

# When consumers care about being treated fairly: The interaction of relationship norms and fairness norms <sup>☆</sup>

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## Abstract

Prior research suggests that people assess overall fairness of an event by focusing on the distribution of the final outcome (distributive fairness) and on how they are treated by others during the conflict resolution process (interactional fairness). The primary goal of this work is to use a social relationship framework to study differences in consumers' responses to interactional fairness as revealed by their evaluations of a brand. Two types of relationships are examined—exchange relationships in which benefits are given to get something back in return; and communal relationships in which benefits are given to take care of others' needs. Results of two studies suggest that the type of consumers' relationship with the brand moderates the effect of interactional fairness such that consumers who have a communal relationship are more responsive to interactional fairness under conditions of low distributive fairness while those who have an exchange relationship are more responsive under conditions of high distributive fairness.

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## Introduction

Research in marketing has implicitly used the brand-as-person metaphor to study topics such as brand personality (Aaker, 1997; Plummer, 2000), brand imagery (Batra & Homer, 2004; Roth, 1995) and brand loyalty (Day, 1969). Recent research in marketing has more explicitly used the social relationship framework to study consumer–brand interactions, and found strong evidence that consumers often form relationships with brands in ways that mirror social relationships (Aaker, Fournier, & Brasel, 2004; Aggarwal, 2004; Blackston, 1993; Fournier, 1998; Muniz & O'Guinn, 2001). Practitioners have long appreciated the value of invoking the social relationship metaphor in a

brand context as reflected in the very name of brands such as Aunt Jemima or Uncle Ben's and in the strong bond that consumers have formed with brands such as Harley Davidson, Volkswagen Beetle, and Apple. Clearly, when consumers form relationships with brands, it is important for marketers to understand the nuances of the particular relationship that is being promoted.

In her foundational paper, Fournier (1998) finds that consumer–brand relationships traverse the full spectrum of social relationship types, such as casual friendships, committed partnerships, arranged marriages, courtships, flings, secret affairs and enslavements. Further, Aggarwal (2004) underscores the importance of the unique aspects of a particular consumer–brand relationship by

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noting that consumer evaluations depend on the extent to which the norms of that particular relationship are upheld or violated by the brand during its interactions with the consumer. More recent work adopting this framework shows that the type of relationship influences consumer responses to service failures (Wan, Hui, & Wyer, 2011) and that the type of feedback the brand seeks from the consumer—advice versus expectations—can differentially affect the relationship between the consumer and the brand (Liu & Gal, 2011).

Nearly all relationships evoke judgments of fairness at some point: At work people are concerned with the fairness of pay, at home couples are concerned with the fairness of household responsibilities, in school students are concerned with the fairness of grades, and in the marketplace consumers are concerned with the fairness of transactions. Acts of perceived unfairness in turn put tremendous pressure on relationships: Perceived fairness is a central element of maintaining relationships with others. Prior research has shown that perceptions of unfairness even in mundane activities such as allocation of household tasks are strongly related to marital conflict and marital dissatisfaction (Grote & Clark, 2001), and affect the structure and dynamics of people's relationships (Mikula, 2002). Thus, an important element of satisfactory consumer relationships with brands is the perceived fairness of the interactions with the brands. Clearly, consumers expect that brands will give them fair value and treat them fairly—a basic expectation that people also hold in their everyday social interactions.

Over fifty years of research on fairness has examined the major influences on fairness judgments. Research has found that the overall perception of fairness depends on the allocation of outcomes, or distributive fairness (Walster Elaine, Walster, & Berscheid, 1978), the procedures used to determine the allocation, or procedural fairness (Lind and Tyler, 1988), and the way people are treated during the interaction, or interactional fairness (Bies and Moag, 1986). Extensive research has also shown that situational and contextual factors systematically influence the meaning and importance of fairness. Thus, researchers have found moderating effects for factors such as gender (Hack & Lammers, 2009), culture (Li & Cropanzano, 2009), self-esteem (Weisenfeld, Swann, Brockner, & Bartel, 2007), personality (Shi, Lin, Wang, & Wang, 2009), regulatory focus (Brockner, De Cremer, Fishman, & Spiegel, 2008), group identification (Leung, Tong, and Lind, 2007), and status (Fragale, Rosen, Xu, & Meredith, 2009) among others.

Since different relationships result in different expectations about how people should interact with each other, these relationships also create different expectations about fairness (Poulson, 2005). Some relationships are primarily driven by self-interest and material gain; other relationships are based on mutual caring and trust. Although these two kinds of relationships have been given different labels in different streams of literature, we will follow Clark and Mills (1993) and call them *exchange* relationships and *communal* relationships respectively. These relationships differ in expectations about the fair distribution of resources and rewards. Fairness in exchange relationships is based on equity (Clark & Mills, 1993) or market price (Fiske, 1992). The key expectation is that personal costs or efforts are matched by

something of proportionate or greater value in return. By contrast, fairness in communal relationships is based on individual needs (Clark & Mills, 1993) and equality (Fiske, 1992). Recent research by Peters and van den Bos (2008) finds support for this relationship-based difference in the perception of 'what is fair'. People are more satisfied with being underpaid in a communal relative to an exchange relationship since they are more likely to value the needs of others in a communal relationship. As is clear from the illustrations just noted, previous research on fairness has identified a number of moderators of distributive fairness judgments. Less research, however, has examined the potential moderators of another important dimension of fairness: interactional fairness.

Lind and Tyler, 1988 argue that an important issue when dealing with others is the sense of self-respect acquired through dignified treatment, and Tyler (1994) shows that such relational concerns are an important aspect of fairness. This relational aspect of fairness, called interactional fairness, signals the social bonds that exist between members and groups, and refers to the way people are treated during an allocation process, for example, with courtesy and respect (Bies and Moag, 1986). The present research examines the influence of the type of relationship between a brand and its consumers on the consumers' responses to the degree to which the brand shows interactional fairness. More specifically, we propose that the type of relationship—communal versus exchange—will moderate the effect of interactional fairness in a consumer–brand context. A defining aspect of interactional fairness—concern for a partner—is an important factor in a communal but not in an exchange relationship. As such, we predict that consumers will be more sensitive to interactional fairness when they have a communal rather than exchange relationship with a brand partner. Further, we expect this difference in consumer response across communal versus exchange relationship to be particularly acute under low distributive fairness. Thus, consumers in a communal relationship with a brand will react more positively to unfavorable distributive outcomes if it is accompanied by high interactional fairness than by low interactional fairness; conversely, consumers in an exchange relationship with a brand will not exhibit a similar improvement in their response to unfavorable distributive fairness if it is accompanied by high interactional fairness than by low interactional fairness. This prediction qualifies prior findings by Skarlicki and Folger (1997) who note that Interactional Fairness matters more when someone has experienced an unfavorable outcome rather than a favorable outcome. By arguing that the beneficial effect of interactional fairness will be significant in a communal relationship but less so in an exchange relationship under unfavorable outcomes, this research proposes an important moderator of previous research findings.

Skarlicki and Folger (1997) also found that interactional fairness was not too consequential following a favorable outcome. We qualify this finding by showing that in exchange relationships interactional fairness, when coupled with a positive outcome, takes on a special meaning. People in an exchange relationship are primarily focused on the balance of inputs and outcomes, and a favorable outcome will generally be all that is expected. Consequently, high interactional fairness

on top of favorable distributive outcomes will result in consumer expectations being surpassed, and will have a positive effect for those in an exchange relationship. This research, thus, proposes an interesting reversal of the moderating effect of communal versus exchange relationship on interactional fairness: Under high distributive fairness, it is consumers in an exchange rather than communal relationship who show greater responsiveness to issues of interactional fairness.

