Consumer Alienation by Brands:

Examining the Roles of Powerlessness and Relationship Types

by

Preeti Krishnan

A Thesis submitted to the Faculty of Graduate Studies of

The University of Manitoba

in partial fulfilment of the requirements of the degree of

DOCTOR OF PHILOSOPHY

I.H. Asper School of Business

Department of Marketing

University of Manitoba

Winnipeg

THE UNIVERSITY OF MANITOBA

FACULTY OF GRADUATE STUDIES
*****
COPYRIGHT PERMISSION

Consumer Alienation by Brands: Examining the Roles of Powerlessness and Relationship Types

BY

Preeti Krishnan

A Thesis/Practicum submitted to the Faculty of Graduate Studies of The University of

Manitoba in partial fulfillment of the requirement of the degree

Of

Doctor of Philosophy

Preeti Krishnan © 2008

ABSTRACT

This research examines the construct of *alienation* within the domain of consumer-brand relationships. The specific aspect of *powerlessness* within this construct—i.e., felt helplessness—is investigated. The central propositions tested within three sets of laboratory experiments centre on finding a greater sense of exclusion amongst those that feel powerless in influencing brand decisions. The impacts on consumer attitudes, behavioral intentions, and relationship transformation are studied. This research demonstrates that as perceived power of consumer declines, magnitude of alienation increases, along with other negative consequences for the brand, including relationship transformation of consumers from communal to exchange. The research also explores how positive treatment meted out to consumers as well as an offer of apology by the service provider could help reduce some of the fallouts of alienation while helping build stronger consumer-brand ties.

ACKNOWLEDGEMENTS

Dedicated to

My Dearest Mom

(April 28, 1957 – December 14, 2000)

"Ma, this one is for you with all my love!"

TABLE OF CONTENTS

TABLES

FIGURES

CHAPTER ONE

INTRODUCTION

The Nature of the Research Problem

> "I use Mary Kay everything. Makeup, lipstick, moisturizer,
> toner... I do not think that my skin would be this, so young today
> if I had used any other brand... My feelings for Mary Kay have
> increased too. Over time, I have really come to depend on the
> brand more. *I can't live without it now.*"
>
> "I wear Reebok running shoes. Me and my Reeboks. They are beat
> up by now. Want to see them? Like a favorite pair of jeans, you
> know? *You go through so much together.*"
>
> > - Karen's description of her relationships with the Mary Kay and
> > Reebok brands (Fournier 1998, p. 355, emphasis added)

Consumers can forge relationships with the brands that they use. Karen narrated

(above) how she developed ties with the Mary Kay cosmetics brand and the Reebok

sports brand through her years of using their products. As the years went by, she

experienced stronger affective ties as well as growth in her dependence on these brands.

She considered the brands she used as central to her life. She related with them as she

would with humans, as relationship partners (Fournier 1998).

It is possible for consumers to consider the brands they use as relationship

partners (Fournier 1998) with human characteristics (Levy 1985; Rozanski, Baum, and

Wolfsen 1999), distinctive personalities (Aaker 1997; Plummer 1985), and souls or

underlying genetic codes (Gilmore 1919; McGill 1998). And since brands can be related

to as quasi-humans, the expectations and norms of *human social ties* can be expected to

guide the consumer-brand interactions as well (Aggarwal 2004; Muniz and O'Guinn 2001).

One of the possible negative fallouts of human social ties is **alienation**, which is *a sense of exclusion*, the consequence of perceived or actual unfavorable circumstances experienced by one of the relationship partners (see e.g., Seeman 1959, 1975; Panksepp 2005) when the other partner induces a relationship stressor – for e.g., women abandoned by their husbands (Arokach 2006). In the sociology literature, the most frequent usage of the idea of alienation has been – **powerlessness** – conceived as the expectancy held by the relationship partner that his or her efforts or behavior cannot determine the outcomes – specifically, *the perceived inability to amend the unfavorable circumstances* (Seeman 1959).

Similar to the social alienation phenomenon, consumer-brand ties can be subject to managerially-imposed relational stressors when the brand pulls a line of products from the shelf, closes a branch at a specific location, abandons a sub-brand, etc. (Fournier 1998). For instance, Karen's relationship with the Mary Kay brand experienced an "awful" stressor when the brand pulled one of their lipstick shades from the shelf. She described the situation as: "An unimaginable experience!... My favorite, absolute favorite shade. I went to buy it and they said it was discontinued. I remember feeling, *"how could they do that to me?"* (Fournier 1998, p. 355, emphasis added). "... well, *I nearly died. I just never thought they would do that to me"* (Fournier 1998, p. 365, emphasis added). She experienced negative feelings such as shock, betrayal, anger, sadness, disappointment, anxiety, nervousness etc. (p. 364). She felt powerless to change the unfavorable situation and, as a consequence, felt excluded or alienated by the brand.

This phenomenon, which is studied in this thesis, is what is termed as ***consumer alienation by a brand***.

While marketing research has demonstrated the relevance of understanding consumer-brand relationships (e.g., Aggarwal 2004; Aggarwal and Law 2005; Bagozzi and Dholakia 2006; Fournier 1998; Haas and Arnold 2004; Lindstrom 2005; McAlexander, Schouten and Koenig 2002; Muniz and O'Guinn 2001; Muniz and Schau 2005; Schouten and Alexander 1995), there seems to be virtually no research that has specifically investigated the alienation of existing consumers by a brand. While studies in alienation have included a wide range of social contexts, such as the deaf amongst the hearing community (Foster 1989), employees lacking a sense of control in their workplace (Mottaz 1981), general marketplace alienation (Allison 1978), adolescents who do not have functional ties with their family and school (Oetting and Donnermeyer 1998), non-internet users in the midst of the internet-era (Morita and Nishimura 2002), alienation (and, specifically, the role of *powerlessness*) within the context of consumer-brand relationships has been largely unexamined. This thesis, therefore, pioneers the study of some of the affective, cognitive, and relational consequences of the alienation of existing consumers. Consumer alienation is conceptualized to occur when the relationship partner (the brand) imposes a relational stressor – e.g., the brand closes a store/branch at a specific location.

The Scope of the Research

This research examines one of the managerially-imposed relational stressors – *closing a brand's store/branch at a particular location* (Fournier 1998). This stressful

situation has the potential to alienate the existing consumers of the brand at that location. This context is relevant as companies might be required, for strategic or operational reasons (e.g., Muniz and Schau 2005) to close a store/branch at a particular location which would then, consequently, exclude its existing consumers at that location, potentially resulting in the phenomenon of *consumer alienation by the brand.*

This thesis investigates how *powerlessness* (an aspect of alienation, chiefly examined by sociologists)—which is the perceived inability to amend an unfavorable situation or outcome—would influence consumer emotions, attitudes, and behavioral intentions under the brand-generated stressor situation. This research centres on finding evidence for a greater sense of alienation or exclusion amongst those existing consumers that feel *powerless* (vis-à-vis *powerful*) in influencing brand decisions.

The thesis further investigates the influence of a consumer's relationship type with the brand. The social psychology literature makes a distinction between relationships that are based on economic factors – termed "exchange" – and those based on social factors – termed "communal" (Clark and Mills 1993). *Exchange* relationship type is characterized as that between strangers or between people who interact chiefly for business purposes, where the primary emphasis is on self-interest. *Communal* relationship type is characterized as that between friends, family, romantic associations, etc., where the primary emphasis is on benefiting the other. This research centres on finding evidence not only for a greater sense of alienation or exclusion amongst those that feel *powerless* (vis-à-vis *powerful*) in influencing brand decisions when perceived brand relationships are *communal* (vis-à-vis *exchange*) in nature, but also a change in the relationship type on account of the relational stressor.

The following questions are investigated within the brand-generated alienation context (closing a store/brand at a certain location): how would the level of consumer power (*powerlessness* versus *powerfulness*), relationship type (*communal* versus *exchange*), outcome for the consumers (*negative valence: closing the branch* versus *positive valence: keeping the branch open*), treatment of the consumers (*negative valence: inappropriately/disrespectfully* versus *positive valence: appropriately/respectfully*), and apology by the company (*presence* versus *absence*) impact the consumer-brand relationship? How would these influence the emotions, attitudes, behavioral intentions of consumers, and transform the relationship type? What would enable the brand to regain goodwill and recover its distressed relationship with its alienated consumers?

The impacts on emotions (negative and positive), brand and employee attitudes, recommendation and switching likelihood, brand loyalty, and relationship transformation are studied. Extant literatures from alienation, powerlessness, relationship type, and consumer-brand relationships are brought together to help students and practitioners of branding understand how to guide companies in handling consumer reactions to unpopular brand decisions.

The **first study** examines the generation of alienation through a brand-generated relationship stressor context and the amplification of this alienation through powerlessness across two types of consumer-brand relationships, namely *communal* and *exchange* associations. The **second study** examines the generation of powerlessness across brand outcome (*positive* versus *negative*), treatment of consumers (*positive* versus *negative*), and relationship type (*communal* versus *exchange*). The **third study** examines

the impact of apology (*presence* versus *absence* versus *control*) made by the company on the level of powerlessness and alienation generated across brand outcome (*positive* versus *negative*) and treatment (*positive* versus *negative*). In all three studies, affective, cognitive, and relational consequences of powerlessness and alienation are measured.

This dissertation contributes to the existing academic research in several ways. From a *theoretical* perspective, it extends earlier research on consumer-brand relationships by investigating the 'consumer alienation by brands' phenomenon by drawing from the sociology constructs of alienation and powerlessness. The research also enhances our understanding of such consumer-brand relationships by demonstrating that relationship type undergoes a negative transformation in the face of a relational stressor imposed by the brand. Further, it extends the alienation and powerlessness phenomena from sociology into the marketing domain, thereby, testing, validating, and consequently, stretching the applicability of these constructs outside sociology. *Methodologically*, since alienation and powerlessness are studied in this research using experimental design – highly unlike the survey methods used in sociology – this research provides an impetus for sociologists to study alienation using an experimental methodology, which would be complementary to longitudinal surveys for studying causality. *Substantively*, this research provides management with ideas to regain their alienated consumers, to recover any lost or diluted service opportunity, and to regain goodwill.

Organization of the Dissertation

This dissertation contains seven chapters. Chapter One introduces the nature of the research problem and the scope of the research. Chapter Two reviews and integrates the relevant literature upon which the research rests. Chapter Three specifically examines role of powerlessness on consumer-brand relationships and proposes formal hypotheses pertaining to its impact on affect, attitudes, and behavioral intentions. Chapter Four presents the research methodology used to conduct the first study, including pre-tests, research design, independent and dependent variables investigated and procedure used, and discusses the findings from this study. Chapter Five presents the research methodology used to conduct the second study, including pre-tests, research design, independent and dependent variables investigated, and procedure used, and discusses the findings from this study. Chapter Six presents the research methodology that was used to conduct the third study, including research design, independent and dependent variables investigated and procedure that was used, and discusses the findings from this study. Finally, Chapter Seven concludes with a discussion of the theoretical and managerial implications of this dissertation, while identifying limitations and areas for future research.

CHAPTER TWO

ALIENATION, POWERLESSNESS, CONSUMER-BRAND RELATIONSHIPS, AND RELATIONSHIP TYPES

This chapter introduces the major bodies of work upon which this dissertation builds. The main literatures drawn on – alienation, powerlessness, consumer-brand relationships, and relationship types – are reviewed. The purpose of this literature review is to present an understanding of alienation, powerlessness, and relationship types in consumer behavior while also presenting an overview of the theories pertinent to the proposed investigation.

Alienation

Alienation, termed as "an extremely-useful but loosely-defined" construct (Clark 1959, p. 849), is, generally speaking, the outcome of an act through which somebody or something is made (in actuality or perception) alien or a stranger to somebody or something else. This section will first discuss (i) the primary meanings of the 'alienation' construct, followed by (ii) a presentation of the two schools of thought that differ in their conceptualization of this construct. Then (iii) a description of 'consumer alienation from the marketplace,' is provided with (iv) a delineation of the theoretical concept chosen for this dissertation wherein the central construct of my thesis – *consumer alienation by a brand* – is explained.

i) Meanings of the Construct

Despite being etymologically derived from a single Latin term *"alienatio,"* alienation has several diverse conceptual definitions depending on the field of study (Dean 1961; Denise 1973; Kenniston 1972; Ludz 1976; Williamson and Cullingford 1997). For instance, the term is used, within the legal domain, as a synonym for the sale of rights or property. In the medical sphere, the term has been used to refer to mental derangement. In the societal domain, the term has been used to refer to the sense of an individual's separation or estrangement from other people, one's country, God, and other entities.

For this research, the societal domain's meaning of alienation – i.e., *the sense of an individual's separation from other entities around him* – is drawn on. Even within this domain, scholars have not yet agreed upon a singular understanding of alienation and there are several (overlapping) meanings and operational definitions of the term (Johnson 1973; Kenniston 1972; Ludz 197 6). Chief amongst these are Hegel-Marx's socio-political concept of *Alienation* (Ludz 1976; Marx 1972), Durkheim's *Anomie* (Durkheim 1972), Srole's *Anomia* (Srole 1956), and Seeman's socio-psychological concept of *Alienation* (Seeman 1959). These four can be categorized into two schools of thought.

ii) The Two Schools of Thought

The variety of meanings of the term within the societal domain can be categorized within two schools of thought (Geyer and Schweitzer 1976; Johnson 1973). The first school considers alienation as "an objective social condition" – where it is viewed as an objective set of societal processes with subjective repercussions for the individual. Hegel-

Marx, Durkheim, and Srole fall within the umbrella of this school. The second school considers alienation as "a subjective individual condition" – where it is viewed as a subjective phenomenon with objective causes in the societal macrostructure. Seeman, Geyer, etc. fall within the boundaries of this school. The central tenets and claims of these foundational scholars (Hegel-Marx, Durkheim, Srole, and Seeman) within these two schools shall now be highlighted.

Hegel-Marx, Durkheim, and Srole

The Hegel-Marx conceptualization is that alienation is a social state produced by the ravages of a particular economic system, viz., capitalism (Johnson 1973; Marcuse 1941; Marx 1972). Their claim is that social structure, which impedes human creativity and enslaves the individual, results in alienation, and, therefore, the societal economic system is made guilty of separating an individual from the products of his labor, from the process of his work, from other individuals, and, ultimately, from himself (Acevedo 2005; Johnson 1973). The central belief is that alienation is an *objective social state* and that probing of an individual's (i.e., an industrialized worker's) emotions and cognitions (i.e., tapping into the *subjective* elements of individuals) would not further the understanding of this objective social phenomenon (Geyer and Schweitzer 1976).

Durkheim's *Anomie* presents views complementary to the Hegel-Marx view. Where Marx focussed on an over-regulated industrialized economic system, Durkheim focuses on the crisis in an under-regulated system (Durkheim 1972; Lukes 1967, 1972). According to him, *anomie* results under conditions of under-regulation or lack of regulative forces during the times of social crisis. One important difference between

Durkheim's concept and Hegel-Marx's is that unlike the latter who refer only to the economic system, Durkheim includes other social structures such as marriage, family, etc. into the meaning of "the system." Though Durkheim did not define the term, Merton, another respected scholar of *anomie*, later expressed the phenomenon as "a breakdown in the cultural structure, occurring particularly when there is an acute disjunction between the cultural norms and the goals and the socially structured capacities of members of the group to act in accordance with them" (Merton 1957, p. 186). *Anomie* has also been defined as "the breakdown of moral norms that limit desires and aspirations" (Srole 1956, p. 712). Where Marx viewed alienation as an objective social condition of over-regulation, Durkheim viewed *anomie* as a combination of an objective social condition of under-regulation, normlessness (i.e., the immoral breaking of a societal norm to get ahead), meaninglessness (i.e., nothing makes sense in life), and resultant subjective responses ranging from deviant behaviors to suicides (Merton 1957, Lukes 1967). Since Durkheim combines the subjective element of individuals into the equation, several scholars have considered his *anomie* to be a more balanced view of the concept of alienation than that of Hegel-Marx (e.g., Lukes 1967, 1972). Nevertheless, the primary emphasis of Durkheim is still on the objective breakdown of a social structure.

Srole's *anomia* (used in psychiatric research) is based on Durkheim and Merton's *anomie* and deals with individuals' states of mind during *anomie*. *Anomia* combines the study of an individual's socio-economic status (which is an objective measure) with his mental illness (viewed as a consequence of *anomie*) during a breakdown in the individual's social system (Srole 1956). According to Srole, *anomia* and *anomie* share a reciprocal relationship, i.e., both feed each other. He developed a scale to measure an

individual's degree of *anomia* consisting of five Likert type agree-disagree statements. Each statement represented one of five distinct dimensions of *anomia* as proposed by him: (a) the individual's sense that community leaders are indifferent to his needs, (b) the individual's perception that the social order is fickle and unpredictable, (c) the individual's view that he and people like him are regressing from the goals they have already reached, (d) the individual's sense of the meaninglessness of life itself, and (e) the individual's perception that his framework of immediate personal relationships is no longer supportive (Srole 1956).

As evidenced through the three points of view, though Srole's *anomia* is the only one which has the individual (primarily, a psychiatric patient) as the unit of analysis, the focus is still very much on an objective social breakdown resulting in negative mental repercussions for the affected individual. Thus, it can be summarized that all three (Hegel-Marx, Durkheim, and Srole) operate primarily at a macro level of the objective social condition and do not probe in-depth into the feelings, attitudes, and thought processes of the individual – i.e., on the subjective elements at the micro level. This is where Seeman's conceptualization steps in.

Seeman's Alienation

Alienation, according to Seeman who takes on a social-psychological point of view, is the sense of exclusion felt by an individual, based on one's subjective state of mind where the emphasis is placed on the focal individual's expectations and values (Seeman 1959). Here, alienation is viewed as an individualized subjective phenomenon with the individual (and not the macro-societal system) as the unit of analysis. Though

the external objective social entities or causes that trigger the subjective alienations or senses of exclusion are not the focus of analysis, their importance is not diminished.

Seeman's conceptualization (see Figure 1) has been praised for bringing clarity and order in the "chaos" within the alienation literature (e.g., Geyer and Schweitzer 1976). His delineation of alienation into five distinct aspects (sometimes referred to as "dimensions" or "meanings") has provided scholars with greater conceptual and empirical clarity. The five aspects are: powerlessness, normlessness, meaninglessness, social isolation, and self-estrangement (Seeman 1959). *Powerlessness*, derived from Marx's alienation, is the "expectance or probability held by the individual that his own behavior cannot determine the occurrence of outcomes or reinforcements, he seeks" (Seeman 1959, p. 784). An individual experiencing this would typically express, "I can do nothing about the outcome." *Normlessness*, derived from Durkheim's *anomie*, is "a high expectancy that socially unapproved behaviors are required to achieve given goals" (Seeman 1959, p. 788). The individual experiencing this would typically express, "Nice ethical guys only finish last." Meaninglessness, also derived from Durkheim's *anomie*, is "when the individual is unclear as to what he ought to believe – when the individual's minimal standards for clarity in decision-making are not met" (Seeman 1959, p. 786). The individual experiencing this would typically express, "I can't make sense of it all anymore." *Social Isolation* is when the individual has been "estranged from, made unfriendly toward his society and the culture it carries," (Nettler 1957, p. 672) and assigns "low reward value to goals or beliefs that are typically highly valued in the given society" (Seeman 1959, p. 789). The individual experiencing this would typically express, "I don't fit in," or, "I am alone." Self-estrangement is "a mode of experience in

which the person experiences himself as an alien and has become estranged from himself" (Fromm 1955, p. 120). The individual experiencing this would typically express, "I feel alien to myself." See Figure 1 for a summary of the concept of Seeman's alienation.

Figure 1
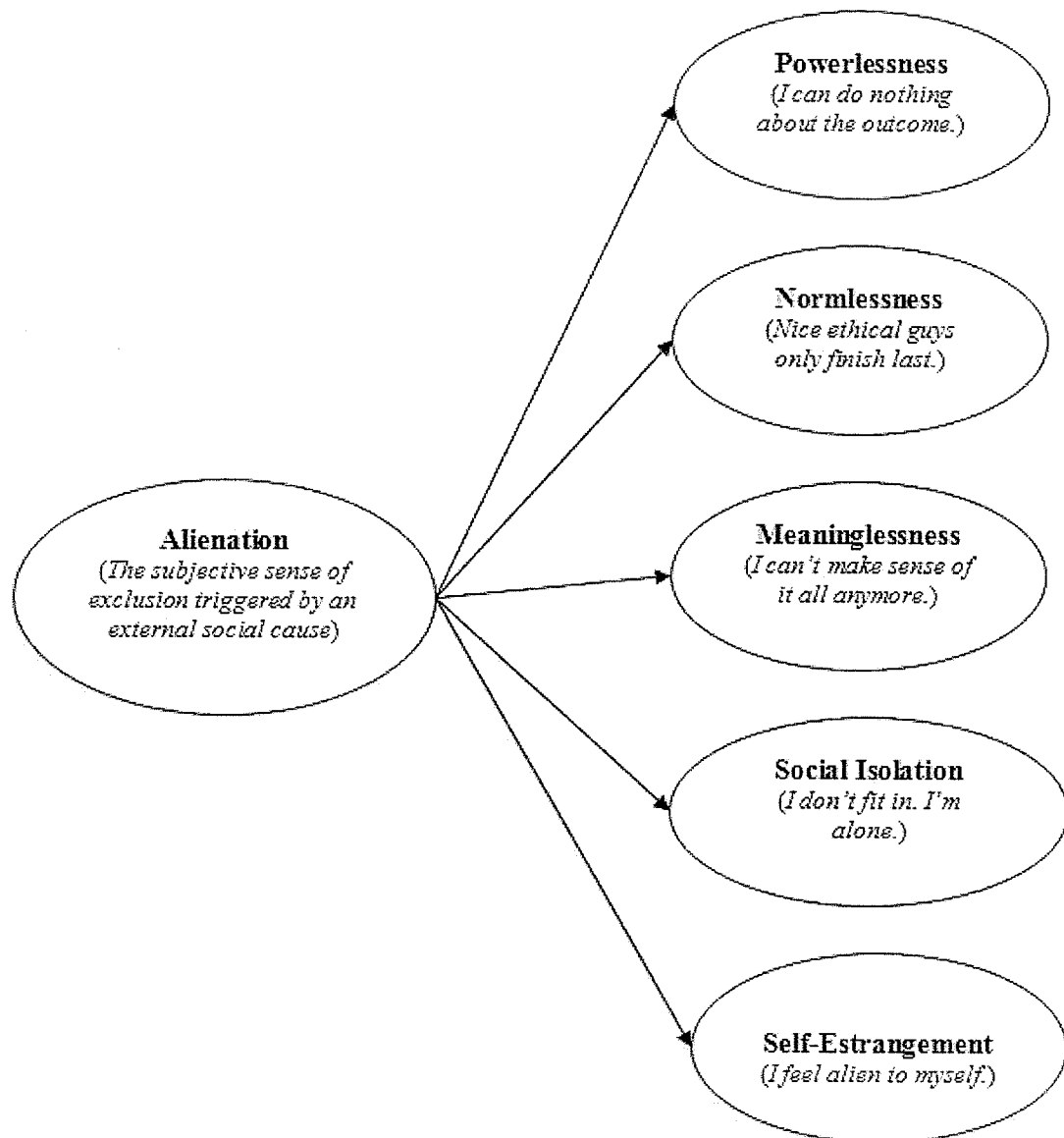
Seeman's Alienation

Felix Geyer (1976), a believer of the Seeman's school of thought, adopted the system theory of information processing to explain how the phenomenon of alienation with the five aspects (powerlessness, normlessness, meaninglessness, social isolation, and self-estrangement) would function. His first premise is that an individual (i.e., human being) can be viewed as a personality *system* that is constantly interacting with its environment. This system is provided with information ('stimulus' or 'input'), which is then internally processed, and then reacted upon ('response' or 'output'). So, the system is *constantly processing information* from the environment and producing more information (e.g., emotions, non-verbal communication, explicit behaviors, etc.). His second premise is that *alienation can be viewed as an information processing disturbance*. This implies that the disturbance is a *deviation from an optimal* point of system functioning. Thus, an external entity which is alienating the focal individual (system) creates a disturbance in this person's information processing. The system first *processes* the external stimulus and then *decides* a course of action to address the alienation resulting in responses (e.g., negative behavior towards the alienating entity). Figure 2 provides a diagrammatic representation of this systems theory view to study alienation.

Figure 2

Diagrammatic Representation Using Systems Theory to Study Alienation
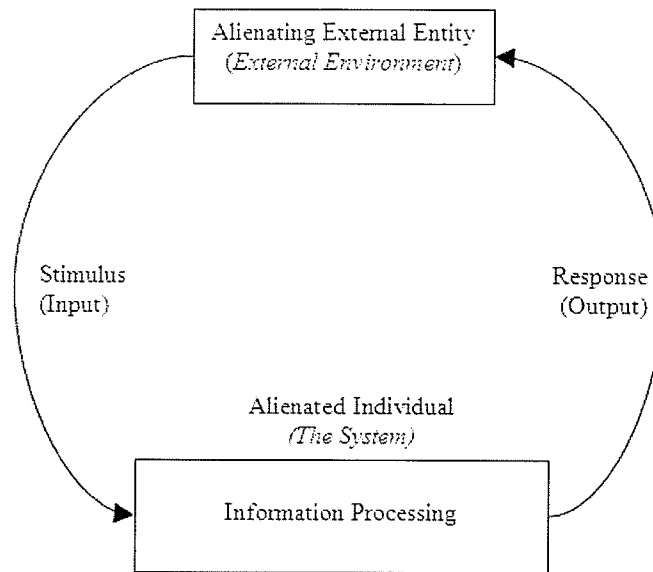
Summary on the two schools of thought

Despite the differences in the two schools of thought (see Figure 3 for summary),

they share three common underpinnings, which are central to the overall concept of

alienation (Geyer 1976). First, both schools of alienation imply a *relationship* between a

focal subject or group of subjects and some aspect of their environment (e.g., economic

system, work, other individuals, institutions, etc.). Second, both schools view the

relationship to be one of *separation*, i.e., there is a break in the existing relationship to

some extent. Third, both schools view this separation to be *undesirable, unfavorable*,

and one *with negative consequences* – such as negative emotions, attitudes, behavioral

intentions, and behaviors. Thus, both these schools would agree that alienation is an

undesirable event that leaves the alienated entity feeling excluded by an alienating entity

with which there is a relationship, resulting in negative consequences for this external

entity.

Figure 3

Alienation – Conceptualization within the Societal Domain
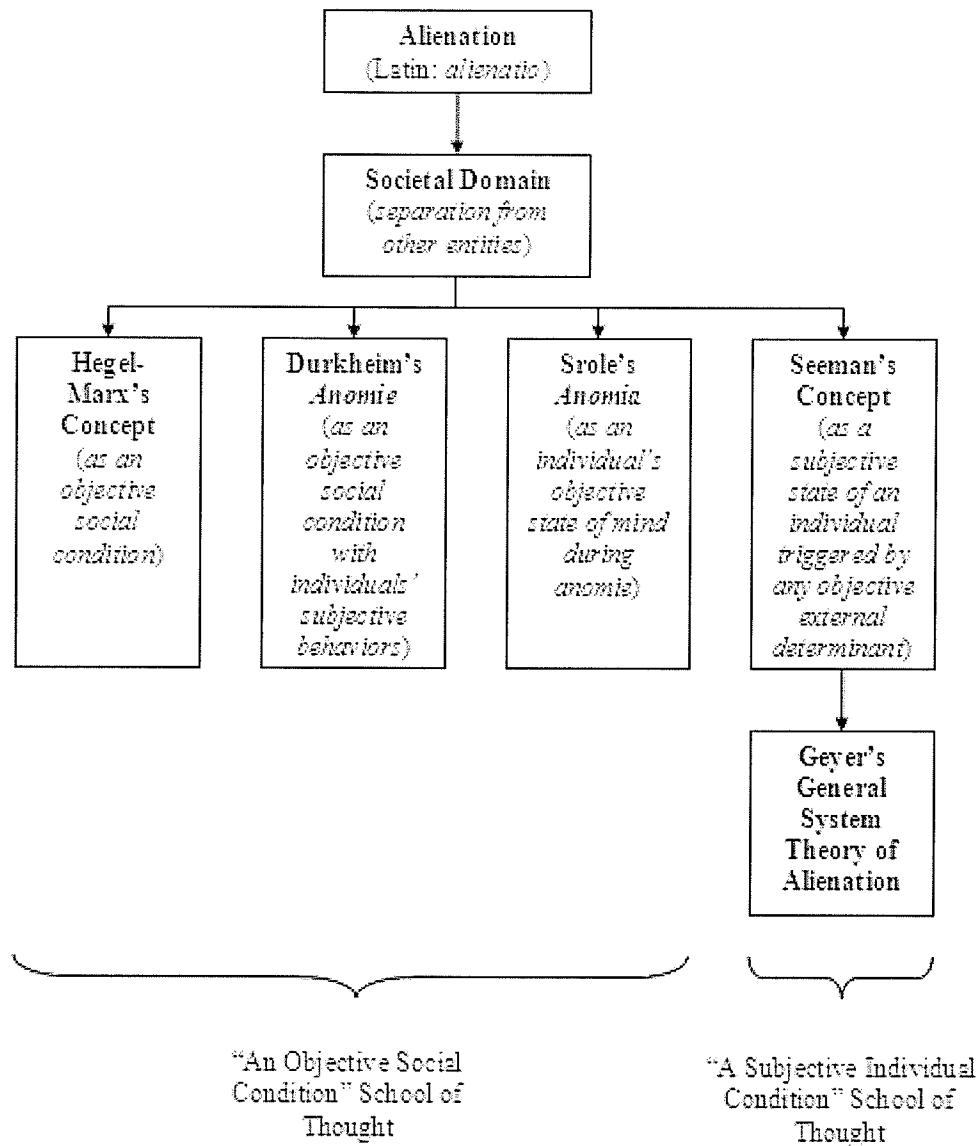
iii) 'Consumer Alienation' in the marketing literature

A search of the marketing literature revealed only a few articles that study consumer alienation. In marketing, the alienation concept has been borrowed from Seeman's view of alienation and has considered how consumers tend, *in general*, to feel alienated by companies in their market place (Allison 1978; Lambert 1980). This alienation has been found to result in negative consequences for these companies – especially, in terms of greater consumer dissatisfaction and mistrust (Lambert 1980). It is to be noted that 'consumer alienation from the marketplace' is a general sense of alienation, without a specific trigger from an external alienating entity such as a company, as if it represented, in the words of Aiken and Hage (1966, p. 497), "some free-floating human condition irrespective of specific contexts which produce such mental states" (c.f. Burbach 1972).

Despite the non-consideration of any specific external alienation trigger, it has been found that those consumers who feel strongly alienated might resort to varying degrees of disengagement behaviors, such as, ignoring the issue, silently switching to competing brands, complaining to family, friends, etc. (Lambert 1980). Evidence suggests that consumers make different types of attributions depending upon how strongly they feel alienated by the company's actions. For example, when consumers feel strongly alienated, they tend to make external attributions of blame, i.e., they see the problems as the fault of the company. Less alienated consumers, on the other hand, tend to take personal blame and might engage in private or public complaining behavior (Krishnan and Valle 1979; Lambert 1980).

Allison (1978) found support for 'consumer alienation from the marketplace' as a unidimensional construct. However, sociologists and social-psychologists have conceptualized alienation as a multidimensional construct (e.g., Acevedo 2005; Seeman 1959) and many have found evidence for the separability as well as the relatedness of alienation measures such as powerlessness, normlessness, etc. (e.g., Neal and Rettig 1967). In this research, this multidimensional approach is adopted since that would allow the separation and specific examination of the role of powerlessness in consumer alienation by brands.

iv) Chosen theoretical concept: consumer alienation by brands

Given that research on consumer alienation from the marketplace has not examined specific situations that might trigger such alienation, this research is intended to demonstrate that a consumer can experience alienation by a brand specifically when the brand that s/he uses takes a negative (unfavorable to consumers) brand decision such as closing of a store/branch at a particular location. To study this, the thesis is based on Seeman's conceptualization of alienation where the systems theory of information processing (Geyer 1976) is adopted, wherein consumers are viewed as systems that are constantly reacting to stimuli from the brand (i.e., their external environment).

Consumer alienation by a brand, to me, is a subjective individualized phenomenon where a consumer feels like an alien or stranger to and excluded by the brand. Consumer alienation by a brand can be viewed as a disturbance in the optimal functioning capacity of the individual consumer triggered by the brand (the alienating external entity). Alienation in consumer-brand ties can manifest when subject to

managerially-imposed relational stressors when the brand pulls a line of products from the shelf, closes a branch at a specific location, abandons a sub-brand, etc. (Fournier 1998).

