to study aspects of strategic alliances, as observed by Varadarajan and Cunningham (1995). They also pointed out that strategic alliances between organisations could range from being limited in scope to a single functional area to encompassing all of the partners’ functional areas.

The proliferation of strategic alliances has been accompanied by an increased interest in the academic community to study the phenomenon. Dawson and Shaw (1992) proposed that the issues involved in, and the reasons for, the formation and continued development of alliances in the service sector are complex, and in some cases quite different from the reasons for alliances in the manufacturing sector. This is not surprising given the different characteristics of goods versus services, as affirmed in the services marketing literature (e.g., Berry, 1980; Shostack, 1977; Thomas, 1978). However, only two studies to date have assessed issues in strategic alliances in services with a view to differentiating them from those in the manufacturing context (Hellman, 1995; O’Farrell & Wood, 1999). However, both studies are set in a business-to-business context rather than a business-to-consumer context that is of interest to this thesis.

2.4.1 Strategic Alliances in the Tourism and Hospitality Industry

Strategic alliances have become particularly prominent in the tourism and hospitality industry. The most visible ones are the global airline alliances such as Star Alliance, OneWorld, and Skyteam. However, alliances have also been noted in other sectors of the industry. Several studies have assessed strategic alliances in the tourism destination marketing context (e.g., Hill & Shaw, 1995; Long, 1997; Palmer & Bejou, 1995; Selin & Myers, 1998; Telfer, 2001), while others have focused on hotels and/or restaurants (e.g., Dev & Klein, 1993; Morrison, 1994; Preble, Reichel, & Hoffman, 2000; Strate & Rappole, 1997). Garnham (1996) and Go and Hedge (1994) adopted a broader view by assessing strategic alliances in several industry sectors. Common to all these studies, indeed to the vast majority of studies on strategic alliances in the service sector in general, is the focus on
issues relating to the organisation, specifically, detailed descriptions of alliance partners, benefits accruing to them, and success factors for these alliances.

Such a focus on the organisation in the research conducted to date has completely neglected consumer perceptions of strategic alliances. While these are of interest in the manufacturing sector, a comprehensive understanding of consumer perceptions is even more crucial in a service context due to the distinguishing characteristics of services, in particular the key role the customer plays in the service delivery process (Hellmann, 1995). Only one study to date, O’Farrell and Wood (1999), pointed to the need to incorporate clients into the conceptual framework of strategic alliance formation and investigate their role in strategic service alliances.

O’Farrell and Wood (1999, p. 141) noted that

business service companies must inherently work closely with client staff in ‘joint production’ relationships which are qualitatively different from manufacturing-client relations. However, strategic alliances involving either service or manufacturing firms can only succeed with client sanction, which makes the neglect of the client even more puzzling.

While the authors emphasise the importance of the inclusion of the client/customer in the formation and development of business service alliances, the consideration of the customer is equally critical in consumer services alliances. Strategic airline alliances provide an appropriate setting for further investigation of consumer perceptions.

2.4.2 Strategic Airline Alliances

The formation of alliances in the airline industry is not a new phenomenon. However, the number of alliances formed has dramatically increased in the 1990s. Yet, it is not only the number but also the nature of alliances, now being more strategic in nature, that has changed. Burton and Hanlon (1994) also pointed out that allied airlines are now operating mostly on different routes while previously they were operating on the same route. Gallacher and Odell (1994) reported that there were more than 280 alliances involving 136 airlines in 1994, based on the results of the annual airline alliance survey conducted by Airline Business magazine. About 60% of these alliances had been formed
since 1992. The number of alliances increased to about 300 in 2005, involving 120 airlines (Kemp, Mountford, & Tacoun, 2005).

The debate over the definition of strategic alliances and the difference to other market entry strategies such as joint ventures and equity acquisition, evident in the literature on alliances in general, is also apparent in the literature on airline alliances. There is a consensus that airline alliances are horizontal in nature and involve a high level of collaboration (e.g., Dresner & Windle, 1996; Tretheway & Oum, 1992). However, some authors (e.g., Hanlon, 1999; Park & Cho, 1997) include joint venture activities in the realm of strategic airline alliances. Yet, by definition, a joint venture involves the formation of a separate entity by partners that is jointly owned and operated. Evans (2000) elaborates on this distinction by contrasting current airline alliances with the major Computer Reservation Systems (CRSs). In the case of CRSs, separate independent operating entities have been formed by collaborating airlines and other investors which function in an autonomous manner, having their own offices, infrastructure, and access to capital. In contrast, in strategic airline alliances partners own and manage their core assets. Similarly, while airline alliance partners in some instances take out cross-equity stakes, they differ from ‘standard’ equity acquisitions in that they are typically small (about 5%).

Cross-equity stakes among airline alliance partners are found in strategic rather than tactical alliances. Bennett (1997) referred to tactical alliances as loose forms of collaboration that exist to gain marketing benefits, do not involve major resource commitments, and are relatively low risk in nature. In contrast, a longer time frame, wider scope, and a higher level of commitment are distinguishing features of strategic alliances. Strategic alliances incorporate numerous elements of tactical/marketing alliances, even though there are now also many tactical alliances in their own right. Code-sharing, joint services, block seats, joint marketing, joint fares, franchise agreements, schedule coordination, frequent flyer benefits, airport slot sharing, joint purchase and repairs of spare parts, shared use of hangars, joint development of technical and training procedures, baggage handling, and ground maintenance represent the main features of strategic airline alliances (French, 1997; Li, 2000; Rhoades & Lush, 1997).

The proliferation of airline alliances in recent years has stimulated interest in researching various aspects of the phenomenon. Studies have traced the history of specific airline alliances (Simons, 2000), examined the motives to enter them (Youssef, 1992),
proposed key factors contributing to their success (Bissessur, 1996), and suggested reasons for their failure (Li, 2000). The effects of airline alliances have also been investigated, with a particular focus on the alliance partners (e.g., Gellman Research Associates, 1994; Oum, Park, & Zhang, 1996; Park & Cho, 1997). Increased revenue and passenger numbers, greater access to slots and gates, greater frequency of services, more comprehensive route networks, economies of scale in marketing, service costs, and the eradication of duplication of operational efforts represent the most frequently cited benefits for airline alliance partners. Benefits of strategic alliances for passengers have primarily been assessed in the context of code-sharing agreements (e.g., Beyhoff, 1995).

Code-sharing agreements are an integral part of global strategic airline alliances. They may also be key in affecting consumers’ evaluation of their home carrier, partner airlines, and the alliance overall. Hannegan and Mulvey (1995) noted that code-sharing occurs when an airline uses its designator codes to market flights operated by another carrier as its own flights. The motive is to show connecting flights of different airlines as occurring on one airline, a practice which results in more advantageous positions in Computer Reservation Systems, leading to several benefits for the airlines involved (Humphreys, 1994).

The literature focuses on a number of benefits of code-sharing practices that eventuate to the passenger (e.g., Beyhoff, 1995; Burton & Hanlon, 1994; Dresner & Windle, 1996; Youssef & Hansen, 1994). The expansion of the route network, improved connections through the coordination of schedules, and greater frequency of services are the most prominent advantages. In addition, shared airport facilities for check-in and lounges provide one stop check-in convenience and ease of transfers. Customers also benefit from combined sales operations, through fares, and the reciprocity of Frequent Flier Programs (FFPs). In studies to date, improvements in service resulting from alliances are equated to the quantity of connections and their quality in terms of reduced layover time. However, potential effects on consumers’ perceptions of, and behaviour towards, a particular airline resulting from the exposure to the services of an alliance partner - who still has to be regarded as a competitor despite membership in the same alliance - have thus far not been investigated.
Frost and Kumar (2000) provided an overview of the various points of customer-airline personnel contact, related to taking a particular flight. In many instances, research has focused on the in-flight process, and in case of global airline alliances the in-flight experience is critical since flights are typically of a long-haul nature (Shaw, 1999). Yet, contact between the customer and airline personnel starts much earlier with the passenger making a reservation, followed by the payment and collection of the ticket (either at the airline’s ticket office, at the airport, or more recently, via the Internet). At the airport, the customer has to check in at the airline desk and may also use an airline’s lounge before boarding the plane. Following disembarkation, airline personnel may assist the passenger with any special handling and/or baggage collection before the experience with the airline ends. Throughout this process, the passenger will have dealt with a variety of airline staff, including reservation staff, ticket office staff, staff at the check-in counter and the lounge, and the cabin crew. In the past, the provision of these experiences was generally under the direct control of the particular airline - the airline had to only contend with the lack of control over factors such as passengers’ experiences at the airport, air traffic control, and adverse weather conditions (Witt & Muehlemann, 1995). However, in the case of global airline alliances, that particular airline relinquishes this direct control by encouraging its customers, including its most loyal ones, to use the services of other partner airlines in the alliance, mainly through the practice of code-sharing.

Figure 2.2 depicts a cycle of service for a flight serviced by an alliance where several partner airlines operate different sectors of the flight. As outlined earlier, the problem in terms of the in-flight experience is that there is no control over the service provided by an airline alliance partner. However, this lack of control is not only evident for the in-flight experience but also relates to the ground arrangements that may be handled by the partner airline, for example, the check-in process. Transfers between flights operated by alliance partners may also represent a potential problem area since it may not be clear to the customer at what point the responsibility of one airline ends and that of the airline partner servicing the next flight sector starts. Indeed, this may not even be clear to the partner airlines, and be reflective in their behaviour which can be especially detrimental should the customer experience a problem during the transfer period. Therefore, the transfer has been identified as a critical zone of responsibility. In summary, the potential for variability of service delivery throughout the entire flight operated by several alliance partners is evident, thus service failure events can occur at any stage in the cycle of service.
The services marketing literature affirms several characteristics that differentiate services from goods (e.g., Berry, 1980; Shostack, 1977; Thomas, 1978), namely, intangibility, perishability, inseparability, and variability. Variability in service provision is an issue that can occur with the same staff at different time periods and different staff at the same time within the same organisation. However, potential problems, especially if a service failure occurs, are compounded if it happens across organisations. The notion of product fit becomes important in this context. Simonin and Ruth (1998) argued that fit in the alliance context refers to the relatedness of the product categories referred to, or implied by, the alliance, irrespective of the individual brands. In case of global airline alliances such as Star, Oneworld and Skyteam, the issue of product fit is addressed with all partners in these alliances being primarily concerned with the transportation of passengers on routes that another may not service at all or not to the same degree. However, in assessing the fit of brands, several observations on the composition of the three major global airline alliances can be made. The Star alliance, launched in May 1997, consists of Air Canada, Air New Zealand, All Nippon Airways, Asiana Airlines, Austrian, British Midland, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Singapore Airlines, Spanair, TAP Portugal, Thai Airways, United Airlines, US Airways, and Varig. The broad geographical representation is also evident, albeit with fewer member airlines, for Oneworld and Skyteam. Oneworld was launched in February 1999 and comprises Air Lingus, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Lan Chile, and Qantas. Skyteam, launched in June 1999, comprises AeroMexico, Air France, KLM, Alitalia, Continental Airlines, CSA Czech Airlines, Delta, Korean Air, and Northwest Airlines.

In reviewing member airlines, it is apparent that in the desire to offer a global route network and facilitate seamless travel, global strategic airline alliances bring together airlines that have 1) traditionally a volume orientation (US airlines) versus airlines that have a service orientation (Asian and European airlines), and 2) very different cultural backgrounds. These alliances have introduced measures that aim to standardize policies and procedures dealing with service delivery, including service recovery following service failure events. For example, consideration has been given to on-board luggage allowances that often vary among alliance airlines, and can create difficulties for a customer when travelling on a multi-sector flight using various alliance airlines. Similarly, differences in the amount of compensation paid by alliance airlines in case of lost luggage may cause consumer anger. However, due to the recency of global airline alliance formation such measures to standardise policies and procedures have not been adopted across the various
alliance partners, and even if they are fully implemented, the issue of variability of service delivery remains an issue to contend with. Impacts are likely to be particularly felt in the event of a service failure and recovery.

Following the review of the literature and identification of research gaps, the research problem is stated as follows:

**How does a service failure event and subsequent service recovery of an alliance partner impact on a consumer’s evaluation of, and behaviour towards, the various alliance entities?**

2.5 CHAPTER SUMMARY

In this chapter, literature pertaining to service failure and recovery in both single and multiple service provider settings has been reviewed, and past research on the setting of this thesis investigation – strategic alliances – has been discussed. The importance of service failure and recovery research has been established, with the review of the extant literature highlighting a critical research gap – the neglect of service failure and recovery research in multiple service provider settings. Accordingly, the research problem was identified from these gaps.

In chapter 3, the building of a theoretical framework for the research program will commence. Organisational justice theory (Adams, 1965; Bies & Moag, 1986; Thibault & Walker, 1975), a theoretical framework that has recently been applied to extend the understanding of service failure, will be introduced. Justice theory, and in particular a recently advanced model of organisational justice by Cropanzano and colleagues (2001), are perceived as appropriate to further explore potential impacts of service failure events in an alliance setting.
Figure 2.2
Cycle of Service for Flight Experiences with a Global Airline Alliance

RESERVATION
Airline ticket agent, travel agent, or on-line

AIRPORT
Flight Check-In (Check-In Desk)
Home Carrier or Partner Airline
Boarding Pass
Luggage Check-in

AIRLINE
Airline Lounge
Home Carrier or Partner Airline
Facilities
Services

END OF FLIGHT
Baggage Collection
Special Handling

SF
FOLLOW-UP
(Airline/Partner/Alliance)
(DJ,PJ,JI,INFJ)

PRE/POST FLIGHT

IN-FLIGHT EXPERIENCE
Home Carrier or Partner Airline
Comfort, Catering, Service

Timing
Communication
Assistance

Critical Zone of Responsibility

Airline A

Airline A or Airline B or Alliance

Airline B
CHAPTER 3

THEORETICAL FRAMEWORK
CHAPTER 3
THEORETICAL FRAMEWORK

3.1 INTRODUCTION

In chapter 2, the importance of service failure and recovery was highlighted with reference to potential impacts on key marketing outcomes. The need to extend research beyond a single service provider setting was then emphasised, with a literature review on brand alliances and the positivity/negativity effect pointing to potential impacts on multiple service providers. Finally, chapter 2 identified strategic alliances, in particular strategic airline alliances, as a suitable setting to investigate the impact of service failure and recovery in multiple service provider settings. The research problem was identified as: How does a service failure event and subsequent service recovery of an alliance partner impact on a consumer’s evaluation of, and behaviour towards, the various alliance entities?

The focus of chapter 3 is two-fold. First, organisational justice theory, as a framework guiding this thesis investigation, is assessed by reviewing literature pertaining to individual dimensions of justice and a recently advanced model of organisational justice by Cropanzano and colleagues (2001). Second, based on the literature review and consideration of the particulars of the setting of the thesis investigation, a model of organisational justice in a multiple service provider setting, specifically an airline alliance is advanced. The purpose of chapter 3 therefore, is to continue building a theoretical foundation for the research, with a specific focus on organisational justice research.

3.2 ORGANISATIONAL JUSTICE THEORY

Bowen and Schneider (1988) argued that in the production of services a customer often becomes a ‘partial employee,’ in that even though s/he is not part of the organisation the customer performs functions that in manufacturing industries are exclusively performed by employees of the organisation. It is not surprising then that researchers have begun to extend research in service settings by drawing on organisational theory. Given the importance of understanding employee reactions and behaviour, Clemmer and Schneider (1996) suggested that theoretical foundations from organisational research might prove conducive to expanding the understanding of service failure and recovery. Organisational justice theory in particular has the potential to further explain the type and process of service recovery most appropriate to the circumstances of the service failure.
Research in justice within organisations dates back about 30 years. Justice theory has its origin in social psychology. In the past, it has been especially utilised in legal and organisational settings. Its application in service industry settings is much more recent (e.g., Smith et al., 1999; Sparks & McColl-Kennedy, 1998; Tax et al., 1998). The adaptation of justice theories to service failure and recovery is based on the notion that customers’ evaluations, such as fairness and satisfaction, and behaviours, such as word-of-mouth communication and loyalty, are dependent on whether they feel that justice has been done and consequently, they have been treated fairly (McColl-Kennedy & Sparks, 2001). Four types of justice have been identified, namely, interactional justice, distributive justice, procedural justice, and informational justice. Each of these justice measures will be discussed in turn.

3.2.1. Interactional Justice (IJ)

Previous research indicates that interactional justice is the most important aspect in the evaluation of a service recovery, and consumers’ subsequent evaluation of, and behaviour towards, the service provider (Collie, Sparks & Bradley, 2000; Blodgett et al, 1997). Bies and Moag (1986) first introduced the concept of interactional justice into organisational research, identifying justification, truthfulness, respect, and propriety as its main determinants. Interactional justice is concerned with communication processes and the treatment of individuals (Cropanzano & Greenberg, 1997). These aspects are of particular importance in the tourism and hospitality industry, a service industry that is heavily reliant on the service provider’s interpersonal skills (Nikolich & Sparks, 1995). In a service recovery context, interactional justice is characterized by a number of elements, including the display of concern or empathy for the customer, and a customer’s treatment with dignity, respect, politeness, and honesty (Clemmer, 1993; Tax et al., 1998). In addition to these responses that require interpersonal sensitivity, interactional justice is also reflected in the amount of effort staff display in resolving a service failure event (Mohr & Bitner, 1995; Sparks & Bradley, 1997). Price, Arnould, and Deibler (1995) highlighted the importance of interactional justice when asserting that failure to meet minimum standards of civility in a service encounter induces negative emotional responses in consumers more than any other service provider performance factor. Conversely, fair interpersonal treatment contributes to satisfaction in service encounters (Bitner et al., 1990) and more positive evaluations of service quality (Parasuraman et al., 1985).
Elaborating on this issue, Lovelock, Patterson, and Walker (1998) suggested that uncaring and rude behaviour by staff toward a customer might violate a customer’s self-esteem, sense of self-worth, and fairness. This is especially the case in a service failure/recovery situation. Consequently, interactional justice is a critical determinant of customer evaluations following a service failure event, as evidenced by the results of numerous studies (e.g., Goodwin & Ross, 1992; Sparks & McColl-Kennedy, 2001). For example, Johnston (1995) identified attentiveness, helpfulness, care, responsiveness, and communication as the most important attributes impacting service recovery evaluations. More specifically, Tax (1993) found that interactional justice is the strongest predictor of trust and overall satisfaction. Similarly, Sparks and McColl-Kennedy (2001) showed that service provider concern and politeness are of particular importance to customer satisfaction and fairness evaluations while Hocutt, Chakraborty, and Mowen (1997) found prompt, courteous service recovery attempts to be critical. Apart from satisfaction and fairness, interactional justice was also found to have the largest impact of all justice dimensions on repatronage and negative word-of-mouth communication (Blodgett et al., 1997). Consequently, interactional justice is a critical determinant of consumer evaluations and behaviour following a service failure event. Yet, while previous research has found interactional justice to be most persuasive, other justice dimensions are also of importance (Boshoff, 1997; Goodwin & Ross, 1990). Distributive justice, and its relation with interactional justice in particular, will be discussed next.

3.2.2 Distributive Justice (DJ)

Research initially focused on distributive justice - a justice dimension that has its origin in social exchange theory that emphasizes the role of exchange considerations as a key influence on interpersonal relations (Adams, 1965). Numerous rules of distributive justice have been identified, with the principles of equity and equality representing the most prominent ones (Deutsch, 1975; Leventhal, 1976). In the marketing literature, until recently there had been an almost exclusive focus on the equity principle (Tax et al., 1998) whereby a fair exchange is said to take place if each party receives an outcome in proportion to its input. This input-outcome ratio of one party is then compared to that of other parties. Perceptions of inequity result if the outcome is perceived as too low compared to the input, but may also be evident if the outcome is perceived as too high or too different from what others receive (Leventhal, 1976). The latter was demonstrated when Domino Pizza found that its customers perceived “delivery within 30 minutes or a free pizza” as too generous an
offer, and subsequently changed it to a more equitable offer of “delivery within 30 minutes or $3 off the purchase price.”

In the context of service failures, distributive justice relates to the perceived fairness of the redress offered to a consumer following the service failure event, or the outcome of a service failure event. Kelley, Hoffman, and Davis (1993) identified various forms of distributive justice, namely refunds, reimbursement, corrections of charge, replacement, repair, credit, and an apology. Several studies noted the importance of employing a combination of these measures. For example, Goodwin and Ross (1990; 1992) emphasized the provision of a tangible outcome following a service failure, noting that an apology will not compensate for the lack of a refund or exchange, yet a combination of a tangible offer and an apology enhances customers’ perceptions of fairness and satisfaction. Similarly, a tangible outcome in the form of an offer may be perceived more or less favourably if an explanation for the service failure event is given or not (Sparks & Callan, 1996). The offer of compensation is important from another perspective in that it is seen as an indication that the cause of the service failure is less stable; in other words, the service failure is the result of a temporary rather than recurrent lapse in service (Bitner, 1990).

There is evidence that distributive justice influences customer satisfaction and perceived service quality (Oliver & Swan, 1989). Boshoff (1997) reported that irrespective of other measures employed, the higher the level of atonement, the more significant was the improvement in service recovery satisfaction, confirming findings by Goodwin and Ross (1990) who found that even a token refund enhances consumer satisfaction. In contrast, Johnston (1995) argued that atonement might not be required. This, however, may only be the case if other service recovery measures are of utmost standard; if that is not the case, the lack of atonement is likely to impact on consumer satisfaction (Boshoff, 1997). The importance of distributive justice on intentions of repatronage and word-of-mouth communication was highlighted by Blodgett et al. (1997). They found that consumers who experience a higher level of distributive justice are more likely to use the service provider again and less likely to engage in negative word-of-mouth communication, and vice versa.

The relationship between distributive and interactional justice is also of importance, as it is central in validity assessments of two competing theories on the ‘fair process effect’ – the tendency for outcome evaluations and subsequent behaviour to be influenced by perceptions of procedural justice (Van den Bos et al., 1997). Procedural justice in this context
refers to both structural and interpersonal aspects of the process. Fairness heuristic theory (van den Bos, Lind, Vermunt, & Wilke, 1997) argues that as people seldom have access to information about other people’s outcome they must rely instead on readily available information. Thus procedural justice is used, in a heuristic manner, to shape impressions of overall justice. However, when information of the outcome of others is available then this information is accorded greater weight than procedural information. Indeed, Van den Bos and colleagues go so far as to suggest that when social comparison equity information is available one does not need procedural fairness to construct outcome judgments (Van den Bos et al., 1997, p. 1043).

Conversely, fairness theory (Folger & Cropanzano, 1998; 2001) claims that interactional justice may affect outcome evaluations more strongly than either procedural or distributive justice. According to Folger and Cropanzano (1998), violations of interactional justice often seem to be deliberate and freely chosen. In contrast, potential ambiguities exist for evaluating actions on the basis of procedural or distributive justice. In summary, both fairness heuristic and fairness theory maintain that process issues affect outcome evaluations although the former theory claims that the strength of this effect varies with social comparison information.

Collie, Sparks, and Bradley (2000), the first to empirically test both theories in a service failure context, investigated the effect of interactional justice, that is, the interpersonal aspect of the process, and the comparison to the outcome of others on fairness perceptions and satisfaction. They found that interpersonal treatment of customers significantly affected evaluations of outcome fairness and satisfaction, even when information about the outcome of others is known; knowledge of the outcome of others influenced respondents’ evaluation of fairness but did not extend to satisfaction with the service encounter nor to future intentions in relation to the service provider. The authors concluded that interactional justice has a larger and more pervasive influence on customer evaluations than social comparison equity information, thereby lending support to Cropanzano and Folger’s (1998) fairness theory.

Apart from interactional and distributive justice, procedural justice has been identified as an important justice dimension (Thibaut & Walker, 1975), and will be discussed next.
3.2.3. Procedural Justice (PJ)

The notion of procedural justice – relating to perceptions of fairness of the process with which resources are allocated - first appeared in legal settings with the seminal work of Thibaut and Walker (1975). Process control or ‘voice’ was regarded as a key determinant of procedural justice; a process would be evaluated as fair if a person had the opportunity to express his/her views or have input into the decision (Bies & Shapiro, 1988). Leventhal and colleagues were not only instrumental in introducing procedural justice into organisational research but also in broadening the determinants of procedural justice beyond the original one of process control or ‘voice.’ In particular, they proposed that for a process to be evaluated as fair, consistency, a lack of bias, accuracy of information, correctability, representation, and ethicality have to be present (Leventhal, Karuza, & Fry, 1980). Tax et al. (1998, p. 62), synthesizing findings from legal, marketing, psychology, and organisational literature, suggested that a fair complaint procedure is one that is easy to access, provides the complainant with some control over the disposition, is flexible, and concluded in a convenient and timely manner.

In the service recovery literature, the assessment of procedural justice has particularly focused on the impact of voice. Voice or process control procedures offer consumers the opportunity to express their opinion and provide input into the decision (Bies & Shapiro, 1988). Studies have shown that voice enhances procedural fairness perceptions even when the person making the fairness evaluation has no control over the decision; procedural fairness is enhanced as long as voice is given to an individual before a decision is made (Kanfer, Sawyer, Earley, & Lind, 1987; Tyler, 1987). Two theories that attempt to explain the voice effect have been advanced, namely instrumental and group-value (relational) theory. Proponents of the instrumental theory of procedural justice argue that voice is important since it advances the perception that people will have control over the outcome of the decision. This notion originates mostly from legal settings where many decisions may have been made by a third party; yet it is equally applicable to a setting where two parties alone argue over the appropriate outcome. In contrast, Lind and Tyler (1988), proposing the group-value model, later renamed into relational model (Tyler & Lind, 1992), approached the voice effect from a relational perspective. They argued that individuals will perceive procedures as fair if they acknowledge either explicitly or implicitly the person’s full status within a group or society at large. Fair procedures would therefore ensure that a person is not excluded from a group or relegated to a lower class status.
Apart from voice, several other characteristics of effective service recovery procedures have been established. The speed of recovery is an important element affecting consumer evaluations and behaviour (Blodgett et al., 1997; Clemmer, 1993; Kelley et al., 1993). Kelley and colleagues (1993), for example, noted that service recovery procedures that are implemented promptly are much more likely to be associated with higher consumer effectiveness ratings and retention rates than procedures that are implemented late. Yet, that this is not always the case was established by Blodgett et al. (1997, p. 201) who found that “having to come back the next day to talk to the manager was of little consequence compared to the manner in which the complainant was treated and the amount of the exchange or discount that was offered.” Similarly, Smith et al. (1999), investigating moderating effects of failure type and failure magnitude, ascertained that speed of recovery had a greater impact on procedural justice when customers experienced an outcome (what the customer receives from a service) rather than process (how the customer receives the service) failure and when the service failure was low in magnitude. Further important procedural justice elements are an organisation’s accessibility and assumption of responsibility, appropriate procedures to follow-up on the service recovery, efficiency, and flexibility (Clemmer, 1993; Tax et al, 1998).

More recently, not only has there been support for interactional justice to be distinct from procedural justice but also for further sub-dividing interactional justice, as originally suggested by Greenberg (1993). Colquitt (2001) and Colquitt, Conlon, Wesson, Porter and Ng (2001) supported the distinction between interpersonal justice (reflected in a dignified and respectful treatment accorded to a person) and informational justice (concerned with the provision of explanations or social accounts). Thus, informational justice is discussed next.

3.2.4. Informational Justice (INFJ)

Research on informational justice, also referred to as social accounts, dates back several decades, originating in psychology, sociology, and philosophy. Scott and Lyman (1968, p. 46) defined social accounts as “statements made by a social actor to explain unanticipated or untoward behaviour – whether that behaviour is his own or that of others.” The authors also noted that social accounts are crucial elements of interpersonal relations as they prevent conflict from arising by “verbally bridging the gap between action and expectation.” The value of social accounts or explanations as a conflict management strategy that manages a person’s perception of negative events has led to numerous studies investigating distinct research streams, namely, the various types of explanations and their
effects, potential moderators on their effects, key characteristics of effective explanations, and the impact of situational factors.

In a seminal paper, Scott and Lyman (1968) distinguished between two types of explanations: excuses and justifications. Since then numerous taxonomic classifications of explanations have been developed (e.g., Schlenker, 1980; Schoenbach, 1990). Bies (1987) forwarded the most widely used taxonomy in organisational sciences, detailing four types of explanations: a causal account, an ideological account, a referential account, and a penitential account. These accounts may be differentiated along two dimensions: 1) whether the actor admits that the event or its consequences are negative, and 2) whether the actor accepts personal responsibility for the events or its consequences (Schlenker, 1980).

A causal account, or excuse, refers to an explanation in which the actor admits that the event was negative or the outcome was unfair but denies personal responsibility by citing some external cause or mitigating circumstance. For example, a soldier may admit the wrongfulness of killing but claim that he is under orders and therefore not responsible (Scott & Lyman, 1968). In contrast, a justification is an explanation in which the actor accepts responsibility for the action but minimizes or denies its severity as perceived by the audience. According to Bies (1987), there are two types of justifications: in an ideological account the actor attempts to reframe the event or its consequences by appealing to superordinate values and goals. For example, a soldier might justify killing others by asserting that his side is fighting for the just cause of freedom (Scott & Lyman, 1968). Conversely, in a referential account the actor attempts to reduce the severity of the event or its consequences by providing a more favourable standard by which to evaluate the situation. For example, multinational corporations may pay foreign workers less than their domestic counterparts, yet these earnings may still be high by the standards of developing countries (Friedmann, 1999). Finally, a penitential account, or apology, refers to an explanation in which the actor accepts responsibility for the event or its consequences, and makes no attempt to reduce the negativity as perceived by the audience. With such an action the account giver is hoping to convince the receiver that the actions were isolated incidents, and not representative (Schlenker, 1980). The intent, according to Bies (1987), is to express regret and seek forgiveness from victims of wrongdoing.

In the context of organisational justice, explanations have received considerable research attention as they were conceptualised as one element of the interpersonal aspect of
procedural justice (Bies, 1987; Bies & Moag, 1986; Lind & Tyler, 1988). In turn, procedural justice was found important in that people are known to be more accepting of decision outcomes if they perceive the decision-making procedures as fair (e.g., Leventhal, 1980; Thibaut & Walker, 1975). Since employees often have little knowledge of the procedures with which organisational decisions are made, explanations are often central to employees deciding whether an outcome is fair or not (Tyler & Bies, 1990).

Several studies have investigated the effectiveness of explanations in organisational settings. Earlier studies examined whether the provision of an explanation renders more positive outcomes than providing no explanation (e.g., Bies & Shapiro, 1987). Research generally supports the contention that adequate and sincere explanations of negative events lead to more favourable reactions towards the event, the account giver and the institution in which the event occurred than when such events are inadequately or not at all explained. In contrast, later studies assessed the relative effectiveness of the various types of explanations, in other words, researchers compared whether one form of explanation is more effective than another. Results have varied. For example, some studies found excuses to have more beneficial effects on retaliation and withdrawal responses (e.g., Crant & Bateman, 1993; Shaw, Wild, & Colquitt, 2003; Tata, 2000) while others have found justifications to be more beneficial on justice perceptions and perceptions of explanation adequacy (e.g., Conlon & Ross, 1997). To date relatively little research attention has focused on the effectiveness of apologies, on their own accord and relative to other types of explanations. Results are also mixed. Baron (1990) found that an apology was effective in mitigating negative feelings and countering negative effects of being severely criticized. Similarly, Ohbuchi, Kameda, and Agarie (1989) showed that an apology reduced hostility and ill will in a Japanese study context. Assessing the relative effectiveness of apologies, Conlon and Ross (1997) and Tata (2000) demonstrated that an apology was less effective than a justification in reducing perceived injustice.

Section Summary

This section has shown that the various dimensions of justice, introduced in legal and organisational settings, have been successfully applied in the context of service failure and recovery research. The discussion now turns to the examination of the nexus of organisational justice and strategic alliance research.
3.3 NEXUS OF ORGANISATIONAL JUSTICE AND ALLIANCE RESEARCH

For the purpose of examining service failure and recovery in airline alliance settings, research propositions recently forwarded by Cropanzano and colleagues (2001) are regarded as especially relevant. Their propositions, together with their proposed model, will be detailed next. Prior to this discussion, it is important to note that when Cropanzano and colleagues forwarded their model in 2001, the distinction between interactional justice and informational justice, as discussed earlier in this chapter, had not yet been proposed by Colquitt (2001). Thus, the model by Cropanzano and colleagues only makes explicit reference to distributive, procedural, and interactional justice.

3.3.1 Event versus Social Entity Paradigm

Cropanzano and colleagues (2001), noting a change in focus of organisational justice research in recent years, proposed a model of organisational justice that integrated two paradigms, namely the ‘event’ and the ‘social entity’ paradigm. Initially, research on organisational justice was concerned with the examination of particular events on the basis of which fairness judgments were made. Research based on this ‘event’ paradigm typically examined how people react to the manipulation of specific elements of the situation (event). Much of the seminal work in organisational justice is grounded within the event paradigm (e.g., Bies & Shapiro, 1988; Thibaut & Walker, 1975) and draws on a wide range of methodologies, in particular experimental designs. More recently, research that emphasizes general justice appraisals in real world settings that cross specific events and situations has emerged. Cropanzano et al. (2001) refer to it as research based on the ‘social entity’ paradigm since the focus of investigation is social entities such as a specific person, a group, or an organisation. Thus, the authors present an argument for taking a fresh look at how individuals form justice evaluations, and especially the relationship between micro event occurrences and subsequent social entity evaluations. The propositions contained in this model present a starting point to investigate the complexity of evaluating service experiences in individual airlines as well as the consequences for partners within an airline alliance.

3.3.2 Model of Organisational Justice

Cropanzano and his colleagues (2001) argued for a model to bring together the two schools of research. That is, they sought to provide a model that facilitates an understanding of justice evaluation based upon the actual events and the subsequent evaluation made of the social entities. Thus, the basic premise of the model, as depicted in Figure 3.1, is that a situation (e.g., a service interaction) with outcome, process, and interpersonal elements
results in distributive justice (DJ), procedural justice (PJ), and interactional justice (IJ) evaluations specific to the event. They further asserted that the event evaluation might be used to make social entity evaluations. Within the context of this thesis a social entity could be a particular service person, an airline, or a group of airlines under an alliance brand. Ultimately, the evaluation of the social entity leads to specific affective, cognitive, and behavioural responses.

Figure 3.1
Integrative Model of Organisational Justice

Source: Cropanzano et al., 2001

For each of the relations indicated in Cropanzano and colleagues’ model there are further elaborations necessary – these will be made in the context of the model that has been adapted to the airline alliance setting that is discussed next. In summary, Cropanzano and colleagues’ (2001) model provides a useful basis from which to explore the impact of event and more global justice appraisals on consumer evaluations and behaviour. However, in its current form it may be considered a first approximation only that requires testing. Further theory building may also be necessary in view of a multiple rather than a single organisational (service provider) context.

3.3.3 Model of Organisational Justice in Airline Alliances

In Figure 3.2, a model is proposed that adapts Cropanzano et al.’s (2001) model of organisational justice to the airline alliance context. The model sequence commences with a service event (unsatisfactory experience) with an airline, which may comprise outcome, process, and interpersonal elements. Based on these individual aspects (elements) of the
service event the customer may assess the service recovery as fair (unfair) in terms of all types of justice. Following on from this evaluation of the service recovery event, the customer may then conclude that both the service person and the airline in general are fair (unfair) and as a consequence is satisfied (dissatisfied). Further, the customer may engage in positive (negative) word-of-mouth and (will not) use the airline again in the future. To illustrate, assume that a customer holding a confirmed reservation cannot be accommodated on a particular flight due to the airline having overbooked; that is, a service failure event has occurred. The airline can now adopt a number of measures to deal with this service failure event – regardless of which measure(s) is adopted, it is likely that the customer will appraise the way the airline deals with the event. In this event, the customer may be offered compensation, and a ticket for the next available flight either on the particular airline or another airline (outcome elements). Furthermore, s/he may be given the opportunity for input into the decision (voice) whether to take the next flight with this or another airline, and the process may also be consistent in that all passengers unable to get seats on that flight have to fill in documentation (procedural elements). The airline check-in clerk may be very polite, explain the situation, and also display empathy towards the customer (interactional elements). Based on these individual aspects (elements) of the service event, the customer may assess the service recovery as fair in terms of all types of justice. Following on from this evaluation of the service recovery event, the customer may then conclude that both the service person and the airline in general are fair and as a consequence is satisfied. Further, the customer may engage in positive word-of-mouth and use the airline again in the future.

Now imagine a different scenario in which the service recovery measures an airline implements as a result of overbooking may be considered unfair by the customer. Perhaps in this scenario there is no compensation, and only one option for an alternative flight (outcome elements leading to a low DJ evaluation), the customer is not given any voice in the decision on alternative flights and not everyone has to fill in documentation (procedural elements leading to low PJ evaluations) while the airline check-in clerk is rude and uninterested, and does not clearly explain the circumstances that led to the overbooking (interactional elements leading to low IJ justice evaluations). First, it could be expected that the customer would evaluate the event as unfair based on an evaluation of the individual justice elements. Next, it is possible that the customer may form a judgment about the service provider (clerk) and also about this airline in general. In turn, it could be anticipated that this leads to negative behavioural responses (e.g., negative word-of-mouth, switching).
Thus, it is argued that elements of the event contribute to an overall evaluation of an event as fair or unfair, and this event evaluation in turn can directly influence social entity evaluations of the service personnel or the airline brand itself.

However, the formation of airline alliances adds another layer of complexity for two reasons. First, alliance airlines’ extensive practice of code-sharing – an integral part of a strategic alliance – may result in the customer travelling for a particular flight on an alliance partner airline rather than the home carrier, despite having booked the ticket with the latter. Thus, if a service failure event occurs on the partner airline, and the partner airline implements individual service recovery measures (elements), then the customer’s event fairness evaluation and its consequent impacts may not be confined to the partner airline but also result in event and global fairness evaluations of the home carrier, either directly or indirectly. These fairness evaluations may in turn impact on satisfaction with, and behavioural intentions towards, the home carrier. Indeed, the impact of negative event fairness evaluations may also extend to the evaluation of the alliance, as depicted in Figure 3.2.

Second, for a multi-sector flight, the customer may travel on both the home carrier and one or more alliance partner airlines. In such an instance there is the possibility that the home carrier may have to deal with a service failure event that has been caused by its partner airline. Thus, there is a situation whereby the home carrier, based on the previous relationship with its customer, is expected to implement service recovery measures for a service failure event it did not cause. These service recovery measures may then be, as previously outlined, the basis for the customer’s event fairness evaluations that in turn lead to global fairness evaluations before impacting satisfaction and behavioural intentions.

In summary, building on the model by Cropanzano and colleagues, it is plausible that elements of the event might contribute to an overall evaluation of an event as fair or unfair. This event evaluation in turn might directly influence social entity evaluations of the service personnel or the airline, the partner airline, and the alliance. These global evaluations might then lead to consumers’ cognitive, affective, and behavioural responses towards the various airline and alliance entities. Thus, a single service failure event might lead to event and global fairness evaluations, and cognitive, affective, and behavioural responses towards multiple service providers rather than a single service provider only. Service providers have to be closely linked in the minds of the customer for this to occur.
This is likely for strategic airline alliances that emphasize seamless travel as a result of airline alliance partners closely working together in the provision of air services.

Thus, the first research question this thesis investigation is advanced as follows:

**Research Question 1.1:**

What consumer evaluations are formed following a service failure event in a strategic alliance setting?

**Hypothesis**

H$_{1.1}$ – Consumers form event and global justice perceptions that impact on their cognitive, affective, and behavioural responses towards various alliance entities.

3.4 CHAPTER SUMMARY

In chapter 3, the building of a theoretical foundation for the research program continued. Organisational justice theory (Adams, 1965; Bies & Moag, 1986; Thibault & Walker, 1975), a theoretical framework recently applied to expand the understanding of service failure, has been introduced. Justice theory and in particular a recently advanced model of organisational justice by Cropanzano et al. (2001), perceived as appropriate to further explore potential impacts of service failure events in an alliance setting, were discussed. Based on the literature review and consideration of the particulars of the setting of the thesis investigation, a model of organisational justice in a multiple service provider setting, specifically an airline alliance, was advanced.

Cropanzano and his associates’ model has not been extensively tested in either organisational or service failure/recovery settings. Therefore, a decision was made to gather preliminary information on the suitability of their model to an airline alliance setting where service failure events occur. Qualitative research in the form of in-depth interviews was deemed important at this time of the thesis investigation. Depth interviews with 22 frequent flyers were conducted to gain insights into their perceptions of service failure and recovery in airline alliance settings, and thereby explore the applicability of Cropanzano and colleagues’ model in an airline alliance service failure and recovery setting. Methodological considerations of the qualitative research and the results of the in-depth interviews are reported next in chapter 4.

45
Figure 3.2
Model of Organisational Justice in Airline Alliances

<table>
<thead>
<tr>
<th>SF/R Elements</th>
<th>SF/R Event Justice Perceptions</th>
<th>Global Justice Perceptions</th>
<th>Customer Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elements O, P, I</td>
<td>Event DJE, PJE, IJE</td>
<td>Social Entity Airline A DJG, PJG, IJG</td>
<td>Social Entity Airline A CS, BI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Entity Airline B DJG, PJG, IJG</td>
<td>Social Entity Airline B CS, BI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Entity Alliance DJG, PJG, IJG</td>
<td>Social Entity Alliance CS, BI</td>
</tr>
</tbody>
</table>
CHAPTER 4

STUDY 1 – IN-DEPTH INTERVIEWS
CHAPTER 4

STUDY 1 – IN-DEPTH INTERVIEWS

4.1 INTRODUCTION

In chapter 3, organisational justice theory has been introduced as a theoretical framework for this thesis investigation. Justice theory and a recently advanced model of organisational justice by Cropanzano et al. (2001) were perceived as appropriate to further explore potential impacts of service failure events in an alliance setting. Based on the literature review and consideration of the particulars of the thesis setting, a model of organisational justice in an airline alliance setting was advanced. Qualitative research in the form of in-depth interviews was deemed important at this stage of the thesis investigation.

Chapter 4 reports on the qualitative research in the form of in-depth interviews that were conducted to gain insights into frequent flyers’ perceptions of service failure and recovery events in airline alliance settings, and thereby explore the applicability of Cropanzano and colleagues’ model in the thesis context. This chapter commences with an outline of methodological considerations of the in-depth interview technique in general before detailing methodological issues specific to Study 1. The presentation of findings of the in-depth interviews with 22 frequent flyers follows, before a discussion of results is provided.

4.2 METHOD

4.2.1 In-depth Interviews - General Considerations

An in-depth interview approach was selected as the major qualitative method. Its primary purpose was to gain insights into frequent flyers’ perceptions of service failure and recovery events in airline alliance settings, and thereby explore the applicability of Cropanzano and colleagues’ model in the thesis context. Qualitative research comprises a variety of methods, with interviews, participant observation, and focus groups representing the primary ones (Denzin & Lincoln, 1994). Following an assessment of the advantages and disadvantages of each method, in-depth interviews were selected as most appropriate to address the study objectives.
Strauss and Corbin (1998) advocated the use of in-depth interviews as a method ideally suited to clarifying concepts and their relationships. Flexibility is a critical advantage (Patton, 1990) in that in-depth interviewing allows the interviewer to change the wording of questions in accordance with the ‘universe of discourse’ (Gorden, 1975). Thus, the likelihood of misinterpretations on both the part of the interviewer and informant is greatly reduced (Miller, 1991). Furthermore, the flexible nature of in-depth questioning enables the interviewer to return to a topic several times during an interview, thus ensuring that all scheduled questions are explored (Bailey, 1994), while stimulating the informant’s memory in an informal and personalized manner. The adaptable nature of in-depth interviewing also aids the discovery of what has been described as ‘real,’ ‘rich,’ and ‘deep’ data (Stainback & Stainback, 1988). Hence, by not constraining the informant’s answer, an advantage of in-depth interviews is the capture and development of the informant’s perspective on key issues.

Qualitative approaches are an accepted method of inquiry in services marketing; in-depth interviews have been utilized in numerous studies investigating a wide range of service aspects, including service failure (Colgate & Norris, 2001; Goodwin & Gremler, 1996, Gwinner, Gremler, & Bitner, 1998; McColl-Kennedy & Sparks, 2003). Colgate and Norris (2001), for example, employed in-depth interviews with business banking customers who had encountered a service failure to establish the impact of service recovery on future decision-making processes.

The in-depth interview approach was selected for a number of reasons. First, the complexity of situations involving multiple service providers, and potential differential attributions and responses required an in-depth exploration beyond the adoption of a narrow survey approach. Second, in-depth interviews have the potential to highlight not only information relevant to the research problem but also important contextual information. Therefore, further insights into influential factors that impact consumer responses to a service failure event in a multiple service provider setting may be gained. Finally, the in-depth interview method, increasingly used in the theory development process in other areas of marketing (Gwinner, Gremler, & Bitner, 1998), was considered beneficial in exploring the applicability of Cropanzano and colleagues’ model in the thesis context.
4.2.2 Sample

A total of 22 frequent travellers were interviewed. Frequent international airline travel was considered a critical qualifying factor since the research required informants to recall service failure events that involved not only one but two or more airline alliance partners. To qualify for inclusion in the study all interviewees had to have flown on code-shared flights with global airline alliance partners in the past year, and experienced at least one service failure event on a flight operated by at least two airline alliance partners. Thus, interviewees were selected after establishing their international travel frequency. Informants were sourced from staff at a local university and private industry.

The sample size for the in-depth interviews was not pre-determined but rather followed the notion of a purposeful sampling approach, detailed by Lincoln and Guba (1985). Key characteristics of this approach are: 1) emergent sampling design, 2) serial selection of sample units allowing for variation in data, 3) continuous adjustment of the sample, and 4) data redundancy occurring when no new information is received. Purposive sampling is determined by the study focus and deliberately seeks typical and divergent information for maximum variation in the information obtained about the context. In practice, it was difficult to follow purposeful sampling guidelines exactly and also to determine whether data redundancy had occurred. The key element of purposive sampling is serial selection of informants. That is, each successive informant is chosen on the basis of either extending information already obtained, or seeking to find contrasts. This method was followed partially. Informants were selected to provide diversity of background in terms of gender, age, occupation, and status in airlines’ frequent flyer programs.

Data collection stopped at a point Strauss and Corbin (1998) termed ‘theoretical saturation’ – a point in data collection at which no new insights are revealed. The issue of cost-effectiveness was also a partial factor for the termination of interviews after collecting data from 22 informants. As the task of transcribing and coding voice recordings rested with a single researcher, the potential to gain any further insights from additional interviews was perceived to outweigh logistical costs. It was also noted that the purposive sampling technique used in previous services marketing studies resulted in a similar number of informants (e.g., Gremler, 1995).
Table 4.1 details the key characteristics of informants (gender, occupation, and frequent flyer status) and the order in which they were interviewed. The age of frequent travellers interviewed ranged from 26 to 58 years, with the sample being equally divided in terms of gender. Informants were a mixture of academics and industry professionals, all at senior levels, consistent with the need for airline passengers who travel frequently. Travellers in both the highest and lowest membership tier of airlines’ FFPs were almost equally represented, as were travellers who routinely fly business class and those who fly economy class.

<table>
<thead>
<tr>
<th>Interview Order</th>
<th>Gender</th>
<th>Occupation</th>
<th>Frequent Flyer Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>Assistant Professor</td>
<td>Platinum</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>Research Fellow</td>
<td>Solitaire</td>
</tr>
<tr>
<td>3</td>
<td>Male</td>
<td>Professor</td>
<td>Silver</td>
</tr>
<tr>
<td>4</td>
<td>Male</td>
<td>Professor</td>
<td>Diamond</td>
</tr>
<tr>
<td>5</td>
<td>Female</td>
<td>Financial Adviser</td>
<td>Bronze</td>
</tr>
<tr>
<td>6</td>
<td>Female</td>
<td>Small Business Owner</td>
<td>Green</td>
</tr>
<tr>
<td>7</td>
<td>Male</td>
<td>General Manager, Airline</td>
<td>Platinum</td>
</tr>
<tr>
<td>8</td>
<td>Female</td>
<td>Small Business Owner</td>
<td>Gold</td>
</tr>
<tr>
<td>9</td>
<td>Male</td>
<td>General Manager, Hotel</td>
<td>Premier</td>
</tr>
<tr>
<td>10</td>
<td>Female</td>
<td>Administrator - University</td>
<td>Green</td>
</tr>
<tr>
<td>11</td>
<td>Male</td>
<td>Professor</td>
<td>Bronze</td>
</tr>
<tr>
<td>12</td>
<td>Male</td>
<td>CEO, Cruise Industry</td>
<td>Elite Silver</td>
</tr>
<tr>
<td>13</td>
<td>Female</td>
<td>Marketing Director, Hotel</td>
<td>Premier Executive</td>
</tr>
<tr>
<td>14</td>
<td>Female</td>
<td>Professor</td>
<td>Bronze</td>
</tr>
<tr>
<td>15</td>
<td>Male</td>
<td>CEO, International Club</td>
<td>Executive Platinum</td>
</tr>
<tr>
<td>16</td>
<td>Female</td>
<td>GM, Travel Agency</td>
<td>Premier</td>
</tr>
<tr>
<td>17</td>
<td>Male</td>
<td>Management Consultant</td>
<td>Green</td>
</tr>
<tr>
<td>18</td>
<td>Female</td>
<td>Small Business Owner</td>
<td>Gold</td>
</tr>
<tr>
<td>19</td>
<td>Male</td>
<td>Publisher</td>
<td>Gold</td>
</tr>
<tr>
<td>20</td>
<td>Female</td>
<td>Financial Controller</td>
<td>Diamond</td>
</tr>
<tr>
<td>21</td>
<td>Female</td>
<td>Bank Manager</td>
<td>Green</td>
</tr>
<tr>
<td>22</td>
<td>Male</td>
<td>Sales Director</td>
<td>Gold</td>
</tr>
</tbody>
</table>
4.2.3. Material

This qualitative study utilized a semi-structured interview guide. Its purpose was to provide the focus of the interview to ensure that important areas are covered while at the same time allowing for flexibility to explore additional aspects of interest. The interview guide was based on insights gained from the literature review, the experience and expert surveys, and related research questions. To ensure its effectiveness, the interview guide was slightly modified after the first two interviews. A copy of the interview guide is provided in Appendix A.

4.2.4 Procedure

Prior to the in-depth interviews two pilot studies were conducted. The first pilot study was an experience survey, following the approach by Luck and Rubin (1987). The experience survey involved friends and colleagues discussing their experiences with alliance airlines in failure situations in an informal, unstructured manner. This survey comprised short interviews. The second pilot study constituted an expert survey. Personal interviews with senior executives of several major airlines and alliances were conducted. The purpose was to gain a better understanding of the procedures and strategies that alliance airlines and alliances have in place to deal with service failure events. These interviews also served to establish a basis for future cooperation since access to airlines’ customer databases was perceived highly beneficial. Interviews were conducted with executives of the OneWorld Alliance, Star Alliance, American Airlines, Lufthansa, and Cathay Pacific.

For the main study, in-depth interviews took place from November 2002 until January 2003 in Hong Kong, China - a location with a high expatriate population that travels frequently in the region for both business and pleasure, and trans-continentally to report to their head offices and/or visit family back home. Interviews were conducted face-to-face with respondents, primarily in their offices. The duration of the interviews ranged from 25 to 60 minutes. The majority of interviews lasted about 45 minutes. Each interview was voice-recorded and a verbatim record was generated within a day of the interview, consistent with recommendations by Patton (1990). A summary of key issues raised by each informant was prepared within one hour of the conclusion of each interview.

Interviews commenced with the researcher providing the interviewee with a broad indication of the research objectives. Informants were asked for their consent to have the interview voice-recorded, assured that the information provided remains confidential and
that in published documents its source would be disguised. This was done to comply with three key ethical considerations in data collection, according to Patton (1990) – confidentiality of material, risk assessment, and informed consent. Next, pertinent background information was collected, including the number of flights in the past year, membership in airline frequent flyer programs, and class of travel (economy, business, first class) for both business and leisure travel. In order to establish rapport with informants a question relating to perceptions of global airline alliances was posed. Informants were then asked to describe a service failure event and recovery that they personally experienced on a flight that was serviced by at least two airline alliance partners, with the interviewer probing for areas of particular interest. Interviews were semi-structured so that a series of questions could be posed to further explore how informants evaluated service failure events and the various alliance entities, which entity they held responsible for the service failure event and its recovery, and how their behaviour towards the alliance entities changed following a service failure event in an alliance setting. At the end of each interview respondents were again reassured that any published material would protect their anonymity.

4.2.5 Data Analysis

Interview transcripts were content analysed (Krippendorff, 1980), drawing on multiple methods, including checklist matrices, ‘eyeballing,’ and searches in NUDIST, a software package for managing qualitative data. First, following Miles and Huberman’s (1994, p. 105) ‘checklist matrices’ framework, patterns and themes in the data were noted, links with previous literature drawn, and categories identified that were relevant to the research questions. Second, a technique commonly referred to as ‘eyeballing’ was employed that required the repeated examination of transcripts, with the purpose of highlighting key phrases and assigning codes to identify key thoughts, ideas, and perceptions of each informant. Finally, the software application NUDIST was utilized to facilitate the search for key words and phrases common to several respondents, as identified during eyeballing.