Two studies tested the hypotheses being proposed here: Study 1 observed the differential effect of interactional fairness in communal versus exchange relationships in the context of low distributive fairness; Study 2 replicated this effect and, in addition, predicted and found an important reversal of the pattern under conditions of high distributive fairness. Study 1 also explored and found evidence for the role of perceived relationship norm violation in driving these effects. Our research contributes to the literature on fairness and on consumer behavior in multiple ways. First, we bring together two distinct streams of literature—fairness and relationships—in a consumer–brand context to deepen our understanding of brand relationships. Second, by providing evidence for the moderating effect of relationship types on interactional fairness, we contribute to the larger literature on fairness. Third, and most interestingly, this research provides evidence for the moderating effect of relationship type in two opposing ways: When experiencing an unfavorable outcome, consumers will respond more positively to increased interactional fairness in a communal than in an exchange relationship; in contrast, when experiencing a favorable outcome, consumers will respond more positively to increased interactional fairness in an exchange than in a communal relationship. Clearly, there are significant implications of this research both for academics interested in issues of fairness and for practitioners interested in issues of brand management.

In the next two sections we review prior research from the relationship and fairness literatures in greater depth.

### Norms of interpersonal relationships: communal vs. exchange

Prior research in social psychology distinguishes between relationships that are based primarily on economic factors and those that are based on social factors (Clark & Mills, 1993; Mills & Clark, 1982). These authors distinguish between *exchange* relationships and *communal* relationships depending on the appropriate norms for giving benefits to the partner. Exchange relationships are those in which a person provides a benefit to the partner with the specific expectation of receiving a comparable benefit in return. People are concerned with how much they receive in exchange for how much they have given, like to share rewards in proportion to each persons' inputs, and prefer to receive in-kind or monetary benefits for helping their partner. Relationships between strangers and people who interact for business purposes are often characterized by this type of relationship.

On the other hand, relationships in which people give benefits to others out of a concern for that person are termed communal relationships (Clark & Mills, 1993). In such relationships people focus on mutual support and take a perspective that transcends

emphasis on self-interest alone. People in communal relationships keep track of partner's needs rather than of inputs, share rewards based on needs, and prefer to receive no benefits or non-reciprocal benefits for helping their relationship partner. Most family relationships, romantic relationships and friendships fall in this category.<sup>1</sup>

The communal-exchange distinction can be readily seen in the context of real world brands, where some brands like ING Direct seem to be pursuing an exchange-like relationship with its customers by offering them savings opportunities with high returns and by telling them to “save your money.” By comparison, brands like State Farm endeavor to promote a communal relationship by promising to be “Like a Good Neighbor” who has a mission to help people, build relationships, and promote mutual trust. These are not stray examples: Leading brands such as Apple, Harley, Saab and Bronco have successfully cultivated ongoing communal relationships with their customers (Muniz & O'Guinn, 2001) while others like Wal-Mart, Costco, and Sears have built relationships by providing ‘value-for-money’ to their customers (Greenhouse, 2005).

We conducted a survey among 80 undergraduate students to validate some of these casual observations about perceived differences in consumer–brand relationships. A list of 30 well-known national and international brands was generated, and participants were asked to give their ratings, on a 1–7 scale (1 = Not at all, 7 = A whole lot), on the extent to which they thought each brand was a) concerned about their needs, b) concerned about making money from them, c) like a family member, and d) like a businessperson. These questions were designed to measure communal (items a and c) and exchange (items b and d) dimensions of the brands. A separate categorization of the same 30 brands was done by four independent expert judges who were familiar with the two relationship types as well as the different brands. This categorization resulted in eight brands (Disney, Google, MTV, Dove, Facebook, Whole Foods, Tim Horton's and Blue Jays) being categorized as communal brands, and another 17 brands (Walmart, Visa, Shell, McDonald's, Prada, Toyota, Best Buy, Citibank, Air Canada, Microsoft, Nike, Gap, Bell, Rogers, Kellogg's, and Lulemon) as exchange brands. For the remaining five brands (Apple, Barbie, Coke, Roots, and the University of Toronto) there was no consensus among the four judges, and hence were left out of further analysis.

The ratings of the 80 undergraduates were used to calculate an average score for each of the communal (concerned about needs; like a family member) and exchange (concerned about making money; like a businessperson) measures separately for the eight communal and 17 exchange brands. Paired comparisons showed that participants rated the communal brands significantly higher on concern for needs than on concern about making money ( $M_{Need}=4.50$ ,  $M_{Money}=4.21$ ;  $t(1, 79)=2.33$ ,  $p<.05$ ).

<sup>1</sup> Other researchers studying social relationships have made similar distinctions to that between exchange and communal. For example, Fiske (1992) distinguishes between relationships based on market pricing from those based on communal sharing and suggests that the former are governed by factors of proportionality (similar to the exchange relationships) whereas the latter are governed by consideration for others (similar to the communal relationships).

Further, the communal brands were rated significantly higher on being perceived as a family member than as a businessperson ( $M_{Family}=4.64$ ,  $M_{Business}=4.25$ ;  $t(1, 79)=2.19$ ,  $p<.05$ ). A similar analysis conducted for the aggregate scores for the 17 brands categorized as exchange brands showed that participants rated them significantly lower on concern for needs than on concern about making money ( $M_{Need}=4.32$ ,  $M_{Money}=5.12$ ;  $t(1, 79)=-5.36$ ,  $p<.0001$ ). Further, the exchange brands were rated significantly lower on being perceived as a family member than as a businessperson ( $M_{Family}=3.84$ ,  $M_{Business}=5.21$ ;  $t(1, 79)=-8.56$ ,  $p<.0001$ ). These results suggest that the general subject population sees the same relationship features for these brands as predicted by a conceptual analysis of brands conducted by experts familiar with the theoretical distinction between communal and exchange, and that many brands appear to project an image consistent with the communal or exchange distinction.

It is important to note that the difference between communal and exchange relationships goes beyond monetary aspects: The main distinction is based on the underlying motivation of showing concern for the partner versus receiving benefits from the partner. It is this difference in expectations about showing concern that underlies additional fairness judgments. The current research examines whether the influence of interactional fairness will be greater in a communal compared to an exchange relationship under conditions of low distributive fairness, and whether the pattern will reverse under conditions of high distributive fairness.

### Fairness and its three different constructs

Social interactions frequently involve judgments of fairness. A large amount of fairness research has focused on perceptions of *distributive* fairness, which is the intuitive assessment of outcomes as being fair or unfair. For example, prior work on equity theory (Adams, 1965) proposed that the central principle of fair allocation is that outcomes should be proportional to an individual's contributions. However, other allocation norms exist that can be appropriate at other times. Specifically, in some circumstances people regard equal allocations and allocations based on need as the most fair (Colquitt, 2001; Deutsch, 1973).

Perceptions of fairness, however, are not limited to the final resource allocation across individuals. Perceptions of fairness are also contingent on *procedural* fairness, which is the intuitive assessment of the fairness of the processes used to create allocations (Lind and Tyler, 1988). Some of the key features of fair procedures include having control over the allocation process and the final decision (Thibaut & Walker, 1975), and having final decisions made by an authority who acts consistently, without self-interest, and with full and accurate information (Leventhal, Karuza, and Fry, 1980).

Procedural fairness has also been analyzed as a relational construct—that is, as a signal of the social bonds between individuals and the groups they belong to. Lind and Tyler, 1988 argue that procedural fairness is important because it imparts feelings of individual self-respect. Bies and Moag, 1986 proposed that this relational aspect should be regarded as an independent dimension of fairness, and called it interactional

fairness. Essential elements of interactional fairness are truthfulness (Bies and Moag, 1986), friendliness, interest, honesty (Clemmer, 1993), and effort to resolve the conflict (Folkes, 1984; Mohr & Bitner, 1995).