For instance, Karen's relationship with the Mary Kay brand (described in chapter one) experienced an "awful" stressor when the brand pulled one of their lipstick shades from the shelf. She described the situation as: "An unimaginable experience!... My favorite, absolute favorite shade. I went to buy it and they said it was discontinued. I remember feeling, *how could they do that to me?*" (Fournier 1998, p. 355, emphasis added). "... well, *I nearly died. I just never thought they would do that to me*" (Fournier 1998, p. 365, emphasis added). She experienced negative feelings such as shock, betrayal, anger, sadness, disappointment, anxiety, nervousness etc. (p. 364). *She felt powerless* to change the unfavorable situation and, as a consequence, felt excluded or alienated by the brand. This phenomenon, which shall be studied in this thesis, is what is termed as **consumer alienation by a brand**. A study of the focal consumer's emotions, cognitions and behaviors are believed to be critical in providing a greater understanding on ways to cope with and undo the negative consequences of this phenomenon.

As seen above, one of the negative fall-outs of such a managerially imposed stressor is that consumers might tend to feel *powerless* about changing the negative brand decisions (Fournier 1998). Powerlessness is the expectancy held by an individual that his or her efforts or behavior cannot determine the outcomes, specifically, cannot change an unfavorable outcome (Seeman 1959). It encompasses feelings of helplessness and has a positive impact on negative emotions, and a negative impact on positive emotions (e.g., Dean 1961; Marx 1972; Seligman 1975). It is also considered to be antecedent to

alienation; the greater the powerlessness, the greater an individual's sense of alienation (e.g., Blauner 1964; Browning, Farmer, Kirk, and Mitchell 1961; Faunce 1968; Kanungo 1979; Shepard 1972). Thus, when a consumer feels powerless, s/he can experience a greater sense of alienation. Therefore, my research shall further investigate the impact of the level of power (specifically powerlessness vis-à-vis powerfulness) on consumer alienation by a brand. Furthermore, given that a large portion of the research in alienation (not only within Seeman's school of thought, but also within the other school, especially Hegel-Marx's) has been in the aspect of powerlessness (see Seeman 1975 for a compilation of alienation studies) as compared to the other aspects – normlessness, meaninglessness, social isolation, and self-estrangement, my thesis shall focus on investigating the aspect of powerlessness in consumer-brand ties specifically in a managerially imposed relational stressor situation such as closing of a branch/store at a particular location.

The next section, will now present a review on the powerlessness literature.

Powerlessness

In the sociology literature, the most frequent usage of the idea of alienation has been – *powerlessness* – conceived as the expectancy held by the individual that his or her efforts or behavior cannot determine the outcomes – specifically, *the perceived inability to amend unfavorable or undesirable circumstances* (Seeman 1959). This conception takes a subjective perspective and does not treat powerlessness as an objective societal condition. By prescribing such a perspective, Seeman distinguishes his concept from Marx's view of powerlessness which is based on an objective judgment of the state of

affairs where an individual *actually* loses his freedom and control (Marx 1972; Seeman 1959). According to Seeman, the objective condition is not to be ignored, but taken into account primarily to determine if the individual's response to the situation is realistic or not. This is the perspective taken in this research.

This socio-psychological view of powerlessness as an expectancy makes it closely related to Rotter's (1966) notion of external control of reinforcements. According to Rotter, an individual's **belief in the external locus of control of reinforcements** demonstrates one's expectancy that outcomes of situations are determined by forces external to one's self – such as by powerful others, chance, or fate. Such a belief is an indication of his perceived powerlessness where the individual considers himself to be at the mercy of the external environment. On the contrary, an individual with a belief in the internal locus of control of reinforcements perceives himself to be powerful to overcome or control or effectively alter the external environment. Thus, powerlessness can be conceptually linked to the notion of external control of reinforcements.

Furthermore, powerlessness encompasses **a sense of helplessness** when the individual has very high expectancy that his own behavior cannot determine the occurrence of favorable outcomes (e.g., Dean 1961; Marx 1972; Seligman 1975). This is a predominant view in the body of literature on alienation and scholars tend to use the terms *powerlessness* and *helplessness* as synonyms.

Powerlessness has been viewed as **a key determinant or a phase of the alienation phenomenon** (e.g., Blauner 1964; Browning et al. 1961; Faunce 1968; Kanungo 1979; Shepard 1972), thereby, differing from Seeman's concept of powerlessness as a variant or

type of alienation. For instance, in a study on work alienation, Ashforth (1989) found

support for powerlessness (termed as 'helplessness') to be antecedent to alienation.

Powerlessness is increasingly being viewed as *antecedent to alienation* with a direct

positive impact on alienation – i.e., the greater the sense of powerlessness, the greater the

sense of alienation. Figure 4 represents this relationship.

Figure 4

Relationship between Powerlessness and Alienation

| Powerlessness | $\xrightarrow{+}$ | Alienation |
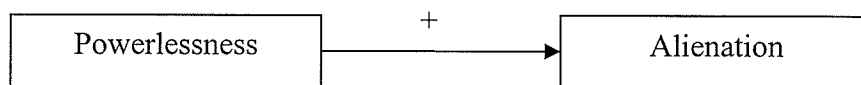
Within the systems theory framework of "stimulus → system → response" of

information processing, powerlessness is believed to be *primarily* (not *exclusively*)

located in the output or response of the individual (Geyer 1976). Since powerlessness is a

"perceived expectancy or probability," information processing by the system would have

to precede the assignment of the probability. Logically, powerlessness is conceived to be

an output of the system often caused by the objective external environment (i.e., the

alienating external entity) via input disturbances of the individual. This individual is then

faced with difficulty in processing this information because of the conflict between his

mind and emotions triggered by the unfavorable alienating circumstance. Additionally,

powerlessness is characterized by a reduction in the output alternatives of the individual.

In consumer contexts, when the consumer perceives that he or she cannot (can)

change the brand's negative decision, i.e., the outcome, consumer powerlessness

(powerfulness) is experienced. The consumer's perception of powerlessness or

powerfulness would be further influenced by the manner in which the brand employees treat the consumer during the stressful situation. Positive (e.g., respectful, courteous) treatment of the consumer by the employees is believed to result in positive emotions and consumer attitudes toward the corporation (Gotlieb, Levy, Grewal, and Lindsey-Mullikin 2004). On the other hand, negative treatment of the consumer (e.g., disrespected and ignored) by the employees is expected to further exacerbate the negative impacts of powerlessness (Blanchard and Lurie 2004).

Powerless versus Powerful

Those with low perceived expectancy to change an unfavorable alienating situation are considered to be powerless individuals, and those with high perceived expectancy to change the situation are considered to be powerful (Seeman 1959). For instance, if a consumer takes action to reverse a negative brand decision (closing of a branch/store at a particular location) and despite mobilizing a strong movement is unsuccessful, it can be expected that such a consumer would experience negative feelings of powerlessness. However, if the consumer movement is successful in reversing the negative brand decision, it can be expected that the consumer would experience positive feelings of powerfulness.

It is acknowledged that a consumer, when feeling powerless, might not take any action against the corporation. So, one could feel powerless and take no action to reverse the negative brand decision, or take action and feel powerless when unable to reverse the unfavorable brand decision. Thus, it is possible for powerlessness to occur and no

consumer action to be mobilized against the corporation. However, in my research, the focus is on the sense of powerlessness after action has been taken by the consumer.

Research indicates that in unfavorable situations negative emotions are typically the consequences of perceived low control, and, therefore, of perceived powerlessness (Seeman 1959; Seligman 1975). Similarly, positive emotions in favorable situations are consequences of perceived high control, and, therefore, of perceived powerfulness (Strickland 1978; Wallston and Wallston 1978). Powerlessness, therefore, precedes affect, sharing a positive relationship with negative emotions and a negative relationship with positive ones. The greater the measure of powerlessness, the stronger will be the intensity of negative emotions, and the weaker the intensity of positive ones. Figure 5 illustrates this relationship.

Figure 5

Relationship between Powerlessness and Affect
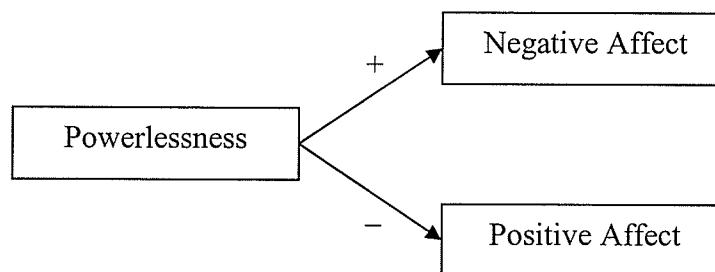
Summary

Powerlessness is the expectancy held by an individual that his or her efforts or behavior cannot determine the outcomes, specifically, cannot change an unfavorable outcome. It encompasses feelings of helplessness and has a positive impact on negative

emotions, and a negative impact on positive emotions. It is also considered to be antecedent to alienation; the greater the powerlessness, the greater an individual's sense of alienation.

However, it is to be noted that power is not a function of an individual but of his relationship with the alienating entity (Geyer 1976). This implies that a consumer's level of power is a function of his or her relationship with the brand. All consumers do not have the same type of relationship with a brand. Some view brands as they would a very close friend while others as a business acquaintance (Fournier 1998). Some consumers relate with their brands at a functional and utilitarian level while others at a more psychosocial and emotional level; the relationship might be shallow/superficial (e.g., flings) or deep/intense (e.g., best friend) (Aisner 2002; Fournier 1998; Hess and Story 2005; Story and Hess 2006). Regardless of the terminologies used, in general, consumers can be parsimoniously classified as either enjoying *communal* relationships (one of being caring, warm, and friendly) or maintaining *exchange* relationships (one of giving to get, transactional) with the brand (Aggarwal 2004; Aggarwal and Law 2005). Thus, though a negative brand decision can be expected to typically result in negative consequences for the brand in terms of consumer affect, attitudes, behavioral intentions and behaviors, the magnitude of these consequences would vary by the *type of relationship* between the consumer and the brand. Therefore, to accurately understand the impact of powerlessness in consumer alienation by a brand, it would be valuable to examine this across different consumer-brand relationship types.

The following section will discuss literature from consumer-brand relationships and relationship types.

Consumer-Brand Relationships and Relationship Types

As expressed in the above sections, for alienation and powerlessness to be manifested, a *relationship* between the external alienating entity and the alienated individual *needs to pre-exist.* In other words, for a consumer to feel powerless and alienated by a brand there needs to be a pre-existing relationship between the consumer and the brand. Such a consumer-brand relationship has been expressed as a voluntary or interdependently enforced tie between the individual consumer and the brand (Blackston 2000; Fournier 1994, 1998).

Though brands have for long been studied as mere competitive differentiators (Aaker 1996; Keller 1993; Kotler 1991), and as intangible and inanimate corporate resources (Chevalier and Mazzalovo 2004; Davis 2000; Dawar 2004; Hill and Lederer 2001; Mueller 2004; Srivastava, Shervani, and Fahey 1998), they have evolved over time in their spheres of influence (Ragas and Bueno 2002) and have penetrated society as consumers' relationship partners (Fournier 1998; Muniz and O'Guinn 2001) with quasi-human characteristics (Levy 1985; Rozanski et al. 1999), distinctive personalities (Aaker 1997; Plummer 1985), and even souls or underlying genetic codes (Gilmore 1919; McGill 1998). This perspective of brands as relationship partners has resulted in a growing interest in the study of consumer-brand relationships – with academics keen on developing and establishing a relationship theory in consumer research, and practitioners keen on understanding how to increase brand loyalty and profitability. Though consumer-brand ties have been recognized as not having the same level of richness and depth as human social ties, the norms of human social ties have, nevertheless, been found to

govern consumption choices and behaviors (Aggarwal 2004). Hence, consumer-brand relationships have grown into an attractive and promising research agenda.

The foundational work on consumer-brand relationships has been qualitative (Fournier 1998; Muniz and O'Guinn 2001). Fournier (1998) utilized the social relationship metaphor to develop a *dyadic* model of consumer-brand relationships (p. 366), where the continuous interactions (positive and negative) between the brand and the consumer determined the overall stability or durability of the relationship. When the interaction is perceived to be positive, the relationship is strengthened and remains stable. However, when the interaction is negative, i.e., when a brand behavior is perceived to be unfavorable to the consumer (e.g., closing of a store or branch at a particular location), the consumer could be adversely impacted, resulting in negative emotions, less favorable attitudes, unfavorable behavioral intentions (e.g., intentions toward negative word-of-mouth, non-recommendation, switching loyalties, etc.), and consequent negative behaviors towards the brand (such as negative word-of-mouth, brand switching, etc.).

Apart from the dyadic consumer-brand relationships, Muniz and O'Guinn (2001) proposed a framework for studying *triadic* relationships (i.e., consumer – brand – consumer) under the banner of 'brand community.' The central tenet of such a community is that consumers forge strong relationships with other co-consumers and the brand on the basis of their common affinity to the brand. Similar to Fournier (1998), scholars on such communities believe that negative brand behaviors adversely impact consumers individually as well as collectively, thereby, posing a threat to the stability of the consumer-brand relationship (Algesheimer 2004; Algesheimer, Dholakia, and Herrmann 2005; Bagozzi and Dholakia 2006; Dholakia, Bagozzi, and Pearo 2004; Haas

and Arnold 2004; Hickman 2005; Krishnan, Samu, and Litz 2006; McAlexander et al. 2002; Muniz and O'Guinn 2001; Muniz and Schau 2005). In such consumer-brand-consumer interactions, when a brand behavior is perceived to be unfavorable to the consumers – e.g., abandoning of a sub-brand (Apple Newton) by the parent brand (Apple) (Muniz and Schau 2005) – consumers would be adversely affected, individually and collectively, resulting in the experience of negative emotions, unfavorable attitudes, behavioral intentions, and behaviors towards the brand.

Though a negative brand behavior would result in negative consequences for the brand in terms of consumer affect, attitudes, behavioral intentions and behaviors, the magnitude of these consequences varies by the *type of relationship* between the consumer and the brand. All consumers do not have the same type of relationship with a brand. Some view brands as they would a very close friend while others as a business acquaintance (Fournier 1998). Some consumers relate with their brands at a functional and utilitarian level while others at a more psychosocial and emotional level; the relationship might be shallow/superficial (e.g., flings) or deep/intense (e.g., best friend) (Aisner 2002; Fournier 1998; Hess and Story 2005; Story and Hess 2006). Regardless of the terminologies used, in general, consumers can be parsimoniously classified as either enjoying *communal* relationships (one of being caring, warm, and friendly) or maintaining *exchange* relationships (one of giving to get, transactional) with the brand (Aggarwal 2004; Aggarwal and Law 2005).

This communal versus exchange relationship distinction, though not capturing every possible consumer-brand relationship type (highlighted by Fournier 1998) has been recognized for its conceptual simplicity and psychological importance (Aggarwal 2004;

Clark and Mills 1993). Communal relationships are those in which people have a genuine

concern for one another's well-being, they care, and keep track of the other's needs. The

focus is on meeting the other person's needs out of genuine concern. The expectations are

that partners will care about one another's welfare, and will support and help each other

without expecting immediate reciprocal reward. Friends, family, and lovers are ties that

can be characterized as communal in nature. Exchange relationships are those in which a

person gives benefits to another in order to get back a comparable benefit. The focus is

on self and on getting benefits proportional to one's input. The expectations are that

partners are not responsible for one another's welfare, and that benefits obtained from

either partner should be promptly reciprocated. Business ties (e.g., between customers

and service providers) are characterized as exchange in nature.

Though this distinction has been conceptualized primarily for categorizing human

social relationships, marketing researchers have applied it even in consumer contexts. For

instance, in the service domains, it is widely believed by many researchers that building

close relationships with consumers is "a positive thing, a situation that will lead to repeat

business and referrals," for the brand (Barnes 1997, p.769). While some consumers might

desire a friendship-type, communal relationship with a service provider – such as that

between hairdressers/veterinarians/travel agents/neighbourhood dry cleaners and their

customers (e.g., Barnes 1997; McCracken 1995), others may prefer a bond that is much

more at arm's length – such as the customer of a bank who described his relationship with

the bank as "ideal" when he did not call them and they did not call him (Barnes 1997, p.

771). Clearly, not all consumers of a brand will desire communal ties with it (Barnes

1997; Bendapudi and Berry 1997). Under service contexts of perceived high risk,

commonly found in complex services such as counselling, financial/investment advice, or surgery (Gummesson, 1990), a consumer is found to be motivated enough to pursue a long-term communal relationship with the service provider (Barnes 1997; Bendapudi and Berry 1997; Czepiel 1990). However, in non-complex services, such as a routine banking context where the technology-based approach to service delivery has reduced personal contact between customers and bank employees and service efficiency (vis-à-vis personal interaction with the employees) is more critical to customers (Barnes 1997; Meyer 1990), it is not believed that communal ties would be preferred over exchange, i.e., communality would not be weighed by consumers as being more important than efficiency or professionalism. Some researchers (e.g., Beatty, Mayer, Coleman, Reynolds, and Lee 1996; Goodwin 1996) believe that communal behaviors can actually interfere with the efficient delivery of core routine banking services and, hence, need not be encouraged.

In the consumer-brand domain, specifically, it has been found that relationship norms based on these two relationship types moderate consumer attitudes and their response to a brand's actions (Aggarwal 2004). This implies that anytime there is a violation of a relationship norm, i.e., when a brand behavior is perceived by the consumer to be unacceptable or inappropriate or unfavorable – such as in consumer alienation by brand, the consumers (both communal and exchange) would demonstrate negative attitudes in response to the brand's negative action. But how would the magnitude of responses vary between these two relationships?

Communal relationship partners tend to express greater magnitude of emotions (positive and negative) than the exchange ones. This is because such expression is considered socially appropriate in communal ties, such as between friends, family

members, etc., and not so appropriate in exchange ties, such as between business partners (Williamson and Clark 1989). Therefore, in the context of consumer alienation by a brand, it can be argued that a brand's negative behavior would result in stronger negative emotions amongst communal consumers, vis-à-vis the exchange ones.

However, it cannot be ignored that those enjoying communal ties, vis-à-vis exchange have a tendency to be forgiving of the blunders or transgressions made by their relationship partners, since communal ties are characterized by a stronger pro-relational commitment than that in exchange ties (Finkel, Rusbult, Kumashiro, and Hannon 2002). Therefore, though a communal consumer might *feel* stronger negative emotions when alienated by the brand, s/he can be expected to be more forgiving and to demonstrate less negative attitudes, and stronger behavioral intentions than an exchange consumer.

Methodologically, where almost all of the research in consumer-brand relationships has been qualitative (e.g., Fournier 1998; Muniz and O'Guinn 2001) and/or survey-based (e.g., McAlexander et al. 2002), very few studies have utilized experimental design (Aggarwal 2004; Aggarwal and Law 2005). As discussed earlier, perceived powerlessness is a negative experience for consumers that could result in felt alienation. My research centres on finding a greater sense of alienation amongst those consumers who perceive to be low on power *and* have communal (vis-à-vis exchange) ties with the brand. An experimental manipulation of relationship type would allow for the best examination of the individual and interactive effects of power and relationship types on consumer emotions, attitudes, behavioral intentions, and perceptions of communality with the brand. Experimental design would, hence, be the most appropriate methodology. Aggarwal's (2004) stimuli of a consumer banking context is drawn upon and the role of

powerlessness when brands alienate communal or exchange consumers is experimentally studied.

The next chapter discusses the impact of powerlessness and relationship types on consumer alienation by a brand, develops a theoretical framework of consumer alienation by brand, and proposes hypotheses pertaining to their role in influencing consumer emotions, attitudes, and behavioral intentions in the consumer banking context.

CHAPTER THREE

CONCEPTUAL FRAMEWORK AND HYPOTHESES

In this chapter, the linkages between consumer-brand relationship type (communal versus exchange), and the level of power (powerlessness versus powerfulness), and the key dependent variables which include alienation, emotions, attitudes, behavioral intentions, and change in relationship type will be delineated. The dissertation centres on finding evidence for a greater sense of alienation or exclusion amongst those consumers who feel powerless (vis-à-vis powerful) in changing negative brand decisions such as closing of a store/branch at a particular location. This research also proposes that such a negative brand decision would cause consumers, communal and exchange, to re-evaluate their consumer-brand relationship and transform the relationship type; specifically, the consumers who experience powerlessness would view their relationship with the brand to be more of exchange and less of communal. A conceptual framework representing the dynamics amongst the factors and dependent variables, along with formal hypotheses will be forwarded.

A Conceptual Framework of Consumer Alienation by a Brand

Based on the discussions in chapter two, this section shall present a conceptual framework of consumer alienation by a brand (figure 6). First, for such alienation to be manifested there needs to be a pre-existing relationship between the consumer and the brand. Second, there needs to be a managerially-induced relational stressor (perceived as unfavorable to the consumer) such as closing of a store or branch at a particular location.

Third, the final decision of the brand along with the way it treats the consumer (while the consumer attempts to reverse the brand decision) can be expected to make the consumer experience powerlessness or powerfulness. Fourth, a cognitive evaluation of powerlessness or powerfulness would trigger the experience of consumer emotions – such as, a sense of alienation, and other negative and positive emotions. Fifth, these emotions would influence the attitudes of the consumer towards the decision, the treatment, the brand, the executives of the brand, and the top management (the decision-makers). Sixth, based on these attitudes, the consumer would form intentions to behave for or against the brand. And finally, the interaction between the brand and the consumer results in the consumer re-evaluating and transforming his/her relationship with the brand. These seven phases are explained below in detail.

Figure 6

A Conceptual Framework of Consumer Alienation by a Brand
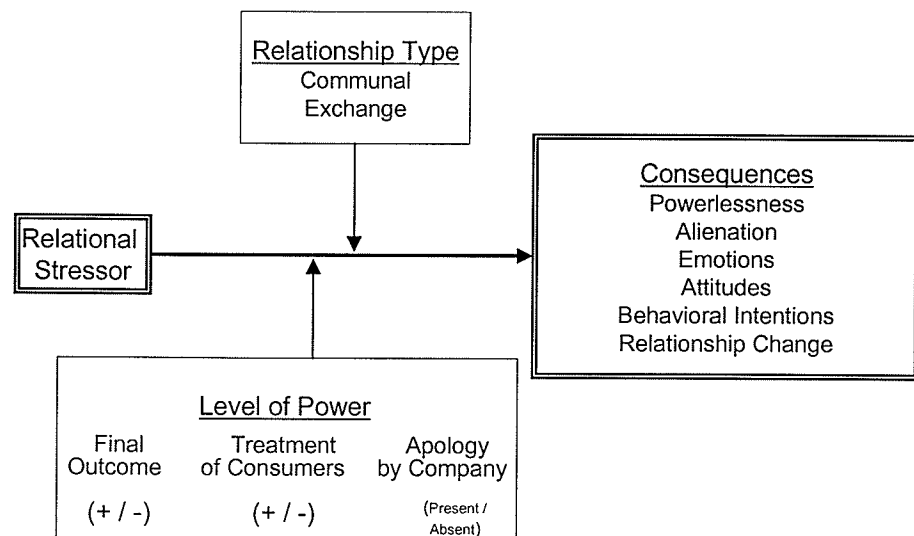
Phase 1: Relationship Type – Consumers tend to view brands as quasi-human

relationship partners (Fournier 1998) and use the norms of human social ties to interact

with and evaluate their relationship with the brand (Aggarwal 2004; Aggarwal and Law

2005). On the basis of these consumer-brand interactions over a period of time (Fournier

1998), a relationship is developed between the two which (analogous to human ties) can

be characterized as *communal* or *exchange* in type (Aggarwal 2004; Aggarwal and Law

2005; Clark and Mills 1993). A communal relationship is typically characterized as being

'caring, warm, and friendly' – found amongst friends and family (Clark and Mills 1993).

An exchange relationship is typically characterized as 'giving to get' or 'transactional' -

found amongst businesspersons (Clark and Mills 1993). Figure 7 represents how the

relationship type is developed through the interactions between the brand and the

consumer.

Figure 7

Generation of Relationship Type
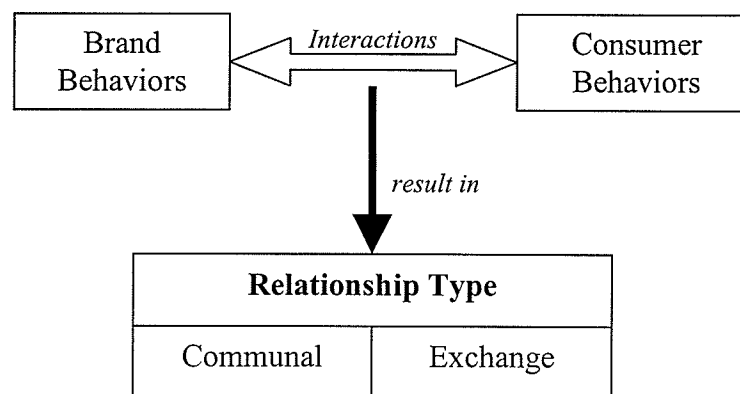
Phase 2: Managerially-Induced Relational Stressor – This stressor results from the

brand's managerial decision that causes termination of the relationship with some of the

existing consumers – e.g., decision of the brand's top management team to close a store/branch at a particular location thereby terminating the relationship with existing consumers at that location (Fournier 1998). This stressor is believed to forcefully destroy the existing consumer-brand relationship (e.g., when Karen's favorite shade of the Mary Kay brand of lipstick was removed from the market, discussed in chapter one) resulting in negative feelings, a sense of powerlessness, and exclusion (Fournier 1998). The presence of such a stressor is believed to trigger a sense of consumer alienation by the brand.

Phase 3: Outcome- and Treatment-Related Level of Power – In the presence of the managerially-induced relational stressor, a consumer would evaluate his or her power level to reverse the unfavorable decision of the brand. Theoretically, powerlessness – the consumer's perceived inability to change the brand's negative decision – is outcome dependent (Seeman 1959). When the consumer perceives that he or she can change the brand's negative decision, i.e., the outcome, consumer powerfulness is experienced. The consumer's perception of powerlessness or powerfulness would be further influenced by the manner in which the brand employees treat the consumer during the stressful situation. Positive (e.g., respectful, courteous) treatment of the consumer by the employees is believed to result in positive emotions and consumer attitudes toward the corporation (Gotlieb et al. 2004). On the other hand, negative treatment of the consumer (e.g., disrespected and ignored) by the employees is expected to further exacerbate the negative impacts of powerlessness and weaken the consumer-brand relationship (Blanchard and Lurie 2004). Further, how powerless or powerful the consumer feels to change the final outcome can be expected to impact his or her sense of alienation. The

greater the powerlessness, the greater the sense of consumer alienation by the brand will be (e.g., Ashforth 1989; Blauner 1964; Kanungo 1979). Similarly, the greater the powerfulness, the weaker the sense of consumer alienation by the brand will be.

Phase 4: Sense of Alienation and Other Emotions – Consumer alienation by a brand is a subjective individualized phenomenon where a consumer *feels* like an alien or stranger to and excluded by the brand. Research has found that while powerlessness is antecedent to alienation, it has a positive impact on negative emotions such as upset, anger, scared, and disappointed, and a negative impact on positive emotions such as happy, delighted, and joyful as well (e.g., Dean 1961; Marx 1972; Seligman 1975). Furthermore, such social exclusion has been found to elicit several negative emotions in the excluded individual such as feeling upset, scared, disappointed, betrayed, rejected, anxious, angry, frustrated, hurt, confused, bad (awful/lousy), guilty, ashamed, etc. (Sommer, Williams, Ciarocco, and Baumeister 2001). Such exclusion is also found to result in feelings of low state self-esteem, whereas inclusion results in feelings of high state self-esteem (van Beest and Williams 2006; Williams, Cheung, and Choi 2000; Zadro, Williams, and Richardson 2004). Similarly, powerfulness would have a positive impact on positive emotions and negative on negative emotions. Based on the Lazarus' cognitive-emotive theory of emotions (1991), emotions are preceded by a cognitive appraisal of a situation. The sense of alienation and other emotions (negative and positive) can therefore be expected to immediately follow the cognitive appraisal of the consumer's level of power in the presence of the managerially-induced relational stressor.

Phase 5: Attitudes – As in any service context, positive and negative emotions influence consumer attitudes (e.g., van Dijk, Zeelenberg, and van der Pligt 1999; Zeelenberg and

Pieters 2004). The sense of consumer alienation is expected to mediate the relationship between powerlessness (or powerfulness) and the consumer attitudes – such as that towards the latest decision of the brand, the brand, the employees, and the top management (Ashforth 1989; Pruden and Longman 1972). This relationship between alienation by the brand and consumer attitudes is negative. For instance, the greater the sense of consumer alienation, the more unfavorable are the attitudes of the consumer towards the latest decision; the weaker the sense of consumer alienation, the more favorable the consumer's attitudes towards the latest decision.

Phase 6: Behavioral Intentions – Consistent with the theory of reasoned action (Ajzen and Fishbein 1980; Fishbein and Ajzen 1975) and the theory of planned behavior (Ajzen 1991, 2001), attitudes are antecedent to behavioral intentions. The more favorable the consumer's attitudes, the more positive are his or her behavioral intentions, i.e., in favor of the brand. However, the more unfavorable the attitudes, his or her behavioral intentions would be against the brand. Behavioral intentions typically include word-of-mouth, recommending the brand to others, repeated patronage (brand loyalty), and intention to switch to another brand (e.g., Algesheimer et al 2005; Brown, Barry, Dacin, and Gunst 2005; Jeng and Lin 2005).

Phase 7: Post-Stressor Relationship Transformation – Given that the interactions between brand behaviors and consumer behaviors help define a relationship type (Fournier 1998), it can be expected that a brand's negative decision (relational stressor) would transform the nature of the consumer-brand relationship (Fournier 1998; Neimeyer and Neimeyer 1985). Regardless of the pre-existing relationship type, all consumers would re-evaluate and transform their relationship with the brand on the basis of what

transpires during the managerially-induced stressful situation. Those consumers who experience a strong sense of alienation through powerlessness would modify their relationship into one that is more of an exchange and less of communal.

Hypotheses

The proposed conceptual framework (figure 7 above) rests on the premise that a consumer, when experiencing the brand's unfavorable or negative behavior, such as a managerially-induced relational stressor (e.g., the closing of a store/branch at a particular location), will make inferences regarding the brand and his/her relationship with it, resulting in a re-assessment of the brand as a relationship partner (Aaker, Fournier, and Brasel 2004; Blackston 1993; Fournier 1998). Hypotheses derived from this framework are developed below, building from the anticipated effects of power within the two relationship types to the mediating effects of felt alienation predicted to influence results overall.

Managerially-Induced Relational Stressor

A brand's unfavorable decisions, though not as life-transforming as divorce or death of a loved one (Dohrenwend, Snell, Krasnoff, Askenasy, and Dohrenwend 1978), qualify, nevertheless, to be stressful situations for consumers because even regular daily hassles of life have been considered guilty of generating stress (Lazarus and DeLongis 1983). In service failure contexts as well, unfavorable brand decisions have been found to act as stressors for consumers resulting in negative consequences such as feelings of powerlessness or helplessness, generation of negative emotions, unfavorable attitudes, and negative behavioral intentions such as negative word-of-mouth, non-recommendation

of brand, and intentions to switch brand (e.g., Bougie, Pieters, and Zeelenberg 2003; Nyer and Gopinath 2005; Singh and Wilkes 1996; Stephens and Gwinner 1998). These consequences cause the consumers to re-evaluate the type of relationship s/he experiences with the brand (post-stressor), by reducing their affinity to the brand as a partner (Fournier 1998). It is, therefore, first hypothesized that a managerially-induced relational stressor precedes a consumer's experience of perceived powerlessness, felt alienation, and negative emotions (Fournier 1998; Izard 1991; Lazarus and Folkman 1984; Seeman 1959). Furthermore, as evidenced in service failure contexts, the consumer would also develop unfavorable attitudes and behavioral intentions (Aggarwal 2004; Bougie et al. 2003; Singh and Wilkes 1996; Stephens and Gwinner 1998). The stressful experience would cause the consumer to also re-evaluate the relationship unfavorably (Fournier 1998) by lowering his/her perceptions of communality with the brand. Hence, the following hypothesis:

H1: Managerially-induced relationship stressors will lead to (a) a sense of powerlessness, (b) felt alienation, (c) negative emotions, (d) unfavorable attitudes towards the decision, the brand, and the executives, (e) unfavorable behavioral intentions, and (f) a decline in the perceptions of communal relationship with the brand.