Analysis of the qualitative interview data followed the guidelines of Lincoln and Guba (1985) to ensure trustworthiness, and adopted a comparative technique, as suggested by Strauss and Corbin (1998). The author of this thesis served as the primary data analyst who conducted the initial content analysis, employing the methods detailed previously. Then, a second researcher, a colleague of the primary data analyst, content analysed the transcripts, without knowledge of the outcome of the content analysis by the primary data
analyst. The researchers then compared their independent analyses, with the coding agreement within the 85-95% range that was deemed acceptable (Perreault & Leigh, 1989). Inter-researcher differences were resolved through discussion and re-assessment of the transcripts, as suggested by Miles and Huberman (1994).

4.3 RESULTS

Prior to analysing informants’ transcripts in regard to the model of organisational justice and key influencing factors, the range of service failure events was assessed and classified, and is detailed next.

4.3.1 Service Failure Events

Service failure events were classified into four broad categories, using Bitner and colleagues’ (1994) categorization, as shown in Table 4.2. Category 1 refers to service failure events that were associated with the service itself (e.g., a special seat or meal requests not being honoured, luggage lost, damaged or delayed, or having to pay an extra charge). Category 2 includes service failures resulting from employee behaviour, such as airline staff addressing the informant in a rude manner, not displaying any effort in trying to locate missing luggage, or assisting in a ticket change. Service failures in categories 1 and 2 together accounted for the vast majority of service failure events recalled by informants (90%). Category 3 refers to service failures that were beyond the control of the airline, including snowstorms that resulted in the airport being closed and a breakdown of an airport’s entire computer system. Category 4 centres on service failure events that were due to passengers’ actions, for example, not having secured an entry visa for the flight destination, requesting a free upgrade, or arriving after the flight check-in has closed. Service failures in categories 3 and 4 were infrequent, compared to service failures in categories 1 and 2.

Service failure events were also assessed in terms of their affiliation with one of the three major global airline alliances, Star Alliance, Oneworld, and Skyteam. Since interviewees were based in Hong Kong, the majority of service failure events related to Hong Kong’s home carrier, Cathay Pacific and its partner airlines of the Oneworld alliance. Service failure events with partner airlines of the Star Alliance, including its primary Asian-based carriers Thai Airways and Singapore Airlines, accounted for about one-third of informants’ recollections. Reference to service failures on Skyteam partner airlines was infrequent, in part perhaps, because this alliance has very few Asian-based partner airlines.
This in turn may have affected the number of flights informants had with this alliance. In the discussion of informants’ transcripts, individual airline and alliance names have been disguised; instead, reference to the generic ‘Airline’ and ‘Alliance’ is made.

Table 4.2
Service Failure Events Identified by Informants

<table>
<thead>
<tr>
<th>Category 1 - Service</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable Service</td>
<td></td>
</tr>
<tr>
<td>Wrong product</td>
<td>Overbooked</td>
</tr>
<tr>
<td></td>
<td>No business class seat despite confirmation</td>
</tr>
<tr>
<td></td>
<td>Special meal request not honoured</td>
</tr>
<tr>
<td></td>
<td>No welcome for partner airline passengers</td>
</tr>
<tr>
<td></td>
<td>Luggage lost or damaged</td>
</tr>
<tr>
<td></td>
<td>Denied access to lounge</td>
</tr>
<tr>
<td>Wrong price</td>
<td>Additional charge for extra luggage</td>
</tr>
<tr>
<td></td>
<td>Charge for in-flight entertainment</td>
</tr>
<tr>
<td>Unreasonably slow service</td>
<td>Delivery of in-flight meal</td>
</tr>
<tr>
<td></td>
<td>Clearing of in-flight meal</td>
</tr>
<tr>
<td></td>
<td>Long queues at check-in</td>
</tr>
<tr>
<td></td>
<td>Luggage delayed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category 2 - Service Provider</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-of-the ordinary employee behaviour</td>
<td></td>
</tr>
<tr>
<td>Rudeness</td>
<td></td>
</tr>
<tr>
<td>Lack of effort</td>
<td></td>
</tr>
<tr>
<td>Lack of empathy</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category 3 - Beyond Service Provider’s Control</th>
<th>Examples</th>
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<tr>
<td>Inclement weather</td>
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<tr>
<td>Computer breakdown</td>
<td></td>
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<th>Category 4 – Customer Related</th>
<th>Examples</th>
</tr>
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<td>Passenger arrives late</td>
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<td>No entry visa</td>
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<td>Request upgrade without payment</td>
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4.3.2 Model of Organisational Justice in Airline Alliances

In chapter 3, Cropanzano and colleagues’ (2001) model of organisational justice was introduced. It was suggested that this model with its distinct components (elements, event justice perceptions, global justice perceptions, and responses) might potentially provide insights into consumer responses towards the various alliance entities in a service failure event. Thus, the two key objectives in the analysis of informants’ descriptions of service failure events with airline alliances were to 1) seek evidence of the existence and impact of event and global justice perceptions, and 2) establish potential consumer responses towards the various entities involved in a service failure event in an airline alliance setting.

4.3.2.1 Elements - Model of Organisational Justice

As stated in chapter 3, the basic premise of Cropanzano and colleagues’ (2001) model is a clear differentiation between justice evaluations at the event level and justice evaluations at a more global level. Table 4.3 provides illustrative samples of individual event justice perceptions distinct from individual global justice perceptions. As is apparent from the illustrative samples provided, the four main dimensions of justice (distributive, procedural, interactional, and informational) were evident at the event level and also at the global level. Thus, this finding provides tentative support for the argument by Colquitt, et al., (2001) that global justice perceptions of social entities may be structured similarly to event justice perceptions.

In the case of event justice perceptions, reference was only made to the particular service failure event that the informant described, where on the basis of a specific element of the event a related event justice perception was formed. In contrast, for global justice perceptions, informants’ reference points appeared to have gone beyond a single service failure event, instead being based on multiple occurrences to derive a more general assessment of the airline on a specific justice dimension. Frequently used words indicating a more general evaluation of the airline on a particular justice dimension included ‘always,’ ‘just,’ and ‘ever.’ For example, informants noted that airline staff were rude in a particular service failure event (IJ - event), contrasting with a comment that airline staff were in general rude to customers (IJ – global). Similarly, informants noted a lack of flexibility in a particular event (PJ-event), contrasting with a reference to an airline never showing any flexibility (PJ-global). Thus, findings from the in-depth interviews with frequent flyers indicated that consumers clearly differentiate between event and global justice perceptions.
The analysis of transcripts also revealed an aspect that has not been made explicit in the model by Cropanzano et al. (2001). It appeared that informants clearly distinguished between the fairness of a social entity in a particular event and the fairness of that social entity in general. Table 4.3 provides supporting samples. Thus, consumers derived an overall evaluation of a social entity on the basis of its handling of a service failure event (event fairness) and another overall evaluation of that social entity based on its performance across various situations and service failure events (global fairness). For event fairness evaluations, informants provided an overall assessment of a staff member, an airline, or the alliance in a particular situation. Therefore, social entities assessed at the event level – service personnel, single and multiple organisations - were the same as those assessed at the global level. For the global fairness evaluation, however, informants provided an overall assessment of these entities in general.

Thus, in the course of the interviews and the analysis of transcripts, the link between justice perceptions and fairness evaluations at both event and global level became of interest. Insights were gained into the relation between event fairness and event justice perceptions, and global fairness and global justice perceptions respectively. These findings are discussed next.

Link between Justice Perceptions and Fairness Evaluations

Analysis of transcripts suggested that a fairness evaluation of a social entity in a specific event (event fairness) is the result of an evaluation of individual elements of the event (individual event justice perceptions). Furthermore, it appeared that more than one event justice perception was drawn upon to derive an event fairness evaluation of a social entity. The following account of an informant provides evidence to that effect, with further comments added and relevant passages highlighted to illustrate this point.

*The flight was totally overbooked. I was in the queue and a very polite person from [Airline] came around and she said: ‘what we’ll do, you know, we’re fully booked tonight, we’re going to have a problem’– instead of just being told at check-in that you couldn’t get on the flight [INFJ- timely explanation], they actually worked with you [IJ-effort] and they said ‘for a passenger who would agree to fly the next night, we’ll put you up in a hotel tonight and we’ll give you a five hundred dollar voucher’ [DJ –*
The compensation, which I think was a good way to handle it. To me, [Airline] handled that [service failure event] quite well [Event Fairness].

Turning from the link between justice perceptions and fairness evaluations at the event level to those at the global level, findings from the analysis of transcripts were quite different. First, it appeared that a global fairness evaluation of a social entity was drawn upon primarily from one justice dimension that is more dominant than others. Second, there seems to be a distinct difference in the particular justice dimension that is drawn upon for global fairness evaluations of service (airline) personnel and organisations (airlines/alliances). The following examples illustrate these assertions.

This first set of statements relates to the service personnel of specific airlines, whereby a collective judgment is made of an airline’s staff. It is important to note that informants focused on interactional justice in particular, referring to the personal treatment they received in terms of politeness, communication, friendliness, and effort on multiple occasions. As one respondent explained:

They [Airline] have really impolite, old stewardesses who treat you not like dirt but nearly like dirt [IJ – global]. I mean you always get the feeling that they are the most important people on the airline and I’m not. I just don’t like them [Global Fairness].

Another informant commented:

Their [Airline] crew is just unfriendly [Global Fairness]; you’re not particularly welcome on board. It’s like the cabin crew are always doing you a favour by serving you [IJ – global], you know?

Thus, it appears that interactional justice is far more influential and likely to be drawn upon in the formation of overall fairness evaluations of service personnel. In contrast, in global fairness evaluations of airlines and alliances, while still often confined to one justice dimension, informants referred to distributive, procedural, and informational justice perceptions in addition to interactional justice.
In the following statements informants make reference to only one justice dimension in assessing a social entity, the airline. Procedural, distributive, and interactional justice respectively is the primary basis of the following three global fairness evaluations.

*They [Airline] have no flexibility, none whatsoever. No, no, no, the answer is always no [PJ – Flexibility]. That’s why I think [Airline] is not a very good airline [Global Fairness] from a customer service point of view, they are rather inflexible which makes no sense.*

*There were numerous instances when our luggage was damaged but they [Airline] were always quick to repair it [DJ – repair] so we are happy with that. After all, it can happen, can’t it…. So, they [Airline] are not so bad after all [Global Fairness].*

*[Airline] is in my opinion one of the worst airlines around [Global Fairness] because as far as customer service is concerned, they just don’t give a damn” [IJ – empathy/effort].*

In summary, this section provided suggestive evidence of the existence of distinct event and global justice perceptions, along the four dimensions of justice, in service failure events in airline alliance. Furthermore, it was shown that consumers derive an overall evaluation of a social entity on the basis of its handling of a service failure event (event fairness) and another overall evaluation of that social entity based on its performance across various situations and service failure events (global fairness). Thus, there appear to be four elements that need to be considered – event justice perceptions, event fairness, global justice perceptions, and global fairness. The link between justice perceptions and fairness evaluations at both the event and global level has also been discussed. The discussion now turns to the assessment of consumer responses to multiple social entities in an alliance setting.

4.3.2.2 Consumer Responses to Multiple Social Entities in an Alliance Setting

The vast majority of previous studies on service failure/recovery assessed its impact on a single service provider in terms of customer satisfaction (McCollough, et al., 2000), word-of-mouth (Blodgett, et al., 1997) and repeat purchase intentions (Keaveney, 1995). However, potential impacts on the partner airline and alliance as a result of an airline’s
service failure event have not been investigated to date. Thus, the analysis of transcripts focused exclusively on these. Two major findings are discussed next.

First, it appears that potential switching effects as a result of a service failure event of an alliance airline are less severe for the alliance than for the partner airline for two reasons: 1) the composition of alliances and 2) higher exit barriers.

Relating to point 1), given the fact that global airline alliances consist of a number of airlines that service a wide range of routes, the vast majority of informants commented that they did not see a need to switch to another alliance but rather to another airline in the alliance from the airline that had caused the service failure event. In that way, informants felt they would still be able to benefit from the advantages of using a particular alliance while not having to deal anymore with the airline that fell short of their service expectations. An informant’s account that succinctly reflects the sentiments voiced by many informants is provided here.

*I would then say well, you know, I don’t want to fly [Airline]…put me on something else [another airline] in the alliance. I would still support the alliance but I wouldn’t support that particular airline [that defaulted] anymore.*

Relating to point 2), it also became evident that, similar to the single airline context, considerable exit barriers exist that make potential switching to another alliance less desirable. Almost all informants commented on the potential loss of options, connectivity, and convenience, as the following comments illustrate.

*If you fly from London to the United States you have so many choices, you can easily say I’m never going to fly with [Alliance] ever again. But if you are doing some complicated route between the Northern and Southern Hemisphere, after a while you realize that on this particular sector, [Alliance] is the best for you…so are you going to change because you’re mad…I mean it’s five hours on a twenty-hour trip? I wouldn’t do it. I’d stick it out.*
It would depend on the choice. If I would have to fly [Alliance] because they are the only one on the route I’d do it.

If I’d change to [Alliance] it’s much longer... I’d lose a lot of time. It’s the same for all the European airlines so they got me....

The potential loss of frequent flyer points and the need to comply with company policy that requires travellers to use a particular airline/alliance for business travel were the other two potential barriers to switch to another alliance; however, in contrast to the loss of choice, connectivity, and convenience they were articulated rather infrequently.

Analysis of transcripts also revealed an aspect of travellers’ choice behaviour that to date has not received much research attention. The potential switching among airlines from long to short-haul business appears to be especially prevalent in an alliance context, with about half of the informants relaying this type of switching behaviour. Two informant comments are provided here, pointing to choice and time issues as underlying considerations in such a switch:

The only flights I would do with [Alliance Airline B] are short-haul. I would never fly long-haul with them that would always be [Alliance Airline A]. Unfortunately I have to go then [with Alliance Airline B]; there’s not much choice but that’s two and a half hours, it’s not a big deal. But it would never be longer...

Depends on the priority. If flying [long-haul] with [Alliance Airline A] and then [short-haul] with [Alliance Airline B], I would do it but not [long-haul] with [Alliance Airline B]. I think with the short-haul flights, you don’t mind so much but when you’re sort of travelling for hours, you do.

Thus, while frequent travellers seemingly stay with an alliance, there is potentially a change in the way airlines within that alliance are used. The airline that caused the service failure event may subsequently be used for short-haul flights only, with another alliance partner becoming the preferred long-haul carrier. Therefore, it seems that in an alliance setting it is not simply a matter of determining whether after a service failure event customers still fly with a particular airline - they may very well do that. However, their
frequency overall and in particular, their preference for the type of flight taken with a particular airline may change, with the lucrative long-haul business potentially being serviced in the future by another partner airline in the alliance.

This section focused on the presentation of findings relating to Cropanzano and colleagues’ model of organisational justice, consistent with the main purpose and key objectives of the in-depth interviews. However, evidence also emerged in the interviews and subsequent analysis of transcripts of factors that potentially impact consumer responses resulting from a service failure event in an alliance context. Findings in relation to these three factors are presented next.

4.3.3 Factors influencing Consumer Responses

This final section details the findings in relation to factors that emerged in the course of the interviews as potentially important influences on consumer responses to service failure events in airline alliance settings. These factors were 1) a consumer’s relationship with an airline, 2) pre-consumption mood, and 3) locus of the service failure. Findings in relation to these factors are presented next.

4.3.3.1 Consumer’s Relationship with an Airline

Analysis of transcripts resulted in the identification of three major themes relating to a consumer’s relationship with an airline: a) personal relationships with a resulting role change of an airline customer to an airline advocate, b) status and recognition, and c) country–of–origin effects. Each of these themes is discussed in turn.

a) Personal Relationships

Several respondents commented on the personal relationships they developed with some of the airline staff, at various levels, over time and the consequent strong affiliation with the airline, as shown in the following comments.

I have a personal affiliation with [this airline] – I mean I know the CEO, I know the communications guy from way back, I know the lady who is in charge of all the flight services way back from when she was in hotels so there is a whole lot of personal affiliation...
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<tr>
<th>Model Element</th>
<th>Illustrative Samples</th>
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<tr>
<td><strong>Event Justice Perceptions</strong></td>
<td></td>
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<tr>
<td>Distributive</td>
<td>So, I got compensated for the damage [to my luggage]. They really did a good job to satisfy me.</td>
</tr>
<tr>
<td></td>
<td>I handed in the claim for compensation for $100 because we had to buy clothes [when the luggage didn’t arrive] but we never got word back, and it’s been more than a year. You can just forget about that.</td>
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<tr>
<td>Procedural</td>
<td>She [airline staff] said, ‘You can only use this lounge if you’re flying [Airline] on the ongoing flight. These are our rules - you have to be on one of our flights to use the lounge’. It was ridiculous as I was flying with [Airline] for all sectors of the ticket but this one as they didn’t service that sector. Previously I had no problem getting lounge access in a similar situation.</td>
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<td>She asked for my preference on taking two alternative flights with other airlines so I was happy about that as I could still make it to my meeting in time.</td>
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<tr>
<td>Interactional</td>
<td>The [Airline] lady, she was outright rude when I asked her to re-route my ticket.</td>
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<td></td>
<td>Staff couldn’t care less about passengers whose luggage didn’t arrive after disembarking from the flight.</td>
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<tr>
<td>Informational</td>
<td>Everything was so confused; some of the passengers got certain information, others passengers got other information. It was just so frustrating.</td>
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<td>Staff didn’t tell you what was going on, why there was a delay, and when the plane would actually leave. In the end, we had to wait five hours, without anyone from the airline giving any updates. I don’t know how they can get away with this.</td>
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<td>Model Element</td>
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<tr>
<td><strong>Global Justice Perceptions</strong></td>
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<tr>
<td>Distributive Justice</td>
<td><em>There were numerous instances when our luggage was damaged but they</em> [Airline] <em>were always quick to repair it.</em></td>
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<td>Procedural Justice</td>
<td><em>They</em> [Airline X] <em>have no flexibility, none whatsoever. No, no, no, the answer is always no.</em></td>
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<td><em>There is just no consistency when it comes to the allowance for luggage – they seemingly give different information each time so sometimes you are ok, other times you are asked to pay extra which makes me furious.</em></td>
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<tr>
<td>Interactional Justice</td>
<td><em>[The airline] has just very arrogant staff, very stuck up, they are not there to serve you.</em></td>
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<td><em>...as far as customer service is concerned, they just don’t give a damn.</em></td>
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<tr>
<td>Informational Justice</td>
<td><em>All they ever do is send a standard reply, ‘we apologize, we should do better’ – that’s it.</em></td>
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<td><em>Frankly I find this annoying and unacceptable.</em></td>
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<tr>
<td>Model Element</td>
<td>Illustrative Samples</td>
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| **Event Fairness** | *I was very impressed with the way the lady [staff member] handled the situation.*  
*They [Airline] couldn’t deal with it [service failure], it was just utter chaos ... everything was so bad.*  
*As far as I’m concerned, [Alliance] failed miserably in this instance.*  |
| **Global Fairness** | *[Airline] is in my opinion one of the worst airlines around.*  
*I do hold [Airline] in high regard.*  
*So, yes, I think they [Alliance] are ok, not great, but ok.*  |
when you fly so much and hit certain airports, you start to get to know the airport reps from [Airline]. In some cases I got to know them really well and you know ... over the years they became like friends, almost family.

It appeared that the formation of these personal relationships then led to greater involvement with the airline and informants’ role changed from a customer to an advocate for the airline, actively seeking ways to improve its service provision by providing feedback in a constructive manner, as the next two comments indicate.

I’m able to pick up the phone and call [airline staff] looking after all the flight services and she’s very happy to hear about it, it’s not like it’s a complaint – I’m trying to help [the airline] by saying ‘as a business passenger I’ve encountered that particular problem.’

When I came back, I wrote a quick email to [airline executive] and told him about it...you know, they really have to consider what the other airline is doing to their reputation...

Apart from a personal relationship with particular airline staff, status and recognition received as a customer of a particular airline also appeared to be of importance, as is shown next.

b) Status and Recognition

Consistent with the profile of informants as frequent flyers, the status and prestige derived from being a frequent flyer with an airline as a result of the personal recognition received appeared to be another source of closely relating to a particular airline, as documented by the following comments.

The prestige and the recognition I get from [this airline] - those are things that mean something to me. That’s another reason why being an elite plus member is very important to me. I try to fly with [Airline] whenever possible.
[Airline] is trying to use your name all the time, and as soon as they come around with pre-flight drinks they’ve already checked the seat assignment. And they are asking: ‘Are you Dr. XXX?’ [Note: use of title] and from then on they call you by name all the time. And there are quite a few people in business class.

Finally, an affiliation with an airline based on the informants’ country of origin seemed to affect the strength of their relationship with an airline.

c) Country-of-Origin Effect

About one-third of informants alluded to the country-of-origin effect, or affiliation with a national carrier being an important influence on the strength of their relationship with a particular airline. Of particular interest was that this type of affiliation appeared to be so strong that it could negate the effects of less than superior service quality.

I’d say that [Airline] is my preferred airline…but that is based on being Australian rather than based on service quality [informant is Australian].
As an Australian I prefer to go on their planes, I like the surroundings, the people, the whole atmosphere…the feeling of Australia.

I’d like to go with [Airline] because it is an extension of Australia basically. I’d probably still go with [Airline] even though the service is not quite as good as it used to be, just mainly for patriotic reasons.

The three aspects of a consumer’s relationship with a particular airline – personal relationships, status and recognition, and country-of-origin effects - appear to be indicators of a consumer’s social identity (Tajfel & Turner, 1979). Thus, it is suggested that a consumer’s social identity, in particular the strength of identification, may be an important factor that impacts consumer responses towards alliance airlines in a service failure event. Therefore, it is of potential interest for further exploration.

Apart from characteristics of informants’ relationship with a particular airline, informants’ focus beyond an encounter with a particular service provider pointed to the importance of considering situational influences, and is discussed next.
4.3.3.2 Focus beyond an Encounter with a Service Provider

The analysis of transcripts revealed that travellers assess not only a specific service encounter but an entire travel experience. Findings pointed to two consumer perspectives that potentially influence consumers’ assessment of service failure events in an alliance context: (a) the entire air travel experience (pre-flight, in-flight, and post-flight) and (b) the entire travel experience.

Related to point (a), the first comment makes reference to the importance of pre-flight perceptions,

*Look, this is the whole experience... your [Airline] sign hangs there at check-in, I know you [your airline] provide excellent service in-flight, good aircraft, but the check-in is part of the experience. I mean it starts when I make an enquiry on the phone, the whole booking process.*

followed by two references to post-flight perceptions.

*As soon as they drop you boom that’s it; as soon as you are at destination, there is no after flight service with any of them, really... once you get off... you are on your own... If an airline would really care about passengers they would take these things seriously because it’s an important part of the travel experience.*

*I think with a lot of the carriers, as soon as the air trip is over, you’re kind of like, you’re not their problem, and they want to ship you on to the next fleet.*

In reference to point (b), and in the context of this research more important, several informants stressed that they regard air travel as only one service provider experience within the greater trip experience. The account of only one informant is provided here as it best articulates the sentiments relayed by other informants that noted this particular aspect.

*If I think about my recent trip, I took a taxi from home to the airport, I was at the airport, then went onto my flight with [specific airline], took a taxi to the hotel, stayed at the hotel, then took another taxi to the airport onto the*
next flight with [partner airline].... So for me, I look at the total travel experience door to door rather than only the experience with the particular airline [alliance].

In that case, the informant was particularly concerned with her check-in experience at the hotel that may potentially be affected by her experience with the flight to the destination and her taxi ride to the hotel. Yet, the effect of the experience with other service providers is equally applicable to an airline whereby a service experience at check-out from the hotel or the taxi ride to the airport may impact subsequent responses to a service failure event with the alliance airline. Of particular interest, however, was the repeated reference to accompanying emotional/mood states resulting from an unsatisfactory service encounter with another service provider, as is apparent from the following comments:

...so by that time [after rude service by taxi driver] I had very little tolerance for [Airline], and of course when they messed up I was furious.

I went to [Service Provider (SP) 1] and asked, ‘Can you help me?’ and they said, ‘Well, go and talk to [SP 2]’ so I went to [SP 2] and they said, ‘Well, you got to talk to [SP 3]. And then I talked to [SP3] and they said, ‘Well you got to talk to [SP4]’... I mean it was just an absolute, total nightmare. I gave up. It didn’t work. I was mad, absolutely mad. I could have strangled someone.

It appears then that the pre-consumption mood, that is, the mood a traveller is in prior the first contact with a particular airline/alliance may very well influence his/her perceptions and reactions to a service failure event, and how far the repercussions go for the various entities involved in servicing the flight. Again, this appears to be an area of potential interest for further investigation.

Finally, the locus of a service failure, together with the assignment of responsibility was the final factor that emerged from the in-depths interviews as potentially strongly impacting consumer responses, and is discussed next.
4.3.3.3 Locus of Service Failure – Assignment of Responsibility

Findings relating to the assignment of responsibility in an airline alliance setting revealed insights into whether a) only the alliance airline that caused the service failure was held responsible for both the service failure event and its recovery, and b) in which instances informants extended responsibility for the service failure/recovery to the partner airline and/or alliance. Each of these aspects is discussed in turn.

a) Responsibility attributed to the Alliance Airline that caused the Service Failure

Initially, it appeared that the vast majority of informants felt that the alliance airline that caused the service failure event is responsible for its recovery, as clearly evidenced by the following comments.

*The airline that makes the mistake fixes it, all right. It’s their responsibility to solve the problem; they have to show that responsibility and do it quickly and professionally.*

*You really have to look at the specific carrier that did the dirty deed to you.*

*At the end of the day it is the responsibility of the carrier you are physically flying with.*

However, upon further analysis, it became apparent that comments by informants that confined responsibility for a service failure event to a particular alliance airline related to a specific timing of the service failure, with all of these service failures occurring either pre-flight or in-flight. Thus, informants clearly identified the service failure event with the particular alliance airline. However, a change in the timing of the service failure appeared to be one factor that resulted in a significant change in the assignment of responsibility of the service failure and recovery, extending now to the partner airline and the alliance, as illustrated next.

b) Responsibility attributed to the Partner Airline and Alliance

Informants assigned responsibility for the service failure and recovery to the partner airline and the alliance in two instances: 1) the service failure occurred in transit between the two alliance airlines, and 2) in situations in which a complaint was lodged with the
partner airline rather than the airline at fault, making the timing of the service failure and complaint resolution critical considerations.

1) Service Failures in Transit

First, in service failure events in transit - the majority of which related to lost luggage, followed by required ticket changes – most informants found it difficult to establish which airline had responsibility for the service failure. In cases of lost luggage, for example, where the luggage was checked in with Alliance Airline A and in transit was to be passed on to Alliance Airline B for the next flight sector, informants noted:

If I checked in with [Airline A], [Airline A] should have taken care of it.

I would blame the person/airline I checked in with, they are responsible for packing it and moving it across.

Really it should be [Airline A’s] problem because it’s up to them to take the luggage and get it to [Airline B].

At the same time, these informants stated that the loss of luggage was beyond the control of Airline B, and as such it was not to be blamed. However, despite the strong assignment of responsibility for the service failure event and recovery to Airline A, informants also commented on the perceived responsibility of Airline B to assist in the service recovery, as the following comments clearly demonstrate.

if there isn’t a [Airline A] person on hand, you usually revert to the airline you’re about to fly with [Airline B] because they must assume some responsibility or give you some explanation.

[Airline B], as a partner of [Airline A] should have made some effort to find out where my luggage was and give me some idea when it will arrive.

Furthermore, in this instance, the majority of informants perceived the alliance to be further removed in terms of responsibility. That appeared to be in part due to travellers’ prevalent focus on individual airlines rather than the alliance entity.
However, there were numerous informants who stated that they would hold not only the individual alliance airlines but also the alliance responsible for the resolution of the service failure event that occurred in transit. These informants were all at the highest level of their home carrier’s frequent flyer program, and stated that they do not care who addresses this problem as long as it is resolved. If it is not resolved, every party involved in the service failure event is perceived as at fault and held responsible.

Customers’ Complaint Behaviour in an Alliance Context

Service failure complaint resolution presented the second instance in which informants held the partner airline partially responsible for the service recovery. Analysis of transcripts revealed that this was the case when the partner airline was their home carrier (the airline they were loyal to), informants had booked the ticket with their home carrier, and a service failure event was caused by another alliance airline on a code-shared flight. Findings clearly indicated that informants, rather than following up on a service failure with the airline at fault, approach the partner airline (home carrier) they are loyal to after the flight and expect this airline to resolve their grievance. Thus, the fact that a ticket is booked with a partner airline the customer is loyal to appears to extend the frame of complaint resolution beyond the particular airline at fault, as the next two comments demonstrate:

The focus is on the airline that I had booked with - when you make a booking you tend to make bookings with airlines that you like and airlines that you want to fly with....

I would go back to [Partner Airline] and complain to [Partner Airline] if I booked the ticket with them.

If the home carrier then resolves the service failure of another alliance airline in a positive manner a customer’s bond with that airline may be potentially strengthened. An account of one informant in particular highlighted such an outcome, and therefore is presented here. That informant recalled an incident in which a valuable item was taken from her luggage while in the care of both alliance airline partners. Even though it was unclear on which of the two partner airlines the item had actually disappeared, the airline the customer was loyal to, and to whom she complained upon her return, addressed the problem satisfactorily. She commented on this outcome as follows:
I was very impressed with the way that [Partner Airline] handled it – they were very, very good – very responsible; they actually took ownership of the problem. Again, I felt that I had a legitimate reason to complain and actually the way that [Partner Airline] handled the situation and acknowledged that it was their ground staff – I’m sure that they don’t actually know where the theft took place but yes, it was their partner carrier and they have to take responsibility for that. So to me [Partner Airline] came back very professionally, no fuss.

Alternatively, there appear to be negative repercussions if a customer’s complaint about a service failure event caused by another alliance airline is not handled well by the home carrier. Several informants pointed to such repercussions and again, one illustrative example is provided here. An informant who was at the highest membership level with his home carrier experienced flight delays and poor service on an alliance partner airline. Upon his return home, he lodged a written complaint with his code-sharing home carrier. He commented on the response received from the home carrier as follows:

I got an apology letter and that was it. And I actually wrote back to them and said I thought their reply was unsatisfactory because I fly a lot with them and they basically...just another apology letter came back. I didn’t think it [complaint about service failure] was dealt with at all... Yes, it did affect my perceptions of [Partner Airline] though of course I still fly with them.

Therefore, in instances in which a customer’s complaint to the home carrier is not resolved in a positive manner it appears that even though the home carrier did not cause and is not held responsible for the initial service failure event, it is held responsible for its recovery. If the latter is not satisfactory then consumer responses may be similar as if that airline had committed the initial service failure itself.
4.4 CHAPTER SUMMARY

Chapter 4 reported on the qualitative research in the form of in-depth interviews that were conducted to gain insights into frequent flyers perceptions of service failure and recovery events in airline alliance settings, and thereby explore the applicability of Cropanzano and colleagues’ model in the thesis context. Study findings provided evidence of the existence of four elements that need to be considered in assessing consumer responses to a service failure event in airline alliance settings: 1) event justice perceptions, 2) event fairness, 3) global justice perceptions, and 4) global fairness. The link between justice perceptions and fairness evaluations at both the event and global level has also been discussed. Analysis of transcripts also pointed to three factors that potentially impact consumer evaluations and behaviour: 1) a consumer’s social identity, 2) a consumer’s pre-consumption mood, and 3) the locus of the service failure event.

In light of the findings of the in-depth interviews discussed in this chapter, Cropanzano and colleagues’ (2001) model of organisational justice, introduced in chapter 3, will be revisited in chapter 5. The intent is to further refine this model by incorporating event and global fairness evaluations. Furthermore, literature relating to the three factors that emerged from the in-depth interviews as potential important influences will be reviewed with the intent of developing research questions and hypotheses that further guide this research program.
CHAPTER 5

EXTENDED THEORETICAL FRAMEWORK
CHAPTER 5
EXTENDED THEORETICAL FRAMEWORK

5.1 INTRODUCTION

In chapter 3, Cropanzano and colleagues’ (2001) model of organisational justice was introduced. Chapter 4 reported the findings of in-depth interviews that explored and provided initial confirmation of the suitability of this model as a theoretical framework for this thesis investigation. Chapter 4 also provided evidence that four elements needed to be considered in assessing consumer responses to a service failure event in airline alliance settings: 1) event justice perceptions, 2) event fairness, 3) global justice perceptions, and 4) global fairness. Furthermore, it emerged that specific consumer characteristics (social identity), the situational context (consumers’ pre-consumption mood), and the service failure event (locus of service failure) potentially impacted consumer evaluations of a service failure event in a strategic alliance setting.

In chapter 5, Cropanzano and colleagues’ (2001) model will be revisited with the intent to further refine this model by incorporating event and global fairness evaluations. Furthermore, literature pertaining to the three factors that emerged from the in-depth interviews as potential important influences will be reviewed with the intent of developing research questions and hypotheses that further guide this research program. The chapter concludes with a summary of the research problem, six research questions that centre on four major research issues, and specific hypotheses.

5.2 EXTENDED MODEL OF ORGANISATIONAL JUSTICE

In chapter 3, Cropanzano and colleagues’ model of organisational justice was introduced. Based on this model, it was argued that elements of the event contribute to an overall evaluation of an event as fair or unfair. This event evaluation in turn can directly influence social entity evaluations of the service personnel, a single organisation or an alliance of organisations. These global evaluations then lead to consumers’ cognitive, affective, and behavioural responses towards the various social entities. This model is depicted again in Figure 5.1 - PART A. In order to reflect advances in justice theory since the publication of Cropanzano and colleagues’ model, informational justice perceptions at the event and global level have been added to the original model, consistent with recent conceptualisations of informational justice as a justice dimension separate from
interactional justice (Colquitt, 2001). This aspect was discussed in section 3.2.4. Furthermore, in Figure 5.1 - PART B, this original model has been collapsed to clearly indicate the sequence ‘Elements → Event Justice Perceptions → Global Justice Perceptions → Cognitive, Affective, & Behavioural Responses,’ to aid the clarity of further discussion and ease of comparison with Figure 5.2 that details an expanded model of organisational justice.

Figure 5.2 is based on Figure 5.1 – PART B (that is the simplified model of Cropanzano and colleagues), but has been expanded to incorporate two additional elements: event fairness and global fairness. Findings from the in-depth interviews, reported in chapter 4, indicated the existence of these two distinct elements. It appeared that individuals make a clear distinction between aggregate fairness evaluations of a social entity in a particular situation or event (event fairness) and an aggregate fairness evaluation of the social entity in general (global fairness), based on individual event fairness evaluations over time. Thus, event fairness and global fairness have been added into the model in Figure 5.2, and have been highlighted as additions to the model.

The distinction between event and global fairness is consistent with the argument by Cropanzano and colleagues (2001, p. 189) that “it is one thing to say ‘my supervisor treated me fairly during my last feedback session,’ and quite another to say ‘my supervisor is a fair person.’” The former refers to an event fairness evaluation, that is the fairness of a social entity (supervisor) in a particular situation (event). In contrast, the latter refers to a global fairness evaluation, that is the fairness of a social entity (supervisor) in general. This global fairness evaluation is based on numerous event fairness evaluations across time.

The expanded model, depicted in Figure 5.2, also details two distinct yet complementary sequences that contribute to global fairness evaluations. First, individual event justice perceptions (EJP) are aggregated to form a fairness evaluation of the social entity in the particular event. This event fairness evaluation (EF) is then likely to contribute – together with other event fairness evaluations derived for other specific events over time - to a more global fairness evaluation (GF) of the social entity in general (Figure 5.2 – sequence →). This proposition is consistent with the social entity paradigm that suggests that global fairness appraisals cross specific events and situations.
Second, it is suggested that individual event justice perceptions (EJP) contribute to the formation of corresponding global justice perceptions (GJP) whereby the latter are again the result of event justice perceptions across specific events and over time. Individuals then weigh and aggregate these global justice perceptions to form a global fairness evaluation (GF), as illustrated in Figure 5.2 (sequence ---)

In summary, event justice perceptions (EJP) lead to 1) an event fairness evaluation (EF) and 2) corresponding global justice perceptions (GJP). These, in turn lead together to a global fairness evaluation (GF) of a social entity. Global fairness evaluations then impact satisfaction that in turn influences behavioural intentions. Thus, the relationship between event justice perceptions and global fairness evaluations of social entities is mediated by 1) the event fairness evaluation, and 2) global justice perceptions. Furthermore, the global fairness evaluation of a social entity mediates the relationship between 1) the event fairness evaluation and satisfaction, and 2) global justice perceptions and satisfaction (Figure 5.2). Figure 5.3 illustrates the same model but details all four event and global justice perceptions, while Figure 5.4 shows the model specific to the context of this study, that is elements of an event lead a consumer to form event justice perceptions for the airline that caused the service failure but also for the airline that dealt with the service failure and the alliance both partner airlines are members of. On the basis of event justice perceptions the two different sequences detailed earlier are again apparent, that is 1) from event justice perceptions via event fairness to global fairness evaluations, and 2) from event justice perceptions via global justice perceptions to global fairness evaluations of the three entities that in turn affect satisfaction and then behavioural intentions.
Figure 5.1
Integrative Model of Organisational Justice – Expanded and Simple Form

PART A
Outcome Elements → Event Distributive → Social Entity Distributive

Process Elements → Event Procedural → Social Entity Procedural

Interpersonal Elements → Event Interactional → Social Entity Interactional

Informational Elements → Event Informational → Social Entity Informational

PART B
Elements → Event Justice Perceptions (EJP) → Global Justice Perceptions (GJP) → Cognitive, Affective, Behavioural Responses

Figure 5.2
Expanded Model of Organisational Justice – Including Event and Global Fairness

Elements → Event Justice Perceptions (EJP) → Global Justice Perceptions (GJP) → Cognitive, Affective, Behavioural Responses

Fairness - Social Entity in a specific Situation (Event Fairness - EF)

Fairness - Social Entity in General (Global Fairness - GF)
Figure 5.3
Expanded Model of Organisational Justice

Distributive Justice Event (DJE)

Procedural Justice Event (PJE)

Interactional Justice Event (IJE)

Informational Justice Event (INFJE)

Distributive Justice Global (DJG)

Procedural Justice Global (PJG)

Interactional Justice Global (IJG)

Informational Justice Global (INFJG)

Fairness of the Social Entity in General - Global Fairness (GF)

Satisfaction (SAT)

Behavioural Intentions (BI)

Fairness of the Social Entity in a particular Situation - Event Fairness (EF)

EJP → GJP → GF → SAT → BI

EJP → EF → GF → SAT → BI
Figure 5.4
Expanded Model of Organisational Justice in Airline Alliances

Elements

Event Justice Perceptions (EJP)  Global Justice Perceptions (GJP)

- Event Justice Fairness
- Global Justice Fairness
- Satisfaction
- Behavioural Intentions

Airline that deals with the Service Failure
Airline that caused the Service Failure
Alliance
Based on Figure 5.4, the following research question and related hypotheses is advanced.

**Research Question 1.2**

How do consumers form evaluations of, and behaviours towards, various alliance entities following a service failure event in a strategic alliance setting?

**Hypothesis H$_1$ – Event Justice Perceptions on Global Justice Perceptions**

H$_1$ - Event justice perceptions lead to corresponding global justice perceptions.

**Hypothesis H$_2$ – Event Justice Perceptions on Event Fairness**

H$_2$a - Event justice perceptions are aggregated and weighted by consumers to form a fairness evaluation of the social entity at the event level.

H$_2$b - Event justice perceptions are weighted differently to form fairness evaluations at the event level, depending on the social entity evaluated.

**Hypothesis H$_3$ – Global Justice Perceptions on Global Fairness**

H$_3$a - Global justice perceptions are aggregated and weighted by consumers to form a fairness evaluation of the social entity at the global level.

H$_3$b - Global justice perceptions are weighted differently to form fairness evaluations at the global level, depending on the social entity evaluated.

**Hypothesis H$_4$ – Event Fairness on Global Fairness**

H$_4$a - An evaluation of event fairness of a social entity leads to an evaluation of global fairness of that social entity.

H$_4$b - Whether an evaluation of event fairness of a social entity leads to an evaluation of global fairness depends on the social entity evaluated.

**Hypothesis H$_5$ – Event Fairness and Global Justice Perceptions on Global Fairness**

H$_5$ - Global justice perceptions have a greater impact on global fairness than the fairness of an entity at the event level.
Hypothesis H₆ – Global Fairness on Satisfaction
H₆ - Global fairness evaluations lead to overall satisfaction with that social entity.

Hypothesis H₇ – Satisfaction on Behavioural Intentions
H₇ - Overall satisfaction with a social entity leads to behavioural intentions towards that entity.

Hypothesis H₈ – Mediation - Event Justice Measures and Global Fairness
H₈a - Global justice perceptions mediate the relationship between corresponding event justice perceptions and global fairness.

H₈b - Event fairness mediates the relationship between event justice perceptions and global fairness.

Hypothesis H₉ – Mediation – Global Justice Perceptions and Satisfaction; Event Fairness and Satisfaction
H₉a - Global fairness mediates the relationship between global justice perceptions and satisfaction.

H₉b - Global fairness mediates the relationship between event fairness and overall satisfaction with a social entity.

Hypothesis H₁₀ – Mediation - Global Fairness and Behavioural Intentions
H₁₀ - Satisfaction mediates the relationship between global fairness and behavioural intentions.

5.3 FACTORS AFFECTING CONSUMER RESPONSES

The previous section developed hypotheses based on a model of organisational justice that was expanded upon from the original model by Cropanzano and colleagues (2001). In this section, literature will be reviewed pertaining to the three factors that emerged from the in-depth interviews as potentially impacting on consumer responses to a service failure event in an airline alliance context. Literature relating to attribution will be discussed first, as it may be directly linked to the type of evaluation consumers make and the process they engage in forming responses to a service failure event in a strategic alliance setting. In other words, attributions about which entity caused a service failure (locus of
service failure) may be directly linked to Research Questions 1.1 and 1.2. Next, literature pertaining to social identity will be reviewed, followed by a discussion of literature relating to pre-consumption mood. Following each review of the literature, research questions and hypotheses specific to the study setting will be advanced.

5.3.1 Attribution

In order to explore potential impacts of attribution on consumer responses two theories are drawn upon: 1) the recently proposed fairness theory (Cropanzano & Folger, 1998; 2001) that given its recency has in the context of service failure and recovery only been applied by McColl-Kennedy and Sparks (2003), and 2) Weiner’s (1985) attribution theory that has served as a framework for the investigation of attributions in service failure/recovery situations for numerous studies (e.g., Kelley, Hoffman, & Davis, 1993; Swanson & Kelley, 2001).

*Fairness Theory*

In chapter 3, individual justice dimensions were introduced and their applicability to the service failure/recovery context demonstrated. Fairness theory, recently proposed by Folger and Cropanzano (1998; 2001), offers a more integrative process perspective, with accountability being a central tenet. Fairness theory suggests that negative perceptions of fairness may arise from factors associated with distributive, procedural, and interactional (and informational) justice due to the influence of accountability (Folger & Cropanzano, 1998). Thus, when unfairness is perceived, an angry party seeks to determine responsibility for the offence, in other words, who is to blame, and the motives and intentions of the perceived wrongdoer. McColl-Kennedy and Sparks (2003) applied fairness theory to the service failure and recovery context. Of relevance to this thesis is their argument that two core interrelated components of accountability need to be considered. First, a negative state or event occurs (e.g., a service failure event or poor service recovery) that does harm to the customer (e.g., damaging self-esteem). So, at the very least, an incident exists for which some party may be held accountable. Second, in regard to the event, there will be an element of perceived volitional control over actions taken whereby the service provider had the option of dealing with the service failure event in a variety of ways. As the service provider is perceived by the customer to have some feasible options and volitional control, it is possible to hold the service provider accountable for actions chosen.
Attribution Theory

Attribution theory has emerged from a variety of research streams, in particular Fritz Heider’s seminal writing on naïve psychology (1958), Daryl Bem’s self perception theory (1965), and Harold Kelley’s theory of external attributions (1967). The key focus of attribution theory is individuals’ assignment of causal inferences about events they experience and/or witness, and the consequent influence of these inferences on evaluations and behaviours. This theory views people as rational information processors whose actions are influenced by causal inferences they derive in an attempt to exercise control over their world (Heider, 1958). As attribution theory can be applied to a wide range of social interactions, it has become one of the primary paradigms in social psychology. However, while it has received some attention by marketing scholars (Folkes, 1984; Folkes, Koletsky, & Graham, 1987), Weiner (2000, p. 383) laments “the relative absence of attribution theory in consumer psychology.”

Weiner (1980; 1985a; 1985b) was instrumental in advancing a taxonomy of causes that identified the underlying similarities and differences of the infinite number of determinants that can influence the attribution process. He proposed three distinct dimensions: locus of causality, stability, and controllability. The locus of causality, and to a lesser extent controllability, is of particular interest in this thesis. Locus of causality refers to an individual’s perception of responsibility for the event; it can either rest with the individual (internal locus) or a factor outside the individual, such as the environment or another individual (external locus). Controllability is concerned with the extent to which the cause of the event is governed by choice, recognizing that individuals are not always constrained by environmental conditions but do make choices. This dimension is closely linked to assigning credit and blame - if an individual has control over the prevention of a negative event but fails to do so, another individual may assign blame.

Attribution theory has provided significant insights into product and service failure experiences. In general, research findings indicate that the more consumers believe a service failure is due to the service provider (external locus), the more likely they are to exhibit negative evaluations of, and behaviour towards, that service provider. In particular, failures attributed to a service provider are more likely to 1) elicit complaints to the firm and warnings to others (Curren & Folkes, 1987; Richins, 1983), 2) lead to less satisfaction (Oliver & DeSarbo, 1988), and 3) impact beliefs that the customer is owed an apology and/or refund (Folkes, 1984; Kelley, et al., 1993). If customers determine that the
responsible party for a failure had control over the cause they will be angrier, have lower repurchase intentions, and a greater desire to complain (Folkes, et al., 1987).

Swanson and Kelley (2001) proposed that consumers’ attributions are also important during service recovery. In evaluating recovery outcomes, consumers identify potential causes of the outcome and each party’s responsibilities for the resolution of the failure. Results of their study suggested that an employee-based service recovery leads to more favourable evaluations and word-of-mouth intentions. Furthermore, they noted that customer evaluations and behavioural intentions will be more positive for service failures remedied by expeditious and less complicated service recovery processes.

The link from causal attributions to specific behavioural outcomes is well accepted in the service literature, yet influences on the attribution process itself have received considerably less attention. Yen, Gwinner, and Su (2004) found that participative roles adopted by customers in service specification and their pre-encounter service expectations influence how consumers attribute the causes of service failures. Therefore, a consumer’s identification with a service provider may influence attributions made for a service failure event that in turn impact evaluations and behaviour.

As previously ascertained, the locus of causality is of special interest in this thesis. In particular, the effect of the home carrier versus the partner airline causing the service failure event is the focus of investigation, with the home carrier being the airline the consumer has a relationship with.

Based on the review of literature pertaining to attribution, the following research question and related hypothesis is advanced.

**Research Question 1.3**

How does the locus of the service failure impact on consumer responses to a service failure event in a strategic alliance setting?
Hypothesis

$H_{1,3}$ The airline that causes the service failure is likely to experience the greatest negative impact on consumer evaluations and behaviour, followed by the partner airline that deals with the service failure, and lastly the alliance.

Following the assessment of attributions for a service failure event, the discussion now turns to the second factor that emerged from the in-depth interviews as potentially impacting consumer responses to a service failure event in a strategic alliance setting: a consumer’s identification with a particular service provider.

5.3.2 Social Identity

Formulated by Tajfel and Turner (1979), people’s membership in groups forms the basis of social identity theory, with its key premise being that individuals to a varying extent define themselves through groups to which they belong. The function of the group then is to provide individuals with a framework within which they can construct their social identity. Thus, social identity involves defining oneself in terms of various social categories that may be transitory (e.g., student) or permanent (e.g., female) in nature; in contrast, a personal identity is concerned with the categorization of oneself according to specific traits and characteristics (e.g., outgoing, intelligent).

Central to establishing a social identity is the process of social-categorization - a process that involves segmenting, classifying, and ordering the social environment, is primarily cognitive in nature, and influenced by values, cultures, and social representations. Apart from its utility to categorize the social environment, social categorization provides a person with a frame for self-reference; that is, characteristics of the social group a person perceives him/herself to be a member of come to represent a dimension of his/her social identity (Hogg & Abrams, 1988). Deaux (1995) identified categories and dimensions that meaningfully distinguish various forms of social identity, suggesting several trait clusters including personal relationships (e.g., wife, friend), political affiliations (e.g., democrat, independent), stigmatised groups (e.g., alcoholic, homeless), ethnic or religious groups (e.g., Asian, Catholic), or vocations (e.g., physician, entrepreneur).
Two major pre-requisites have to be satisfied for social identity to impact judgments – identity salience and identity strength. Past research indicates that there are many social categories a person becomes aware of and identifies with as part of the socialization process (Deaux, 1995). Similarly, Stryker (1980) argued that the self should be regarded as a multifaceted, organized construct; that is, the self is a structure of multiple identities that reflect roles in differentiated networks of interaction. People have an identity for each distinct network of relationships in which they occupy positions and play roles (Burke, 2000). For example, a person may, at the same time, think of himself as a parent, a hiker, an Australian, a blood donor, a Michael Schumacher fan, and a Qantas employee. Therefore, in any given situation, individuals have a variety of social categories that can potentially become part of their self-concept. Yet, only some of these identities will be drawn upon, with the key determinant being the extent to which a social category becomes an activated or salient conceptual structure, in other words, a social identity. Once a social identity is salient, it will activate attitudes and behaviour consistent with it, and individuals display a heightened sensitivity to identity-relevant stimuli.

Accessibility of social self-categories is a pre-requisite for social identity salience (Oakes, 1987; Oakes, Haslam, & Turner, 1994). Accessibility relates to the relative importance of a group membership to individuals’ self-definition, determining their readiness to use a particular self-category. This in turn is established by the strength of identification – a construct related yet distinct from salience. The former refers to an enduring association between an individual’s sense of self and his/her identity, while the latter is concerned with the momentary activation of a particular social identity (Forehand, Deshpande, & Reed, 2002). Identification strength is the result of past experiences with that identity and the current situation.

Insights from social identity theory have also been applied to the analysis of organisational behaviour (Haslam, 2001). In the context of organisational justice theory, discussed in detail in section 3.2, Lind and Tyler (1988) proposed the group-value model, later renamed into relational model (Tyler & Lind, 1992). The group-value model draws heavily on social identity theory, arguing that people want to be treated fairly as members of a group, because fair treatment acknowledges their membership and status in the group. Fair procedures in particular can ensure that a person is not excluded from a group or relegated to a lower class status. Thus, dignified and respectful treatment is a central consideration for individuals evaluating their standing (status) within a group. Furthermore,
they suggested that individuals who strongly identify with a particular organisation (e.g., an airline) are likely to display a greater concern for procedural justice than individuals who weakly identify with that organisation. To the latter group, distributive justice may be more important, with procedural injustice being less likely to be harmful to their social identity.

In the context of this thesis, the level of identification with a particular airline appears to have an impact on consumer responses following a service failure event, based on the findings of the in-depths interviews reported in Chapter 4. Thus, it is important to also review literature related to a special form of social identity – organisational identification.

**Organisational Identification**

Organisational identification is regarded as a specific form of social identification whereby an individual defines him/herself in terms of membership in a particular organisation (Bhattachary'a, Rao, & Glynn, 1995; Dutton, Dukerich, & Harquail, 1994; Mael & Ashforth, 1992). Much of the research to date has focused primarily on employees’ relationships with their employer (e.g., Dutton, et al., 1994) and members’ relationships with non-profit organisations, such as museums, theatres, and universities (e.g., Bhattachary'a, et al., 1995; Mael & Ashforth, 1992). Yet, according to social identity theory (Tajfel & Turner, 1985), people need not interact or even feel strong interpersonal ties to perceive themselves as members of a group. Turner (1982) noted that people often socially identify with groups, even when they have no contact with specific members. Impersonal bonds can exist and be derived from a common identification with some symbolic group or social category (Brewer & Gardner, 1996). Recent organisational identification research (Pratt, 1998; Scott & Lane, 2000) suggests that people seek out organisations for identification purposes even when they are not formal organisational members. Bhattachary'a and Sen (2003, p. 77), in particular, argued “in today’s era of unprecedented corporate influence and consumerism, certain companies represent and offer attractive, meaningful social identities to consumers that help them satisfy important self-definition needs. As a result, such companies constitute valid targets for identification among relevant consumers, even though they are not formal organisational members”.

Bhattachary'a and colleagues (2003; 2005) extended the concept of organisational identification beyond formal memberships (e.g., employees, alumni, museum members) into the consumer-company (C-C) context. In doing so, they asserted that the notion of C-C
identification is conceptually distinct from consumers’ identification with a company’s brands, with a brand’s identity (e.g., Marlboro cigarettes) often being distinct from that of the company (e.g., Philip Morris). Bhattacharya and Sen (2003) advanced a conceptual model of C-C identification in which they argued that identity similarity, distinctiveness, and prestige determines identity attractiveness that in turn leads to C-C identification. C-C identification, in turn, has the potential to affect company loyalty, company promotion, customer recruitment, and resilience to negative information. Ahearne, Bhattacharya, and Gruen (2005) further refined and tested this model, discussing in more detail antecedents and consequences of such identification. They posited that perceived company characteristics and construed external image lead to C-C identification. In turn, such identification is expected to impact both in-role behaviour (e.g., product utilization) as well as extra-role behaviour (e.g., citizenship). Of particular interest is their finding that both an organisation’s characteristics as well as the salesperson’s characteristics contribute to the development of C-C identification. Cropanzano and colleagues (2001), of course, also pointed to the potential differential impact of the employee versus the organisation, while Folkes and Patrick (2003) noted the impact of a single employee on attributions towards the organisation at large.