Initially, research on procedural and interactional fairness was motivated by the desire to show that people care not only about distributive fairness but also about how the final allocation is made. Subsequent work has shown, however, that fairness judgments are often a complex function of both the final allocation and the processes underlying that allocation (for a review, see Brockner & Wiesenfeld, 1996). Findings across a variety of dependent measures suggest that people are largely insensitive to procedures when they receive favorable outcomes—they are satisfied regardless of the procedure. However, they are sensitive to procedures after receiving an unfavorable outcome: High procedural fairness leads to significantly higher satisfaction than does low procedural fairness. Put differently, people are significantly more sensitive to procedural fairness when facing unfavorable outcomes than when facing favorable outcomes. Greenberg (1987) suggests that this occurs because people need to make sense of the distributively unfavorable outcome, and therefore more closely scrutinize the degree to which the underlying processes could be blamed for the final outcome.

Skarlicki and Folger (1997) find a similar interaction effect between distributive fairness and interactional fairness. They note that interactional fairness matters more when someone has experienced an unfavorable outcome rather than a favorable outcome, and suggest that “cues about interpersonal insensitivity provide unique information to individuals when deciding whether to get even for low outcomes, thereby punishing an organization perceived blameworthy because of injustice” (p. 439). Faced with a negative outcome, high interactional fairness can cushion the blow and help salve the wounds; it can act as a partial substitute for the positive outcome. Conversely, low interactional fairness in combination with unfavorable outcome creates a double insult: The poor outcome is bad enough, and low interactional fairness aggravates the displeasure. On the other hand, when the outcome is positive, people may not resent the decision maker as much for low interactional fairness—at least the final result was fine! Similarly, high interactional fairness may improve the situation only marginally if the outcome itself is positive to start with.

Although the distinction between communal and exchange relationships has important implications for the norms of distributive fairness (e.g., equity vs. need; Peters & van den Bos, 2008), we propose that this distinction also has implications for the influence of interactional fairness on consumers' evaluation of a brand. Specifically, people in a communal relationship care for their partner and expect their partner to care for them. In the face of an unfavorable distributive outcome, people will look at how their partner has treated them to assess the partner's actual concern for them and whether their relationship is truly being governed by communal norms. In a consumer setting, high interactional fairness suggests to the recipient that even though the final outcome is poor at least the brand is genuinely concerned about them: interactional fairness and distributive fairness act as partial substitutes. Conversely, low interactional fairness in the face of a poor outcome shows callousness, and

suggests to the recipient that the decision maker cares little for them, if at all. Given that personal concern for the partner is a defining aspect of a communal but not an exchange relationship, it follows that the presence of interactional fairness would have a relatively large effect for cushioning the blow of an unpleasant outcome in a communal relationship, but significantly less so in an exchange relationship where overt signs of concern may be perceived as irrelevant or, even worse, as being insincere in the face of a poor outcome. As such, we qualify the earlier research by Skarlicki and Folger (1997) by noting that the beneficial effect of interactional fairness under unfavorable outcomes will be moderated by relationship type: The beneficial effect will be significant in a communal relationship but less so in an exchange relationship. As such, in Study 1 we examine whether the positive effect of interactional fairness on reactions to an unfavorable outcome will be greater in communal than in exchange relationships.

Skarlicki and Folger (1997) also found that interactional fairness was not important following a favorable outcome. We seek to replicate this pattern for communal relationships, but qualify the claim by proposing that interactional fairness significantly increases positive evaluations following favorable outcomes in exchange relationships. To elaborate, coupling interactional fairness with a positive outcome takes on a special meaning for consumers who have an exchange relationship with the brand. People in an exchange relationship are primarily focused on the balance of inputs and outcomes. The positive outcome is sufficient to complete the exchange, and is all that is expected. We propose that high interactional fairness in conjunction with a favorable outcome is seen as a signal of genuine concern since it is unnecessary and exceeds expectations and would thus lead to a significant positive effect on brand evaluations (Oliver, 1980). Conversely, for those in a communal relationship, high interactional fairness is expected and, hence, would not improve the positive evaluations in the face of a positive outcome to the same extent. Consequently, we expect that the effect of interactional fairness in the context of high distributive fairness will have a relatively greater effect for those in an exchange relationship than for those in a communal relationship. Study 2 uses a context of low as well as high distributive fairness to find evidence for a different pattern of moderation between relationship type and level of interactional fairness: Under high distributive fairness, it is consumers in an exchange rather than communal relationship who show greater responsiveness to issues of interactional fairness.

A key premise of this research is that it is the underlying norms of the relationship (communal vs. exchange) that make people differentially sensitive to issues of interactional fairness, which then results in differences in people's evaluation of the brand. Prior research has found that consumers' evaluations of brands are determined by perceived conformity to and violations of the norms that govern the particular consumer–brand relationship (Aggarwal, 2004). Norms of behavior are used by people to guide their own behavior as well as to evaluate the behavior of their relationship partner. Conformity to the norms reassures members about the relationship while a violation of the norms erodes the relationship. Consequently, we propose that the moderating effect of relationship type will be driven by the extent

to which interactional fairness signals a validation or negation of the underlying *raison d'être* for the relationship, which in turn depends on the degree to which the norms of a particular relationship are violated or upheld. Study 1 offers evidence for the critical role of norm violation by providing direct support for the mediating role of relationship norms.

It would be useful here to highlight an important aspect about the studies. Even though brands are typically associated with physical product offerings, we have taken the broader meaning of brands by using contexts in the two studies that relate to what people typically think of as service-brands. The primary reason to do this was to ensure that the scenarios that we present in the studies seem natural and credible since the primary focus of our research is in investigating issues related to interactional fairness, and because communality is known to be a key dimension of service relationships (Goodwin, 1996). For some categories, such as restaurants and banks, the product is delivered through interpersonal interaction. Many durable products, such as home appliances, computers, furniture, cars, shoes and even clothing offer service as a crucial part of the overall brand proposition. For other products such as those sold on the web, service may often relate to how customers are 'treated' online. Thus, although our studies are set in a 'service' context, we believe that the results also apply broadly to product brands as well, especially to those that depend on interaction with customers. The two studies are described next.

### **Study 1: The moderating role of relationship type and the mediating role of relationship norm conformity**

In this study, participants were first exposed to a brief description of a hypothetical auto service center designed to manipulate norms of either a communal or an exchange relationship. The participants then read about an instance of an unfavorable outcome in which a customer had his car serviced at the auto service center and later discovered a large scratch and dent in his car. When the customer complained about it, the service center refused to take any corrective action (the manipulation of unfavorable outcome). The unfavorable outcome was communicated in an encounter designed to elicit either a low or high level of interactional fairness. Interactional fairness was manipulated by varying the degree of respect and dignity shown towards the customer. We expected that participants in a communal relationship with the brand would be relatively more willing than those in an exchange relationship to overlook a poor distributive outcome when faced with high rather than low interactional fairness. Furthermore, given that communal relationships are based on an underlying concern for the partner, high (low) interactional fairness would be seen to be in conformity with (violation of) the norms of a communal relationship more than those of an exchange relationship. Consequently, we expected that this perceived conformity with (and violation of) relationship norms would mediate the effect of interactional fairness on participants' evaluations of the brand. Thus, we predicted that under conditions of unfavorable distributive outcomes:

**H1a.** Brand evaluations of participants in a communal relationship will increase more with increased interactional fairness than will the brand evaluations of participants in an exchange relationship.

In addition, Study 1 examined whether the difference in consumer response to high versus low levels of interactional fairness is driven by the extent to which the underlying norms of their relationship with the brand are violated or upheld. Thus, as a more direct test of the crucial role of relationship norms, it is expected that the interactive effect of relationship type and interactional fairness will be mediated by relationship norm conformity.