Level of Power

It is further predicted that the lower a consumer perceives his/her power level to be, (a) the greater will be the intensity of his/her sense of powerlessness, felt alienation and negative emotions, and (b) more unfavorable will be the attitudes, behavioral intentions, and post-stressor evaluation of communal ties with the brand (e.g., Ashforth 1989; Blauner 1964; Kanungo 1979; Seeman 1959). In other words, where powerlessness would result in negative consequences such as felt alienation, negative emotions, unfavorable attitudes and behavioral intentions, powerfulness would yield positive consequences such as lower sense of alienation, more positive emotions, more favorable attitudes and behavioral intentions. While the consumer's perception of powerlessness or powerfulness would primarily be influenced by the perceived ability to change the brand's decision or final outcome (Seeman 1959), the manner in which the brand employees treat the consumer during the stressful situation is also believed to moderate this influence. Positive (e.g., respectful, courteous) treatment of the consumer by the employees is believed to result in positive emotions and consumer attitudes toward the corporation (Gotlieb et al. 2004; Liao 2007), while negative treatment (e.g., disrespected and ignored) is expected to further exacerbate the negative impacts of powerlessness and also weaken the consumer-brand relationship (Blanchard and Lurie 2004; Williams et al. 2000), i.e., decrease the perceptions of communal ties with the brand. Thus, the sense of powerlessness, felt alienation, intensity of negative emotions is predicted to be highest (lowest), and the attitudes, behavioral intentions, and perception of communal relationship with the brand to be lowest (highest) when the final decision of the brand is

unfavorable (favorable) and the treatment by the employees has been disrespectful (respectful). It is, therefore, hypothesized that:

H2a: Power will moderate the influence of managerially-induced relational stressors such that as power declines, (a) sense of powerlessness will increase, (b) felt alienation will increase, (c) negative emotions will intensify, (d) positive emotions will diminish, (e) attitudes towards the decision, the brand, and the executives will become less favorable, (f) behavioral intentions will become more negative, and (g) perceptions of communal relationship with the brand will decrease.

H2b: When power is low (high), i.e., when the outcome and the treatment by the company are both perceived to be negative (positive), (a) the sense of powerlessness, felt alienation, and negative emotions will be highest (lowest), and (b) positive emotions, attitudes towards the decision, the brand, and the executives, behavioral intentions and perceptions of communal ties with the brand will be lowest (highest).

A longitudinal study of consumers' evaluations of *multiple* service failures revealed that only when the recovery effort of a previous service failure with the same corporation was perceived to be unsatisfactory were the consumers' unfavorable attitudes towards the brand or the corporation more negatively impacted (Maxham and Netemeyer 2002). These same consumers, however, had reported negative attitudes towards each of the service failure contexts. In other words, in the face of multiple service failures, consumers display a tendency to transfer their negative attitude toward the service failure

context to that of the brand or corporation only when previous service recovery efforts are perceived by them to be unsatisfactory. It would be reasonable, therefore, to suggest that when faced with the service failure context such as the unique one-time managerially-induced relational stressor whose final outcome/decision induces a sense of consumer powerlessness or powerfulness, the attitude of the consumers towards the brand and its executives would not be as susceptible to negative evaluation as would their attitude towards the decision itself. Given that the manipulation of power is central to the operationalization of service failure/recovery context in this research, it can be hypothesized that as power declines, consumers would tend to evaluate the brand's decision more unfavorably than the brand or its executives.

> **H2c:** Attitude target will moderate the impact of power such that as power declines, attitude towards the decision will be less favorable as compared to that towards the brand and the executives.

Relationship Type

Strong consumer-brand relationships are considered beneficial to firms in the development of customer loyalty to a brand (e.g., Barnes 1997; Beatty et al. 1996; Crosby, Evans, and Cowles 1990; Goodwin and Gremler 1996; Gwinner, Gremler, and Bitner 1998). As stated before in chapter two, it is argued that in non-complex services, such as a routine banking context, communal ties would not be weighed as more important to consumers than efficiency or professionalism. However, it is believed that the differences in relationship types would become especially relevant and important once relationship stressors are introduced in the picture. When a relational stressor is

induced, it is predicted that consumers who perceive communal ties with the brand would be more prone to experiencing and expressing intense emotions (positive and negative), and yet have more favorable attitudes and behavioral intentions towards the brand vis-à-vis those who perceive exchange ties, because the communal consumers have stronger emotional bonds with or affinity to the brand; furthermore, due to their stronger commitment to the brand, such consumers would be more pro-relationship (vis-à-vis the exchange consumers) when faced with relational stressors (Bendapudi and Berry 1997; Clark and Mills 1993; Clark and Finkel 2005; Gwinner et al. 1998; Hennig-Thurau and Klee 1997). Specifically, as power of the consumer declines, communal (vis-à-vis exchange) consumers would experience greater intensity of perceived powerlessness, felt alienation, and negative emotions. They would, however, have more favorable attitudes towards the brand and the employees, and positive behavioral intentions because of their inclination to maintain their relationship with the brand.

A similar phenomenon can be found in human social ties amongst friends (communal) and businesspersons (exchange). It has been found that friends demonstrate greater emotional ties as well as deeper commitments to the stability of their relationship as compared to ties amongst businesspersons (e.g., Clark and Mills 1993). Further, while individuals are more willing to express emotions (both positive and negative) with their communal relationship partners, they would avoid any display of emotionalism to business acquaintances as such display is considered inappropriate (Clark and Finkel 2005). Furthermore, a friend (businessperson) is more willing (unwilling) to forgive any negative behavior such as trespass, betrayal, etc. of his or her communal (exchange)

partners because of the stronger commitment to the partner and the relationship (Finkel et al. 2002).

Despite being pro-relationship and having more favorable attitudes and behavioral intentions, the communal consumers are, nevertheless, expected to devalue their perceptions of communality with the brand as well as increase their perceptions of exchange ties with the brand (Fournier 1998), as compared to that before the stressful situation. In other words, they are predicted to reconsider the brand more as an exchange and less as a communal partner when experiencing a managerially-induced relational stressor. Exchange consumers, similarly, would re-evaluate the nature of their relationship with the brand. When they sense powerlessness, it is reasonable to predict that they would continue to view the brand as an exchange partner. However, when their power is high (sense of being powerful), i.e., they find success in their ability to revert the negative stressful situation which makes them feel good (Fournier 1998), they are predicted to devalue their perceptions of exchange ties with the brand and increase their perceptions of communality with it. In other words, because the relationship with the brand has not been terminated on account of the stressor, and the corporation has conceded to the requests of the consumers, they are predicted to increase their view of the brand relationship as that between friends and lower the view as that between businesspersons.

It is, therefore, hypothesized that:

H3a: Power will moderate the impact of relationship type on sense of

powerlessness, felt alienation, emotions, attitudes, and behavioral

intentions, upon the introduction of a managerially-induced relational stressor such that as power declines, consumers that perceive communal (vis-à-vis exchange) relationship with the brand will display (a) greater sense of powerlessness, felt alienation, and magnitude of negative emotions, (b) lower magnitude of positive emotions, and yet (c) more favorable attitude towards the decision, the brand, and the executives, and (d) more positive behavioral intentions.

H3b: Power will moderate the impact of relationship type on pre- and post-stressor evaluations of consumer-brand relationship type such that when power is high, (a) consumers that perceive communal relationship with the brand will increase their perceptions of exchange ties with the brand while simultaneously decreasing their perceptions of communality with the brand, and (b) consumers that perceive exchange relationship with the brand will increase their communality with the brand while simultaneously decreasing their perceptions of exchange ties with the brand.

Mediation

Perceived powerlessness has a positive relation with and results in a sense of alienation (e.g., Blauner 1964; Browning et al. 1961; Faunce 1968; Kanungo 1979; Shepard 1972). This powerlessness, perceived by the consumer to be an unfavorable situation to be in, would increase the intensity of other negative emotions experienced, while reducing the intensity of positive ones (e.g., Ashforth 1989; Blauner 1964;

Kanungo 1979; Seeman 1959). Further, attitudes of the consumer (towards the decision, the brand, and the employees) are negatively influenced by perceived powerlessness and sense of alienation, i.e., greater sense of powerlessness, as well as felt alienation, would result in negative consumer attitudes (e.g., Ashforth 1989; Blauner 1964; Kanungo 1979; Seeman 1959). Hence, affect – manifested as felt alienation, negative and positive emotions – is hypothesized to mediate the relationship between perceived powerlessness and consumer attitudes.

H4: (a) Felt alienation, (b) negative emotions, and (c) positive emotions will each mediate the relationship between perceived powerlessness and consumer attitudes toward the decision, the brand, and the executives.

Consumer attitudes mediate the relationship between affect/cognitions and behavioral intentions (Ajzen 1991, 2001; Ajzen and Fishbein 1980; Fishbein and Ajzen 1975). Hence, the attitudes of a consumer (towards the decision, the brand, and the employees) are predicted to mediate the relationship between felt alienation, a negative affect triggered by cognition evaluations of the stressful situation, and the consumer's behavioral intentions. Felt alienation negatively influences consumer attitudes and behavioral intentions, such that as the sense of alienation increases, the attitudes as well as behavioral intentions of the consumers become unfavorable (Seeman 1959; Geyer 1976). Further, consumer attitudes have a positive influence on behavioral intentions, i.e., the more favorable the attitudes of a consumer are, the more favorable will be the behavioral intentions. Thus, it is hypothesized:

H5: Consumer attitudes towards (a) the latest decision, (b), the brand, and (c) the executives will each mediate the relationship between felt alienation and behavioral intentions.

CHAPTER FOUR

STUDY ONE

In this chapter, the methodologies and analyses employed, and results and discussions pertaining to a laboratory experiment that tested hypothesized effects of manipulated power and relationship type (i.e., hypotheses H1 to H5) are presented. The chapter is divided into six sections. The first section lays out the research design and procedure that was utilized. The second section describes the research sample and the third section lays out the experimental manipulations of power and relationship type independent variables that were used. The fourth section then describes the measures that were used to test the success of these manipulations and to operationalize the various dependent variables and covariates in the study. The fifth section explains the analyses used and the results found. Finally, the sixth section is composed of discussions of the results found and plans for future development of the conceptual framework that was tested.

I. Research Design and Procedure

A 3 (power: control, powerful, powerless) by 2 (relationship type: communal, exchange) between-subjects experimental design that incorporated a managerially induced relational stressor and 2 additional controls for relationship type sans the relational stressors were employed to test hypotheses H1 to H5. Participants, randomly assigned to one of eight experimental conditions, were asked to imagine scenarios pertaining to their banking experiences with a hypothetical on-campus bank called

'Grove Bank' (tables 2 and 4). They were told that the task was a bank study where they would have to carefully read the scenario provided and answer the questions that followed. At the start of the scenario, the relationship type between the bank and respondents was depicted as either communal (warm and friendly) or exchange (professional and efficient) in nature. Manipulation check questions related to this factor immediately followed. Respondents, other than those in the relationship type control conditions, were then exposed to a situation—specifically, the proposed closing of Grove Bank's on-campus branch within the coming month—that was intended to induce a stress within the relationship between the bank and the customer. Participants were then asked to imagine that they attempted to reverse this negative decision by starting a campaign amongst other customers, where they and other customers sent a formal letter to the bank and also garnered media coverage. Subsequent powerful (powerless) perceptions were created by then telling respondents that they were treated well (poorly) and were able (unable) to change the bank's decision to shut the branch down. No information related to respondents' attempt to change the bank's decision was provided in the power control condition. Dependent variables related to positive and negative affect, sense of alienation, attitudes toward the decision, brand and executives, behavioural intentions, and change in relationship type were then measured. Finally, manipulation check questions for manipulated power and potential covariates such as banking experience, gender, age, nationality, and language spoken at home were gauged. This procedure is further detailed in figure 8. The total task took no more than 20 minutes to complete.

Figure 8

Detailed Procedure for Study 1

CONTROLS

Relationship type Scenario
Communal
Exchange

→

Manipulation Checks
• Communal • Exchange • Bizperson vs. Friend • Pictures • Service Quality

Manipulation Checks
• Powerlessness • Likelihood to Occur • Scenario Recall o Level of Stress o Powerful vs. Powerless o Other Specifics

Dependent Variables
1. Alienation 2. Emotions (PANAS) 3. Attitude towards a. The Latest Decision b. The Brand c. The Executives 4. Behavioral Intentions a. Word of Mouth b. Recommendation c. Repeat Patronage (Brand Loyalty) d. Switching 5. Change in Relationship type a. Abridged Communality Scale b. Pictures

TREATMENTS

Relationship type Scenario
Communal
Exchange

→

Manipulation Checks
• Communal • Exchange • Bizperson vs. Friend • Pictures • Service Quality

→

Level of Power Scenario
• Control • Powerful • Powerless

Covariates & Demographics
• Banking Preference • Banking History • Language Spoken • Nationality • Gender • Faculty • Age

The experimental context of consumer banking was used due to the salience of perceived social relationships of consumers with banks (Aggarwal 2004). It is often hard to separate perceptions about a bank from perceptions about its employees due to the intertwined nature of core financial offerings and the services that surround them. This makes it critical for financial institutions to manage consumer-brand relationships using either communal or exchange norms (Fournier 1998). This is in line with prior research done in the area (Aggarwal 2004).

II. Study Participants

225 undergraduate business students at a major mid-western university participated in the study in exchange for course credit. Two observations were excluded from further analyses due to extensive missing data, leaving a final useable sample of 223 responses. Between 27 and 29 respondents were assigned to the eight experimental conditions (see table 1 for exact cell sizes). The sample consisted of 57% males and 43% females with a mean age of 21 years. Most respondents indicated experience with basic consumer banking—93% of respondents reported having one (60%) or more (33%) bank accounts, and over 65% interacted with their local bank branch executives on a monthly or bi-monthly basis. Further, 74% of the participants banked online—of these, 60% did so at least once per week.

Table 1: Study 1 Conditions and Cell Sizes

		CONTROLS	POWER		
		Control	Control	Powerful	Powerless
RELATIONSHIP	Communal	28	29	28	29
TYPE	Exchange	28	27	27	27

III. Independent Variables

Manipulation of Relationship Type

Relationship type was manipulated by using the hypothetical scenarios presented in table 2. Communal relationships were depicted by incorporating terms such as *friendly, warm, caring, cheerful,* and *informal* within the experimental scenarios. Exchange relationships were depicted using terms such as *capable, efficient, professional, businesslike,* and *formal* within the scenarios.

The stimuli and scale items used within the main study were finalized after conducting two pre-tests that used independent samples drawn from the same population. Please see the appendices (1.1 to 1.20) for the specific instruments used.

Table 2: Experimental Manipulations for Relationship Type in Study 1

A. Communal Relationship

You have been banking at the university campus branch of Grove Bank for the last five years. The bank has a strong reputation for being warm and friendly. In your personal experience with Grove Bank, you have found this to be true.

The bank's executives have been very friendly and caring. You have found them to be cheerful and informal. They get your job done fast while taking the time to speak with you and catch up with what's going on with your life.

You have always had very pleasant and warm interactions with the bank. You are usually addressed informally by your first name. The bank does special things for you. For instance, on your last birthday, Grove Bank sent you a hand-written card.

You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good.

Given below is one of their advertisements, which appeared in your campus newspaper this year, inviting new students to open an account with the bank:

```
┌─────────────────────────────────────────────┐
│                                             │
│              New on campus?                 │
│         Need to open a bank account?        │
│                                             │
│                                             │
│             GROVE BANK                      │
│      A Warm & Friendly Banking Experience   │
│                                             │
└─────────────────────────────────────────────┘
```

B. Exchange Relationship

You have been banking at the university campus branch of Grove Bank for the last five years. The bank has a strong reputation for being professional and competent. In your personal experience with Grove Bank, you have found this to be true.

The bank's executives have been very capable and efficient. You have found them to be dignified and formal. They get your job done fast by spending just the amount of time required to complete the transaction that you are there for.

You have always had very professional and businesslike interactions with the bank. You are usually addressed formally by your last name. The bank provides regular services for you. For instance, when a payment is due from your account, Grove Bank sends you an automatic computer-generated reminder.

You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good.

Given below is one of their advertisements, which appeared in your campus newspaper this year, inviting new students to open an account with the bank:

New on campus?
Need to open a bank account?

GROVE BANK

A Professional & Efficient Banking Experience

Pre-test 1.   22 respondents participated within the first pre-test that used a between-subjects experimental design with relationship type as a factor. The participants read either the communal or exchange relationship type description and answered questions regarding the level of perceived relational communality and exchange. Several scale items as well as pictorial representations were used to capture the perceptions of net communality, net exchange, and relative relationship type. First, a *net communality* index was created by averaging responses to the following seven items assessed on 7-point Likert scales (adapted from Aggarwal 2004, where 1 = strongly disagree, and 7 = strongly agree) as Cronbach's α was found to be greater than 0.70 (Nunnally 1978): "I have warm feelings for Grove Bank," "Grove Bank helps me in times of need," "I'd miss Grove Bank if I moved away," "Grove Bank treats me special," "Grove Bank cares for me," "Grove Bank likes me," and "I care for Grove Bank" (Cronbach's α = 0.92). Similarly, a *net exchange* index was created by averaging responses to the following seven items also adapted from Aggarwal 2004 and were assessed on 7-point Likert scales (1 = strongly disagree and 7 = strongly agree): "Grove Bank provides good value for money," "Grove Bank provides good service to get business," "I get my money's worth from Grove Bank," "Grove Bank provides its services at the time it promises to do so," "Grove Bank is dependable," "When Grove Bank promises to do something by a certain time, it does so," and "Grove Bank is efficient" (Cronbach's α = 0.84). There were no significant differences (F(1, 20) = 0.63, p > 0.10) in net relational communality across the responses of those in the communal relationship condition (M = 5.05) and the exchange relationship condition (M = 4.69). Similarly, there were no significant differences (F(1,20) = 1.58, p > 0.10) in net relational exchange across the responses of those in the

exchange relationship condition (M = 5.47) and the communal relationship condition (M = 5.08). These differences, however, occurred in the directions intended.

Second, respondents were asked to consider Grove Bank as a person and their responses to the following two sets of communal and exchange scale items were gauged on 7-point Likert-type scales (where 1 = not at all and 7 = extremely so). A *communal relations* index was formed by averaging responses to the statements: "To what extent is Grove Bank like a close friend?" "To what extent is Grove Bank like a parent?" and "To what extent is Grove Bank like a person I care about?" (Cronbach's α = 0.93). An *exchange relations* index was then created by averaging responses to the questions: "To what extent is Grove Bank like a businessperson?" "To what extent is Grove Bank like a merchant?" and "To what extent is Grove Bank like a person I would have business relations with?" (Cronbach's α = 0.75). There were no significant differences (F(1, 20) = 0.01, p > 0.50) in net relational communality across the responses of those in the communal relationship condition (M = 4.70) and the exchange relationship condition (M = 4.64). Similarly, there were no significant differences (F(1, 20) = 0.31, p > 0.50) in net relational exchange across the responses of those in the exchange relationship condition (M = 5.24) and the communal relationship condition (M = 5.45).

Third, participants were asked to choose between 3 sets of pictorial representations of businesspersons, parents and close friends to ascertain the *relative relationship type* that was perceived with Grove Bank (please refer to figure 9). Each picture group was designed to trigger different relational associations. Picture group A comprised of two images that had a formally dressed and professional-looking man and woman with the intention of representing Grove Bank as a businessperson – formal and

professional. Picture group B represented a parent-child relationship. Here, Grove Bank was intended to be represented as a male as well as a female parent taking care of and providing for a child (i.e., the respondent). Picture group C showed images of two male and two female friends enjoying each other's company in order to represent the friendliness and communal ties of Grove Bank with respondents. Pictures of both males and females were incorporated into the pictorial representations in order to control for potentially gender-biased responses. Significant differences in *perceived relationship type* were found amongst participants that responded to the question—"Which of the three picture groups best represents your relationship with Grove Bank?" (χ^2 (2) = 6.35, p < 0.05). Many more participants chose the pictorial representation depicting close friends in the communal rather than the exchange condition ($N_{communal}$ = 6, $N_{exchange}$ = 1). However, this distinction was not very evident for the pictorial representation depicting businesspersons ($N_{communal}$ = 4, $N_{exchange}$ = 5). Further, more participants chose the pictorial representation depicting parents in the exchange rather than the communal condition ($N_{communal}$ = 1, $N_{exchange}$ = 5).

Finally, the believability of the hypothetical scenarios presented to the participants was also gauged by asking them to rate the likelihood of occurrence of the scenarios on a 7-point Likert scale anchored at 1 by *very unlikely* and at 7 by *very likely to occur*. No significant differences were found for believability of the communal and exchange scenarios ($M_{communal}$ = 4.00 vs. $M_{exchange}$ = 4.73; F(1, 20) = 1.61, p > 0.10). Overall, it was found that the manipulation checks that were based on the pictorial representations were the ones that yielded significant differences across the experimental conditions. While directional support was found for the success of the manipulations

using the other measures of relationship type, these were not statistically supported. A second pre-test that further refined the experimental manipulations and scale items used was, therefore, conducted and details related to it are presented next.

Figure 9: Pictorial Representations of Perceived Relationship Type with Grove Bank in Study 1

Group A	Group B	Group C
Businesspersons	Parents	Close Friends
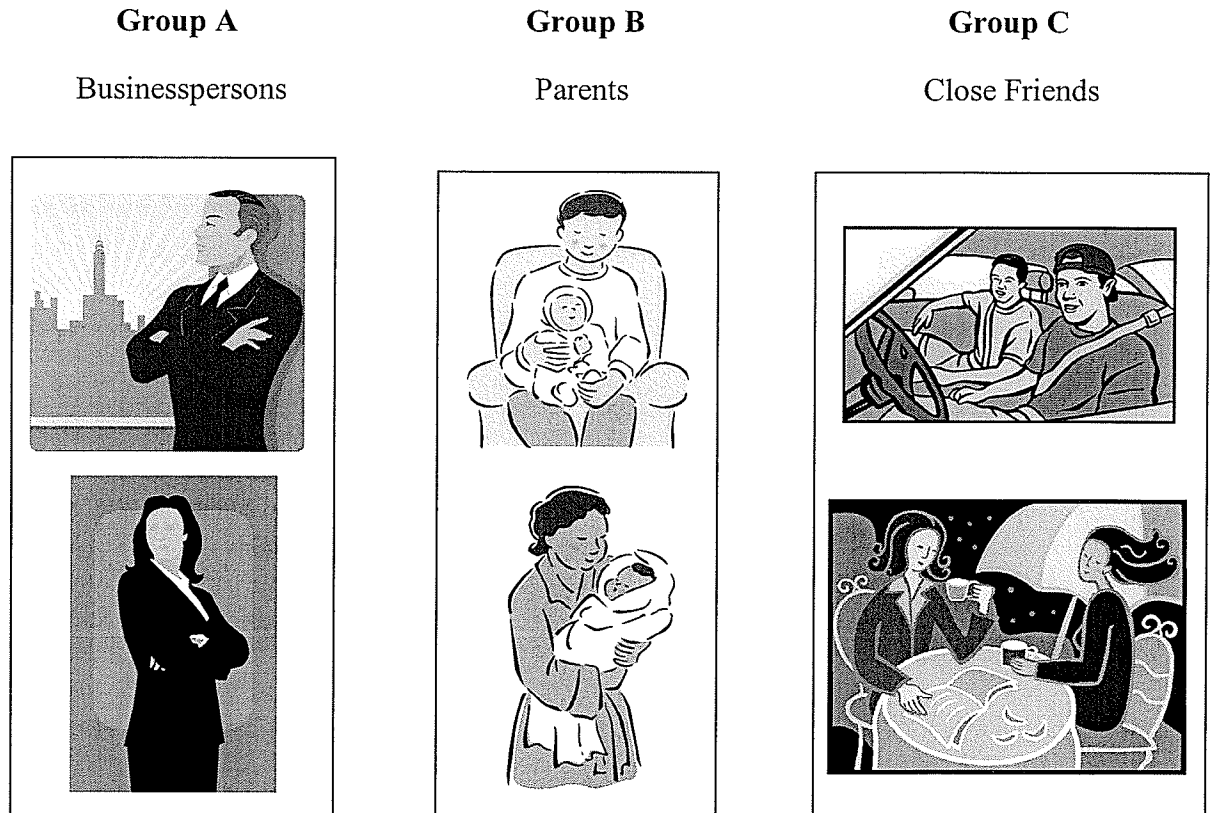
Pre-test 2. The second pre-test built on results found in the first one, and further refined the scenarios and scale items used to check the experimental manipulations. A between-subjects factorial design, which contrasted the two relationship-types, was administered to 39 respondents. Several scale items (that measured net communality, net exchange as well as relative relationship type) and responses to pictorial representations that were intended to capture relationship type (similar to those used in the first pre-test) were also used here.

First, a modified *net communality* index was created by averaging responses to the following seven items (further adapted from Aggarwal 2004) that were assessed on 7-point Likert scales (where 1 = strongly disagree and 7 = strongly agree): "I have warm feelings for Grove Bank," "Grove Bank helps me in time of need," "I like Grove Bank," "Grove Bank treats me special," "Grove Bank cares for me," "Grove Bank likes me," and "I care for Grove Bank" (Cronbach's $\alpha = 0.94$). The *net exchange* index used was the same as the one employed in pre-test 1 (Cronbach's $\alpha = 0.95$). There were no significant differences ($F(1, 37) = 0.11$, $p > 0.50$) in net relational communality across the responses of those in the communal relationship condition (M = 4.99) and the exchange relationship condition (M = 5.13). However, marginally significant differences ($F(1, 37) = 2.98$, $p < 0.10$) were found in net relational exchange across the responses of those in the exchange relationship condition (M = 5.24) and the communal relationship condition (M = 4.53).

Second, no significant differences in relationship type were found when the participants responded to the *communal relations* index ($M_{communal} = 4.28$ vs. $M_{exchange} = 4.05$; $F(1, 37) = 0.20$, $p > 0.50$; Cronbach's $\alpha = 0.93$) and *exchange relations* index ($M_{communal} = 4.98$ vs. $M_{exchange} = 5.25$; $F(1, 37) = 0.50$, $p > 0.10$; Cronbach's $\alpha = 0.80$). These indices were the same as those used in the first pre-test. However, directional support was found here. Further, to force a choice between the two relationship types, respondents were asked to respond to a single-item statement: "To what extent does Grove Bank represent a businessperson vis-à-vis a friend?" An 8-point Likert scale anchored at 1 by *businessperson* and 8 by *friend* was used and marginally significant differences were found across the two relationship types ($M_{communal} = 5.37$ vs. $M_{exchange} = 4.55$; $F(1, 37) = 2.83$, $p = 0.10$).

Third, pictorial representations similar to those in pre-test 1 were used to assess not just perceived relationship type but also relationship partner type. The participants were asked (on Likert scales anchored by 1 = not at all and 7 = extremely so) to choose between the 3 sets of pictures that depicted close friends, parents or businesspersons. The results indicated significant differences across relationship types. Specifically, significant differences were found when participants were asked the extent to which picture group A (businesspersons) represented their relationship with Grove Bank ($M_{communal}$ = 4.47 vs. $M_{exchange}$ = 5.50; $F(1, 37)$ = 4.14, $p < 0.05$) and the extent to which picture group C (close friends) represented their relationship with Grove Bank ($M_{communal}$ = 5.05 vs. $M_{exchange}$ = 4.15; $F(1, 37)$ = 4.35, $p < 0.05$). Further cross-tabulation results (see table 3) indicated significant differences between the communal and exchange relationships for the questions "Which of the picture groups best represents Grove Bank?" and "Which of the picture groups best represents your relationship with Grove Bank?" It can be seen that the picture groups seem to capture the manipulations well, with those in the exchange condition choosing picture group A (businessperson/exchange) and those in the communal condition choosing picture group C (friends/communal). Based on the poor statistical results for picture group B (parents) as well as the non-centrality of family/parent nature of communality in this research, this picture group and questions related to it were dropped from the main study.

Further, there were no differences in perceived quality of services provided (measured using a single item anchored at 1 by bad and 7 by good) across conditions, ruling out perceived service quality differentials as the reason for perceived variations in relationship type ($M_{communal}$ = 5.79 vs. $M_{exchange}$ = 5.75; $F(1, 37)$ = 0.01, $p > 0.50$). Also,

the likelihood of occurrence of these scenarios (measured via a single item scale anchored at 1 by very unlikely to occur and 7 by very likely to occur) did not vary across relationship types ($M_{communal}$ = 3.72 vs. $M_{exchange}$ = 4.06; $F(1, 33)$ = 0.58, p > 0.10). We, thus, ensure the realism of the experimental scenarios used and rule out the introduction of variations due to differing levels of believability.

Table 3: Cross-Tabulation Results of Pictorial Representation Questions in Pre-test 2

Construct	Pictorial Representations	Relationship type		χ^2	df	p
		Communal Condition	Exchange Condition			
Perceived Relationship Partner Type	Businesspersons	5	15	10.38	2	< 0.05
	Parents	2	2			
	Close Friends	12	3			
Perceived Relationship Type	Businesspersons	5	15	14.10	2	< 0.01
	Parents	0	2			
	Close Friends	14	3			

Manipulation of Power

All participants, except those in the two relationship type control conditions, were exposed to a hypothetical stressor to their relationships with the bank (specifically, that the campus branch was scheduled to close down). Perceived levels of power that consumers can have in these relationships (control, powerful, powerless) were manipulated by varying the types of treatment meted out to them when they try to oppose/reverse the stress inducing decision by the bank and the final result of their efforts. In the powerful condition, respondents were told that the bank treated them respectfully and they were met with a favourable outcome as they were successful in

- 63 -

reversing the bank's decision to shut the on-campus branch. In the powerless condition, respondents were told that the bank treated them disrespectfully and they were met with an unfavorable outcome as they were unsuccessful in reversing the bank's decision to shut the on-campus branch. Respondents in the control condition did not receive any manipulations of final outcomes or the treatment received. The specific experimental scenarios that manipulated power level are depicted in table 4.

The stimuli and scale items used within the main study were finalized after conducting a pre-test using an independent sample from the same population. Please see appendices (1.1 to 1.20) for the specific instruments used. 30 respondents participated within the pre-test that used a between-subjects factorial design with power as a factor. The participants read either the control, powerful or powerless condition descriptions and answered questions regarding the level of perceived powerlessness. A powerlessness index was created by averaging responses to the following seven items (Cronbach's α = 0.90; adapted from Burbach 1972; Mottaz 1981; Neal and Rettig 1967; Seeman 1959) that were assessed on 7-point Likert scales (where 1 = strongly disagree and 7 = strongly agree): "There is little that people like me can do to change the decision of Grove Bank," "There is little use in complaining to the Grove Bank officials because usually they will not do anything to satisfy an individual customer," "It is only wishful thinking to believe that one can really influence what happens at Grove Bank," "A few people in power run Grove Bank and there is not much that an individual customer like me can do," "Most of the time, I feel that I have an effective voice in the decisions made by Grove Bank" (reverse-scored), "More and more, I feel helpless in the face of what is happening at Grove Bank," and "An individual customer like me has little chance of protecting his/her

personal interests when they are in conflict with those of Grove Bank" Significant differences in perceived powerlessness were not found across the three levels of power ($M_{control}$ = 4.63 vs. $M_{powerful}$ = 3.77 vs. $M_{powerless}$ = 4.91; $F(2, 27)$ = 1.79, $p > 0.10$). However, results of a univariate ANOVA carried out between the powerful and powerless conditions provided evidence for marginally significant mean differences ($M_{powerful}$ = 3.77 vs. $M_{powerless}$ = 4.91; $F(1, 18)$ = 3.09, $p < 0.10$). On revisiting the powerlessness scale, it was decided to drop two items—"There is little use in complaining to the Grove Bank officials because usually they will not do anything to satisfy an individual customer" (which seemed redundant given that manipulation scenarios involved customers complaining and petitioning to the bank) and "It is only wishful thinking to believe that one can really influence what happens at Grove Bank" (was found to be very similar to with a high inter-item correlation of 0.82 but not as straight-forward in wording as another item in the scale "There is little that people like me can do to change the decision of Grove Bank")—from the main study. Further, removing these two items did not drastically reduce the reliability of the scale. Hence, the number of items in the powerlessness scale was reduced to five. Using this revised scale (Cronbach's α = 0.84), results indicated a marginally significant mean differences across power levels ($M_{control}$ = 4.64 vs. $M_{powerful}$ = 3.80 vs. $M_{powerless}$ = 5.16; $F(2, 27)$ = 2.50, p = 0.10). Further, univariate ANOVA between the powerful and powerless conditions provided evidence for significant mean differences ($M_{powerful}$ = 3.80 vs. $M_{powerless}$ = 5.16; $F(1, 18)$ = 4.57, $p < 0.05$). The likelihood of the scenario to occur (single item scale anchored by 1 = very unlikely to occur and 7 = very likely to occur) did not vary across the three conditions ($M_{control}$ = 3.90 vs. $M_{powerful}$ = 4.30 vs. $M_{powerless}$ = 4.10; $F(2, 27)$ =

0.15, p > 0.50). The manipulations worked overall and the 5-item powerlessness scale was finalized for the main study.

Table 4: Experimental Manipulations for Levels of Power in Study 1

A. Control

Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement – "**the branch would be closed down in 30 days**".

This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult.

The closing down of the campus branch of Grove Bank would be **extremely inconvenient for you**.

B. Powerful

You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.