Outcomes of social identification, whether in the organisational or consumer context, have been well documented, with the vast majority of research pointing to a multitude of positive consequences. Identification causes people to become psychologically attached to and caring about the organisation, which motivates them to commit to the achievement of its goals, expend more voluntary effort on its behalf, and interact positively and cooperatively with organisational members. Furthermore, identification of members, such as employees or alumni, leads to increased member loyalty to the organisation (Adler & Adler, 1987) and decreased turnover (O’Reilly & Chatman, 1986). In the C-C context, a tendency to recommend the company and purchase more of its offerings has been observed among customers who identify strongly with that company (Ahearne et al., 2005).

Social Identity Theory in the Consumer Behaviour Context

To date, very few consumer behaviour studies have looked beyond individual characteristics and their influences on behaviour to assess the impact of the social context on consumer responses. Desphande and Stayman (1994), for example, examined the persuasiveness of a spokesperson, while Grier and Desphande (2001) investigated gender and ethnic differences in advertising. Other study contexts included food consumption

However, social identity theory and the related social categorization theory (Hogg & Abrams, 1988), in particular, have received little attention as potential frameworks for understanding why people are concerned about justice in service failure and recovery situations. Recently, Haslam, Branscombe, and Bachmann (2003) examined how organisational identification affects consumer evaluations in a service failure situation, within a single service provider context. They found that consumers who identify strongly with a service provider appear to be more forgiving towards that provider in a service failure event than consumers who do not identify, especially in terms of repeat purchase intentions.

While Haslam and his colleagues’ research shed light on the impact of social identity in a service failure event, it does so only in a single provider context. Thus, this research seeks to build on previous research by posing the following research question.

**Research Question 2**

How does consumers’ strength of identification with an airline impact on their responses to a service failure event in a strategic alliance setting?

Based upon social identity theory and Haslam and colleagues’ (2003) work, the following hypotheses are advanced:

\[ H_2.1 \] Consumers who identify strongly with the home carrier will be more positive in their evaluations of, and behaviour towards, this airline following a service failure than consumers who do not identify with the home carrier.

\[ H_2.2 \] Consumers who identify strongly with the home carrier will be more positive in their evaluations of, and behaviour towards, this airline following a service failure compared to the partner airline and the alliance than consumers who do not identify with the home carrier.
Turning from a specific consumer characteristic to a characteristic of the situational context, pre-consumption mood is assessed next. Previous research has typically focused on service failure events only, with a subsequent assessment of satisfaction, word-of-mouth, and repeat purchase intentions (Smith et al., 1999). However, in the tourism literature reference is made to consumers’ assessment of an entire travel experience where experiences with individual service providers such as airlines, hotels, restaurants, and local transportation interact and combine to an overall assessment of the travel experience (Otto & Ritchie, 1996). Thus, the mood a consumer is in prior to the service encounter with the provider under investigation may potentially have an impact on his/her assessment of that particular entity, as alluded to by informants in the in-depth interviews, and is discussed next.

5.3.3 Pre-Consumption Mood

Assessments of customers’ affective responses to service encounters in general (Knowles, Grove, & Pickett, 1999; Liljander & Mattson, 2002; Mattila & Wirtz, 2000; Menon & Dube, 2000; Price, et al., 1995; Smith & Bolton, 2002; Wirtz, Mattila & Tan, 2000) and service failures in particular (Dube & Maute, 1996; Folkes, Koletsky, & Graham, 1987; Hui & Tse, 1996; Taylor, 1994) are still relatively scare.

Both moods and emotions are grouped under affect, a general category for mental feeling processes (Cohen & Areni, 1991). Bagozzi, Gopinath, & Nyer (1999) defined emotions as mental states of readiness that arise from cognitive appraisals of events or one’s own thoughts – distinct from moods, in that the latter tend to be lower in intensity and less arousing, are generally non-intentional, do not have a specific referent, and are not as directly coupled with action tendencies as the former (Frijda, 1993; Gardner, 1985). Moods are also less transient than emotions (Bagozzi et al., 1999). A further difference between the two affective states is their bodily expression – while moods may be too mild to be recognized by other people, bodily expression is regarded as an integral part of emotions, with, for example, facial expressions of basic emotions as joy, anger, and fear being universally recognized (Izard, 1980).

Consumption emotions have been conceptualised either as a taxonomy of discrete primary emotions such as joy, anger, happiness, or sadness (Richins, 1997) or as a limited number of basic dimensions such as pleasure, arousal, or positive-negative affect (Russell, 1980). In contrast, mood has typically been conceptualised as two different dimensions
only: positive versus negative mood. However, despite the apparent clear theoretical distinctions, in practice it has proven rather difficult to differentiate between moods and emotions (Bagozzi et al., 1999) so that mood states are often also referred to as emotional states (Kacen & Friese, 2000).

Dube and Menon (2000) advanced several propositions relating to retrospective and in-process emotions in an extended service setting and their impact on satisfaction. In particular, they based their discussion on Oliver’s work (1989) on attribution-based conceptualisation of the structure of consumption emotions that has received empirical support by a number of studies in a variety of settings (Belanger & Dube, 1996; Oliver, 1993). Accordingly, three distinct sets of negative emotion correspond to a tripartite conception of causal agency: other attributed (anger, disgust, and contempt), situation attributed (fear and sadness), and self-attributed (shame and guilt). Of interest to this thesis is the impact of other-attributed emotions or moods on consumers’ service evaluation and behaviour. Numerous studies have found empirical evidence for a value-congruent relationship between negative emotions and satisfaction in response to a service failure (Dube & Maute, 1996; Folkes, et al., 1987; Hui & Tse, 1996). In other words, the more consumers reported negative emotions attributable to the provider, the less satisfied they were with that provider. However, several studies have also shown that mood states will not influence evaluation when the object being evaluated is highly familiar to the consumer and for which past evaluations exist in memory (e.g., Salovey & Birnbaum, 1989). Therefore, in the current context, frequent travellers with a particular airline may have prior evaluations available in memory and thus, are less susceptible to mood influences.

Turning from mood effects on consumer evaluations to mood effects on consumer behaviour, Gardner (1985) noted that the relationship between mood and behaviour is quite complex. Positive moods may enhance the likelihood of behaviour with perceived positive outcomes and/or reduce the likelihood of behaviour with perceived negative outcomes. In contrast, the effects of negative mood states are more difficult to predict, due to two possible reasons. First, negative mood states are more heterogeneous than positive ones (Isen, 1984) and second, individuals in negative moods may be torn between engaging in mood-congruent behaviour and a desire to terminate the unpleasant mood state altogether (Clark & Isen, 1982).
To date, there are only two studies that have assessed the effect of pre-consumption affect on service evaluations. Mattila and Wirtz (2000) examined the impact of pre-consumption affect elicited by environmental elements on consumers’ post-purchase evaluation. Their study was the first to empirically investigate the effect of emotional responses elicited at the pre-process stage of service delivery. In particular, they assessed how two basic dimensions of affect – pleasure and arousal – contribute to customer evaluations of different types of services. Their findings indicated that the provision of a pre-consumption environment that is highly arousing and pleasant results in higher satisfaction levels than the provision of a pleasant environment with low levels of arousal qualities. Furthermore, they ascertained an effect of arousal on repeat purchase intentions in unpleasant service settings, whereby a combination of an unpleasant pre-consumption service environment with lower levels of arousal generated lower repurchase intentions than pleasant yet exciting settings. The authors concluded that the influence of arousal on post-purchase evaluations depends on the level of pleasure experienced in the pre-consumption service stage. However, the authors also conceded that the relatively small sample size and the use of four different service settings may have limited the conclusions that can be drawn from the study findings.

Liljander and Mattson (2002) examined the impact of pre-consumption mood on the evaluation of three service behaviours (concern, congeniality, and incivility) and satisfaction. They found that customer mood has a dual effect on service encounter evaluation, as it directly affects the evaluation of employee behaviour as well as overall satisfaction. Rather than utilizing a laboratory setting, the authors gathered data in three service settings. Pre-consumption mood was ascertained after the service encounter by asking study participants to recall the mood prior to the service encounter. Consequently, recall bias may have been introduced, as pre-consumption mood may have been mixed up with other affective reactions during the service delivery, that is, pre-consumption mood may have been rationalized after the event. Furthermore, the study was not particularly focused on the effect of pre-consumption mood in service failure situations but rather investigated ‘a range of normal service encounters’ (p. 847). However, of particular interest to this thesis are two suggestions for further research. Liljander and Mattson (2002, p. 855) argued that due to potentially asymmetrical effects of mood on service evaluations “customers who are in a bad mood possibly pay more attention to uncivil employee behaviour,” such as low interactional justice, and therefore may be more negative in their evaluations and behaviour towards the offending firm. The authors also point to the
potential influence of mood-maintenance (Bagozzi et al., 1999) whereby customers who are in a good mood may wish to maintain that mood and therefore, focus on the positive aspects of the service interaction or past high quality performance. This would be consistent with previous findings in research on emotions whereby customers who were in a positive emotional state tended to evaluate products more positively than if they were in a negative emotional state (Isen, 1987).

Based on the review of the literature pertaining to mood and emotion, the following research question and related hypotheses are advanced:

Research Question 3

How does pre-consumption mood impact on consumer responses to a service failure event in a strategic alliance setting?

Hypotheses

H$_{3.1}$: The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and interactional justice, compared to its partner airline and the alliance.

H$_{3.2}$: The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and distributive justice, compared to its partner airline and the alliance.

This section identified additional research questions and advanced related hypotheses associated with the three factors that emerged from the in-depth interviews as potentially impacting consumer responses to a service failure event in an airline alliance context. However, given the central position of a service failure event in this thesis investigation, potential impacts of a related service recovery are also likely to impact consumer responses. Thus, the discussion turns to a brief discussion of service recovery measures that are perceived to be particularly relevant to this research project.
5.3.4 Service Recovery Strategies

In chapter 3, individual justice dimensions were discussed. Two justice dimensions in particular are of interest to investigate in the context of a service failure event in a strategic alliance setting and to address the following research question:

**Research Question 4**

How do service recovery measures impact on consumer responses to a service failure event in a strategic alliance setting?

These justice dimensions are 1) interactional justice, and 2) informational justice. First, as noted in chapter 3, in a service failure event, interactional justice significantly affects consumer responses towards the service provider, more so than any other justice dimension (Tax et al., 1998). More specifically, Collie and colleagues (2000) noted that interactional justice has a larger and more pervasive influence on customer evaluations than social comparison equity information, thereby lending support to Cropanzano and Folger’s (1998) fairness theory.

However, in their study Collie and colleagues assessed the impact of interactional justice and social comparison equity information in a single service provider context only. Therefore, the question is whether interactional justice also has a larger and more pervasive influence on customer evaluations than social comparison equity information in a multiple service provider setting, and how each service provider involved in the service failure event will be affected.

As interactional justice is concerned with aspects such as friendliness, empathy, and respect, that is, elements that are displayed by the provider in the service encounter, interactional justice evaluations are likely to be associated with a particular employee of the service provider or the service provider at large. Therefore, it is proposed that interactional justice has the greatest impact on the evaluation of, and behaviour towards, the airline that deals with the service failure. Based on a review of the pertinent literature the following hypotheses are advanced:

**H4.1** – The airline that deals with the service failure event is likely to experience the greatest impact from interactional justice on consumer evaluations and behaviour, compared to the partner airline and the alliance.
H4.2 – Consumers’ evaluation and behaviour will vary directly with interactional justice, regardless of whether the outcome of others was known or not.

Second, informational justice, or social accounts, can potentially manage a person’s perception of negative (service failure) events, as asserted in chapter 3. In previous research, however, the focus on the effects of social accounts was on service providers offering an explanation for their own actions. Yet, in an alliance context a service provider may have to provide an explanation to the customer for the actions of a partner airline. Cropanzano and colleagues (2001) noted that social accounts allow a decision-maker to direct responsibility for an injustice away from him/herself. The service failure event would not be perceived as fairer. Yet, the blame can be shifted away from the decision-maker. Similarly, numerous studies found evidence that an organisation as another social entity uses social accounts to alleviate responsibility for questionable actions (e.g., Dutton & Dukerich, 1991; Elsbach, 1994). Only one study to date has assessed the relative effectiveness of social accounts with reference to accepting versus shifting responsibility. Conlon and Murray (1996) found that explanations that assumed responsibility for a problem (apologies and justifications) led to more favourable reactions than explanations that denied responsibility (excuses). This study, however, was conducted in the context of a single organisation.

In the context of strategic airline alliances, it is of interest to know consumers’ reactions to two alternative actions an airline’s staff may take: on the one hand, trying to shift blame to its partner airline in the alliance by offering an excuse, while on the other hand, accepting responsibility for the service failure of its partner airline and trying to atone; that is, offering an apology.

Based on the review of the literature pertaining to social accounts, the following hypothesis is advanced:

H4.3 - Consumers who are provided with an apology rather than an excuse will be more positive in their evaluations of, and behaviour towards, the airline that deals with the service failure compared to the airline that caused the service failure and the alliance.
This section identified additional research questions and advanced related hypotheses. Table 5.1 summarises the research questions and related hypotheses developed on the basis of the literature review presented in chapters 2, 3, and 5 and findings of the in-depth interviews discussed in chapter 4. These research questions and hypotheses guided the development of experimental designs of Studies 2 and 3.

5.4 CHAPTER SUMMARY

In chapter 5, Cropanzano and colleagues’ (2001) model was revisited with the intent to further refine this model by incorporating event and global fairness evaluations. Furthermore, literature pertaining to the three factors that emerged from the in-depth interviews as potentially important influences was reviewed in order to develop research questions and hypotheses that further guide this research program. The chapter concluded with a summary of the research problem, six research questions that centre on four major research issues, and specific hypotheses.

In chapter 6, the findings of Study 2, the first of two experimental designs are presented. In this study, the effect of two factors that emerged as potentially impacting consumer responses to a service failure in an alliance setting - social identity and pre-consumption mood – will be assessed. The fair process effect will also be examined. Results of this study will test hypotheses related to research questions 2, 3, and 4, as stated in Table 5.1.
Table 5.1
Summary of Research Questions and Hypotheses

Research Problem

How does a service failure event and subsequent service recovery of an alliance partner impact a consumer’s evaluation of, and behaviour towards, the various alliance entities?

Research Issue 1 centres on the formation of consumer responses to a service failure event in a strategic alliance setting and relates to three distinct aspects: 1) consumer evaluations, 2) formation process, and 3) the influence of attribution.

Research Question 1.1

What consumer evaluations are formed following a service failure event in a strategic alliance setting?

Hypothesis

H1.1 – Consumers form event and global justice evaluations that impact their cognitive, affective, and behavioural responses towards various alliance entities.

Research Question 1.2

How do consumers form evaluations of, and behaviours towards, various alliance entities following a service failure event in a strategic alliance setting?

Hypothesis H1 – Event Justice Perceptions as Predictors of Global Justice Perceptions

H1 - Event justice perceptions lead to corresponding global justice perceptions.

Hypothesis H2 – Event Justice Perceptions as Predictors of Event Fairness

H2a – Event justice perceptions are aggregated and weighted by consumers to form a fairness evaluation of the social entity at the event level.

H2b – Event justice perceptions are weighted differently to form fairness evaluations at the event level, depending on the social entity evaluated.
Hypothesis H₃ – Global Justice Perceptions as Predictors of Global Fairness

H₃a – Global justice perceptions are aggregated and weighted by consumers to form a fairness evaluation of the social entity at the global level.

H₃b – Global justice perceptions are weighted differently to form fairness evaluations at the global level, depending on the social entity evaluated.

Hypothesis H₄ – Event Fairness as a Predictor of Global Fairness

H₄a - An evaluation of event fairness of a social entity leads to an evaluation of global fairness of that social entity.

H₄b - Whether an evaluation of event fairness of a social entity leads to an evaluation of global fairness depends on the social entity evaluated.

Hypothesis H₅ – Event Fairness and Global Justice Perceptions as Predictors of Global Fairness

H₅ - Global justice perceptions have a greater impact on global fairness than the fairness of an entity at the event level.

Hypothesis H₆ – Global Fairness as a Predictor of Satisfaction

H₆ - Global fairness evaluations lead to overall satisfaction with that social entity.

Hypothesis H₇ – Satisfaction as a Predictor of Behavioural Intentions

H₇ - Overall satisfaction with a social entity leads to behavioural intentions towards that entity.

Hypothesis H₈ – Mediation - Event Justice Measures and Global Fairness

H₈a - Global justice perceptions mediate the relationship between corresponding event justice perceptions and global fairness.

H₈b - Event fairness mediates the relationship between event justice perceptions and global fairness.
Hypothesis H9 – Mediation – Global Justice Perceptions and Satisfaction; Event Fairness and Satisfaction

H9a - Global fairness mediates the relationship between global justice perceptions and satisfaction.

H9b - Global fairness mediates the relationship between event fairness and overall satisfaction with a social entity.

Hypothesis H10 – Mediation – Global Fairness and Behavioural Intentions

H10 - Satisfaction mediates the relationship between global fairness and behavioural intentions.

Research Question 1.3

How does the locus of the service failure impact on consumer responses to a service failure event in a strategic alliance setting?

Hypotheses

H1.3 - The airline that causes the service failure is likely to experience the greatest negative impact on consumer evaluations and behaviour, followed by the partner airline that deals with the service failure, and lastly the alliance.

Research Issue 2 centres on the impact of a consumer characteristic on consumer responses to a service failure event in a strategic alliance setting.

Research Question 2

How does consumers’ strength of identification with an airline impact on their responses to a service failure event in a strategic alliance setting?

Hypotheses

H2.1 - Consumers who identify strongly with the home carrier will be more positive in their evaluations of, and behaviour towards, this airline following a service failure than consumers who do not identify with the home carrier.
H2.2 - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure compared to the partner airline and the alliance, than consumers who do not identify with the home carrier.

Research Issue 3 centres on the impact of a situational influence on consumer responses to a service failure event in a strategic alliance setting

Research Question 3

How does pre-consumption mood impact on consumer responses to a service failure event in a strategic alliance setting?

Hypotheses

H3.1: The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and interactional justice, compared to its partner airline and the alliance.

H3.2: The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and distributive justice, compared to its partner airline and the alliance.

Research Issue 4 centres on the impact of service recovery measures on consumer responses to a service failure event in a strategic alliance setting

Research Question 4

How do service recovery measures impact on consumer responses to a service failure event in a strategic alliance setting?

Hypotheses

H4.1 - The airline that deals with the service failure event is likely to experience the greatest impact from interactional justice on consumer evaluations and
behaviour, compared to the partner airline and the alliance.

\[ H_{4.2} \] Consumers’ evaluation and behaviour will vary directly with interactional justice, regardless of whether the outcome of others was known or not.

\[ H_{4.3} \] Consumers who are provided with an apology rather than an excuse will be more positive in their evaluations of, and behaviour towards, the airline that deals with the service failure compared to the airline that caused the service failure and the alliance.
CHAPTER 6

STUDY 2 – EXPERIMENT 1
CHAPTER 6

STUDY 2 – EXPERIMENT 1

6.1 INTRODUCTION

In chapter 5, Cropanzano and colleagues’ (2001) model was revisited with the intent of further refining this model. Literature pertaining to the three factors that emerged from the in-depth interviews as potentially important influences was also reviewed in order to develop research questions and hypotheses that further guide this research program.

Chapter 6 reports on the findings of Study 2, the first of two experimental designs. This study aimed to examine the effect of two factors that emerged as potentially impacting consumer responses to a service failure event in an alliance setting - social identity and pre-consumption mood - together with the fair process effect. The chapter commences by outlining methodological considerations of experimental designs in general before describing methodological issues specific to Study 2. The presentation of findings of the experiment follows, together with a discussion of results.

6.2 METHOD

6.2.1 Experimental Designs - General Considerations

A scenario-based experimental design was the major quantitative technique in this thesis, used in Studies 2 and 3. The primary objective of these two studies was to examine the impact of influential factors on consumer responses to a service failure event that involved multiple service providers, and for Study 3, to also test a model of organisational justice in an alliance context.

Experimental designs are a frequently employed method in services marketing. Indeed, even in the broader context of service quality, attribution, justice, and affect literature, McCollough’s (1995) review of data collection methods noted a high incidence of experimental designs. While Smith (1997) pointed to a traditional focus on non-experimental methods in service failure research, primarily in the form of the critical incident technique (Bitner et al., 1990; Booms & Tetreault, 1990; Kelley et al., 1993), more recent studies have drawn on experimental designs (Levesque & McDougall, 2000; McCollough et al., 2000; Smith et al., 1999). The ability to infer causal relations among variables represents the primary advantage of experiments by enabling the researcher to
systematically vary specific aspects to isolate the influence of explanatory factors on dependent variables (Cook & Campbell, 1979). In contrast, in non-experimental designs the influence of extraneous relationships cannot be accounted for, limiting conclusions to frequency distributions and correlational relationships.

A script-based scenario approach is a commonly used experimental methodology in which respondents are asked to read a short vignette on the issue under investigation and then respond to questions relating to variables of interest (Bitner, 1990). This role-play approach can have a high degree of realism, provided that the scenarios are applicable and appropriate for the sample at hand (Brown, 1962; Kelman, 1968; Schultz, 1969). Experimental scenarios have proved valuable in the study of reactions to procedures (Lind & Tyler, 1988) and are used extensively in psychological research on justice and services (e.g., Collie, et al., 2000; Goodwin & Ross, 1992; Hocutt, et al., 1997). Scenarios can be used to manipulate aspects of the information available to participants, while controlling for potential nuisance factors.

Bitner (1990, p.75) noted several advantages of role-playing (scenario-based) experiments: 1) greater internal validity, 2) expensive or difficult manipulations can be relatively easily operationalised, 3) the researcher is provided with control over otherwise unmanageable variables, and 4) the facilitation of the compression of time by summarizing events that might otherwise unfold over a number of days or weeks. These advantages are, however, realized with a concurrent loss of external validity. Yet, the use of actual consumers, and realistic and believable scenarios can provide an acceptable degree of realism (Carlsmith, Ellsworth, & Aronson, 1976). Thus, particular care was taken in this thesis investigation to ensure the creation of realistic scenarios and the utilization of actual consumers.

To facilitate the discussion of more general considerations for Studies 2 and 3, an overview of the major design considerations for both studies is provided in Table 6.1.

**Measurement Instruments**

A scenario-based self-administration questionnaire was utilized in Studies 2 and 3, containing scenario scripts and batteries of questions pertaining to the specific areas of interest. Scenario scripts were used to invoke a strong identification with an airline and to depict a service failure event and subsequent service recovery. In Study 2, a scenario script was also used to invoke pre-consumption mood. Study participants were instructed to read
the scenario(s), imagine that they were the customer, and answer the questions that followed accordingly.

In the service failure/recovery scenario scripts, reference was made to two alliance partner airlines and the alliance entity. Reference to specific airlines and alliances represented a key difference between the two studies, and by extension the questions pertaining to dependent measures. In Study 2, reference to one of the two major global airline alliances at that time, Oneworld Alliance, and two of its member airlines (American Airlines and British Airways) was made. In contrast, in Study 3, reference to two partner airlines and the alliance was generic (Airline ABC, Partner Airline XYZ, and Alliance AAZZ). Differences in sample characteristics accounted for this approach. Undergraduate students in the United States who participated in Study 2 were perceived to be less familiar with the concept of global strategic airline alliances than frequent travellers sampled in Study 3. Therefore, reference to actual airline and alliance brands was perceived essential to facilitate respondents’ understanding of the area of research interest. Reference to the major US-based airline was purposely made in view of the US-based respondents and survey site. For Study 3, frequent travellers in Hong Kong and Australia were surveyed. It was anticipated that these respondents have affiliations to a wide range of airlines so that invoking identification with one particular airline was perceived counterproductive. Reference to a specific airline and its partner airlines in an alliance would have been feasible if all respondents would have been loyal customers of that airline. However, despite extensive efforts the researcher was unable to obtain support from four major airlines and two major global airline alliances for the data collection process.

Instruments for Studies 2 and 3 adhered to basic notions of appropriate question design and sequence (Churchill, 1979). Statements pertaining to attitudes about the three entities under investigation were placed at the front, demographic questions and questions relating to airline affiliation and loyalty were placed at the end of the questionnaire. Questions pertaining to the scenarios were placed immediately after each scenario, resulting in a logical sequence. Detailed instructions were provided for the completion of specific questions and were amended when there was a change in question format (e.g., “please place an X on the line that most closely corresponds with how you feel” to “briefly write down your thoughts and feelings”). All but two questions in Study 2 and all questions in Study 3 were closed-ended questions, facilitating ease of data entry. These questions were pre-coded.
Table 6.1
Overview of Experimental Designs

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Study 2 (Experiment 1)</th>
<th>Study 3 (Experiment 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample</td>
<td>Students</td>
<td>Frequent Flyers</td>
</tr>
<tr>
<td>Location</td>
<td>United States</td>
<td>Asia-Pacific</td>
</tr>
<tr>
<td>Data Collection</td>
<td>On-site (Paper-based Instrument)</td>
<td>On-line (Internet-based Instrument)</td>
</tr>
<tr>
<td>Scenarios</td>
<td>Pre-consumption Mood</td>
<td>Social Identity</td>
</tr>
<tr>
<td>Focus of Scenarios</td>
<td>Social Identity</td>
<td>Service Failure and Recovery</td>
</tr>
<tr>
<td>Number of Scenarios</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Focus of SF/R Scenario</td>
<td>Upgrade request not communicated by home carrier</td>
<td>Breakdown of computer system – beyond the control of the airline that deals with service failure; Flight delay as a result of computer breakdown; only member of delegation that cannot get on confirmed flight</td>
</tr>
<tr>
<td></td>
<td>Overbooking by partner airline</td>
<td>Service recovery – staff ask for preference of alternative flight, standard policy measures for service recovery, F &amp; B voucher and accommodation, even for business class passenger</td>
</tr>
<tr>
<td></td>
<td>No further service recovery apart from apology by home carrier</td>
<td></td>
</tr>
</tbody>
</table>
### Criteria

<table>
<thead>
<tr>
<th>Study 2 (Experiment 1)</th>
<th>Study 3 (Experiment 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constants</strong></td>
<td></td>
</tr>
<tr>
<td>1. Outcome Severity is high</td>
<td>1. Outcome Severity is high</td>
</tr>
<tr>
<td>2. One Service Failure Event</td>
<td>2. One Service Failure Event</td>
</tr>
<tr>
<td>3. Partner Airline caused Service Failure</td>
<td></td>
</tr>
<tr>
<td>4. Social Identity Salience</td>
<td></td>
</tr>
<tr>
<td><strong>Measures</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td>(Manipulated)</td>
</tr>
<tr>
<td>1. Pre-Consumption Mood</td>
<td>(Positive versus Negative)</td>
</tr>
<tr>
<td>2. Interational Justice (IJ)</td>
<td>(high versus low)</td>
</tr>
<tr>
<td>3. Distributive Justice (DJ)</td>
<td>(outcome others (OO) better versus unknown)</td>
</tr>
<tr>
<td><strong>Independent Variable</strong></td>
<td>(Measured)</td>
</tr>
<tr>
<td>Social Identity Strength (SIS)</td>
<td></td>
</tr>
<tr>
<td><strong>Dependent Variables</strong></td>
<td></td>
</tr>
<tr>
<td>Responsibility – HC, PA, A</td>
<td></td>
</tr>
<tr>
<td>Anger - HC, PA, A</td>
<td></td>
</tr>
<tr>
<td>Overall Satisfaction - HC, PA, A</td>
<td></td>
</tr>
<tr>
<td>Repeat Purchase Intentions - HC, PA, A</td>
<td></td>
</tr>
<tr>
<td><strong>Scaling of DVs</strong></td>
<td></td>
</tr>
<tr>
<td>Single Items</td>
<td>Multi-Item Scales</td>
</tr>
</tbody>
</table>

Note. HC, PA, and A refer to Home Carrier, Partner Airline, and Alliance respectively
The majority of questions relating to dependent variables, manipulation, and realism checks were rated on 7-point bi-polar scales, a rating scale widely used in services marketing (Bitner & Hubbert, 1994; Blodgett et. al., 1997). The ease of administration, reduction in overall questionnaire completion time, and ready understanding by respondents - three key advantages of this scale (Oppenheim, 1992) - accounted for its wide adoption in the two experiments.

Questionnaire length has the potential to impact the initial response and/or final completion rate (Churchill, 1979). Furthermore, a long questionnaire may result in respondent fatigue, causing the respondent to pay less attention to the questions at the end of the instrument. In extreme cases, it may lead to singularity in that only one response category is chosen. The length of the questionnaires in both experiments was a particular concern as they contained more than one scenario script, with the service failure/recovery scenario being relatively long to ensure that the complexities of the alliance setting are adequately explained. In addition, the various measures for the dependent variables had to be ascertained not only for one service provider (home carrier) but for an additional two entities (partner airline and alliance). Thus, the merit of utilizing single versus multi-item scales had to be given special consideration, and is further discussed in an upcoming section on ‘Dependent Variable Measurements and Scales.’

The design of a questionnaire can assist in reducing potential problems relating to questionnaire length (Churchill, 1979). Thus, particular attention was paid to creating instruments with a user-friendly appeal that are easy to complete in a short period of time. In Study 2, a paper-based questionnaire was utilized and design considerations included the extensive use of white space and colour. In Study 3, the Internet-based questionnaire allowed for extensive use of colour (background and text) and the variability of answer formats (that is, the use of radio buttons, check boxes, pull-down menus, and text boxes). Samples of the instruments designed for Studies 2 and 3 are shown in Appendices B and C respectively.

The data collection method and medium also differed in the two studies. In Study 2, data were collected on-site via a paper-based instrument. In Study 3, data were collected online via an Internet-based instrument. The method in Study 2 offered strict control over the data collection process, ensuring that the random distribution of instruments was adhered to. The data collection medium used in Study 3 was perceived to offer significant advantages in terms
of accessibility to a large number of potential, suitable respondents, response rate, time, and cost. However, as noted in previous studies (e.g., Dillman, 2000; Oppermann, 1995), while the combination of email and an on-line instrument presents significant time and cost advantages compared to traditional survey methods, it does not necessarily result in higher response rates. Consequently, the problems of low response rates, corresponding non-response bias, and resulting limitations on the generalization of study findings are still issues to contend with.

The difference in data collection medium also resulted in differences in the timing of data screening and entry procedures. In Study 2, the data screening process took place upon collection of the instruments on-site and prior the data entry into SPSS. In contrast, in Study 3, the Internet-based instrument contained a special script that facilitated data entry into an SPSS file upon submission via the Internet. Consequently, data entry took place prior its screening.

**Dependent Variable Measurements and Scales**

Both single items and multi-item scales served to measure variables of interest, with support for the use of either, given their respective characteristics (Churchill, 1979). Multi-item scales require a large number of item statements, potentially affecting instrument length and consequently, response and/or completion rates. The fact that in this thesis dependent variable measures had to be obtained not only for one but three entities (home carrier, partner airline, and alliance) led to the use of single item measures in Study 2. There is considerable precedent for the use of single item measures in previous research (Mittal, et al., 1998). Indeed, LaBarbera and Mazursky (1983) suggested that in large scale survey research the use of multi-item scales may actually decrease the quality of measurement rather than enhance it. However, other researchers have questioned whether single item measures adequately capture the domain of latent constructs. Furthermore, Churchill (1979) argued that summated scales can address each of the four weaknesses of single item measures, namely: 1) lacking sufficient correlation with the attribute being measured, 2) closely related to other attributes, 3) restricted variance of scale, and 4) unreliable responses. These advantages of multi-item scales accounted for their adoption in Study 3, together with the fact that the number of scenarios in Study 3 was reduced to two, thus addressing the previously noted concern over instrument length.
Sample Size Determination

The sample size was determined by two factors: 1) the requirements of the proposed data analysis techniques, and 2) the estimated response rate. Repeated measures MANOVA was the primary data analysis technique, to be used for both experiments. Multiple regression analysis was to be used in Study 3 only.

It was estimated that 200 respondents would be needed to satisfy the requirements of repeated measures MANOVA. Based on Cohen (1977), a final sample size of 25 subjects per cell was calculated as optimal. This sample size would yield an alpha of .01 for a moderate effect size, with power ranging from a low of a 91% probability of detecting any main effect (or interaction) to a high of 97% of the main effect. The proposed regression analysis in Study 3 required a lesser number of respondents. A minimum of five cases for each independent variable is recommended while 20 cases per variable is ideal (Coakes & Steed, 1997). As repeated measures MANOVA was the major statistical technique used in Studies 2 and 3, a minimum number of 200 respondents was used to guide the overall sample size determination.

Based on an anticipated response rate of 90% for Study 2 due to its controlled setting and the use of incentives, and making an allowance for discarding questionnaires following data screening, 280 questionnaires were prepared for the on-site administration. For Study 3, a conservative response rate of 5% was assumed, based on reported response rates in similar studies that utilized the Internet as a survey medium (e.g., Dillman, 2000). Therefore, 5,000 email records were purchased to ensure a minimum acceptable sample size of 200 respondents, following the data screening process.

6.2.2 Design

A 2 (Pre-Consumption Mood (PCM): positive versus negative) x 2 (Interactional Justice (IJ): high versus low) x 2 (Distributive Justice - Outcome Other (DJ- OO) - better versus unknown) x 2 (Social Identity (SI): strong versus weak) x 3 (Entity: home carrier, partner airline, alliance) factorial design was utilized, in which the former three factors were between-subject factors, and the latter factor was a within-subject factor. The dependent variables measured were responsibility, anger, satisfaction, and repeat purchase intentions for all three entities.
6.2.3 Sample

A convenience sample of 255 undergraduate students was drawn from a university in the Eastern United States. The sample was equally divided in terms of gender, and respondents’ mean age was 21 years (SD = 1.8). About two-thirds of respondents had travelled up to six times in the past year within the United States, with a quarter of respondents reporting the same travel frequency for international travel. The survey was administered to this group for four reasons: 1) on-site data collection allowed for control over the administration of the experiment, 2) the setting for the data collection together with incentives for participation allowed for a high response rate, 3) a large number of respondents could be sampled within a short time period, and 4) as no mail-out was required, the only cost was the cost of printing the booklets.

6.2.4 Stimulus Material

The instrument utilized in Study 2 comprised three major sections. First, a script that tapped into various dimensions of social identity was included to invoke identification with the home carrier. The script was followed by several questions on the basis of which the strength of respondents’ identification was ascertained. Second, a script designed to invoke pre-consumption mood was included, followed by an open-ended question that elicited verbal protocols of respondents’ thoughts and feelings. Third, the service failure/recovery scenario was presented. Eight scripts were developed for Study 2 on the basis of interviews with airline executives and frequent travellers, in addition to reviews of service failure episodes relayed in various airline-related publications. Scenarios were identical except for manipulations of the three independent variables, depicting a service situation that involved two alliance partner airlines and the alliance entity on a code-shared flight (the airline the customer is loyal to - home carrier, the partner airline that dealt with the service failure, and the alliance entity). The home carrier caused the service failure by neglecting to communicate an upgrade request at a time when the flight operated by the partner airline was overbooked. The home carrier only offered an apology when the consumer relayed the incident in writing to the airline upon completion of the journey. Pre-tests with undergraduate students in the United States confirmed that these scripts were meaningful and realistic. Next, respondents were asked to answer questions relating to the dependent variables of interest. Finally, manipulation and realism check items were presented, followed by basic demographic questions. The eight scenario scripts used for Study 2 are provided in Appendix B.
Independent Variables

Pre-consumption mood, interactional justice, and distributive justice (outcome others) were manipulated. Pre-consumption mood was operationalised as positive versus negative. It was induced by a scenario that made reference to both stimulus-induced emotion (service delivery of another service provider) and ambient mood (physical surroundings and personal well-being) (Isen, 1997), that is, pre-consumption mood was not related to the service provider who was assessed subsequent to the service failure event.

Interactional justice was operationalised as high versus low. The key dimensions of interactional justice included in the script related to staff empathy, attitude towards and respect for the customer, in addition to effort devoted to resolve the service failure. In the high IJ condition staff was attentive, polite and respectful of the customer, displayed empathy, and made an effort to resolve the service problem. In contrast, in the low IJ condition, staff did not pay attention to the customer, was rude and disrespectful, did not display empathy nor expended any effort to rectify the problem.

Distributive justice was operationalised in the form of the knowledge of the outcome of others, with the outcome of others either ‘better’ or ‘unknown’, adopting the approach by Collie and colleagues (2000). In the ‘DJ-OO Better’ condition reference was made to the fact that all other members of the travel party were able to travel on the flight and only the respondent had to take a later flight, and consequently change further trip arrangements. In the ‘DJ-OO unknown’ condition no reference was made to a differential outcome.

Social identity was measured rather than manipulated, following the presentation of a special script, as detailed earlier. Responses to five questions related to specific dimensions of social identity were summated for a total identification score. Based on this score, respondents were then classified as either strong or weak identifiers with the home carrier. A median split was employed, resulting in 128 strong identifiers and 113 weak identifiers. Details on the manipulations of the three independent variables and the scenario script for the measured independent variable are provided in Table 6.2.
Pre-Consumption Mood (PCM)

Positive PCM
You are staying with family friends in New York prior to your overseas trip. On the day of your flight your alarm goes off on time. You get up and take a nice, long shower and a leisurely breakfast with your hosts. The shuttle you had booked to get you to the airport arrives at the appointed time. Since it is early, traffic moves smoothly. The shuttle driver is very friendly and you have a pleasant conversation during the journey. When dropping you at the terminal entrance he is also helping you with your luggage. It’s a warm day with blue sky and sunshine. You arrive at the check-in counter well in time. You are in a very good mood.

Negative PCM
You are staying with family friends in New York prior to your overseas trip. On the day of your flight your alarm does not go off on time. You get up and rush to take a quick shower, and don’t have any time for breakfast with your hosts. The shuttle you had booked to get you to the airport does not arrive at the appointed time, and you have to call the company several times to inquire about its whereabouts. The shuttle finally arrives 40 minutes late. Since it is late now, traffic moves very slowly. The shuttle driver is very unfriendly and you don’t have any conversation during the journey. When dropping you at the terminal entrance he is not helping you with your luggage. It’s a cold day with dark sky and heavy rain. Since the shuttle driver dropped you at the wrong terminal you arrive at the check-in counter shortly before closing. You are in a very bad mood.

Interactional Justice

High IJ
The representative of British Airways carefully looks at and immediately recognises your membership card, politely listens, and seems very understanding, and in a sympathetic voice says: “I’m very sorry about this. You know the customers of our partner airline and the alliance are important to us. I’ll see what I can do for you.”

Low IJ
The representative of British Airways barely looks at and does not seem to recognize your membership card nor listens, seems very agitated, and in an irritated voice says: “There is
not much I can do at all. Overbooking is now very common among all airlines so this may happen occasionally."

**Distributive Justice (Outcome Others)**

*Better*

However, the three college friends you are travelling with have all been checked-in for the original flight so that you are the only one who will have to fly six hours later and change the flight and train tickets for travel in Europe.

*Unknown*

No reference is made to a differential outcome for the members of the travel party.

**Social Identity**

We would like you to imagine that you are a frequent flyer with American Airlines (AA). You have been flying with American Airlines for several years, accumulating miles by averaging about three to four flights annually, mainly on its domestic network. Now you have privilege status with AA so that you are entitled to numerous benefits such as special check-ins and priority baggage handling. You are very proud of the status you have with American Airlines and feel good about yourself when flying with this airline. You have a great affiliation with AA - the airline you are referring to as your airline.

---

**Dependent Measures**

Responsibility, anger, satisfaction, and repeat purchase intentions were the dependent measures. All dependent measures were single item measures. The responsibility measure required a response on an 11-point continuum (0 = not at all responsible, 10 = completely responsible). Anger, satisfaction, and repeat purchase intentions measures required a response on a 7-point scale (1 = strongly disagree, 7 = strongly agree). The anger measure was adapted from Richins (1997), while the satisfaction and repeat purchase intention measures were adapted from Crosby and Stephens (1987) and Zeithaml, Berry, and Parasuraman (1996) respectively.

The effectiveness of the pre-consumption mood manipulation was ascertained with the Mood Short Form Scale (MSF) developed by Peterson and Sauber (1983). The effectiveness of the interactional justice manipulation was ascertained with two questions that focused on the interpersonal aspects of politeness and helpfulness, consistent with previous studies (e.g., Blodgett et al., 1997; Collie, et al., 2000).
were measured on 7-point scales. Individual questions of the two scales utilized as manipulation checks are detailed in section 6.3. Justification for the use of single item measures versus multi-item scales was provided in section 6.1.

Descriptive Measures

Descriptive measures were included to obtain basic information about the sample for classification and comparison purposes; they were not directly linked to the hypotheses testing. Measures related to respondents’ age, gender, and domestic and international travel frequency in the past 12 months.

6.2.5 Procedure

A booklet containing one of the eight scenarios and a battery of questions relating to the dependent variables, manipulation and realism checks, and descriptive measures was distributed to all 255 students enrolled in an introductory tourism class at a large university in the Eastern United States during class period in October 2003. The class session was scheduled for one hour. At the beginning of the session the researcher outlined the context of the research setting, without identifying the specific research interest. Students were advised that the research study was governed by Griffith University research ethics guidelines. Next, the researcher informed students that as a token of appreciation a prize draw for several small cash incentives and souvenirs would be held immediately following the data collection. In total, 20 cash incentives of US$ 5, and 10 guidebooks for Hong Kong were offered as prizes for completing the questionnaire. Small incentives to encourage participation in surveys have a positive effect on response rates (Luck & Rubin, 1987). The option to enter the prize draw was taken up by 94% of respondents.

Each participant was then issued a booklet containing one version of the service scenario and the response measures. Distribution of the booklets was at random, with the treatment conditions being mixed prior distribution. Participants were instructed to read the scenarios, imagine that they were customers, and answer the questions accordingly. This task was completed under the researcher’s supervision. All 255 students returned the booklet at the end of the class period. Completion time was approximately 25 minutes. During debriefing, no one appeared to know the true purpose of the study. Following the debriefing, the prize draw was held.
6.2.6 Data Analysis

Repeated measures MANOVA was the primary data analysis technique used in Study 2. Prior to the analysis data were checked to ensure conformity with the main assumptions underlying the data analysis method, namely normality of distribution of dependent variables, homogeneity of variance-covariance matrices, and the independence of observations. Field (2000, p. 593) noted that as the assumption of multivariate normality cannot be tested in the data analysis software SPSS, there is a need to check the assumption of univariate normality for each dependent variable. The normality of dependent variables was evaluated by examining their kurtosis and skewness that were all found to have acceptable values (Hair, Anderson, Tatham, & Black, 1995). MANOVA is relatively robust to modest violations of assumption of normal variance, except if the violations are due to outliers. Thus, Mahalanobis distances were calculated to check for outliers that may affect the normality assumption; consequently, 14 cases were removed from the dataset. The assumption of equality of covariance matrices was tested by first performing univariate tests of equality of variances, with none of these tests being significant for the dependent variables. As Levene’s test does not take into account the covariances, the variance-covariance matrices were compared using Box’s Test of Equality of Covariance Matrices. The significance value was larger than .001 for all tests performed, thus the assumption of equality of covariance matrices was not violated (Tabachnik & Fidell, 2001). Finally, to ensure that the assumption of linearity and independence of dependent variables was met, scatterplots and tests for multi-collinearity respectively were examined. Scatterplots were generated for each pair of the dependent variables; the presence of a straight line indicated that the assumption was met. Multicollinearity refers to a condition where dependent variables are highly correlated. Pallant (2001) noted that MANOVA works best if dependent variables are moderately correlated. Correlation analysis was conducted, indicating a moderate level of correlation only for the dependent variables (ranging from .3 to .5). Thus, as high correlations of .8 or .9 were not observed, multi-collinearity was not perceived to be a problem. Following the deletion of 14 cases to ensure assumptions of MANOVA were met, a total of 241 cases were available for the main analysis.

6.3 RESULTS
6.3.1 Realism and Manipulation Checks

Study participants were asked to respond to scenario scripts by imagining themselves in the role of the customer. Therefore, several measures assessing the realism of the provided scenarios were established (Wilson & McNamara, 1982). Table 6.3 provides
descriptives for the realism checks, indicating that respondents found the service problem and its handling realistic, and that they could adopt the role of the customer. Realism checks conducted for each of the eight scenarios confirmed the results of realism checks at the aggregate level.

Table 6.3
Realism Checks

<table>
<thead>
<tr>
<th>Realism Check Items</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>How realistic was the problem that was described to you?</td>
<td>5.39</td>
<td>1.5</td>
</tr>
<tr>
<td>How realistic were the descriptions of the various ways in which the airlines handled the problem?</td>
<td>5.31</td>
<td>1.3</td>
</tr>
<tr>
<td>I felt I could identify with the customer in this scenario.</td>
<td>5.15</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Note. All variables were measured on a 7-point scale with a value of 1 indicating strong disagreement and a value of 7 indicating strong agreement.

Checks confirmed that the manipulations for the three independent variables – pre-consumption mood, interactional justice, and distributive justice - were successful. The effectiveness of the pre-consumption mood manipulation was ascertained with the Mood Short Form Scale (MSF), developed by Peterson and Sauber (1983). Respondents evaluated their mood on 7-point scales (1 = strongly disagree; 7 = strongly agree), relating to four items: “Currently I am in a good mood,” “As I answer these questions I feel very cheerful,” “For some reason I am not very comfortable right now,” and “At this moment I feel edgy or irritable.” Subjects in the positive mood condition displayed significantly higher ratings on the global mood scale than subjects in the negative mood condition (M<sub>positive mood/negative mood</sub> = 4.71/3.61; t = 4.738, p < .001), as shown in Table 6.4.

The effectiveness of the interactional justice manipulation was ascertained with two questions that focused on the interpersonal aspects of politeness and helpfulness, consistent with previous studies (e.g., Blodgett et al., 1997; Collie, et al., 2000). These questions were: “The representative of British Airways treated me politely” and “The representative of British Airways was very helpful”. Respondents in the high interactional justice condition exhibited significantly higher ratings on the IJ manipulation scale than those in the low interactional justice condition (M<sub>high IJ/low IJ</sub> = 4.33/2.21; t = 12.490, p < .001), as shown in Table 6.4.
No manipulation check item was included for the two distributive justice conditions in the form of the knowledge of the outcome of others as it was not feasible to ascertain from respondents in the ‘outcome of others unknown’ condition perceptions on differential outcomes.

Table 6.4
Manipulation Checks

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>M</th>
<th>SD</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Consumption Mood (PCM)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive PCM</td>
<td>4.71</td>
<td>1.73</td>
<td></td>
</tr>
<tr>
<td>Negative PCM</td>
<td>3.61</td>
<td>1.82</td>
<td>4.738***</td>
</tr>
<tr>
<td>Interactional Justice (IJ)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High IJ</td>
<td>4.33</td>
<td>1.39</td>
<td></td>
</tr>
<tr>
<td>Low IJ</td>
<td>2.21</td>
<td>1.24</td>
<td>12.490***</td>
</tr>
</tbody>
</table>

*** p < .001

6.3.2 Attributions of Responsibility

Prior to the main analysis, the effect of the independent variables on consumers’ perceived attributions of responsibility towards the home carrier, the partner airline, and the alliance respectively was assessed. A 2 (Pre-Consumption Mood) x 2 (Interactional Justice) x 2 (Distributive Justice – Knowledge of the Outcome of Others) x 2 (Social Identity) x 3 (Entity) mixed model ANOVA was run with responsibility as the dependent variable.

A significant overall univariate within-subject interaction was found for IJ x Entity for the responsibility attributed for the service failure/recovery ($F (2, 221) = 5.418$, $p < .01$, partial $\eta^2 = .047$). The means for responsibility attributed to each of the three entities in the high and low IJ conditions are shown in Table 6.5, and the interaction is graphically presented in Figure 6.1.

Table 6.5
Descriptives for Responsibility - Interactional Justice x Entity Interaction

<table>
<thead>
<tr>
<th>Interactional Justice</th>
<th>High IJ</th>
<th></th>
<th>Low IJ</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>n</td>
<td>M</td>
</tr>
<tr>
<td>Home Carrier</td>
<td>7.17</td>
<td>2.24</td>
<td>119</td>
<td>6.66</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>5.71</td>
<td>2.67</td>
<td>119</td>
<td>6.79</td>
</tr>
<tr>
<td>Alliance</td>
<td>7.27</td>
<td>2.50</td>
<td>119</td>
<td>7.35</td>
</tr>
</tbody>
</table>

*Note: Responsibility was measured on an 11-point scale with 0 indicating “Not at all Responsible” and 10 indicating “Completely Responsible”*
Simple effect tests revealed that when IJ by the partner airline was high, responsibility varied depending on the entity evaluated ($F\ (2, 117) = 13.807; \ p < .001$). Contrasts indicated that customers attributed more responsibility to the alliance and the home carrier than to the partner airline ($p < .001$). There was no significant difference in ratings in responsibility between the home carrier and the alliance ($p > .05$).

When low IJ was employed by the partner airline, responsibility varied again for the three entities under investigation ($F\ (2, 117) = 3.661, \ p < .05$). Contrasts showed that customers attributed more responsibility to the alliance than the home carrier ($p < .05$). There was no significant difference in responsibility ratings between the partner airline and the home carrier, and the partner airline and the alliance ($p > .05$).

Simple effects tests revealed that when the partner airline was evaluated, subjects attributed significantly more responsibility to it in the low IJ condition than in the high IJ condition ($F\ (1, 236) = 9.773, \ p < .01$). There was no significant difference at the .05 level between the ratings associated with IJ when the home carrier and the alliance were evaluated in terms of responsibility.

![Figure 6.1](image_url)
Furthermore, a significant overall univariate within-subject interaction was found for PCM x Entity for the responsibility attributed for the service failure/recovery \( F(2, 221) = 5.678, p < .01, \text{partial } \eta^2 = .049 \). The means for responsibility attributed to each of the three entities in the positive and negative PCM condition are shown in Table 6.6, and the interaction is graphically presented in Figure 6.2.

Table 6.6  
Descriptives for Responsibility - PCM x Entity Interaction

<table>
<thead>
<tr>
<th>Entity</th>
<th>Positive PCM</th>
<th></th>
<th></th>
<th>Negative PCM</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>n</td>
<td>M</td>
<td>SD</td>
<td>n</td>
</tr>
<tr>
<td>Home Carrier</td>
<td>6.66</td>
<td>2.67</td>
<td>118</td>
<td>7.17</td>
<td>2.194</td>
<td>120</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>6.55</td>
<td>2.71</td>
<td>118</td>
<td>5.95</td>
<td>2.713</td>
<td>120</td>
</tr>
<tr>
<td>Alliance</td>
<td>7.64</td>
<td>2.51</td>
<td>118</td>
<td>6.98</td>
<td>2.577</td>
<td>120</td>
</tr>
</tbody>
</table>

*Note. Responsibility was measured on an 11-point scale with 0 indicating “Not at all responsible” to 10 indicating “Completely Responsible”*

Simple effect tests revealed that when PCM was positive, responsibility varied depending on the entity evaluated \( F(2, 116) = 9.159, p < .001 \). Contrasts revealed that customers attributed significantly more responsibility to the alliance than either the home carrier or the partner airline \( p < .001 \). There was no significant difference in ratings in responsibility between the home carrier and the partner airline \( p > .05 \).

When PCM was negative, responsibility varied again for the three entities under investigation \( F(2, 118) = 8.865, p < .001 \). Contrasts revealed that for this condition significantly more responsibility was assigned to the home carrier and the alliance than to the partner airline \( p < .001 \). There was no significant difference in responsibility ratings between the home carrier and the alliance \( p > .05 \).

Simple effects tests revealed that when the alliance was evaluated, subjects attributed significantly more responsibility to it in the positive PCM condition than in the negative PCM condition \( F(1, 236) = 4.004, p < .05 \). There was no significant difference at the .05 level between the ratings associated with PCM when the home carrier and the partner airline were evaluated in terms of responsibility.
6.3.3 Consumer Evaluations and Behaviour

A 2 (PCM) x 2 (IJ) x 2 (DJ-OO) x 2 (SI) x 3 (Entity) repeated measures MANOVA examined differences in anger, satisfaction, and repeat purchase intention ratings for the home carrier, the partner airline, and the alliance. The within-subject variable was entity; that is, the home carrier, the partner airline, and the alliance. Pre-consumption mood, interactional justice, distributive justice (manipulated), and social identity (measured) were the independent variables; anger, satisfaction, and repeat purchase intentions were the dependent variables.