**H1b.** relationship norm conformity will mediate the effects predicted in H1a.

### *Design and participants*

The study was a 2 (relationship type: communal, exchange)  $\times$  2 (interactional fairness: low, high) between-participants design. Eighty-four undergraduate students from the University of Toronto participated in a 15-minute paper-pencil study for 1% bonus course credit.

### *Stimuli and procedure*

Participants were randomly assigned to one of two descriptions about a fictitious auto center, Bill's Auto Service, designed to prime norms of either communal or exchange relationship (see Appendix 1). Participants then responded to the relationship manipulation check questionnaire. Next, the fairness manipulation was administered. In the descriptions, the participants read about a customer getting her car serviced at this service station, and discovering later that the car had a dent and some scratches on it. The customer then complained to the service center but they refused to take any corrective action (low distributive fairness). To manipulate interactional fairness, the response from the service center was varied such that it was communicated with either a low or a high level of respect and dignity shown towards the customer. The fairness manipulation check questionnaire and the dependent variables about participants' evaluations of the restaurant were then administered. Finally, some basic demographic measures were taken and the participants debriefed and dismissed.

### *Manipulation checks*

#### *Relationship manipulation check*

Participants gave their ratings on eleven items, adapted from Aggarwal (2004), using a 1–7 scale with higher numbers indicating greater agreement. Of these, seven items assessed communal norms (e.g., they help you even if it is not good for business) and were combined into an aggregate Communal score. Participants also responded to four questions that assessed exchange norms (e.g., they sell you good products to make more money) combined into an aggregate Exchange score. High (low) ratings on the former and low (high) ratings on the latter would be consistent with the manipulation of communal (exchange)

relationship. As a further check of the effectiveness of the manipulation, participants were asked to personify their relationship with the service center by imagining Bill's auto service center to come alive, and rate the extent to which it was like a close friend, a family member, a business person and a merchant. High (low) ratings on the first two and low (high) ratings of the latter two would be consistent with communal (exchange) relationship. Finally, participants were administered three questions on Perceptions of Quality (product quality, service quality, perceived value), and one on perceived Positive Affect (positive but not necessarily warm feelings) as control measures.

Results show that the descriptions effectively manipulated the two relationship norms. Specifically, participants in the communal condition provided higher ratings on the seven-item Communal score ( $\alpha = .71$ ;  $M_{Communal} = 5.27$ ,  $M_{Exchange} = 4.78$ ;  $F(1, 78) = 7.30$ ,  $p < .01$ ) and lower ratings on the four-item Exchange score ( $\alpha = .67$ ;  $M_{Communal} = 5.10$ ,  $M_{Exchange} = 5.60$ ;  $F(1, 80) = 7.09$ ,  $p < .01$ ) than those in the exchange condition. Participants in the communal condition were also more likely than those in the exchange condition to see the auto center as a friend or a family member ( $M_{Communal} = 4.77$ ,  $M_{Exchange} = 4.01$ ;  $F(1, 79) = 4.98$ ,  $p < .05$ ) and less likely to see it as a businessperson or a merchant ( $M_{Communal} = 4.77$ ,  $M_{Exchange} = 5.62$ ;  $F(1, 81) = 10.85$ ,  $p < .01$ ). Finally, there were no differences across conditions on the three-item Perceptions of Quality ( $\alpha = .73$ ;  $M_{Communal} = 6.25$ ,  $M_{Exchange} = 6.04$ ;  $F(1, 82) = 2.07$ ,  $p > .10$ ), or on Positive Affect ( $M_{Communal} = 5.92$ ,  $M_{Exchange} = 5.78$ ;  $F(1, 82) < 1$ ).

### *Fairness manipulation check*

After the participants had read the description about the unfair interaction with the brand, they filled out a nine-item fairness manipulation check adapted from Colquitt (2001). Of these, five items tapped into interactional fairness (treated with dignity, treated with respect, treated politely, candid, refrain from improper comments), and four items tapped into distributive fairness (e.g., does the final outcome reflect what you paid), and combined into composite interactional fairness and Distributive Fairness scores respectively.

Analysis of the five-item combined interactional fairness score ( $\alpha = .96$ ) showed that the manipulation was successful with the participants' perception of interactional fairness being significantly greater in the high relative to the low interactional fairness condition ( $M_{High} = 5.71$ ,  $M_{Low} = 1.71$ ,  $F(1, 80) = 523.14$ ,  $p < .001$ ). Further, participants' evaluation across the two interactional fairness conditions was also significantly different on the four-item combined Distributive Fairness score ( $\alpha = .80$ ;  $M_{High} = 2.13$ ,  $M_{Low} = 1.47$ ,  $F(1, 80) = 11.76$ ,  $p < .001$ ). However, the effect size for the non-manipulated factor (Distributive Fairness) was considerably smaller ( $\eta^2 = .12$ ) than the effect size for the manipulated factor (interactional fairness) ( $\eta^2 = .86$ ). Thus, the manipulation was successful with no confounding (Perdue & Summers, 1986). Finally, the correlation between the two measures of fairness was relatively low ( $r = .30$ ), and consistent with previous research (Colquitt, 2001;

Skarlicki & Folger, 1997), giving us further confidence in the success of the fairness manipulation.

### Dependent variables

As the main dependent variables, three items tapped into participants' evaluation of the auto service center (dislike-like, dissatisfied-satisfied, unfavorable-favorable). In addition, participants responded to three items about intended future usage of the auto service center (use it again, complain about the auto service center (reversed), praise the auto service center). These six items were combined to form an Overall Evaluation score.<sup>2</sup> All items were administered on a 1–7 scale. In order to test the mediating role of relationship norm conformity, the participants were also asked three questions that measured the extent to which the brand's action was seen to be in keeping with what was deemed 'right' and expected in the particular relationship (fulfilled promises, met expectations, behaved appropriately) to form a composite Relationship Norm Conformity score.

## Results

### Overall Evaluation

Analysis of the six-item Overall Evaluation score ( $\alpha = .80$ ) shows that the main effect of relationship type was significant with the evaluation being more positive for participants in the communal than in the exchange relationship condition ( $M_{Communal} = 2.71$ ,  $M_{Exchange} = 2.27$ ;  $F(1, 79) = 5.58$ ,  $p < .05$ ). The main effect of interactional fairness was also significant, with participants evaluating the auto center more positively at the higher level of interactional fairness ( $M_{High} = 2.94$ ,  $M_{Low} = 2.02$ ;  $F(1, 79) = 24.26$ ,  $p < .001$ ). Importantly, the two-way interaction of relationship type  $\times$  interactional fairness was significant with participants in the communal relationship condition relative to those in the exchange relationship condition evaluating the brand more positively when faced with high rather than low interactional fairness ( $F(1, 79) = 5.34$ ,  $p < 0.05$ ; see Fig. 1A).

Contrast analysis revealed that, relative to the participants who have an exchange relationship with the auto center, those with a communal relationship had a more positive evaluation of the brand when interactional fairness was high ( $F(1, 79) = 10.75$ ,  $p < .01$ ). However, participants' evaluations of the brand in the communal and exchange relationship conditions were not significantly different when interactional fairness was low ( $F(1, 79) < 1$ ). These results suggest that the significant interaction of relationship type and interactional fairness was driven primarily by the relatively more positive evaluations by participants who had a communal relationship with the brand in the high interactional fairness condition. Thus, H1a is supported.

<sup>2</sup> Separate analysis of these measures of brand evaluations and future intentions revealed identical pattern. For the sake of brevity, all six items are being combined and the results for the combined score reported here and in the next study.