Because of the strong movement that you are a part of and your time and efforts, Grove Bank **decides not to shut down** the university campus branch. They **send you a letter** communicating this decision **with an apology for the inconvenience caused** to you. When you visit the branch location the next time, you find that the bank is open for regular business.

C. Powerless

You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.

Despite the strong movement that you are a part of and your time and efforts, Grove Bank **decides to shut down** the university campus branch. They **do not send you a letter** communicating this decision and **do not apologize for the inconvenience caused** to you. When you visit the branch location the next time, you find that the bank has been closed.

IV. Manipulation Checks and Dependent Variable Measures

Manipulation Check Measures

Relationship Type. Respondents were asked to answer questions regarding the level of perceived relational communality and exchange. To capture these dimensions, scale items (same as those used in pre-test 2) that measured net communality (Cronbach's $\alpha = 0.87$), net exchange (Cronbach's $\alpha = 0.87$) as well as relative relationship type— which included the two-item (after removing 'parent' item) *communal relations* index (Pearson's Correlation = 0.69), and a two-item (after removing 'merchant' item) *exchange relations* index (Pearson's Correlation = 0.51) along with pictorial representations were used. An additional question—"Grove Bank fosters warm and friendly interactions with its customers more than professional and efficient interactions"— on an 8-point Likert scale anchored at 1 by *strongly disagree* and 8 by *strongly agree* was also included immediately after questions related to the *net communality* and *net exchange* scales.

Powerlessness. Participants were asked to respond to the 5-item *powerlessness* scale (Cronbach's $\alpha = 0.84$) as used in the pre-test. Further, they were also asked two separate questions (each anchored by 1 = powerless and 8 = powerful) about how powerless or powerful they felt (a) in terms of changing the initial decision of Grove Bank and (b) in light of the final decision of Grove Bank.

Perceived Stress. To verify that participants perceived Grove Bank's initially announced decision as stressful, the following 7-point Likert scale was included (anchored by 1 = strongly disagree and 7 = strongly agree): "This decision (that Grove

Bank announced) would create a stressful situation for you." Similarly, to verify if the participants in the powerless condition perceived the final decision of the bank to be stressful and that those in the powerful condition did not find it stressful, the following question was presented (anchored by 1 = strongly disagree and 7 = strongly agree): "The latest (i.e., final) decision of Grove Bank would create a stressful situation for you."

Scenario-Based Recollections. The respondents were asked the following questions to check if they recalled the key elements within the scenarios: "What did Grove Bank announce that it was planning to do?" "What did Grove Bank finally do (i.e., its latest decision) after you sent the formal letter?" and "Did Grove Bank communicate its final (i.e., latest) decision to you after you sent the formal letter?" A single-item measure on a 7-point Likert scale (anchored at 1 by *strongly disagree* and 7 by *strongly agree*) verified if the respondents (in the powerless and powerful conditions) were able to reverse the initial decision of Grove Bank or not.

To ensure the realism of the experimental scenarios, respondents were also asked how likely to occur the scenario was, anchored by 1 = *very unlikely to occur* and 7 = *very likely to occur*.

Dependent Variable Measures

Alienation. The following two items were used to assess the impact of the stressor and manipulated power on feelings of exclusion: "There is a barrier or separation between me and the brand" and "I feel excluded by the brand." Responses were measured on 7-point Likert scales with 1 = strongly disagree and 7 = strongly agree and were averaged to form an *alienation* index (Pearson's Correlation = 0.82).

Emotions. In the questionnaire, participants responded to the 20-item Positive Affect and Negative Affect Scale (PANAS— created by Watson, Clark, and Tellegen 1988) by indicating the extent to which they felt the following emotions when they thought of the bank on 7-point Likert scales anchored at 1 by *not at all* and 7 by *extremely so*. This was done immediately after reading the scenario that manipulated power. Ten positive affect measures (i.e., interested, excited, strong, enthusiastic, proud, alert, inspired, determined, attentive, and active) and ten negative affect measures (distressed, upset, guilt, scared, hostile, irritable, ashamed, nervous, jittery, and afraid) were used here.

An exploratory factor analysis indicated that these scale items were related to four underlying dimensions (65% of variance explained, Eigen values > 1). The first dimension consisted of four items – *distressed, upset, hostile*, and *irritable*. These measures were averaged to form an overall *upset* index (Cronbach's $\alpha = 0.85$). The second dimension used four items – *scared, nervous, jittery*, and *afraid*, which were averaged to form an overall *scared* index (Cronbach's $\alpha = 0.87$). The third dimension consisted of four items – *strong, determined, attentive*, and *active*, which were averaged to form an overall *positive* index (Cronbach's $\alpha = 0.78$). The last dimension had two items – *guilty* and *ashamed*, which were averaged to form an overall *guilt* and *shame* index (Pearson's Correlation = 0.56). For H1, H2a, H2b, H3a and the test of mediation (H4b), the emotions in the *upset, scared*, and *guilt* and *shame* indices were averaged to form an overall *negative emotions* index (Cronbach's $\alpha = 0.86$).

Attitudes. To assess the impact of emotions and alienation on respondents' attitudes, three sets of attitudes were measured – attitude towards the latest decision, the

brand, and the executives. These attitudes had three items each on 7-point Likert scales with the following anchors: *bad/good, unfavorable/favorable, negative/positive.* The three scales were averaged to form indices for *attitude towards the latest decision* (Cronbach's $\alpha = 0.98$), *attitude towards the brand* (Cronbach's $\alpha = 0.97$), and *attitude towards the executives* (Cronbach's $\alpha = 0.97$).

Behavioral Intentions. The following seven items on behavioral intentions were included to assess the impact of emotions, felt alienation, and attitudes on behavioral intentions: "I would say positive things about Grove Bank to other people," "I would recommend Grove Bank to someone who seeks my advice," "I would encourage my friends to bank with Grove Bank," "I would consider Grove Bank as my first choice for banking purposes," I would stay a customer of Grove Bank," "If another bank (competing with Grove Bank) with similar levels of service opened a branch on university campus, how likely is it that you would switch to the other bank? (reverse-scored), and "If another bank (competing with Grove Bank) opened a branch on university campus, and made a first 2 months no service fee offer, how likely is it that you would switch to the other bank?" (reverse-scored). Each was measured on 7-point Likert scales with 1 = not at all likely and 7 = extremely likely. These items were averaged to form an overall *behavioral intentions* index (Cronbach's $\alpha = 0.93$).

Change in Relationship Type. To assess the impact of powerlessness and alienation on change in the nature of the consumer-brand relationship, an abridged version of the manipulation check items used for relationship type consisting of three sections was included. The first section consisted of three communal measures ("I have warm feelings for the brand," "The brand cares for me," and "I care for the brand")

anchored by 1 = strongly disagree and 7 = strongly agree, averaged to form an abridged

net communality index (pre-stressor Cronbach's α = 0.81; post-stressor Cronbach's α =

0.91). The second section (same as that in the manipulation check section used in the

main study) consisted of an abridged *communal relations* scale item "To what extent is

Grove Bank like a close friend?" (anchored by 1 = not at all and 7 = extremely so) , an

abridged *exchange relations* scale consisting of one question ("To what extent is Grove

Bank like a businessperson?") anchored by 1 = not at all and 7 = extremely so, and a

forced-choice question (anchored by 1 = businessperson and 8 = close friend) to capture

the *perceived relationship type* of the participant with the bank. The third section was

same as that in the manipulation check section used in the main study, where the

respondents were provided with two sets of pictures – group A (representing the

businessperson/exchange ties) and group B (representing the close friend/communal ties)

based on which they answered questions to capture *relative relationship type*.

V. Results

Preliminary Analyses

Manipulation Checks – Relationship Type. Respondents answered these

manipulation check questions immediately after reading the first scenario related to

relationship type. Univariate ANOVA conducted on the *net communality* scale provided

evidence of main effect of relationship type, with communal consumers viewing the

brand and their relationship with the brand as more communal than the exchange

consumers ($M_{communal}$ = 5.73 vs. $M_{exchange}$ = 5.13; $F(1, 221)$ = 26.33, p < 0.01). Similar

analysis on the *net exchange* scale demonstrated that exchange consumers viewed the

brand and their relationship with the brand as more exchange than the communal consumers ($M_{exchange} = 5.71$ vs. $M_{communal} = 4.04$; $F(1, 221) = 182.43$, $p < 0.01$). When asked whether "Grove Bank fosters warm and friendly interactions with its customers more than professional and efficient interactions," results indicated that the communal consumers agreed with this statement more than the exchange ones ($M_{communal} = 6.37$ vs. $M_{exchange} = 3.73$; $F(1, 221) = 150.26$, $p < 0.01$).

The second section considered how consumers would view the brand if it became a person (close friend vs. businessperson). When asked whether the brand represented a businessperson or a close friend (anchored by 1 = businessperson and 8 = close friend), results indicated that exchange consumers viewed the brand more as a businessperson (M = 2.92) and communal consumers viewed it more as a close friend (M = 5.32; $F(1, 221) = 115.69$, $p < 0.01$). The *communal relations* index revealed the same pattern with communal consumers indicating higher scores for communal relations than the exchange consumers ($M_{communal} = 4.74$ vs. $M_{exchange} = 3.27$; $F(1, 221) = 74.58$, $p < 0.01$). Similarly, the *exchange relations* index demonstrated that exchange consumers viewed the brand more businessperson like vis-à-vis the communal consumers ($M_{exchange} = 5.78$ vs. $M_{communal} = 4.44$; $F(1, 221) = 91.64$, $p < 0.01$).

The pictures supported the same story. Communal consumers viewed the brand as well as their relationship with the brand to be best represented by the picture group that represented close friends/communal ties, and exchange consumers viewed the brand as well as their relationship with the brand to be best represented by the picture group that represented businesspersons/exchange ties (Tables 5 and 6 provide cross-tabulation results). When forced to choose whether the brand was like picture group A which

represented businesspersons or picture group B which represented close friends

(anchored by 1 = group A and 8 = group B), communal consumers viewed the brand

more as picture group B (businesspersons) and exchange consumers viewed it more as

picture group A (close friends) ($M_{communal}$ = 5.20 vs. $M_{exchange}$ = 2.86; $F(1, 221)$ = 111.80,

$p < 0.01$). Similarly, when asked to what extent their relationship with the brand was like

group A (exchange ties) or group B (communal ties), the same pattern emerged

($M_{communal}$ = 5.03 vs. $M_{exchange}$ = 3.28; $F(1, 221)$ = 57.27, $p < 0.01$).

Table 5: The Extent to Which Picture Group A (Exchange Ties) and Picture Group B (Communal Ties) Represent the Consumer-Brand Relationship in Study 1

	Relationship Type (Means)		χ^2	df	p
	Communal	*Exchange*			
Picture Group A (Exchange ties)	3.65	**5.33**	78.77	1	< 0.01
Picture Group B (Communal ties)	**4.99**	2.92	105.85	1	< 0.01

Table 6: Relative Relationship Type Cross-Tabulation Results of Picture Group Questions in Study 1

	Picture Groups	Relationship type		χ^2	df	p
		Communal	*Exchange*			
Best represents the brand	Group A (Businesspersons)	24	**98**	99.65	1	< 0.01
	Group B (Close Friends)	**87**	13			
Best represents relationship with the brand	Group A (Exchange ties)	18	**97**	112.60	1	< 0.01
	Group B (Communal ties)	**93**	14			

Further, for service quality, no significant difference was found in the communal

(M = 6.05) vs. exchange (M = 6.14) conditions ($F(1, 221)$ = 0.53, $p > 0.10$) ruling out

service quality as a reason for the difference across the relationship types. Overall, the manipulations for relationship type worked.

Manipulation Check – Powerlessness. The five-item *powerlessness* scale provided evidence of main effect of the level of power when considering both power and relationship type as factors ($M_{control}$ = 4.78 vs. $M_{powerful}$ = 3.02 vs. $M_{powerless}$ = 4.96; $F(2, 161)$ = 67.48, $p < 0.01$) with those in the powerless (powerful) condition experiencing highest (lowest) powerlessness. However, Levene's test of equality of error variances revealed that there were no significant differences across the relationship types and hence, communal and exchange were collapsed together as a single group ($M_{communal}$ = 4.18 vs. $M_{exchange}$ = 4.35; $F(1, 165)$ = 0.54, $p > 0.10$). Subsequently, univariate ANOVA on *powerlessness* with only level of power as the factor provided evidence for main effect of power ($M_{control}$ = 4.78 vs. $M_{powerful}$ = 3.02 vs. $M_{powerless}$ = 4.96; $F(2, 164)$ = 67.60, $p < 0.01$) with respondents in the powerless (powerful) condition indicating highest (lowest) powerlessness. When asked the extent to which they felt powerless/powerful to change the initial decision of Grove Bank (retrospectively), the respondents in the powerful condition indicated higher scores vis-à-vis those in the powerless and control conditions ($M_{control}$ = 2.77 vs. $M_{powerful}$ = 5.20 vs. $M_{powerless}$ = 2.63; $F(2, 164)$ = 50.83, $p < 0.01$). Similarly, significant differences across the two power conditions (powerful vs. powerless) were found when asked to indicate the extent to which they felt powerless/powerful in light of the final decision of Grove Bank ($M_{powerful}$ = 6.53 vs. $M_{powerless}$ = 2.27; $F(1, 109)$ = 329.19, $p < 0.01$). Overall, the manipulations for powerlessness across the different levels of power worked.

Manipulation Check – Perceived Stress. Participants across the 3 levels of power found the initially announced decision of Grove Bank to be stressful ($M_{control}$ = 5.61 vs. $M_{powerful}$ = 5.42 vs. $M_{powerless}$ = 5.70; $F(2, 164)$ = 0.59, $p > 0.50$). Further, participants in the powerless condition perceived the final decision of Grove Bank to be stressful (M = 5.71) while those in the powerful condition did not find it to be stressful ($M_{powerful}$ = 2.33; $F(1, 109)$ = 147.31, $p < 0.01$).

Manipulation Check – Scenario-Based Recollections. When asked what Grove Bank (the brand) was planning to do, all respondents ($N_{control}$ = 56, $N_{powerful}$ = 55, $N_{powerless}$ = 56) answered correctly that it was planning to shut down the campus branch. For the powerful and powerless conditions, when asked what the brand did after the consumers sent the formal letter, all respondents ($N_{powerful}$ = 55, $N_{powerless}$ = 56) gave the correct response: "kept the branch open" and "closed the branch," respectively. Similarly, when asked if the brand communicated its final decision with them, all respondents ($N_{powerful}$ = 55, $N_{powerless}$ = 56) gave the correct response: "yes, it did" and "no, it didn't," respectively. Respondents in the powerful condition rightly indicated that they were able to reverse the initial decision of Grove Bank, but not so those in the powerless condition ($M_{powerful}$ = 6.20 vs. $M_{powerless}$ = 1.34; $F(1, 109)$ = 1127.93, $p < 0.01$).

Significant differences in likelihood of the scenarios to occur with those in the powerful condition finding it less likely to occur as compared to those in the control and powerless conditions ($M_{control}$ = 4.52 vs. $M_{powerful}$ = 3.77 vs. $M_{powerless}$ = 4.79; $F(2, 164)$ = 15.55, $p < 0.01$). However, since the means of the likelihood of occurring hovered close to the mid-point 4 on the 7-point Likert scale (anchored by 1 = very unlikely to occur and

7 = very likely to occur), the experimental scenarios are considered real and not unlikely to occur.

Tests of Hypotheses

Hypotheses H1, H2a, H2c, H3a, and H3b were tested using either two-way (factors: relationship type and power) or one-way (factor: power) ANOVAs. Hypotheses (H4 and H5) on mediation were tested using regression analyses. It is to be noted that a test of the homogeneity of variances (the Levene's test of equality and the F-max test where the Levene's results were significant) across the two types of relationship types revealed that there were no significant differences in the variances between communal and exchange conditions, except for how guilty respondents felt ($M_{communal} = 1.90$ vs. $M_{exchange} = 1.59$; $F_{max}(2, 111) = 1.99$, $p < 0.05$) and how ashamed they felt ($M_{communal} = 1.85$ vs. $M_{exchange} = 1.53$; $F_{max}(2, 111) = 2.41$, $p < 0.05$). Therefore, unless hypothesized, for all variables except *guilt* and *shame*, the relationship types were collapsed to form a single group. Furthermore, covariates (*viz.*, respondents' banking experience, gender, age, nationality, and language spoken at home) were analyzed and found to not significantly impact any of the dependent variables.

H1: Univariate ANOVA was conducted for all dependent measures (except *guilt* and *shame*) to compare the results of the control conditions for the relationship types with the control condition for power. Results indicated that, consistent with H1, the presence of a stressor significantly influenced the intensity with which respondents experienced powerlessness ($M_{stressor\_present} = 4.78$ vs. $M_{stressor\_absent} = 3.99$; $F(1, 110) = 22.67$, $p < 0.01$), alienation ($M_{stressor\_present} = 4.72$ vs. $M_{stressor\_absent} = 2.71$; $F(1, 110) = 77.97$, $p < 0.01$), and

negative emotions ($M_{stressor\_present}$ = 2.80 vs. $M_{stressor\_absent}$ = 1.51; $F(1, 110)$ = 73.83, p <

0.01) [upset ($M_{stressor\_present}$ = 4.16 vs. $M_{stressor\_absent}$ = 1.80; $F(1, 110)$ = 115.21, p < 0.01);

scared ($M_{stressor\_present}$ = 2.54 vs. $M_{stressor\_absent}$ = 1.41; $F(1, 110)$ = 29.97, p < 0.01)].

Further, the stressor resulted in unfavorable attitudes toward the decision ($M_{stressor\_present}$ =

1.98 vs. $M_{stressor\_absent}$ = 5.54; $F(1, 110)$ = 303.51, p < 0.01), the brand ($M_{stressor\_present}$ =

4.67 vs. $M_{stressor\_absent}$ = 5.78; $F(1, 110)$ = 22.56, p < 0.01) and the executives

($M_{stressor\_present}$ = 4.66 vs. $M_{stressor\_absent}$ = 5.66; $F(1, 110)$ = 17.55, p < 0.01), and

unfavorable behavioral intentions toward the brand ($M_{stressor\_present}$ = 4.37 vs. $M_{stressor\_absent}$

= 5.15; $F(1, 110)$ = 9.57, p < 0.01). To test the decline in perceptions of communal ties

with the brand amongst those experiencing the stressor, a repeated-measures ANOVA

was conducted to compare the pre-stressor (M = 5.13) and post-stressor (M = 4.21)

scores on the abridged *communality* index. Consistent with H1, perceptions of communal

ties with the brand decreased on account of the stressor ($F(1, 55)$ = 21.88, p < 0.01).

Hence, H1 was supported.

H2a: Univariate ANOVA results indicated that as power declined, sense of

powerlessness increased ($M_{powerful}$ = 3.02 vs. $M_{control}$ = 4.78 vs. $M_{powerless}$ = 4.96; $F(2, 164)$

= 67.60, p < 0.01), felt alienation increased ($M_{powerful}$ = 2.89 vs. $M_{control}$ = 4.72 vs.

$M_{powerless}$ = 5.23; $F(2, 164)$ = 52.19, p < 0.01), negative emotions intensified ($M_{powerful}$ =

2.17 vs. $M_{control}$ = 2.81 vs. $M_{powerless}$ = 3.14; $F(2, 164)$ = 15.85, p < 0.01), positive

emotions diminished ($M_{powerful}$ = 3.97 vs. $M_{control}$ = 2.18 vs. $M_{powerless}$ = 2.11; $F(2, 164)$ =

46.11, p < 0.01), attitudes toward the decision became unfavorable ($M_{powerful}$ = 5.68 vs.

$M_{control}$ = 1.98 vs. $M_{powerless}$ = 1.79; $F(2, 164)$ = 192.60, p < 0.01), attitudes toward the

brand became unfavorable ($M_{powerful}$ = 5.56 vs. $M_{control}$ = 4.67 vs. $M_{powerless}$ = 3.33; F(2,

164) = 40.45, p < 0.01), attitudes toward the executives became unfavorable ($M_{powerful}$ = 5.49 vs. $M_{control}$ = 4.66 vs. $M_{powerless}$ = 3.26; $F(2, 164)$ = 35.39, p < 0.01), and behavioral intentions became more negative ($M_{powerful}$ = 5.30 vs. $M_{control}$ = 4.37 vs. $M_{powerless}$ = 2.96; $F(2, 164)$ = 45.53, p < 0.01). Contrasts between the responses of those in the *powerful* versus *powerless* conditions revealed significant mean differences in perceived powerlessness ($F(1, 109)$ = 119.48, p < 0.01), felt alienation ($F(1, 109)$ = 96.48, p < 0.01), intensity of negative emotions ($F(1, 109)$ = 30.64, p < 0.01), magnitude of positive emotions ($F(1, 109)$ = 78.08, p < 0.01), attitude toward the decision ($F(1, 109)$ = 277.86, p < 0.01), attitude toward the brand ($F(1, 109)$ = 96.87, p < 0.01), attitude toward the executives ($F(1, 109)$ = 76.21, p < 0.01), and behavioral intentions ($F(1, 109)$ = 109.14, p < 0.01). Similarly, contrasts between the responses of those in the *powerful* versus *control* conditions revealed significant mean differences in perceived powerlessness ($F(1, 109)$ = 92.01, p < 0.01), felt alienation ($F(1, 109)$ = 58.09, p < 0.01), intensity of negative emotions ($F(1, 109)$ = 14.20, p < 0.01), magnitude of positive emotions ($F(1, 109)$ = 55.54, p < 0.01), attitude toward the decision ($F(1, 109)$ = 213.53, p < 0.01), attitude toward the brand ($F(1, 109)$ = 12.84, p < 0.01), attitude toward the executives ($F(1, 109)$ = 10.43, p < 0.01), and behavioral intentions ($F(1, 109)$ = 14.53, p < 0.01). However, contrasts between the responses of those in the *powerless* versus *control* conditions revealed no significant mean differences in perceived powerlessness ($F(1, 109)$ = 0.91, p > 0.10), magnitude of positive emotions ($F(1, 109)$ = 2.47, p > 0.10), and attitude toward the decision ($F(1, 109)$ = 1.18, p > 0.10), suggesting that perhaps consumers in general tend to feel powerless in the face of any unfavorable decisions made by companies. However, significant differences were found in their feelings of alienation ($F(1, 109)$ =

4.41, $p < 0.05$), intensity of negative emotions ($F(1, 109) = 3.45$, $p < 0.10$), attitude toward the brand ($F(1, 109) = 24.59$, $p < 0.01$), attitude toward the executives ($F(1, 109) = 23.40$, $p < 0.01$), and behavioral intentions ($F(1, 109) = 27.42$, $p < 0.01$), suggesting that perhaps providing the explicit information on the final unfavorable decision in the *powerless* condition (vis-à-vis no mention of final decision in the *control* condition) has helped to exacerbate negative effects of the final decision in terms of feelings of alienation, negative affect, attitudes toward the brand and executives, and behavioral intentions.

On testing whether perceptions of communal ties with the brand decreased as power declined, repeated-measures ANOVA yielded significant interactions between manipulated power and the pre- vs. post-stressor abridged *net communality* indices ($F(2, 164) = 27.94$, $p < 0.01$), as well as significant main effect of the pre- vs. post-stressor abridged *net communality* indices ($F(1, 164) = 158.00$, $p < 0.01$). Please refer figure 10. Planned contrasts revealed a significant decrease in the perceptions of communality for respondents in all three power conditions—powerless ($M_{pre-stressor} = 5.26$ vs. $M_{post-stressor} = 2.93$; $F(1, 164) = 92.49$, $p < 0.01$), powerful ($M_{pre-stressor} = 5.28$ vs. $M_{post-stressor} = 4.70$; $F(1, 164) = 8.65$, $p < 0.01$), and control ($M_{pre-stressor} = 5.13$ vs. $M_{post-stressor} = 4.21$; $F(1, 164) = 12.10$, $p < 0.01$). No significant differences were found in the pre-stressor abridged *net communality* index across the three power conditions ($F(2, 164) = 0.37$, $p > 0.10$). However, significant differences were evidenced in the post-stressor abridged *net communality* index across the power levels ($F(2, 164) = 29.23$, $p < 0.01$) with significant differences between the responses of *powerless* and *powerful* conditions ($F(1, 164) = 47.97$, $p < 0.01$) and *powerless* and *control* groups ($F(1, 164) = 25.59$, $p < 0.01$), and

marginally significant difference between the responses of *powerful* and *control* groups

$(F(1, 164) = 3.58, p < 0.10)$. These results indicated that as power declined, perceptions

of communality with the brand decreased. Hence, H2a was supported.

Figure 10: Interaction Effects of Manipulated Power and Pre- vs. Post-Stressor Abridged Net Communality Indices in Study 1
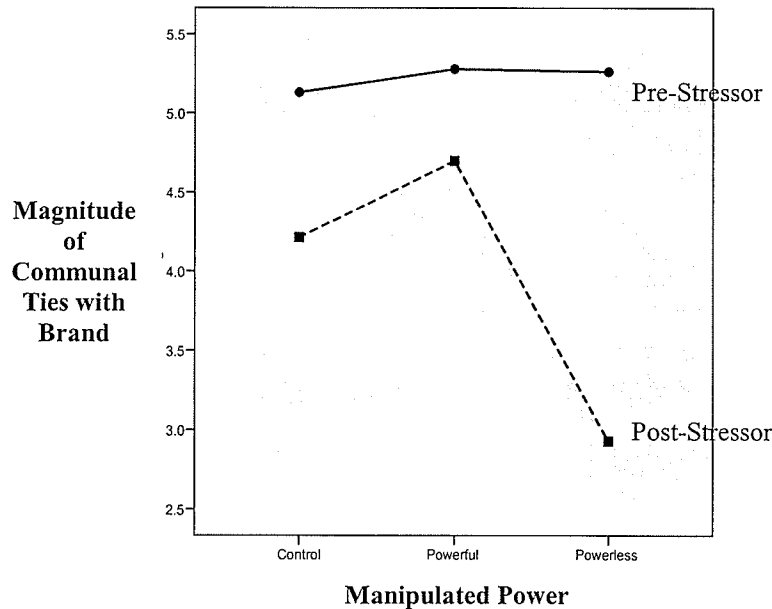
H2c: Repeated-measures ANOVA was conducted with power as the between-

subjects factor and attitude target (three levels – decision, brand, and executives) as the

within-subjects factor. Results indicated a significant main effect of attitude targets

$(M_{decision} = 3.15$ vs. $M_{brand} = 4.52$ vs. $M_{executives} = 4.47$; $F(1, 164) = 121.60, p < 0.01)$

indicating that attitude toward the decision was significantly different from and least

favorable as compared to that toward the brand and the executives. Significant

interactions were also witnessed between the attitude targets and power levels $(F(2, 164)$

$= 48.24, p < 0.01)$. Please refer figure 11. Planned contrasts revealed that under powerless

condition, attitude toward the decision (Mean = 1.79) was significantly different from the

attitude toward the brand (M = 3.33; $F(1, 164) = 55.84$, $p < 0.01$) and that toward the executives (M = 3.26; $F(1, 164) = 50.80$, $p < 0.01$) with no significant differences between that toward the brand and the executives ($F(1, 164) = 0.12$, $p > 0.10$). Similarly, under control condition, contrasts revealed that attitude toward the decision (Mean = 1.98) was significantly different from the attitude toward the brand (M = 4.67; $F(1, 164)$ = 168.76, $p < 0.01$) and that toward the executives (M = 4.66; $F(1, 164) = 168.02$, $p < 0.01$) with no significant differences between that toward the brand and the executives ($F(1, 164) = 0.001$, $p > 0.10$). Once again, the control and powerless conditions seem to follow the same pattern. However, amongst powerful condition responses, no significant differences were found in the attitudes ($M_{decision} = 5.68$ vs. $M_{brand} = 5.56$ vs. $M_{executives}$ = 5.49; $F(1, 164) = 0.86$, $p > 0.10$).

Having already established in H2a that attitudes toward the decision, brand, and executives become less favorable as power declines, and having found here that attitude towards the decision is lowest as compared to that of brand and executives for both powerless and control conditions, it can be concluded that as power declines, attitude toward the decision will be more unfavorable than that toward the brand and executives, thereby, supporting H2c.

Figure 11: Interaction Effects of Manipulated Power and Attitude Targets in Study 1
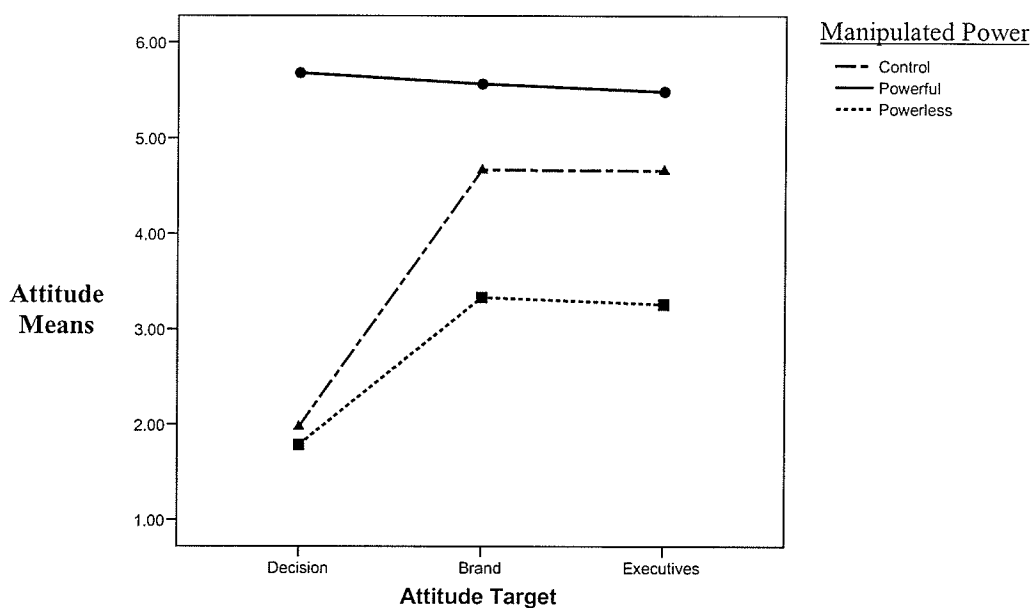
$H3a$: Two-way ANOVA with relationship type and power as factors indicated that across the relationship types, except for the intensity of negative emotions experienced $(F(2, 161) = 4.23, p < 0.05)$, there were no significant differences in the sense of powerlessness $(F(2, 161) = 0.251, p > 0.10)$, felt alienation $(F(2, 161) = 0.90, p > 0.10)$, intensity of positive emotions $(F(2, 161) = 0.86, p > 0.10)$, attitudes toward the decision $(F(2, 161) = 0.71, p > 0.10)$, attitude toward the brand $(F(2, 161) = 0.12, p > 0.10)$, attitude toward the executives $(F(2, 161) = 0.43, p > 0.10)$, and behavioral intentions $(F(2, 161) = 0.05, p > 0.10)$. Planned contrasts on negative affect revealed that when respondents were *powerless* and perceived their relationship with the brand to be communal, they experienced marginally significant higher negative affect than those perceiving exchange relationships $(M_{communal} = 3.36$ vs. $M_{exchange} = 2.91$; $F(1, 161) = 3.52$, $p < 0.10)$. On the contrary, those in the *powerful* condition and perceiving their brand relationship to be communal, experienced significantly lower negative affect than those

perceiving exchange ties ($M_{communal}$ = 1.89 vs. $M_{exchange}$ = 2.44; $F(1, 161) = 4.98$, p <

0.05). However, no significant differences were found across the relationship types for

negative affect amongst respondents in the *control* condition ($M_{communal}$ = 2.86 vs.

$M_{exchange}$ = 2.76; $F(1, 161) = 0.16$, p > 0.10). Hence, H3a was only partially supported.

The inability to find significant differences might be attributed to the homogeneity of

variances across the two relationship types (as discussed earlier).

H3b: Repeated-measures ANOVAs analyzing the pre- and post-stressor changes

in relationships for respondents across power levels and relationship types were

performed in order to subsequently gauge whether the predictions made in H3b for

respondents in the *powerful* condition should be statistically examined or not. No

significant three-way interactions were found on the abridged *net communality* indices

($F(2, 161) = 0.23$, p > 0.10). Marginally significant three-way interactions were found on

the abridged *communal relations* scale ($F(2, 161) = 2.59$, p < 0.10). Planned contrasts

amongst respondents with high power, revealed no significant differences in the abridged

communal relations scale for the communal condition respondents ($M_{pre-stressor}$ = 5.11 vs.