Results revealed significant main and interaction effects for all but one independent variable (DJ-OO). Significant multivariate statistics and univariate results are presented in Table 6.7. The Bonferroni correction factor, resulting in a new alpha level of \( p < .017 \), was applied to reduce the chance of a Type I error, in other words, finding a significant result when in fact there was none. Simple effects and simple contrasts were conducted at the .05 level. The sections that follow will present the results for each independent variable with reference to the respective research question and hypotheses stated in chapter 5 and summarized in Table 5.1. Results for social identity will be presented first, followed by results for entity, interactional justice, and pre-consumption mood.
### Table 6.7
Summary of Significant MANOVA Results

<table>
<thead>
<tr>
<th>Source</th>
<th>df</th>
<th>Multivariate</th>
<th>Univariate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>F</td>
<td>p</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MAIN EFFECTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Identity</td>
<td>3,216</td>
<td>2.885</td>
<td>.037</td>
</tr>
<tr>
<td>Anger</td>
<td></td>
<td>4.111</td>
<td>.044</td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td>5.705</td>
<td>.016*</td>
</tr>
<tr>
<td>Interactional Justice</td>
<td>3,216</td>
<td>3.749</td>
<td>.012</td>
</tr>
<tr>
<td>Anger</td>
<td></td>
<td>4.714</td>
<td>.031</td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td>9.185</td>
<td>.003*</td>
</tr>
<tr>
<td>Entity</td>
<td>6,213</td>
<td>5.941</td>
<td>.000</td>
</tr>
<tr>
<td>Anger</td>
<td></td>
<td>4.998</td>
<td>.007*</td>
</tr>
<tr>
<td>Repeat Purchase Intentions</td>
<td></td>
<td>9.948</td>
<td>.000*</td>
</tr>
<tr>
<td><strong>INTERACTION EFFECTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IJ x Entity</td>
<td>6,213</td>
<td>4.084</td>
<td>.001</td>
</tr>
<tr>
<td>Anger</td>
<td></td>
<td>8.488</td>
<td>.000*</td>
</tr>
<tr>
<td>Overall Satisfaction</td>
<td></td>
<td>8.530</td>
<td>.000*</td>
</tr>
<tr>
<td>PCM x DJ-OO x Entity</td>
<td>6,213</td>
<td>2.463</td>
<td>.025</td>
</tr>
<tr>
<td>Repeat Purchase Intentions</td>
<td></td>
<td>3.710</td>
<td>.025</td>
</tr>
</tbody>
</table>

* Significant with the application of the Bonferroni correction \( p < .017 \)

**Social Identity**

The research question pertaining to social identity and related hypotheses were stated as follows:

*How does consumers’ strength of identification with an airline impact on their responses to a service failure event in a strategic alliance setting?*

\( H_{2.1} \) - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure than consumers who do not identify with the home carrier.

\( H_{2.2} \) - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure compared to the partner airline and the alliance, than consumers who do not identify with the home carrier.
A significant overall multivariate between-subject main effect for social identity ($F(3, 216) = 2.885, p < .05, \text{partial } \eta^2 = .039$) was found when assessing the effects on anger, satisfaction, and repeat purchase intentions. However, with the application of the Bonferroni correction factor, resulting in a new alpha level of .017, differences were statistically significant for satisfaction only. Analysis of the descriptive statistics revealed that respondents who strongly identified with the home carrier were less satisfied than respondents who weakly identified with the home carrier ($M_{\text{strong SI/weak SI}} = 2.84/3.16$). No significant multivariate interaction effect for social identity and entity was detected.

**Entity**

There was a significant multivariate main effect for Entity ($F(6, 213) = 5.941, p < .001, \text{partial } \eta^2 = .143$). Assessing the results of the dependent variables separately, these differences reached statistical significance using a Bonferroni adjusted alpha level of .017 for anger and repeat purchase intentions.

This main effect was, however, further clarified by two significant overall multivariate interaction effects: 1) interactional justice and entity ($F(6, 213) = 4.084, p < .001, \text{partial } \eta^2 = .103$) and 2) pre-consumption mood, distributive justice – outcome others and entity ($F(6,213) = 2.463, p < .05, \text{partial } \eta^2 = .065$). These two interaction effects will be discussed in the respective sections on interactional justice and pre-consumption mood.

**Interactional Justice**

The research question pertaining to interactional justice and related hypotheses were stated as follows:

*How do service recovery measures impact on consumer responses to a service failure event in a strategic alliance setting?*

$H_{4.1}$ – The airline that deals with the service failure event is likely to experience the greatest impact from interactional justice on consumer evaluations and behaviour, compared to the partner airline and the alliance.

$H_{4.2}$ – Consumers’ evaluation and behaviour will vary directly with interactional justice, regardless of whether the outcome of others was known or not.
A significant overall multivariate between-subject main effect for Interactional Justice ($F(3, 216) = 3.749, p < .05, \text{partial } \eta^2 = .049$) was found when assessing the effects on anger, satisfaction and repeat purchase intentions. However, when the results of the dependent variables were considered separately, these differences reached statistical significance using a Bonferroni adjusted alpha level of .017 for satisfaction only. Analysis of the descriptive statistics revealed that respondents in the high IJ justice condition expressed greater satisfaction than respondents in the low IJ justice condition (satisfaction: $M_{\text{high IJ}}/M_{\text{low IJ}} = 3.19/2.79$).

Furthermore, a significant overall multivariate interaction effect for interactional justice and entity ($F(6, 213) = 4.084, p < .001, \text{partial } \eta^2 = .103$). Univariate results showed a significant effect on anger and satisfaction. The means for the dependent variables for the three entities are shown in Table 6.8, and the interaction effects are graphically displayed in Figures 6.3 and 6.4.

<table>
<thead>
<tr>
<th>Interactional Justice</th>
<th>High IJ</th>
<th>Low IJ</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$M$</td>
<td>$SD$</td>
</tr>
<tr>
<td><strong>Anger</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>5.41</td>
<td>1.54</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>5.00</td>
<td>1.81</td>
</tr>
<tr>
<td>Alliance</td>
<td>5.75</td>
<td>1.49</td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>2.97</td>
<td>1.82</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>3.61</td>
<td>1.77</td>
</tr>
<tr>
<td>Alliance</td>
<td>2.99</td>
<td>1.66</td>
</tr>
</tbody>
</table>

Simple effect tests revealed that when IJ was high, anger and satisfaction varied depending on the entity evaluated (anger: $F(2, 117) = 7.547, p < .001$; satisfaction $F(2, 117) = 5.724, p < .01$). Contrasts revealed that respondents were significantly more satisfied with the partner airline than the home carrier ($p < .01$). Furthermore, there were significant differences in anger ($p < .001$) and satisfaction ratings ($p < .01$) for the partner airline versus the alliance, with respondents being more angry and less satisfied with the alliance than the partner airline.
When low IJ was employed by the partner airline, anger and satisfaction ratings varied again for the three entities under investigation (anger: $F(2, 117) = 6.350, p < .01$; satisfaction: $F(2, 116) = 5.962, p < .01$). Contrasts indicated that customers were angrier ($p < .001$) and less satisfied ($p < .01$) with the partner airline than with the home carrier. There was a significant difference in ratings for anger ($p < .01$) between the home carrier and the alliance, but not for satisfaction ($p > .05$).

Simple effects tests revealed that when the partner airline was evaluated, subjects gave significantly higher ratings for anger ($F(1, 236) = 19.527, p < .001$) and lower ratings for satisfaction ($F(1, 237) = 29.997, p < .001$) if low IJ was employed compared to high IJ. There was no significant difference at the .05 level between the ratings associated with IJ when either the home carrier or the alliance were evaluated in terms of anger and satisfaction.
**Pre-Consumption Mood**

The research question pertaining to pre-consumption mood and related hypotheses were stated as follows:

_How does pre-consumption mood impact on consumer responses to a service failure event in a strategic alliance setting?_

H₃.₁: The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and interactional justice, compared to its partner airline and the alliance.

H₃.₂: The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and distributive justice, compared to its partner airline and the alliance.

A significant overall multivariate within-subject interaction was found for pre-consumption mood x DJ-OO x Entity (F (6, 213) = 2.463, p < .05, partial η² = .065). Univariate results showed a significant effect on repeat purchase intentions. The means for repeat purchase intentions for each of the three entities for this interaction are shown in Table 6.9, and the interaction is graphically presented in Figures 6.5 and 6.6.
Table 6.9
Descriptives for Repeat Purchase Intentions – PCM x DJ-OO x Entity Interaction

<table>
<thead>
<tr>
<th>Pre-Consumption Mood (PCM)</th>
<th>Outcome Others Better</th>
<th></th>
<th>Outcome Others Unknown</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>n</td>
<td>M</td>
</tr>
<tr>
<td><strong>Positive PCM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>4.83</td>
<td>1.53</td>
<td>59</td>
<td>4.02</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>3.97</td>
<td>1.91</td>
<td>59</td>
<td>4.29</td>
</tr>
<tr>
<td>Alliance</td>
<td>3.81</td>
<td>1.65</td>
<td>59</td>
<td>3.60</td>
</tr>
<tr>
<td><strong>Negative PCM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>4.18</td>
<td>1.44</td>
<td>61</td>
<td>4.23</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>4.08</td>
<td>1.64</td>
<td>61</td>
<td>3.98</td>
</tr>
<tr>
<td>Alliance</td>
<td>3.90</td>
<td>1.64</td>
<td>61</td>
<td>3.86</td>
</tr>
</tbody>
</table>

Simple effect tests for the positive pre-consumption mood condition revealed that if consumers had knowledge that the outcome of others was better, then repeat purchase intentions depended on the entity evaluated ($F\ (2, 58) = 12.208, p < .001$). Contrasts revealed that repeat purchase intentions were significantly higher for the home carrier than for either the partner airline or the alliance ($p < .001$). There was no significant difference in repeat purchase intentions for the partner airline and the alliance ($p > .05$). In contrast, when consumers did not have knowledge of the outcome of others, repeat purchase intentions did not vary significantly among the three entities ($p > .05$).
Furthermore, simple effects revealed that when the home carrier was evaluated, repeat purchase intentions were significantly higher if consumers had knowledge of the outcome of others then when they did not have any knowledge of the outcome of others ($F(1, 117) = 6.255, p < .05$), with intentions being higher for the former condition. There were no significant differences in repeat purchase intentions for either the partner airline or the alliance, depending on the knowledge of the outcome of others.

Simple effect tests for the negative pre-consumption mood condition revealed that if consumers had knowledge that the outcome of others was better, then repeat purchase intentions did not vary significantly among the three entities ($p > .05$). In contrast, if consumers did not have any knowledge of the outcome of others, then repeat purchase intentions depended on the entity evaluated ($F(2, 58) = 3.252, p < .05$). Contrasts revealed that repeat purchase intentions were significantly higher for the home carrier than the alliance ($p < .01$). There was no significant difference in repeat purchase intentions for the partner airline compared to the home carrier and alliance respectively ($p > .05$).

Finally, simple effects revealed that there were no significant differences in repeat purchase intentions for all three entities, depending on the knowledge of the outcome of others.
6.4 DISCUSSION

Table 6.10 presents a summary of the findings of this study, relative to the respective research question and corresponding hypotheses. Each of these will now be discussed, with reference to previous research.

6.4.1 Social Identity

This study examined the impact of social identity on consumer responses to a service failure event in an airline alliance setting. Social identity was made salient for all respondents and strength of identification was subsequently measured. Results revealed a significant main effect for social identity on the level of satisfaction reported, with respondents who strongly identified with the home carrier being more dissatisfied than respondents who weakly identified. It seems that those customers who felt high identification with the firm may have more at stake when service delivery fails because not only is there a service problem but the customers’ sense of self worth may be compromised. Furthermore, as Lind and Tyler (1988) asserted, the perceptions conveyed as a result of the service failure event may threaten the consumer’s inclusion and standing in the group. This in part helps to shed light on why people in the high social identification group felt a greater sense of dissatisfaction than those in the low social identification group; presumably they felt their rights and privileges as fully-fledged member of a frequent flier program were ignored.

The results of this study contrast with previous findings by Haslam, Branscombe, and Bachmann (2003) who found that consumers who identify strongly with a service provider appear to be more forgiving to that service provider in a service failure event than consumers who do not identify. This contrast in results points to a need to further investigate and clarify the impact of social identity in a service failure event. Thus, social identity is incorporated into the research design of Study 3 to examine whether the findings of this study extend to a more representative sample; that is, international frequent flyers. In contrast to Study 2, social identity was manipulated in Study 3 rather than measured.

6.4.2 Pre-consumption Mood

The effect of pre-consumption mood caused by external factors was of interest in combination with service recovery measures employed by the provider. Hypothesis H\textsubscript{3,1} was not supported; that is, the mood consumers were in prior the service encounter and the fact that staff of the airline that dealt with the service failure was either polite and helpful or
rude and unhelpful did not appear to impact consumer evaluations and behaviour. This is a rather surprising result, especially in light of previous studies (Price et al., 1995; Smith & Bolton, 2002). However, the influence of pre-consumption mood on attributions of responsibility for the service failure, and the fact that particularly in the positive pre-consumption mood condition the partner airline that dealt with the service failure was attributed less responsibility than the home carrier and the alliance, help explain this result.

In contrast, Hypothesis $H_{3.2}$ was partially supported in that pre-consumption mood together with distributive justice (in the form of the knowledge of the outcome of others) impacted repeat purchase intentions. If respondents were in a positive pre-consumption mood and they had knowledge that the outcome of others was better, then repeat purchase intentions for the home carrier were significantly higher then for either the partner airline or the alliance. As previously discussed, respondents in a positive pre-consumption mood held the alliance responsible to a greater extent than the partner airline and the home carrier. Thus, if these respondents had knowledge that the outcome of others was better, that is, their travel companions were able to board the plane as previously confirmed, with the respondent being the only one who was unable to do so, then repeat purchase intentions were lowest for the alliance, as the entity held primarily responsible for such an unfavourable outcome, followed by the partner airline as the entity that implemented this outcome. In contrast, if respondents were in a negative pre-consumption mood, they attributed more responsibility to the home carrier and the alliance, compared to the partner airline. Thus, if respondents in a negative pre-consumption mood became aware that their travel companions were able to travel and they were not, repeat purchase intentions with the home carrier declined, so much so that there were no significant differences in repeat purchase intentions for the three entities evaluated.

The fact that despite being attributed the highest responsibility for the service failure by consumers in a negative pre-consumption mood, repeat purchase intentions for the home carrier were not significantly lower than for the partner airline or the alliance is consistent with findings of previous studies that suggest that a high degree of familiarity with an entity, as is the case for the home carrier, will lessen the impact of a mood state on its evaluation (Salovey & Birnbaum, 1989). The fact that in a negative pre-consumption mood the home carrier was attributed greatest responsibility is also noteworthy, with consumers in such a state perhaps placing higher expectations on a resolution of any difficulties on the
home carrier in view of the previous experience than either the alliance or the partner airline.

6.4.3 Service Recovery Measures

This study examined the impact of interactional and distributive justice – outcome others on consumer responses to a service failure event in an airline alliance setting. The study results provided support for the hypotheses relating to service recovery measures, as stated in Table 5.1. First, the main effect for interactional justice confirmed that consumer evaluations vary directly with the level of interactional justice employed by a service provider in a service failure event, with a high level of IJ leading to greater satisfaction. This is consistent with previous research on the impact of interactional justice (e.g., Hocutt et al., 1997; Tax et al., 1998).

Furthermore, the absence of an interaction effect between interactional justice and distributive justice – outcome of others lent support to Hypothesis H4.2. Consumer responses varied directly with interactional justice, regardless of whether the outcome of others was known or not, thus confirming Collie and colleagues’ (2000) assertion that interactional justice has both a larger and more pervasive influence on customer evaluation than comparison equity information. This result also provides further support for Folger and Cropanzano’s (1998) argument that interactional justice is a critical consideration in a service failure/recovery situation.

The main effect for interactional justice was, however, further qualified by an interaction effect that provided support for Hypothesis H4.1; in other words, it confirmed that the airline that dealt with the service failure experienced the greatest impact on consumer evaluations and behaviour. In particular, consumer evaluations and behaviour varied significantly for the partner airline only; that is the airline that dealt with the service failure. If the partner airline employed high interactional justice, satisfaction ratings were significantly higher than for either the home carrier or the alliance. Thus, it appears that the airline that deals with a service failure, even if it has not caused the failure, has an opportunity to strengthen its position relative to the partner airline by handling the service recovery in a satisfactory manner.
Conversely, if the partner airline employed low interactional justice, respondents were angrier and more dissatisfied. High anger and low satisfaction ratings are to be expected as a result of low interactional justice, as shown in previous studies (e.g., Price et al., 1995). In this instance, however, the partner airline was not the airline that caused the service failure. Thus, while the partner airline did not handle the service failure in a satisfactory manner, it would not have been required to deal with a service failure, were it not for the actions of its partner airline, the customer’s home carrier. Indeed, in this study, the home carrier that caused the service failure received the highest satisfaction rating when the partner airline employed low interactional justice. That is despite the home carrier being perceived as more responsible for the service failure than the partner airline. While the previous experience and relationship with the home carrier may in part explain this result, it could also be speculated that the actions of the partner airline with the service failure serves to reinforce the relationship with the home carrier. Conversely, the positive handling of the service failure by the partner airline appears to also have a positive effect on the home carrier.

Finally, analysis of descriptive statistics revealed that the more interactional justice was displayed by staff of the partner airline that dealt with the service failure the less responsible that airline was held. At the same time more responsibility was attributed to the home carrier and the alliance. In contrast, when interactional justice was low, respondents were ready to hold the partner airline responsible. Such an attribution of responsibility is consistent with fairness theory that proposes that interactional conduct provides an easily observable basis for attributing responsibility (Cropanzano & Folger, 1998).

6.5 CHAPTER SUMMARY

Chapter 6 reported the findings of Study 2, the first of two experimental designs. This study examined the effect of two factors that emerged as potentially impacting consumer responses to a service failure in an alliance setting - social identity and pre-consumption mood - together with the fair process effect. Results indicated that consumer responses varied directly with interactional justice, regardless of whether the outcome of others was known or not, thus confirming that interactional justice has a more pervasive influence on customer evaluation than comparison equity information. Social identity significantly impacted consumer satisfaction. However, as the results contrasted with those of Haslam et al. (2003), the only other study that examined social identity in a service failure context, social identity will be investigated further in Study 3. Finally, pre-
consumption mood was found to impact consumer behaviour but only in combination with respondents’ knowledge of the outcomes of others.

In chapter 7, Study 3 further investigates the impact of social identity on consumer evaluations and behaviour. The impact of a further service recovery measure, informational justice (or social accounts), will be assessed. In Study 2, the home carrier caused the service failure and the partner airline had to deal with it – this scenario was constant in all conditions. In Study 3, the locus of the service failure will be manipulated, and varied between the partner airline and the home carrier. Thus, Study 3 builds on the results from Study 2 to gain further insights into consumer responses to a service failure in an airline alliance.
<table>
<thead>
<tr>
<th>Research Question 2</th>
<th>Research Hypotheses</th>
<th>Result</th>
</tr>
</thead>
</table>
| How does consumers’ strength of identification with an airline impact on their responses to a service failure event in a strategic alliance setting? | H2.1 - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure than consumers who do not identify with the home carrier.  
H2.2 - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure compared to the partner airline and the alliance, than consumers who do not identify with the home carrier. | Rejected  
Rejected |

<table>
<thead>
<tr>
<th>Research Question 3</th>
<th>Research Hypotheses</th>
<th>Result</th>
</tr>
</thead>
</table>
| How does pre-consumption mood impact consumer responses to a service failure event in a strategic alliance setting? | H3.1 - The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and interactional justice, compared to its partner airline and the alliance.  
H3.2 - The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and distributive justice, compared to its partner airline and the alliance. | Rejected  
Partially Supported |

<table>
<thead>
<tr>
<th>Research Question 4</th>
<th>Research Hypotheses</th>
<th>Result</th>
</tr>
</thead>
</table>
| How do service recovery measures impact on consumer responses to a service failure event in a strategic alliance setting? | H4.1 - The airline that deals with the service failure event is likely to experience the greatest impact from interactional justice on consumer evaluations and behaviour, compared to its partner airline and the alliance.  
H4.2 – Consumers’ evaluation and behaviour will vary directly with interactional justice, regardless of whether the outcome of others was known or not. | Supported  
Supported |
CHAPTER 7

STUDY 3 – EXPERIMENT 2 (MANOVA)
CHAPTER 7

STUDY 3 – EXPERIMENT 2 (MANOVA)

7.1 INTRODUCTION

In chapter 5, Study 1 provided insights into consumers’ evaluation of service failure events in a strategic alliance setting, and specific factors that influence the evaluation process. In chapter 6, Study 2 investigated the impact of these factors, namely social identity and pre-consumption mood, on consumer responses towards alliance entities. The impact of the fair process effect was also examined.

In chapter 7, Study 3 further investigates the impact of social identity on consumer evaluations and behaviour. In Study 2, social identity was made salient for all respondents, and its strength subsequently measured. In Study 3, salience of social identity was manipulated; that is, it was made salient for one group of respondents but not for the other. In Study 2, the impact of two service recovery measures was assessed. In Study 3, the impact of a further service recovery measure, informational justice (or social accounts), is assessed. Finally, in Study 2, the home carrier caused the service failure and the partner airline had to deal with it – this scenario was constant in all conditions. In Study 3, the locus of the service failure was manipulated, and varied between the partner airline and the home carrier.

7.2 METHOD

7.2.1 Design

A 2 (Locus of Service Failure (SF Locus): home carrier versus partner airline) x 2 (Social Identity (SI): strong versus weak) x 2 (Social Account (SA): apology versus excuse) x 3 (Entity: home carrier, partner airline, alliance) factorial design was utilised, in which the former three factors were between-subject factors, and the latter factor was a within-subject factor. This design resulted in the development of eight scenario scripts. Dependent variables were event fairness, global fairness, satisfaction, and behavioural intentions for all three entities. Furthermore, individual event and global justice perceptions (distributive, procedural, interactional, and informational) were ascertained for the airline that dealt with the service failure.
7.2.2 Sample

A sample of 200 business travellers residing in Asia-Pacific was randomly drawn from two main sources: 1) an email database list purchased from a professional list broker in Australia, and 2) directories of professional business associations based in Hong Kong. A profile of these respondents is provided in Table 7.1. The majority of respondents were male (80%), consistent with frequent flyers in general being predominantly male (Whyte, 2002). More than half of the respondents were in the 36-55 year age group with another one third in the 26-35 age group. Frequency of intercontinental travel in the past year was high, with about one quarter of respondents travelling inter-continentally more than seven times, with another 40% of respondents indicating a travel frequency of between two to six flights. More than two-thirds of respondents had a home carrier, in other words, an airline they frequently used and had developed a relationship with. More than half of these respondents flew more than six times per year with their home carrier. Economy class was the primary class used for travel (70%). Of those respondents who provided details on their membership in frequent flyer programs (FFPs) (88% of the 200 respondents), 30% were a member in one FFP, 25% were a member in two FFPs while 27% were a member in more than two FFPs. The majority of respondents indicated that they were in the highest level of the FFP, consistent with the high travel frequency of the sample. Given respondents’ knowledge of and familiarity with the study setting, the sample is deemed suitable for this study.

7.2.3 Stimulus Material

Using a scenario method, respondents were presented with a brief script that was designed to invoke either a strong or weak identification with the home carrier. Following the social identity script, a service failure/recovery script was presented that was developed after perusal of service failure events detailed in airline-related publications and reviews of airline surveys. The scenario depicted a service failure event that involved two alliance partner airlines (home carrier and partner airline) and the alliance on a code-shared flight. The service failure event related to a breakdown of the computer system of the airline that operated the flight, resulting in flight delays and the cancellation of a previously confirmed flight for the passenger in question only. Staff of the partner airline had to deal with this service failure event at the check-in desk. The eight scenarios were identical except for manipulations of the three independent variables. Manipulation checks for social identity, questions relating to the dependent variables for each of the three entities, manipulation checks for social accounts and the locus of the service failure, and realism checks followed the service failure/recovery scenario.
### Table 7.1

Demographic and Travel Profile of the Sample

<table>
<thead>
<tr>
<th>Demographics</th>
<th>No. of Respondents</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>159</td>
<td>79.5</td>
</tr>
<tr>
<td>Female</td>
<td>41</td>
<td>20.5</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-25</td>
<td>17</td>
<td>8.6</td>
</tr>
<tr>
<td>26-35</td>
<td>59</td>
<td>29.9</td>
</tr>
<tr>
<td>36-45</td>
<td>62</td>
<td>31.5</td>
</tr>
<tr>
<td>46-55</td>
<td>45</td>
<td>22.8</td>
</tr>
<tr>
<td>56 and above</td>
<td>14</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Frequency of Inter-Continental Travel (past 12 months)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Once</td>
<td>50</td>
<td>29.9</td>
</tr>
<tr>
<td>2-6 Times</td>
<td>74</td>
<td>44.3</td>
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<td>7-12 Times</td>
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<td>More than 12 Times</td>
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<td>13.4</td>
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<tr>
<td><strong>Home Carrier</strong></td>
<td></td>
<td></td>
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<tr>
<td>Yes</td>
<td>145</td>
<td>72.5</td>
</tr>
<tr>
<td>No</td>
<td>55</td>
<td>27.5</td>
</tr>
<tr>
<td><strong>Years with Home Carrier</strong></td>
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<td></td>
</tr>
<tr>
<td>Less than 2 years</td>
<td>4</td>
<td>2.8</td>
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<tr>
<td>2-4 years</td>
<td>36</td>
<td>24.8</td>
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<tr>
<td>5-10 years</td>
<td>51</td>
<td>37.2</td>
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<tr>
<td>more than 10 years</td>
<td>54</td>
<td>35.2</td>
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<tr>
<td><strong>Flights per Year with Home Carrier</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 6 times per year</td>
<td>63</td>
<td>44.4</td>
</tr>
<tr>
<td>6-12 Times per year</td>
<td>46</td>
<td>32.4</td>
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<td>more than 12 times per year</td>
<td>33</td>
<td>23.2</td>
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<td><strong>Cabin Class Travel</strong></td>
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<td>Business</td>
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<td><strong>FFP Memberships</strong></td>
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<td>31</td>
<td>17.6</td>
</tr>
<tr>
<td>One</td>
<td>53</td>
<td>30.1</td>
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<tr>
<td>Two</td>
<td>44</td>
<td>25.0</td>
</tr>
<tr>
<td>More than Two</td>
<td>48</td>
<td>27.3</td>
</tr>
<tr>
<td><strong>Level in FFP</strong></td>
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<td></td>
</tr>
<tr>
<td>Lowest</td>
<td>30</td>
<td>26.1</td>
</tr>
<tr>
<td>Medium</td>
<td>23</td>
<td>20.0</td>
</tr>
<tr>
<td>Highest</td>
<td>62</td>
<td>53.9</td>
</tr>
</tbody>
</table>

136
A final section ascertained demographic data and respondents’ actual affiliation with a home carrier, travel frequency, and frequent flyer program membership. The instrument was extensively pre-tested to ensure that 1) the service failure/recovery scenario was believable and easily understood, given the complexities of the alliance setting, and 2) the manipulations for the three independent variables performed as intended. Pre-testing involved subjects reading the social identity and service failure/recovery scenario scripts. They then completed a short questionnaire containing items designed to assess the realism of the service failure/recovery scenario and the validity of the manipulations. Subjects were also asked to provide additional feedback that assisted in the revision process. Based on these pre-tests, the scenarios were modified and tested again. This process continued through a total of four iterations that involved 33 respondents, until it was perceived that the manipulations performed as intended, and the service failure/recovery scenario was believable. The eight scenario scripts used for Study 3 are provided in Appendix C.

Independent Variables

Social identity, the locus of service failure, and social accounts represented the three independent variables. First, identification with the home carrier was manipulated at two levels. In the strong identification condition a script was provided that included material to strengthen identification with the home carrier, consistent with previous research (Bhattacharya et al., 1995; Haslam et al., 2003). In the weak identification condition no reference was made to any one carrier but rather a number of different carriers represented acceptable choices for the respondents. Second, the locus of service failure was manipulated at two levels. In the ‘Locus of Service Failure - Home Carrier’ condition, the home carrier caused the service failure; the partner airline had to deal with it and implement a service recovery. Conversely, in the ‘Locus of Service Failure - Partner Airline’ condition, the service failure was caused by the partner airline; the home carrier had to deal with it and implement a service recovery. Third, informational justice in the form of social accounts was manipulated at two levels. Consistent with previous research (Bies, 1987; Greenberg, 1990; Schoenbach, 1990), in the causal account (excuse) condition staff admitted the occurrence of a service failure event but pleaded for mitigation in judgment by demonstrating that its causes were external and beyond the control of the airline. Blame was shifted to the partner airline. In contrast, in the penitential account (apology) condition, staff acknowledged that the service failure event occurred, accepted responsibility for the error of the partner airline, expressed regret, and attempted to atone. The manipulations for social identity, locus of service failure, and social accounts are presented in Table 7.2.
Table 7.2
Scripts for the Manipulation of Independent Variables

Social Identity

Strong

We would like you to imagine that you have a strong affiliation with a particular airline - we will call this airline your ‘home carrier – Airline ABC’ – so imagine a situation where you fly a lot, especially internationally, using your ‘home carrier – Airline ABC’. You strongly believe in what your airline stands for, the leadership it has taken in the airline industry with innovative ideas and its resilience to withstand difficult times. The airline enjoys a reputation of excellence and customer orientation, and you feel very proud to be associated with such an airline. You often praise the airline and recommend it to your friends and colleagues. When you fly with the airline you feel good about yourself.

Weak

We would like you to imagine that you fly a lot, especially internationally. You typically travel with a number of different airlines, with price and schedule convenience being your main selection criteria in choosing an airline for a particular trip. As far as you are concerned, the airlines you travel with are all very similar in the level of service they provide and as a result you do not have a strong affiliation with any one of those airlines. Therefore, when friends or colleagues ask for a recommendation of an airline you provide an account of the positive and negative aspects of each airline you use rather than recommending a single airline.

Locus of Service Failure

Home Carrier caused the Service Failure

…you arrive at the airport to check in for your next flight, operated by your home carrier Airline ABC… You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of Partner Airline XYZ – Partner Airline XYZ handles the ground arrangements, including the check-in, for Airline ABC on this occasion. The staff member from Partner Airline XYZ explains: …
**Partner Airline caused the Service Failure**

... you arrive at the airport to check in for your next flight, operated by Partner Airline XYZ... You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of your home carrier Airline ABC – Airline ABC handles the ground arrangements, including the check-in, for Partner Airline XYZ on this occasion. The staff member from your home carrier Airline ABC explains: ...

**Social Accounts**

**Apology**

We fully understand the inconvenience this may cause you and very much regret this has happened. As an alliance partner we accept responsibility for the problem and will try our best to resolve it for you. We will also follow up with Partner Airline XYZ (Airline ABC) to ensure that this won’t happen again. Please let us know how we can make it up to you in some way. Again, we are very sorry about this.”

**Excuse**

We fully understand the inconvenience this may cause you and will try our best to resolve this problem for you. But please understand that we (Airline ABC/Partner Airline XYZ) only handle the ground arrangements for Partner Airline XYZ (Airline ABC) – the breakdown of Partner Airline XYZ’s (Airline ABC’s) main computer system is something beyond our control. We are not responsible for this and really do have no choice in this matter so please do not blame us.”

**Dependent Measures**

Table 7.3 provides a summary description of the dependent variable measures. Justice perceptions and fairness measures at event and global level, satisfaction and behavioural intentions represented the dependent measures.

**Event and Global Justice Perceptions and Fairness Measures**

A single item measure was utilised to establish event and global fairness for each of the three entities, based on the distinction made by Cropanzano et al. (2001), with particular reference to the work of Niehoff and Moorman (1993). Based on widely accepted measures by Bies and Moag (1986), Leventhal (1976), and Thibaut and Walker (1975), single item measures were also utilised to establish event and global justice perceptions for the airline that dealt with the service failure, relating to each of the four dimensions of justice
(distributive, procedural, interactional, and informational justice). Event and global justice perceptions were derived for the airline that dealt with the service failure only rather than for the partner airline that caused the service failure but did not have any customer contact subsequent the service failure event. Justification for the use of single item measures versus multi-item scales was provided in chapter 6, section 6.1.

**Overall Satisfaction and Behavioural Intentions**

Overall satisfaction and behavioural intentions (incorporating word-of-mouth and repeat purchase intention) were measured on multi-item scales for each of the three entities. The measurement scales were operationalised and adapted from previous studies in marketing and social psychology, in particular from customer satisfaction and service encounter literature (Bitner & Hubbert, 1994; Westbrook & Oliver, 1981; Zeithaml, et al., 1996). Scales were subjected to reliability tests, reported in Table 7.3. The satisfaction measure refers to satisfaction with the service provider over an extended time period, taking into account satisfaction with multiple service encounters, distinct from service encounter satisfaction that relates to a discrete interaction with the provider, consistent with Bitner and Hubbart (1994). This measure captured respondents’ satisfaction with cumulative encounters with the airline, including the particular service incident detailed in the scenario. In this study only overall satisfaction was measured due to the need to obtain measures for three rather than only one entity. The four items pertaining to overall satisfaction were measured on a 7-point Likert scale, consistent with the use of this scale throughout the questionnaire, rather than the traditional 7-point bipolar adjective scales utilised by Oliver and Swan (1989) and Westbrook and Oliver (1981). The behavioural intention items measured, on a 7-point Likert scale, respondents’ willingness to engage in positive word-of-mouth communication and use the airline/alliance again in the future. Items were adapted from Zeithaml, et al., (1996) to relate equally to future repeat travel intentions and word-of-mouth.

**Table 7.3**

**Dependent Variables and Scale Reliabilities**

<table>
<thead>
<tr>
<th>Justice Perceptions</th>
<th>Event Justice Perceptions (EJP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Given the service failure event described in the scenario,</td>
<td></td>
</tr>
<tr>
<td>- the outcome (e.g., voucher, hotel room) I received from Airline ABC* was fair. (DJE)</td>
<td></td>
</tr>
<tr>
<td>- Airline ABC did not have adequate procedures in place to deal with the service failure. (PJE)</td>
<td></td>
</tr>
</tbody>
</table>
- Airline ABC treated me with the respect I deserve as a valued customer. (IJE)
- staff of Airline ABC did not provide me with an adequate explanation for the service failure. (INJE)

Global (Social Entity) Justice Perceptions (GJP)
In general,
- the outcomes (e.g., voucher, room) Airline ABC provides following service failures are fair. (DJG)
- Airline ABC has inadequate procedures in place to deal with service failures. (PJG)
- Airline ABC treats valued customers with the respect they deserve. (IJG)
- Airline ABC rarely provides an adequate explanation for service failures. (INFJG)

Fairness
Event Fairness
Given the service failure event described in the scenario, Airline ABC treated me unfairly (EF) (R)

Global Fairness
In general, Airline ABC is a fair airline/alliance. (GF)

Satisfaction
Overall, I feel extremely satisfied with Airline ABC. (R)
Overall, I feel extremely displeased with Airline ABC. (R)
Overall, I feel that Airline ABC does an extremely good job. (R)
Overall, I feel extremely unhappy with Airline ABC. (R)

Cronbach Alpha
Satisfaction – Home Carrier = .8344
Satisfaction – Partner Airline = .8492
Satisfaction – Alliance = .7803

Behavioural Intentions
Repeat 1 - I would travel with Airline ABC more often in the next few years.
Repeat 2 - I would consider Airline ABC as my first choice.
WOM 1 - I would discourage friends and relatives to do business with Airline ABC. (R)**
WOM 2 - I would say positive things about Airline ABC to other people.

Cronbach Alpha
Behavioural Intentions – Home Carrier = .8062
Behavioural Intentions – Partner Airline = .8313
Behavioural Intentions – Alliance = .7765

Social Identity
I see myself as a loyal customer of Airline ABC. (R)
I do not feel strong ties with Airline ABC. (R)
I’m pleased to be a loyal customer of Airline ABC. (R)
I do not identify with Airline ABC. (R)

Cronbach Alpha = .8264
* adjusted to Partner Airline XYZ, depending on the Locus of Service Failure
** Excluded Item
Descriptive Measures

Descriptive measures related to respondents’ international travel frequency in the past 12 months, their affiliation, frequency, and type of travel (cabin class) with a particular airline in addition to affiliations with frequent flyer programs. Demographic data (age and gender) were also obtained.

7.2.4 Procedure

The scenario-based questionnaire was designed for distribution via the Internet. The rationale for utilizing this medium, design considerations, and the extensive pre-testing undertaken prior to the data collection were detailed in chapter 6. The instrument was loaded onto a designated Griffith University web site. Completion time of the experiment averaged 15 minutes. A draw for an annual subscription for a travel magazine that respondents could enter upon completion of the experiment served as an incentive for participation in and completion of the experiment, together with the offer of a summary of the study findings upon conclusion of the research project.

An email database was purchased from an international professional list broker located in Australia who was fully compliant with recent Anti-Spam legislation as all its individual email list members are afforded opt-in status. The list broker was contracted to randomly draw 5,000 respondents from an email database, according to pre-specified criteria in terms of age, occupation, place of residence, and income to ensure a greater likelihood of respondents being frequent flyers that have experience with airline alliances. Previous research indicated that these variables are specific to frequent flyers (Toh, 1990; 1999).

An introductory email was designed that addressed the receiver by name and introduced the study. It then provided a URL link directing recipients to the survey site. The list broker was instructed to send an email containing the URL for one of the eight scenarios randomly to 625 respondents to ensure an even distribution across the eight scenarios (625 respondents by 8 scenarios = 5,000 respondents). Initial emails were sent to respondents in September 2004, with a follow-up by the list broker in October 2004. The researcher was provided with the summary of the profile of the sample, and response rates for each of the scenarios but did not have direct access to respondents to follow-up.
The response rate was 3.1%, equating to 155 respondents across the eight scenarios. A follow-up email sent by the list broker one week after the first administration of the survey did not render additional responses. While the number of respondents per scenario was sufficient for further data analysis - a minimum of 20 respondents per cell - an attempt was made to collect additional data.

Rather than contract another list broker it was decided to utilize membership directories of three major professional business associations based in Hong Kong as sampling frame. Members of these associations were invited via email by the researcher to participate in the study, with every fifth entry in the membership directory being selected. A special mechanism was designed for the Internet survey to ensure that once respondents entered the survey website they were randomly assigned to one of the eight scenarios. This second phase of the data collection took place in late October/early November 2004, resulting in an additional 50 responses for a total number of respondents of 205. Several tests were conducted to compare the profile of respondents from the first and second phase of the data collection but no significant differences were found. Thus, all records were merged into a single data file for further analysis.

7.2.5 Data Analysis

Repeated measures MANOVA and multiple regression analysis were the two major data analysis techniques utilised in Study 3. Repeated measures MANOVA was employed to investigate Research Questions 1.3, 2, and 4 (hypothesis 4.3). Assumptions of this data analysis technique have already been discussed in chapter 6. Multiple regression analysis was drawn upon in Study 3 only. It was employed to address Research Question 1.2 and related hypotheses, as stated in Table 5.1. Its advantage relative to other data analysis techniques and its major assumptions will be discussed in chapter 8.

Prior to the application of the multivariate analysis of variance (MANOVA) technique, preliminary data screening was conducted (Hair, et al., 2002), resulting in the deletion of 5 cases. Thus, a total of 200 cases were available for the main analysis, with an average of 25 respondents per cell.
7.3 RESULTS

7.3.1 Scale Reliabilities

Summated scales were formed for three measures: 1) social identity, 2) satisfaction, and 3) behavioural intentions. Table 7.3 details the individual statements that provided the basis for the scale formation, together with reliability coefficients. A 7-point ‘strongly disagree/agree’ Likert scale was utilised for all questions. Prior to calculating reliability coefficients, that is Cronbach alpha, items were reverse-coded where required. Cronbach alpha for social identity and satisfaction was highest for the scales with the original items included, and thus were retained. An improvement in internal consistency of items could be achieved for the behavioural intention scale with the deletion of the WOM2 item, thus the final behavioural intention scale for all three entities consisted of three individual items only. The reliability of each of the scales exceeded the conventional minimum of .70 (Nunnally, 1978), with the majority of scales reporting reliability coefficients of .80 and higher (see Table 7.3). Thus, all scales were judged to have adequate to superior reliability.

7.3.2 Realism and Manipulation Checks

Study participants were asked to respond to scenario scripts by imagining themselves in the role of the customer. Therefore, several measures assessing the realism of the provided scenarios were included (Wilson & McNamara, 1982). Table 7.4 provides descriptives for each of the three realism checks, indicating that respondents found the service problem and its handling realistic, and that they could adopt the role of the customer. Realism checks conducted for each of the eight scenarios confirmed the results of realism checks at the aggregate level.

<table>
<thead>
<tr>
<th>Realism Check Items</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The service problem described was realistic</td>
<td>5.40</td>
<td>1.46</td>
</tr>
<tr>
<td>The description of the way in which the airline handled the service problem was realistic</td>
<td>5.40</td>
<td>1.36</td>
</tr>
<tr>
<td>I felt I could identify with the customer in this scenario</td>
<td>5.63</td>
<td>1.24</td>
</tr>
</tbody>
</table>

Note. All variables were measured on a 7-point scale with a value of 1 indicating strong disagreement and a value of 7 indicating strong agreement.
Checks confirmed that the manipulations for the three independent variables – social identity, locus of service failure, and social account - were successful. Mael & Ashforth (1992) 4-item scale was utilised to assess the effectiveness of the social identity manipulation. Respondents in the strong social identity condition had statistically significant higher ratings for each of the four questions than respondents in the weak social identity condition, as detailed in Table 7.5.

The effectiveness of the ‘Locus of Service Failure’ manipulation was ascertained with two questions. Respondents in the respective conditions showed a high level of agreement that the service failure was the fault of the airline that was supposed to have caused the service failure, with a corresponding low level of agreement of the airline being at fault that dealt with the service failure, as shown in Table 7.5.

The effectiveness of the social account manipulation was ascertained by assessing responses to three questions that probed the two pertinent dimensions of social accounts - 1) whether the airline admits that the event or its consequences are negative, and 2) whether the airline accepts personal responsibility for the events or its consequences (Schlenker, 1980). Table 7.5 reveals that respondents who received an apology indicated significantly greater agreement that the airline accepted responsibility and expressed regret than respondents who received an excuse. At the same time, they displayed lesser agreement that the airline tried to blame the partner, compared to respondents who received an excuse.

7.3.3 Consumer Evaluations and Behaviour

A 2 (Social Identity) x 2 (Locus of Service Failure) x 2 (Social Account) x 3 (Entity) repeated measures MANOVA examined differences in event and global fairness, satisfaction and behavioural intention ratings for the home carrier, the partner airline, and the alliance. The within-subject variable was entity (home carrier, partner airline, and alliance). The between-subject variables were social identity, locus of service failure, and social account. Event fairness, global fairness, satisfaction, and behavioural intentions were the dependent variables.
Results revealed significant main and interaction effects for all but one independent variable (Social Accounts). Multivariate statistics and significant univariate results are presented in Table 7.6. Bonferroni’s correction factor, resulting in a new alpha level of $p < .0125$, was applied to reduce the chance of a Type I error. Simple effects and contrasts were conducted at the .05 level. Results are presented for each of the variables of interest, preceded by the corresponding research question and hypotheses.

Table 7.5
Manipulation Checks

<table>
<thead>
<tr>
<th>Social Identity</th>
<th>SI Strong</th>
<th>SI Weak</th>
<th>t-value ***</th>
</tr>
</thead>
<tbody>
<tr>
<td>I see myself as a loyal customer of</td>
<td>6.32</td>
<td>3.86</td>
<td>12.221</td>
</tr>
<tr>
<td>I feel strong ties with</td>
<td>6.13</td>
<td>3.17</td>
<td>15.252</td>
</tr>
<tr>
<td>I’m pleased to be a loyal customer of</td>
<td>5.81</td>
<td>3.58</td>
<td>11.532</td>
</tr>
<tr>
<td>I do identify with</td>
<td>6.13</td>
<td>3.80</td>
<td>12.392</td>
</tr>
</tbody>
</table>

Caused by PA$^a$  Caused by HC$^b$

<table>
<thead>
<tr>
<th>Locus of Service Failure</th>
<th>M</th>
<th>M</th>
<th>t-value***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fault Home Carrier</td>
<td>3.16</td>
<td>4.95</td>
<td>7.124</td>
</tr>
<tr>
<td>Fault Partner Airline</td>
<td>5.54</td>
<td>2.94</td>
<td>11.479</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Account</th>
<th>Apology</th>
<th>Excuse</th>
<th>t-value***</th>
</tr>
</thead>
<tbody>
<tr>
<td>…accepted responsibility for the SF.</td>
<td>4.59</td>
<td>3.05</td>
<td>5.807</td>
</tr>
<tr>
<td>The staff member of … did express regret over the service failure.</td>
<td>5.25</td>
<td>4.28</td>
<td>4.205</td>
</tr>
<tr>
<td>The staff member of … explained that … was to blame for the delay.</td>
<td>4.44</td>
<td>5.50</td>
<td>4.861</td>
</tr>
</tbody>
</table>

Note. All variables were measured on a 7-point scale with a value of 1 indicating strong disagreement and a value of 7 indicating strong agreement.

$^a$ PA refers to Partner Airline, $^b$ HC refers to Home Carrier

*** $p < .001$
Table 7.6
Summary of Significant MANOVA Results

<table>
<thead>
<tr>
<th>Source</th>
<th>Multivariate df</th>
<th>F</th>
<th>p</th>
<th>Univariate F</th>
<th>p</th>
<th>p²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAIN EFFECTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SF Cause</td>
<td>[4,152]</td>
<td>4.142</td>
<td>.003</td>
<td>.098</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event Fairness</td>
<td></td>
<td>9.399</td>
<td>.003*</td>
<td>.057</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Fairness</td>
<td></td>
<td>12.751</td>
<td>.000*</td>
<td>.076</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td>8.887</td>
<td>.003*</td>
<td>.054</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioural Intentions</td>
<td></td>
<td>8.602</td>
<td>.003*</td>
<td>.051</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Identity</td>
<td>[4,152]</td>
<td>5.621</td>
<td>.000</td>
<td>.129</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Fairness</td>
<td></td>
<td>12.184</td>
<td>.001*</td>
<td>.073</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td>11.304</td>
<td>.001*</td>
<td>.068</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioural Intentions</td>
<td></td>
<td>20.710</td>
<td>.000*</td>
<td>.118</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entity</td>
<td>[8,148]</td>
<td>13.650</td>
<td>.000</td>
<td>.425</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event Fairness</td>
<td></td>
<td>6.385</td>
<td>.002*</td>
<td>.040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Fairness</td>
<td></td>
<td>14.883</td>
<td>.000*</td>
<td>.088</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td>45.589</td>
<td>.000</td>
<td>.227</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioural Intentions</td>
<td></td>
<td>60.262</td>
<td>.000*</td>
<td>.280</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTERACTION EFFECTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SF Cause x Entity</td>
<td>[8,148]</td>
<td>7.474</td>
<td>.000</td>
<td>.288</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event Fairness</td>
<td></td>
<td>22.814</td>
<td>.000*</td>
<td>.128</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Fairness</td>
<td></td>
<td>5.879</td>
<td>.003*</td>
<td>.037</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td>22.608</td>
<td>.000*</td>
<td>.127</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioural Intentions</td>
<td></td>
<td>14.329</td>
<td>.000*</td>
<td>.085</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Identity x Entity</td>
<td>[8,148]</td>
<td>2.475</td>
<td>.015</td>
<td>.118</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Fairness</td>
<td></td>
<td>3.475</td>
<td>.032</td>
<td>.022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td>7.548</td>
<td>.001*</td>
<td>.046</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioural Intentions</td>
<td></td>
<td>13.335</td>
<td>.000*</td>
<td>.079</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Significant with the application of the Bonferroni correction \( p < .0125 \)

**Entity**

A significant main effect was found for entity \((F (8, 148) = 13.650, p < .001, \text{partial } \eta^2 = .425)\). Univariate results showed a significant effect on event fairness, global fairness, satisfaction, and behavioural intentions. An inspection of the mean scores indicated that event and global fairness, satisfaction, and behavioural intention ratings were highest for the home carrier compared to the partner airline and the alliance (Event Fairness: \( M_{HC/PA/A} = 4.433/4.133/3.846 \); Global Fairness: \( M_{HC/PA/A} = 5.096/4.408/4.772 \); Satisfaction: \( M_{HC/PA/A} = 4.704/3.642/4.305 \); Behavioural Intentions: \( M_{HC/PA/A} = 4.584/3.473/4.317 \).
The main effect for entity was further clarified by two significant multivariate
within-subject interactions for 1) Locus of Service Failure x Entity ($F(8, 148) = 7.474,$
$p < .001, \text{ partial } \eta^2 = .288$), and 2) Social Identity x Entity ($F(8, 148) = 2.475, p < .05,$
partial $\eta^2 = .118$). These two interaction effects will be discussed in the sections on locus of
service failure and social identity respectively.

**Locus of Service Failure**

The research question pertaining to locus of service failure and related hypotheses
were stated as follows:

*How does the locus of the service failure impact on consumer responses to a service
failure event in a strategic alliance setting?*

$H_{1,3}$. The airline that causes the service failure is likely to experience the
greatest negative impact on consumer evaluations and behaviour, followed
by the partner airline that deals with the service failure, and lastly the
alliance.

A main effect was found for the locus of the service failure ($F(4, 152) = 4.142,$
$p < .001, \text{ partial } \eta^2 = .098$). Univariate results showed a significant effect on event fairness,
global fairness, satisfaction, and behavioural intentions. An inspection of the mean scores
indicated that if the partner airline caused the service failure respondents reported lower
ratings for both event and global fairness evaluations, satisfaction, and behavioural
intentions than if the home carrier caused the service failure (Event Fairness: $M_{\text{SF PA caused /SF HC caused}} = 3.825/4.449$; Global Fairness: $M_{\text{SF PA caused /SF HC caused}} = 4.483/5.034$; Satisfaction:
$M_{\text{SF PA caused /SF HC caused}} = 4.003/4.431$; Behavioural Intentions: $M_{\text{SF PA caused /SF HC caused}} = 3.977/4.273$).

There was a significant overall multivariate within-subject interaction effect for
Locus of Service Failure x Entity ($F(8, 148) = 7.474, p < .001, \text{ partial } \eta^2 = .288$). Univariate
results showed a significant effect on event fairness, global fairness, satisfaction, and
behavioral intentions. The means for event and global fairness, satisfaction, and behavioral
intention ratings for the three entities are shown in Table 7.7, and the interaction effects are
graphically displayed in Figures 7.1 to 7.4.
Simple effects tests revealed that when the service failure was caused by the partner airline, event fairness ($F(2, 87) = 25.908, p < .001$), global fairness ($F(2, 83) = 10.452, p < .001$), satisfaction $F(2, 83) = 53.257, p < .001$) and behavioural intentions ($F(2, 79) = 38.870, p < .001$) depended on the entity evaluated. Contrasts revealed that when the service failure was caused by the partner airline, customers perceived the partner airline significantly less fair at the event and global level, and rated it significantly lower in terms of satisfaction and behavioural intentions than the home carrier and the alliance ($p < .001$). There was a significant difference in ratings at the .001 level for the home carrier and the alliance for event fairness and satisfaction, a significant difference at the .05 level for behavioural intentions, and no significant difference for global fairness ($p > .05$).

When the service failure was caused by the home carrier, event fairness $F(2, 104) = 11.104, p < .001$ and behavioural intentions $F(2, 102) = 6.259, p < .01$ varied for the three entities under investigation. Contrasts revealed that while the home carrier was rated significantly lower in terms of event fairness than the partner airline, it was rated significantly higher for behavioural intentions ($p < .001$). Similarly, the partner airline was rated significantly higher than the alliance in terms of event fairness, while the alliance received significantly higher behavioural intention ratings ($p < .001$). There was no significant difference in ratings between the home carrier and the alliance.

Simple effects tests revealed that when the partner airline was evaluated, subjects gave significantly higher ratings if the home carrier had caused the service failure than if the partner airline had caused the service failure for event fairness $F(1, 197) = 47.711, p < .001$, global fairness $F(1, 197) = 25.037, p < .001$; satisfaction $F(1, 190) = 40.606, p < .001$ and behavioural intentions $F(1, 189) = 26.157, p < .001$. There was no significant difference at the .05 level between the ratings associated with the cause of the service failure when either the home carrier or the alliance was evaluated on all four dependent variables.
### Table 7.7
Descriptives for Event and Global Fairness, Satisfaction and Behavioural Intentions - Locus of Service Failure x Entity Interaction

<table>
<thead>
<tr>
<th>SF Cause</th>
<th>PA caused SF</th>
<th>HC caused SF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>Event Fairness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>4.68</td>
<td>1.66</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>3.25</td>
<td>1.83</td>
</tr>
<tr>
<td>Alliance</td>
<td>3.63</td>
<td>1.71</td>
</tr>
<tr>
<td>Global Fairness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>4.94</td>
<td>1.36</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>3.86</td>
<td>1.49</td>
</tr>
<tr>
<td>Alliance</td>
<td>4.68</td>
<td>1.38</td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>4.86</td>
<td>1.19</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>2.98</td>
<td>1.22</td>
</tr>
<tr>
<td>Alliance</td>
<td>4.22</td>
<td>1.23</td>
</tr>
<tr>
<td>Behavioural Intentions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>4.67</td>
<td>1.22</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>2.96</td>
<td>1.16</td>
</tr>
<tr>
<td>Alliance</td>
<td>4.37</td>
<td>1.14</td>
</tr>
</tbody>
</table>

---

#### Figure 7.1
Event Fairness Ratings by Locus of SF and Entity
Figure 7.2
Global Fairness Ratings by Locus of SF and Entity

Figure 7.3
Satisfaction Ratings by Locus of SF and Entity
Social Identity

The research question pertaining to social identity and related hypotheses were stated as follows:

*How does consumers’ strength of identification with an airline impact on their responses to a service failure event in a strategic alliance setting?*

H$_{2.1}$ - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure than consumers who do not identify with the home carrier.

H$_{2.2}$ - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure compared to the partner airline and the alliance, than consumers who do not identify with the home carrier.