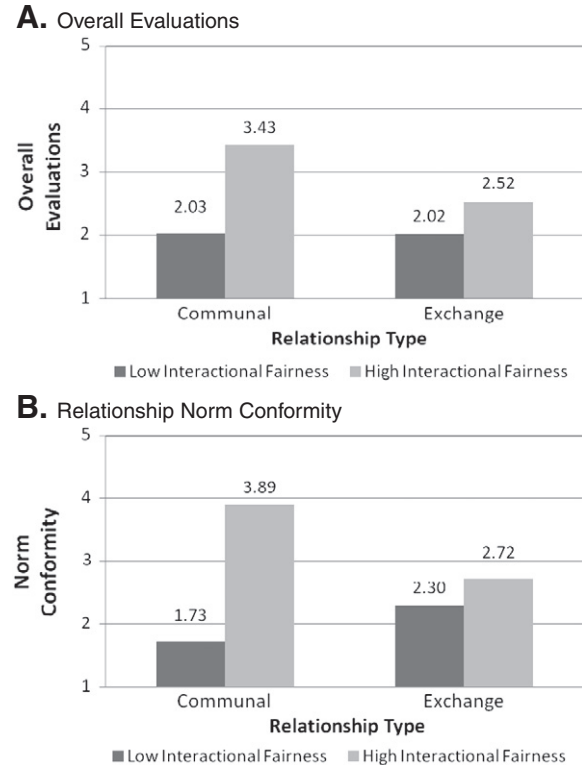


Fig. 1. Study 1 results for Overall Evaluations and Relationship Norm Conformity. Overall, the 2-way interaction of Relationship Type (Communal, Exchange) and Interactional Fairness (Low, High) is significant for Overall Evaluations as well Norm Conformity score.

### Mediation analysis

To perform the mediation analysis, the three-item Relationship Norm Conformity score ( $\alpha = .85$ ) was first run as a dependent variable with relationship type and interactional fairness as the two independent variables. Results show that the main effect of relationship type was not significant ( $M_{Communal} = 2.75$ ,  $M_{Exchange} = 2.69$ ;  $F(1, 79) < 1$ ). However, the main effect of interactional fairness was significant with participants perceiving greater norm conformity at higher levels of fairness ( $M_{High} = 3.30$ ,  $M_{Low} = 2.15$ ;  $F(1, 79) = 17.92$ ,  $p < .001$ ). Further, the interaction effect of relationship type and interactional fairness was also significant with participants in the communal relationship condition perceiving greater conformity to relationship norms relative to those in the exchange relationship condition when facing high rather than low levels of interactional fairness ( $F(1, 79) = 10.04$ ,  $p < .01$ ; see Fig. 1B).

Next, as suggested by Baron and Kenny (1986), all the relevant regression models were run with the Overall Evaluation score as the dependent variable. Results show that the variance accounted for by the previously significant interaction of relationship type and interactional fairness ( $Beta = -.22$ ,  $p < .05$ ) became non-significant ( $Beta = -.07$ ,  $p > .40$ ) when Relationship Norm Conformity was included in the regression (see Fig. 2). Sobel's test showed significance, indicating that the mediation was complete

( $t$ -statistic =  $-2.66$ ;  $p < .01$ ). Overall, the results provide support for the mediating role of Relationship Norm Conformity on consumers' Overall Evaluation score. H1b is supported.

## Discussion

The results of Study 1 find evidence for the interactive effect of relationship type and interactional fairness under conditions of low distributive fairness. Specifically, these results suggest that consumers who have a communal relationship with a brand are more likely to evaluate the brand positively in the face of low distributive fairness under conditions of high interactional fairness; conversely, consumers in an exchange relationship do not attach the same special significance to higher levels of interactional fairness, and as a result their evaluations of the brand do not improve comparably.

Although the prediction about the differential effect of interactional fairness on consumer evaluations across the two relationship types was based on the differences in the underlying norms guiding the two relationships, an important goal of Study 1 was to directly test the extent to which consumer evaluations were driven by the perceived conformity to or violation of the underlying relationship norms. The results of a mediation analysis showed that consumers in a communal relationship perceived the brand to be upholding the relationship norms when it treats them well, but perceived the brand to be violating relationship norms when it treats them badly. Issues of interpersonal treatment are fundamentally tied to communal relationship norms, but are less relevant to exchange relationship norms. Consequently, the effects of high versus low levels of interactional fairness on the brand evaluations are relatively muted in an exchange relationship. The results of this study are important since they show that brand evaluations are determined by the underlying motivations of why partners interact with each other and what their expectations are of their partner in a communal versus exchange relationship. Overall, these results provide support for the mediating role of Relationship Norm Conformity in consumers' brand evaluations.

The results of Study 1 find that the effect of interactional fairness varies across communal and exchange relationships under conditions of low distributive fairness. Specifically, we found that for communal participants, there was a significant effect of interactional fairness when outcomes are unfavorable, since high interactional fairness acts as a sort of compensation

for a poor outcome. The signal of concern for the partner embedded in high interactional fairness is crucial in a communal relationship, and helps to mute the negative effect of poor outcome. interactional fairness, however, has a smaller effect in exchange relationships. Words alone are insufficient to assuage the pain of poor consequences and may, in fact, even feel insincere.

In Study 2, we test the interaction between interactional fairness and relationship type in the context of a favorable distributive outcome. We predict that the pattern observed for an unfavorable outcome in Study 1 will be reversed: interactional fairness will make a larger difference in exchange relationships than in communal relationships. High interactional fairness in the face of a favorable outcome goes above and beyond the expectations set by the exchange norms: The consumer cares primarily about the favorable distributive outcome and that alone would have sufficed for the exchange to occur. For exchange-oriented consumers, high interactional fairness on top of a favorable outcome is unexpected and will be seen as a surprisingly genuine act of geniality, thereby exceeding consumer expectations and resulting in a significant positive effect on brand evaluations (Oliver, 1980). Interestingly, consumers in a communal relationship expect to be always treated well, and would not attach the same level of special significance to high interactional fairness in the face of a favorable outcome, resulting in a lower likelihood of a similar bump in their evaluations. Study 2 examined this interesting reversal of the moderating effect of interactional fairness.

In addition, Study 2 also addressed one potential limitation of Study 1. In Study 1, the main dependent variables were administered subsequent to the administration of the manipulation check questionnaires. It is possible that this might have somehow influenced the results that we observed by potentially making the manipulations stronger, or by making the participants partially aware of the underlying premise being examined. Thus, in Study 2 we asked the manipulation questions of a separate group of participants recruited from the same participant pool.

## Study 2: Reversing the interaction effect of relationship type and interactional fairness

Study 2 was designed to test for a three-way interaction of relationship type, interactional fairness and distributive fairness on consumers' evaluations. We expected this three-way interaction to be driven in part by consumers in a communal

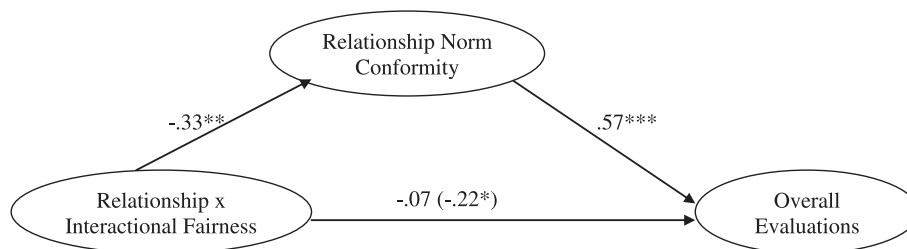


Fig. 2. Study 1 results showing the Mediating Role of Relationship Norms on Overall Evaluations. Note. Numbers on paths are standardized coefficients. The total effect between the predictor and the criterion (i.e., before controlling for the mediator) is given in parentheses; the direct effect (i.e., after controlling for the mediator) is given outside the parentheses.  $*p < .05$ .  $**p < .001$ .  $***p < .0001$ .



relationship being more responsive to different levels of interactional fairness when facing unfavorable distributive outcomes, thereby replicating the effects observed in Study 1. Furthermore, we expected that this pattern would change when consumers faced favorable distributive outcomes. Specifically, we predicted that consumers in an exchange relationship would be relatively more responsive to different levels of interactional fairness when facing favorable distributive outcomes. That is, the moderating role of relationship type on the effect of interactional fairness on brand evaluations would be significant for both favorable and unfavorable outcomes separately, but in opposite directions.