$M_{post-stressor}$ = 4.59; $F(1, 161) = 1.54$, p > 0.10) and exchange condition respondents ($M_{pre-stressor}$ = 2.43 vs. $M_{post-stressor}$ = 2.96; $F(1, 161) = 1.70$, p > 0.10). However, the means were

in the directions predicted. Analysis of the pre- vs. post-stressor abridged *exchange*

relations scale provided evidence of marginally significant interactions across the

relationship types ($F(2, 161) = 2.55$, p < 0.10). Planned contrasts under conditions of high

power revealed marginally significant differences in the abridged *exchange relations*

scale for the communal condition respondents ($M_{pre-stressor}$ = 3.70 vs. $M_{post-stressor}$ = 4.70;

$F(1, 161) = 3.63$, p < 0.10) and significant mean differences for exchange condition

respondents ($M_{\text{pre-stressor}}$ = 5.89 vs. $M_{\text{post-stressor}}$ = 4.86; $F(1, 161) = 4.04$, $p < 0.05$) in the directions predicted. The forced choice question (1 = businessperson versus 8 = close friend) also revealed no significant change in relationship as predicted ($F(2, 161) = 1.37$, $p > 0.10$).

The picture questions used to capture changes in *relative relationship type* corroborated the predictions. Significant three-way interactions were found in the pre- vs. post-stressor responses to the question that related to the extent to which the picture group depicting exchange/business ties represented respondents' relationships with the bank ($F(2, 160) = 3.18$, $p < 0.05$). Planned contrasts for this question indicated no significant mean differences for the communal condition respondents ($M_{\text{pre-stressor}}$ = 3.78 vs. $M_{\text{post-stressor}}$ = 3.85; $F(1, 160) = 0.02$, $p > 0.10$) but marginally significant differences in means for exchange condition respondents ($M_{\text{pre-stressor}}$ = 2.43 vs. $M_{\text{post-stressor}}$ = 3.43; $F(1, 160) = 3.55$, $p < 0.10$). The means were in the directions predicted. No significant three-way interactions were found in the pre- vs. post-stressor responses to the question that related to the extent to which the picture group depicting communal/close friendship ties represented respondents' relationships with the bank ($F(2, 160) = 0.43$, $p > 0.10$). A forced choice question between picture groups (anchored by 1 = picture group representing exchange ties and 8 = picture group representing communal ties) also revealed no significant change in relationship as predicted ($F(2, 160) = 0.17$, $p > 0.10$).

Post-stressor, when asked to choose the picture group (exchange versus communal ties) that best represented their relationship with the brand, more number of respondents who were in the *communal* condition and in either *powerless* (N = 25) or *control* (N = 19) conditions chose the picture group depicting exchange ties while more

- 84 -

number of those in the *powerful* condition (N = 22) continued to select the picture group depicting communal ties (χ^2 (5) = 67.06, p < 0.01). Whereas, consumers in the exchange condition continued to select the picture group that represented exchange ties as the best representative of their relationship with the brand ($N_{powerful}$ = 24, $N_{control}$ = 26, $N_{powerless}$ = 25; χ^2 (5) = 67.06, p < 0.01). Please refer table 7.

Table 7: Cross-Tabulation Results for Post-Stressor – Picture Group Best Representing Relationship with the Brand in Study 1

Manipulated Relationship Type	Manipulated Power	Picture Group A (Exchange)	Picture Group B (Communal)	Chi-Square	df	p
Communal	Control	19	8			
	Powerful	5	22			
	Powerless	25	4	67.059	5	0.000
Exchange	Control	26	2			
	Powerful	24	4			
	Powerless	25	2			
	Total	124	42			

Overall, only the abridged *exchange relations* scale, the response of exchange condition respondents to the picture question which related to the extent to which picture group depicting exchange ties represented the respondents' relationship with the brand, and cross-tabulation results for selecting the picture group that best represented respondents' relationship with the brand provided evidence in support of H3b. Post-stressor, more respondents in the *communal control* and *communal powerless* conditions chose the picture group depicting exchange ties with the brand demonstrating a reduction in perceptions of communal ties with the brand. Further, under conditions of high power, respondents in the *communal (exchange)* condition increased (decreased) their perceptions of exchange ties with the brand. Given that the other scales did not yield significant results, it is concluded that H3b is only partially supported.

H4: Regression analyses were performed for the tests of mediation at the 95% confidence level, using Baron and Kenny's (1986) guidelines.

H4a—Mediator: Felt Alienation—To test whether felt alienation mediated the relationship between perceived powerlessness and attitude toward the decision, the first step was to establish a relationship between perceived powerlessness and attitude toward the decision by computing the regression coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the decision). The standardized regression coefficient was significant at -0.67, representing the negative relationship between perceived powerlessness and attitude toward the decision. The second step was to test the bivariate path between the independent variable (perceived powerlessness) and the mediator (felt alienation). This path (standardized beta) coefficient was significant at 0.65, representing the positive relationship between powerlessness and alienation. The third step was to compute the path coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the decision) allowing the mediator (felt alienation) also to predict the dependent variable (attitude toward the decision). Both path (standardized beta) coefficients were significant. Perceived powerlessness → attitude toward the decision was -0.42 and felt alienation → attitude toward the decision was -0.38. By including the mediator (felt alienation), the path coefficient of perceived powerlessness → attitude toward the decision dropped (from -0.67 to -0.42) but remained significant, thereby, providing evidence for partial mediation of the relationship between perceived powerlessness and attitude toward the decision through felt alienation. Sobel's test revealed that the indirect effect was significantly different from zero ($z = 4.86$, $p < 0.01$).

To test whether felt alienation mediated the relationship between perceived powerlessness and attitude toward the brand, the first step was to establish a relationship between perceived powerlessness and attitude toward the brand by computing the regression coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the brand). The standardized regression coefficient was significant at -0.39, representing the negative relationship between perceived powerlessness and attitude toward the brand. The second step was to test the bivariate path between the independent variable (perceived powerlessness) and the mediator (felt alienation). This path (standardized beta) coefficient was significant at 0.65, representing the positive relationship between powerlessness and alienation. The third step was to compute the path coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the brand) allowing the mediator (felt alienation) also to predict the dependent variable (attitude toward the brand). The standardized beta coefficient between perceived powerlessness and attitude toward the brand was not significant whereas that between felt alienation and attitude toward the brand was significant at -0.51. By including the mediator (felt alienation), the path coefficient of perceived powerlessness → attitude toward the decision dropped (from -0.67 to 0 due to non-significance), thereby, providing evidence for full mediation of the relationship between perceived powerlessness and attitude toward the brand through felt alienation. Sobel's test revealed that the indirect effect was significantly different from zero ($z = 5.15$, $p < 0.01$).

To test whether felt alienation mediated the relationship between perceived powerlessness and attitude toward the executives, the first step was to establish a

relationship between perceived powerlessness and attitude toward the executives by computing the regression coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the executives). The standardized regression coefficient was significant at -0.38, representing the negative relationship between perceived powerlessness and attitude toward the executives. The second step was to test the bivariate path between the independent variable (perceived powerlessness) and the mediator (felt alienation). This path (standardized beta) coefficient was significant at 0.65, representing the positive relationship between powerlessness and alienation. The third step was to compute the path coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the executives) allowing the mediator (felt alienation) also to predict the dependent variable (attitude toward the executives). The standardized beta coefficient between perceived powerlessness and attitude toward the executives was not significant whereas that between felt alienation and attitude toward the brand was significant at -0.43. By including the mediator (felt alienation), the path coefficient of perceived powerlessness → attitude toward the decision dropped (from -0.67 to 0 due to non-significance), thereby, providing evidence for full mediation of the relationship between perceived powerlessness and attitude toward the executives through felt alienation. Sobel's test revealed that the indirect effect was significantly different from zero (z = 4.43, p < 0.01). These results indicated that felt alienation partially mediated the relationship between perceived powerlessness and attitude toward the decision, while fully mediated the relationship between perceived powerlessness and attitude toward the brand as well as that toward the executives, thereby, supporting H4a.

H4b—Mediator: Negative Emotions—Regression analyses were performed to examine negative emotions as mediators of the relationship between perceived powerlessness and attitude toward the decision, brand, and executives. To test whether negative emotions mediated the relationship between perceived powerlessness and attitude toward the decision, the first step was to establish a relationship between perceived powerlessness and attitude toward the decision by computing the regression coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the decision). The standardized regression coefficient was significant at -0.67, representing the negative relationship between perceived powerlessness and attitude toward the decision. The second step was to test the bivariate path between the independent variable (perceived powerlessness) and the mediator (negative emotions). This path (standardized beta) coefficient was significant at 0.34, representing the positive relationship between powerlessness and negative affect. The third step was to compute the path coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the decision) allowing the mediator (negative emotions) also to predict the dependent variable (attitude toward the decision). Both path (standardized beta) coefficients were significant. Perceived powerlessness $\rightarrow$ attitude toward the decision was -0.62 and negative emotions $\rightarrow$ attitude toward the decision was -0.14. By including the mediator (negative emotions), the path coefficient of perceived powerlessness $\rightarrow$ attitude toward the decision dropped (from -0.67 to -0.62) but remained significant, thereby, providing evidence for partial mediation of the relationship between perceived powerlessness and attitude toward the

decision through negative emotions. Sobel's test revealed that the indirect effect was significantly different from zero ($z = -2.12$, $p < 0.05$).

To test whether negative emotions mediated the relationship between perceived powerlessness and attitude toward the brand, the first step was to establish a relationship between perceived powerlessness and attitude toward the brand by computing the regression coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the brand). The standardized regression coefficient was significant at -0.39, representing the negative relationship between perceived powerlessness and attitude toward the brand. The second step was to test the bivariate path between the independent variable (perceived powerlessness) and the mediator (negative emotions). This path (standardized beta) coefficient was significant at 0.34, representing the positive relationship between powerlessness and negative affect. The third step was to compute the path coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the brand) allowing the mediator (negative emotions) also to predict the dependent variable (attitude toward the brand). Both path (standardized beta) coefficients were significant. Perceived powerlessness → attitude toward the brand was -0.31 and negative emotions → attitude toward the brand was -0.25. By including the mediator (negative emotions), the path coefficient of perceived powerlessness → attitude toward the brand dropped (from -0.39 to -0.31) but remained significant, thereby, providing evidence for partial mediation of the relationship between perceived powerlessness and attitude toward the brand through negative emotions. Sobel's test revealed that the indirect effect was significantly different from zero ($z = -2.71$, $p < 0.01$).

To test whether negative emotions mediated the relationship between perceived powerlessness and attitude toward the executives, the first step was to establish a relationship between perceived powerlessness and attitude toward the executives by computing the regression coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the executives). The standardized regression coefficient was significant at -0.38, representing the negative relationship between perceived powerlessness and attitude toward the executives. The second step was to test the bivariate path between the independent variable (perceived powerlessness) and the mediator (negative emotions). This path (standardized beta) coefficient was significant at 0.34, representing the positive relationship between powerlessness and negative affect. The third step was to compute the path coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the executives) allowing the mediator (negative emotions) also to predict the dependent variable (attitude toward the executives). Both path (standardized beta) coefficients were significant. Perceived powerlessness → attitude toward the executives was -0.29 and negative emotions → attitude toward the executives was -0.26. By including the mediator (negative emotions), the path coefficient of perceived powerlessness → attitude toward the executives dropped (from -0.38 to -0.29) but remained significant, thereby, providing evidence for partial mediation of the relationship between perceived powerlessness and attitude toward the executives through negative emotions. Sobel's test revealed that the indirect effect was significantly different from zero ($z = -2.77$, $p < 0.01$). These results indicated that negative emotions partially

mediated the relationship between perceived powerlessness and each of the attitudes (toward the decision, brand and executives), thereby, supporting H4b.

H4c—Mediator: Positive Emotions— Regression analyses were performed to examine positive emotions as mediators of the relationship between perceived powerlessness and attitude toward the decision, brand, and executives. To test whether positive emotions mediated the relationship between perceived powerlessness and attitude toward the decision, the first step was to establish a relationship between perceived powerlessness and attitude toward the decision by computing the regression coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the decision). The standardized regression coefficient was significant at -0.67, representing the negative relationship between perceived powerlessness and attitude toward the decision. The second step was to test the bivariate path between the independent variable (perceived powerlessness) and the mediator (positive emotions). This path (standardized beta) coefficient was significant at -0.32, representing the negative relationship between powerlessness and positive affect. The third step was to compute the path coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the decision) allowing the mediator (positive emotions) also to predict the dependent variable (attitude toward the decision). Both path (standardized beta) coefficients were significant. Perceived powerlessness → attitude toward the decision was -0.61 and positive emotions → attitude toward the decision was +0.18. By including the mediator (positive emotions), the path coefficient of perceived powerlessness → attitude toward the decision dropped (from -0.67 to -0.61) but remained significant, thereby, providing evidence for partial mediation

of the relationship between perceived powerlessness and attitude toward the decision through positive emotions. Sobel's test revealed that the indirect effect was significantly different from zero ($z = -2.48$, $p < 0.05$).

To test whether positive emotions mediated the relationship between perceived powerlessness and attitude toward the brand, the first step was to establish a relationship between perceived powerlessness and attitude toward the brand by computing the regression coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the brand). The standardized regression coefficient was significant at -0.39, representing the negative relationship between perceived powerlessness and attitude toward the brand. The second step was to test the bivariate path between the independent variable (perceived powerlessness) and the mediator (positive emotions). This path (standardized beta) coefficient was significant at -0.32, representing the negative relationship between powerlessness and positive affect. The third step was to compute the path coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the brand) allowing the mediator (positive emotions) also to predict the dependent variable (attitude toward the brand). Both path (standardized beta) coefficients were significant. Perceived powerlessness → attitude toward the brand was -0.34 and negative emotions → attitude toward the brand was +0.16. By including the mediator (positive emotions), the path coefficient of perceived powerlessness → attitude toward the brand dropped (from -0.39 to -0.34) but remained significant, thereby, providing evidence for partial mediation of the relationship between perceived powerlessness and attitude toward the brand through

positive emotions. Sobel's test revealed that the indirect effect was significantly different from zero ($z = -1.96$, $p < 0.05$).

To test whether positive emotions mediated the relationship between perceived powerlessness and attitude toward the executives, the first step was to establish a relationship between perceived powerlessness and attitude toward the executives by computing the regression coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the executives). The standardized regression coefficient was significant at -0.38, representing the negative relationship between perceived powerlessness and attitude toward the executives. The second step was to test the bivariate path between the independent variable (perceived powerlessness) and the mediator (positive emotions). This path (standardized beta) coefficient was significant at -0.32, representing the negative relationship between powerlessness and positive affect. The third step was to compute the path coefficient from the independent variable (perceived powerlessness) to the dependent variable (attitude toward the executives) allowing the mediator (positive emotions) also to predict the dependent variable (attitude toward the executives). Both path (standardized beta) coefficients were significant. Perceived powerlessness → attitude toward the executives was -0.33 and positive emotions → attitude toward the executives was +0.15. By including the mediator (negative emotions), the path coefficient of perceived powerlessness → attitude toward the executives dropped (from -0.38 to -0.33) but remained significant, thereby, providing evidence for partial mediation of the relationship between perceived powerlessness and attitude toward the executives through positive emotions. Sobel's test revealed that the indirect effect was significantly different from

zero (z = -1.87, p < 0.01). These results indicated that positive emotions partially mediated the relationship between perceived powerlessness and each of the attitudes (toward the decision, brand and executives), thereby, supporting H4c. From the support found for H4a, H4b, and H4c, it can be concluded that felt alienation, negative emotions, and positive emotions mediate the relationship between perceived powerlessness and attitudes toward the decision, brand, and executives, thereby, supporting H4.

_H5_: Regression analysis at the 95% confidence level was employed to test the role of attitudes as mediators the relationship between felt alienation and behavioral intentions. Baron and Kenny's (1986) guidelines were adopted.

H5a—Mediator: Attitude toward the Decision—To test whether attitude toward the decision mediated the relationship between felt alienation and behavioral intentions, the first step was to establish a relationship between felt alienation and behavioral intentions by computing the regression coefficient from the independent variable (felt alienation) to the dependent variable (behavioral intentions). The standardized regression coefficient was significant at -0.63, representing the negative relationship between felt alienation and behavioral intentions. The second step was to test the bivariate path between the independent variable (felt alienation) and the mediator (attitude toward the decision). This path (standardized beta) coefficient was significant at -0.66, representing the negative relationship between alienation and attitude toward the decision. The third step was to compute the path coefficient from the independent variable (felt alienation) to the dependent variable (behavioral intentions) allowing the mediator (attitude toward the decision) also to predict the dependent variable (behavioral intentions). Both path (standardized beta) coefficients were significant. Felt alienation → behavioral intentions

was -0.47 and attitude toward the decision → behavioral intentions was +0.24. By

including the mediator (attitude toward the decision), the path coefficient of felt

alienation → behavioral intentions dropped (from -0.63 to -0.47) but remained

significant. Sobel's test revealed that the indirect effect was significantly different from

zero (z = 2.96, p < 0.01). Thus, there is evidence for partial mediation of the relationship

between felt alienation and behavioral intentions through attitude toward the decision,

hence, supporting H5a.

H5b—Mediator: Attitude toward the Brand—To test whether attitude toward the

brand mediated the relationship between felt alienation and behavioral intentions, the first

step was to establish a relationship between felt alienation and behavioral intentions by

computing the regression coefficient from the independent variable (felt alienation) to the

dependent variable (behavioral intentions). The standardized regression coefficient was

significant at -0.63, representing the negative relationship between felt alienation and

behavioral intentions. The second step was to test the bivariate path between the

independent variable (felt alienation) and the mediator (attitude toward the brand). This

path (standardized beta) coefficient was significant at -0.55, representing the negative

relationship between alienation and attitude toward the brand. The third step was to

compute the path coefficient from the independent variable (felt alienation) to the

dependent variable (behavioral intentions) allowing the mediator (attitude toward the

brand) also to predict the dependent variable (behavioral intentions). Both path

(standardized beta) coefficients were significant. Felt alienation → behavioral intentions

was -0.26 and attitude toward the brand → behavioral intentions was +0.69. By including

the mediator (attitude toward the brand), the path coefficient of felt alienation →

behavioral intentions dropped (from -0.63 to -0.26) but remained significant. Sobel's test revealed that the indirect effect was significantly different from zero (z = 7.17, p < 0.01). Thus, there is partial mediation of the relationship between felt alienation and behavioral intentions through attitude toward the brand; hence, H5b is supported.

H5c—Mediator: Attitude toward the Executives—To test whether attitude toward the executives mediated the relationship between felt alienation and behavioral intentions, the first step was to establish a relationship between felt alienation and behavioral intentions by computing the regression coefficient from the independent variable (felt alienation) to the dependent variable (behavioral intentions). The standardized regression coefficient was significant at -0.63, representing the negative relationship between felt alienation and behavioral intentions. The second step was to test the bivariate path between the independent variable (felt alienation) and the mediator (attitude toward the executives). This path (standardized beta) coefficient was significant at -0.50, representing the negative relationship between alienation and attitude toward the executives. The third step was to compute the path coefficient from the independent variable (felt alienation) to the dependent variable (behavioral intentions) allowing the mediator (attitude toward the executives) also to predict the dependent variable (behavioral intentions). Both path (standardized beta) coefficients were significant. Felt alienation → behavioral intentions was -0.34 and attitude toward the executives → behavioral intentions was +0.59. By including the mediator (attitude toward the executives), the path coefficient of felt alienation → behavioral intentions dropped (from -0.63 to -0.34) but remained significant. Sobel's test revealed that the indirect effect was significantly different from zero (z = 6.12, p < 0.01) thereby, providing evidence for

partial mediation of the relationship between felt alienation and behavioral intentions through attitude toward the executives; hence, H5c is supported. From the support found for H5a, H5b, and H5c, it can be concluded that attitudes (toward the decision, brand, and executives) mediate the relationship between respondents' felt alienation and behavioral intentions toward the brand, thereby, supporting H5.

Other Interesting Findings (Not Hypothesized)

Guilt: A two-way ANOVA for the question related to how *guilty* respondents felt when they thought of Grove Bank (anchored by 1 = not at all, and 7 = extremely so) indicated a significant interaction between relationship types and power ($F(2, 161) = 4.05$, $p < 0.01$). Please refer figure 12. First, contrasts amongst the respondents who perceived to have communal ties with the brand revealed that, significantly greater guilt was experienced by those who felt powerless (M = 2.59) vis-à-vis those who felt powerful (M = 1.74; $F(1, 161) = 6.96$, $p < 0.01$), and the powerless vis-à-vis control group (M = 1.86; $F(1, 161) = 5.27$, $p < 0.05$). No significant mean differences in *guilt* were evidenced between the powerful and control condition respondents ($F(1, 161) = 0.13$, $p > 0.10$). Second, contrasts amongst respondents who felt powerless indicated that significantly greater intensity of *guilt* was experienced by those who perceived communal ties (M = 2.59) vis-à-vis those who perceived exchange ties (M = 1.56; $F(1, 161) = 10.34$, $p < 0.01$) with the brand. No significant differences were found across the means of those in communal and exchange conditions in either the powerful condition ($M_{communal} = 1.74$ vs. $M_{exchange} = 2.00$; $F(1, 161) = 0.64$, $p > 0.10$) or the control condition ($M_{communal} = 1.86$ vs. $M_{exchange} = 1.57$; $F(1, 161) = 0.80$, $p > 0.10$). Third, contrasts amongst the respondents who perceived to have exchange ties with the brand revealed no significant difference in

intensity of guilt experienced by those who felt powerless (M = 1.56) vis-à-vis those who

felt powerful (M = 2.00; F(1, 161) = 1.89, p > 0.10), those in the powerless vis-à-vis

control condition (M = 1.57; F(1, 161) = 0.002, p > 0.10), and between the powerful and

control condition respondents (F(1, 161) = 1.79, p > 0.10).

Figure 12: Interaction Effects of Relationship Type and Manipulated Power on Felt Guilt in Study 1
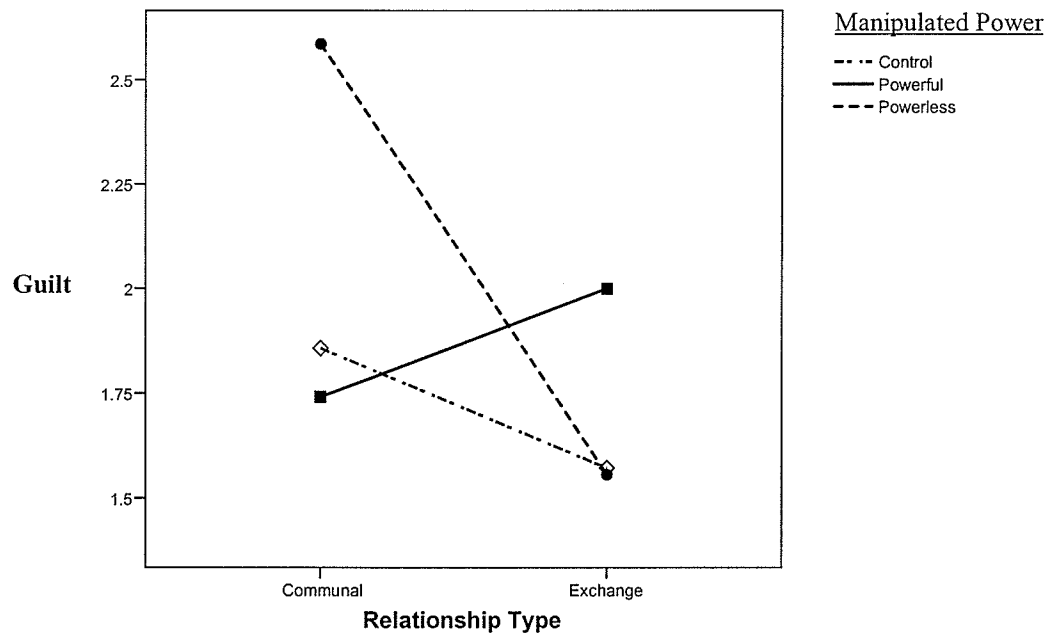
Shame: A two-way ANOVA for the question related to how *ashamed* respondents

felt when they thought of Grove Bank (anchored by 1 = not at all, and 7 = extremely so)

indicated a significant interaction between relationship types and power (F(2, 161) =

5.94, p < 0.01). Please refer figure 13. First, contrasts amongst the respondents who

perceived to have communal ties with the brand revealed that, significantly greater shame

was experienced by those who felt powerless (M = 2.69) vis-à-vis those who felt

powerful (M = 1.26; F(1, 161) = 20.35, p < 0.01), powerless vis-à-vis control group (M =

1.93; F(1, 161) = 5.87, p < 0.05), and powerful vis-à-vis control condition respondents

(F(1, 161) = 4.38, $p < 0.05$). Second, contrasts amongst respondents who felt powerless indicated that significantly greater intensity of *shame* was experienced by those who perceived communal ties (M = 2.69) vis-à-vis those who perceived exchange ties (M = 1.59; F(1, 161) = 11.97, $p < 0.01$) with the brand. No significant differences were found across the means of those in communal and exchange conditions in either the powerful condition ($M_{communal}$ = 1.26 vs. $M_{exchange}$ = 1.71; F(1, 161) = 2.02, $p > 0.10$) or the control condition ($M_{communal}$ = 1.93 vs. $M_{exchange}$ = 1.57; F(1, 161) = 1.27, $p > 0.10$). Third, contrasts amongst the respondents who perceived to have exchange ties with the brand revealed no significant difference in intensity of *shame* experienced by those who felt powerless (M = 1.59) vis-à-vis those who felt powerful (M = 1.71; F(1, 161) = 0.15, $p > 0.10$), those in the powerless vis-à-vis control condition (M = 1.57; F(1, 161) = 0.004, $p > 0.10$), and between the powerful and control condition respondents (F(1, 161) = 0.20, $p > 0.10$).

Figure 13: Interaction Effects of Relationship Type and Manipulated Power on Felt Shame in Study 1
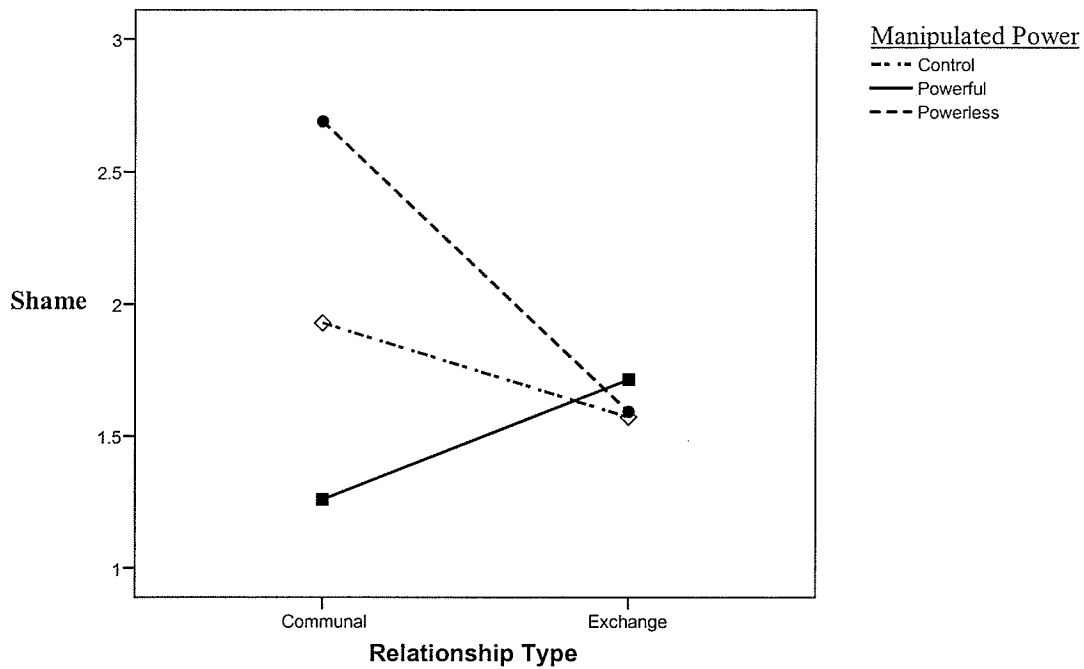
VI. Discussion

Results of manipulation checks for the independent variables (power and relationship type) demonstrate successful manipulations, suggesting that these can be replicated in experimental scenarios for future studies. However, based on the tests for homogeneity of variances across the relationship types (discussed earlier under "tests of hypotheses"), it appears the communal versus exchange relationship manipulation has been dominated by that of power. A concern is that communal and exchange relationship types might not be fully orthogonal, i.e., consumers can be high on communal and exchange at the same time, in consumer-banking contexts and, hence, the variances were homogenous. Nevertheless, it is also possible that the manipulation of relationship by means of a scenario could have been insufficient in effectively causing the respondents to

imagine having such consumer-brand relationships, especially the communal relationship type. Therefore, going forward, it would be necessary to further strengthen the relationship type manipulation (e.g., by priming in the stressor scenarios as well).

Results indicate that the mere presence of a managerially-induced relationship stressor (such as the closing of a branch at a particular location) causes consumers to feel stressed, powerless, and alienated by the brand. Such consumers (vis-à-vis those who do not experience the stressor) report greater intensity of negative emotions, less favorable attitudes (toward the decision, brand, and executives), and unfavorable behavioral intentions. They also reduce their perceptions of communal ties with the brand.

Furthermore, as the level of power declines, consumers' sense of powerlessness, felt alienation, and intensity of negative (positive) emotions increase (decrease) making attitudes (toward the decision, brand, and executives) and behavioral intentions unfavorable, and causing consumers to re-evaluate their relationship with the brand as being less communal. Results also indicate that the greater the consumers' perception of powerlessness, greater is their sense of alienation, which in turn causes their affect, attitudes, and behavioral intentions to be more negative. Specifically, consumers who are made to feel powerless experience higher (lower) intensity of powerlessness, alienation, and negative (positive) affect, less favorable attitudes and behavioral intentions, vis-à-vis consumers who are made to feel powerful.

Comparison of results between *powerless* and *control* conditions shows that when faced with a relational stressor, consumers, in general, feel powerless and have unfavorable attitudes toward the company's decision. However, the explicit provision of

information on the final decision of the company in the *powerless* condition (no such information in the *control* condition) seems to exacerbate the negative outcomes of decline in power such as feelings of alienation and negative emotions, and unfavorable attitudes (toward the brand and executives) and behavioral intentions for those consumers in the *powerless* condition (vis-à-vis *control*).

Nevertheless, overall, the *powerless* and *control* conditions demonstrate the same pattern in terms of responses. Similarly, responses of the relationship type-related *control* condition appear to parallel those of the *powerful* condition. This might be because the outcomes are almost the same for these pairs of conditions. It would be interesting to vary the outcomes to identify differences across the conditions. Further, it would be insightful to see how perceived powerlessness would be impacted when positive outcome is combined with negative treatment, while negative outcome is combined with positive treatment. Study 2 explores this dimension.

Another interesting finding is that the attitude towards the decision is most sensitive to perceptions of power, such that as power declines, attitude toward the decision is least favorable as compared to that toward the brand and executives. This suggests that consumers evaluate the stressful situation as a one-time negative event with the company and, consequently, do not transfer negative emotions and cognitions generated from this event onto their general attitudes towards the brand and the executives. Future studies could explore situations under which consumers' general attitudes towards the brand and executives would also be adversely impacted on account of perceived powerlessness and alienation.

When consumers who have communal ties with the brand are made to feel powerless, they experience greater magnitude of negative emotions, as compared with those who have exchange ties. Likewise, when made to feel powerful, they report lower magnitude of negative affect (as compared to those with exchange ties). However, though predicted in H3a, such differences were not found for sense of powerlessness, felt alienation, attitudes, and behavioral intentions.

Post-stressor changes in relationship type provide some important findings. When given the option of choosing the picture group that best represents their relationship with the brand, when level of power is low and consumers had a communal relationship with the brand, more of these consumers choose the picture group that depicts exchange ties. This demonstrates a modification in consumer perceptions of relationship with the brand where the level of communality is decreased. When consumers perceive themselves to be powerful, those in the *communal* (*exchange*) condition increase (decrease) their level of exchange ties. These findings have important managerial implications especially for companies which wish to forge close ties with their customers. Such companies should be careful to avoid giving their customers any perceptions of powerlessness, as it would cause consumers to feel less close to the brand which will eventually result in negative outcomes for the brands.

Finally, tests of mediation conform to the theoretical underpinnings that greater (lesser) powerlessness will result in greater (weaker) sense of alienation, greater (weaker) intensity of negative emotions, and weaker (greater) intensity of positive emotions. Further, felt alienation will negatively impact consumer attitudes and behavioral intentions. Specifically, felt alienation, negative and positive emotions are found to

mediate the relationship between perceived powerlessness and attitudes (toward the decision, brand, and executives). Also, these attitudes are found to mediate the relationship between felt alienation and behavioral intentions.