There was a significant overall multivariate between-subject main effect for Social Identity ($F (4, 152) = 5.621, p < .001$, partial $\eta^2 = .129$). Univariate results showed a significant effect on global fairness, satisfaction, and behavioural intentions. An inspection of the mean scores indicated that respondents who strongly identified with the home carrier were significantly more satisfied and had significantly more favourable behavioural intentions than respondents who weakly identified with the home carrier (Global Fairness
\[ M_{\text{strong/weak}} = 5.028/4.489 \] Satisfaction: \[ M_{\text{strong/weak}} = 4.458/3.975 \]; Behavioural Intentions: \[ M_{\text{strong/weak}} = 4.439/3.811 \].

There was a significant overall multivariate within-subject interaction effect for social identity and entity \( (F(8, 148) = 2.475, p < .05, \text{partial } \eta^2 = .118) \). Univariate results showed a significant effect on satisfaction and behavioural intentions – the effect on global fairness was not significant after the application of the Bonferroni correction factor of \( .0125 \). The means for satisfaction and behavioural intention ratings for the three entities are shown in Table 7.8, and the interaction effect is graphically displayed in Figures 7.5 and 7.6.

### Table 7.8

Descriptives for Satisfaction and Behavioural Intentions – Social Identity x Entity Interaction

<table>
<thead>
<tr>
<th>Social Identity</th>
<th>Strong SI</th>
<th>Weak SI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>5.17</td>
<td>1.19</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>3.67</td>
<td>1.52</td>
</tr>
<tr>
<td>Alliance</td>
<td>4.62</td>
<td>1.32</td>
</tr>
<tr>
<td><strong>Behavioural Intentions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Carrier</td>
<td>5.12</td>
<td>1.06</td>
</tr>
<tr>
<td>Partner Airline</td>
<td>3.49</td>
<td>1.33</td>
</tr>
<tr>
<td>Alliance</td>
<td>4.77</td>
<td>1.07</td>
</tr>
</tbody>
</table>

Simple effects tests revealed that when SI with the home carrier was strong, satisfaction \( (F(2, 84) = 31.097, p < .001) \) and behavioural intentions \( (F(2, 82) = 39.105, p < .001) \) varied depending on the entity evaluated. Contrasts indicated that when SI with the home carrier was strong, customers were significantly more satisfied and displayed more favourable intentions towards the home carrier than both the partner airline and the alliance \( (p < .001) \). There was also a significant difference in ratings between the partner airline and the alliance, with the latter receiving significantly higher ratings than the former \( (p < .001) \).

When identification with the home carrier was weak, satisfaction \( (F(2, 93) = 4.961, p < .01) \) and behavioural intention ratings \( (F(2, 93) = 4.418, p < .05) \) varied again depending on the three entities under investigation. Contrasts indicated that when identification with the home carrier was weak, customers were significantly more satisfied.
with and had more favourable intentions towards the home carrier than the partner airline ($p < .01$). There was also a significant difference in ratings between the partner airline and the alliance at the .05 level, with the latter being rated significantly higher than the former. There was no significant difference in ratings for satisfaction and behavioural intentions for the home carrier and the alliance ($p > .05$).

Simple effects tests revealed that when the home carrier was evaluated, subjects gave significantly higher ratings for both satisfaction $F(1, 187) = 30.043, p < .001$ and behavioural intentions $F(1, 191) = 41.284, p < .001$ if they strongly identified with the home carrier than if they weakly identified. There was also a significant difference for ratings of the alliance whereby customers who strongly identified with the home carrier gave significantly higher satisfaction $F(1, 190) = 8.565, p < .01$ and behavioural intention ratings $F(1, 187) = 31.398, p < .001$ than if they weakly identified with the home carrier. There was no significant difference in ratings on satisfaction ($p > .05$) and behavioural intentions ($p > .05$) for the partner airline in regard to the strength of identification with the home carrier.

**Figure 7.5**

Satisfaction Ratings by Social Identity and Entity

![Graph showing satisfaction ratings for Home Carrier, Partner Airline, and Alliance for Strong and Weak Social Identification](image)
7.4 DISCUSSION

Table 7.9 presents a summary of the findings of this study, relative to the respective research question and hypotheses. Each of these will now be discussed, with reference to previous research.

7.4.1 Attributions/Locus of Service Failure

Study results provided insights into the effects of attributions for a service failure that to date have not been investigated. Previous studies have primarily focused on the direct effect of a service provider causing and also dealing with the service failure, and subsequent consumer evaluations and behaviour (e.g., Sparks & Callan, 1996; Swanson & Kelley, 2001). Results of these studies indicated that in evaluating recovery outcomes consumers identify potential causes and the party’s responsibility for the resolution of the failure.

Effects investigated in Study 3 resulted from the unique situation that in a strategic alliance setting the service provider that causes the service failure may not be the service provider that has to deal with it in the provider-customer interface. Thus, consumers’ evaluation of the airline that caused the service failure may to a certain extent be affected by their evaluation of the airline that dealt with the service failure.
Hypothesis $H_{1,3}$ is only partially supported, as the airline that caused the service failure was not always experiencing the greatest negative impact on consumer evaluations and behaviour. In particular, when the home carrier caused the service failure, it still received the highest global fairness, satisfaction, and behavioural intention ratings, followed by the alliance and then the partner airline. Only for event fairness was the home carrier rated lower than the partner airline but higher than the alliance. In contrast, when the partner airline caused the service failure, it experienced the greatest negative impact, as predicted, followed by the alliance rather than the home carrier.

Given that it is the home carrier rather than the partner airline the consumer has prior experience and a relationship with, this result can be explained with reference to the relationship marketing literature (Morgan & Hunt, 1994). The link between strong, long-term relationships and beneficial outcomes for the organisation have been well established in this literature (Morgan & Hunt, 1994; Reichheld & Sasser, 1990). Furthermore, a strong relationship can also mitigate the effects of a service failure (Mattila, 2001). However, consumer evaluations and behaviour for the home carrier were unexpectedly high for a situation in which it could have easily been associated with an unsatisfactory service event. It appears that consumers’ perception of the way the service failure was handled by the home carrier played a role in these ratings. As detailed in section 7.3, respondents indicated greater satisfaction with the service recovery when the home carrier dealt with the service failure than when the partner airline dealt with the service failure, despite the service recovery being identical in all scenario scripts. Indeed, the impact of the previous relationship with the home carrier and perceptions of a superior service recovery when the home carrier deals with the service failure seemingly account for the fact that there were no significant differences in ratings for the home carrier, regardless whether it or the partner airline caused the service failure. Even if the home carrier caused the service failure, significant lower ratings for that carrier were confined to the event fairness evaluation only. It did not impact further on more global evaluations such as global fairness or satisfaction. To the contrary, behavioural intentions were still the highest for the home carrier, relative to the partner airline and the alliance. The latter finding may in part be due to switching barriers such as schedule convenience and loss of frequent flyer benefits, consistent with findings in previous studies (e.g., Proussaloglou & Koppelman, 1999). However, another reason may be that as it is the home carrier, people recall their previous positive experience with that carrier, and therefore, regard this particular service failure event as an isolated incident. Thus, more global consumer evaluations and behaviour are not greatly affected.
The previous relationship therefore mitigates the impact of the service failure event, and thereby the suggested effect based on attribution theory (Weiner, 1985) that if the cause can be attributed to a particular entity, consumer responses to that entity should be negatively affected. Previous study results based on attribution theory typically have not taken the effect of previous experience and past satisfaction into account but have rather adopted a service encounter focus (e.g., Swanson & Kelley, 2001).

However, it could also be speculated that the unique situation in the alliance setting that the airline that caused the service failure may not be the airline that deals with the service failure could have an impact. For example, it could be argued that when a partner airline deals with the service failure that the home carrier caused may provide it with an opportunity to showcase its ability to resolve a service problem that it did not cause. Positive effects on satisfaction and behavioural intentions may result. However, study results did not indicate such positive effects; rather satisfaction and behavioural intentions were rated lowest for the partner airline when it dealt with the service failure. Again, the fact that despite being portrayed as identical the service recovery was perceived to be less satisfactory when the partner airline rather than the home carrier implemented it may have contributed to this result.

In contrast, it appeared that if the partner airline caused the service failure, respondents related the service failure to that particular airline. Thus, again following the line of argument related to the realities of an alliance context, the partner airline may not have had an opportunity to rectify the service problem – it was the home carrier that dealt with the service failure. As such the partner airline may have only been associated in the consumer’s mind with the service failure. Due to the lack of a previous relationship that could have mitigated the impact of the service failure, as may have been the case with the home carrier, the partner airline received the lowest ratings on all four dependent variables, consistent with attribution theory. As indicated, this line of argument is purely speculative, with such potential effects requiring further examination and validation in future research.

Finally, the impact on the alliance under both ‘locus of service failure’ conditions was also of interest. When the home carrier caused the service failure and the partner airline dealt with it, the alliance received significantly lower event fairness ratings than the partner airline. Yet, despite this, behavioural intention ratings were significantly higher for the alliance than for the partner airline. The latter may in part be due to consumers’ relationship
with the home carrier and the continued desire to use this airline. However, rather than involve the particular partner airline in the itinerary, consumers may choose another airline in the alliance, thus highlighting the need to assess switching behaviour among partner airlines within an alliance.

7.4.2 Social Identity

Results provided support for Hypothesis H_{2.1}, as stated in Table 5.1, whereby consumers who strongly identified with the home carrier were more positive in their evaluation of, and behaviour towards, this airline following a service failure than consumers who did not identify with that airline. There was also a significant difference in the evaluation by consumers, based on their strength of identification, for all three entities, lending support to Hypothesis H_{2.2}. Strong identifiers were more positive in their evaluation of the home carrier than weak identifiers, compared to the partner airline and the alliance. It is also of interest to note that strong identifiers with the home carrier were more positive towards the alliance than weak identifiers, while there was no significant difference in ratings for the partner airline on the basis of strength of identification.

Thus, there appear to be conflicting results in Study 2 and Study 3. In Study 2, it was concluded that consumers who more strongly identified with their home carrier were more dissatisfied than consumers who weakly identify with that airline. In contrast, results of Study 3 indicated that strong identifiers were more positive in their responses to all three entities than weak identifiers, that is, they were more satisfied and had more favourable behavioural intentions.

The apparent contradicting results can be explained with differences in the service failure event depicted in scenario scripts in Study 2 and Study 3, and resulting differences in justice elements on the basis of which justice perceptions were formed. Procedural and interactional justice perceptions are likely to have played a key role. In Study 2, the scenario script made reference to the fact that the customer who had privilege status with the home carrier requested an upgrade to first class for personally important reasons when booking the ticket with that carrier, yet the home carrier failed to communicate that upgrade request to the partner airline. Furthermore, the home carrier did not take any action, other than an apology, when the customer subsequently lodged a complaint. According to the group-value theory (Lind & Tyler, 1988), people who strongly identify with an entity are especially negative in their evaluations if its procedures indicate that they are not treated
with the respect a high standing would warrant. An assessment of procedural justice perceptions at the event level of strong versus weak identifiers indicated that there was a significant difference, with strong identifiers rating the procedural justice of the home carrier significantly lower than weak identifiers ($t = 2.17, p < .05; M_{\text{strong/weak}} = 1.94/2.33$). Thus, strong identifiers may have concluded that they were not valued by their home carrier as they would have expected from their perceived standing as a frequent flyer with that airline, based on the treatment experienced. As a consequence, they were more dissatisfied not only with the home carrier, but also the partner airline and the alliance whose action may have further aggravated strong identifiers.

In contrast, in Study 3 the service failure event was related to a computer breakdown that was perceived as beyond the control of the airline that dealt with the service failure. There was no significant difference in perception by strong and weak identifiers on procedural and interactional justice evaluations at the event level - (Procedural Justice $t = .55, p > .05; M_{\text{strong/weak}} = 3.77/3.62$); Interactional Justice $t = .33, p > .05, M_{\text{strong/weak}} = 4.85/4.77$). Consequently, strong identifiers did not feel a threat to their identity as a valued customer of their home carrier. As such, the strong affiliation with the home carrier prevailed, resulting in more positive evaluations for the home carrier than those of weak identifiers. However, that was not the case for the partner airline for which there was no significant difference in evaluation between the strong and weak identifiers ($p > .05$). In other words, the goodwill that the home carrier enjoys due to a consumer’s strength of identification does not appear to translate into goodwill for the home carrier’s partner airlines in an alliance.

It is possible that the contradicting results may also be in part due to the different respondent profile for Study 2 and 3. That is, students versus business travellers were used in Study 2. Finally, the relatively low response rate in Study 3 is acknowledged and it is unknown whether this could have affected the pattern of results.

7.4.3 Social Accounts

Contrary to expectation and the specific hypothesis relating to social accounts stated in Table 5.1, no interaction effect was observed for social accounts and the entity evaluated, thus Hypothesis $H_{4.3}$ is rejected. A possible explanation for this unexpected result may be that the type of social account may have a significant effect on consumer responses to service failure events in an alliance setting only when the outcome severity of the service
failure event is high. Previous research by Sparks, Fredline, and Tideswell (2004) found a combined effect of outcome severity and the type of social account on the extent to which a consumer felt respected. In particular, they noted that if the outcome severity was medium to high, both types of social accounts examined (referential versus justification) resulted in the customers feeling less respected than in the case of a low outcome severity. While Sparks and colleagues’ (2004) study focused on respect, it is possible that the effect of outcome severity may extend to other consumer evaluations and behaviour. In Study 3, less than one fifth of respondents indicated that they perceived the outcome severity as high, with more than half of the respondents being either undecided or perceiving the service failure as low in severity. Due to respondents’ relatively low outcome severity perceptions, social accounts may not have had the effect on consumer evaluations and behaviour as predicted.

7.5 CHAPTER SUMMARY

In chapter 7, the impact of the locus of service failure, social identity, and social accounts on consumer evaluations and behaviour was examined. Results indicated that the locus of service failure did have a significant impact in that consumers were more negative in their evaluation and behaviour when the partner airline rather than the home carrier caused the service failure. Furthermore, social identity was found to have an impact on consumer evaluations different to that identified in Study 2. Differences in the service failure event depicted in scenario scripts in Study 2 and Study 3, and resulting differences in justice elements on the basis of which justice perceptions were formed were identified as potential reason. Finally, the type of social accounts included in this study design did not appear to impact consumer evaluations and behaviour, with consumer perceptions of low outcome severity being identified as a potential explanation.

Chapter 7 presented the first part of the data analysis based on Study 3, that is, an assessment of the impact of three independent variables (locus of service failure, social identity, and social accounts) on consumers’ evaluations and behaviour towards the home carrier, the partner airline, and the alliance. In chapter 8, results of the second part of the data analysis will be presented and discussed, relating to the testing of the model of organisational justice in an airline alliance setting. This model was introduced and discussed in chapter 5.
Table 7.9  
Summary of Findings – Study 3 (MANOVA)

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>Research Hypotheses</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research Question 1.3</strong></td>
<td>How does the locus of the service failure impact on consumer responses to a service failure event in a strategic alliance setting?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>H_{1.3} - The airline that causes the service failure is likely to experience the greatest negative impact on consumer evaluations and behaviour, followed by the partner airline that deals with the service failure, and lastly the alliance.</td>
<td>Partially Supported</td>
</tr>
<tr>
<td><strong>Research Question 2</strong></td>
<td>How does consumers’ strength of identification with an airline impact on their responses to a service failure event in a strategic alliance setting?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>H_{2.1} - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure than consumers who do not identify with the home carrier.</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>H_{2.2} - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure compared to the partner airline and the alliance, than consumers who do not identify with the home carrier.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Research Question 4</strong></td>
<td>How do service recovery measures impact on consumer responses to a service failure event in a strategic alliance setting?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>H_{4.3} - Consumers who are provided with an apology rather than an excuse will be more positive in their evaluations of, and behaviour towards, the airline that deals with the service failure compared to the airline that caused the service failure and the alliance.</td>
<td>Rejected</td>
</tr>
</tbody>
</table>
8.1 INTRODUCTION

Chapter 7 presented the first part of the data analysis based on Study 3, that is, an assessment of the impact of three independent variables (locus of service failure, social identity, and social accounts) on consumer responses towards the home carrier, the partner airline, and the alliance. In chapter 8, results of the second part of the data analysis are presented and discussed that focus on testing the model of organizational justice in an airline alliance setting, advanced in chapter 5. As the method for Study 3 was already discussed in chapter 7 (section 7.2), the discussion will turn to the results next.

8.2 RESULTS

As stated in section 7.2.3, given the study design, it was plausible to derive event and global justice perceptions for the airline that dealt with the service failure event only. Therefore, the analyses presented in this chapter differentiate between situations where 1) the home carrier caused and the partner airline dealt with the service failure event, and 2) the partner airline caused and the home carrier dealt with the service failure event.

In chapter 5, it was argued that event justice perceptions (EJP) lead to 1) an event fairness evaluation (EF) and 2) corresponding global justice perceptions (GJP). These, in turn lead together to a global fairness evaluation (GF) of a social entity. Global fairness evaluations then impact satisfaction that in turn influences behavioural intentions. Thus, the relationship between event justice perceptions and global fairness evaluations of social entities is mediated by 1) the event fairness evaluation and 2) global justice perceptions. Furthermore, the global fairness evaluation of a social entity mediates the relationship between 1) the event fairness evaluation and satisfaction and 2) global justice perceptions and satisfaction. This argument had been translated into specific hypotheses, presented in Table 5.1 that will each be tested in this chapter. Two main techniques were used to analyse these data: 1) correlation analysis and 2) multiple regression analysis. Pearson’s product-moment correlation was chosen for the correlation analysis. The standard method was selected for the regression analysis.
8.2.1 Correlation Analysis

According to Luck and Rubin (1987), a Pearson correlation coefficient of .4 is indicative of a moderate strength in a relationship between two variables. More specifically, Zikmund (1991) suggested that low correlation is present when coefficients are less than .3, moderate correlation is at .45, and high correlation is at .8. Pearson correlation coefficients of .4 and above have been highlighted in bold in Tables 8.1 to 8.6, indicating moderate correlation strength. Non-significant results have been identified with the notation ‘NS.’

Correlations Between Event/Global Justice Perceptions and Event/Global Fairness Evaluation

When the home carrier caused the service failure and the partner airline dealt with it, event fairness was moderately correlated to IJG, in addition to DJE, IJE, and INFJE. In contrast, when the partner airline caused the service failure and the home carrier dealt with it, event fairness evaluations were moderately correlated to DJE, IJE, and INFJE (Table 8.1).

Turning to the correlation between global fairness and individual justice perceptions, when the partner airline dealt with the service failure caused by the home carrier, global fairness was moderately correlated to DJE and DJG, in addition to IJG. In contrast, when the home carrier dealt with the service failure caused by the partner airline, global fairness was moderately correlated with IJG only (Table 8.1).

Correlations Between Event/Global Justice Perceptions and Consumer Response Measures

The correlation of event and global justice perceptions with consumer response measures was confined to the airline that dealt with the service failure. There were low to moderate correlations between select event and global justice measures and customers responses for the airline that dealt with the service failure (Tables 8.2 and 8.3).

Correlations Between Event and Global Fairness

There was a moderate correlation between event and global fairness of the partner airline but only when the partner airline dealt with the service failure caused by the home carrier. For the remaining analyses, weak correlations between respective event and global fairness measures were detected (Table 8.4).
### Table 8.1
Pearson Correlation Coefficients for Correlations Between Event/Global Justice Perceptions and Event/Global Fairness Evaluation

<table>
<thead>
<tr>
<th></th>
<th>Partner Airline Measures</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DJ-Event</td>
<td>PJ-Event</td>
<td>IJ- Event</td>
<td>INFJ - Event</td>
<td>DJ - Global</td>
<td>PJ-Global</td>
<td>IJ-Global</td>
</tr>
<tr>
<td><strong>Event Fairness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Home Carrier Measures</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event Fairness</td>
<td>.485***</td>
<td>.232*</td>
<td>.407***</td>
<td>.420***</td>
<td>.282**</td>
<td>.324**</td>
<td>.411***</td>
</tr>
<tr>
<td>Global Fairness</td>
<td>.460***</td>
<td>NS</td>
<td>.324**</td>
<td>.242*</td>
<td>.493***</td>
<td>.274**</td>
<td>.543***</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Home Carrier Measures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event Fairness</td>
<td>.433***</td>
<td>.322***</td>
<td>.400***</td>
<td>.490***</td>
<td>.213*</td>
<td>.219*</td>
<td>.254*</td>
</tr>
<tr>
<td>Global Fairness</td>
<td>.348***</td>
<td>NS</td>
<td>NS</td>
<td>.228*</td>
<td>.360**</td>
<td>.223*</td>
<td>.491***</td>
</tr>
</tbody>
</table>

* Note. NS – indicates non-significant correlation

* p < .05; ** p < .01, *** p < .001
Table 8.2
Pearson Correlation Coefficients for Correlations Between Event/Global Justice Perceptions and Consumer Response Measures
- Home Carrier caused SF/Partner Airline Dealt With SF -

<table>
<thead>
<tr>
<th></th>
<th>Satisfaction</th>
<th>Behavioural Intentions</th>
<th>Satisfaction</th>
<th>Behavioural Intentions</th>
<th>Satisfaction</th>
<th>Behavioural Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DJ - Event</strong></td>
<td>NS</td>
<td>NS</td>
<td>.458***</td>
<td>.464***</td>
<td>.195*</td>
<td>NS</td>
</tr>
<tr>
<td><strong>PJ – Event</strong></td>
<td>NS</td>
<td>NS</td>
<td>.240*</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td><strong>IJ - Event</strong></td>
<td>NS</td>
<td>NS</td>
<td>.386***</td>
<td>.397***</td>
<td>.311**</td>
<td>NS</td>
</tr>
<tr>
<td><strong>INFJ - Event</strong></td>
<td>NS</td>
<td>NS</td>
<td>.289**</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td><strong>DJ – Global</strong></td>
<td>NS</td>
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<td>.453***</td>
<td>.376***</td>
<td>.297**</td>
<td>.240*</td>
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<td><strong>PJ - Global</strong></td>
<td>.204*</td>
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<td><strong>INFJ- Global</strong></td>
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<td>.239*</td>
<td>.316**</td>
<td>.225*</td>
<td>NS</td>
<td>NS</td>
</tr>
</tbody>
</table>

*Note. NS – indicates non-significant correlation
* *p < .05; ** p < .01, *** p < .001

Table 8.3
Pearson Correlation Coefficients for Correlations Between Event/Global Justice Perceptions and Consumer Response Measures
- Partner Airline caused SF/Home Carrier Dealt With SF -

<table>
<thead>
<tr>
<th></th>
<th>Satisfaction</th>
<th>Behavioural Intentions</th>
<th>Satisfaction</th>
<th>Behavioural Intentions</th>
<th>Satisfaction</th>
<th>Behavioural Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DJ - Event</strong></td>
<td>.366***</td>
<td>.296**</td>
<td>NS</td>
<td>NS</td>
<td>.318**</td>
<td>NS</td>
</tr>
<tr>
<td><strong>PJ – Event</strong></td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td><strong>IJ - Event</strong></td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td><strong>INFJ - Event</strong></td>
<td>.260*</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td><strong>DJ – Global</strong></td>
<td>.454***</td>
<td>.343**</td>
<td>.216*</td>
<td>.216*</td>
<td>.269*</td>
<td>.225*</td>
</tr>
<tr>
<td><strong>PJ - Global</strong></td>
<td>.259*</td>
<td>.280**</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td><strong>IJ - Global</strong></td>
<td>.506***</td>
<td>.540***</td>
<td>NS</td>
<td>NS</td>
<td>.352**</td>
<td>.330**</td>
</tr>
<tr>
<td><strong>INFJ- Global</strong></td>
<td>.338**</td>
<td>.305**</td>
<td>NS</td>
<td>NS</td>
<td>.301**</td>
<td>.241*</td>
</tr>
</tbody>
</table>

*Note. NS – indicates non-significant correlation
* *p < .05; ** p < .01, *** p < .001
Correlations Between Event/Global Fairness and Consumer Response Measures

Event and global fairness evaluations were low to moderately correlated with consumer response measures for the airline that dealt with the service failure. There was no correlation for event and global fairness evaluations on customer responses for the airline that caused the service failure. As shown in Table 8.5, when the partner airline dealt with the service failure caused by the home carrier, there was a moderate correlation for both event and global fairness evaluations and consumer response measures for the partner airline ($p < .001$). In contrast, when the home carrier dealt with the service failure that was caused by the partner airline, there was a moderate correlation between consumer response measures and the global fairness evaluation only ($p < .001$). The correlation between the event fairness evaluation and customer response measures for the home carrier was low (Table 8.5).

Correlations Between Satisfaction and Behavioural Intentions

There was a moderate correlation for satisfaction and behavioural intention measures for all three entities, regardless of whether the partner airline or the home carrier dealt with the service failure (Table 8.6).

The relationships between 1) event/global justice perceptions and event/global fairness evaluations, 2) event/global justice perceptions and customer responses and 3) event/global fairness evaluations and consumer responses will be discussed in more detail in the next section that presents the results of the multiple regression analyses.

Table 8.4
Pearson Correlation Coefficients for Correlations between Event and Global Fairness

<table>
<thead>
<tr>
<th>Home Carrier caused SF/Partner Airline Dealt With SF-</th>
<th>Partner Airline</th>
<th>Alliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Fairness</td>
<td>Event Fairness</td>
<td>Global Fairness</td>
</tr>
<tr>
<td>Home Carrier</td>
<td>.239*</td>
<td>.453***</td>
</tr>
<tr>
<td>Partner Airline</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alliance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Partner Airline caused SF/ Home Carrier Dealt With SF -</th>
<th>Home Carrier</th>
<th>Partner Airline</th>
<th>Alliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Fairness</td>
<td>Event Fairness</td>
<td>Global Fairness</td>
<td>Global Fairness</td>
</tr>
<tr>
<td>Home Carrier</td>
<td>.201*</td>
<td>.224*</td>
<td>.232*</td>
</tr>
<tr>
<td>Partner Airline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alliance</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$p < .05, \ *** p < .001$
Table 8.5
Pearson Correlation Coefficients for Correlations between Event/Global Fairness and Consumer Response Measures

<table>
<thead>
<tr>
<th></th>
<th>Home Carrier</th>
<th>Partner Airline</th>
<th>Alliance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Satisfaction</td>
<td>Behavioural Intentions</td>
<td>Satisfaction</td>
</tr>
<tr>
<td>Event Fairness</td>
<td>NS</td>
<td>NS</td>
<td>.561***</td>
</tr>
<tr>
<td>Global Fairness</td>
<td>NS</td>
<td>NS</td>
<td>.555***</td>
</tr>
</tbody>
</table>

Note. NS – indicates non-significant correlation
* p < .05; ** p < .01, *** p < .001

Table 8.6
Pearson Correlation Coefficients for Correlations Between Satisfaction and Behavioural Intentions

<table>
<thead>
<tr>
<th></th>
<th>Home Carrier</th>
<th>Partner Airline</th>
<th>Alliance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Behavioural Intentions</td>
<td>Behavioural Intentions</td>
<td>Behavioural Intentions</td>
</tr>
<tr>
<td>Event Fairness</td>
<td>.244*</td>
<td>.233*</td>
<td>NS</td>
</tr>
<tr>
<td>Global Fairness</td>
<td>.554***</td>
<td>.482***</td>
<td>NS</td>
</tr>
</tbody>
</table>

* p < .05; ** p < .01, *** p < .001
8.2.2 Multiple Regression Analysis

As detailed in chapter 7, standard multiple regression was chosen as an appropriate analytical technique to test the model of organizational justice in an alliance context, advanced in chapter 5. While numerous studies have investigated the importance of individual event justice perceptions, results are inconclusive. At the same time, there is no prior research on the relative importance of global justice perceptions. Thus, no a priori knowledge is assumed at this stage, precluding the use of hierarchical regression analysis.

Both multiple regression analysis and structural equation modelling (SEM) have been assessed in terms of their suitability for model testing. However, following a review of the advantages and disadvantages of the two data analysis techniques (e.g., Bijleveld & van der Kamp, 1998; Tabachnick & Fidell, 2001), relative to the specifics of this thesis investigation, multiple regression analysis was selected for three reasons.

First, the primary interest in testing the advanced model was to determine single relationships between dependent and independent variables in a pre-determined sequence; it was not intended to examine a series of interrelated dependence relationships simultaneously, for which SEM would have been better suited (Mackenzie, 2001). Second, single indicators had to be utilised for 10 of the 12 dependent variables. While individual justice perceptions have established measures to capture the construct of interest (see Colquitt (2001) for a summary), the inclusion of at least four questions relating to each of the justice perception constructs would have considerably added to the length of the instrument, and was perceived as seriously impeding the completion and overall response rate for Study 3. Third, there were only a small number of relatively uncorrelated dependent variables.

The major assumptions of multiple regression analysis were assessed prior to the data analysis. Multivariate outlying cases (Mahalanobis Distance $p < .001$) were deleted from the dataset. Residual scatterplots were inspected for violations of assumptions. Multicollinearity was assessed to ensure that the predictors are not highly correlated. The VIF (Variance Inflation Factor) was close to 1 (range: 1.001 to 1.264) for all independent variables with corresponding tolerances close to 1 (range: .9689 to .7913). According to Marquardt (1980, p. 90), a VIF of equal or close to 1 indicates that the set of explanatory variables is uncorrelated. Furthermore, condition indexes were significantly lower than the acceptable limit of 30, as proposed by Belsley, Kuh, and Welsch (1980). Thus, there was no
evidence of multi-collinearity. The Durbin-Watson statistic was assessed to ensure that the assumption of independent errors is met. Test values were at acceptable levels, according to Durbin and Watson (1951).

Prior to the testing of relationships, the data were checked for suitability. First, the number of cases for each regression equation exceeded 20 times the number of predictor variables. No outliers were detected in data screening of the residual scatterplots. Examination of the residual scatterplots also provided no evidence of violation of the assumptions of linearity, equality of variance, or independence of variables. Finally, high tolerance scores indicated that beta coefficients of variables in the equation would not be distorted due to potential multi-collinearity.

The relationships between variables, detailed in chapter 5 and illustrated in Figures 5.3 (reproduced in this chapter to aid the clarity of discussion), were tested sequentially so that the order of analysis was as follows: 1) Event Justice Perceptions (EJP) predicted Global Justice Perceptions (GJP); 2) Event Justice Perceptions (EJP) predicted Event Fairness (EF); 3) Global Justice Perceptions (GJP) predicted Global Fairness (GF); 4) Event Fairness (EF) predicted Global Fairness (GF); 5) Event Fairness (EF) and Global Justice Perceptions (GJP) predicted Global Fairness (GF), 6) Global Fairness (GF) predicted Satisfaction (SAT) and 7) Satisfaction (SAT) predicted Behavioural Intentions (BI).

Furthermore, relationships between variables were tested for the airline that dealt with the service failure only, consistent with the previously advanced argument that event and global justice perceptions are plausible for this airline only. Thus, for each of the relationships examined two analyses will be presented – first, if the home carrier caused the service failure and the partner airline dealt with it (HC caused SF/PA dealt with SF), and second, if the partner airline caused the service failure and the home carrier dealt with it (PA caused SF/HC dealt with SF). The results of all regression analyses to test the proposed model, depending on which airline caused and dealt with the service failure, are presented in Table 8.7. Results of individual regression analyses are discussed next.
Figure 8.1 (Reproduced Figure 5.3)
Expanded Model of Organizational Justice

Distributive Justice Event (DJE) → Fairness of the Social Entity in General - Global Fairness (GF)

Procedural Justice Event (PJE) → Fairness of the Social Entity in a particular Situation - Event Fairness (EF)

Interactional Justice Event (IJE) → Satisfaction (SAT) → Behavioural Intentions (BI)

Informational Justice Event (INFJE) → Distributive Justice Global (DJG) → Fairness of the Social Entity in General - Global Fairness (GF)

Procedural Justice Global (PJG) → Fairness of the Social Entity in General - Global Fairness (GF)

Interactional Justice Global (IJG) → Satisfaction (SAT) → Behavioural Intentions (BI)

Informational Justice Global (INFJG) → Fairness of the Social Entity in General - Global Fairness (GF)


I. Event Justice Perceptions (EJP) as a predictor of Global Justice Perceptions (GJP)

The hypothesis pertaining to the relationship between event justice perceptions and global justice perceptions was stated as follows:

\[ H_1: \text{Event justice perceptions lead to corresponding global justice perceptions.} \]

Global justice perception variables represent the dependent variables in the first four regression equations. The objective of these regression analyses was to determine whether the corresponding event justice perception had a significant effect on the global justice perception. The four event justice perceptions were hypothesized to influence their corresponding global justice perceptions both significantly and positively. Thus, each event justice perception was entered as the potential predictor variable of the corresponding global justice perception.

**HC caused SF/PA dealt with SF**

Distributive Justice Event was found to be a significant predictor of Distributive Justice Global. Procedural Justice Event was found to be a significant predictor of Procedural Justice Global. Interactional Justice Event was found to be a significant predictor of Interactional Justice Global. Informational Justice Event was found to be a significant predictor of Informational Justice Global. All predictor variables had a positive sign as hypothesized. Thus, hypothesis \( H_1 \) is fully supported. DJE, PJE, IJE, and INFJE explained 20%, 13%, 36%, and 8% of the variance in DJG, PJG, IJG, and INFJG respectively.

**PA caused SF/HC dealt with SF**

Distributive Justice Event was found to be a significant predictor of Distributive Justice Global. Procedural Justice Event was found to be a significant predictor of Procedural Justice Global. Interactional Justice Event was found to be a significant predictor of Interactional Justice Global. Informational Justice Event was found to be not a significant predictor of Informational Justice Global. All significant predictor variables had a positive sign as hypothesized. Thus, hypothesis \( H_1 \) is partially supported. DJE, PJE, and IJE explained 22%, 26%, and 23% of the variance in DJG, PJG, and IJG respectively.
2. Event Justice Perceptions (EJP) as a predictor of Event Fairness (EF)

The hypotheses pertaining to the relationship between event justice perceptions and event fairness were stated as follows:

H$_{2a}$ – Event justice perceptions are aggregated and weighted by consumers to form a fairness evaluation of the social entity at the event level.

H$_{2b}$ – Event justice perceptions are weighted differently to form fairness evaluations at the event level, depending on the social entity evaluated.

Event Fairness is the second dependent variable in the series of regression equations. The objective of the regression analysis was to determine which of the four event justice perceptions would have the most significant influence on overall event fairness. The four event justice perceptions were hypothesised to influence event fairness both significantly and positively. Thus, the four event justice perception measures were entered as potential predictor variables of event fairness using standard multiple regression.

**HC caused SF/ PA dealt with SF**

Three event justice perception variables were found to be significant predictors of event fairness of the partner airline at the event level. These variables were: 1) Distributive Justice Event, 2) Informational Justice Event, and 3) Interactional Justice Event. All predictor variables had a positive sign as hypothesised. Thus, hypothesis H$_{2a}$ is supported. The three event justice perceptions explained 43% of the variance in event fairness of the partner airline.

**PA caused SF/ HC dealt with SF**

Three event justice perception variables were found to be significant predictors of event fairness of the home carrier at the event level. These variables were: 1) Informational Justice Event, 2) Interactional Justice Event, and 3) Procedural Justice Event. All predictor variables had a positive sign as hypothesised. Thus, hypothesis H$_{2a}$ is again supported. The three event justice perceptions explained 39% of the variance in event fairness of the home carrier.

As event justice perceptions were weighted differently to form fairness evaluations at the event level for the partner airline versus the home carrier, hypothesis H$_{2b}$ is supported.
3. **Global Justice Perceptions (GJP) as a predictor of Global Fairness (GF)**

The hypotheses pertaining to the relationship between global justice perceptions and global fairness were stated as follows:

\[ H_{3a} \] – Global justice perceptions are aggregated and weighted by consumers to form a fairness evaluation of the social entity at the global level.

\[ H_{3b} \] – Global justice perceptions are weighted differently to form fairness evaluations at the global level, depending on the social entity evaluated.

Global Fairness represents the dependent variables in the next regression equations. The objective of these regression analyses was to determine which individual global justice perceptions had the most significant influence on global fairness. The four global justice perceptions were hypothesised to influence global fairness both significantly and positively. Thus, the four global justice perceptions were entered as potential predictor variables of global fairness.

**HC caused SF/ PA dealt with SF**

Interactional Justice Global and Distributive Justice Global were found to be significant predictors of Global Fairness of the Partner Airline. Both predictor variables had a positive sign as hypothesised. Thus, hypothesis \( H_{3a} \) is supported. IJG and DJG explained 37% of the variance in Global Fairness of the Partner Airline.

**PA caused SF/ HC dealt with SF**

Interactional Justice Global only was found to be a significant predictor of Global Fairness of the Home Carrier. This predictor had a positive sign as hypothesised. Thus, hypothesis \( H_{3a} \) is again supported. IJG explained 28% of the variance in global fairness of the home carrier.

As global justice perceptions were weighted differently to form global fairness evaluations for the partner airline versus the home carrier, hypothesis \( H_{3b} \) is also supported.

4. **Event Fairness (EF) as a predictor of Global Fairness (GF)**

The hypotheses pertaining to the relationship between event fairness and global fairness were stated as follows:
**H₄ₐ** - An evaluation of event fairness of a social entity leads to an evaluation of global fairness of that social entity.

**H₄₉** - Whether an evaluation of event fairness of a social entity leads to an evaluation of global fairness depends on the social entity evaluated.

Event Fairness represents the dependent variable in the next regression equation. The objective of this regression analysis was to determine whether the fairness evaluation of an entity at the event level had a significant impact on the fairness evaluation of that entity at the global level. It was hypothesised that if event fairness were to influence global fairness, it would do so both significantly and positively. Event fairness was entered as the potential predictor variable of global fairness of the social entity that dealt with the service failure.

*HC caused SF/ PA dealt with SF*

Event Fairness was found to be a significant predictor of Global Fairness of the Partner Airline. It had a positive sign as hypothesised. Thus, hypothesis H₄ₐ was supported. Fairness of the partner airline at the event level explained 20% of the variance in its global fairness.

*PA caused SF/ HC dealt with SF*

Event Fairness was found to be not a significant predictor of Global Fairness of the Home Carrier. Thus, hypothesis H₄₉ was not supported.

As the impact of event fairness on global fairness differed depending on whether the partner airline or the home carrier dealt with the service failure, hypothesis H₄₉ is supported.

5. **Event Fairness (EF) and Global Justice Perceptions (GJP) as Predictors of Global Fairness (GF)**

The hypothesis pertaining to the relationship between event fairness and global justice perceptions, and global fairness was stated as follows:

**H₅** - Global justice perceptions have a greater impact on global fairness than the fairness of an entity at the event level.
Global Fairness represents the dependent variable in the next regression analysis. The objective of this regression analysis was to determine the combined impact of global justice perceptions and event fairness on global fairness. It was hypothesised that global justice perceptions have a greater impact on global fairness than event fairness. Thus, rather than a standard regression analysis a hierarchical regression analysis was employed. Global fairness served as the dependent variable. Global justice perceptions were entered in Step 1, followed by event fairness in Step 2, consistent with the stated hypothesis.

**HC caused SF/ PA dealt with SF**

Beta weights for two global justice perceptions were greater than for overall event fairness in predicting global fairness of the partner airline. As detailed in Table 8.7, the model was significant $F(5, 100) = 15.422, p < .001$, accounting for 43% of the variance in global fairness of the partner airline. DJG and IJG contributed significantly to the model $F(4, 101) = 16.515, p < .001$ (Step 1). The addition of event fairness in Step 2 as a predictor of global fairness was significant, however, the resulting model decreased the ability to predict global fairness. Beta values for DJG (.302) and IJG (.285) were higher than for event fairness (.228), indicating a greater impact of the former two variables relative to the latter. Thus, hypothesis H₅ is partially supported.

**PA caused SF/ HC dealt with SF**

The beta weight for one global justice perception was greater than that for event fairness in predicting global fairness of the home carrier. As detailed in Table 8.7, the model was significant $F(5, 80) = 6.940, p < .001$, accounting for 30% of the variance in global fairness of the home carrier. IJG contributed significantly to the model $F(4, 81) = 8.783, p < .001$ (Step 1). The addition of event fairness in Step 2 as a predictor of global fairness was not significant ($p > .05$). Thus, hypothesis H₅ is again partially supported.

6. **Global Fairness (GF) as a Predictor of Satisfaction (SAT)**

The hypothesis pertaining to the relationship between global fairness and satisfaction was stated as follows:

H₆ - Global fairness evaluations lead to overall satisfaction with that social entity.

Global Fairness represents the dependent variable in the penultimate regression equation. The objective of this regression analysis was to determine whether global fairness
evaluations of a social entity did have a significant impact on satisfaction. Global fairness was hypothesised to influence satisfaction both significantly and positively. Thus, global fairness was entered as a potential predictor variable of satisfaction.

**HC caused SF/ PA dealt with SF**

Global fairness was found to be a significant predictor of overall satisfaction with the partner airline. It had a positive sign as hypothesised. Thus, hypothesis H₆ is supported. Global fairness explained 30% of the variance in overall satisfaction with the partner airline.

**PA caused SF/ HC dealt with SF**

Global fairness was found to be a significant predictor of overall satisfaction with the home carrier. It had a positive sign as hypothesised. Thus, hypothesis H₆ is again supported. Global fairness also explained 30% of the variance in overall satisfaction with the home carrier.

7. **Satisfaction (SAT) as a Predictor of Behavioural Intentions (BI)**

The hypothesis pertaining to the relationship between satisfaction and behavioural intentions was stated as follows:

H₇ - Overall satisfaction with a social entity leads to behavioural intentions towards that entity.

Behavioural Intentions represents the dependent variable in the final regression equation. The objective of this regression analysis was to determine whether overall satisfaction did have a significant impact on behavioural intentions. Overall satisfaction was hypothesised to influence behavioural intentions both significantly and positively. Thus, satisfaction was entered as a potential predictor variable of behavioural intentions.

**HC caused SF/ PA dealt with SF**

Satisfaction was found to be a significant predictor of behavioural intentions with the partner airline. It had a positive sign as hypothesised. Thus, hypothesis H₇ is supported. Satisfaction explained 55% of the variance in behavioural intentions towards the partner airline.
PA caused SF/ HC dealt with SF

Satisfaction was found to be a significant predictor of behavioural intentions with the home carrier. It had a positive sign as hypothesised. Thus, hypothesis H7 is again supported. Satisfaction explained 60% of the variance in behavioural intentions towards home carrier.

Section Summary

In this section a summary of results detailed in the preceding section is provided. This summary is made with reference to the model of organizational justice, introduced in chapter 5 (Figure 5.3, reproduced as Figure 8.1), based on the results presented in Table 8.7. The model is presented in Figure 8.2 for the ‘locus of service failure’ condition whereby the home carrier caused and the partner airline dealt with the service failure. Thus, the variables presented in the model relate to the partner airline. For clarity in the presentation of results the model has been separated for display into two parts: Part A details the following sequence: individual Event Justice Perceptions → individual Global Justice Perceptions → Global Fairness → Satisfaction → Behavioural Intentions; Part B details the following sequence: individual Event Justice Perceptions → Event Fairness → Global Fairness → Satisfaction → Behavioural Intentions. While presented separately, these sequences are complementary in the formation of consumer evaluations and responses to a service failure event, as the following discussion demonstrates. Beta weights are displayed for each significant relationship. Relationships between variables that were not significant have been omitted for clarity of presentation.
### Table 8.7
Multiple Regression Analysis – Tests of Model Relationships

<table>
<thead>
<tr>
<th>Measures</th>
<th>Beta</th>
<th>T Value</th>
<th>Significance</th>
<th>Beta</th>
<th>T Value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Event Justice Perceptions (EJP)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>→ Global Justice Perceptions (GJP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DJE → DJG</td>
<td>.452</td>
<td>5.234</td>
<td>.000</td>
<td>.475</td>
<td>5.063</td>
<td>.000</td>
</tr>
<tr>
<td>PJE → PJG</td>
<td>.374</td>
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<td>.000</td>
<td>.522</td>
<td>5.741</td>
<td>.000</td>
</tr>
<tr>
<td>IJE → IJG</td>
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<td>.000</td>
<td>.490</td>
<td>5.305</td>
<td>.000</td>
</tr>
</tbody>
</table>

F = 27.397 p < .001; Adjusted $R^2 = .196$

F = 16.946 p < .001; Adjusted $R^2 = .132$

F = 60.441 p < .001; Adjusted $R^2 = .359$

F = 10.255 p < .01; Adjusted $R^2 = .079$

F = 20.139 p < .001

F = 14.976 p < .001

F = 3.779; p > .05; Adjusted $R^2 = .030$

**2. Event Justice Perceptions (EJP)**
→ Event Fairness (EF)

DJE .388 4.859 .000
PJE - - -
IJE .212 2.664 .009
INFJE .368 4.756 .000

F = 20.139; p < .001

Adjusted $R^2 = .426$

F = 14.976; p < .001

Adjusted $R^2 = .391$

Note. – identifies a non-significant relationship
### 3. Global Justice Perceptions (GJP)

**Global Fairness**

<table>
<thead>
<tr>
<th>Measures</th>
<th>Beta</th>
<th>T Value</th>
<th>Significance</th>
<th>Adjusted R²</th>
<th>F = 16.275; p &lt; .001</th>
<th>Adjusted R²</th>
<th>F = 9.153; p &lt; .001</th>
</tr>
</thead>
<tbody>
<tr>
<td>DJG</td>
<td>.316</td>
<td>3.566</td>
<td>.001</td>
<td>.366</td>
<td></td>
<td></td>
<td>.275</td>
</tr>
<tr>
<td>PJG</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IJG</td>
<td>.374</td>
<td>4.202</td>
<td>.000</td>
<td>.375</td>
<td>.397</td>
<td>3.991</td>
<td>.000</td>
</tr>
<tr>
<td>INFJG</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F = 16.275; p < .001
Adjusted R² = .366

**4. Event Fairness (EF)**

**Global Fairness**

<table>
<thead>
<tr>
<th>Measures</th>
<th>Beta</th>
<th>T Value</th>
<th>Significance</th>
<th>Adjusted R²</th>
<th>F = 27.090; p &lt; .001</th>
<th>Adjusted R²</th>
<th>F = 3.552; p &gt; .05</th>
</tr>
</thead>
<tbody>
<tr>
<td>DJG</td>
<td>.453</td>
<td>5.205</td>
<td>.000</td>
<td>.198</td>
<td></td>
<td></td>
<td>.029</td>
</tr>
<tr>
<td>PJG</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IJG</td>
<td>.201</td>
<td>1.885</td>
<td>.063</td>
<td>.297</td>
<td></td>
<td></td>
<td>.085</td>
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</tbody>
</table>

F = 27.090; p < .001
Adjusted R² = .198

**5. Event Fairness & Global Justice Perceptions → Global Fairness**

### Step 1

<table>
<thead>
<tr>
<th>Measures</th>
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<th>SEB</th>
<th>β</th>
<th>Beta</th>
<th>SEB</th>
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<tr>
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<tr>
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<td>.077</td>
<td>.350*</td>
<td>.307</td>
<td>.085</td>
<td>.364*</td>
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<tr>
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</table>

F = 1.634; p < .001
Adjusted R² = .275
6. Global Fairness
→ Satisfaction

\[ \beta = 0.555, \quad T = 6.712, \quad p < 0.001 \]

Adjusted \( \beta^2 = 0.302 \)

\[ F = 45.057; \quad p < 0.001 \]

7. Satisfaction
→ Behavioural Intentions

\[ \beta = 0.742, \quad T = 11.131, \quad p < 0.001 \]

Adjusted \( \beta^2 = 0.546 \)

\[ F = 123.89; \quad p < 0.001 \]

R\(^2\) = .395 for Step 1; change R\(^2\) = .040 for Step 2 (ps < .01) * p < .01

R\(^2\) = .303 for Step 1; change R\(^2\) = .000 for Step 2 (ps > .05) * p < .01

**Table:**

<table>
<thead>
<tr>
<th>Measures</th>
<th>Beta</th>
<th>T Value</th>
<th>Significance</th>
<th>Beta</th>
<th>T Value</th>
<th>Significance</th>
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</thead>
<tbody>
<tr>
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<tr>
<td>DJG</td>
<td>.269</td>
<td>.077</td>
<td>.302*</td>
<td>-</td>
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</tr>
<tr>
<td>PJG</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IJG</td>
<td>.241</td>
<td>.077</td>
<td>.285*</td>
<td>.307</td>
<td>.086</td>
<td>.364*</td>
</tr>
<tr>
<td>INJG</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
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<td>.068</td>
<td>.228*</td>
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</tr>
</tbody>
</table>

R\(^2\) = .395 for Step 1; change R\(^2\) = .040 for Step 2 (ps < .01) * p < .01

R\(^2\) = .303 for Step 1; change R\(^2\) = .000 for Step 2 (ps > .05) * p < .01
As is apparent from Figure 8.2, when the partner airline dealt with the service failure, event justice perceptions had a dual effect. First, each of the four event justice perceptions significantly impacted the corresponding global justice perception (Part A). At the same time, three event justice perceptions impacted the overall evaluation of the partner airline’s fairness for the particular service failure event. The fairness of the outcome provided by the partner airline (DJE), followed by the explanation provided to the consumer (INFJE), and the fairness of the interpersonal treatment to resolve the service failure (IJE) caused by the home carrier resulted in a judgment of how fair the partner airline was in this particular instance (Part B). When consumers then made an overall assessment of how fair the partner airline in general is, they based this assessment primarily on their perceptions of how fair the partner airline was in general in terms of the outcomes provided (DJG) and its interpersonal handling of a service failure (IJG) (Part A). In addition, they also considered how fairly they were treated by the partner airline in this particular event (EF) (Part B). This global assessment of the partner airline in general then impacted overall satisfaction with that airline that in turn influenced consumers’ behavioural intentions. Thus, as summarised in Part C, event justice perceptions impacted global justice perceptions and event fairness perceptions that then both contributed to global fairness perceptions, followed by satisfaction and behavioural intentions (Note: Beta weights have been omitted in Part C).

The situation was overall quite different when the home carrier dealt with the service failure caused by the partner airline, as is evident from the model presented in Figure 8.3. The model presentation follows the same approach and rationale as for the model presented in Figure 8.1 that for brevity of presentation is not be repeated here. Variables presented in this model relate to the home carrier that dealt with the service failure. Event justice perceptions significantly impacted their corresponding global justice perceptions, with the exception of informational justice (Part A). At the same time, individual justice perceptions impacted consumers’ evaluation of the fairness of the home carrier in this particular instance (Part B). However, there was a stark contrast to the event fairness evaluation when the partner airline dealt with the service failure, where distributive justice was a critical consideration. In this instance, informational justice was the most important consideration for consumers (INFJE), followed by the way they were treated (IJE) and procedural justice (PJE). A further significant difference related to the impact on the global fairness evaluation of the home carrier. In terms of global justice perceptions it was only the interactional justice dimension (IJG) that mattered; that is, the way the home carrier treated its customers in general (Part A). Furthermore, the fairness evaluation of the
home carrier for the particular service failure incident (EF) that was caused by the partner airline did not have any impact on consumers’ more general fairness evaluation of the home carrier (Part B), thus no arrow has been included in Figure 8.3 (Part B) for this relationship. Finally, global fairness evaluations of the home carrier impacted satisfaction that in turn had an impact on behavioural intentions. Thus, as summarised in Part C event justice perceptions impacted global justice perceptions and event fairness perceptions but only global justice perceptions, not event fairness, impacted global fairness evaluations. Global fairness evaluations impacted overall satisfaction with the home carrier and subsequently, behavioural intentions (Note: Beta weights have been omitted in Part C).

8.2.3 Mediation Analysis

In chapter 5, it was argued that the relationship between event justice perceptions and global fairness evaluations of social entities is mediated by 1) the event fairness evaluation and 2) global justice perceptions. Further, it was argued that the global fairness evaluation of a social entity mediates the relationship between 1) the event fairness evaluation and satisfaction and 2) global justice perceptions and satisfaction. Finally, it was argued that satisfaction mediates the relationship between global fairness and behavioural intentions. Each of these relationships is examined in turn, with a summary of results of the mediation analysis provided in Tables 8.8 and 8.9.

As recommended by Baron and Kenny (1986), hypotheses relating to mediation effects were tested using standard multiple regression analysis. Each analysis involved testing three separate equations. Equation 1 was concerned with establishing whether the predictor had a significant influence on the criterion variable. Equation 2 examined whether the predictor had a significant influence on the mediator. Equation 3 assessed whether the predictor and the mediator were joint predictors of the criterion variable. Sobel’s (1982) z-test established whether the indirect effect of the predictor on the criterion via the mediator was significantly different from zero.
Figure 8.2
– Summary of Model Testing - Home Carrier caused SF/Partner Airline deals with SF -

Part A
DJE  .452  DJG  .316
PJE  .374  PJG
IJE  .604  IJG
INFJE  .296  INFJG

PART B
DJE  .388
INFJE  .368  EF  .453  GF  .555  SAT  .742  BI
IJE  .212

PART C
EJP
GJP
EF
GF
SAT  .742  BI
Figure 8.3
– Summary of Model Testing - Partner Airline caused SF/Home Carrier dealt with SF -

PART A

DJE → .475 → DJG

PJE → .522 → PJG

IJE → .490 → IJG → .397

PART B

INFJE → .324

IJE → .284 → EF

PJG

PART C

EJP → GJP

EJP → EF → GF → .554 → SAT → .779 → BI
8. Mediation of Relationship between Event Justice Perceptions and Global Fairness

Hypotheses pertaining to the mediation of the relationship between event justice perceptions and global fairness were stated as follows:

H_{8a} Global justice perceptions are mediating the relationship between corresponding event justice perceptions and global fairness.

H_{8b} Event fairness mediates the relationship between event justice perceptions and global fairness.