Stated differently, we predicted that communal consumers would put relatively more weight on the changes in interactional fairness at low rather than high level of distributive fairness since interactional fairness is especially informative about the underlying motivation of the communal partner when the outcome is bad. We expected the opposite pattern for consumers in an exchange relationship. Because people in an exchange relationship are primarily focused on the balance of inputs and outcomes, the favorable outcome is sufficient to complete the exchange. Thus, we expected that exchange consumers would be more responsive to interactional fairness in the high rather than low distributive fairness condition since concern shown by the partner exceeds expectations and suggests sincere caring. Hence the following hypotheses are proposed:

**H2a.** The brand evaluations of participants in a communal brand relationship will increase more with increased interactional fairness when the distributive outcome is low than when it is high.

**H2b.** The brand evaluations of participants in an exchange brand relationship will increase more with increased interactional fairness when the distributive outcome is high than when it is low.

### *Design and participants*

The study was a  $2 \times 2 \times 2$  design with relationship type (communal, exchange), Distributive Fairness (high, low) and interactional fairness (high, low) as the between-participants conditions. One hundred and fifty-six undergraduate students from the University of Chicago volunteered for this 15-minute study, and were given \$5.00 as compensation.

### *Stimuli and procedure*

Participants were randomly assigned to one of two descriptions about a fictitious takeout restaurant designed to manipulate exchange and communal relationship norms (see Appendix 2). The participants then read about an interaction with the restaurant aimed at eliciting perceptions of distributive and interactional (un)fairness. In particular, the scenario described a consumer who had ordered some food from the restaurant and received something that was too spicy to be eaten. On complaining, the consumer either got a full refund or no compensation (manipulation of high-low distributive fairness). In addition, the response from the restaurant was communicated either very politely, respectfully and demonstrating concern or very rudely,

disrespectfully and demonstrating no concern for the consumer (manipulation of high-low interactional fairness). Next, the six-item measure of participants' overall evaluations as used in Study 1 was administered. Finally, the participants were debriefed and dismissed.

## **Results**

### *Manipulation check—control group*

A separate control group of 199 participants was run to assess the effectiveness of the relationship and the fairness manipulations. The relatively large sample size for the control group was recruited to ensure that we had a) a reasonable number of participants in each of the eight different conditions, and b) a sample size that was generally comparable to the main study. Participants were first exposed to either communal or exchange relationship scenarios and were then administered the same relationship manipulation check questionnaire as in Study 1. Further, participants were asked to imagine the restaurant coming alive, and rate the extent to which it was like a close friend, a family member, a businessperson and a merchant. In addition, three questions about participants' Perceptions of Quality and one about their perceived Positive Affect were the same control measures as used in Study 1.

Results indicated that the two descriptions effectively manipulated the relationship norms. Specifically, relative to participants in the exchange condition, those in the communal condition had a higher Communal score ( $\alpha = .79$ ;  $M_{Communal} = 4.96$ ,  $M_{Exchange} = 4.59$ ;  $F(1, 193) = 7.74$ ,  $p < .01$ ), and a lower Exchange score ( $\alpha = .70$ ;  $M_{Communal} = 5.29$ ,  $M_{Exchange} = 5.57$ ;  $F(1, 195) = 5.16$ ,  $p < .05$ ). Results also showed that participants in the communal condition were more likely than those in the exchange condition to see the restaurant as a friend or a family member ( $M_{Communal} = 4.86$ ,  $M_{Exchange} = 4.45$ ;  $F(1, 189) = 4.05$ ,  $p < .05$ ), and less likely to see it as a businessperson or a merchant ( $M_{Communal} = 4.68$ ,  $M_{Exchange} = 5.29$ ;  $F(1, 196) = 12.87$ ,  $p < .001$ ). Analysis of the control questions indicated no difference across conditions on participants' Perceptions of Quality ( $\alpha = .81$ ;  $M_{Communal} = 6.03$ ,  $M_{Exchange} = 6.07$ ;  $F(1, 196) < 1$ ), or on Positive Affect ( $M_{Communal} = 5.53$ ,  $M_{Exchange} = 5.56$ ;  $F(1, 195) < 1$ ), reducing their plausibility as alternative explanations.

After the participants had read the description about the particular interaction with the brand, they filled out the 9-item fairness manipulation check as the one used in Study 1. Of these, four items tapped into distributive fairness and five items tapped into interactional fairness and were combined into composite Distributive Fairness and interactional fairness scores respectively. Analysis of the five-item interactional fairness score ( $\alpha = .93$ ) showed that the participants' perception of interactional fairness was significantly different across the two interactional fairness conditions ( $M_{High} = 5.96$ ,  $M_{Low} = 3.30$ ;  $F(1, 189) = 286.41$ ,  $p < .001$ ) but not different across the two relationship conditions ( $M_{Communal} = 4.59$ ,  $M_{Exchange} = 4.68$ ;  $F(1, 189) < 1$ ). Further, participants' perceptions were also significantly different across the two interactional fairness

conditions on the four-item combined Distributive Fairness score ( $\alpha = .95$ ;  $M_{High} = 4.38$ ,  $M_{Low} = 3.41$ ;  $F(1, 190) = 21.02$ ,  $p < .001$ ). However, the effect size for Distributive Fairness score was considerably smaller ( $\eta^2 = .10$ ) than the effect size on interactional fairness score ( $\eta^2 = .60$ ). Thus the manipulation was considered successful with no confounding (Perdue & Summers, 1986).

A similar analysis was done for the distributive fairness manipulation check. Results showed that the participants' Distributive Fairness score was significantly different across the two distributive fairness conditions ( $M_{High} = 4.80$ ,  $M_{Low} = 2.98$ ;  $F(1, 190) = 74.70$ ,  $p < .001$ ) but not across the two relationship conditions ( $M_{Communal} = 3.71$ ,  $M_{Exchange} = 4.08$ ;  $F(1, 190) = 3.07$ ,  $p > .05$ ). Further, participants' perceptions were significantly different across the two distributive fairness conditions on the five-item interactional fairness score ( $M_{High} = 4.96$ ,  $M_{Low} = 4.31$ ;  $F(1, 189) = 18.00$ ,  $p < .001$ ). However, the effect size on interactional fairness score was considerably smaller ( $\eta^2 = .08$ ) than the effect size on Distributive Fairness score ( $\eta^2 = .28$ ). Thus the manipulation was considered successful with no confounding (Perdue & Summers, 1986). None of the two-way or three-way interactions for these two scores were significant.

It is noteworthy that the correlation between Distributive Fairness and interactional fairness scores was moderate ( $r = .50$ ), and similar to that reported in prior research (Colquitt, 2001; Skarlicki & Folger, 1997). This suggests that the manipulations were successful.

### Overall Evaluation

As before, we combined the six items designed to measure brand evaluations and future intentions into one Overall Evaluation score ( $\alpha = .92$ ). A three-factor ANOVA conducted on this Overall Evaluation score indicated that the main effect of relationship type was not significant ( $M_{Communal} = 4.97$ ,  $M_{Exchange} = 4.96$ ;  $F(1, 152) < 1$ ). The main effect of Distributive Fairness was significant ( $M_{High} = 5.32$ ,  $M_{Low} = 4.61$ ;  $F(1, 152) = 23.62$ ,  $p < .001$ ), as was the main effect of interactional fairness ( $M_{High} = 5.97$ ,  $M_{Low} = 3.97$ ;  $F(1, 152) = 206.13$ ,  $p < .001$ ) with participants assessing the brand more positively under high rather than under low fairness conditions. None of the two-way interactions were significant. However, as hypothesized, the three-way interaction of relationship type  $\times$  Distributive Fairness  $\times$  interactional fairness was significant ( $F(1, 152) = 11.85$ ,  $p < .01$ ; see Fig. 3).