Overall, from the results of study one, three main concerns emerge. First, why the factor 'relationship type' did not consistently yield significant results? Perhaps, the power manipulation was too strong. The next study, therefore, tests the hypotheses after strengthening the relationship type manipulation in the power scenarios as well. Second, across the dependent measures, the *powerless* and *control* (i.e., stressor only) conditions have behaved similarly, and the *powerful* and *control* (i.e., sans power) conditions have behaved alike. On reflection, this might have been on account of having similar final outcomes: *powerless* condition ('branch closed') similar to *power-control* condition ('branch will be closed in 30 days); *powerful* condition ('branch kept open') similar to *control* condition (no announcement of branch to be closed in 30 days, i.e., branch is open). Such an influence of outcome apart from treatment raises the third concern as to what really drives the level of power. Is power generated by the treatment meted out to the consumer *or* by the final outcome of the branch remaining open or closed *or* by a combination of the two? For example, would the consumer feel powerless or powerful when the final outcome is negative but the treatment is positive and vice versa? The next study, therefore, examines the interactions of outcome and treatment in order to examine how power is generated.

CHAPTER FIVE

STUDY TWO

In this chapter, the methodologies and analyses employed, and results and discussions pertaining to a laboratory experiment that tested hypothesized effects of outcome- and treatment-related power and relationship type (i.e., hypotheses H2 to H5) are presented. This study examines variations in consumer perceptions of power (i.e., how power is being generated) over altering brand decisions—the joint effects of the outcomes of consumer demands (i.e., *positive* versus *negative* outcome) and the treatment meted to consumers by the company (i.e., *positive* versus *negative* treatment)—when *communal* versus *exchange* relationships are perceived with the brand. In this study, the *control* condition, i.e., stressor only condition (used in study one) has been dropped since it yielded similar results as the *powerless* condition. Further, the relationship type manipulation is strengthened by re-mentioning it in the level of power scenarios.

The chapter is divided into six sections. The first section lays out the research design and procedure that was utilized. The second section describes the research sample and the third section lays out the experimental manipulations of power (outcome and treatment) and relationship type independent variables that were used. The fourth section then describes the measures that were used to test the success of these manipulations and to operationalize the various dependent variables and covariates in the study. The fifth section explains the analyses used and the results found. Finally, the sixth section is composed of discussions of the results found and plans for future development of the framework that was tested.

I. Research Design and Procedure

A 2 (outcome: positive, negative) by 3 (treatment of consumer: control, positive, negative) by 2 (relationship type: communal, exchange) between-subjects experimental design that incorporated a managerially-induced relational stressor and 2 additional controls for relationship type sans the relational stressors were employed to test hypotheses H2 through H5. In this study, power was expected to be generated through the combination of outcome and treatment. Participants, randomly assigned to one of fourteen experimental conditions, were asked to imagine scenarios pertaining to their banking experiences with a hypothetical on-campus bank called 'Grove Bank.' Same as in study one (see chapter four), the participants were told that the task was a bank study where they would have to carefully read the scenario provided and answer the questions that followed. At the start of the scenario, the relationship type between the bank and respondents was depicted as either *communal* (warm and friendly) or *exchange* (professional and efficient) in nature. Manipulation check questions related to this factor immediately followed. Respondents, other than those in the relationship type *control* conditions, were then exposed to a situation—specifically, the proposed closing of Grove Bank's on-campus branch within the coming month—that was intended to induce a stress within the relationship between the bank and the customer. Participants were then be asked to imagine that they attempted to reverse this negative decision by starting a campaign amongst other customers, where they and other customers sent a formal letter to the bank and also garnered media coverage. Subsequent negative (positive) outcome perceptions were created by telling respondents that they were unable (able) to change the bank's decision to shut the branch down, and negative (positive) treatment

perceptions by telling them that they were treated respectfully/well

(disrespectfully/poorly) by the bank. No information related to respondents' treatment by

the bank was provided in the treatment control condition. Dependent variables related to

positive and negative affect, sense of alienation, attitudes toward the decision, treatment,

brand, top management and branch executives, behavioural intentions, and change in

relationship type were then measured. Finally, manipulation check questions for

perceived outcome and treatment, and potential covariates such as banking experience,

gender, age, nationality, and language spoken at home were gauged. The total task took

no more than 20 minutes to complete. See figure 14 for a detailed procedure of this study.

Figure 14

Detailed Procedure for Study 2

CONTROLS

Relationship Type Scenario
Communal
Exchange

Manipulation Checks
....
- Communal
- Exchange
- Bizperson vs. Friend
- Pictures
- Service Quality

TREATMENTS

Relationship Type Scenario
Communal
Exchange

Manipulation Checks
....
- Communal
- Exchange
- Bizperson vs. Friend
- Pictures
- Service Quality

Level of Power
(Outcome- & Treatment-Related Scenarios)
....
- Positive Outcome + Positive Treatment
- Negative Outcome + Negative Treatment
- Positive Outcome + Negative Treatment
- Negative Outcome + Positive Treatment
- Positive Outcome + Treatment Control
- Negative Outcome + Treatment Control

Dependent Variables
....
1. Powerlessness
2. Alienation
3. Emotions
4. State Self-Esteem
5. Attitude towards
   a. Latest Decision
   b. Treatment
   c. Brand
   d. Top Management
   e. Executives
6. Behavioral Intentions
7. Change in Relationship type
   a. Abridged Communality Scale
   b. Pictures

Manipulation Checks
....
- Outcome Positivity
- Treatment Positivity
- Likelihood to Occur
- Scenario Recall
  o Level of Stress
  o Powerful vs. Powerless
  o Other Specifics

Covariates & Demographics
....
- Banking Preference
- Banking History
- Language Spoken
- Nationality
- Gender
- Faculty
- Age

- 109 -

II. Study Participants

314 undergraduate business students at a major mid-western university participated in the study in exchange for course credit. Between 19 and 34 respondents were assigned to the fourteen experimental conditions (see table 8 for exact cell sizes). The sample consisted of 58% males and 42% females with a mean age of 21 years. Most respondents indicated experience with basic consumer banking—all respondents reported having one (60%) or more (40%) bank accounts, and over 66% interacted with their local bank branch executives on a monthly or bi-monthly basis. Further, 77% of the participants banked online—of these, 58% did so at least once per week.

Table 8: Study 2 Conditions and Cell Sizes

RELATIONSHIP TYPE	TREATMENT	OUTCOME	
		Positive	*Negative*
Communal	*Positive*	22	20
	Control	20	19
	Negative	21	22
Exchange	*Positive*	21	20
	Control	20	20
	Negative	21	20

Additional Controls for *Communal* and *Exchange* Relationship Types: 34 each

III. Independent Variables

Manipulation of Relationship Type

Relationship type was manipulated by using the same hypothetical scenarios presented in study 1 (table 2). The scale items used within the main study were also the same as those in study 1. Please see the appendices (2.6 to 2.8) for the specific instruments used.

Manipulation of Outcome

All respondents (except those in the relationship-type control conditions) were exposed to the same stressor situation used in study 1 (table 4A) after which outcome was manipulated by using the hypothetical scenarios presented in table 9. Specifically, in the negative outcome condition, respondents were informed that they were met with an unfavorable outcome as they were unsuccessful in reversing the bank's decision to shut the on-campus branch. Whereas, in the positive outcome condition, respondents were informed that they were met with a favorable outcome as they were successful in reversing the bank's decision to shut the on-campus branch.

Table 9: Experimental Manipulations for Outcome in Study 2

A. Negative
You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.
Despite the strong movement that you are a part of and your time and efforts, Grove Bank **decides to shut down** the university campus branch!

B. Positive
You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.
Because of the strong movement that you are a part of and your time and efforts, Grove Bank **decides not to shut down** the university campus branch!

The stimuli and scale items used within study 2 were finalized after conducting a pre-test that used independent samples drawn from the same population. Please see appendices (2.1 to 2.5) for the specific instruments used. 38 respondents participated within the pre-test that used a between-subjects factorial design with outcome as a factor. The participants read either the positive or negative condition descriptions and answered questions regarding the level of perceived positivity/negativity of the outcome. A *perceived outcome positivity* index was created by averaging responses to the following two items (Pearson's Correlation = 0.95): "How positive or negative was the final decision of Grove Bank concerning your university campus branch? (anchored at 1 by *negative* and at 7 by *positive*) and "What are your thoughts concerning the final decision of Grove Bank regarding your university campus branch?" (anchored at 1 by *unfavorable* and at 7 by *favorable*). Significant differences in perceived outcome positivity were found across the two outcome conditions with those respondents in the positive outcome condition (M = 6.03) reporting the final decision of the bank to be more positive than those in the negative outcome condition (M = 1.63; $F(1, 36) = 190.59$, $p < 0.01$). The manipulations for outcome worked and the 2-item *perceived outcome positivity* scale was finalized for the main study.

Manipulation of Treatment

After respondents (except those in the relationship-type control conditions) were exposed to the same stressor situation used in study 1 (table 4A) and informed that they and many others from the university spent a lot of time and effort (through letter and media coverage) to petition Grove Bank not to close the campus branch, treatment was manipulated as either negative, positive, or control by using the hypothetical scenarios

presented in table 10. Specifically, in the negative treatment condition, respondents were informed that they were met with disrespectful/negative treatment, and that no apology was made by the bank for the inconvenience caused to them. In the positive treatment condition, respondents were told that they received respectful/positive treatment, and that the bank apologized for the inconvenience caused to them. No such information was provided to those in the treatment control condition.

Table 10: Experimental Manipulations for Treatment in Study 2

A. Negative

You call up the Bank headquarters to find out the status on your request to keep the campus branch open. You are **spoken to very impolitely and disrespectfully** and not informed if your letter has been received and if your efforts have been taken into consideration. You are also not told if you would be informed once the final decision has been made about the campus branch.

After this (i.e., after the final decision is made), Grove Bank **does not send you a letter** communicating this decision and **does not apologize for the inconvenience caused** to you.

B. Positive

You call up the Bank headquarters to find out the status on your request to keep the campus branch open. You are **spoken to very politely and respectfully** and informed that your letter has been received and that your efforts have been taken into consideration. You are also told that you would be informed once the final decision has been made about the campus branch.

After this (i.e., after the final decision is made), Grove Bank **sends you a letter** communicating this decision and **apologizes for the inconvenience caused** to you.

C. Control

(no information)

The stimuli and scale items used within study 2 were finalized after conducting a pre-test that used independent samples drawn from the same population. Please see appendices (2.1 to 2.5) for the specific instruments used. 38 respondents participated within the pre-test that used a between-subjects factorial design with treatment as a factor. The participants read either the positive or negative condition descriptions and answered questions regarding the level of perceived positivity/negativity of the treatment. A *perceived treatment positivity* index was created by averaging responses to the following four items (Cronbach's $\alpha = 0.97$): "How appropriately did Grove Bank treat you during your interactions with them after they announced their initial decision?" (anchored at 1 by *inappropriately* and at 7 by *appropriately*) "How positive was the overall treatment meted out by Grove Bank to you after it made its initial announcement?" (anchored at 1 by *negative* and at 7 by *positive*) "How respectfully did Grove Bank treat you during your interactions with them after they announced their initial decision?" (anchored at 1 by *disrespectfully* and at 7 by *respectfully*) and "What are your thoughts concerning the overall treatment meted out by Grove Bank to you?" (where 1 = *unfavorable to me* and 7 = *favorable to me*). Significant differences in perceived treatment positivity were found across the two treatment conditions with those respondents in the positive treatment condition (M = 4.86) reporting the treatment meted out to them by the bank to be more positive than those in the negative treatment condition (M = 1.55; $F(1, 36) = 64.35$, $p < 0.01$). The manipulations for treatment worked and the 4-item *perceived treatment positivity* scale was finalized for the main study.

IV. Manipulation Checks and Dependent Variable Measures

Manipulation Check Measures

Relationship Type. Respondents were asked to answer questions regarding the level of perceived relational communality and exchange. To capture these dimensions, scale items (same as those used in study 1) that measured net communality (Cronbach's α = 0.91), net exchange (Cronbach's α = 0.87) as well as relative relationship type—which included the two-item *communal relations* index (Pearson's Correlation = 0.70), and the two-item *exchange relations* index (Pearson's Correlation = 0.62) along with pictorial representations were used. As in study 1, an additional question—"Grove Bank fosters warm and friendly interactions with its customers more than professional and efficient interactions"— on an 8-point Likert scale anchored at 1 by *strongly disagree* and 8 by *strongly agree* was also included immediately after questions related to the *net communality* and *net exchange* scales.

Outcome. The *perceived outcome positivity* scale (Pearson's Correlation = 0.96) comprising the two questions used within the pre-test was administered in the main study.

Treatment. The *perceived treatment positivity* index (Cronbach's α = 0.97) comprising of four questions determined in the pre-test was administered in the main study in order to verify the effectiveness of the treatment manipulations.

Perceived Stress. Questions (as used in study 1) to gauge whether the initially announced decision of the bank and the final decision were perceived to be stressful were administered.

Scenario-Based Recollections. The respondents were asked the same set of questions as in study 1.

Dependent Variable Measures

Powerlessness. Participants were asked to respond to the 5-item *powerlessness* scale (Cronbach's $\alpha = 0.86$) that was similar to the one used in study 1.

Alienation. The same two items used in study 1 were included to assess the impact of the stressor, perceived outcome positivity and perceived treatment positivity on feelings of exclusion, and averaged to form the *alienation* index (Pearson's Correlation = 0.81).

Emotions. The intensity of the following emotions that respondents felt when they thought of Grove Bank were gauged on 7-point Likert scales (anchored by 1 = not at all and 7 = extremely so) consisting of thirteen negative emotions—*betrayed, bitter, sad, bad (awful/lousy), worried, anxious, angry, hurt/offended, upset, annoyed, irritated, humiliated,* and *disappointed*—and eight positive emotions—*happy, elated, joyful, cheerful, delighted, pleased, respected, valuable.*

An exploratory factor analysis indicated that these scale items were related to two underlying dimensions (75% of variance explained, Eigen values > 1). The first dimension consisted of the thirteen negative emotions. These measures were, therefore, averaged to form an overall *negative emotions* index (Cronbach's $\alpha = 0.96$). The second dimension consisted of the eight positive emotions, which were averaged to form an overall *positive emotions* index (Cronbach's $\alpha = 0.97$).

A further exploration of the negative emotions indicated that the thirteen items were related to two underlying dimensions (76% of variance explained, Eigen values > 1). The first dimension consisted of eight negative emotions—*betrayed, bitter, angry, hurt/offended, upset, annoyed, irritated*, and *disappointed*. These measures are typically classified as 'fight' or 'attack' or 'offensive' emotions as they are antecedent to offensive behaviour tendencies (such as lashing out, protesting, confronting, etc.) to cope with the negative state generated by the negative source (Mackie, Devos, and Smith 2000; Yi and Baumgartner 2004). These measures were, therefore, averaged to form an overall *offensive negative emotions* index (Cronbach's α = 0.94). The second dimension consisted of the remaining five negative emotions—*sad, bad (awful/lousy), worried, anxious*, and *humiliated*, which are, typically, classified as 'avoidant' or 'defensive' emotions as they are antecedent to non-offensive behaviour tendencies (such as disengaging oneself from the situation, i.e., focussing on something else to cope with the negative state) toward the negative source (Mackie et al. 2000; Mikulincer and Orbach 1995; Raghunathan, Pham, and Corfman 2006; Yi and Baumgartner 2004). These were averaged to form an overall *defensive negative emotions* index (Cronbach's α = 0.86).

State Self-Esteem. Respondents' level of state self-esteem were gauged by asking them on 7-point Likert scales (anchored by 1 = *not at all* and 7 = *extremely so*) to what extent they felt three positive self-esteem items (effective, confident, competent) and three negative self-esteem items (inadequate, incompetent, ineffective) at the moment. These positive and negative (reverse-scored) items were averaged to form an overall *emotions state self-esteem* index (Cronbach's α = 0.90). Additionally, the following set of six items (on 7-point Likert scales anchored at 1 by *not at all* and at 7 by *extremely so*)

drawn from Heatherton and Polivy's (1991) 20-item state self-esteem scale were also included to check the level of respondents' state self-esteem: "I feel confident about my abilities," "I feel frustrated or rattled about my performance" (reverse-scored), "I feel good about myself," "I feel that others respect and admire me," "I feel inferior to others at this moment" (reverse-scored), and "I feel displeased with myself" (reverse-scored), and averaged to form an overall *abridged state self-esteem* index (Cronbach's $\alpha = 0.86$).

Attitudes. To assess the impact of emotions and alienation on respondents' attitudes, five sets of attitudes were measured – attitude towards the final decision, treatment meted out, brand, top management, and branch executives. These attitudes had three items each on 7-point Likert scales with the following anchors: *bad/good, unfavorable/favorable, negative/positive*. The three scales were averaged to form indices for *attitude toward the latest decision* (Cronbach's $\alpha = 0.98$), *attitude toward the treatment* (Cronbach's $\alpha = 0.96$), *attitude toward the brand* (Cronbach's $\alpha = 0.95$), *attitude toward the top management* (Cronbach's $\alpha = 0.95$), and *attitude toward the branch executives* (Cronbach's $\alpha = 0.96$).

Behavioral Intentions. The same set of seven questions as used in study 1 were included and averaged (after accounting for reverse-scores on the two scales related to intention to switch brands, same as in study 1) to form an overall *behavioral intentions* index (Cronbach's $\alpha = 0.95$).

Change in Relationship Type. Same as in study 1, to assess the impact of powerlessness and alienation on change in the nature of the consumer-brand relationship, an abridged version of the manipulation check items used for relationship type consisting

of three sections were included. The first section consisted of the same three communal measures, averaged to form an abridged *net communality* index (pre-stressor Cronbach's $\alpha = 0.85$; post-stressor Cronbach's $\alpha = 0.93$). The second section consisted of the abridged *communal relations* scale item, the abridged *exchange relations* scale, and the forced-choice question to capture the *perceived relationship type* of the participant with the bank. As was done earlier, the third section consisted of questions that captured *relative relationship type* through the picture groups.

V. Results

Preliminary Analyses

Manipulation Checks – Relationship Type. Respondents answered these manipulation check questions immediately after reading the first scenario related to relationship type. Univariate ANOVA conducted on the *net communality* scale provided evidence of main effect of relationship type, with communal consumers viewing the brand and their relationship with the brand as more communal than the exchange consumers ($M_{communal} = 5.73$ vs. $M_{exchange} = 5.03$; $F(1, 312) = 41.34$, $p < 0.01$). Similar analysis on the *net exchange* scale demonstrated that exchange consumers viewed the brand and their relationship with the brand as more exchange than the communal consumers ($M_{exchange} = 5.70$ vs. $M_{communal} = 4.06$; $F(1, 312) = 244.69$, $p < 0.01$). When asked whether "Grove Bank fosters warm and friendly interactions with its customers more than professional and efficient interactions," results indicated that the communal consumers agreed with this statement more than the exchange ones ($M_{communal} = 6.42$ vs. $M_{exchange} = 3.81$; $F(1, 312) = 204.45$, $p < 0.01$).

The second section considered how consumers would view the brand if it became a person (close friend vs. businessperson). When asked whether the brand represented a businessperson or a close friend (anchored by 1 = businessperson and 8 = close friend), results indicated that exchange consumers viewed the brand more as a businessperson (M = 2.79) and communal consumers viewed it more as a close friend (M = 5.75; $F(1, 312)$ = 282.07, $p < 0.01$). The *communal relations* index revealed the same pattern with communal consumers indicating higher scores for communal ties than the exchange consumers ($M_{communal}$ = 4.81 vs. $M_{exchange}$ = 3.35; $F(1, 312)$ = 114.49, $p < 0.01$). Similarly, the *exchange relations* index demonstrated that exchange consumers viewed the brand more businessperson like vis-à-vis the communal consumers ($M_{exchange}$ = 5.72 vs. $M_{communal}$ = 4.14; $F(1, 312)$ = 164.02, $p < 0.01$).

The pictures supported the same story. Communal consumers viewed the brand as well as their relationship with the brand to be best represented by the picture group that represented close friends/communal ties, and exchange consumers viewed the brand as well as their relationship with the brand to be best represented by the picture group that represented businesspersons/exchange ties (Table 11 provides cross-tabulation results). When forced to choose whether the brand was like picture group A which represented businesspersons or picture group B which represented close friends (anchored by 1 = group A and 8 = group B), communal consumers viewed the brand more as picture group B (close friends) and exchange consumers viewed it more as picture group A (businesspersons) ($M_{communal}$ = 5.14 vs. $M_{exchange}$ = 2.74; $F(1, 311)$ = 149.94, $p < 0.01$). Similarly, when asked to what extent their relationship with the brand was like group A

(exchange ties) or group B (communal ties), the same pattern emerged ($M_{communal} = 5.28$ vs. $M_{exchange} = 3.13$; $F(1, 311) = 125.63$, $p < 0.01$).

Table 11: Relative Relationship Type Cross-Tabulation Results of Picture Group Questions in Study 2

	Picture Groups	Relationship Type		χ^2	*df*	*p*
		Communal	*Exchange*			
Best represents the brand	Group A (Businesspersons)	55	141	103.35	1	< 0.01
	Group B (Close Friends)	103	15			
Best represents relationship with the brand	Group A (Exchange ties)	36	130	115.49	1	< 0.01
	Group B (Communal ties)	122	26			

Further, for service quality, no significant difference was found in the communal (M = 5.90) vs. exchange (M = 6.01) conditions ($F(1, 311) = 1.39$, $p > 0.10$) ruling out service quality as a reason for the difference across the relationship types. Overall, the manipulations for relationship type were successful.

Manipulation Check – Outcome. Univariate ANOVA on the *outcome positivity* index with outcome as the factor provided support for the manipulation, such that respondents in the positive outcome condition perceived the outcome to be more positive than those in the negative condition ($M_{positive} = 6.14$ vs. $M_{negative} = 1.68$; $F(1, 244) = 1344.21$, $p < 0.01$).

Manipulation Check – Treatment. Univariate ANOVA on the *treatment positivity* index with treatment as the factor provided support for the manipulation, such that participants in the positive treatment condition perceived their treatment by the bank to

be more positive than those in the negative condition ($M_{positive} = 5.66$ vs. $M_{negative} = 1.69$; $F(1, 165) = 812.33$, $p < 0.01$).

Manipulation Check – Perceived Stress. Participants found the initially announced decision of Grove Bank to be stressful with their means ranging between 4.74 and 5.95 (with the 95% confidence interval ranging between 4.00 and 6.50) on the 7-point Likert scale ($F(2, 234) = 0.62$, $p > 0.10$).

Regarding the perceived stress level for the final decision, univariate ANOVA with relationship type, outcome, and treatment as factors indicated a significant interaction ($F(2, 234) = 5.41$, $p < 0.01$). Specifically, those in the positive outcome condition felt lower stress than those in the negative condition ($M_{positive} = 2.65$ vs. $M_{negative} = 5.41$; $F(1, 234) = 142.69$, $p < 0.01$). Also, significant interactions were detected between outcome and relationship type ($F(1, 234) = 4.06$, $p < 0.05$). Respondents in the communal condition ($M_{positive} = 2.81$ vs. $M_{negative} = 5.10$; $F(1, 234) = 50.29$, $p < 0.01$) as well as the exchange condition ($M_{positive} = 2.49$ vs. $M_{negative} = 5.72$; $F(1, 234) = 96.34$, $p < 0.01$) provided evidence of main effect of outcome on perceived stress levels. While marginally significant difference was found in the negative outcome condition ($M_{communal} = 5.10$ vs. $M_{exchange} = 5.72$; $F(1, 234) = 3.35$, $p < 0.10$), no such difference was detected in the stress levels of respondents in the positive outcome condition ($M_{communal} = 2.81$ vs. $M_{exchange} = 2.49$; $F(1, 234) = 0.91$, $p > 0.10$). Marginally significant interaction was also found between outcome and treatment factors ($F(2, 234) = 2.65$, $p < 0.10$). While respondents in the positive outcome condition demonstrated significant differences in the levels of stress based on treatment ($M_{positive} = 2.24$ vs. $M_{negative} = 3.33$; $F(1, 234) = 7.53$, $p < 0.01$; $M_{control} = 2.38$ vs. $M_{negative} = 3.33$; $F(1, 234) = 5.75$, $p < 0.05$), no such differences

were found amongst responses in the negative outcome condition ($M_{positive}$ = 5.45 vs. $M_{control}$ = 5.42 vs. $M_{negative}$ = 5.35; F(2, 234) = 0.03, p > 0.10). Significant differences in stress levels across positive and negative outcomes were found amongst respondents in the positive treatment condition ($M_{positive}$ = 2.24 vs. $M_{negative}$ = 5.45; F(1, 234) = 64.56, p < 0.01), negative treatment condition ($M_{positive}$ = 2.38 vs. $M_{negative}$ = 5.42; F(1, 234) = 56.49, p < 0.01), and control treatment condition ($M_{positive}$ = 3.33 vs. $M_{negative}$ = 5.35; F(1, 234) = 26.26, p < 0.01).

Manipulation Check – Scenario-Based Recollections. When asked what Grove Bank (the brand) was planning to do, almost all respondents ($N_{positive}$ = 121 out of 125, $N_{negative}$ = 120 out of 120) answered correctly that it was planning to shut down the campus branch. When asked what the brand finally did, almost all respondents ($N_{positive}$ = 123 out of 125, $N_{negative}$ = 119 out of 120) gave the correct response: "kept the branch open" and "closed the branch," respectively. A significant interaction between outcome and treatment was found when respondents were asked if they were able to reverse the initial decision of Grove Bank (F(1, 159) = 8.04, p < 0.01). Contrasts revealed a main effect of outcome, such that those in the positive outcome condition rightly reported being able to reverse the bank's original decision vis-à-vis those in the negative outcome condition ($M_{positive}$ = 5.81 vs. $M_{negative}$ = 1.42; F(1, 159) = 344.26, p < 0.01). No main effect of treatment was detected (F(1, 159) = 0.94, p > 0.10). When asked if the bank apologized to the customers after making the final decision, results indicated a main effect of treatment, such that those who were in the positive treatment condition rightly reported being apologized to vis-à-vis those in the negative treatment condition ($M_{positive}$ = 6.15 vs. $M_{negative}$ = 1.30; F(1, 159) = 763.06, p < 0.01).

No significant differences in likelihood of the scenarios to occur were found amongst the conditions with the means ranging between 3.57 and 4.70 on the 7-point Likert scale (F(1, 159) = 0.49, p > 0.10). Hence, no differences in the realism of the scenarios were found across the experimental conditions.

Tests of Hypotheses

Hypotheses H2a, H2b, H2c were tested using two-way (factors: outcome and treatment) ANOVAs, while H3a and H3b were tested using three-way (factors: outcome, treatment, and relationship type) ANOVAs. Hypotheses H4 and H5 on mediation were tested using structural equation modeling with bootstrapping technique. It is to be noted that a test of the homogeneity of variances (the Levene's test of equality and the F-max test where the Levene's results were significant) across the two types of relationship types revealed that, similar to that found in study one, there were no significant differences in the variances between communal and exchange conditions across all dependent variables, except for pictorial measures related to post-stressor change in relationship type. Therefore, unless hypothesized, for all variables except post-stressor measures of relationship type, communal and exchange conditions were collapsed to form a single group. Furthermore, covariates (*viz.*, respondents' banking experience, gender, age, nationality, and language spoken at home) were analyzed and found to not significantly impact any of the dependent variables.

<u>H2a</u>: Two-way ANOVA with outcome and treatment as factors indicated significant interactions in means for intensities of felt alienation (F(2, 227) = 3.37, p < 0.05), negative emotions (F(2, 227) = 3.26, p < 0.05), offensive negative emotions (F(2,

227) = 5.35, p < 0.01), positive emotions ($F_{(2, 227)}$ = 11.30, p < 0.01), and attitude toward the treatment ($F_{(2, 227)}$ = 13.98, p < 0.01); marginally significant difference was found in attitude toward the branch executives ($F_{(2, 227)}$ = 2.85, p < 0.10). There were no significant interactions in the sense of perceived powerlessness ($F_{(2, 227)}$ = 1.81, p > 0.10), defensive negative emotions ($F_{(2, 227)}$ = 0.51, p > 0.10), emotions state self-esteem index ($F_{(2, 227)}$ = 0.63, p > 0.10), abridged state self-esteem index ($F_{(2, 227)}$ = 2.16, p > 0.10), attitude toward the decision ($F_{(2, 227)}$ = 2.29, p > 0.10), attitude toward the brand ($F_{(2, 227)}$ = 0.15, p > 0.10), attitude toward the top management ($F_{(2, 227)}$ = 2.07, p > 0.10), and behavioral intentions ($F_{(2, 227)}$ = 2.12, p > 0.10). Thus, while the type of treatment moderated the influence of outcome type on felt alienation, negative emotions (specifically, offensive negative emotions), positive emotions, and attitude toward the treatment, no significant effects were found on the other dependent measures.

In the positive outcome condition, respondents who were positively (vs. negatively) treated felt less alienated ($M_{positive}$ = 2.70 vs. $M_{negative}$ = 4.45; $F_{(1, 227)}$ = 35.29, p < 0.01), had weaker intensity of negative emotions ($M_{positive}$ = 2.92 vs. $M_{negative}$ = 4.13; $F_{(1, 227)}$ = 22.08, p < 0.01) and offensive negative emotions ($M_{positive}$ = 3.07 vs. $M_{negative}$ = 4.68; $F_{(1, 227)}$ = 34.09, p < 0.01), stronger intensity of positive emotions ($M_{positive}$ = 4.22 vs. $M_{negative}$ = 2.51; $F_{(1, 227)}$ = 44.50, p < 0.01), and more favorable attitudes toward the treatment ($M_{positive}$ = 5.37 vs. $M_{negative}$ = 2.23; $F_{(1, 227)}$ = 126.66, p < 0.01) and the branch executives ($M_{positive}$ = 5.60 vs. $M_{negative}$ = 4.03; $F_{(1, 227)}$ = 23.48, p < 0.01). Similarly, respondents in the control (vs. negative) treatment condition felt less alienated ($M_{control}$ = 2.98 vs. $M_{negative}$ = 4.45; $F_{(1, 227)}$ = 24.45, p < 0.01), had weaker intensity of negative emotions ($M_{control}$ = 3.17 vs. $M_{negative}$ = 4.13; $F_{(1, 227)}$ = 13.46, p <

0.01) and offensive negative emotions ($M_{control}$ = 3.36 vs. $M_{negative}$ = 4.68; $F(1, 227)$ = 22.17, $p < 0.01$), stronger intensity of positive emotions ($M_{control}$ = 4.12 vs. $M_{negative}$ = 2.51; $F(1, 227)$ = 38.42, $p < 0.01$), and more favorable attitudes toward the treatment ($M_{control}$ = 5.00 vs. $M_{negative}$ = 2.23; $F(1, 227)$ = 96.08, $p < 0.01$) and the executives ($M_{control}$ = 5.15 vs. $M_{negative}$ = 4.03; $F(1, 227)$ = 11.71, $p < 0.01$). However, respondents in the positive vis-à-vis control conditions did not report significant differences in felt alienation ($F(1, 227)$ = 0.86, $p > 0.10$), intensity of negative emotions ($F(1, 227)$ = 0.97, $p > 0.10$), offensive negative emotions ($F(1, 227)$ = 1.15, $p > 0.10$) and positive emotions ($F(1, 227)$ = 0.16, $p > 0.10$), attitudes toward the treatment ($F(1, 227)$ = 1.78, $p > 0.10$) and the branch executives ($F(1, 227)$ = 1.91, $p > 0.10$), implying that, consumers assume that they will be positively treated by companies/service providers.