In order to test these hypotheses, individual event justice perceptions were the predictors. Corresponding global justice perceptions and event fairness were the mediators for Hypotheses H_{8a} and H_{8b}, respectively. Global Fairness represented the criterion variable.

HC caused SF/PA dealt with SF

Global distributive (DJG) and interactional justice (IJG) perceptions mediated the relationship between the corresponding event justice perceptions and the global fairness evaluation of the partner airline. At the same time, event fairness perceptions of the partner airline (EF) mediated the relationship between individual event justice perceptions and global fairness. Thus, if the partner airline dealt with the service failure caused by the home carrier, Hypothesis H_{8a} is partially and Hypothesis H_{8b} is fully supported.

PA caused SF/HC dealt with SF

If the home carrier dealt with the service failure caused by the partner airline, Hypothesis H_{8a} was partially supported as global distributive (DJG) and interactional justice perceptions (IJG) mediated the relationship between the corresponding event justice perceptions and the global fairness evaluation of the home carrier. Hypothesis H_{8b} was rejected, as event fairness (EF) did not mediate the relationship between individual event justice perceptions and global fairness.

9. Mediation of Relationship between Global Justice Perceptions and Satisfaction, and Event Fairness and Satisfaction

Hypotheses pertaining to the mediation of the relationship between global justice perceptions and satisfaction, and event fairness and satisfaction respectively were stated as follows:
H9a - Global fairness mediates the relationship between global justice perceptions and satisfaction.

H9b - Global fairness mediates the relationship between event fairness and satisfaction with a social entity.

In order to test Hypotheses H9a and H9b, individual global justice perceptions and event fairness respectively were the predictors. The mediator was global fairness, and satisfaction represented the criterion variable.

HC caused SF/PA dealt with SF

If the partner airline dealt with the service failure caused by the home carrier, Hypothesis H9a is partially supported as global fairness mediated the relationship for three of the four global justice perceptions (DJG, PJG, IJG) and satisfaction. Hypothesis H9b was supported as global fairness (GF) of the partner airline mediated the relationship between event fairness and overall satisfaction with the partner airline.

PA caused SF/HC dealt with SF

If the home carrier dealt with the service failure that the partner airline caused, Hypothesis H9a was partially supported as global fairness mediated the relationship for three of the four global justice perceptions (DJG, PJG, IJG) and satisfaction. In contrast, Hypothesis H9b was rejected, as global fairness evaluations of the home carrier did not mediate the relationship between event fairness and satisfaction.

10. Mediation of Relationship between Global Fairness and Behavioural Intentions

The hypothesis pertaining to the mediation of the relationship between global fairness and behavioural intentions was stated as follows:

H10 - Satisfaction mediates the relationship between global fairness and behavioural intentions.

In order to test Hypothesis H10, global fairness was the predictor, satisfaction was the mediator, and behavioural intentions was the criterion variable. Results indicated that Hypothesis H10 was supported regardless of which airline caused and which airline dealt with the service failure. In other words, satisfaction mediated the relationship between
global fairness evaluations and behavioural intentions towards the airline that dealt with the service failure.

**Section Summary**

Mediation effects are depicted in Figure 8.2 Part C if the home carrier caused and the partner airline dealt with the service failure. Global justice perceptions and event fairness both mediate the relationship between individual justice perceptions and global fairness. Furthermore, global fairness mediated the relationship between global justice perceptions and satisfaction, and event fairness and satisfaction. Finally, satisfaction mediated the relationship between global fairness and behavioural intentions.

Mediation effects are depicted in Figure 8.3 Part C if the partner airline caused and the home carrier dealt with the service failure. Global justice perceptions, but not event fairness, mediate the relationship between individual justice perceptions and global fairness. Global fairness mediates the relationship between global justice perceptions and satisfaction, but not the relationship between event fairness and satisfaction. Finally, satisfaction mediated the relationship between global fairness and behavioural intentions.

**CHAPTER SUMMARY**

Chapter 8 presented study results pertaining to the testing of the model of organizational justice, proposed in chapter 5. Results provided considerable support for the model of organizational justice in general, and highlighted differences in relationships between individual variables, depending on whether the home carrier or the partner airline caused/dealt with the service failure.

In chapter 9, the findings of this thesis investigation, reported in chapters 6, 7, and 8, will be revisited to highlight the contributions made to the body of knowledge. Managerial implications will be discussed, limitations of the current research acknowledged, and directions for future research outlined.
### Table 8.8
Multiple Regression Analysis - Tests of Mediation Effects – Partner Airline dealt with SF

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Mediator ⁹</th>
<th>Predictor</th>
<th>Mediator</th>
<th>Global Fairness Mediator</th>
<th>Criterion</th>
<th>Criterion</th>
<th>Criterion</th>
<th>Behavioural Intentions</th>
<th>Criterion</th>
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<td></td>
<td>B (SE B) ³</td>
<td>Sobel’s z ⁴</td>
<td>Sobel’s z ⁴</td>
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<td>Sobel’s z ⁴</td>
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<tr>
<td>Hypothesis 8a</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>DJE</td>
<td>DJG</td>
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<td>.318 .082</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>IJE</td>
<td>IJG</td>
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<td>.328 .076</td>
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<td>DJG</td>
<td>GF</td>
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</table>

**Note.** – identifies a non-significant relationship

⁹ All mediators that were not significantly predicted (p<.05) by the predictor in equation 1 have been included for ease of comparison between the two analyses

² Unstandardised regression coefficient (and standard error) for the predictor as the sole predictor of the mediator (equation 1)

³ Unstandardised regression coefficient (and standard error) for the mediator when jointly predicting the criterion (equation 3)

⁴ Sobel’s (1982) z-test of whether the indirect effect of the predictor on the criterion via the mediator differs significantly from zero.

* p < .05, ** p < .01, *** p < .001
Table 8.9
Multiple Regression Analysis - Tests of Mediation Effects – Home Carrier dealt with SF

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Mediator</th>
<th>Predictor</th>
<th>Mediator</th>
<th>Global Fairness</th>
<th>Criterion</th>
<th>Behavioural Intentions</th>
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</thead>
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<td></td>
<td></td>
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<td>Sobel’s z</td>
<td>Mediator</td>
</tr>
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<td></td>
<td></td>
<td>B (SE B)</td>
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<td>B (SE B)</td>
</tr>
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<td>DJG</td>
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<td>.237 (.111)</td>
<td>1.969*</td>
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<tr>
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<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>IJE</td>
<td>IJG</td>
<td>.503 (.095)</td>
<td>.457 (.093)</td>
<td>3.60***</td>
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<td>INFJG</td>
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</tbody>
</table>

**Hypothesis 8a**

| DJE       | EF       | .387 (.087) | -         | -              |           |                        |
| PJG       | EF       | .275 (.087) | -         | -              | -         |                        |
| IJE       | EF       | .416 (.102) | -         | -              | -         |                        |
| INFJE     | EF       | .495 (.094) | -         | -              | -         |                        |

**Hypothesis 8b**

| DJG       | GF       | .344 (.097) | .400 (.081) | 2.88**         |           |                        |
| PJG       | GF       | .183 (.086) | .453 (.080) | 1.99*          |           |                        |
| IJG       | GF       | .417 (.080) | .355 (.087) | 3.213**        |           |                        |
| INFJG     | GF       | .206 (.104) | .455 (.079) | -              |           |                        |

**Hypothesis 9a**

| EF        | GF       | -         | -         | -              | -         | -                      |

**Hypothesis 9b**

| GF        | SAT      | .484 (.079) | .762 (.085) | 5.1***        |           |                        |

**Note.** – identifies a non-significant relationship

* All mediators that were not significantly predicted (p<.05) by the predictor in equation 2 have been excluded

b Unstandardised regression coefficient (and standard error) for the predictor as the sole predictor of the mediator
c Unstandardised regression coefficient (and standard error) for the mediator when jointly predicting the criterion (equation 3)
d Sobel’s (1982) z-test of whether the indirect effect of the predictor on the criterion via the mediator differs significantly from zero.

*p < .05, ** p < .01, *** p < .001
### Table 8.10 – Summary of Findings – Study 3 (Model Testing)

<table>
<thead>
<tr>
<th>Research Question 1.2</th>
<th>Research Hypotheses</th>
<th>HC c SF</th>
<th>PA c SF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research Question 1.2</strong>&lt;br&gt;How do consumers form evaluations and responses towards various alliance entities following a service failure event in a strategic alliance setting?</td>
<td><strong>Hypothesis H₁ – Event Justice Perceptions on Global Justice Perceptions</strong>&lt;br&gt;H₁ - Event justice perceptions lead to corresponding global justice perceptions.&lt;br&gt;&lt;br&gt;<strong>Hypothesis H₂ – Event Justice Perceptions on Event Fairness</strong>&lt;br&gt;H₂a – Event justice perceptions are aggregated and weighted by consumers to form a fairness evaluation of the social entity at the event level.&lt;br&gt;H₂b – Event justice perceptions are weighted differently to form fairness evaluations at the event level, depending on the social entity evaluated.&lt;br&gt;&lt;br&gt;<strong>Hypothesis H₃ – Global Justice Perceptions on Global Fairness</strong>&lt;br&gt;H₃a – Global justice perceptions are aggregated and weighted by consumers to form a fairness evaluation of the social entity at the global level.&lt;br&gt;H₃b – Global justice perceptions are weighted differently to form fairness evaluations at the global level, depending on the social entity evaluated.&lt;br&gt;&lt;br&gt;<strong>Hypothesis H₄ – Event Fairness on Global Fairness</strong>&lt;br&gt;H₄a - An evaluation of event fairness of a social entity leads to an evaluation of global fairness of that social entity.&lt;br&gt;H₄b - Whether an evaluation of event fairness of a social entity leads to an evaluation of global fairness depends on the social entity evaluated.</td>
<td>Supported</td>
<td>Partially Supported</td>
</tr>
</tbody>
</table>
### Hypothesis H₅ – Event Fairness and Global Justice Perceptions on Global Fairness

H₅ - Global justice perceptions have a greater impact on global fairness than the fairness of an entity at the event level.  

| Partially Supported | Partially Supported |

### Hypothesis H₆ – Global Fairness on Satisfaction

H₆ - Global fairness evaluations lead to overall satisfaction with that social entity.  

| Supported | Supported |

### Hypothesis H₇ – Satisfaction on Behavioural Intentions

H₇ - Overall satisfaction with a social entity leads to behavioural intentions towards that entity.  

| Supported | Supported |

### Hypothesis H₈ – Mediation - Event Justice Measures and Global Fairness

H₈a - Global justice perceptions mediate the relationship between corresponding event justice perceptions and global fairness.

| Partially Supported | Partially Supported |

H₈b - Event fairness mediates the relationship between event justice perceptions and global fairness.

| Supported | Rejected |

### Hypothesis H₉ – Mediation – Global Justice Perceptions and Satisfaction; Event Fairness and Satisfaction

H₉a - Global fairness mediates the relationship between global justice perceptions and satisfaction.

| Partially Supported | Supported |

H₉b - Global fairness mediates the relationship between event fairness and overall satisfaction with a social entity.

<p>| Partially Supported | Rejected |</p>
<table>
<thead>
<tr>
<th>Hypothesis H₁₀ – Mediation - Global Fairness and Behavioural Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁₀ - Satisfaction mediates the relationship between global fairness and Behavioural intentions.</td>
</tr>
<tr>
<td>Supported</td>
</tr>
</tbody>
</table>
CHAPTER 9
CONCLUSIONS
CHAPTER 9
CONCLUSIONS

9.1 INTRODUCTION

This research was designed to address the research problem: “How does a service failure event and subsequent service recovery of an alliance partner impact on a consumer’s evaluation of, and behaviour towards, the various alliance entities?” This final chapter summarises the findings generated in response to this research problem.

Chapter 1 introduced the background of the research project, defined the research problem, and identified specific research questions. The importance of this research in view of a lack of prior research and managerial implications was discussed. In chapters 2 to 8, the various stages of the thesis investigation have been described. Chapter 2 reviewed the service failure/recovery literature, with a particular focus on differences between single and multiple service provider settings. Literature pertaining to strategic alliances, in particular strategic airline alliances was also reviewed. Chapter 3 introduced the theoretical framework of this thesis investigation and presented a model of organizational justice by Cropanzano and colleagues (2001). Chapter 4, reporting on the findings of in-depth interviews with frequent travellers, provided evidence of the suitability of this model in the airline alliance context. Furthermore, it identified three factors that potentially impact consumer evaluations and behaviour. In light of these findings, the proposed model was revisited and further refined in Chapter 5. Literature pertaining to the three influencing factors identified in the in-depths interviews was also reviewed, culminating in the identification of six research questions and related hypotheses. Chapters 6, 7, and 8 analysed the data collected from two experimental designs. The impact of select variables on consumer evaluations of, and behaviour towards, the various alliance entities was discussed in Chapter 6 and 7, while Chapter 8 focused on the discussion of model testing.

In this final chapter, conclusions are drawn about each of the four research issues. This section serves to compare and contrast the findings with the literature to highlight similarities and differences, and to show where this research advances the existing literature, thus making a contribution to the body of knowledge. Particular reference is made to the contribution of this research to understanding the research problem. The
chapter concludes with managerial implications of the findings, a discussion of the limitations of the research, and recommendations for future research.

9.2 CONCLUSION ABOUT THE FOUR RESEARCH ISSUES AND THE RESEARCH PROBLEM

This section details the contributions of this thesis, comparing the results of the research reported in Chapters 4, 6, 7, and 8, with the literature reviewed in Chapters 2 and 3. This comparison is summarised in Table 9.1.

In order to situate the findings of this thesis within a broader framework, the research issues are examined at three levels in the extant literature, as suggested by Perry (1998). First, is the issue of context for the research. A research issue may have been investigated in the generic literature but not in a specific context, such as an alliance environment. Second, research issues may have been speculated on, implied, or mentioned in passing but not empirically investigated in either the generic or alliance literature. Third, a research issue may have attracted little or no past research, yet requires further explanation, indicating an important area for research.

Using these three levels of examination, this research provides insights and contributions in all three domains. The first level of contribution is confirmation and/or disconfirmation of expectations of a phenomenon that has been investigated in some depth in the generic literature. This level of contribution is referred to as ‘to a minor extent’ in Table 9.1. The next level of contribution centres on issues about which there was only speculation or limited empirical investigation in the literature. This level of contribution adds to the literature and is referred to as ‘to some extent’ in Table 9.1. The final level of contribution involves a new area where minor research has been done. Thus, it advances the literature and is referred to as ‘to a great extent’ in Table 9.1. In brief, the three levels of contributions this research makes are, in ascending order of importance:

- confirmations/disconfirmations
- additions, and
- advances
## Table 9.1 Research Contributions

<table>
<thead>
<tr>
<th>Research Issues, Questions and Hypotheses</th>
<th>Status of research in extant literature</th>
<th>Extent of contribution of this research to current body of knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research Issue 1 centres on the formation of consumer responses to a service failure event in a strategic alliance setting</strong></td>
<td></td>
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<tr>
<td><strong>Research Question 1.1</strong></td>
<td></td>
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<tr>
<td>What consumer evaluations are formed following a service failure event in a strategic alliance setting?</td>
<td>Speculated on, or implied</td>
<td>To some extent</td>
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<tr>
<td><strong>Research Question 1.2</strong></td>
<td></td>
<td></td>
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<tr>
<td>How do consumers form evaluations of, and behaviours towards, various alliance entities following a service failure event in a strategic alliance setting?</td>
<td>Minor prior research on the formation of event and global justice and fairness</td>
<td>To a great extent</td>
</tr>
<tr>
<td><strong>Research Question 1.3</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How does the locus of the service failure impact on consumer responses to a service failure event in a strategic alliance setting?</td>
<td>Speculated on, or implied</td>
<td>To some extent</td>
</tr>
<tr>
<td><strong>Research Issue 2 centres on the impact of consumers’ strength of identification with an airline impact their responses to a service failure event in a strategic alliance setting?</strong></td>
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<tr>
<td><strong>Hypothesis 2.1</strong></td>
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<tr>
<td>Consumers who identify strongly with the home carrier will be more positive in their evaluations of, and behaviour towards, this airline following a service failure than consumers who do not identify with the home carrier.</td>
<td>Investigated in some depth</td>
<td>To minor extent</td>
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<tr>
<td><strong>Hypothesis 2.2</strong></td>
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<tr>
<td>Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure compared to the partner airline and the alliance, than consumers who do not identify with the home carrier.</td>
<td>Investigated in some depth</td>
<td>To minor extent</td>
</tr>
<tr>
<td>Research Questions and Hypotheses</td>
<td>Status of research in extant literature</td>
<td>Extent of contribution of this research to current body of knowledge</td>
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<tr>
<td><strong>Research Issue 3</strong> centres on the impact of pre-consumption mood on consumer responses to a service failure event in a strategic alliance setting**</td>
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<tr>
<td><strong>Hypothesis 3.1</strong></td>
<td>Investigated in some depth</td>
<td>To minor extent</td>
</tr>
<tr>
<td>The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and interactional justice, compared to its partner airline and the alliance.</td>
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<tr>
<td><strong>Hypothesis 3.2</strong></td>
<td>Investigated in some depth</td>
<td>To minor extent</td>
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<tr>
<td>The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and distributive justice, compared to its partner airline and the alliance.</td>
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<tr>
<td><strong>Research Issue 4</strong> centres on the impact of service recovery measures on consumer responses to a service failure event in a strategic alliance setting**</td>
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<td></td>
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<tr>
<td><strong>Hypothesis 4.1</strong></td>
<td>Investigated in some depth</td>
<td>To minor extent</td>
</tr>
<tr>
<td>The airline that deals with the service failure event is likely to experience the greatest impact from interactional justice on consumer evaluations and behaviour, compared to the partner airline and the alliance.</td>
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<tr>
<td><strong>Hypothesis 4.2</strong></td>
<td>Investigated in some depth</td>
<td>To minor extent</td>
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<tr>
<td>Consumers’ evaluation and behaviour will vary directly with interactional justice, regardless of whether the outcome of others was known or not.</td>
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<tr>
<td><strong>Hypothesis 4.3</strong></td>
<td>Speculated on, or implied</td>
<td>To some extent</td>
</tr>
<tr>
<td>Consumers who are provided with an apology rather than an excuse will be more positive in their evaluations of, and behaviour towards, the airline that deals with the service failure compared to the airline that caused the service failure and the alliance.</td>
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</table>
9.2.1 Research Issue 1

Research Issue one centres on the formation of consumer responses to a service failure event in a strategic alliance context and relates to three specific aspects: 1) the elements, 2) the formation process, and 3) the influence of attribution on the formation process. Three main conclusions can be drawn from this research.

Research Question 1.1 What consumer evaluations are formed following a service failure event in a strategic alliance setting?

The first conclusion relates to distinct elements that are formed following a service failure event in strategic alliances. The literature offers two different perspectives. In the service failure/recovery literature, the focus has been on the event justice paradigm whereby the formation of individual justice perceptions and their impact have been assessed in relation to a particular service failure event (e.g., Blodgett et al., 1997; Goodwin & Ross, 1992). In contrast, organizational justice theory has recently proposed a move towards a dual approach to justice appraisals that requires the assessment of both event and social entity justice appraisals (Cropanzano et al., 2001). Thus, in addition to individual event justice perceptions, global justice perceptions are said to be formed that influence cognitive, affective, and behavioural responses. However, prior to this thesis work, this theory had not been empirically tested, either in the organizational behaviour or service failure/recovery context.

The findings of the current research provided evidence of the existence of both event and global justice perceptions relating to the four distinct dimensions of justice. This research found that consumers form both justice perceptions of an entity for a particular event and justice perceptions at a more global, general level. These justice perceptions related to all four dimensions of justice, that is distributive, procedural, interactional, and informational justice. In addition, this research identified consumer evaluations in addition to event and global justice perceptions, namely event and global fairness. Event fairness refers to a summary judgment of an entity in a particular situation, based on an evaluation and weighing of individual event justice perceptions. In contrast, global fairness relates to a summary judgment of an entity in general, based on an evaluation of event fairness and global justice perceptions over time and across events.
In summary, the findings of this research support organizational justice theory’s call for a differentiation in assessment of event and global justice perceptions. The research also adds to the literature by identifying and assessing the impact of two additional consumer evaluations, event fairness and global fairness.

**Research Question 1.2** - How do consumers form evaluations of, and behaviours towards, various alliance entities following a service failure event in a strategic alliance setting

The second conclusion relates to the formation of consumer responses following a service failure event in a strategic alliance setting. Two perspectives are derived from the literature, again relating to SF/R research and the broader organizational justice research. Service failure/recovery research argues for satisfaction, word-of-mouth, and behavioural intentions being formed on the basis of perceptions of individual justice dimensions of the service failure event (Smith & Bolton, 1998). In contrast, organizational justice literature, with the pioneering work of Cropanzano and colleagues (2001) argues for the formation of individual justice perceptions based on elements of the situation that in turn may be used to derive social entity evaluations. Ultimately, the evaluation of the social entity leads to specific affective, cognitive, and behavioural responses. Cropanzano and colleagues’ model, however, is confined to a single organizational setting and has not been empirically tested.

Findings of this research pointed to a complex formation process of consumer responses. In particular, it was found that event justice perceptions (EJP) lead to 1) an event fairness evaluation (EF) and 2) corresponding global justice perceptions (GJP). These, in turn, combine together to a global fairness evaluation (GF) of a social entity. Global fairness evaluations then impact satisfaction that in turn influences behavioural intentions. Thus, the relationship between event justice perceptions and global fairness evaluations of social entities is mediated by 1) the event fairness evaluation and 2) global justice perceptions. Furthermore, the global fairness evaluation of a social entity mediates the relationship between 1) the event fairness evaluation and satisfaction and 2) global justice perceptions and satisfaction.

In brief, there has been little empirical research on the proposed model by Cropanzano and colleagues in the organizational justice literature, and the model has not been tested in a service failure/recovery or a multiple organization context. Thesis findings further add to the literature by confirming Cropanzano and colleagues’ model in general, and its applicability in the service
failure/recovery context. Furthermore, Cropanzano and colleagues’ model, together with the additions to the model suggested from this research, offered insights and an explanation of consumer evaluations and behaviour in a multiple organization setting. Thus, the research findings contribute to the body of knowledge to a major extent.

**Research Question 1.3 - How does the locus of the service failure impact on consumer responses to a service failure event in a strategic alliance setting?**

The third conclusion for research issue one relates to the impact of attributions on the formation process of consumer responses. In particular, the research addressed which social entity (a home or partner carrier) caused the service failure event and how this contributed to evaluations. The literature has two positions about the potential impact of the cause of a service failure event by either the home carrier or the partner airline on consumer responses. On the one hand, attribution theory and more recently, fairness theory stipulates that the more consumers believe a service failure is the fault of a particular service provider, the more likely they are to exhibit negative evaluations and behaviour towards that service provider (Folger & Cropanzano, 1998; Folkes et al, 1987). Thus, in an alliance setting the airline that causes the service failure event should experience the greatest negative impact on consumer responses, relative to the other alliance entities. On the other hand, the link between strong, long-term relationships and beneficial outcomes for the organization has been well established in the literature (Morgan & Hunt, 1994; Reichheld & Sasser, 1990). A strong relationship can also mitigate the effects of a service failure (Mattila, 2001). Thus, in an alliance setting consumers should be more positive in their evaluations and behaviour when the home carrier rather than the partner airline causes the service failure event.

Findings indicated that relationship theory overrode attribution theory when a service failure event occurred in an alliance setting. The airline that caused the service failure event was not always experiencing the greatest negative impact on consumer evaluations and behaviour. In particular, when the home carrier caused the service failure, it still received the highest global fairness, satisfaction, and behavioural intention ratings, followed by the alliance and then the partner airline.
In brief, there has been little empirical research about the impact of attributions in a multiple service provider setting following a service failure event (Smith & Tax, 2005). Therefore, this research makes a contribution by empirically testing the impact of the locus of a service failure event on consumer responses with respect to the prior relationship consumers have with one of the service providers in an alliance.

9.2.2 Research Issue 2

Research issue two concerns the impact of the strength of identification with an airline on consumer responses to a service failure event in a strategic alliance setting. Two main conclusions are drawn from the findings relating to this research issue.

**Hypothesis 2.1** - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure than consumers who do not identify with the home carrier.

The first conclusion for research issue two relates to the impact of a consumer’s strength of identification on responses to a service failure event in an alliance setting. The literature has two positions on the impact of social identity (Haslam et al., 2003; Lind & Tyler, 1990). Numerous researchers in the organizational and consumer context argued that identification results in positive consequences for a firm such as increased purchases, more favourable word-of-mouth, and increased loyalty (e.g., Ahearne et al., 2005). Conversely, considering justice principles, based on the relational model (Tyler & Lind, 1992), potential perceived threats to the individual’s inclusion and standing in a group would result in negative outcomes for the firm.

Findings of this research provided evidence for both arguments in that in Study 2 consumers who more strongly identified with their home carrier were more dissatisfied than consumers who weakly identify with that airline. In contrast, results of Study 3 showed that strong identifiers were more positive in their responses than weak identifiers; that is, they were more satisfied and had more favourable behavioural intentions. These results were qualified with reference to differences in procedural and interactional justice perceptions elicited in response to the particular service failure event in the two studies. In Study 2, the treatment by the airline was perceived by the customer as inconsistent with treatment expected from his/her perceived standing as a frequent flyer with that airline, thus threatening the consumer’s identity. In contrast, the service failure situation in Study 3 did not pose a threat to the consumer’s identity.
Thus, this research contributed to the body of knowledge by clarifying situations in which commonly accepted social identity theory is not applicable and where the relational model is better suited to explain effects of consumer identification on consumer responses to a service failure event.

**Hypothesis 2.2** - Consumers who identify strongly with the home carrier will be more positive in their evaluation of, and behaviour towards, this airline following a service failure, compared to the partner airline and the alliance than consumers who do not identify with the home carrier.

The second conclusion for research issue two relates to the impact of a consumer’s strength of identification with a particular airline on responses towards that airline, relative to that of other alliance entities. Only one study to date assessed the impact of social identification in a service failure event (Haslam et al., 2003). However, this research focused on a single service provider context only. No research to date has assessed the effect of consumer identification in a multiple service provider setting.

Thus, findings of this research extend the body of knowledge by establishing that the goodwill that the home carrier enjoys due to a consumer’s strength of identification does not appear to translate into goodwill for the home carrier’s partner airline in an alliance, or the alliance.

9.2.3 Research Issue 3

Research issue three concerns the combined impact of pre-consumption mood and specific service recovery measures on consumer responses to a service failure event in a strategic alliance setting. Two main conclusions can be drawn from the findings relating to this research issue.

**Hypothesis 3.1** – The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and interactional justice, compared to its partner airline and the alliance.

The first conclusion for research issue three relates to the combined impact of pre-consumption mood caused by external factors and interactional justice employed by one alliance partner. The literature has two positions, each in its respective study field. Literature on mood stipulates that when individuals attribute their mood to something other than the object being
evaluated, the effect of mood on evaluation should disappear (Schwartz & Clore, 1983), thus, pre-consumption mood caused by external factors should have no effect on consumer responses to a service failure event. Conversely, literature on interactional justice has pointed to significant effects on consumer responses. However, to date no research has investigated the combined effect.

Findings indicated that the mood consumers were in prior the service encounter and the fact that staff of the airline that dealt with the service failure was either polite and helpful or rude and unhelpful did not appear to impact consumer evaluations and behaviour. This is a rather surprising result, especially in light of previous studies (Price et al., 1995; Smith & Bolton, 2002). However, the influence of pre-consumption mood on attributions of responsibility for the service failure, and the fact that particularly in the positive pre-consumption mood condition the partner airline that dealt with the service failure was attributed less responsibility than the home carrier and the alliance, helped explain this finding.

Thus, this research makes a contribution by adding to the current knowledge about the combined impact of pre-consumption mood and a specific service recovery measure by providing evidence that pre-consumption mood and interactional justice in combination do not impact consumer responses to a service failure event in a strategic alliance setting, given the influence of pre-consumption mood on attributions of responsibility.

Hypothesis 3.2 – The airline that deals with the service failure event is likely to experience the greatest impact on consumer evaluations and behaviour from a combined effect of pre-consumption mood and distributive justice, compared to its partner airline and the alliance.

The second conclusion for research issue three relates to the combined impact of pre-consumption mood caused by external factors and distributive justice. Again, the literature has two positions, each in its respective study field. As noted in the previous section, literature on mood stipulates that pre-consumption mood caused by external factors should have no effect on consumer responses to a service failure event. Conversely, literature on distributive justice has pointed to significant effects on consumer responses. However, to date no research has investigated the combined effect.
Findings of the research indicated that depending on the mood a consumer was in prior to the service failure event, a differential outcome for the consumer relative to that of companion travellers did affect repeat purchase intentions for the home carrier, due to differences in attributions of responsibility in different mood states. Respondents in a positive pre-consumption mood held the alliance responsible to a greater extent than the partner airline and the home carrier. Thus, if these respondents had knowledge that the outcome of others was better, then repeat purchase intentions were lowest for the alliance as the entity held primarily responsible for such an unfavourable outcome. In contrast, if respondents were in a negative pre-consumption mood, they attributed more responsibility to the home carrier and the alliance, compared to the partner airline. Thus, if respondents in a negative pre-consumption mood became aware of a differential outcome, repeat purchase intentions with the home carrier declined, so much so that there were no significant differences in repeat purchase intentions for the three entities evaluated.

Thus, this research makes a contribution by adding to the current knowledge about the combined impact of pre-consumption mood and a specific service recovery measure by providing evidence that pre-consumption mood and distributive justice in combination did impact consumer responses to a service failure event in a strategic alliance setting, again given the influence of pre-consumption mood on attributions of responsibility.

9.2.4 Research Issue 4

Research issue four concerns the impact of service recovery measures on consumer responses to a service failure event in a strategic alliance setting. Three main conclusions are drawn from the findings relating to this research issue.

**Hypothesis 4.1** - The airline that deals with the service failure event is likely to experience the greatest impact from interactional justice on consumer evaluations and behaviour, compared to the partner airline and the alliance.

The first conclusion for research issue four relates to the effect of interactional justice to a service failure in an alliance setting. Past literature suggests that in a service failure event interactional justice significantly affects consumer responses towards the service provider (Hocutt et al., 1997; Sparks & McColl Kennedy, 2000). Research on the positivity effect and brand alliances (Folkes & Patrick, 2003; Rao et al., 1999) points to the potential transfer of consumer
perceptions of the actions of a single employer in a firm to that of the entire firm, and from one brand to another respectively.

This research suggested that interactional justice is a significant service recovery measure affecting consumer responses to a service failure in an alliance setting, confirming the literature on the pervasive role of interactional justice. However, research results also indicated that the effect of interactional justice is confined to the airline dealing with the service failure, that is there appears to be no transfer in consumer perceptions and subsequent responses from the actions of one partner airline to other alliance entities. Thus, the current research expands the understanding of the effect of interactional justice into a multiple service provider setting. In doing so, it disconfirms the applicability of assumptions on transfer effects based on past research relating to the positivity effect and brand alliance research.

In summary, the findings of this research support the hypothesis that the influence of interactional justice depends on the alliance entity evaluated. That is, an association is revealed between interactional justice and consumer responses towards different alliance entities. Thus, this research confirms past literature by asserting the strong influence of interactional justice and adds to the literature by showing a link between interactional justice and consumer responses on one alliance entity only, that is, the entity that dispenses interactional justice. No transfer effects of interactional justice to consumer responses on other entities in the alliance were detected. Therefore, potential transfer effects, based on brand alliance and positivity effect literature, are disconfirmed.

**Hypothesis 4.2** - Consumer responses towards the alliance entities vary directly with interactional justice, regardless of whether the outcome of others is known or not.

The second conclusion for research issue four relates to the effect of interactional justice, relative to a specific dimension of distributive justice, that is, the knowledge of the outcome of others. Literature suggests that in a service failure event interactional justice significantly affects consumer responses towards the service provider, more so than any other justice dimension (Tax et al., 1998). In particular, interactional justice was found to have a larger and more pervasive influence on customer evaluations than social comparison equity information (Collie, et al., 2000).
Findings of this research suggested that the impact of interactional justice is not dependent on distributive justice in the form of the knowledge of the outcome of others, confirming the pervasive role of interactional justice, relative to social comparison equity information in a multiple service provider setting.

In brief, this research supports the hypothesis that consumer responses towards the alliance entities vary directly with interactional justice, regardless of whether the outcome of others is known or not. That is, an association is revealed between interactional justice and consumer responses towards different alliance entities that is unaffected by social equity comparison information. Thus, this research confirms past literature by asserting the strong influence of interactional justice, respective to another important justice dimension.

**Hypothesis 4.3** - Consumers who are provided with an apology rather than an excuse will be more positive in their evaluations of and behaviour towards the airline that deals with the service failure compared to the airline that caused the service failure and the alliance.

The third conclusion for research issue four relates to the impact of two types of social accounts – apologies versus excuses - on consumer responses to a service failure event in an alliance setting. The literature has two positions about the effectiveness of these social accounts in a single organization context, and there is little empirical investigation of either. Some researchers argue that excuses have beneficial effects (e.g., Crant & Bateman, 1993; Shaw et. al., 2003; Tata, 2000) relative to other types of social accounts. Others claim that apologies are more effective (Baron, 1990; Ohbuchi et al., 1989).

This research’s findings showed no difference in effect for the two types of social accounts on consumer responses to a service failure in an alliance setting. In other words, providing an apology to consumers did not result in significantly different responses to the service failure event towards the airline that dealt with the service failure than providing an excuse. Leading on from this result, it did not appear to make a difference whether the airline that dealt with the service failure accepted responsibility for the partner airline’s shortcomings in the case of an apology or conversely, shifted the blame to the partner airline in case of an excuse. The severity of the outcome of a service failure event was identified as a potential factor impacting the effect of social accounts, upon further investigation of this unexpected result. It was suggested
that the differential effect of the two types of social accounts might only be apparent in high outcome severity conditions.

In summary, this research rejected the hypothesis that an apology leads to more positive consumer responses than an excuse for the airline that deals with the service failure, relative to the other alliance entities. There had been limited research on the effect of an apology versus an excuse in a single organization setting, and how the use of either social account can shift responsibility from one organization to another. This research makes a contribution by adding to the current knowledge about the impact of social accounts in a multiple service provider setting and potential factors impacting the effectiveness of social accounts.

9.2.5 Conclusions about the Research Problem

The research problem was stated as follows: How does a service failure event and subsequent service recovery of an alliance partner impact on a consumer’s evaluation of, and behaviour towards, the various alliance entities?

Chapter 5 advanced an initial theoretical framework (Figure 5.4). In turn, this section presents a refined and concluding framework developed as a result of the discussions of the research issues in this chapter. This final revised framework provides a basis for the discussion of the research problem as a whole, and is shown in Figure 9.1.

This research indicated that a service failure event and subsequent service recovery impact consumer evaluations of, and behaviour, towards the airline that causes the service failure, the airline that deals with the service failure, and the alliance. In contrast to previous research on the impacts of membership of organizations in alliances that has highlighted positive impacts (Beyhoff, 1995; Park, & Zhang, 1996; Park & Cho, 1997), this research indicated that negative impacts are also likely to eventuate.

Considering the model depicted in Figure 9.1 in more detail, it indicates that the elements of an event led a consumer to form event justice perceptions for the airline that caused the service failure but also for the airline that dealt with the service failure, and the alliance both partner airlines are members of. On the basis of event justice perceptions, two different sequences are apparent, that is 1) from event justice perceptions via event fairness to global fairness evaluations, and 2) from event justice perceptions via global justice perceptions to global fairness evaluations.
of the three entities that in turn affect satisfaction and then behavioural intentions. Based on the results of this study, social identity, locus of service failure, interactional justice, and pre-consumption mood have been included in the model to indicate their moderating effect on consumer evaluations and responses to a service failure event in an airline alliance setting.

9.3 MANAGERIAL IMPLICATIONS

This research for the first time highlights potential negative repercussions for an airline resulting from its affiliation with an alliance and its partner airlines. It demonstrates likely problems for airlines in an alliance that can be negatively affected by a service failure event of a partner airline, first via a negative evaluation and consequently, by customer dissatisfaction, negative word-of-mouth, and ultimately, reduced loyalty. Airlines also have to recognise the potential competition for their business if a partner airline deals very well with a service failure, with this partner airline potentially featuring more prominently in the customer’s choice of an airline to patronise in the future.

Several key managerial implications emerge. In the first instance, it is crucial for an airline to join an alliance that can not only provide the desired operational benefits but one in which alliance partners have similar service philosophies and place similar emphasis on the satisfactory resolution of service failure events. Yet, a careful review of the major global airline alliances currently in existence reveals that they not only bring together airlines with different cultural backgrounds but also those with a volume orientation opposed to a service orientation. Consequently, there is a need for greater cooperation among alliance airlines in devising and implementing strategies to deal with service failure events in flights that are serviced by two or more partner airlines.

In order to strengthen relationships with their customers, especially the most frequent and profitable ones, it is essential for alliance airlines to be no longer only concerned about their own service standards and policies relating to service failure events and recovery but to be also mindful of those of their partner airlines. In the first instance, that would translate into readily offering solutions to a customer who has communicated a service failure event by one of the partner airlines. Clearly, having spent valuable time to relate such an incident to the airline s/he is loyal to means that the expectations are higher than simply receiving a standard reply without acceptance of any responsibility.
Figure 9.1
Expanded Model of Organizational Justice in Airline Alliances

Elements → Event Justice Perceptions (EJP) → Global Justice Perceptions (GJP)

Event Fairness → Global Fairness → Satisfaction → Behavioural Intentions

Airline that deals with the Service Failure

Airline that caused the Service Failure

Alliance

Moderators – SI, Locus of SF, IJ, PCM
Next, when an airline solicits feedback from its customers, it may also ascertain customer experiences on flights operated by partner airlines via a code-share agreement with the express purpose of possibly offering remedial action in case of service problems. Such action would indicate to the customer that the airline not only has an understanding of the complexity of the relationships in an alliance setting but also that it is proactive in ensuring that the experience of its valued customers is of a standard they expect. As a potential source for conflict resolution, alliances may want to consider an alliance customer service centre rather than leaving its customers alone in dealing with the various alliance partners, unnecessarily causing time delays and frustration.

Findings of this research also pointed to the fact that a consumer’s identification with a particular airline has the potential to lessen the impact of a service failure event, if that service failure is caused by an alliance partner airline. However, for such positive effects to eventuate, that airline has to ensure that its dealings with the customer clearly indicate the airline’s appreciation of that customer’s use of the airline. In other words, implemented procedures and actions taken have to communicate to the customer that s/he is a valued customer.

In this research, the strength of identification with an airline was measured with reference to specific questions that tap into various social identity dimensions. It is recognised that airlines, due to cost and time constraints, may not be inclined to measure consumers’ strength of identification. However, as suggested by several researchers (e.g., Bhattacharya et. al., 1995), several easily measurable consumer characteristics often serve as proxies for identification with a particular airline, including frequency of product/service use, length of affiliation with the organization, frequency of customer-organization contact. Yet, not only is an understanding of these important indicators of strength of identification necessary but also of how to implement strategies to develop identification with that airline. That investment in such strategies is potentially sustainable is apparent when considering that the goodwill given to the home carrier as a result of identification seemingly does not translate into goodwill for the partner airline in an alliance.

Finally, research findings indicated that accepting responsibility for the service failure of the partner airline and trying to atone by offering an apology apparently did not have a significantly different effect on consumer evaluations and behaviour than not accepting responsibility for that service failure by offering an excuse. This finding suggests
that in case of a service failure event in an alliance context an airline should not expend money into rectifying a service failure caused by its alliance partner airline, but rather employ 'no-cost' options such as offering an apology, and promising and enacting follow-up action with the alliance partner airline.

9.4 LIMITATIONS

Delimitations incorporated into the research design were introduced in Chapter 1. For example, it was acknowledged that 1) the research setting was confined to an airline alliance context, 2) the sample was purposely restricted to respondents of Western origin, and 3) contextual factors impacting consumer responses to a service failure event in a strategic alliance setting have been restricted arbitrarily to four factors. These limitations to the research design were acknowledged prior to the data collection.

In addition to these stated delimitations to the research, further limitations are acknowledged. First, this research involved an experiment, with respondents being randomly assigned to treatment conditions. Therefore, results have a high degree of internal validity (Cook & Campbell, 1979). However, threats to the internal validity resulting from carry-over effects due to the use of a within-subject design were a possibility. These threats were reduced by randomising the ordering of scenario scripts and subjects.

The use of hypothetical service failure scenarios is a second limitation of this research as it is difficult to stimulate the cognitive and emotional involvement generated by an actual service failure/recovery event. However, extensive pre-testing of the stimulus material and subsequent checks on the realism and identification with the role of the customer indicated a high degree of involvement of respondents.

Response bias with respect to the sample used in Study 3 may have posed threats to external validity; in particular, non-response error and volunteer bias may have affected the generalizability of results. Frequent flyers that more strongly identified with a particular airline, and respondents attracted by the prize incentive may have been more willing to participate in the study. Thus, control variables relating to respondents’ membership in frequent flyer programs were included in the research.
Finally, cross-sectional data may have threatened external validity, in particular relating to results of global justice perceptions, global fairness, and overall satisfaction. The research design required that these evaluations were ascertained simultaneously to evaluations at the event level. Evaluations relating to the particular service failure event are likely to have been more salient than global evaluations than if more time had lapsed between measurements, and multiple rather than a single service failure events were the focus of investigation. Suggestions on how to deal with this issue are offered in the next section on future research.

9.5 FUTURE RESEARCH

The findings reported in this thesis go some way to resolving the research problem, yet much remains unresolved. Accordingly, several areas are suggested for future research. These research areas are: 1) further refinement of the proposed model of organizational justice, 2) testing of the model in different multiple service provider settings, and 3) testing of the model in different cultural settings.

First, further testing of the model of organizational justice developed for this thesis for the alliance context could be undertaken. There are a number of ways this model could be further tested. First, rather than drawing on a single service failure event only, future studies could consider the inclusion of multiple service failure events to further distinguish between social entity evaluations at the event level compared to those evaluations at a more general, global level. Second, the characteristics of the service failure event could be varied; for example, varying the severity of the service failure outcome may result in different consumer evaluations and behaviour. Third, the one-to-one correspondence between event justice perceptions and corresponding global justice perceptions, assumed in this thesis, could be further investigated. Forth, important moderating influences, such as the locus of service failure, could be investigated in more depth. For example, the assessment of responsibility for the service failure event may benefit from further consideration of Folger and Cropanzano’s (1998, 2001) fairness theory. In particular, the process of counterfactual thinking may be applicable in the alliance context where potential actions of an alliance partner may serve as the means of comparison to the actual actions of another partner airline. This is in contrast to the currently suggested potential versus actual actions of a single service provider. Other moderating influences, for example, gender could also be investigated.
Second, research findings may be validated in settings other than the strategic airline alliance setting used in this thesis investigation. For example, it may be of interest whether the findings of this research are applicable only to horizontal alliances; that is, alliances that bring together service providers offering the same service product to the consumer, such as air travel, or whether they are equally applicable in vertical alliances; that is, alliances that bring together service providers offering different service products, such as air travel and hotels. Similarly, future research may also assess whether research findings extend to more loosely integrated service network (e.g., Smith & Tax, 2005).

Third, future research could assess whether the findings of this research that drew on consumers of Western origin transfer to consumers with a different cultural background. As previously mentioned, several studies noted differences in consumer evaluations and behaviour resulting from service failure events (e.g., Watkins & Liu, 1996; Wee & Cheong, 1991). Thus, it is conceivable that such differences in cultural background also affect consumer responses to a service failure event in multiple service provider settings. In particular, the impact of social identity may vary between consumers of different cultural backgrounds, with status and recognition being afforded different importance in different cultures.

9.6 CHAPTER SUMMARY

In this chapter, a discussion and comparison of the literature to the findings of the four research issues was presented to establish the contribution this thesis investigation makes to the resolution of the research problem, and to the body of knowledge. Conclusions about the research problem were then presented. Managerial implications were offered, followed by limitations of the research. Finally, future research directions were suggested.

In brief, this research provides a structure for understanding consumer responses to service failure events in an alliance setting and explores the impact of several influential factors on these responses. The advanced model of justice in an alliance context is a contribution because it is a first rigorously researched step towards understanding consumer responses in a multiple service provider setting. The model was built from theory and empirical research and provides a foundation for further research.
REFERENCES


Sparks, B.A. 2002. I would have felt better if only...Or, how to enhance customer satisfaction after service problems. *Journal of Quality Assurance in Hospitality and Tourism* 3 (1/2):53-67.


APPENDIX A

INTERVIEW GUIDE
Interview Guide

Opening Script

I’m interested to learn about your thoughts and feelings on service problems that involve several airlines that are partners in a global airline alliance, such as Oneworld, Star Alliance, or Skyteam. First, could you please tell me what your general perceptions of global airline alliances are?

In particular, I’d like to learn about service problems you experienced that involved your home carrier and one or more alliance partner airlines. Can you recall such an incident? Could you please tell me what happened?

Possible Follow-Up Questions

Can you tell me which airlines/alliances were involved in the service incident?

How/by whom was the service problem resolved?

How did you feel/ what did you think about the way the service problem was resolved?

Who did you hold responsible for the service problem/recovery?

Following this service incident, have your attitudes changed towards

– the partner airline? If so, how? If not, why not?
– your home carrier? If so, how? If not, why not?
– the alliance? If so, how? If not, why not?

Following this service incident, has your relationship changed towards

– the partner airline? If so, how? If not, why not?
– your home carrier? If so, how? If not, why not?
– the alliance? If so, how? If not, why not?
APPENDIX B

SAMPLES OF INSTRUMENTS – STUDY 2
APPENDIX B1 – POSITIVE PCM, HIGH IJ, DJ-OO BETTER

Hong Kong Polytechnic University/Griffith University, Australia

Service Evaluations in Airline Settings

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This research is a joint project between the Hong Kong Polytechnic University (HKPU) and Griffith University, Australia. The research aims to investigate service evaluations in airline settings. You will be asked to read a scenario story and then respond to a series of questions. Data collected as part of this research project will remain confidential, as only aggregate results will be reported in any subsequent publications.

By completing and returning this questionnaire you are indicating your willingness and consent to participate in this project. HKPU and Griffith University conduct research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. If potential participants have any concerns or complaints about the ethical conduct of this research project they can be made directly to me and/or Professor Beverley Sparks on + (61) 7 5552 8766 or b.sparks@gu.edu.au or you can contact the Manager, Research Ethics at Griffith University, Australia on + (61) 7 3875 5585 or research-ethics@griffith.edu.au.

The reporting outcomes from this research will be in the form of conference proceedings and journal articles. Should you wish to get more information on the publications that arise from this research please contact me, using the contact details provided.
We would like you to imagine that you are a frequent flyer with American Airlines (AA). You have been flying with American Airlines for several years accumulating miles with them, averaging about 3-4 flights per year, mainly on their domestic network and now have privilege status with them so that you are entitled to numerous benefits such as special check-ins and priority baggage handling. You are very proud of the status you have with American Airlines and feel good about yourself when flying with this airline.

As a frequent flyer you are of course aware of American Airlines’ membership in the Oneworld Alliance, an alliance that allows you to accumulate points in your AA frequent flyer account for flights with AA’s international global alliance partner airlines including British Airways, Qantas and Cathay Pacific. American Airlines’ membership in the Oneworld alliance means you can enjoy even more benefits that are important to you and so now you are feeling an even greater affiliation with American Airlines - the airline you are referring to as your airline.

Please answer the following questions.

1. To what extent do you feel similar to other Frequent Flyers of American Airlines in terms of expectations?

Not at all similar :____:____:____:____:____:____: Very Similar Indeed

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

2. On balance do you feel part of the American Airlines Frequent Flyer (FF) group?

Not at all part :____:____:____:____:____:____: Very Much Part of the FF group

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

3. Would you say that you identify with other Frequent Flyers of American Airlines?

Don’t identify :____:____:____:____:____:____: Very Strongly Identify

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

4. In general, I would say that I feel proud to be part of the American Airlines Frequent Flyer program

Strongly Disagree :____:____:____:____:____:____: Strongly Agree

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

5. Being an American Airlines Frequent Flyer member accords me a certain status that I am proud of

Strongly Disagree :____:____:____:____:____:____: Strongly Agree

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
Imagine you have booked a flight with your airline, American Airlines that involves a number of flight sectors – you will fly first from New York to London with American Airlines; after a brief stop in London you will take a flight to Madrid with Iberia (Airline) and from there travel by local train.

You are staying with family friends in New York prior to your overseas trip. On the day of your flight your alarm goes off on time. You get up and take a nice long shower and a leisurely breakfast with your hosts. The shuttle you had booked to get you to the airport arrives at the appointed time. Since it is early traffic moves smoothly. The shuttle driver is very friendly and you have a pleasant conversation during the journey. When dropping you at the terminal entrance he is also helping you with your luggage. It’s a warm day with blue sky and sunshine. You arrive at the check-in counter well in time. You are in a very good mood.

In the space below, briefly write down both thoughts and feelings that you have about this incident.

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page and continue reading the scenario. Please still remember your strong affiliation with and pride in American Airlines and the fact that American Airlines is your airline.
As you approach the check-in counter, you take conscious note of the prominent backdrop that names American Airlines, the Oneworld Alliance and all Oneworld partner airlines and emphasizes how much more convenient the alliance arrangement is for customers.

Since you had accumulated sufficient miles with AA you had requested an upgrade from economy class to first class when booking the ticket with AA to reward yourself for your hard studies but also because you had recently broken your leg and wanted to ensure comfortable seating. Since you have Privilege Flyer Status with American Airlines and thereby the Oneworld Alliance you do not anticipate any problems.

Upon check-in you realize that British Airways, a Oneworld alliance member rather than your airline American Airlines will service the flight from New York to London. Staff of British Airways informs you that British Airways has not received any notification of your request for an upgrade from economy to first class. Even worse, you are informed that there is no seat available on this flight at all since they are heavily overbooked. The next available flight leaves only in another 6 hours.

You explain to the representative of British Airways that you absolutely need to get on this flight since you have already made arrangements with your friends in London to meet and together take the flight to Madrid and from there a local train, holding confirmed reservations. You alert the representative that you have Privilege Flyer Status with their partner airline American Airlines and therefore the Oneworld alliance by showing them your membership card.

The representative of British Airways carefully looks at and immediately recognizes your membership card, politely listens and seems very understanding, and in a sympathetic voice says: “I’m very sorry about this. You know the customers of our partner airline and the alliance are important to us. I’ll see what I can do for you” However, despite the best efforts the staff member of British Airways cannot secure a seat on this flight for you.

However, the 3 college friends you are traveling with have all been checked-in for the original flight so that you are the only one who will have to fly six hours later and will have to change the flight and train tickets for travel in Europe.

The check-in clerk finalizes arrangements and you are issued a boarding pass for the next flight leaving in another 6 hours. Since this flight is also heavily booked your upgrade request from economy to first class is not honored by British Airways. By the time you arrive in London and transfer to the departure airport your friends have already left for Madrid and you have to reorganize your tickets.
Upon your return to the US, you write to AA about this incident. AA apologizes but at the same time informs you that it cannot do anything further for you since the problem occurred with its partner airline, British Airways.

In the space below, briefly write down both thoughts and feelings that you have when encountered with this incident about

British Airways

American Airlines

Oneworld Alliance

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page.
Based on the scenario described, please indicate to what extent each of the following parties were responsible. Please circle the number that most closely corresponds to your evaluation.

<table>
<thead>
<tr>
<th>Responsible</th>
<th>Not at all Responsible</th>
<th>Completely</th>
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<tbody>
<tr>
<td>British Airways</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
<tr>
<td>American Airlines</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
<tr>
<td>Oneworld</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
<tr>
<td>Myself as a Customer</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details. To respond, please place an X on the line that most closely corresponds with how you feel.

I would be very angry with American Airlines.

Strongly Disagree: ____________ Strongly Agree

| 1 2 3 4 5 6 7 |

I would be very angry with British Airways.

Strongly Disagree: ____________ Strongly Agree

| 1 2 3 4 5 6 7 |

I would be very angry with the Oneworld alliance.

Strongly Disagree: ____________ Strongly Agree

| 1 2 3 4 5 6 7 |

I would never want to use British Airways again.

Strongly Disagree: ____________ Strongly Agree

| 1 2 3 4 5 6 7 |

I would never want to use American Airlines again.

Strongly Disagree: ____________ Strongly Agree

| 1 2 3 4 5 6 7 |
I would never want to use the Oneworld Alliance again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

I would feel extremely displeased with British Airways.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

I would feel extremely displeased with American Airlines.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

I would feel extremely displeased with the Oneworld Alliance.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

Currently I am in a good mood

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

As I answer these questions I feel very cheerful

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

The representative of British Airways treated me politely.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

The representative of British Airways was very helpful.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

For some reason I don’t feel very comfortable right now

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

At this moment I feel edgy or irritable

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
The following questions ask you to assess the realism of the service interaction you read. Please answer the following.

How realistic was the problem that was described to you?

Not at all Realistic  :____:____:____:____:____:____:____: Very Realistic
1 2 3 4 5 6 7

How realistic were the descriptions of the various ways in which the airlines handled the problem?

Not at all Realistic  :____:____:____:____:____:____:____: Very Realistic
1 2 3 4 5 6 7

I felt I could identify with the customer in this scenario.