As stated before, in keeping with H2a, it was expected that participants in a communal relationship would be relatively more responsive to issues of interactional fairness under conditions of low rather than high distributive fairness. Similarly, in keeping with H2b, it was expected that participants in an exchange relationship would be relatively more responsive to issues of interactional fairness under conditions of high rather than low distributive fairness. In order to directly test these two hypotheses, a number of contrast analyses were run. As expected, results showed that the interaction between interactional fairness and Distributive Fairness was significant for communal participants ( $F(1, 149) = 3.43$ ,  $p < .05$ ). Further

analysis showed that this interactive effect was driven primarily by the significant increase in the Overall Evaluation score when Distributive Fairness changed from low to high in the low interactional fairness condition ( $M_{High} = 4.45$ ,  $M_{Low} = 3.23$ ;  $F(1, 149) = 13.66$ ,  $p < .001$ ) but not in the high interactional fairness condition ( $M_{High} = 6.26$ ,  $M_{Low} = 5.91$ ;  $F(1, 149) = 1.64$ ,  $p > .20$ ). Put differently, as hypothesized, there was a greater increase in the Overall Evaluation score when interactional fairness changed from low to high in the low Distributive Fairness condition ( $M_{High} = 5.91$ ,  $M_{Low} = 3.23$ ;  $F(1, 149) = 64.53$ ,  $p < .0001$ ) than in the high Distributive Fairness condition ( $M_{High} = 6.26$ ,  $M_{Low} = 4.45$ ;  $F(1, 149) = 31.36$ ,  $p < .0001$ ). H2a was supported.

Results of a similar contrast analysis done for consumers who had an exchange relationship with the brand showed that, as expected, the interaction between interactional fairness and Distributive Fairness was significant ( $F(1, 149) = 5.18$ ,  $p < .01$ ). Further analysis showed that this interactive effect was driven primarily by the significant increase in the Overall Evaluation score when Distributive Fairness changed from low to high in the high interactional fairness condition ( $M_{High} = 6.36$ ,  $M_{Low} = 5.28$ ;  $F(1, 149) = 11.08$ ,  $p < .001$ ) but not in the low interactional fairness condition ( $M_{High} = 4.11$ ,  $M_{Low} = 4.07$ ;  $F(1, 149) < 1$ ). Put differently, as hypothesized, there was a greater increase in the Overall Evaluation score when interactional fairness changed from low to high in the high Distributive Fairness condition ( $M_{High} = 6.36$ ,  $M_{Low} = 4.11$ ;  $F(1, 149) = 47.86$ ,  $p < .0001$ ) than in the low Distributive Fairness condition ( $M_{High} = 5.28$ ,  $M_{Low} = 4.07$ ;  $F(1, 149) = 13.69$ ,  $p < .0001$ ). H2b was supported.

### Discussion

Study 2 was designed to replicate the key findings of Study 1 for conditions of low distributive fairness and to explore whether relationship norms had a systematically different pattern for conditions of high distributive fairness. Results of this study showed that consumers in a communal relationship with a brand show greater responsiveness to changes in interactional fairness when facing low rather than high distributive fairness. Under conditions of low distributive fairness, high interactional fairness reassures them about the underlying communal nature of their relationship while low interactional fairness signals the erosion of the concern and care which is

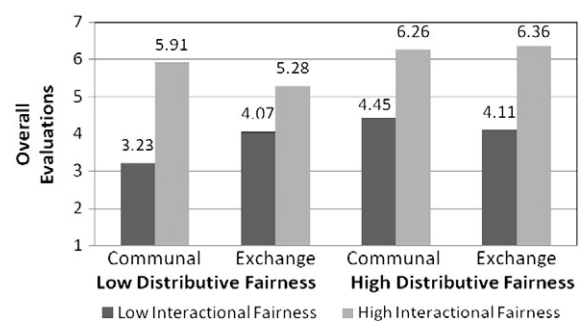


Fig. 3. Study 2 results for Overall Evaluations.

critical in a communal relationship. Conversely, for consumers who have an exchange relationship with the brand, high interactional fairness means little if distributive fairness is low, resulting in a relatively muted improvement in brand evaluations. However, if distributive fairness is high, high interactional fairness is unexpected and goes beyond what the norms of an exchange relationship would suggest, resulting in a relatively greater improvement in brand evaluations. This result is consistent with prior research that finds a positive effect of exceeding expectations on consumer satisfaction (Diehl & Poyner, 2010; Oliver, 1980). The expectations set by the exchange relationship norms are surpassed when high interactional fairness accompanies high distributive fairness resulting in significantly higher brand evaluations.

In summary, this study found a key moderator of the effect of relationship types on consumer responses to high versus low level of interactional fairness by highlighting the importance of interactional fairness in exchange relationships under high distributive fairness. The overall pattern for exchange relationships qualifies the findings of Skarlicki and Folger (1997) that interactional fairness influences fairness judgments more in response to unfavorable (compared to favorable) distributive outcomes. Our results suggest that this pattern holds for a communal relationship, but reverses for an exchange relationship.

### Implications and future directions

This research has examined the impact of relationship type on consumers' evaluations of the brand in the face of an unfair brand action. Results of two different studies found that consumers in communal and exchange relationships are sensitive to different aspects of fairness. When faced with low distributive fairness, consumers in a communal relationship are more responsive to issues of interactional fairness than are those in an exchange relationship, and these differences are driven by differences in perceived conformity to underlying relationship norms. Further, consumers in an exchange relationship are more sensitive to interactional fairness under conditions of high rather than low distributive fairness—opposite to the pattern observed for consumers in communal relationships. This research, thus, finds evidence for the moderating role of distributive fairness on the interactive effect of Relationship Type (communal vs. exchange) and interactional fairness, and suggests that the effects occur because interactional fairness varies in the extent to which it conforms to the norms underlying the two relationship types.

Clearly, issues of perceived unfairness are of crucial value to marketers who are forever endeavoring to develop programs to retain their current customers and improve perceptions of service delivery. Surprisingly, however, there is little academic research providing marketers with tools for better managing issues of perceived unfairness. The insights from the present research using a relational framework in a consumer–brand context attempts to fill that gap in the literature.

The findings of this research have some interesting implications for future investigation. First, this research highlights the

important role of norms of relationship and underscores the value of complying with relationship-appropriate norms. In keeping with recent work on trust repair and trust violation (Kim, Dirks, Cooper, & Ferrin, 2006), we think that relationship norms can play a crucial role in a better understanding of conditions that lead to an initial breach of trust and its subsequent repair, especially on the attribution of blame in response to different types of apology offered by a brand.

Second, given that relationships, by definition, imply multiple interactions, one might examine the consequence of different sequences of fair and unfair interactions. Do consumers keep a running total of fair and unfair interactions with a brand over time? At what point is the cumulative total of transgressions held against a communal partner, for whom it is a stronger norm violation, than against an exchange partner? Are transgressions forgiven at different rates in communal and exchange relationships? Future longitudinal studies examining the sequences of fair and unfair interactions across different relationship types would be very illuminating.

Finally, this work highlights the importance of complying with relationship norms in the context of a consumer–brand relationship. The importance of upholding the rules of a relationship should arguably also extend to interpersonal interactions. It would be worthwhile to examine how these effects observed in the context of fairness generalize to an interpersonal context.