In the negative outcome condition, respondents who were negatively (vs. positively) treated felt more alienated ($M_{negative}$ = 5.63 vs. $M_{positive}$ = 4.90; $F(1, 227)$ = 5.95, $p < 0.05$) and had more unfavorable attitudes toward the treatment ($M_{negative}$ = 1.61 vs. $M_{positive}$ = 3.87; $F(1, 227)$ = 64.34, $p < 0.01$) and the branch executives ($M_{negative}$ = 3.78 vs. $M_{positive}$ = 4.50; $F(1, 227)$ = 4.92, $p < 0.05$), but did not indicate stronger intensity of negative emotions ($M_{negative}$ = 4.87 vs. $M_{positive}$ = 4.47; $F(1, 227)$ = 2.43, $p > 0.10$), offensive negative emotions ($M_{negative}$ = 5.41 vs. $M_{positive}$ = 4.97; $F(1, 227)$ = 2.43, $p > 0.10$), or weaker intensity of positive emotions ($M_{negative}$ = 1.44 vs. $M_{positive}$ = 1.66; $F(1, 227)$ = 0.69, $p > 0.10$); the means, however, were in the directions hypothesized. Similarly, respondents who were negatively treated (vis-à-vis control) felt more alienated ($M_{negative}$ = 5.63 vs. $M_{control}$ = 4.93; $F(1, 227)$ = 5.26, $p < 0.05$) and had more unfavorable attitude toward the treatment ($M_{negative}$ = 1.61 vs. $M_{control}$ = 2.72; $F(1, 227)$ = 15.15, $p <$

0.01), but did not indicate stronger intensity of negative emotions ($M_{negative}$ = 4.87 vs. $M_{control}$ = 4.64; $F(1, 227)$ = 0.79, $p > 0.10$), offensive negative emotions ($M_{negative}$ = 5.41 vs. $M_{control}$ = 5.04; $F(1, 227)$ = 1.65, $p > 0.10$), weaker intensity of positive emotions ($M_{negative}$ = 1.44 vs. $M_{control}$ = 1.53; $F(1, 227)$ = 0.11, $p > 0.10$), or more unfavorable attitude toward the executives ($M_{negative}$ = 3.78 vs. $M_{control}$ = 3.89; $F(1, 227)$ = 0.10, $p > 0.10$). Respondents in the positive vis-à-vis control conditions reported significant difference only in their attitude toward the treatment ($M_{positive}$ = 3.87 vs. $M_{control}$ = 2.72; $F(1, 227)$ = 16.00, $p < 0.01$), and marginally significant difference in their attitude toward the branch executives ($M_{positive}$ = 4.50 vs. $M_{control}$ = 3.89; $F(1, 227)$ = 3.45, $p < 0.10$). However, no significant differences were found in felt alienation ($F(1, 227)$ = 0.01, $p > 0.10$), and intensity of negative emotions ($F(1, 227)$ = 0.42, $p > 0.10$), offensive negative emotions ($F(1, 227)$ = 0.06, $p > 0.10$) and positive emotions ($F(1, 227)$ = 0.24, $p > 0.10$). In this case, it can be seen that positive treatment acted as a cushion to reduce the negative impact of the outcome (perceived by consumers to be unfavorable) on their attitudes.

In the positive treatment condition, respondents in the negative (vs. positive) outcome felt more alienated ($M_{negative}$ = 4.91 vs. $M_{positive}$ = 2.70; $F(1, 227)$ = 55.81, $p < 0.01$), had stronger intensity of negative emotions ($M_{negative}$ = 4.50 vs. $M_{positive}$ = 2.92; $F(1, 227)$ = 36.44, $p < 0.01$) and offensive negative emotions ($M_{negative}$ = 4.97 vs. $M_{positive}$ = 3.07; $F(1, 227)$ = 47.46, $p < 0.01$), weaker intensity of positive emotions ($M_{negative}$ = 1.68 vs. $M_{positive}$ = 4.22; $F(1, 227)$ = 99.81, $p < 0.01$), and less favorable attitudes toward the treatment ($M_{negative}$ = 3.86 vs. $M_{positive}$ = 5.37; $F(1, 227)$ = 29.00, $p < 0.01$) and the branch executives ($M_{negative}$ = 4.48 vs. $M_{positive}$ = 5.60; $F(1, 227)$ = 11.54, $p < 0.01$). In the

negative treatment condition, respondents in the negative (vs. positive) outcome felt more alienated ($M_{negative}$ = 5.62 vs. $M_{positive}$ = 4.45; $F(1, 227)$ = 15.69, $p < 0.01$), had stronger intensity of negative emotions ($M_{negative}$ = 4.87 vs. $M_{positive}$ = 4.13; $F(1, 227)$ = 8.34, $p < 0.01$) and offensive negative emotions ($M_{negative}$ = 5.41 vs. $M_{positive}$ = 4.68; $F(1, 227)$ = 6.77, $p < 0.01$), stronger intensity of positive emotions ($M_{negative}$ = 1.45 vs. $M_{positive}$ = 2.51; $F(1, 227)$ = 17.08, $p < 0.01$), and attitude toward the treatment ($M_{negative}$ = 1.61 vs. $M_{positive}$ = 2.23; $F(1, 227)$ = 4.78, $p < 0.01$). No significant difference in means was found in their attitude toward the branch executives ($M_{negative}$ = 3.78 vs. $M_{positive}$ = 4.03; $F(1, 227)$ = 0.61, $p > 0.10$); the means, however, were in the directions intended. In the treatment control condition, similar to the positive treatment results, respondents in the negative (vs. positive) outcome felt more alienated ($M_{negative}$ = 4.93 vs. $M_{positive}$ = 2.93; $F(1, 227)$ = 42.19, $p < 0.01$), had stronger intensity of negative emotions ($M_{negative}$ = 4.64 vs. $M_{positive}$ = 3.17; $F(1, 227)$ = 31.05, $p < 0.01$) and offensive negative emotions ($M_{negative}$ = 5.04 vs. $M_{positive}$ = 3.36; $F(1, 227)$ = 35.07, $p < 0.01$), weaker intensity of positive emotions ($M_{negative}$ = 1.53 vs. $M_{positive}$ = 4.12; $F(1, 227)$ = 97.04, $p < 0.01$), and less favorable attitudes toward the treatment ($M_{negative}$ = 2.72 vs. $M_{positive}$ = 5.00; $F(1, 227)$ = 63.24, $p < 0.01$) and the branch executives ($M_{negative}$ = 3.89 vs. $M_{positive}$ = 5.15; $F(1, 227)$ = 14.63, $p < 0.01$). Thus, partial support for H2a was found.

To test whether perceptions of communal ties with the brand decreased as power declined, a 2 X 3 X 2 mixed experimental design (where outcome and treatment were between-subject factors and time, i.e., pre-vs. post-stressor, was a repeated measure) was used. yielded significant two-way interactions between the pre- vs. post-stressor abridged *net communality* indices and (i) the outcome ($F(1, 234)$ = 62.81, $p < 0.01$) and (ii) the

treatment ($F(2, 234) = 18.81$, $p < 0.01$), as well as significant main effect of the abridged *net communality* indices such that the pre-stressor magnitude of perceived communality with the brand ($M = 5.21$) was higher than the post-stressor magnitude ($M = 3.74$; $F(1, 234) = 332.17$, $p < 0.01$). No significant three-way interaction was found ($F(2, 234) = 0.72$, $p > 0.10$). In the positive outcome condition, the abridged *net communality* index pre-stressor ($M = 5.14$) was significantly higher than that post-stressor ($M = 4.31$; $F(1, 234) = 54.22$, $p < 0.01$), indicating that regardless of treatment, the stressor has resulted in reduced consumer-brand communality. A similar result was found in the negative outcome condition ($M_{pre-stressor} = 5.27$ vs. $M_{post-stressor} = 3.17$; $F(1, 234) = 341.14$, $p < 0.01$). While the pre-stressor magnitudes of abridged *net communality* indices across the two outcomes ($M_{positive} = 5.14$ vs. $M_{negative} = 5.27$) were not significantly different ($F(1, 234) = 1.38$, $p > 0.10$), the post-stressor magnitudes were ($M_{positive} = 4.31$ vs. $M_{negative} = 3.17$; $F(1, 234) = 51.37$, $p < 0.01$). In the positive, negative, and control treatment conditions, the abridged *net communality* indices pre-stressor were significantly higher than those post-stressor (positive treatment: $M_{pre-stressor} = 5.27$ vs. $M_{post-stressor} = 4.11$; $F(1, 234) = 66.70$, $p < 0.01$; negative treatment: $M_{pre-stressor} = 5.06$ vs. $M_{post-stressor} = 2.90$; $F(1, 234) = 246.18$, $p < 0.01$; control: $M_{pre-stressor} = 5.29$ vs. $M_{post-stressor} = 4.21$; $F(1, 234) = 57.30$, $p < 0.01$). The pre-stressor indices were not different for those in the positive vs. negative treatment conditions ($F(1, 234) = 2.21$, $p > 0.10$), positive vs. control treatment conditions ($F(1, 234) = 0.02$, $p > 0.10$), and negative vs. control treatment conditions ($F(1, 234) = 2.64$, $p > 0.10$). However, the post-stressor indices were different for those in the positive vs. negative treatment conditions ($F(1, 234) = 79.89$, $p < 0.01$) and the negative vs. control treatment conditions ($F(1, 234) = 88.11$, $p < 0.01$); no significant

difference between those in the positive vs. control treatment conditions $F(1, 234) = 0.31$, $p > 0.10$), once again, indicating that perhaps these two conditions behave similarly as respondents assume that companies would treat them well.

Since all the dependent measures did not yield significant results, H2a was only partially supported. However, these results raised the question whether power was generated through the *combined* impact of outcome and treatment or only through outcome (literature suggests that sense of powerlessness is primarily determined by the perceived ability of an individual to impact the *outcome*—e.g., Seeman 1959). When the dependent variable (perceived powerlessness) was analysed by conducting a one-way ANOVA with outcome as the independent variable, a main effect was found such that those in the negative outcome condition ($M = 5.05$) felt more powerless than those in the positive outcome condition ($M = 3.52$; $F(1, 227) = 119.57$, $p < 0.01$). No such main effect on level of power was witnessed when the independent variable was treatment ($M_{positive} = 4.27$ vs. $M_{control} = 4.15$ vs. $M_{negative} = 4.42$; $F(1, 227) = 1.27$, $p > 0.10$). This suggests that, perhaps, power is driven by outcome and not by treatment.

To check results if only outcome were to determine power, H2a was tested by conducting a one-way ANOVA with outcome as the factor. Results indicated significant main effect such that those in the negative (vs. positive) outcome felt more powerless ($M_{negative} = 5.05$ vs. $M_{positive} = 3.52$; $F(1, 227) = 120.45$, $p < 0.01$) and alienated ($M_{negative} = 5.15$ vs. $M_{positive} = 3.38$; $F(1, 227) = 108.34$, $p < 0.01$), experienced greater intensity of negative emotions ($M_{negative} = 4.66$ vs. $M_{positive} = 3.40$; $F(1, 227) = 70.40$, $p < 0.01$), offensive negative emotions ($M_{negative} = 5.14$ vs. $M_{positive} = 3.73$; $F(1, 227) = 80.09$, $p < 0.01$) and defensive negative emotions ($M_{negative} = 3.88$ vs. $M_{positive} = 2.93$; $F(1, 227) =$

33.72, p < 0.01), weaker intensity of positive emotions ($M_{negative}$ = 1.55 vs. $M_{positive}$ = 3.61; $F(1, 227)$ = 190.65, p < 0.01), lower state self esteem (*emotions state self-esteem* index: $M_{negative}$ = 4.39 vs. $M_{positive}$ = 5.42; $F(1, 227)$ = 44.27, p < 0.01; *abridged state self-esteem* index: $M_{negative}$ = 4.73 vs. $M_{positive}$ = 5.23; $F(1, 227)$ = 14.05, p < 0.01), and more unfavorable attitudes (toward the *decision*: $M_{negative}$ = 1.96 vs. $M_{positive}$ = 5.98; $F(1, 227)$ = 884.63, p < 0.01; *treatment*: $M_{negative}$ = 2.74 vs. $M_{positive}$ = 4.20; $F(1, 227)$ = 82.95, p < 0.01; *brand*: $M_{negative}$ = 3.92 vs. $M_{positive}$ = 5.20; $F(1, 227)$ = 77.94, p < 0.01; *top management*: $M_{negative}$ = 3.16 vs. $M_{positive}$ = 4.52; $F(1, 227)$ = 72.45, p < 0.01; *branch executives*: $M_{negative}$ = 4.05 vs. $M_{positive}$ = 4.93; $F(1, 227)$ = 22.02, p < 0.01) and behavioral intentions ($M_{negative}$ = 2.93 vs. $M_{positive}$ = 4.55; $F(1, 227)$ = 105.49, p < 0.01). Also, to test change in communal ties, a 2 X 2 mixed experimental design ANOVA (where outcome was a between-subjects factor and time was a repeated measure) was conducted which yielded significant interactions between outcome and the pre- vs. post-stressor abridged *net communality* indices ($F(1, 234)$ = 64.03, p < 0.01), as well as significant main effect of the pre- vs. post-stressor abridged *net communality* indices ($F(1, 234)$ = 335.99, p < 0.01). Planned contrasts revealed a significant decrease in the perceptions of communality for respondents in the two outcome conditions—positive ($M_{pre-stressor}$ = 5.14 vs. $M_{post-stressor}$ = 4.31; $F(1, 234)$ = 54.22, p < 0.01) and negative ($M_{pre-stressor}$ = 5.27 vs. $M_{post-stressor}$ = 3.17; $F(1, 234)$ = 341.14, p < 0.01). No significant difference was found in the pre-stressor abridged *net communality* index across the two outcome conditions ($F(1, 234)$ = 1.38, p > 0.10). However, significant difference was evidenced in the post-stressor abridged *net communality* index across the outcomes ($F(1, 234)$ = 51.37, p < 0.01). These results indicated that as outcome was perceived to be negative, perceptions of

communality with the brand decreased. Hence, H2a is fully supported if power is a function of only outcome.

$H2b$: This hypothesis examines power at high and low levels, wherein, control treatment is excluded, i.e., the impact of the outcomes (positive, negative) and treatments (positive, negative) on the dependent measures. A two-way ANOVA with these factors yielded significant interaction on magnitude of felt alienation ($F(1, 227) = 6.20$, $p < 0.05$), negative emotions ($F(1, 227) = 5.53$, $p < 0.05$), offensive negative emotions ($F(1, 227) = 9.62$, $p < 0.01$), positive emotions ($F(1, 227) = 16.57$, $p < 0.01$), attitudes toward the decision ($F(1, 227) = 3.93$, $p < 0.05$), attitude toward the treatment ($F(1, 227) = 5.19$, $p < 0.05$), attitude toward the top management ($F(1, 227) = 3.98$, $p < 0.05$) and behavioral intentions ($F(1, 227) = 3.90$, $p < 0.05$), marginally significant interaction on perceived powerlessness ($F(1, 227) = 3.00$, $p < 0.10$), abridged state self-esteem ($F(1, 227) = 3.70$, $p < 0.10$) and attitude toward the executives ($F(1, 227) = 3.62$, $p < 0.10$), and no significant interaction on magnitude of defensive negative emotions ($F(1, 227) = 0.50$, $p > 0.10$), emotions state self-esteem ($F(1, 227) = 1.08$, $p > 0.10$) and attitude toward the brand ($F(1, 227) = 0.28$, $p > 0.10$). Though no significant interaction between outcome and treatment was found for post-stressor perceptions of communal ties with the brand ($F(1, 234) = 1.36$, $p > 0.10$), the means were in the direction hypothesized, with post-stressor net communality indices for those respondents in the negative outcome and negative treatment condition being the lowest ($M = 2.40$) and that in the positive outcome and positive treatment condition being the highest ($M = 4.82$).

Perceived powerlessness—In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported no difference in their levels of

powerlessness ($M_{negative}$ = 5.08 vs. $M_{positive}$ = 5.23; $F(1, 227)$ = 0.36, p > 0.10). However, in the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported marginally lower level of powerlessness ($M_{positive}$ = 3.32 vs. $M_{negative}$ = 3.77; $F(1, 227)$ = 3.47, p < 0.10). Thus, sense of powerlessness is lowest (M = 3.32) when both outcome and treatment are positive. *Felt alienation*—In the negative outcome condition, those who were negatively (vis-à-vis positively) treated felt more alienated ($M_{negative}$ = 5.61 vs. $M_{positive}$ = 4.91; $F(1, 227)$ = 5.49, p < 0.05). In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported lower level of alienation ($M_{positive}$ = 2.70 vs. $M_{negative}$ = 4.45; $F(1, 227)$ = 35.29, p < 0.01). Thus, felt alienation is highest (M = 5.61) when outcome and treatment are both negative and lowest (M = 2.70) when they are both positive. *Negative emotions*—In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported no difference in their magnitude of negative emotions ($M_{negative}$ = 4.84 vs. $M_{positive}$ = 4.50; $F(1, 227)$ = 1.74, p > 0.10). In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported lower magnitude of negative emotions ($M_{positive}$ = 2.92 vs. $M_{negative}$ = 4.13; $F(1, 227)$ = 22.08, p < 0.01). Thus, magnitude of negative emotions is lowest (M = 2.92) when outcome and treatment are both positive. *Offensive negative emotions*—In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported no difference in their magnitude of offensive negative emotions ($M_{negative}$ = 5.38 vs. $M_{positive}$ = 4.99; $F(1, 227)$ = 1.92, p > 0.10). In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported lower magnitude of offensive negative emotions ($M_{positive}$ = 3.07 vs. $M_{negative}$ = 4.68; $F(1, 227)$ = 34.09, p < 0.01). Thus, magnitude of offensive negative emotions is lowest (M =

3.07) when outcome and treatment are both positive. *Positive emotions*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported higher magnitude of positive emotions ($M_{positive} = 4.22$ vs. $M_{negative} = 2.51$; $F(1, 227) = 44.50$, $p < 0.01$). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported no difference in their magnitude of positive emotions ($M_{negative} = 1.46$ vs. $M_{positive} = 1.68$; $F(1, 227) = 0.71$, $p > 0.10$). Thus, magnitude of positive emotions is highest ($M = 4.22$) when outcome and treatment are both positive. *Abridged state self-esteem*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated experienced higher state self-esteem ($M_{positive} = 5.50$ vs. $M_{negative} = 4.94$; $F(1, 227) = 5.90$, $p < 0.05$). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported no difference in their magnitude of state self-esteem ($M_{negative} = 4.68$ vs. $M_{positive} = 4.61$; $F(1, 227) = 0.10$, $p > 0.10$). Thus, magnitude of abridged state self-esteem is highest ($M = 5.50$) when outcome and treatment are both positive. *Attitude toward the decision*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported more favorable attitude toward the bank's decision ($M_{positive} = 6.32$ vs. $M_{negative} = 5.64$; $F(1, 227) = 8.56$, $p < 0.01$). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported no difference in their attitude ($M_{negative} = 1.88$ vs. $M_{positive} = 1.90$; $F(1, 227) = 0.01$, $p > 0.10$). Thus, attitude toward the decision is most favorable ($M = 6.32$) when outcome and treatment are both positive. *Attitude toward the treatment*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported more favorable attitude toward their treatment by the bank ($M_{positive} = 5.37$ vs. $M_{negative} = 2.23$; $F(1, 227) = 126.66$, $p < 0.01$). In the negative

outcome condition, those who were negatively (vis-à-vis positively) treated reported higher unfavorability in their attitude ($M_{negative}$ = 1.63 vs. $M_{positive}$ = 3.86; $F(1, 227)$ = 61.71, $p < 0.01$). Thus, attitude toward the treatment is most favorable (M = 5.37) when outcome and treatment are positive and least favorable (M = 1.63) when they are both negative. *Attitude toward the top management*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported more favorable attitude toward the bank's top management ($M_{positive}$ = 5.44 vs. $M_{negative}$ = 3.03; $F(1, 227)$ = 75.57, $p < 0.01$). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported higher unfavorability in their attitude ($M_{negative}$ = 2.11 vs. $M_{positive}$ = 3.74; $F(1, 227)$ = 32.93, $p < 0.01$). Thus, attitude toward the top management is most favorable (M = 5.44) when outcome and treatment are positive and least favorable (M = 2.11) when they are both negative. *Attitude toward the branch executives*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported more favorable attitude toward the campus branch's executives ($M_{positive}$ = 5.60 vs. $M_{negative}$ = 4.03; $F(1, 227)$ = 33.48, $p < 0.01$). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported higher unfavorability in their attitude ($M_{negative}$ = 3.79 vs. $M_{positive}$ = 4.48; $F(1, 227)$ = 4.38, $p < 0.05$). Thus, attitude toward the branch executives is most favorable (M = 5.60) when outcome and treatment are positive and least favorable (M = 3.79) when they are both negative. *Behavioral intentions*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported more favorable behavioral intentions toward the bank ($M_{positive}$ = 5.20 vs. $M_{negative}$ = 3.57; $F(1, 227)$ = 35.97, $p < 0.01$). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported higher

unfavorability in their behavioral intentions ($M_{negative} = 2.40$ vs. $M_{positive} = 3.27$; $F(1, 227) = 9.75$, $p < 0.01$). Thus, behavioral intentions of respondents is most favorable ($M = 5.20$) when outcome and treatment are positive and least favorable ($M = 2.40$) when they are both negative. These findings indicate that when both outcome and treatment are positive, the magnitudes of perceived powerlessness, felt alienation, negative emotions and offensive negative emotions are lowest, the magnitudes of positive emotions and state self-esteem (emotions and abridged indices) are highest, and consumer attitudes toward the decision, treatment, top management, and branch executives are most favorable. Whereas, when outcome and treatment are both negative, the magnitude of felt alienation is highest, and consumer attitudes toward the treatment, top management, and branch executives are least favorable. As significant effects have not been found across all dependent measures, H2b is partially supported.

H2c: Repeated-measures ANOVA was conducted with outcome and treatment as the between-subjects factors and attitude target (*three levels*—decision, brand, and executives) as the within-subjects factor. Significant main effect of attitude targets ($M_{decision} = 3.98$ vs. $M_{brand} = 4.55$ vs. $M_{branch\_executives} = 4.48$; $F(1, 233) = 24.54$, $p < 0.01$) where the attitude toward the decision was significantly different from and least favorable compared to that toward the brand and the executives. Results indicated no significant three-way interaction amongst attitude target, outcome, and treatment ($F(2, 233) = 2.18$, $p > 0.10$), however, a two-way interaction was evidenced between attitude target and outcome ($F(1, 233) = 254.15$, $p < 0.01$; see figure 15). Planned contrasts revealed that when outcome is negative, attitude toward the decision (Mean = 1.96) was significantly different from the attitude toward the brand ($M = 3.88$; $F(1, 233) = 180.45$, $p < 0.01$) and

- 136 -

toward the executives (M = 4.04; $F_{(1, 233)} = 217.06$, p < 0.01). No significant

differences were found between the attitude toward the brand and executives ($F_{(1, 233)} =$

1.36, p > 0.10). Similarly, under positive outcome condition, contrasts revealed that

attitude toward the decision (Mean = 6.00) was significantly different from the attitude

toward the brand (M = 5.20; $F_{(1, 233)} = 32.87$, p < 0.01) and that toward the executives

(M = 4.90; $F_{(1, 233)} = 61.88$, p < 0.01); however, attitude toward the brand was also

significantly different from that toward the executives ($F_{(1, 233)} = 4.55$, p < 0.05). As

seen in H2a (simple effect of outcome type), attitudes toward the decision, brand, and

executives are more favorable in the positive outcome condition vis-à-vis those in the

negative outcome condition. Hence, if it is argued that power is a function of only

outcome, it can be seen that attitude toward the decision (vs. brand, executives) is most

sensitive to changes in perceptions of power, thereby, supporting H2c.

Figure 15: Interaction Effects of Outcome and Attitude Targets in Study 2
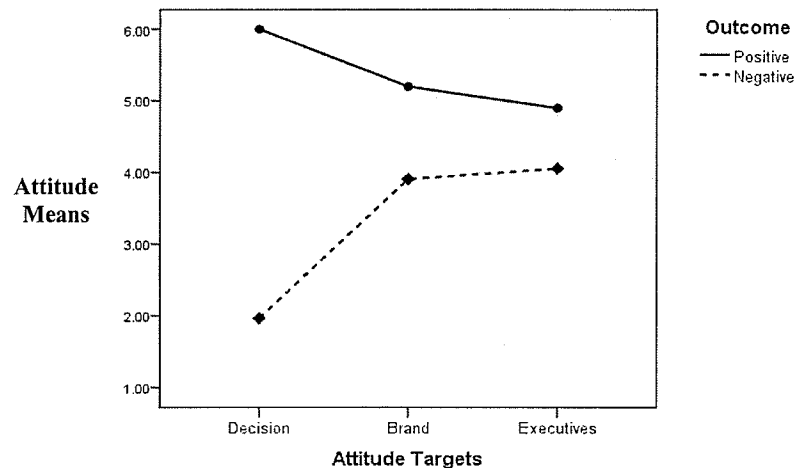
A two-way interaction was also found between attitude target and treatment ($F_{(2,}$

$233) = 5.90$, p < 0.05; see figure 16). Contrasts revealed that when treatment was

- 137 -

negative, attitude toward the decision, brand, and executives were not significantly different from one another ($M_{decision}$ = 3.79 vs. M_{brand} = 3.61 vs. $M_{branch\_executives}$ = 3.87; $F(1, 233)$ = 0.22, $p > 0.10$). However, in the positive treatment condition, contrasts revealed that these attitudes were different ($M_{decision}$ = 4.22 vs. M_{brand} = 5.17 vs. $M_{branch\_executives}$ = 5.05; $F(1, 233)$ = 23.24, $p < 0.01$), where attitude toward the decision was significantly different from the attitude toward the brand ($F(1, 233)$ = 30.03, $p < 0.01$) and that toward the executives ($F(1, 233)$ = 25.26, $p < 0.01$); attitude toward the brand was not significantly different from that toward the executives ($F(1, 233)$ = 0.43, $p > 0.10$). Under control treatment condition, contrasts revealed that these attitudes were significantly different from each other ($M_{decision}$ = 4.07 vs. M_{brand} = 4.92 vs. $M_{executives}$ = 4.55; $F(1, 233)$ = 7.33, $p < 0.01$)—specifically, attitude toward the decision was significantly different from the attitude toward the brand ($F(1, 233)$ = 23.19, $p < 0.01$) and that toward the executives ($F(1, 233)$ = 7.33, $p < 0.01$); attitude toward the brand was also significantly different from that toward the executives ($F(1, 233)$ = 4.45, $p < 0.05$). Contrasts on attitude targets also revealed significant difference in treatments for *attitude toward the decision* ($M_{positive}$ = 4.22 vs. $M_{control}$ = 4.04 vs. $M_{negative}$ = 3.79; $F(2, 233)$ = 3.30, $p < 0.05$) where this attitude under negative treatment was significantly different from that under positive treatment ($F(1, 233)$ = 6.37, $p < 0.05$). No differences were found between the attitudes in the negative vs. control treatment conditions ($F(1, 233)$ = 2.72, $p > 0.10$) and the positive vs. control treatments ($F(1, 233)$ = 0.72, $p > 0.10$). Contrasts on *attitude toward the brand* indicated significant differences across the treatment conditions ($M_{positive}$ = 5.17 vs. $M_{control}$ = 4.92 vs. $M_{negative}$ = 3.61; $F(2, 233)$ = 47.36, $p < 0.01$) where this attitude under negative treatment was significantly different

from that under positive treatment ($F(1, 233) = 81.96$, $p < 0.01$) and from that under

control treatment ($F(1, 233) = 56.92$, $p < 0.01$); no difference was found between the

attitudes in the positive vs. control treatments ($F(1, 233) = 2.00$, $p > 0.10$). Contrasts on

attitude toward the executives indicated significant differences across the treatment

conditions ($M_{positive} = 5.05$ vs. $M_{control} = 4.55$ vs. $M_{negative} = 3.87$; $F(2, 233) = 24.10$, $p <$

0.01) where this attitude under negative treatment was significantly different from that

under positive treatment ($F(1, 233) = 47.79$, $p < 0.01$) and from that under control

treatment ($F(1, 233) = 15.52$, $p < 0.01$); significant difference was found between the

attitudes in the positive vs. control treatments as well ($F(1, 233) = 8.35$, $p < 0.01$).

Figure 16: Interaction Effects of Treatment and Attitude Targets in Study 2
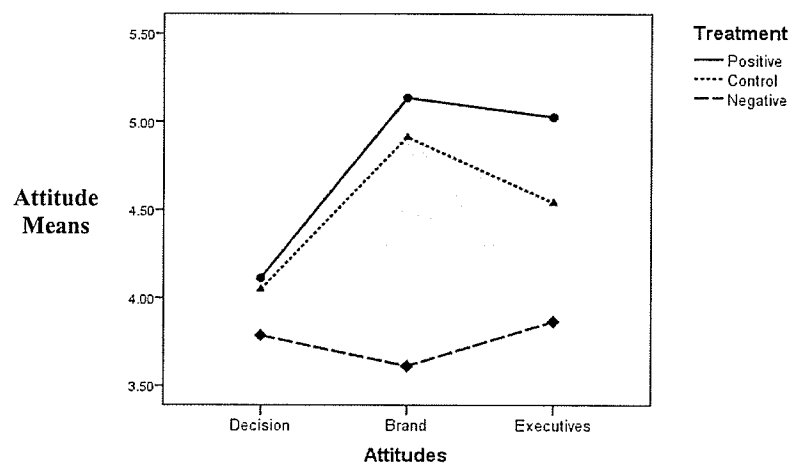
Based on this discussion, since both outcome and treatment have not interacted

with the three attitude targets, H2c is not supported. However, if power is considered as a

function of only outcome, H2c is fully supported.

Five attitude targets—Repeated-measures ANOVA with outcome and treatment

as the between-subjects factors and attitude target (*five levels* – decision, treatment,

brand, top management, and executives) as the within-subjects factor indicated a *main effect of attitude target* ($M_{decision} = 4.02$ vs. $M_{treatment} = 3.47$ vs. $M_{brand} = 4.55$ vs. $M_{top\_management} = 3.84$ vs. $M_{branch\_executives} = 4.48$; $F_{(1, 233)} = 37.36$, $p < 0.01$) where attitude toward the decision was more favorable that than toward the treatment ($F_{(1, 233)} = 30.09$, $p < 0.01$), less favorable than that toward the brand ($F_{(1, 233)} = 28.16$, $p < 0.01$) and the branch executives ($F_{(1, 233)} = 22.33$, $p < 0.01$), and marginally more favorable that that toward the top management ($F_{(1, 233)} = 3.07$, $p < 0.10$). Attitude toward the treatment was significantly less favorable than attitude toward the brand ($F_{(1, 233)} = 118.47$, $p < 0.01$), the top management ($F_{(1, 233)} = 13.94$, $p < 0.01$), and the branch executives ($F_{(1, 233)} = 104.25$, $p < 0.01$). While attitude toward the brand was more favorable than that toward the top management ($F_{(1, 233)} = 50.63$, $p < 0.01$), it was not significantly different from that toward the branch executives ($F_{(1, 233)} = 0.50$, $p > 0.10$). Attitude toward branch executives was more favorable than toward the top management ($F_{(1, 233)} = 41.95$, $p < 0.01$). These results indicate that the attitude toward the treatment was the least favorable; as seen in study one, attitude toward the brand and branch executives were not significantly different from each other, indicating that perhaps respondents did not attribute the blame of the decision to the branch executives or the brand. The attitudes toward the decision and top management were marginally different from each other indicating that respondents might have attributed the decision to the top management.

Repeated-measures ANOVA provided evidence of interaction between attitude targets and outcomes ($F_{(1, 233)} = 211.76$, $p < 0.01$; see figure 17). Contrasts revealed that in the positive outcome condition, the attitudes were significantly different across all

five levels ($M_{decision}$ = 6.00 vs. $M_{treatment}$ = 4.20 vs. M_{brand} = 5.20 vs. $M_{top\_management}$ = 4.51 vs. $M_{branch\_executives}$ = 4.90; $F(1, 233)$ = 36.48, $p < 0.01$). In this case, attitude toward the decision was more favorable than that toward the treatment ($F(1, 233)$ = 166.78, $p < 0.01$), the brand ($F(1, 233)$ = 32.87, $p < 0.01$), the top management ($F(1, 233)$ = 114.18, $p < 0.01$), and the branch executives ($F(1, 233)$ = 61.88, $p < 0.01$). Attitude toward the treatment was less favorable than that toward the brand ($F(1, 233)$ = 51.57, $p < 0.01$), the top management ($F(1, 233)$ = 4.97, $p < 0.05$), and the branch executives ($F(1, 233)$ = 25.48, $p < 0.01$). Attitude toward the brand was more favorable than that toward the top management ($F(1, 233)$ = 24.53, $p < 0.01$) and the branch executives ($F(1, 233)$ = 4.55, $p < 0.05$). Attitude toward the branch executives was more favorable than that toward the top management ($F(1, 233)$ = 7.95, $p < 0.01$). Similarly, in the negative outcome condition, the attitudes were significantly different across all five levels ($M_{decision}$ = 1.96 vs. $M_{treatment}$ = 2.71 vs. M_{brand} = 3.88 vs. $M_{top\_management}$ = 3.15 vs. $M_{branch\_executives}$ = 4.05; $F(1, 233)$ = 208.79, $p < 0.01$). In this case, attitude toward the decision was more unfavorable than that toward the treatment ($F(1, 233)$ = 28.14, $p < 0.01$), the brand ($F(1, 233)$ = 180.45, $p < 0.01$), the top management ($F(1, 233)$ = 69.95, $p < 0.01$), and the branch executives ($F(1, 233)$ = 217.06, $p < 0.01$). Attitude toward the treatment was less favorable than that toward the brand ($F(1, 233)$ = 67.62, $p < 0.01$), the top management ($F(1, 233)$ = 9.36, $p < 0.01$), and the branch executives ($F(1, 233)$ = 88.89, $p < 0.01$). Attitude toward the brand was more favorable than that toward the top management ($F(1, 233)$ = 26.14, $p < 0.01$), but not significantly different from that toward the branch executives ($F(1, 233)$ = 1.36, $p > 0.10$). Attitude toward the branch executives was more favorable than that toward the top management ($F(1, 233)$ = 40.57, $p < 0.01$). As already

discussed in H2a, positive outcome condition respondents reported having more favorable attitudes as compared to respondents in the negative outcome condition.