Strongly Disagree  :____:____:____:____:____:____:____: Strongly Agree
1 2 3 4 5 6 7

In the final set of question we would like to learn a little about your background. Please answer the following

What is your gender?
     ______ Male
     ______ Female

What is your age?
     Please Specify: ______ years

In the past 12 months, how many times did you fly

within the United States?     internationally?
     ______ Once     ______ Once
     ______ Between 2-6 times     ______ Between 2-6 times
     ______ Between 7-12 times     ______ Between 7-12 times
     ______ More than 12 times     ______ More than 12 times

Please tell us a little about yourself in your own words. Please take about a minute to do so.

Thanks very much for your assistance with this experiment.

If you would like to enter the draw for some cash prizes at the end of this class please indicate your name here. ____________________________
APPENDIX B2 – POSITIVE PCM, HIGH IJ, DJ-OO UNKNOWN

Hong Kong Polytechnic University/Griffith University, Australia

Service Evaluations in Airline Settings

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This research is a joint project between the Hong Kong Polytechnic University (HKPU) and Griffith University, Australia. The research aims to investigate service evaluations in airline settings. You will be asked to read a scenario story and then respond to a series of questions. Data collected as part of this research project will remain confidential, as only aggregate results will be reported in any subsequent publications.

By completing and returning this questionnaire you are indicating your willingness and consent to participate in this project. HKPU and Griffith University conduct research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. If potential participants have any concerns or complaints about the ethical conduct of this research project they can be made directly to me and/or Professor Beverley Sparks on + (61) 7 5552 8766 or b.sparks@gu.edu.au or you can contact the Manager, Research Ethics at Griffith University, Australia on + (61) 7 3875 5585 or research-ethics@griffith.edu.au.

The reporting outcomes from this research will be in the form of conference proceedings and journal articles. Should you wish to get more information on the publications that arise from this research please contact me, using the contact details provided.
We would like you to imagine that you are a frequent flyer with American Airlines (AA). You have been flying with American Airlines for several years accumulating miles with them, averaging about 3-4 flights per year, mainly on their domestic network and now have privilege status with them so that you are entitled to numerous benefits such as special check-ins and priority baggage handling. You are very proud of the status you have with American Airlines and feel good about yourself when flying with this airline.

As a frequent flyer you are of course aware of American Airlines’ membership in the Oneworld Alliance, an alliance that allows you to accumulate points in your AA frequent flyer account for flights with AA’s international global alliance partner airlines including British Airways, Qantas and Cathay Pacific. American Airlines’ membership in the Oneworld alliance means you can enjoy even more benefits that are important to you and so now you are feeling an even greater affiliation with American Airlines - the airline you are referring to as your airline.

Please answer the following questions.

1. To what extent do you feel similar to other Frequent Flyers of American Airlines in terms of expectations?

Not at all similar :____:____:____:____:____:____:____: Very Similar
1 2 3 4 5 6 7 Indeed

2. On balance do you feel part of the American Airlines Frequent Flyer (FF) group?

Not at all part of the FF group :____:____:____:____:____:____:____: Very Much Part of the FF group
1 2 3 4 5 6 7

3. Would you say that you identify with other Frequent Flyers of American Airlines?

Don’t identify at all :____:____:____:____:____:____:____: Very Strongly Identify
1 2 3 4 5 6 7

4. In general, I would say that I feel proud to be part of the American Airlines Frequent Flyer program

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1 2 3 4 5 6 7

5. Being an American Airlines Frequent Flyer member accords me a certain status that I am proud of

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1 2 3 4 5 6 7
Now please read the following scenario. When reading this scenario please remember your strong affiliation with and pride in American Airlines and the fact that American Airlines is your airline.

Imagine you have booked a flight with your airline, American Airlines that involves a number of flight sectors – you will fly first from New York to London with American Airlines; after a brief stop in London you will take a flight to Madrid with Iberia (Airline) and from there travel by local train.

You are staying with family friends in New York prior to your overseas trip. On the day of your flight your alarm goes off on time. You get up and take a nice long shower and a leisurely breakfast with your hosts. The shuttle you had booked to get you to the airport arrives at the appointed time. Since it is early traffic moves smoothly. The shuttle driver is very friendly and you have a pleasant conversation during the journey. When dropping you at the terminal entrance he is also helping you with your luggage. It’s a warm day with blue sky and sunshine. You arrive at the check-in counter well in time. You are in a very good mood.

In the space below, briefly write down both thoughts and feelings that you have about this incident.

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page and continue reading the scenario. Please still remember your strong affiliation with and pride in American Airlines and the fact that American Airlines is your airline.
As you approach the check-in counter, you take conscious note of the prominent backdrop that names American Airlines, the Oneworld Alliance and all Oneworld partner airlines and emphasizes how much more convenient the alliance arrangement is for customers.

Since you had accumulated sufficient miles with AA you had requested an upgrade from economy class to first class when booking the ticket with AA to reward yourself for your hard studies but also because you had recently broken your leg and wanted to ensure comfortable seating. Since you have Privilege Flyer Status with American Airlines and thereby the Oneworld Alliance you do not anticipate any problems.

Upon check-in you realize that British Airways, a Oneworld alliance member rather than your airline American Airlines will service the flight from New York to London. Staff of British Airways informs you that British Airways has not received any notification of your request for an upgrade from economy to first class. Even worse, you are informed that there is no seat available on this flight at all since they are heavily overbooked. The next available flight leaves only in another 6 hours.

You explain to the representative of British Airways that you absolutely need to get on this flight since you have already made arrangements with your friends in London to meet and together take the flight to Madrid and from there a local train, holding confirmed reservations. You alert the representative that you have Privilege Flyer Status with their partner airline American Airlines and therefore the Oneworld alliance by showing them your membership card.

The representative of British Airways carefully looks at and immediately recognizes your membership card, politely listens and seems very understanding, and in a sympathetic voice says: “I’m very sorry about this. You know the customers of our partner airline and the alliance are important to us. I’ll see what I can do for you” However, despite the best efforts the staff member of British Airways cannot secure a seat on this flight for you.

The check-in clerk finalizes arrangements and you are issued a boarding pass for the next flight leaving in another 6 hours. Since this flight is also heavily booked your upgrade request from economy to first class is not honored by British Airways. By the time you arrive in London and transfer to the departure airport your friends have already left for Madrid and you have to reorganize your tickets.

Upon your return to the US, you write to AA about this incident. AA apologizes but at the same time informs you that it cannot do anything further for you since the problem occurred with its partner airline, British Airways.
In the space below, briefly write down both thoughts and feelings that you have when encountered with this incident about

British Airways

American Airlines

Oneworld Alliance

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page.
Based on the scenario described, please indicate to what extent each of the following parties were responsible. Please circle the number that most closely corresponds to your evaluation.

<table>
<thead>
<tr>
<th>Party</th>
<th>Not at all Responsible</th>
<th>Completely Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Airways</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
<tr>
<td>American Airlines</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
<tr>
<td>Oneworld</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
<tr>
<td>Myself as a Customer</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details. To respond, please place an X on the line that most closely corresponds with how you feel.

I would be very angry with American Airlines.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would be very angry with British Airways.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would be very angry with the Oneworld alliance.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would never want to use British Airways again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would never want to use American Airlines again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7
I would never want to use the Oneworld Alliance again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would feel extremely displeased with British Airways.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would feel extremely displeased with American Airlines.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would feel extremely displeased with the Oneworld Alliance.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

Currently I am in a good mood

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

As I answer these questions I feel very cheerful

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

The representative of British Airways treated me politely.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

The representative of British Airways was very helpful.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

For some reason I don’t feel very comfortable right now

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

At this moment I feel edgy or irritable

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

253
The following questions ask you to assess the realism of the service interaction you read. Please answer the following.

How realistic was the problem that was described to you?

Not at all Realistic :____:____:____:____:____:____: Very Realistic  
1  2  3  4  5  6  7

How realistic were the descriptions of the various ways in which the airlines handled the problem?

Not at all Realistic :____:____:____:____:____:____: Very Realistic  
1  2  3  4  5  6  7

I felt I could identify with the customer in this scenario.

Strongly Disagree :____:____:____:____:____:____: Strongly Agree  
1  2  3  4  5  6  7

In the final set of question we would like to learn a little about your background. Please answer the following

What is your gender?

_____ Male  
_____ Female

What is your age?

Please Specify: ______ years

In the past 12 months, how many times did you fly

within the United States? internationally?

_____ Once  
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Please tell us a little about yourself in your own words. Please take about a minute to do so.

Thanks very much for your assistance with this experiment.

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Service Evaluations in Airline Settings

We would like you to imagine that you are a frequent flyer with American Airlines (AA). You have been flying with American Airlines for several years accumulating miles with them, averaging about 3-4 flights per year, mainly on their domestic network and now have privilege status with them so that you are entitled to numerous benefits such as special check-ins and priority baggage handling. You are very proud of the status you have with American Airlines and feel good about yourself when flying with this airline.

As a frequent flyer you are of course aware of American Airlines’ membership in the Oneworld Alliance, an alliance that allows you to accumulate points in your AA frequent flyer account for flights with AA’s international global alliance partner airlines including British Airways, Qantas and Cathay Pacific. American Airlines’ membership in the Oneworld alliance means you can enjoy even more benefits that are important to you and so now you are feeling an even greater affiliation with American Airlines - the airline you are referring to as your airline.

Please answer the following questions.

1. To what extent do you feel similar to other Frequent Flyers of American Airlines in terms of expectations?

   Not at all similar :____:____:____:____:____:____: Very Similar Indeed
   1  2  3  4  5  6  7

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4. In general, I would say that I feel proud to be part of the American Airlines Frequent Flyer program

   Strongly Disagree :____:____:____:____:____:____: Strongly Agree
   1  2  3  4  5  6  7

5. Being an American Airlines Frequent Flyer member accords me a certain status that I am proud of

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Now please read the following scenario. When reading this scenario please remember your strong affiliation with and pride in American Airlines and the fact that American Airlines is your airline.

Imagine you have booked a flight with your airline, American Airlines that involves a number of flight sectors – you will fly first from New York to London with American Airlines; after a brief stop in London you will take a flight to Madrid with Iberia (Airline) and from there travel by local train.

You are staying with family friends in New York prior to your overseas trip. On the day of your flight your alarm goes off on time. You get up and take a nice long shower and a leisurely breakfast with your hosts. The shuttle you had booked to get you to the airport arrives at the appointed time. Since it is early traffic moves smoothly. The shuttle driver is very friendly and you have a pleasant conversation during the journey. When dropping you at the terminal entrance he is also helping you with your luggage. It’s a warm day with blue sky and sunshine. You arrive at the check-in counter well in time. You are in a very good mood.

In the space below, briefly write down both thoughts and feelings that you have about this incident.

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page and continue reading the scenario. Please still remember your strong affiliation with and pride in American Airlines and the fact that American Airlines is your airline.
As you approach the check-in counter, you take conscious note of the prominent backdrop that names American Airlines, the Oneworld Alliance and all Oneworld partner airlines and emphasizes how much more convenient the alliance arrangement is for customers.

Since you had accumulated sufficient miles with AA you had requested an upgrade from economy class to first class when booking the ticket with AA to reward yourself for your hard studies but also because you had recently broken your leg and wanted to ensure comfortable seating. Since you have Privilege Flyer Status with American Airlines and thereby the Oneworld Alliance you do not anticipate any problems.

Upon check-in you realize that British Airways, a Oneworld alliance member rather than your airline American Airlines will service the flight from New York to London. Staff of British Airways informs you that British Airways has not received any notification of your request for an upgrade from economy to first class. Even worse, you are informed that there is no seat available on this flight at all since they are heavily overbooked. The next available flight leaves only in another 6 hours.

You explain to the representative of British Airways that you absolutely need to get on this flight since you have already made arrangements with your friends in London to meet and together take the flight to Madrid and from there a local train, holding confirmed reservations. You alert the representative that you have Privilege Flyer Status with their partner airline American Airlines and therefore the Oneworld alliance by showing them your membership card.

The representative of British Airways barely looks at and does not seem to recognize your membership card nor listens, seems very agitated and in an irritated voice says: “There is not much I can do at all. Overbooking is now very common among all airlines so this may happen occasionally.” In the end, the staff member of British Airways cannot secure a seat on this flight for you.

However, the 3 college friends you are traveling with have all been checked-in for the original flight so that you are the only one who will have to fly six hours later and will have to change the flight and train tickets for travel in Europe.

The check-in clerk finalizes arrangements and you are issued a boarding pass for the next flight leaving in another 6 hours. Since this flight is also heavily booked your upgrade request from economy to first class is not honored by British Airways. By the time you arrive in London and transfer to the departure airport your friends have already left for Madrid and you have to reorganize your tickets.

Upon your return to the US, you write to AA about this incident. AA apologizes but at the same time informs you that it cannot do anything further for you since the problem occurred with its partner airline, British Airways.
In the space below, briefly write down both thoughts and feelings that you have when encountered with this incident about

British Airways

American Airlines

Oneworld Alliance

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page.
Based on the scenario described, please indicate to what extent each of the following parties were responsible. Please circle the number that most closely corresponds to your evaluation.

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The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details. To respond, please place an X on the line that most closely corresponds with how you feel.

I would be very angry with American Airlines.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would be very angry with British Airways.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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I would be very angry with the Oneworld alliance.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would never want to use British Airways again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would never want to use American Airlines again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

260
I would never want to use the Oneworld Alliance again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1       2      3       4       5       6      7

I would feel extremely displeased with British Airways.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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Currently I am in a good mood

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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As I answer these questions I feel very cheerful

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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The representative of British Airways treated me politely.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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In the final set of question we would like to learn a little about your background. Please answer the following.

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In the past 12 months, how many times did you fly

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1 2 3 4 5 6 7

I would be very angry with the Oneworld alliance.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1 2 3 4 5 6 7

I would never want to use British Airways again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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I would feel extremely displeased with British Airways.

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In the space below, briefly write down both thoughts and feelings that you have about this incident.

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The representative of British Airways carefully looks at and immediately recognizes your membership card, politely listens and seems very understanding, and in a sympathetic voice says: “I’m very sorry about this. You know the customers of our partner airline and the alliance are important to us. I’ll see what I can do for you” However, despite the best efforts the staff member of British Airways cannot secure a seat on this flight for you.

However, the 3 college friends you are traveling with have all been checked-in for the original flight so that you are the only one who will have to fly six hours later and will have to change the flight and train tickets for travel in Europe.

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In the space below, briefly write down both thoughts and feelings that you have when encountered with this incident about

British Airways

American Airlines

Oneworld Alliance

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page.
Based on the scenario described, please indicate to what extent each of the following parties were responsible. Please circle the number that most closely corresponds to your evaluation.

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I would be very angry with American Airlines.

Strongly Disagree: 1 2 3 4 5 6 7

I would be very angry with British Airways.

Strongly Disagree: 1 2 3 4 5 6 7

I would be very angry with the Oneworld alliance.

Strongly Disagree: 1 2 3 4 5 6 7

I would never want to use British Airways again.

Strongly Disagree: 1 2 3 4 5 6 7

I would never want to use American Airlines again.

Strongly Disagree: 1 2 3 4 5 6 7
I would never want to use the Oneworld Alliance again.

Strongly Disagree :________________________: Strongly Agree
1 2 3 4 5 6 7

I would feel extremely displeased with British Airways.

Strongly Disagree :________________________: Strongly Agree
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I would feel extremely displeased with the Oneworld Alliance.

Strongly Disagree :________________________: Strongly Agree
1 2 3 4 5 6 7

Currently I am in a good mood

Strongly Disagree :________________________: Strongly Agree
1 2 3 4 5 6 7

As I answer these questions I feel very cheerful

Strongly Disagree :________________________: Strongly Agree
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The representative of British Airways treated me politely.

Strongly Disagree :________________________: Strongly Agree
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The representative of British Airways was very helpful.

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For some reason I don’t feel very comfortable right now

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I felt I could identify with the customer in this scenario.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

In the final set of question we would like to learn a little about your background. Please answer the following

What is your gender?

____ Male
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What is your age?

Please Specify: ______ years

In the past 12 months, how many times did you fly
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Thanks very much for your assistance with this experiment.

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By completing and returning this questionnaire you are indicating your willingness and consent to participate in this project. HKPU and Griffith University conduct research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. If potential participants have any concerns or complaints about the ethical conduct of this research project they can be made directly to me and/or Professor Beverley Sparks on + (61) 7 5552 8766 or b.sparks@gu.edu.au or you can contact the Manager, Research Ethics at Griffith University, Australia on + (61) 7 3875 5585 or research-ethics@griffith.edu.au.

The reporting outcomes from this research will be in the form of conference proceedings and journal articles. Should you wish to get more information on the publications that arise from this research please contact me, using the contact details provided.
Service Evaluations in Airline Settings

We would like you to imagine that you are a frequent flyer with American Airlines (AA). You have been flying with American Airlines for several years accumulating miles with them, averaging about 3-4 flights per year, mainly on their domestic network and now have privilege status with them so that you are entitled to numerous benefits such as special check-ins and priority baggage handling. You are very proud of the status you have with American Airlines and feel good about yourself when flying with this airline.

As a frequent flyer you are of course aware of American Airlines’ membership in the Oneworld Alliance, an alliance that allows you to accumulate points in your AA frequent flyer account for flights with AA’s international global alliance partner airlines including British Airways, Qantas and Cathay Pacific. American Airlines’ membership in the Oneworld alliance means you can enjoy even more benefits that are important to you and so now you are feeling an even greater affiliation with American Airlines - the airline you are referring to as your airline.

Please answer the following questions.

1. To what extent do you feel similar to other Frequent Flyers of American Airlines in terms of expectations?
   
   Not at all similar :____:____:____:____:____:____:____: Very Similar Indeed
   1  2  3  4  5  6  7

2. On balance do you feel part of the American Airlines Frequent Flyer (FF) group?
   
   Not at all part of the FF group :____:____:____:____:____:____:____: Very Much Part of the FF group
   1  2  3  4  5  6  7

3. Would you say that you identify with other Frequent Flyers of American Airlines?
   
   Don’t identify :____:____:____:____:____:____:____: Very Strongly Identify
   1  2  3  4  5  6  7

4. In general, I would say that I feel proud to be part of the American Airlines Frequent Flyer program
   
   Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
   1  2  3  4  5  6  7

5. Being an American Airlines Frequent Flyer member accords me a certain status that I am proud of
   
   Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
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Imagine you have booked a flight with your airline, American Airlines that involves a number of flight sectors – you will fly first from New York to London with American Airlines; after a brief stop in London you will take a flight to Madrid with Iberia (Airline) and from there travel by local train.

You are staying with family friends in New York prior to your overseas trip. On the day of your flight your alarm does not go off on time. You get up and rush to take a quick shower and don’t have any time for breakfast with your hosts. The shuttle you had booked to get you to the airport does not arrive at the appointed time and you have to call the company several times to inquire about its whereabouts. The shuttle finally arrives 40 minutes late. Since it is late now traffic moves very slowly. The shuttle driver is very unfriendly and you don’t have any conversation during the journey. When dropping you at the terminal entrance he is not helping you with your luggage. It’s a cold day with dark sky and heavy rain. Since the shuttle driver dropped you at the wrong terminal you arrive at the check-in counter shortly before closing. You are in a very bad mood.

In the space below, briefly write down both thoughts and feelings that you have about this incident.

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page and continue reading the scenario. Please still remember your strong affiliation with and pride in American Airlines and the fact that American Airlines is your airline.
As you approach the check-in counter, you take conscious note of the prominent backdrop that names American Airlines, the Oneworld Alliance and all Oneworld partner airlines and emphasizes how much more convenient the alliance arrangement is for customers.

Since you had accumulated sufficient miles with AA you had requested an upgrade from economy class to first class when booking the ticket with AA to reward yourself for your hard studies but also because you had recently broken your leg and wanted to ensure comfortable seating. Since you have Privilege Flyer Status with American Airlines and thereby the Oneworld Alliance you do not anticipate any problems.

Upon check-in you realize that British Airways, a Oneworld alliance member rather than your airline American Airlines will service the flight from New York to London. Staff of British Airways informs you that British Airways has not received any notification of your request for an upgrade from economy to first class. Even worse, you are informed that there is no seat available on this flight at all since they are heavily overbooked. The next available flight leaves only in another 6 hours.

You explain to the representative of British Airways that you absolutely need to get on this flight since you have already made arrangements with your friends in London to meet and together take the flight to Madrid and from there a local train, holding confirmed reservations. You alert the representative that you have Privilege Flyer Status with their partner airline American Airlines and therefore the Oneworld alliance by showing them your membership card.

The representative of British Airways carefully looks at and immediately recognizes your membership card, politely listens and seems very understanding, and in a sympathetic voice says: “I’m very sorry about this. You know the customers of our partner airline and the alliance are important to us. I’ll see what I can do for you” However, despite the best efforts the staff member of British Airways cannot secure a seat on this flight for you.

The check-in clerk finalizes arrangements and you are issued a boarding pass for the next flight leaving in another 6 hours. Since this flight is also heavily booked your upgrade request from economy to first class is not honored by British Airways. By the time you arrive in London and transfer to the departure airport your friends have already left for Madrid and you have to reorganize your tickets.

Upon your return to the US, you write to AA about this incident. AA apologizes but at the same time informs you that it cannot do anything further for you since the problem occurred with its partner airline, British Airways.
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When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page.
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I would be very angry with American Airlines.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

I would be very angry with British Airways.

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I would be very angry with the Oneworld alliance.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

I would never want to use British Airways again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

I would never want to use American Airlines again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
I would never want to use the Oneworld Alliance again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

1  2  3  4  5  6  7

I would feel extremely displeased with British Airways.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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Currently I am in a good mood

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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As I answer these questions I feel very cheerful

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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The representative of British Airways treated me politely.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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The representative of British Airways was very helpful.

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For some reason I don’t feel very comfortable right now

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1        2      3       4       5       6      7

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Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

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In the final set of question we would like to learn a little about your background. Please answer the following

What is your gender?

___ Male
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What is your age?

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In the past 12 months, how many times did you fly

within the United States? internationally?

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Please tell us a little about yourself in your own words. Please take about a minute to do so.

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Please answer the following questions.

1. To what extent do you feel similar to other Frequent Flyers of American Airlines in terms of expectations?

   Not at all similar: 1 2 3 4 5 6 7

   Very Similar Indeed

2. On balance do you feel part of the American Airlines Frequent Flyer (FF) group?

   Not at all part: 1 2 3 4 5 6 7

   Very Much Part of the FF group

3. Would you say that you identify with other Frequent Flyers of American Airlines?

   Don’t identify: 1 2 3 4 5 6 7

   Very Strongly Identify

4. In general, I would say that I feel proud to be part of the American Airlines Frequent Flyer program

   Strongly Disagree: 1 2 3 4 5 6 7

   Strongly Agree

5. Being an American Airlines Frequent Flyer member accords me a certain status that I am proud of

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Now please read the following scenario. When reading this scenario please remember your strong affiliation with and pride in American Airlines and the fact that American Airlines is your airline.

Imagine you have booked a flight with your airline, American Airlines that involves a number of flight sectors – you will fly first from New York to London with American Airlines; after a brief stop in London you will take a flight to Madrid with Iberia (Airline) and from there travel by local train.

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The representative of British Airways barely looks at and does not seem to recognize your membership card nor listens, seems very agitated and in an irritated voice says: “There is not much I can do at all. Overbooking is now very common among all airlines so this may happen occasionally.” In the end, the staff member of British Airways cannot secure a seat on this flight for you.

However, the 3 college friends you are traveling with have all been checked-in for the original flight so that you are the only one who will have to fly six hours later and will have to change the flight and train tickets for travel in Europe.

The check-in clerk finalizes arrangements and you are issued a boarding pass for the next flight leaving in another 6 hours. Since this flight is also heavily booked your upgrade request from economy to first class is not honored by British Airways. By the time you arrive in London and transfer to the departure airport your friends have already left for Madrid and you have to reorganize your tickets.
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**British Airways**

**American Airlines**

**Oneworld Alliance**

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I would be very angry with the Oneworld alliance.

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I would never want to use British Airways again.

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I would never want to use American Airlines again.

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I would never want to use the Oneworld Alliance again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6        7

I would feel extremely displeased with British Airways.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
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I would feel extremely displeased with American Airlines.

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I would feel extremely displeased with the Oneworld Alliance.

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Currently I am in a good mood

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As I answer these questions I feel very cheerful

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How realistic were the descriptions of the various ways in which the airlines handled the problem?

1 2 3 4 5 6 7

I felt I could identify with the customer in this scenario.

1 2 3 4 5 6 7

In the final set of question we would like to learn a little about your background. Please answer the following

What is your gender?

____ Male
____ Female

What is your age?

Please Specify: ______ years

In the past 12 months, how many times did you fly

within the United States? internationally?
____ Once  ____ Once
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If you would like to enter the draw for some cash prizes at the end of this class please indicate your name here. ____________________________
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By completing and returning this questionnaire you are indicating your willingness and consent to participate in this project. HKPU and Griffith University conduct research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. If potential participants have any concerns or complaints about the ethical conduct of this research project they can be made directly to me and/or Professor Beverley Sparks on + (61) 7 5552 8766 or b.sparks@gu.edu.au or you can contact the Manager, Research Ethics at Griffith University, Australia on + (61) 7 3875 5585 or research-ethics@griffith.edu.au.

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Service Evaluations in Airline Settings

We would like you to imagine that you are a frequent flyer with American Airlines (AA). You have been flying with American Airlines for several years accumulating miles with them, averaging about 3-4 flights per year, mainly on their domestic network and now have privilege status with them so that you are entitled to numerous benefits such as special check-ins and priority baggage handling. You are very proud of the status you have with American Airlines and feel good about yourself when flying with this airline.

As a frequent flyer you are of course aware of American Airlines’ membership in the Oneworld Alliance, an alliance that allows you to accumulate points in your AA frequent flyer account for flights with AA’s international global alliance partner airlines including British Airways, Qantas and Cathay Pacific. American Airlines’ membership in the Oneworld alliance means you can enjoy even more benefits that are important to you and so now you are feeling an even greater affiliation with American Airlines - the airline you are referring to as your airline.

Please answer the following questions.

1. To what extent do you feel similar to other Frequent Flyers of American Airlines in terms of expectations?

Not at all similar :____:____:____:____:____:____:____: Very Similar Indeed
1 2 3 4 5 6 7

2. On balance do you feel part of the American Airlines Frequent Flyer (FF) group?

Not at all part of the FF group :____:____:____:____:____:____:____: Very Much Part of the FF group
1 2 3 4 5 6 7

3. Would you say that you identify with other Frequent Flyers of American Airlines?

Don’t identify :____:____:____:____:____:____:____: Very Strongly Identify
1 2 3 4 5 6 7

4. In general, I would say that I feel proud to be part of the American Airlines Frequent Flyer program

Strongly Disagree :____:____:____:____:____:____: Very Strongly Agree
1 2 3 4 5 6 7

5. Being an American Airlines Frequent Flyer member accords me a certain status that I am proud of

Strongly Disagree :____:____:____:____:____:____: Very Strongly Agree
1 2 3 4 5 6 7

296
Imagine you have booked a flight with your airline, American Airlines that involves a number of flight sectors – you will fly first from New York to London with American Airlines; after a brief stop in London you will take a flight to Madrid with Iberia (Airline) and from there travel by local train.

You are staying with family friends in New York prior to your overseas trip. On the day of your flight your alarm does not go off on time. You get up and rush to take a quick shower and don’t have any time for breakfast with your hosts. The shuttle you had booked to get you to the airport does not arrive at the appointed time and you have to call the company several times to inquire about its whereabouts. The shuttle finally arrives 40 minutes late. Since it is late now traffic moves very slowly. The shuttle driver is very unfriendly and you don’t have any conversation during the journey. When dropping you at the terminal entrance he is not helping you with your luggage. It’s a cold day with dark sky and heavy rain. Since the shuttle driver dropped you at the wrong terminal you arrive at the check-in counter shortly before closing. You are in a very bad mood.

In the space below, briefly write down both thoughts and feelings that you have about this incident.

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page and continue reading the scenario. Please still remember your strong affiliation with and pride in American Airlines and the fact that American Airlines is your airline.
As you approach the check-in counter, you take conscious note of the prominent backdrop that names American Airlines, the Oneworld Alliance and all Oneworld partner airlines and emphasizes how much more convenient the alliance arrangement is for customers.

Since you had accumulated sufficient miles with AA you had requested an upgrade from economy class to first class when booking the ticket with AA to reward yourself for your hard studies but also because you had recently broken your leg and wanted to ensure comfortable seating. Since you have Privilege Flyer Status with American Airlines and thereby the Oneworld Alliance you do not anticipate any problems.

Upon check-in you realize that British Airways, a Oneworld alliance member rather than your airline American Airlines will service the flight from New York to London. Staff of British Airways informs you that British Airways has not received any notification of your request for an upgrade from economy to first class. Even worse, you are informed that there is no seat available on this flight at all since they are heavily overbooked. The next available flight leaves only in another 6 hours.

You explain to the representative of British Airways that you absolutely need to get on this flight since you have already made arrangements with your friends in London to meet and together take the flight to Madrid and from there a local train, holding confirmed reservations. You alert the representative that you have Privilege Flyer Status with their partner airline American Airlines and therefore the Oneworld alliance by showing them your membership card.

The representative of British Airways barely looks at and does not seem to recognize your membership card nor listens, seems very agitated and in an irritated voice says: “There is not much I can do at all. Overbooking is now very common among all airlines so this may happen occasionally.” In the end, the staff member of British Airways cannot secure a seat on this flight for you.

The check-in clerk finalizes arrangements and you are issued a boarding pass for the next flight leaving in another 6 hours. Since this flight is also heavily booked your upgrade request from economy to first class is not honored by British Airways. By the time you arrive in London and transfer to the departure airport your friends have already left for Madrid and you have to reorganize your tickets.

Upon your return to the US, you write to AA about this incident. AA apologizes but at the same time informs you that it cannot do anything further for you since the problem occurred with its partner airline, British Airways.
In the space below, briefly write down both thoughts and feelings that you have when encountered with this incident about

British Airways

American Airlines

Oneworld Alliance

When you have finished writing down all your thoughts and feelings about this incident, please turn to the next page.
Based on the scenario described, please indicate to what extent each of the following parties were responsible. Please circle the number that most closely corresponds to your evaluation.

<table>
<thead>
<tr>
<th>Party</th>
<th>Not at all Responsible</th>
<th>Completely Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Airways</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
<tr>
<td>American Airlines</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
<tr>
<td>Oneworld</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
<tr>
<td>Myself as a Customer</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details. To respond, please place an X on the line that most closely corresponds with how you feel.

I would be very angry with American Airlines.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1 2 3 4 5 6 7

I would be very angry with British Airways.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1 2 3 4 5 6 7

I would be very angry with the Oneworld alliance.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1 2 3 4 5 6 7

I would never want to use British Airways again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1 2 3 4 5 6 7

I would never want to use American Airlines again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1 2 3 4 5 6 7
I would never want to use the Oneworld Alliance again.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7

I would feel extremely displeased with British Airways.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7

I would feel extremely displeased with American Airlines.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7

I would feel extremely displeased with the Oneworld Alliance.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7

Currently I am in a good mood

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7

As I answer these questions I feel very cheerful

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7

The representative of British Airways treated me politely.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7

The representative of British Airways was very helpful.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7

For some reason I don’t feel very comfortable right now

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7

At this moment I feel edgy or irritable

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree
1        2      3       4       5       6      7
The following questions ask you to assess the realism of the service interaction you read. Please answer the following.

How realistic was the problem that was described to you?

Not at all Realistic :____:____:____:____:____:____:____: Very Realistic

How realistic were the descriptions of the various ways in which the airlines handled the problem?

Not at all Realistic :____:____:____:____:____:____:____: Very Realistic

I felt I could identify with the customer in this scenario.

Strongly Disagree :____:____:____:____:____:____:____: Strongly Agree

In the final set of question we would like to learn a little about your background. Please answer the following

What is your gender?

____ Male
____ Female

What is your age?

Please Specify: ______ years

In the past 12 months, how many times did you fly

within the United States? internationally?

____ Once
____ Between 2-6 times
____ Between 7-12 times
____ More than 12 times

____ Once
____ Between 2-6 times
____ Between 7-12 times
____ More than 12 times

Please tell us a little about yourself in your own words. Please take about a minute to do so.

Thanks very much for your assistance with this experiment.

If you would like to enter the draw for some cash prizes at the end of this class please indicate your name here. ____________________________

302
APPENDIX C1 – SI PRESENT, PARTNER AIRLINE CAUSED SF, APOLOGY

Hong Kong Polytechnic University/Griffith University, Australia

Service Evaluations in Airline Settings

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This research is a joint project between the Hong Kong Polytechnic University (HKPU) and Griffith University, Australia. The research aims to investigate service evaluations in airline settings. You will be asked to read a scenario story and then respond to a series of questions. Data collected as part of this research project will remain confidential, as only aggregate results will be reported in any subsequent publications.

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The reporting outcomes from this research will be in the form of conference papers and journal articles. Should you wish to get more information on the publications that arise from this research please contact me, using the contact details provided.

The scenario you are about to read is concerned with the service of strategic airline alliances and its individual member airlines. The Star Alliance and Oneworld are the two major global strategic airline alliances.

The Star alliance consists of 15 member airlines – its partner airlines are Air Canada, Air New Zealand, All Nippon Airways, Asiana Airlines, Austrian Airlines, British Midland, LOT, Lufthansa, SAS, Singapore Airlines, Spanair, Thai Airways, United Airlines, US Airways and Varig.

The Oneworld Alliance consists of 8 member airlines – its partner airlines are Air Lingus, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Lan Chile and Qantas.
We would like you to imagine that you have a strong affiliation with a particular Airline and we will call this airline your ‘home carrier – Airline ABC’ – so imagine a situation where you fly a lot, especially internationally, using your ‘home carrier – Airline ABC’. You strongly believe in what your airline stands for, the leadership it has taken in the airline industry with innovative ideas and its resilience to withstand difficult times. The airline enjoys a reputation of excellence and customer orientation, and you feel very proud to be associated with such an airline. You often praise the airline and recommend it to your friends and colleagues. When you fly with the airline you feel good about yourself.

The following scenario describes a service interaction. Please read the scenario carefully and remember your strong affiliation with your ‘home carrier – Airline ABC’.

You are booked in business class on an international flight that involves several flight sectors and will take you to numerous destinations over a three-week period. The flight is serviced by two airlines: your home carrier Airline ABC and its Partner Airline XYZ - both airlines are members of one of the global airline alliances that frequently emphasize seamless travel and greater convenience for its passengers in its promotion. You usually book and travel with your home carrier Airline ABC. However, since you are traveling with business colleagues as part of a delegation, an office other than your own has organized the trip details so that both your home carrier Airline ABC and Partner Airline XYZ service and operate the various flight sectors.

Everything goes smoothly for the flights in the first week of travel. However, when you arrive at the airport to check in for your next flight, operated by Partner Airline XYZ, there are long lines at the check-in counters and you learn that there has been a breakdown of Partner Airline XYZ’s main computer system so that all their passengers need to be checked in manually. You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of your home carrier Airline ABC – Airline ABC handles the ground arrangements, including the check-in, for Partner Airline XYZ on this occasion.

The staff member from your home carrier Airline ABC explains: “Due to a breakdown of Partner Airline XYZ’s main computer system, all earlier flights have been delayed due to the required manual check-in process. The flight you were originally booked on this evening will also be affected by these delays – it will only leave tomorrow morning due to the need to first clear the earlier flights and night flight restrictions that come into effect at 11.30pm. As now all the earlier flights are completely full unfortunately you will not be able to travel tonight. We fully understand the inconvenience this may cause you and very much regret this has happened. As an alliance partner we accept responsibility for the problem and will try our best to resolve this problem for you. We’ll also follow up with Partner Airline XYZ to ensure that this won’t happen again. Please let us know how we can make it up to you in some way. Again, we are very sorry about this.”

Since you have to attend pre-scheduled meetings as part of the delegation the next morning you voice strong objections and urge the staff member of your home carrier Airline ABC to find a way to accommodate you on a flight that evening. The staff member is very courteous throughout your interactions and tries very hard to resolve the problem. Yet, despite your confirmed ticket in the end you are the only member of your delegation who cannot get on a flight that evening - you are left with no other choice than to take a flight the next morning and therefore, miss part of the meetings of your delegation. The staff member can only offer you several alternative flights by Partner Airline XYZ and other partner airlines the next
morning, and asks for your preference. Then, as standard airline policy the staff member provides you with free accommodation for the night and a meal and beverage voucher.

First, based on the description provided above, we would like you to think about your home carrier Airline ABC, and indicate the extent to which you agree with the following statements by highlighting the most appropriate rating.

I see myself as a loyal customer of Airline ABC.
I do not feel strong ties with Airline ABC.
I’m pleased to be a loyal customer of Airline ABC.
I do not identify with Airline ABC.

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details.

First, we would like to ask you about your evaluation of the airline that handled the service problem, your home carrier Airline ABC - the airline you have a strong affiliation with.

Based on this particular experience with your home carrier Airline ABC please indicate to what extent you agree with the following statements. Note that all these statements are related to this particular service incident only.

Given the service failure event described in the scenario, the outcome (e.g., voucher, hotel room) I received from Airline ABC was fair.
Given the service failure event described in the scenario, Airline ABC did not have adequate procedures in place to deal with the service failure.
Given the service failure event described in the scenario, Airline ABC treated me with the respect I deserve as a valued customer.
Given the service failure event described in the scenario, staff of Airline ABC did not provide me with an adequate explanation for the service failure.
Airline ABC treated me unfairly, given the service failure event described in the scenario.

Airline ABC could have done more to resolve this service problem.
I would have felt better if Airline ABC had done more to resolve this service problem.
Airline ABC should have done more to resolve this service problem.
Most customers would think I was treated in a manner appropriate to the service situation.

Now, based on all your experiences with your own home carrier Airline ABC, including this particular service incident, please indicate to what extent you agree with the following statements. Note that all these statements are related to your home carrier’s handling of service problems in general.

In general, the outcomes (e.g., voucher, hotel room) Airline ABC provides following service failures are usually fair.
In general, Airline ABC has inadequate procedures in place to deal with service failures.
In general, Airline ABC treats valued customers with the respect they deserve.
In general, Airline ABC rarely provides an adequate explanation for service failures.
In general, Airline ABC is a fair airline.
Finally, based on all your past experiences with your home carrier Airline ABC, including this particular service incident, please indicate how you feel overall about your home carrier Airline ABC.

Overall, I feel extremely satisfied with Airline ABC.
Overall, I feel extremely displeased with Airline ABC.
Overall, I feel that Airline ABC does an extremely good job.
Overall, I feel extremely unhappy with Airline ABC.

I would travel with Airline ABC more often in the next few years.
I would discourage friends and relatives to do business with Airline ABC.
I would say positive things about Airline ABC to other people.
I would consider Airline ABC as my first choice.

Second, we would like to ask you about your evaluation of Partner Airline XYZ, following this particular service incident. To respond, please circle the rating that most closely corresponds with your evaluation.

Partner Airline XYZ treated me very unfairly on this particular occasion.
In general, Partner Airline XYZ is a fair airline.

Overall, I feel extremely satisfied with Partner Airline XYZ.
Overall, I feel extremely displeased with Partner Airline XYZ.
Overall, I feel that Partner Airline XYZ does an extremely good job.
Overall, I feel extremely unhappy with Partner Airline XYZ.

I would travel with Partner Airline XYZ more often in the next few years.
I would discourage friends and relatives to do business with Partner Airline XYZ.
I would say positive things about Partner Airline XYZ to other people.
I would consider Partner Airline XYZ as my first choice.

Finally, we would like you to think about Airline Alliance AAZZ of which both Airline ABC and Partner Airline XYZ are members. As previously explained, the Star Alliance and Oneworld, for example, are major global strategic airline alliances that have as members numerous individual airlines from all over the world.

Airline Alliance AAZZ treated me very unfairly on this particular occasion.
In general, Airline Alliance AAZZ is a fair alliance.

Overall, I feel extremely satisfied with Airline Alliance AAZZ.
Overall, I feel extremely displeased with Airline Alliance AAZZ.
Overall, I feel that Airline Alliance AAZZ does an extremely good job.
Overall, I feel extremely unhappy with Airline Alliance AAZZ.

I would travel with Airline Alliance AAZZ more often in the next few years.
I would discourage friends and relatives to do business with Airline Alliance AAZZ.
I would say positive things about Airline Alliance AAZZ to other people.
I would consider Airline Alliance AAZZ as my first choice.
Now, please think about the final outcome in the provided scenario and indicate your level of agreement with the following statements.

Being unable to board the flight as confirmed was due to a problem beyond Airline ABC’s control.
Being unable to board the flight as confirmed was due to a fault by Partner Airline XYZ.
The service outcome was very bad.
The way in which the service problem was resolved was unsatisfactory.
Being unable to board the flight as confirmed was due to a fault by Airline ABC.

Next, please think about the actions of your home carrier Airline ABC in the provided scenario and indicate your level of agreement with the following statements.

Airline ABC accepted responsibility for the service failure.
The staff member of Airline ABC did not express regret over the service failure.
The staff member of Airline ABC explained that Partner Airline XYZ was to blame for the delay.
The staff member of Airline ABC did say “We are sorry.”

The following questions ask you to assess the realism of the service interaction you read. Please answer the following questions.

The service problem described was realistic.
The description of the way in which the airline handled the service problem was realistic.
I felt I could identify with the customer in this scenario.

In the final set of questions we would like to learn a little about your background. Please answer the following questions.

What is your gender?
   ___ Male
   ___ Female

What is your age? Please Specify: _____ years

In the past 12 months, how many times did you fly within Asia?
   ___ Once
   ___ Between 2-6 times
   ___ Between 7-12 times
   ___ More than 12 times

Inter-continentally?
   ___ Once
   ___ Between 2-6 times
   ___ Between 7-12 times
   ___ More than 12 times

Based on the description provided at the beginning of the survey about the affiliation with Airline ABC, is there an actual airline that you would currently consider as your home carrier?

Yes  □  Please specify that airline here __________________
No  □  Please go to the final question
How many years have you been flying with your home carrier? ________ Years

How many flights do you average per year with your home carrier?  
________________ flights

What cabin class (economy, business, first) do you travel most frequently with your home carrier?  ________ Cabin Class

What level have you attained in your home carrier’s Frequent Flyer Program?  
________________________

In how many airline frequent flyer programs are you a member? Please specify _________

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The following scenario describes a service interaction. Please read the scenario carefully and remember your strong affiliation with your ‘home carrier – Airline ABC’.

You are booked in business class on an international flight that involves several flight sectors and will take you to numerous destinations over a three-week period. The flight is serviced by two airlines: your home carrier Airline ABC and its Partner Airline XYZ - both airlines are members of one of the global airline alliances that frequently emphasize seamless travel and greater convenience for its passengers in its promotion. You usually book and travel with your home carrier Airline ABC. However, since you are traveling with business colleagues as part of a delegation, an office other than your own has organized the trip details so that both your home carrier Airline ABC and Partner Airline XYZ service and operate the various flight sectors.

Everything goes smoothly for the flights in the first week of travel. However, when you arrive at the airport to check in for your next flight, operated by Partner Airline XYZ, there are long lines at the check-in counters and you learn that there has been a breakdown of Partner Airline XYZ’s main computer system so that all their passengers need to be checked in manually. You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of your home carrier Airline ABC – Airline ABC handles the ground arrangements, including the check-in, for Partner Airline XYZ on this occasion.

The staff member from your home carrier Airline ABC explains: “Due to a breakdown of Partner Airline XYZ’s main computer system, all earlier flights have been delayed due to the required manual check-in process. The flight you were originally booked on this evening will also be affected by these delays – it will only leave tomorrow morning due to the need to first clear the earlier flights and night flight restrictions that come into effect at 11.30pm. As now all the earlier flights are completely full unfortunately you will not be able to travel tonight. We fully understand the inconvenience this may cause you and will try our best to resolve this problem for you. But please understand that we (Airline ABC) only handle the ground arrangements for Partner Airline XYZ – the breakdown of Partner Airline XYZ’s main computer system is something beyond our control. We are not responsible for this and really do have no choice in this matter so please don’t blame us.”

Since you have to attend pre-scheduled meetings as part of the delegation the next morning you voice strong objections and urge the staff member of your home carrier Airline ABC to find a way to accommodate you on a flight that evening. The staff member is very courteous throughout your interactions and tries very hard to resolve the problem. Yet, despite your confirmed ticket in the end you are the only member of your delegation who cannot get on a flight that evening - you are left with no other choice than to take a flight the next morning and therefore, miss part of the meetings of your delegation. The staff member can only offer you several alternative flights by Partner Airline XYZ and other partner airlines the next
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First, based on the description provided above, we would like you to think about your home carrier Airline ABC, and indicate the extent to which you agree with the following statements by highlighting the most appropriate rating.

I see myself as a loyal customer of Airline ABC.
I do not feel strong ties with Airline ABC.
I’m pleased to be a loyal customer of Airline ABC.
I do not identify with Airline ABC.

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details.

First, we would like to ask you about your evaluation of the airline that handled the service problem, your home carrier Airline ABC - the airline you have a strong affiliation with.

Based on this particular experience with your home carrier Airline ABC please indicate to what extent you agree with the following statements. Note that all these statements are related to this particular service incident only.

Given the service failure event described in the scenario, the outcome (e.g., voucher, hotel room) I received from Airline ABC was fair.
Given the service failure event described in the scenario, Airline ABC did not have adequate procedures in place to deal with the service failure.
Given the service failure event described in the scenario, Airline ABC treated me with the respect I deserve as a valued customer.
Given the service failure event described in the scenario, staff of Airline ABC did not provide me with an adequate explanation for the service failure.
Airline ABC treated me unfairly, given the service failure event described in the scenario.

Airline ABC could have done more to resolve this service problem.
I would have felt better if Airline ABC had done more to resolve this service problem.
Airline ABC should have done more to resolve this service problem.
Most customers would think I was treated in a manner appropriate to the service situation.

Now, based on all your experiences with your own home carrier Airline ABC, including this particular service incident, please indicate to what extent you agree with the following statements. Note that all these statements are related to your home carrier’s handling of service problems in general.

In general, the outcomes (e.g., voucher, hotel room) Airline ABC provides following service failures are usually fair.
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In general, Airline ABC is a fair airline.
Finally, based on all your past experiences with your home carrier Airline ABC, including this particular service incident, please indicate how you feel overall about your home carrier Airline ABC.

Overall, I feel extremely satisfied with Airline ABC.
Overall, I feel extremely displeased with Airline ABC.
Overall, I feel that Airline ABC does an extremely good job.
Overall, I feel extremely unhappy with Airline ABC.

I would travel with Airline ABC more often in the next few years.
I would discourage friends and relatives to do business with Airline ABC.
I would say positive things about Airline ABC to other people.
I would consider Airline ABC as my first choice.

Second, we would like to ask you about your evaluation of Partner Airline XYZ, following this particular service incident. To respond, please circle the rating that most closely corresponds with your evaluation.

Partner Airline XYZ treated me very unfairly on this particular occasion.
In general, Partner Airline XYZ is a fair airline.

Overall, I feel extremely satisfied with Partner Airline XYZ.
Overall, I feel extremely displeased with Partner Airline XYZ.
Overall, I feel that Partner Airline XYZ does an extremely good job.
Overall, I feel extremely unhappy with Partner Airline XYZ.

I would travel with Partner Airline XYZ more often in the next few years.
I would discourage friends and relatives to do business with Partner Airline XYZ.
I would say positive things about Partner Airline XYZ to other people.
I would consider Partner Airline XYZ as my first choice.

Finally, we would like you to think about Airline Alliance AAZZ of which both Airline ABC and Partner Airline XYZ are members. As previously explained, the Star Alliance and Oneworld, for example, are major global strategic airline alliances that have as members numerous individual airlines from all over the world.

Airline Alliance AAZZ treated me very unfairly on this particular occasion.
In general, Airline Alliance AAZZ is a fair alliance.

Overall, I feel extremely satisfied with Airline Alliance AAZZ.
Overall, I feel extremely displeased with Airline Alliance AAZZ.
Overall, I feel that Airline Alliance AAZZ does an extremely good job.
Overall, I feel extremely unhappy with Airline Alliance AAZZ.

I would travel with Airline Alliance AAZZ more often in the next few years.
I would discourage friends and relatives to do business with Airline Alliance AAZZ.
I would say positive things about Airline Alliance AAZZ to other people.
I would consider Airline Alliance AAZZ as my first choice.
Now, please think about the final outcome in the provided scenario and indicate your level of agreement with the following statements.

Being unable to board the flight as confirmed was due to a problem beyond Airline ABC’s control.
Being unable to board the flight as confirmed was due to a fault by Partner Airline XYZ.
The service outcome was very bad.
The way in which the service problem was resolved was unsatisfactory.
Being unable to board the flight as confirmed was due to a fault by Airline ABC.

Next, please think about the actions of your home carrier Airline ABC in the provided scenario and indicate your level of agreement with the following statements.

Airline ABC accepted responsibility for the service failure.
The staff member of Airline ABC did not express regret over the service failure.
The staff member of Airline ABC explained that Partner Airline XYZ was to blame for the delay.
The staff member of Airline ABC did say “We are sorry.”

The following questions ask you to assess the realism of the service interaction you read. Please answer the following questions.

The service problem described was realistic.
The description of the way in which the airline handled the service problem was realistic.
I felt I could identify with the customer in this scenario.

In the final set of questions we would like to learn a little about your background. Please answer the following questions.

What is your gender?
   ____ Male
   ____ Female

What is your age? Please Specify: ______ years

In the past 12 months, how many times did you fly within Asia? Inter-continentially?
   ____ Once
   ____ Between 2-6 times
   ____ Between 7-12 times
   ____ More than 12 times
   ____ Once
   ____ Between 2-6 times
   ____ Between 7-12 times
   ____ More than 12 times

Based on the description provided at the beginning of the survey about the affiliation with Airline ABC, is there an actual airline that you would currently consider as your home carrier?

Yes  □  Please specify that airline here ________________
No   □  Please go to the final question
How many years have you been flying with your home carrier? ________ Years

How many flights do you average per year with your home carrier?
______________ flights

What cabin class (economy, business, first) do you travel most frequently with your home carrier? ________ Cabin Class

What level have you attained in your home carrier’s Frequent Flyer Program?
________________________

In how many airline frequent flyer programs are you a member? Please specify _________

Thank you very much for your assistance with this research project.
This research is a joint project between the Hong Kong Polytechnic University (HKPU) and Griffith University, Australia. The research aims to investigate service evaluations in airline settings. You will be asked to read a scenario story and then respond to a series of questions. Data collected as part of this research project will remain confidential, as only aggregate results will be reported in any subsequent publications.

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The reporting outcomes from this research will be in the form of conference papers and journal articles. Should you wish to get more information on the publications that arise from this research please contact me, using the contact details provided.

The scenario you are about to read is concerned with the service of strategic airline alliances and its individual member airlines. The Star Alliance and Oneworld are the two major global strategic airline alliances.

The Star alliance consists of 15 member airlines – its partner airlines are Air Canada, Air New Zealand, All Nippon Airways, Asiana Airlines, Austrian Airlines, British Midland, LOT, Lufthansa, SAS, Singapore Airlines, Spanair, Thai Airways, United Airlines, US Airways and Varig.

The Oneworld Alliance consists of 8 member airlines – its partner airlines are Air Lingus, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Lan Chile and Qantas.
We would like you to imagine that you have a strong affiliation with a particular Airline and we will call this airline your ‘home carrier – Airline ABC’ – so imagine a situation where you fly a lot, especially internationally, using your ‘home carrier – Airline ABC’. You strongly believe in what your airline stands for, the leadership it has taken in the airline industry with innovative ideas and its resilience to withstand difficult times. The airline enjoys a reputation of excellence and customer orientation, and you feel very proud to be associated with such an airline. You often praise the airline and recommend it to your friends and colleagues. When you fly with the airline you feel good about yourself.

The following scenario describes a service interaction. Please read the scenario carefully and remember your strong affiliation with your ‘home carrier – Airline ABC’.

You are booked in business class on an international flight that involves several flight sectors and will take you to numerous destinations over a three-week period. The flight is serviced by two airlines: your home carrier Airline ABC and its Partner Airline XYZ - both airlines are members of one of the global airline alliances that frequently emphasize seamless travel and greater convenience for its passengers in its promotion. You usually book and travel with your home carrier Airline ABC. However, since you are traveling with business colleagues as part of a delegation, an office other than your own has organized the trip details so that both your home carrier Airline ABC and Partner Airline XYZ service and operate the various flight sectors.

Everything goes smoothly for the flights in the first week of travel. However, when you arrive at the airport to check in for your next flight, operated by your home carrier Airline ABC, there are long lines at the check-in counters and you learn that there has been a breakdown of Airline ABC’s main computer system so that all their passengers need to be checked in manually. You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of Partner Airline XYZ – Partner Airline XYZ handles the ground arrangements, including the check-in, for Airline ABC on this occasion.

The staff member from Partner Airline XYZ explains: “Due to a breakdown of Airline ABC’s main computer system, all earlier flights have been delayed due to the required manual check-in process. The flight you were originally booked on this evening will also be affected by these delays – it will only leave tomorrow morning due to the need to first clear the earlier flights and night flight restrictions that come into effect at 11.30pm. As now all the earlier flights are completely full unfortunately you will not be able to travel tonight. We fully understand the inconvenience this may cause you and very much regret this has happened. As an alliance partner we accept responsibility for the problem and will try our best to resolve this problem for you. We’ll also follow up with Airline ABC to ensure that this won’t happen again. Please let us know how we can make it up to you in some way. Again, we are very sorry about this.”