This research has some important managerial implications: The 'right' response to correct a brand's transgression depends on the type of relationship it has with its consumers. Managers need to understand that refunds are not necessarily the only means to correct a bad outcome. For some consumers, an effective way to make good a wrong is a genuine apology for the mistakes committed. This, of course, may suggest some Machiavellian strategies for marketers who might want to cut down costs by substituting monetary compensation with letters of apology. However, a word of caution might be in order here. If the apology is not perceived to be a genuine expression of concern, supported by consistent later behavior, it is likely to violate the underlying relationship norms. And, the entire relationship itself might be jeopardized.

### Appendix 1. Study 1 scenario descriptions for manipulation of Relationship Norms and interactional fairness levels

#### *Priming of Exchange Relationship Norms*

Bill's Auto Service Station is located a few blocks from where you live. Bill's Auto provides a wide range of services for a variety of car brands. You have used Bill's Auto Service Station ever since you bought your car a couple of year ago. You go there every two months or so to get your car serviced. The service quality at Bill's Auto Station is very good and you have always been very satisfied. The salespeople as well as the service staff are all very well trained and are highly knowledgeable. In fact, you have never been disappointed with the quality at Bill's Auto Station. You can see that Bill's Auto Service Station is a very well managed professionally

run organization where the motto seems to be to provide high product and service quality to ensure that customers come back with their business, in fact, more of it. They know that they depend on their customers for business, and try their best not to give customers any reason to complain. More importantly, you believe that they will not try and make undue money off you since they know that you will pay a lot more as a long-term customer. For all this service and quality, Bill's Auto Service Station takes what is their fair share—a price that is slightly more than what other service stations might charge. However, since you know that you are getting what you pay for, you don't mind paying these high prices. In the end, you know that it turns out to be an even trade—you get high quality products and service, and they get paid well for it. To you, Bill's Auto Service Station is like an ideal business partner—prompt, efficient and good value for money. And of course, the combination of good products and a nearby location makes the place quite unbeatable.

#### *Priming of communal relationship norms*

Bill's Auto Service Station is located a few blocks from where you live. Bill's Auto provides a wide range of services for a variety of car brands. You have used Bill's Auto Service Station ever since you bought your car a couple of year ago. You go there every two months or so to get your car serviced. They have served you very well in the past and make sure that you leave the station with a smile on your face. The sales and service people are not just very friendly but take the extra effort to understand what you need to give you the best service possible. You are clearly more than just another customer to them. You never feel that they are trying to sell you more—instead they seem to be genuinely interested in helping you out each time, and have sometimes even suggested that you not get some parts changed in the car even though it would have meant money for them. Bill's Auto Station has always felt very warm and comforting. Whenever you go there, you get the same feeling as you get when you visit a close friend who you are very fond of. In fact, you can see that they genuinely care about you. Not only do they know you by your first name, they are also interested in knowing you better. You are surprised at how much you are willing to tell them about yourself. To you they are more like a caring friend and over time you have become quite fond of them. You would hate it if they were ever to go out of business. Even though their prices are a bit high, you don't mind paying them since your interaction with them is beyond just money. Of course, the combination of great products, caring people and a convenient location makes the place quite unbeatable.

#### *Manipulation of interactional fairness*

Imagine that recently you had gone to Bill's Service Station to get the regular oil-change in your car. In addition, you wanted them to rotate the tires and to check for other things in order to make the car ready for the winter road conditions. When you went back to pick up the car in the evening, you

were told that the car was ready. As you were getting into the car, you noticed that the back of the car had a big dent and had been freshly scratched in at least a dozen places just above the rear bumper. You went back into the office to talk to them about it.

#### *Low*

When you went to the office and told them about the problem, they appeared extremely unconcerned. In fact they continued doing their work on the computer and kept you waiting for a long time. As soon as they heard about the damage, they told you that it was impossible that any damage could take place at their end even before you could give them any details. They said that you should not try to pass off this damage to them, and clearly implied that you were lying about the damage occurring at their service station. When you tried to reason with them about it, they got angry and irritated. They said that they had a lot of work and did not have any time to waste. They told you to take your car and go since there was nothing that could be done at their end.

#### *High*

When you went to the office and told them about the problem they appeared to be extremely concerned and said that they were very sorry that such a thing should have happened. They immediately went to the car to see the extent of the damage for themselves. They told you that they would do whatever they possibly could to resolve the issue. They immediately spoke to the manager about it. The manager himself seemed very concerned, and apologized to you for the inconvenience. He said that for such issues the decision was eventually made at the head office, but they will do whatever they can to help. You could see that everyone there was genuinely trying very hard on your behalf. Eventually, after trying for a long time and trying to persuade the head office, the manager told you that they were extremely sorry, but there was nothing that could be done to help you with the problem.

### **Appendix 2. Study 2: scenario descriptions for manipulation of Relationship Norms and Distributive and interactional fairness**

#### *Priming of Exchange Relationship Norms*

Joe's Takeaway is located a few blocks from where you live. You order out from there regularly both on weekdays as well as weekends. You really enjoy their food—they have a large choice, and their service is very prompt too. You believe that the place provides you more than a fair value for your money and in fact it is worth every penny spent. They know that it makes for good business to treat their customers well. The people there are courteous and provide good service to you. On your part, you try to compensate the employees by giving them a decent tip whenever they deliver the food. You tend to think of Joe's Takeaway as an ideal business partner—wide

variety, efficient service and someone who will never cheat you for short-term gains. Of course, the combination of good food and a nearby location makes the place quite unbeatable. Their prices are a bit above the average, but so is their food, service and selection—it seems like an even exchange to you. Each time you order out from Joe's Takeaway you appreciate them even more.

#### *Priming of communal relationship norms*

Joe's Takeaway is located a few blocks from where you live. You order out from there regularly both on weekdays as well as weekends. You really enjoy going there—they have a large choice, the food is great and the people are really nice. Whenever you order out from there, you feel special—not just any regular customer. They understand your needs and always make that extra effort. Sometimes when you don't order from them for a while you start to miss them. And the feeling must be mutual since they always seem happy to hear back from you. They genuinely seem to care about you and you too are fond of them. It would be a sad day if they were ever to close the place up. You have been ordering out from there for so long that you have started to take them for granted—they will be there whenever you need them. Of course, the combination of great food, prompt service and convenience makes it quite unbeatable. Their prices are a bit above the average, but to you the interaction is beyond just money. Each time you visit Joe's Takeaway you appreciate them even more.

#### *Priming of fairness*

Now imagine that one day you ordered some food from Joe's Takeaway. You asked for and got the meal you regularly ordered. However, this time around the food was really very spicy and hot. You ate most of it, but after a while you couldn't eat anymore. You were not really upset but decided that you should tell them about it in any case.

#### *interactional fairness high, Distributive Fairness (low) [high]*

When you called them on the phone they attended to you promptly, and were very polite. They took the extra time to try to understand the problem. And they seemed genuinely concerned. After they had heard you, they thanked you for calling them, and said that they were sorry that you did not enjoy the meal that night. (They said that they did not know what went wrong but since you had eaten most of the food, there was very little they could do about it now). [They said that they did not know what went wrong but they would offer a 100% refund on the amount you had paid for the meal].

#### *interactional fairness low, Distributive Fairness (low) [high]*

When you called them on the phone they made you wait a while when they realized that you were not calling to order more food. They did not take the time to understand your problem, and in fact sounded irritated with you. After you had finished, they

said that the food was made the same way as before and that none of the other customers had any problems with the food that night. (They said that they did not know what went wrong but since you had eaten most of the food, there was very little they could do about it now). [They said that even though they did not know what went wrong they would offer a 100% refund on the amount you had paid for the meal].

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