Since you have to attend pre-scheduled meetings as part of the delegation the next morning you voice strong objections and urge the staff member of Partner Airline XYZ to find a way to accommodate you on a flight that evening. The staff member is very courteous throughout your interactions and tries very hard to resolve the problem. Yet, despite your confirmed ticket in the end you are the only member of your delegation who cannot get on a flight that evening - you are left with no other choice than to take a flight the next morning and therefore, miss part of the meetings of your delegation. The staff member of Partner Airline XYZ can only offer you several alternative flights by your home carrier Airline ABC and other partner airlines the next morning, and asks for your preference. Then, as is
standard airline policy the staff member provides you with free accommodation for the night and a meal and beverage voucher.

First, based on the description provided above, we would like you to think about your home carrier Airline ABC, and indicate the extent to which you agree with the following statements by highlighting the most appropriate rating.

I see myself as a loyal customer of Airline ABC.
I do not feel strong ties with Airline ABC.
I’m pleased to be a loyal customer of Airline ABC.
I do not identify with Airline ABC.

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details.

First, we would like to ask you about your evaluation of the airline that handled the service problem, Partner Airline XYZ.

Based on this particular experience with Partner Airline XYZ please indicate to what extent you agree with the following statements. Note that all these statements are related to this particular service incident only.

Given the service failure event described in the scenario, the outcome (e.g., voucher, hotel room) I received from Partner Airline XYZ was fair.
Given the service failure event described in the scenario, Partner Airline XYZ did not have adequate procedures in place to deal with the service failure.
Given the service failure event described in the scenario, Partner Airline XYZ treated me with the respect I deserve as a valued customer.
Given the service failure event described in the scenario, staff of Partner Airline XYZ did not provide me with an adequate explanation for the service failure.
Partner Airline XYZ treated me unfairly, given the service failure event described in the scenario.
Partner Airline XYZ could have done more to resolve this service problem.
I would have felt better if Partner Airline XYZ had done more to resolve this service problem.
Partner Airline XYZ should have done more to resolve this service problem.
Most customers would think I was treated in a manner appropriate to the service situation.

Now, based on all your experiences with Partner Airline XYZ, including this particular service incident, please indicate to what extent you agree with the following statements. Note that all these statements are related to Partner Airline XYZ’s handling of service problems in general.

In general, the outcomes (e.g., voucher, hotel room) Partner Airline XYZ provides following service failures are usually fair.
In general, Partner Airline XYZ has inadequate procedures in place to deal with service failures.
In general, Partner Airline XYZ treats valued customers with the respect they deserve.
In general, Partner Airline XYZ rarely provides an adequate explanation for service failures.
In general, Partner Airline XYZ is a fair airline.
Finally, based on all your past experiences with Partner Airline XYZ, including this particular service incident, please indicate how you feel overall about Partner Airline XYZ.

Overall, I feel extremely satisfied with Partner Airline XYZ.
Overall, I feel extremely displeased with Partner Airline XYZ.
Overall, I feel that Partner Airline XYZ does an extremely good job.
Overall, I feel extremely unhappy with Partner Airline XYZ.

I would travel with Partner Airline XYZ more often in the next few years.
I would discourage friends and relatives to do business with Partner Airline XYZ.
I would say positive things about Partner Airline XYZ to other people.
I would consider Partner Airline XYZ as my first choice.

Second, we would like to ask you about your evaluation of your home carrier Airline ABC, following this particular service incident. To respond, please circle the rating that most closely corresponds with your evaluation.

Airline ABC treated me unfairly, given the service failure event described in the scenario.
In general, Airline ABC is a fair airline.

Overall, I feel extremely satisfied with Airline ABC.
Overall, I feel extremely displeased with Airline ABC.
Overall, I feel that Airline ABC does an extremely good job.
Overall, I feel extremely unhappy with Airline ABC.

I would travel with Airline ABC more often in the next few years.
I would discourage friends and relatives to do business with Airline ABC.
I would say positive things about Airline ABC to other people.
I would consider Airline ABC as my first choice.

Finally, we would like you to think about Airline Alliance AAZZ of which both Airline ABC and Partner Airline XYZ are members. As previously explained, the Star Alliance and Oneworld, for example, are major global strategic airline alliances that have as members numerous individual airlines from all over the world.

Airline Alliance AAZZ treated me very unfairly on this particular occasion.
In general, Airline Alliance AAZZ is a fair alliance.

Overall, I feel extremely satisfied with Airline Alliance AAZZ.
Overall, I feel extremely displeased with Airline Alliance AAZZ.
Overall, I feel that Airline Alliance AAZZ does an extremely good job.
Overall, I feel extremely unhappy with Airline Alliance AAZZ.

I would travel with Airline Alliance AAZZ more often in the next few years.
I would discourage friends and relatives to do business with Airline Alliance AAZZ.
I would say positive things about Airline Alliance AAZZ to other people.
I would consider Airline Alliance AAZZ as my first choice.
Now, please think about the final outcome in the provided scenario and indicate your level of agreement with the following statements.

Being unable to board the flight as confirmed was due to a problem beyond Partner Airline XYZ’s control.
Being unable to board the flight as confirmed was due to a fault by Partner Airline XYZ.
The service outcome was very bad.
The way in which the service problem was resolved was unsatisfactory.
Being unable to board the flight as confirmed was due to a fault by Airline ABC.

Next, please think about the actions of Partner Airline XYZ in the provided scenario and indicate your level of agreement with the following statements.

Partner Airline XYZ accepted responsibility for the service failure.
The staff member of Partner Airline XYZ did not express regret over the service failure.
The staff member of Partner Airline XYZ explained that Airline ABC was to blame for the delay.
The staff member of Partner Airline XYZ did say “We are sorry.”

The following questions ask you to assess the realism of the service interaction you read. Please answer the following questions.

The service problem described was realistic.
The description of the way in which the airline handled the service problem was realistic.
I felt I could identify with the customer in this scenario.

In the final set of questions we would like to learn a little about your background. Please answer the following questions.

What is your gender?
   ____ Male
   ____ Female

What is your age? Please Specify: ______ years

In the past 12 months, how many times did you fly within Asia?
   ____ Once
   ____ Between 2-6 times
   ____ Between 7-12 times
   ____ More than 12 times

   Inter-continentially?
   ____ Once
   ____ Between 2-6 times
   ____ Between 7-12 times
   ____ More than 12 times

Based on the description provided at the beginning of the survey about the affiliation with Airline ABC, is there an actual airline that you would currently consider as your home carrier?

   Yes  □  Please specify that airline here __________________
   No   □  Please go to the final question
How many years have you been flying with your home carrier? ________ Years

How many flights do you average per year with your home carrier? 
___________________ flights

What cabin class (economy, business, first) do you travel most frequently with your home carrier? ________ Cabin Class

What level have you attained in your home carrier’s Frequent Flyer Program? 
_____________________________

In how many airline frequent flyer programs are you a member? Please specify _________

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The Star Alliance consists of 15 member airlines – its partner airlines are Air Canada, Air New Zealand, All Nippon Airways, Asiana Airlines, Austrian Airlines, British Midland, LOT, Lufthansa, SAS, Singapore Airlines, Spanair, Thai Airways, United Airlines, US Airways and Varig.

The Oneworld Alliance consists of 8 member airlines – its partner airlines are Air Lingus, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Lan Chile and Qantas.
We would like you to imagine that you have a strong affiliation with a particular Airline and we will call this airline your ‘home carrier – Airline ABC’ – so imagine a situation where you fly a lot, especially internationally, using your ‘home carrier – Airline ABC’. You strongly believe in what your airline stands for, the leadership it has taken in the airline industry with innovative ideas and its resilience to withstand difficult times. The airline enjoys a reputation of excellence and customer orientation, and you feel very proud to be associated with such an airline. You often praise the airline and recommend it to your friends and colleagues. When you fly with the airline you feel good about yourself.

The following scenario describes a service interaction. Please read the scenario carefully and remember your strong affiliation with your ‘home carrier – Airline ABC’.

You are booked in business class on an international flight that involves several flight sectors and will take you to numerous destinations over a three-week period. The flight is serviced by two airlines: your home carrier Airline ABC and its Partner Airline XYZ - both airlines are members of one of the global airline alliances that frequently emphasize seamless travel and greater convenience for its passengers in its promotion. You usually book and travel with your home carrier Airline ABC. However, since you are traveling with business colleagues as part of a delegation, an office other than your own has organized the trip details so that both your home carrier Airline ABC and Partner Airline XYZ service and operate the various flight sectors.

Everything goes smoothly for the flights in the first week of travel. However, when you arrive at the airport to check in for your next flight, operated by your home carrier Airline ABC, there are long lines at the check-in counters and you learn that there has been a breakdown of Airline ABC’s main computer system so that all their passengers need to be checked in manually. You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of Partner Airline XYZ – Partner Airline XYZ handles the ground arrangements, including the check-in, for Airline ABC on this occasion.

The staff member from Partner Airline XYZ explains: “Due to a breakdown of Airline ABC’s main computer system, all earlier flights have been delayed due to the required manual check-in process. The flight you were originally booked on this evening will also be affected by these delays – it will only leave tomorrow morning due to the need to first clear the earlier flights and night flight restrictions that come into effect at 11.30pm. As now all the earlier flights are completely full unfortunately you will not be able to travel tonight. We fully understand the inconvenience this may cause you and will try our best to resolve this problem for you. But please understand that we (Partner Airline XYZ) only handle the ground arrangements for Airline ABC – the breakdown of Airline ABC’s main computer system is something beyond our control. We are not responsible for this and really do have no choice in this matter so please don’t blame us.”

Since you have to attend pre-scheduled meetings as part of the delegation the next morning you voice strong objections and urge the staff member of Partner Airline XYZ to find a way to accommodate you on a flight that evening. The staff member is very courteous throughout your interactions and tries very hard to resolve the problem. Yet, despite your confirmed ticket in the end you are the only member of your delegation who cannot get on a flight that evening - you are left with no other choice than to take a flight the next morning and therefore, miss part of the meetings of your delegation. The staff member of Partner Airline XYZ can only offer you several alternative flights by your home carrier Airline ABC and other partner airlines the next morning, and asks for your preference. Then, as is
standard airline policy the staff member provides you with free accommodation for the night and a meal and beverage voucher.

First, based on the description provided above, we would like you to think about your home carrier Airline ABC and indicate the extent to which you agree with the following statements by highlighting the most appropriate rating.

I see myself as a loyal customer of Airline ABC.
I do not feel strong ties with Airline ABC.
I’m pleased to be a loyal customer of Airline ABC.
I do not identify with Airline ABC.

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details.

First, we would like to ask you about your evaluation of the airline that handled the service problem, Partner Airline XYZ.

Based on this particular experience with Partner Airline XYZ please indicate to what extent you agree with the following statements. Note that all these statements are related to this particular service incident only.

Given the service failure event described in the scenario, the outcome (e.g., voucher, hotel room) I received from Partner Airline XYZ was fair.
Given the service failure event described in the scenario, Partner Airline XYZ did not have adequate procedures in place to deal with the service failure.
Given the service failure event described in the scenario, Partner Airline XYZ treated me with the respect I deserve as a valued customer.
Given the service failure event described in the scenario, staff of Partner Airline XYZ did not provide me with an adequate explanation for the service failure.
Partner Airline XYZ treated me unfairly, given the service failure event described in the scenario.

Partner Airline XYZ could have done more to resolve this service problem.
I would have felt better if Partner Airline XYZ had done more to resolve this service problem.
Partner Airline XYZ should have done more to resolve this service problem.
Most customers would think I was treated in a manner appropriate to the service situation.

Now, based on all your experiences with Partner Airline XYZ, including this particular service incident, please indicate to what extent you agree with the following statements. Note that all these statements are related to Partner Airline XYZ’s handling of service problems in general.

In general, the outcomes (e.g., voucher, hotel room) Partner Airline XYZ provides following service failures are usually fair.
In general, Partner Airline XYZ has inadequate procedures in place to deal with service failures.
In general, Partner Airline XYZ treats valued customers with the respect they deserve.
In general, Partner Airline XYZ rarely provides an adequate explanation for service failures.
In general, Partner Airline XYZ is a fair airline.
Finally, based on all your past experiences with Partner Airline XYZ, including this particular service incident, please indicate how you feel overall about Partner Airline XYZ.

Overall, I feel extremely satisfied with Partner Airline XYZ.
Overall, I feel extremely displeased with Partner Airline XYZ.
Overall, I feel that Partner Airline XYZ does an extremely good job.
Overall, I feel extremely unhappy with Partner Airline XYZ.

I would travel with Partner Airline XYZ more often in the next few years.
I would discourage friends and relatives to do business with Partner Airline XYZ.
I would say positive things about Partner Airline XYZ to other people.
I would consider Partner Airline XYZ as my first choice.

Second, we would like to ask you about your evaluation of your home carrier Airline ABC following this particular service incident. To respond, please circle the rating that most closely corresponds with your evaluation.

Airline ABC treated me unfairly, given the service failure event described in the scenario.
In general, Airline ABC is a fair airline.

Overall, I feel extremely satisfied with Airline ABC.
Overall, I feel extremely displeased with Airline ABC.
Overall, I feel that Airline ABC does an extremely good job.
Overall, I feel extremely unhappy with Airline ABC.

I would travel with Airline ABC more often in the next few years.
I would discourage friends and relatives to do business with Airline ABC.
I would say positive things about Airline ABC to other people.
I would consider Airline ABC as my first choice.

Finally, we would like you to think about Airline Alliance AAZZ of which both Airline ABC and Partner Airline XYZ are members. As previously explained, the Star Alliance and Oneworld, for example, are major global strategic airline alliances that have as members numerous individual airlines from all over the world.

Airline Alliance AAZZ treated me very unfairly on this particular occasion.
In general, Airline Alliance AAZZ is a fair alliance.

Overall, I feel extremely satisfied with Airline Alliance AAZZ.
Overall, I feel extremely displeased with Airline Alliance AAZZ.
Overall, I feel that Airline Alliance AAZZ does an extremely good job.
Overall, I feel extremely unhappy with Airline Alliance AAZZ.

I would travel with Airline Alliance AAZZ more often in the next few years.
I would discourage friends and relatives to do business with Airline Alliance AAZZ.
I would say positive things about Airline Alliance AAZZ to other people.
I would consider Airline Alliance AAZZ as my first choice.
Now, please think about the final outcome in the provided scenario and indicate your level of agreement with the following statements.

Being unable to board the flight as confirmed was due to a problem beyond Partner Airline XYZ’s control.
Being unable to board the flight as confirmed was due to a fault by Partner Airline XYZ.
The service outcome was very bad.
The way in which the service problem was resolved was unsatisfactory.
Being unable to board the flight as confirmed was due to a fault by Airline ABC.

Next, please think about the actions of Partner Airline XYZ in the provided scenario and indicate your level of agreement with the following statements.

Partner Airline XYZ accepted responsibility for the service failure.
The staff member of Partner Airline XYZ did not express regret over the service failure.
The staff member of Partner Airline XYZ explained that Airline ABC was to blame for the delay.
The staff member of Partner Airline XYZ did say “We are sorry.”

The following questions ask you to assess the realism of the service interaction you read. Please answer the following questions.

The service problem described was realistic.
The description of the way in which the airline handled the service problem was realistic.
I felt I could identify with the customer in this scenario.

In the final set of questions we would like to learn a little about your background. Please answer the following questions.

What is your gender?

___ Male
___ Female

What is your age? Please Specify: ______ years

In the past 12 months, how many times did you fly within Asia?

___ Once
___ Between 2-6 times
___ Between 7-12 times
___ More than 12 times

Inter-continentially?

___ Once
___ Between 2-6 times
___ Between 7-12 times
___ More than 12 times

Based on the description provided at the beginning of the survey about the affiliation with Airline ABC, is there an actual airline that you would currently consider as your home carrier?

Yes ☐  Please specify that airline here ____________________

No ☐  Please go to the final question
How many years have you been flying with your home carrier? ________ Years

How many flights do you average per year with your home carrier? 
______________ flights

What cabin class (economy, business, first) do you travel most frequently with your home carrier? ________ Cabin Class

What level have you attained in your home carrier’s Frequent Flyer Program? 
________________________

In how many airline frequent flyer programs are you a member? Please specify ________

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The Oneworld Alliance consists of 8 member airlines – its partner airlines are Air Lingus, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Lan Chile and Qantas.
We would like you to imagine that you fly a lot, especially internationally. You typically travel with a number of different airlines, with price and schedule convenience being your main selection criteria in choosing an airline for a particular trip. As far as you are concerned, the airlines you travel with are all very similar in the level of service they provide and as a result you don’t have a strong affiliation with any one of those airlines. Therefore, when friends or colleagues ask for a recommendation of an airline you provide an account of the positive and negative aspects of each airline you use rather than recommending a single airline.

The following scenario describes a service interaction. Please read the scenario carefully.

You are booked in business class on an international flight that involves several flight sectors and will take you to numerous destinations over a three-week period. The flight is serviced by two airlines, Airline ABC and its Partner Airline XYZ - both airlines are members of one of the global airline alliances that frequently emphasize seamless travel and greater convenience for its passengers in its promotion. You usually book and travel with Airline ABC. However, since you are traveling with business colleagues as part of a delegation, an office other than your own has organized the trip details so that both Airline ABC and Partner Airline XYZ service and operate the various flight sectors.

Everything goes smoothly for the flights in the first week of travel. However, when you arrive at the airport to check in for your next flight, operated by Partner Airline XYZ, there are long lines at the check-in counters and you learn that there has been a breakdown of Partner Airline XYZ’s main computer system so that all their passengers need to be checked in manually. You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of Airline ABC – Airline ABC handles the ground arrangements, including the check-in, for Partner Airline XYZ on this occasion.

The staff member from Airline ABC explains: “Due to a breakdown of Partner Airline XYZ’s main computer system, all earlier flights have been delayed due to the required manual check-in process. The flight you were originally booked on this evening will also be affected by these delays – it will only leave tomorrow morning due to the need to first clear the earlier flights and night flight restrictions that come into effect at 11.30pm. As now all the earlier flights are completely full unfortunately you will not be able to travel tonight. We fully understand the inconvenience this may cause you and very much regret this has happened. As an alliance partner we accept responsibility for the problem and will try our best to resolve this problem for you. We’ll also follow up with Partner Airline XYZ to ensure that this won’t happen again. Please let us know how we can make it up to you in some way. Again, we are very sorry about this.”

Since you have to attend pre-scheduled meetings as part of the delegation the next morning you voice strong objections and urge the staff member of Airline ABC to find a way to accommodate you on a flight that evening. The staff member is very courteous throughout your interactions and tries very hard to resolve the problem. Yet, despite your confirmed ticket in the end you are the only member of your delegation who cannot get on a flight that evening - you are left with no other choice than to take a flight the next morning and therefore, miss part of the meetings of your delegation. The staff member of Airline ABC can only offer you several alternative flights by Partner Airline XYZ and other partner airlines the next morning, and asks for your preference. Then, as is standard airline policy the staff member provides you with free accommodation for the night and a meal and beverage voucher.
First, based on the description provided above, we would like you to think about Airline ABC, and indicate the extent to which you agree with the following statements by highlighting the most appropriate rating.

I see myself as a loyal customer of Airline ABC.
I do not feel strong ties with Airline ABC.
I’m pleased to be a loyal customer of Airline ABC.
I do not identify with Airline ABC.

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details.

First, we would like to ask you about your evaluation of the airline that handled the service problem, Airline ABC.

Based on this particular experience with Airline ABC please indicate to what extent you agree with the following statements. Note that all these statements are related to this particular service incident only.

Given the service failure event described in the scenario, the outcome (e.g., voucher, hotel room) I received from Airline ABC was fair.
Given the service failure event described in the scenario, Airline ABC did not have adequate procedures in place to deal with the service failure.
Given the service failure event described in the scenario, Airline ABC treated me with the respect I deserve as a valued customer.
Given the service failure event described in the scenario, staff of Airline ABC did not provide me with an adequate explanation for the service failure.
Airline ABC treated me unfairly, given the service failure event described in the scenario.

Airline ABC could have done more to resolve this service problem.
I would have felt better if Airline ABC had done more to resolve this service problem.
Airline ABC should have done more to resolve this service problem.
Most customers would think I was treated in a manner appropriate to the service situation.

Now, based on all your experiences with Airline ABC, including this particular service incident, please indicate to what extent you agree with the following statements. Note that all these statements are related to Airline ABC’s handling of service problems in general.

In general, the outcomes (e.g., voucher, hotel room) Airline ABC provides following service failures are usually fair.
In general, Airline ABC has inadequate procedures in place to deal with service failures.
In general, Airline ABC treats valued customers with the respect they deserve.
In general, Airline ABC rarely provides an adequate explanation for service failures.
In general, Airline ABC is a fair airline.
Finally, based on all your past experiences with Airline ABC, including this particular service incident, please indicate how you feel overall about Airline ABC.

Overall, I feel extremely satisfied with Airline ABC.
Overall, I feel extremely displeased with Airline ABC.
Overall, I feel that Airline ABC does an extremely good job.
Overall, I feel extremely unhappy with Airline ABC.

I would travel with Airline ABC more often in the next few years.
I would discourage friends and relatives to do business with Airline ABC.
I would say positive things about Airline ABC to other people.
I would consider Airline ABC as my first choice.

Second, we would like to ask you about your evaluation of Partner Airline XYZ, following this particular service incident. To respond, please circle the rating that most closely corresponds with your evaluation.

Partner Airline XYZ treated me very unfairly on this particular occasion.
In general, Partner Airline XYZ is a fair airline.

Overall, I feel extremely satisfied with Partner Airline XYZ.
Overall, I feel extremely displeased with Partner Airline XYZ.
Overall, I feel that Partner Airline XYZ does an extremely good job.
Overall, I feel extremely unhappy with Partner Airline XYZ.

I would travel with Partner Airline XYZ more often in the next few years.
I would discourage friends and relatives to do business with Partner Airline XYZ.
I would say positive things about Partner Airline XYZ to other people.
I would consider Partner Airline XYZ as my first choice.

Finally, we would like you to think about Airline Alliance AAZZ of which both Airline ABC and Partner Airline XYZ are members. As previously explained, the Star Alliance and Oneworld, for example, are major global strategic airline alliances that have as members numerous individual airlines from all over the world.

Airline Alliance AAZZ treated me very unfairly on this particular occasion.
In general, Airline Alliance AAZZ is a fair alliance.

Overall, I feel extremely satisfied with Airline Alliance AAZZ.
Overall, I feel extremely displeased with Airline Alliance AAZZ.
Overall, I feel that Airline Alliance AAZZ does an extremely good job.
Overall, I feel extremely unhappy with Airline Alliance AAZZ.

I would travel with Airline Alliance AAZZ more often in the next few years.
I would discourage friends and relatives to do business with Airline Alliance AAZZ.
I would say positive things about Airline Alliance AAZZ to other people.
I would consider Airline Alliance AAZZ as my first choice.
Now, please think about the final outcome in the provided scenario and indicate your level of agreement with the following statements.

Being unable to board the flight as confirmed was due to a problem beyond Airline ABC’s control.
Being unable to board the flight as confirmed was due to a fault by Partner Airline XYZ.
The service outcome was very bad.
The way in which the service problem was resolved was unsatisfactory.

Next, please think about the actions of Airline ABC in the provided scenario and indicate your level of agreement with the following statements.

Airline ABC accepted responsibility for the service failure.
The staff member of Airline ABC did not express regret over the service failure.
The staff member of Airline ABC explained that Partner Airline XYZ was to blame for the delay.
The staff member of Airline ABC did say “We are sorry.”

The following questions ask you to assess the realism of the service interaction you read. Please answer the following questions.

The service problem described was realistic.
The description of the way in which the airline handled the service problem was realistic.
I felt I could identify with the customer in this scenario.

In the final set of questions we would like to learn a little about your background. Please answer the following questions.

What is your gender?

___ Male
___ Female

What is your age? Please Specify: ______ years

In the past 12 months, how many times did you fly within Asia?

___ Once
___ Between 2-6 times
___ Between 7-12 times
___ More than 12 times

Inter-continently?

___ Once
___ Between 2-6 times
___ Between 7-12 times
___ More than 12 times

Is there an airline that you would consider as your “home carrier” – an airline you fly with very often, you feel very proud to be associated with, and that you often praise and recommend to friends and colleagues?

Yes ☐ Please specify that airline here __________________

No ☐ Please go to the final question
How many years have you been flying with your home carrier? ________ Years

How many flights do you average per year with your home carrier? 
________________________ flights

What cabin class (economy, business, first) do you travel most frequently with your home carrier? ________ Cabin Class

What level have you attained in your home carrier’s Frequent Flyer Program? 
________________________________________

In how many airline frequent flyer programs are you a member? Please specify ________

Thank you very much for your assistance with this research project.
This research is a joint project between the Hong Kong Polytechnic University (HKPU) and Griffith University, Australia. The research aims to investigate service evaluations in airline settings. You will be asked to read a scenario story and then respond to a series of questions. Data collected as part of this research project will remain confidential, as only aggregate results will be reported in any subsequent publications.

By completing and returning this questionnaire you are indicating your willingness and consent to participate in this project. HKPU and Griffith University conduct research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. If potential participants have any concerns or complaints about the ethical conduct of this research project they can be made directly to me and/or Professor Beverley Sparks on + (61) 7 5552 8766 or b.sparks@griffith.edu.au or you can contact the Manager, Research Ethics at Griffith University, Australia on + (61) 7 3875 5585 or research-ethics@griffith.edu.au.

The reporting outcomes from this research will be in the form of conference papers and journal articles. Should you wish to get more information on the publications that arise from this research please contact me, using the contact details provided.

The scenario you are about to read is concerned with the service of strategic airline alliances and its individual member airlines. The Star Alliance and Oneworld are the two major global strategic airline alliances.

The Star alliance consists of 15 member airlines – its partner airlines are Air Canada, Air New Zealand, All Nippon Airways, Asiana Airlines, Austrian Airlines, British Midland, LOT, Lufthansa, SAS, Singapore Airlines, Spanair, Thai Airways, United Airlines, US Airways and Varig.

The Oneworld Alliance consists of 8 member airlines – its partner airlines are Air Lingus, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Lan Chile and Qantas.
We would like you to imagine that you fly a lot, especially internationally. You typically travel with a number of different airlines, with price and schedule convenience being your main selection criteria in choosing an airline for a particular trip. As far as you are concerned, the airlines you travel with are all very similar in the level of service they provide and as a result you don’t have a strong affiliation with any one of those airlines. Therefore, when friends or colleagues ask for a recommendation of an airline you provide an account of the positive and negative aspects of each airline you use rather than recommending a single airline.

The following scenario describes a service interaction. Please read the scenario carefully.

You are booked in business class on an international flight that involves several flight sectors and will take you to numerous destinations over a three-week period. The flight is serviced by two airlines, Airline ABC and its Partner Airline XYZ - both airlines are members of one of the global airline alliances that frequently emphasize seamless travel and greater convenience for its passengers in its promotion. You usually book and travel with Airline ABC. However, since you are traveling with business colleagues as part of a delegation, an office other than your own has organized the trip details so that both Airline ABC and Partner Airline XYZ service and operate the various flight sectors.

Everything goes smoothly for the flights in the first week of travel. However, when you arrive at the airport to check in for your next flight, operated by Partner Airline XYZ, there are long lines at the check-in counters and you learn that there has been a breakdown of Partner Airline XYZ’s main computer system so that all their passengers need to be checked in manually. You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of Airline ABC – Airline ABC handles the ground arrangements, including the check-in, for Partner Airline XYZ on this occasion.

The staff member from Airline ABC explains: “Due to a breakdown of Partner Airline XYZ’s main computer system, all earlier flights have been delayed due to the required manual check-in process. The flight you were originally booked on this evening will also be affected by these delays – it will only leave tomorrow morning due to the need to first clear the earlier flights and night flight restrictions that come into effect at 11.30pm. As now all the earlier flights are completely full unfortunately you will not be able to travel tonight. We fully understand the inconvenience this may cause you and will try our best to resolve this problem for you. But please understand that we (Airline ABC) only handle the ground arrangements for Partner Airline XYZ – the breakdown of Partner Airline XYZ’s main computer system is something beyond our control. We are not responsible for this and really do have no choice in this matter so please don’t blame us.”

Since you have to attend pre-scheduled meetings as part of the delegation the next morning you voice strong objections and urge the staff member of Airline ABC to find a way to accommodate you on a flight that evening. The staff member is very courteous throughout your interactions and tries very hard to resolve the problem. Yet, despite your confirmed ticket in the end you are the only member of your delegation who cannot get on a flight that evening - you are left with no other choice than to take a flight the next morning and therefore, miss part of the meetings of your delegation. The staff member of Airline ABC can only offer you several alternative flights by Partner Airline XYZ and other partner airlines the next morning, and asks for your preference. Then, as is standard airline policy the staff member provides you with free accommodation for the night and a meal and beverage voucher.
First, based on the description provided above, we would like you to think about Airline ABC, and indicate the extent to which you agree with the following statements by highlighting the most appropriate rating.

I see myself as a loyal customer of Airline ABC.
I do not feel strong ties with Airline ABC.
I’m pleased to be a loyal customer of Airline ABC.
I do not identify with Airline ABC.

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details.

First, we would like to ask you about your evaluation of the airline that handled the service problem, Airline ABC.

Based on this particular experience with Airline ABC please indicate to what extent you agree with the following statements. Note that all these statements are related to this particular service incident only.

Given the service failure event described in the scenario, the outcome (e.g., voucher, hotel room) I received from Airline ABC was fair.
Given the service failure event described in the scenario, Airline ABC did not have adequate procedures in place to deal with the service failure.
Given the service failure event described in the scenario, Airline ABC treated me with the respect I deserve as a valued customer.
Given the service failure event described in the scenario, staff of Airline ABC did not provide me with an adequate explanation for the service failure.
Airline ABC treated me unfairly, given the service failure event described in the scenario.

Airline ABC could have done more to resolve this service problem.
I would have felt better if Airline ABC had done more to resolve this service problem.
Airline ABC should have done more to resolve this service problem.
Most customers would think I was treated in a manner appropriate to the service situation.

Now, based on all your experiences with Airline ABC, including this particular service incident, please indicate to what extent you agree with the following statements. Note that all these statements are related to Airline ABC’s handling of service problems in general.

In general, the outcomes (e.g., voucher, hotel room) Airline ABC provides following service failures are usually fair.
In general, Airline ABC has inadequate procedures in place to deal with service failures.
In general, Airline ABC treats valued customers with the respect they deserve.
In general, Airline ABC rarely provides an adequate explanation for service failures.
In general, Airline ABC is a fair airline.
Finally, based on all your past experiences with Airline ABC, including this particular service incident, please indicate how you feel overall about Airline ABC.

Overall, I feel extremely satisfied with Airline ABC.
Overall, I feel extremely displeased with Airline ABC.
Overall, I feel that Airline ABC does an extremely good job.
Overall, I feel extremely unhappy with Airline ABC.

I would travel with Airline ABC more often in the next few years.
I would discourage friends and relatives to do business with Airline ABC.
I would say positive things about Airline ABC to other people.
I would consider Airline ABC as my first choice.

Second, we would like to ask you about your evaluation of Partner Airline XYZ, following this particular service incident. To respond, please circle the rating that most closely corresponds with your evaluation.

Partner Airline XYZ treated me very unfairly on this particular occasion.
In general, Partner Airline XYZ is a fair airline.

Overall, I feel extremely satisfied with Partner Airline XYZ.
Overall, I feel extremely displeased with Partner Airline XYZ.
Overall, I feel that Partner Airline XYZ does an extremely good job.
Overall, I feel extremely unhappy with Partner Airline XYZ.

I would travel with Partner Airline XYZ more often in the next few years.
I would discourage friends and relatives to do business with Partner Airline XYZ.
I would say positive things about Partner Airline XYZ to other people.
I would consider Partner Airline XYZ as my first choice.

Finally, we would like you to think about Airline Alliance AAZZ of which both Airline ABC and Partner Airline XYZ are members. As previously explained, the Star Alliance and Oneworld, for example, are major global strategic airline alliances that have as members numerous individual airlines from all over the world.

Airline Alliance AAZZ treated me very unfairly on this particular occasion.
In general, Airline Alliance AAZZ is a fair alliance.

Overall, I feel extremely satisfied with Airline Alliance AAZZ.
Overall, I feel extremely displeased with Airline Alliance AAZZ.
Overall, I feel that Airline Alliance AAZZ does an extremely good job.
Overall, I feel extremely unhappy with Airline Alliance AAZZ.

I would travel with Airline Alliance AAZZ more often in the next few years.
I would discourage friends and relatives to do business with Airline Alliance AAZZ.
I would say positive things about Airline Alliance AAZZ to other people.
I would consider Airline Alliance AAZZ as my first choice.
Now, please think about the final outcome in the provided scenario and indicate your level of agreement with the following statements.

Being unable to board the flight as confirmed was due to a problem beyond Airline ABC’s control.
Being unable to board the flight as confirmed was due to a fault by Partner Airline XYZ.
The service outcome was very bad.
The way in which the service problem was resolved was unsatisfactory.
Being unable to board the flight as confirmed was due to a fault by Airline ABC.

Next, please think about the actions of Airline ABC in the provided scenario and indicate your level of agreement with the following statements.

Airline ABC accepted responsibility for the service failure.
The staff member of Airline ABC did not express regret over the service failure.
The staff member of Airline ABC explained that Partner Airline XYZ was to blame for the delay.
The staff member of Airline ABC did say “We are sorry.”

The following questions ask you to assess the realism of the service interaction you read. Please answer the following questions.

The service problem described was realistic.
The description of the way in which the airline handled the service problem was realistic.
I felt I could identify with the customer in this scenario.

In the final set of questions we would like to learn a little about your background. Please answer the following questions.

**What is your gender?**
- Male
- Female

**What is your age?** Please Specify: ______ years

**In the past 12 months, how many times did you fly within Asia?**
- Once
- Between 2-6 times
- Between 7-12 times
- More than 12 times

**Inter-continentally?**
- Once
- Between 2-6 times
- Between 7-12 times
- More than 12 times

**Is there an airline that you would consider as your “home carrier” – an airline you fly with very often, you feel very proud to be associated with, and that you often praise and recommend to friends and colleagues?**

- Yes [ ] Please specify that airline here __________________
- No [ ] Please go to the final question

337
How many years have you been flying with your home carrier? ________ Years

How many flights do you average per year with your home carrier?
______________ flights

What cabin class (economy, business, first) do you travel most frequently with your home carrier? ________ Cabin Class

What level have you attained in your home carrier’s Frequent Flyer Program?
________________________

In how many airline frequent flyer programs are you a member? Please specify __________

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The Oneworld Alliance consists of 8 member airlines – its partner airlines are Air Lingus, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Lan Chile and Qantas.
We would like you to imagine that you fly a lot, especially internationally. You typically travel with a number of different airlines, with price and schedule convenience being your main selection criteria in choosing an airline for a particular trip. As far as you are concerned, the airlines you travel with are all very similar in the level of service they provide and as a result you don’t have a strong affiliation with any one of those airlines. Therefore, when friends or colleagues ask for a recommendation of an airline you provide an account of the positive and negative aspects of each airline you use rather than recommending a single airline.

The following scenario describes a service interaction. Please read the scenario carefully.

You are booked in business class on an international flight that involves several flight sectors and will take you to numerous destinations over a three-week period. The flight is serviced by two airlines, Airline ABC and its Partner Airline XYZ - both airlines are members of one of the global airline alliances that frequently emphasize seamless travel and greater convenience for its passengers in its promotion. You usually book and travel with Airline ABC. However, since you are traveling with business colleagues as part of a delegation, an office other than your own has organized the trip details so that both Airline ABC and Partner Airline XYZ service and operate the various flight sectors.

Everything goes smoothly for the flights in the first week of travel. However, when you arrive at the airport to check in for your next flight, operated by Airline ABC, there are long lines at the check-in counters and you learn that there has been a breakdown of Airline ABC’s main computer system so that all their passengers need to be checked in manually. You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of Partner Airline XYZ – Partner Airline XYZ handles the ground arrangements, including the check-in, for Airline ABC on this occasion.

The staff member from Partner Airline XYZ explains: “Due to a breakdown of Airline ABC’s main computer system, all earlier flights have been delayed due to the required manual check-in process. The flight you were originally booked on this evening will also be affected by these delays – it will only leave tomorrow morning due to the need to first clear the earlier flights and night flight restrictions that come into effect at 11.30pm. As now all the earlier flights are completely full unfortunately you will not be able to travel tonight. We fully understand the inconvenience this may cause you and very much regret this has happened. As an alliance partner we accept responsibility for the problem and will try our best to resolve this problem for you. We’ll also follow up with Airline ABC to ensure that this won’t happen again. Please let us know how we can make it up to you in some way. Again, we are very sorry about this.”

Since you have to attend pre-scheduled meetings as part of the delegation the next morning you voice strong objections and urge the staff member of Partner Airline XYZ to find a way to accommodate you on a flight that evening. The staff member is very courteous throughout your interactions and tries very hard to resolve the problem. Yet, despite your confirmed ticket in the end you are the only member of your delegation who cannot get on a flight that evening - you are left with no other choice than to take a flight the next morning and therefore, miss part of the meetings of your delegation. The staff member of Partner Airline XYZ can only offer you several alternative flights by Airline ABC and other partner airlines the next morning, and asks for your preference. Then, as is standard airline policy the staff member provides you with free accommodation for the night and a meal and beverage voucher.
First, based on the description provided above, we would like you to think about Airline ABC, and indicate the extent to which you agree with the following statements by highlighting the most appropriate rating.

I see myself as a loyal customer of Airline ABC.
I do not feel strong ties with Airline ABC.
I’m pleased to be a loyal customer of Airline ABC.
I do not identify with Airline ABC.

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details.

First, we would like to ask you about your evaluation of the airline that handled the service problem, Partner Airline XYZ.

Based on this particular experience with Partner Airline XYZ please indicate to what extent you agree with the following statements. Note that all these statements are related to this particular service incident only.

Given the service failure event described in the scenario, the outcome (e.g., voucher, hotel room) I received from Partner Airline XYZ was fair.
Given the service failure event described in the scenario, Partner Airline XYZ did not have adequate procedures in place to deal with the service failure.
Given the service failure event described in the scenario, Partner Airline XYZ treated me with the respect I deserve as a valued customer.
Given the service failure event described in the scenario, staff of Partner Airline XYZ did not provide me with an adequate explanation for the service failure.
Partner Airline XYZ treated me unfairly, given the service failure event described in the scenario.

Partner Airline XYZ could have done more to resolve this service problem.
I would have felt better if Partner Airline XYZ had done more to resolve this service problem.
Partner Airline XYZ should have done more to resolve this service problem.
Most customers would think I was treated in a manner appropriate to the service situation.

Now, based on all your experiences with Partner Airline XYZ, including this particular service incident, please indicate to what extent you agree with the following statements. Note that all these statements are related to Partner Airline XYZ’s handling of service problems in general.

In general, the outcomes (e.g., voucher, hotel room) Partner Airline XYZ provides following service failures are usually fair.
In general, Partner Airline XYZ has inadequate procedures in place to deal with service failures.
In general, Partner Airline XYZ treats valued customers with the respect they deserve.
In general, Partner Airline XYZ rarely provides an adequate explanation for service failures.
In general, Partner Airline XYZ is a fair airline.

Finally, based on all your past experiences with Partner Airline XYZ, including this particular service incident, please indicate how you feel overall about Partner Airline XYZ.

Overall, I feel extremely satisfied with Partner Airline XYZ.
Overall, I feel extremely displeased with Partner Airline XYZ.
Overall, I feel that Partner Airline XYZ does an extremely good job.
Overall, I feel extremely unhappy with Partner Airline XYZ.
I would travel with Partner Airline XYZ more often in the next few years.
I would discourage friends and relatives to do business with Partner Airline XYZ.
I would say positive things about Partner Airline XYZ to other people.
I would consider Partner Airline XYZ as my first choice.

Second, we would like to ask you about your evaluation of Airline ABC, following this particular service incident. To respond, please circle the rating that most closely corresponds with your evaluation.

Airline ABC treated me unfairly, given the service failure event described in the scenario.
In general, Airline ABC is a fair airline.

Overall, I feel extremely satisfied with Airline ABC.
Overall, I feel extremely displeased with Airline ABC.
Overall, I feel that Airline ABC does an extremely good job.
Overall, I feel extremely unhappy with Airline ABC.

I would travel with Airline ABC more often in the next few years.
I would discourage friends and relatives to do business with Airline ABC.
I would say positive things about Airline ABC to other people.
I would consider Airline ABC as my first choice.

Finally, we would like you to think about Airline Alliance AAZZ of which both Airline ABC and Partner Airline XYZ are members. As previously explained, the Star Alliance and Oneworld, for example, are major global strategic airline alliances that have as members numerous individual airlines from all over the world.

Airline Alliance AAZZ treated me very unfairly on this particular occasion.
In general, Airline Alliance AAZZ is a fair alliance.

Overall, I feel extremely satisfied with Airline Alliance AAZZ.
Overall, I feel extremely displeased with Airline Alliance AAZZ.
Overall, I feel that Airline Alliance AAZZ does an extremely good job.
Overall, I feel extremely unhappy with Airline Alliance AAZZ.

I would travel with Airline Alliance AAZZ more often in the next few years.
I would discourage friends and relatives to do business with Airline Alliance AAZZ.
I would say positive things about Airline Alliance AAZZ to other people.
I would consider Airline Alliance AAZZ as my first choice.

Now, please think about the final outcome in the provided scenario and indicate your level of agreement with the following statements.

Being unable to board the flight as confirmed was due to a problem beyond Partner Airline XYZ’s control.
Being unable to board the flight as confirmed was due to a fault by Partner Airline XYZ.
The service outcome was very bad.
The way in which the service problem was resolved was unsatisfactory.
Being unable to board the flight as confirmed was due to a fault by Airline ABC.
Next, please think about the actions of Partner Airline XYZ in the provided scenario and indicate your level of agreement with the following statements.

Partner Airline XYZ accepted responsibility for the service failure. 
The staff member of Partner Airline XYZ did not express regret over the service failure. 
The staff member of Partner Airline XYZ explained that Partner Airline XYZ was to blame for the delay. 
The staff member of Partner Airline XYZ did say “We are sorry.”

The following questions ask you to assess the realism of the service interaction you read. Please answer the following questions.

The service problem described was realistic. 
The description of the way in which the airline handled the service problem was realistic. 
I felt I could identify with the customer in this scenario.

In the final set of questions we would like to learn a little about your background. Please answer the following questions.

What is your gender?
   ___ Male 
   ___ Female 

What is your age? Please Specify: ______ years 

In the past 12 months, how many times did you fly within Asia ? Inter-continentally?
   ___ Once 
   ___ Between 2-6 times 
   ___ Between 7-12 times 
   ___ More than 12 times
   ___ Once 
   ___ Between 2-6 times 
   ___ Between 7-12 times 
   ___ More than 12 times

Is there an airline that you would consider as your “home carrier” – an airline you fly with very often, you feel very proud to be associated with, and that you often praise and recommend to friends and colleagues?

   Yes  ☐  Please specify that airline here ____________________
   No  ☐  Please go to the final question

How many years have you been flying with your home carrier? ________ Years

How many flights do you average per year with your home carrier? ________ flights

What cabin class (economy, business, first) do you travel most frequently with your home carrier? ________ Cabin Class

What level have you attained in your home carrier’s Frequent Flyer Program?  ________________
In how many airline frequent flyer programs are you a member? Please specify ________

Thank you very much for your assistance with this research project.
This research is a joint project between the Hong Kong Polytechnic University (HKPU) and Griffith University, Australia. The research aims to investigate service evaluations in airline settings. You will be asked to read a scenario story and then respond to a series of questions. Data collected as part of this research project will remain confidential, as only aggregate results will be reported in any subsequent publications.

By completing and returning this questionnaire you are indicating your willingness and consent to participate in this project. HKPU and Griffith University conduct research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. If potential participants have any concerns or complaints about the ethical conduct of this research project they can be made directly to me and/or Professor Beverley Sparks on + (61) 7 5552 8766 or b.sparks@griffith.edu.au or you can contact the Manager, Research Ethics at Griffith University, Australia on + (61) 7 3875 5585 or research-ethics@griffith.edu.au.

The reporting outcomes from this research will be in the form of conference papers and journal articles. Should you wish to get more information on the publications that arise from this research please contact me, using the contact details provided.

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The scenario you are about to read is concerned with the service of strategic airline alliances and its individual member airlines. The Star Alliance and Oneworld are the two major global strategic airline alliances.

The Star alliance consists of 15 member airlines – its partner airlines are Air Canada, Air New Zealand, All Nippon Airways, Asiana Airlines, Austrian Airlines, British Midland, LOT, Lufthansa, SAS, Singapore Airlines, Spanair, Thai Airways, United Airlines, US Airways and Varig.

The Oneworld Alliance consists of 8 member airlines – its partner airlines are Air Lingus, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Lan Chile and Qantas.
We would like you to imagine that you fly a lot, especially internationally. You typically travel with a number of different airlines, with price and schedule convenience being your main selection criteria in choosing an airline for a particular trip. As far as you are concerned, the airlines you travel with are all very similar in the level of service they provide and as a result you don’t have a strong affiliation with any one of those airlines. Therefore, when friends or colleagues ask for a recommendation of an airline you provide an account of the positive and negative aspects of each airline you use rather than recommending a single airline.

The following scenario describes a service interaction. Please read the scenario carefully.

You are booked in business class on an international flight that involves several flight sectors and will take you to numerous destinations over a three-week period. The flight is serviced by two airlines, Airline ABC and its Partner Airline XYZ - both airlines are members of one of the global airline alliances that frequently emphasize seamless travel and greater convenience for its passengers in its promotion. You usually book and travel with Airline ABC. However, since you are traveling with business colleagues as part of a delegation, an office other than your own has organized the trip details so that both Airline ABC and Partner Airline XYZ service and operate the various flight sectors.

Everything goes smoothly for the flights in the first week of travel. However, when you arrive at the airport to check in for your next flight, operated by Airline ABC, there are long lines at the check-in counters and you learn that there has been a breakdown of Airline ABC’s main computer system so that all their passengers need to be checked in manually. You wait in line for about 20 minutes before stepping up to the check-in counter and being greeted by a staff member of Partner Airline XYZ – Partner Airline XYZ handles the ground arrangements, including the check-in, for Airline ABC on this occasion.

The staff member from Partner Airline XYZ explains: “Due to a breakdown of Airline ABC’s main computer system, all earlier flights have been delayed due to the required manual check-in process. The flight you were originally booked on this evening will also be affected by these delays – it will only leave tomorrow morning due to the need to first clear the earlier flights and night flight restrictions that come into effect at 11.30pm. As now all the earlier flights are completely full unfortunately you will not be able to travel tonight. We fully understand the inconvenience this may cause you and will try our best to resolve this problem for you. But please understand that we (Partner Airline XYZ) only handle the ground arrangements for Airline ABC – the breakdown of Airline ABC’s main computer system is something beyond our control. We are not responsible for this and really do have no choice in this matter so please don’t blame us.”

Since you have to attend pre-scheduled meetings as part of the delegation the next morning you voice strong objections and urge the staff member of Partner Airline XYZ to find a way to accommodate you on a flight that evening. The staff member is very courteous throughout your interactions and tries very hard to resolve the problem. Yet, despite your confirmed ticket in the end you are the only member of your delegation who cannot get on a flight that evening - you are left with no other choice than to take a flight the next morning and therefore, miss part of the meetings of your delegation. The staff member of Partner Airline XYZ can only offer you several alternative flights by Airline ABC and other partner airlines the next morning, and asks for your preference. Then, as is standard airline policy the staff member provides you with free accommodation for the night and a meal and beverage voucher.
First, based on the description provided above, we would like you to think about Airline ABC and indicate the extent to which you agree with the following statements by highlighting the most appropriate rating.

I see myself as a loyal customer of Airline ABC.
I do not feel strong ties with Airline ABC.
I’m pleased to be a loyal customer of Airline ABC.
I do not identify with Airline ABC.

The following questions ask about your evaluation of the various parties involved in this incident. You can refer back to the scenario at any time to help you recall the details.

First, we would like to ask you about your evaluation of the airline that handled the service problem, Partner Airline XYZ.

Based on this particular experience with Partner Airline XYZ please indicate to what extent you agree with the following statements. Note that all these statements are related to this particular service incident only.

Given the service failure event described in the scenario, the outcome (e.g., voucher, hotel room) I received from Partner Airline XYZ was fair.
Given the service failure event described in the scenario, Partner Airline XYZ did not have adequate procedures in place to deal with the service failure.
Given the service failure event described in the scenario, Partner Airline XYZ treated me with the respect I deserve as a valued customer.
Given the service failure event described in the scenario, staff of Partner Airline XYZ did not provide me with an adequate explanation for the service failure.
Partner Airline XYZ treated me unfairly, given the service failure event described in the scenario.

Partner Airline XYZ could have done more to resolve this service problem.
I would have felt better if Partner Airline XYZ had done more to resolve this service problem.
Partner Airline XYZ should have done more to resolve this service problem.
Most customers would think I was treated in a manner appropriate to the service situation.

Now, based on all your experiences with Partner Airline XYZ, including this particular service incident, please indicate to what extent you agree with the following statements. Note that all these statements are related to Partner Airline XYZ’s handling of service problems in general.

In general, the outcomes (e.g., voucher, hotel room) Partner Airline XYZ provides following service failures are usually fair.
In general, Partner Airline XYZ has inadequate procedures in place to deal with service failures.
In general, Partner Airline XYZ treats valued customers with the respect they deserve.
In general, Partner Airline XYZ rarely provides an adequate explanation for service failures.
In general, Partner Airline XYZ is a fair airline.

Finally, based on all your past experiences with Partner Airline XYZ, including this particular service incident, please indicate how you feel overall about Partner Airline XYZ.

Overall, I feel extremely satisfied with Partner Airline XYZ.
Overall, I feel extremely displeased with Partner Airline XYZ.
Overall, I feel that Partner Airline XYZ does an extremely good job.
Overall, I feel extremely unhappy with Partner Airline XYZ.
I would travel with Partner Airline XYZ more often in the next few years.
I would discourage friends and relatives to do business with Partner Airline XYZ.
I would say positive things about Partner Airline XYZ to other people.
I would consider Partner Airline XYZ as my first choice.

Second, we would like to ask you about your evaluation of Airline ABC, following this particular service incident. To respond, please circle the rating that most closely corresponds with your evaluation.

Airline ABC treated me unfairly, given the service failure event described in the scenario.
In general, Airline ABC is a fair airline.

Overall, I feel extremely satisfied with Airline ABC.
Overall, I feel extremely displeased with Airline ABC.
Overall, I feel that Airline ABC does an extremely good job.
Overall, I feel extremely unhappy with Airline ABC.

I would travel with Airline ABC more often in the next few years.
I would discourage friends and relatives to do business with Airline ABC.
I would say positive things about Airline ABC to other people.
I would consider Airline ABC as my first choice.

Finally, we would like you to think about Airline Alliance AAZZ of which both Airline ABC and Partner Airline XYZ are members. As previously explained, the Star Alliance and Oneworld, for example, are major global strategic airline alliances that have as members numerous individual airlines from all over the world.

Airline Alliance AAZZ treated me very unfairly on this particular occasion.
In general, Airline Alliance AAZZ is a fair alliance.

Overall, I feel extremely satisfied with Airline Alliance AAZZ.
Overall, I feel extremely displeased with Airline Alliance AAZZ.
Overall, I feel that Airline Alliance AAZZ does an extremely good job.
Overall, I feel extremely unhappy with Airline Alliance AAZZ.

I would travel with Airline Alliance AAZZ more often in the next few years.
I would discourage friends and relatives to do business with Airline Alliance AAZZ.
I would say positive things about Airline Alliance AAZZ to other people.
I would consider Airline Alliance AAZZ as my first choice.

Now, please think about the final outcome in the provided scenario and indicate your level of agreement with the following statements.

Being unable to board the flight as confirmed was due to a problem beyond Partner Airline XYZ’s control.
Being unable to board the flight as confirmed was due to a fault by Partner Airline XYZ.
The service outcome was very bad.
The way in which the service problem was resolved was unsatisfactory.
Being unable to board the flight as confirmed was due to a fault by Airline ABC.
Next, please think about the actions of Partner Airline XYZ in the provided scenario and indicate your level of agreement with the following statements.

Partner Airline XYZ accepted responsibility for the service failure.
The staff member of Partner Airline XYZ did not express regret over the service failure.
The staff member of Partner Airline XYZ explained that Partner Airline XYZ was to blame for the delay.
The staff member of Partner Airline XYZ did say “We are sorry.”

The following questions ask you to assess the realism of the service interaction you read. Please answer the following questions.

The service problem described was realistic.
The description of the way in which the airline handled the service problem was realistic.
I felt I could identify with the customer in this scenario.

In the final set of questions we would like to learn a little about your background. Please answer the following questions.

What is your gender?

Male
Female

What is your age? Please Specify: _____ years

In the past 12 months, how many times did you fly within Asia ?

Once
Between 2-6 times
Between 7-12 times
More than 12 times

Inter-continentially?

Once
Between 2-6 times
Between 7-12 times
More than 12 times

Is there an airline that you would consider as your “home carrier” – an airline you fly with very often, you feel very proud to be associated with, and that you often praise and recommend to friends and colleagues?

Yes ☐ Please specify that airline here __________________

No ☐ Please go to the final question

How many years have you been flying with your home carrier? _____ Years

How many flights do you average per year with your home carrier? _____ flights

What cabin class (economy, business, first) do you travel most frequently with your home carrier? _______ Cabin Class

What level have you attained in your home carrier’s Frequent Flyer Program? ____________________
In how many airline frequent flyer programs are you a member? Please specify __________

Thank you very much for your assistance with this research project.