Figure 17: Interaction Effects of Outcome and Attitude Targets (Decision, Treatment, Brand, Top Management, and Branch Executives) in Study 2
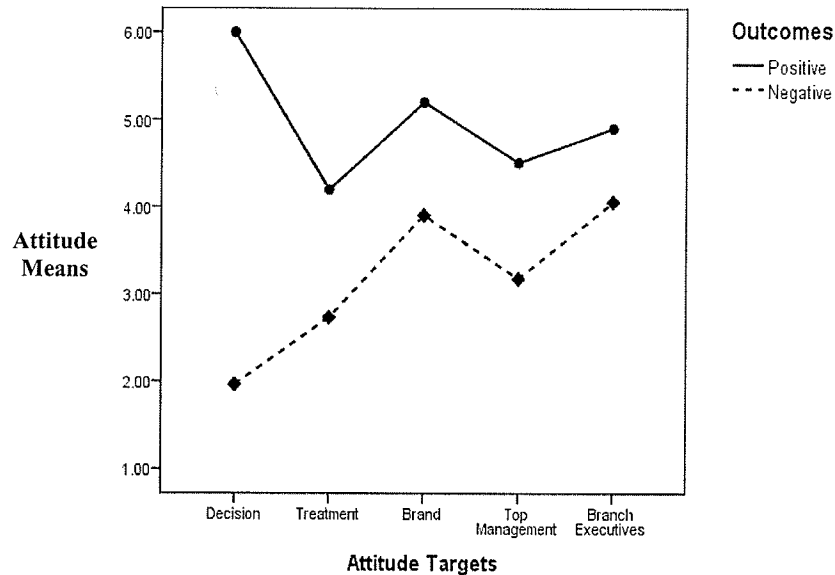
No three-way interaction amongst attitude targets, outcomes and treatments were found ($F(2, 233) = 0.34$, $p > 0.10$); no two-way interaction was found between attitude targets and treatments ($F(2, 233) = 1.54$, $p > 0.10$). Hence, if power were considered to be a function of only outcome, H2c would be supported, since results indicate that attitude toward the decision is most sensitive to perceptions of power as compared to the other attitude targets.

H3a: Three-way ANOVA with relationship type, outcome, and treatment as factors indicated significant three-way interaction only on *defensive negative emotions* ($F(2, 227) = 3.41$, $p < 0.05$). However, further analysis indicated a main effect on outcome to be driving this interaction such that those who experienced positive outcome

reported lower magnitude of defensive negative emotions (M = 2.93) compared to those experiencing negative outcome (M = 3.89; $F(1, 227) = 33.10$, $p < 0.01$). No significant three-way interactions were found in perceived powerlessness ($F(2, 227) = 0.52$, $p > 0.10$), felt alienation ($F(2, 227) = 2.19$, $p > 0.10$), negative emotions ($F(2, 227) = 1.70$, $p > 0.10$), offensive negative emotions ($F(2, 227) = 0.66$, $p > 0.10$), positive emotions ($F(2, 227) = 0.18$, $p > 0.10$), emotions state self-esteem ($F(2, 227) = 0.24$, $p > 0.10$), abridged state self-esteem ($F(2, 227) = 1.00$, $p > 0.10$), attitudes toward the decision ($F(2, 227) = 1.13$, $p > 0.10$), the treatment ($F(2, 227) = 1.63$, $p > 0.10$), the brand ($F(2, 227) = 0.13$, $p > 0.10$), the top management ($F(2, 227) = 0.58$, $p > 0.10$) and the branch executives ($F(2, 227) = 0.76$, $p > 0.10$), and behavioral intentions ($F(2, 227) = 0.41$, $p > 0.10$). Hence, relationship type is not found to moderate the combined influence of outcome and treatment (i.e., manipulated power) on the dependent measures. The inability to find significant differences might be attributed to the homogeneity of variances across the two relationship types (as discussed earlier). Thus, H3a is not supported.

H3b: Repeated-measures ANOVAs analyzing the pre- and post-stressor changes in relationships for respondents across outcomes, treatments, and relationship types were performed in order to subsequently gauge whether the predictions made in H3b for respondents in the high power (both outcome and treatment positive) condition should be statistically examined or not. On the abridged *net communality* indices, no significant four-way interactions amongst the indices, relationship types, outcomes, and treatments ($F(2, 234) = 0.22$, $p > 0.10$), three-way interactions amongst (i) the indices, outcomes, and treatments ($F(2, 234) = 0.69$, $p > 0.10$), (ii) the indices, relationship types, and treatments ($F(2, 234) = 0.16$, $p > 0.10$) and (iii) the indices, relationship types, and

outcomes ($F(2, 234) = 2.43$, $p > 0.10$), and two-way interaction of the indices and

relationship types ($F(1, 234) = 1.43$, $p > 0.10$) were found. Significant two-way

interactions were found between (a) the indices and outcomes ($F(1, 234) = 63.13$, $p < 0.01$) and (b) the indices and treatments ($F(2, 234) = 19.07$, $p < 0.01$). Contrasts for these

have already been discussed under H2a results. Further, main effect of the indices was

found such that the pre-stressor level of abridged *net communality* (M = 5.21) was higher

than that post-stressor (M = 3.74; $F(1, 234) = 332.99$, $p < 0.01$). For the pre- vs. post-

stressor abridged *net communality* indices, H3b could not be supported as relationship

type was not a significant moderator.

For abridged *communal relations* scale, no significant four-way interactions

amongst the scales, relationship types, outcomes, and treatments ($F(2, 234) = 1.00$, $p > 0.10$), three-way interactions amongst (i) the scales, outcomes, and treatments ($F(2, 234) = 1.87$, $p > 0.10$), (ii) the scales, relationship types, and treatments ($F(2, 234) = 0.73$, $p > 0.10$) and (iii) the scales, relationship types, and outcomes ($F(1, 234) = 1.90$, $p > 0.10$),

and two-way interaction of the scales and relationship types ($F(1, 234) = 2.29$, $p > 0.10$)

were found. Significant two-way interactions was found between the scales and outcomes

($F(1, 234) = 26.31$, $p < 0.01$). Contrasts in the positive outcome condition revealed that

the pre-stressor level of communal relations (M = 3.93) was higher than that post-stressor

(M = 3.30; $F(1, 234) = 20.25$, $p < 0.01$); similarly, in the negative outcome condition, the

pre-stressor level of communal relations (M = 4.11) was higher than that post-stressor (M = 2.46; $F(1. 234) = 163.64$, $p < 0.01$). The pre-stressor level of communal relations did

not vary by outcome ($F(1, 234) = 1.65$, $p > 0.10$), while the post-stressor level of

communal relations was higher in the positive outcome vis-à-vis negative outcome

condition ($F(1, 234) = 36.20$, $p < 0.01$). Two-way interaction was found between the scales and treatments as well ($F(2, 234) = 7.64$, $p < 0.01$). Contrasts in the positive treatment condition, revealed that the pre-stressor level of communal relations ($M = 4.06$) was higher than that post-stressor ($M = 3.25$; $F(1, 234) = 21.18$, $p < 0.01$). Similar results were found in the control treatment ($M_{pre-stressor} = 4.13$ vs. $M_{post-stressor} = 3.21$; $F(1, 234) = 26.54$, $p < 0.01$) as well as negative treatment conditions ($M_{pre-stressor} = 3.86$ vs. $M_{post-stressor} = 2.19$; $F(1, 234) = 98.45$, $p < 0.01$). The pre-stressor level of communal relations did not vary significantly across the treatments ($F(2, 234) = 1.02$, $p > 0.10$). However, the post-stressor levels varied ($F(2, 234) = 25.17$, $p < 0.01$). Contrasts revealed that the post-stressor scores were significantly higher in the positive vis-à-vis negative treatment conditions ($F(1, 234) = 40.12$, $p < 0.01$) and the control vis-à-vis negative treatment conditions ($F(1, 234) = 34.74$, $p < 0.01$); however, no differences were found in the positive vis-à-vis control treatment conditions ($F(1, 234) = 0.13$, $p > 0.10$). Also, main effect of the scales was found such that the pre-stressor level of abridged *communal relations* scale ($M = 4.01$) was higher than that post-stressor ($M = 2.88$; $F(1, 234) = 130.16$, $p < 0.01$). However, for the pre- vs. post-stressor abridged *communal relations* scales, H3b could not be supported as relationship type was not a significant moderator.

For abridged *exchange relations* scale, no significant four-way interactions amongst the scales, relationship types, outcomes, and treatments ($F(2, 234) = 1.17$, $p > 0.10$), three-way interactions amongst (i) the scales, outcomes, and treatments ($F(2, 234) = 1.63$, $p > 0.10$), (ii) the scales, relationship types, and treatments ($F(2, 234) = 1.64$, $p > 0.10$) and (iii) the scales, relationship types, and outcomes ($F(1, 234) = 0.00$, $p > 0.10$), and two-way interaction of the scales and treatments ($F(2, 234) = 0.14$, $p > 0.10$) were

found. Significant two-way interactions were found between the scales and outcomes $(F(1, 234) = 5.44, p < 0.05)$. In the positive outcome condition, the pre-stressor level of exchange relations $(M = 4.64)$ was lower than that post-stressor $(M = 4.99; F(1, 234) = 5.78, p < 0.05)$; similar results were found in the negative outcome condition as well $(M_{pre-stressor} = 4.65 \text{ vs. } M_{post-stressor} = 5.84; F(1, 234) 32.06, p < 0.01)$. While the pre-stressor scores were not significantly different across the two outcomes $(F(1, 234) = 0.00, p > 0.10)$, the post-stressor level of exchange relations was higher amongst the respondents in the negative vis-à-vis positive outcomes $(F(1, 234) = 11.25, p < 0.01)$. Two-way interactions were also found between the scales and relationship types $(F(1, 234) = 43.64, p < 0.01)$. Contrasts based on this interaction revealed that respondents experiencing communal ties with the brand increased their post-stressor level of exchange ties with the brand $(M_{pre-stressor} = 3.55 \text{ vs. } M_{post-stressor} = 4.84; F(1, 234) = 75.06, p < 0.01)$. However, those experiencing exchange ties with the brand did not report any significant changes in their post-stressor level of exchange ties with the brand $(M_{pre-stressor} = 5.73 \text{ vs. } M_{post-stressor} = 5.63; F(1, 234) = 0.44, p > 0.10)$. Further, the pre-stressor level of exchange relations was higher amongst those in the exchange vis-à-vis communal relationship type $(F(1, 234) = 216.55, p < 0.01)$; similar results were found in the post-stressor level of exchange relations $(F(1, 134) = 29.39, p < 0.01)$. Also, main effect of the scales was found such that the post-stressor level of abridged *exchange relations* scale $(M = 5.23)$ was higher than that pre-stressor $(M = 4.64; F(1, 234) = 32.17, p < 0.01)$. Thus, H3b could not be supported as relationship type was not a significant moderator of the impact of power on the pre- vs. post-stressor abridged *exchange relations* scales.

Similarly, for the forced choice question (anchored by 1 = businessperson and 8 = close friend) to capture the change in perceived relationship type of the respondent with the bank, no significant four-way interactions amongst the pre- vs. post-stressor scales, relationship types, outcomes, and treatments ($F(2, 234) = 0.41$, $p > 0.10$), three-way interactions amongst (i) the scales, outcomes, and treatments ($F(2, 234) = 1.15$, $p > 0.10$), (ii) the scales, relationship types, and treatments ($F(2, 234) = 1.04$, $p > 0.10$) and (iii) the scales, relationship types, and outcomes ($F(1, 234) = 1.00$, $p > 0.10$) were found. Significant two-way interactions were found between the scales and outcomes ($F(1, 234) = 20.47$, $p < 0.01$). In the positive outcome condition, respondents viewed the bank more as a close friend pre-stressor ($M = 4.17$) than post-stressor ($M = 3.48$; $F(1, 234) = 19.21$, $p < 0.01$); similar results were found in the negative outcome condition as well ($M_{pre-stressor} = 4.47$ vs. $M_{post-stressor} = 2.76$; $F(1, 234)$ 114.53, $p < 0.01$). While the pre-stressor scores were only marginally different across the two outcomes ($F(1, 234) = 3.59$, $p < 0.10$), the post-stressor view of the bank as a businessperson was higher amongst the respondents in the negative vis-à-vis positive outcomes ($F(1, 234) = 20.67$, $p < 0.01$). Two-way interactions were also found between the scales and treatments ($F(2, 234) = 9.26$, $p < 0.01$). Contrasts in the positive treatment condition, revealed that respondents viewed the bank more as a close friend pre-stressor ($M = 4.32$) than post-stressor ($M = 3.49$; $F(1, 234) = 17.67$, $p < 0.01$). Similar results were found in the control treatment ($M_{pre-stressor} = 4.40$ vs. $M_{post-stressor} = 3.52$; $F(1, 234) = 18.57$, $p < 0.01$) as well as negative treatment conditions ($M_{pre-stressor} = 4.24$ vs. $M_{post-stressor} = 2.36$; $F(1, 234) = 96.69$, $p < 0.01$). The pre-stressor view of the bank as more of a close friend did not vary across the treatments ($F(2, 234) = 0.15$, $p > 0.10$). However, the post-stressor levels varied ($F(2,$

234) = 22.94, p < 0.01). Contrasts revealed that the post-stressor view of the bank as a businessperson were significantly lower in the positive vis-à-vis negative treatment conditions (F(1, 234) = 34.24, p < 0.01) and the control vis-à-vis negative treatment conditions (F(1, 234) = 34.16, p < 0.01); however, no differences were found in the positive vis-à-vis control treatment conditions (F(1, 234) = 0.00, p > 0.10). Two-way interactions were also found between the scales and relationship types (F(1, 234) = 31.18, p < 0.01). Contrasts based on this interaction revealed that respondents experiencing communal ties with the brand changed their view of the brand to be more like a businessperson (M$_{pre-stressor}$ = 5.81 vs. M$_{post-stressor}$ = 3.98; F(1, 234) = 131.84, p < 0.01). Similarly, those experiencing exchange ties with the brand increased their view of the brand as a businessperson (M$_{pre-stressor}$ = 2.83 vs. M$_{post-stressor}$ = 2.26; F(1, 234) = 12.38, p < 0.01). Pre-stressor, respondents in the communal relationship condition viewed the brand more as a close friend (F(1, 234) = 344.31, p < 0.01); similar results were found post-stressor as well (F(1, 234) = 113.49, p < 0.01). Also, main effect of the scales was found such that the post-stressor view of the bank was more of a businessperson (M = 3.12) than that pre-stressor (M = 4.32; F(1, 234) = 32.17, p < 0.01). Nevertheless, H3b could not be supported as relationship type was not a significant moderator of the impact of power on the pre- vs. post-stressor perception of change in relationship type.

The picture questions used to capture changes in *relative relationship type* presented similar findings. There were no significant interactions of relationship types with outcomes and treatments (i.e., manipulated power) when asked (i) to what extent the picture group depicting exchange/business ties represented respondents' relationships with the bank (F(2, 234) = 0.60, p > 0.10), (ii) to what extent the picture group depicting

communal/close friendship ties represented respondents' relationships with the bank (F(2, 234) = 0.33, p > 0.10), and (iii) to what extent the bank represented exchange/business ties vs. communal/close friendship ties (F(2, 234) = 0.93, p > 0.10).

Post-stressor, when asked to choose the picture group (exchange versus communal ties) that best represented their relationship with the brand (see table 12 for cross-tabulation results), more respondents in the *negative* outcome condition (regardless of treatment) chose the picture group depicting exchange ties. Whereas, consumers in the exchange condition continued to select the picture group that represented exchange ties as the best representative of their relationship with the brand, consumers in the communal condition changed their view of the relationship based on how their outcome and how they were treated. If they perceived the treatment to be negative and/or the outcome to be negative, they changed their relationship with the brand to be more exchange and less communal. However, there is no evidence of change in level of communality or exchange when power is high. Overall, except for changes in communality or exchange based on outcome or treatment or relationship, there is no interaction amongst these factors. Hence, H3b is not supported.

Table 12: Cross-Tabulation Results for Post-Stressor – Picture Group Best Representing Relationship with the Brand in Study 2

Outcome	Treatment	Manipulated Relationship Type	Picture Group A (Exchange)	Picture Group B (Communal)	Statistics
Positive	Positive	Communal	11	11	$\chi^2 (1) = 8.35$, $p < 0.01$
		Exchange	19	2	
	Control	Communal	7	13	$\chi^2 (1) = 10.42$, $p < 0.01$
		Exchange	17	3	
	Negative	Communal	18	3	$\chi^2 (1) = 0.00$, $p > 0.10$
		Exchange	18	3	
Negative	Positive	Communal	11	9	$\chi^2 (1) = 11.61$, $p < 0.01$
		Exchange	20	0	
	Control	Communal	15	4	$\chi^2 (1) = 0.91$, $p > 0.10$
		Exchange	18	2	
	Negative	Communal	18	4	$\chi^2 (1) = 4.02$, $p < 0.05$
		Exchange	20	0	

_H4_: In order to test the mediations, structural equation modeling analyses (highly recommended for _simultaneously_ testing the relationship amongst multiple independent variables, mediators, and dependent variables) were performed by adopting the bootstrapping technique for examining mediation in small samples without violating assumptions of normality of the data (Bollen and Stine 1990; Efron and Tibshirani 1993; Shrout and Bolger 2002). AMOS 16 was used to test the hypothesized structural model for mediation (figure 18a); 5000 bootstrap iterations were conducted. Due to limited space, the underlying scale measures for each of the latent variables (_independent variable_: powerlessness; _mediators_: felt alienation, offensive negative emotions, defensive negative emotions, positive emotions; _dependent variables_: attitude toward the decision, attitude toward the treatment, attitude toward the brand, attitude toward the top management, and attitude toward the branch executives) are not depicted.

Figure 18a: Hypothesized Structural Model for H4 in Study 2
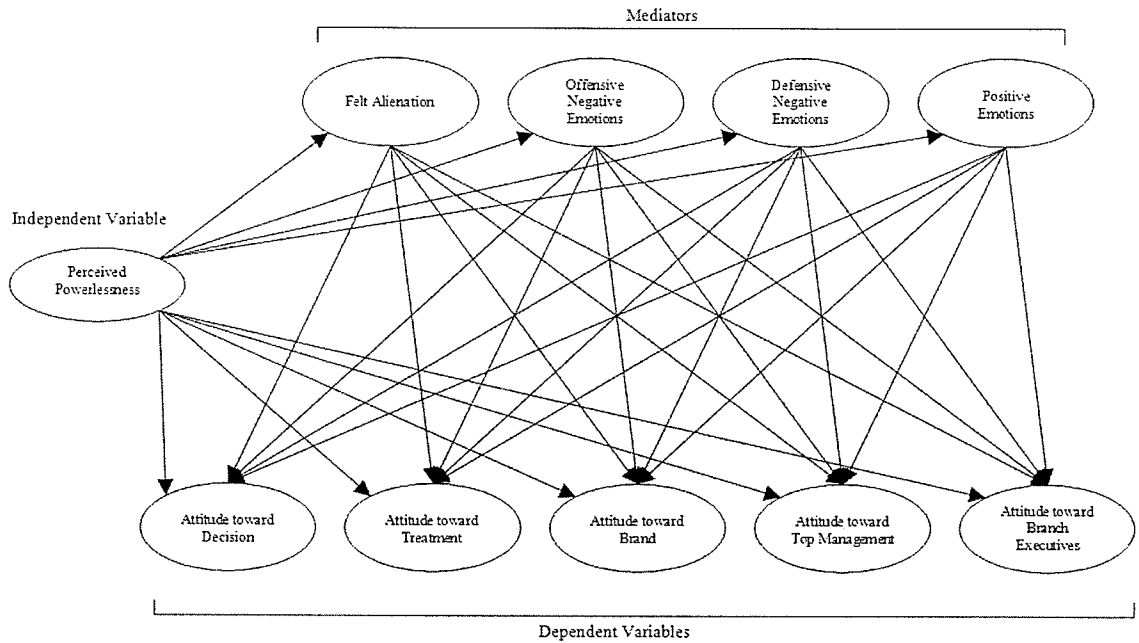
Factor analysis (principal component analysis with varimax rotation) on the mediators was conducted in order to verify convergent and discriminant validities of the constructs (Fornell and Larcker 1981). The scale reliabilities, average variance extracted (AVE), and squared correlations between all pairs of factors are provided in table 13. The Cronbach's alpha for all constructs is clearly above 0.8 and, hence, indicative of good scale reliability (Nunally 1978). AVE for all four constructs is greater than 0.5 indicating convergent validity (Fornell and Larcker 1981). Also, the squared correlations between all pairs of factors are less than their AVE. This indicates discriminant validity, i.e., the constructs are different from one another (Fornell and Larcker 1981). Hence, the affective mediators demonstrate adequate construct validity.

Table 13: Scale Reliabilities, AVE, and Squared Correlations in Study 2

Constructs	Reliabilities	AVE
Felt Alienation	0.81[*]	0.60
Offensive Negative Emotions	0.94[**]	0.68
Defensive Negative Emotions	0.86[**]	0.71
Positive Emotions	0.97[**]	0.85

* Pearson's correlation (as the construct has only two measures)   ** Cronbach's Alpha

Constructs	Squared Correlations
Positive Emotions—Felt Alienation	0.40
Positive Emotions—Offensive Negative Emotions	0.36
Positive Emotions—Defensive Negative Emotions	0.15
Felt Alienation—Offensive Negative Emotions	0.48
Felt Alienation—Defensive Negative Emotions	0.24
Offensive Negative Emotions—Defensive Negative Emotions	0.53

Confirmatory factor analysis on the overall model (figure 18a) revealed a chi-square of 3013.32 (df = 1121, p < 0.01), CFI = 0.87, and RMSEA = 0.08, indicating good fit of the data with the hypothesized model (Hu and Bentler 1999). The parameter estimates (i.e., standardized regression coefficients), standard errors (s.e.), 95% bias-corrected confidence intervals (BC CI), and significance levels are detailed in table 14; the significant and non-significant paths are depicted in figure 18b.

Figure 18b: Significant and Non-Significant Paths of the Structural Model for H4 in Study 2

———▶ significant path   - - - - -▶ not significant path (p > 0.10)
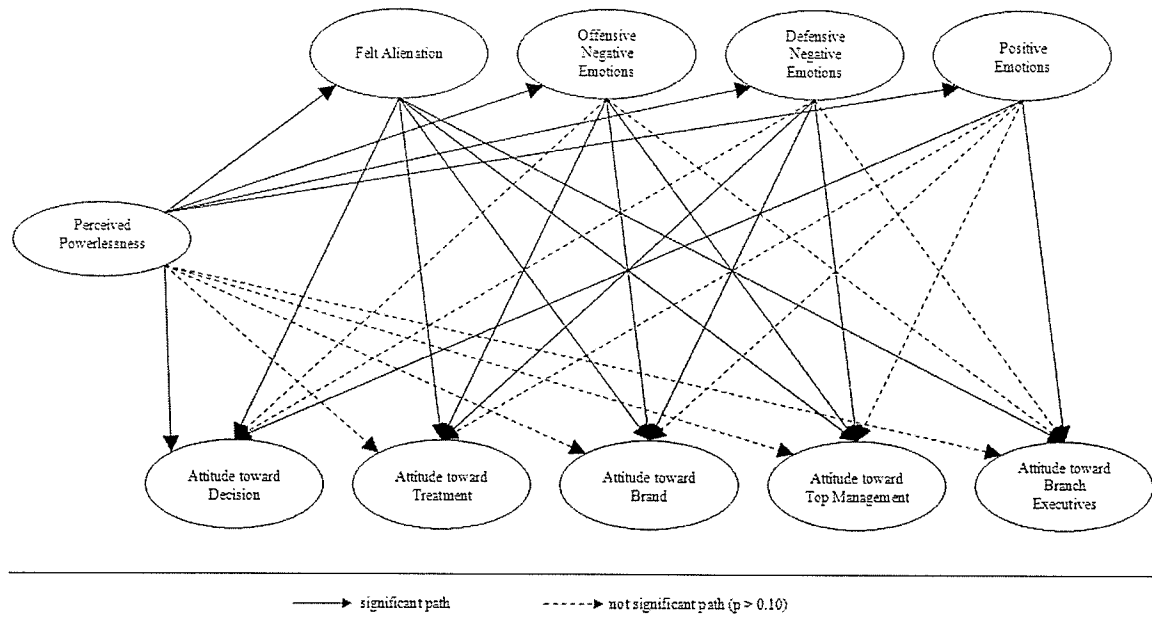
Table 14: Standardized Parameter Estimates, Standard Errors, Significance Levels, and 95% Bias-Corrected Confidence Intervals from Test of H4 in Study 2

Hypothesized Paths		Parameter Estimates			95% BC CI	
From	To	Standardized	s.e.	p	Lower	Upper
Powerlessness						
→	Alienation	0.57	0.06	< 0.01	0.44	0.69
→	Offensive Negative Emotions	0.54	0.06	< 0.01	0.40	0.64
→	Defensive Negative Emotions	0.38	0.08	< 0.01	0.21	0.53
→	Positive Emotions	-0.56	0.05	< 0.01	-0.65	-0.46
→	Decision Attitude	-0.24	0.08	< 0.01	-0.40	-0.09
→	Treatment Attitude	-0.01	0.08	> 0.10	-0.18	0.14
→	Brand Attitude	-0.05	0.09	> 0.10	-0.22	0.12
→	Top Management Attitude	-0.01	0.08	> 0.10	-0.17	0.15
→	Branch Executives Attitude	0.12	0.10	> 0.10	-0.08	0.30
Alienation						
→	Decision Attitude	-0.27	0.09	< 0.01	-0.46	-0.09
→	Treatment Attitude	-0.31	0.11	< 0.01	-0.52	-0.08
→	Brand Attitude	-0.21	0.11	< 0.10	-0.40	0.02
→	Top Management Attitude	-0.28	0.10	< 0.01	-0.46	-0.05
→	Branch Executives Attitude	-0.39	0.13	< 0.01	-0.64	-0.14
Offensive Negative Emotions						
→	Decision Attitude	-0.03	0.15	> 0.10	-0.32	0.24
→	Treatment Attitude	-0.40	0.15	< 0.01	-0.72	-0.12
→	Brand Attitude	-0.53	0.15	< 0.01	-0.84	-0.26
→	Top Management Attitude	-0.47	0.13	< 0.01	-0.75	-0.24
→	Branch Executives Attitude	-0.04	0.16	> 0.10	-0.35	0.29
Defensive Negative Emotions						
→	Decision Attitude	0.00	0.14	> 0.10	-0.30	0.19
→	Treatment Attitude	0.22	0.10	< 0.05	0.04	0.45
→	Brand Attitude	0.24	0.11	< 0.05	0.04	0.50
→	Top Management Attitude	0.23	0.11	< 0.05	0.04	0.46
→	Branch Executives Attitude	-0.09	0.12	> 0.10	-0.32	0.16
Positive Emotions						
→	Decision Attitude	0.34	0.08	< 0.01	0.19	0.49
→	Treatment Attitude	0.14	0.09	> 0.10	-0.04	0.32
→	Brand Attitude	0.08	0.09	> 0.10	-0.09	0.26
→	Top Management Attitude	0.11	0.08	> 0.10	-0.04	0.27
→	Branch Executives Attitude	0.15	0.09	< 0.10	-0.01	0.33

These results, overall, seem to indicate that the relationship between perceived powerlessness and attitude toward (i) the decision is partially mediated by felt alienation and positive emotions, (ii) the treatment is fully mediated by felt alienation, offensive and

defensive negative emotions, (iii) the brand is fully mediated by felt alienation, offensive and defensive negative emotions, (iv) the top management is fully mediated by felt alienation, offensive and defensive negative emotions, and (v) the branch executives is fully mediated by felt alienation and positive emotions. An interesting finding is that defensive negative emotions (unlike felt alienation and offensive negative emotions) have a positive impact on the consumer attitudes, which seem to imply that the greater the magnitude of defensive negative emotions, the more favorable are consumer attitudes. In order to verify these findings, Baron and Kenny's (1986) guidelines were adopted.

Powerlessness →Mediators →Attitude toward the Decision—The first step was to compute the bivariate path coefficients between the independent variable (perceived powerlessness) and the dependent variable (attitude toward the decision). This path (standardized beta) coefficient ('*c*') was significant and negative indicating that there is an inverse relationship between powerlessness and attitude toward the decision ($c = -0.60$, s.e. = 0.06, $p < 0.01$, 95% BC CI = -0.71 to -0.48). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between perceived powerlessness and attitude toward the decision is rejected. The second step was to test the bivariate paths between the independent variable (perceived powerlessness) and the mediators (felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions). These path (standardized beta) coefficients ('*a*') were also significant— $a_{alienation} = 0.57$ (s.e. = 0.06, $p < 0.01$, 95% BC CI = 0.44 to 0.69), $a_{offensive\_negative\_emotions} = 0.54$ (s.e. = 0.06, $p < 0.01$, 95% BC CI = 0.40 to 0.64), $a_{defensive\_negative\_emotions} = 0.39$ (s.e. = 0.08, $p < 0.01$, 95% BC CI = 0.23 to 0.53), and $a_{positive\_emotions} = -0.56$ (s.e. = 0.05, $p < 0.01$, 95% BC CI = -0.65 to -0.46). Again, the exclusion of 0 in the 95% BC CIs rejects

the null hypothesis that there is no relationship between perceived powerlessness and the four mediators. The third step was to compute the path coefficients from independent variable (perceived powerlessness) to the dependent variable (attitude toward the decision) while allowing the four mediators to also predict the dependent variable. Amongst the mediators, only felt alienation (coefficient = -0.30, s.e. = 0.10, $p < 0.01$, 95% BC CI = -0.50 to -0.12) and positive emotions (coefficient = 0.38, s.e. = 0.08, $p < 0.01$, 95% BC CI = 0.22 to 0.53) had an impact on the dependent variable. The standardized regression coefficient between perceived powerlessness and the attitude toward the decision was -0.25 (s.e. = 0.08, $p < 0.01$, 95% BC CI = -0.43 to -0.10) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 14), since the path coefficient ('c'') from perceived powerlessness to the attitude toward the decision is significantly different from 0, partial mediation of the relationship between perceived powerlessness and attitude toward the decision by felt alienation and positive emotions is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.36) was also found to be significant (s.e. = 0.05, $p < 0.01$, 95% BC CI = -0.47 to -0.28).

Powerlessness →Mediators →Attitude toward the Treatment—The first step was to compute the bivariate path coefficients between the independent variable (perceived powerlessness) and the dependent variable (attitude toward the treatment). This path (standardized beta) coefficient ('c') was significant and negative indicating that there is an inverse relationship between powerlessness and attitude toward the treatment (c = -0.40 (s.e. = 0.07, $p < 0.01$, 95% BC CI = -0.52 to -0.25). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between perceived powerlessness and

attitude toward the treatment is rejected. The second step was to test the bivariate paths between the independent variable (perceived powerlessness) and the mediators (felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions). The path (standardized beta) coefficients ('a') have already been provided in the previous paragraph. The third step was to compute the path coefficients from independent variable (perceived powerlessness) to the dependent variable (attitude toward the treatment) while allowing the four mediators to also predict the dependent variable. Amongst the mediators, only felt alienation (coefficient = -0.30, s.e. = 0.11, $p <$ 0.01, 95% BC CI = -0.51 to -0.08), offensive negative emotions (coefficient = -0.40, s.e. = 0.15, $p < 0.01$, 95% BC CI = -0.73 to -0.12), and defensive negative emotions (coefficient = 0.22, s.e. = 0.10, $p < 0.05$, 95% BC CI = 0.04 to 0.46) had an impact on the dependent variable. An interesting finding is that defensive negative emotions (unlike felt alienation and offensive negative emotions) have a positive impact on consumer attitude toward the treatment. The standardized regression coefficient between perceived powerlessness and the attitude toward the treatment was not significantly different from 0 ($p > 0.10$, 95% BC CI = -0.18 to 0.12) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 14), since the path coefficient ('c' ') from perceived powerlessness to the attitude toward the treatment is not significantly different from 0, full mediation of the relationship between perceived powerlessness and attitude toward the treatment by felt alienation, offensive negative emotions, and defensive negative emotions is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.38) was also found to be significant (s.e. = 0.06, $p < 0.01$, 95% BC CI = -0.51 to -0.27).

Powerlessness →Mediators →Attitude toward the Brand—The first step was to

compute the bivariate path coefficients between the independent variable (perceived

powerlessness) and the dependent variable (attitude toward the brand). This path

(standardized beta) coefficient (*'c'*) was significant and negative indicating that there is

an inverse relationship between powerlessness and attitude toward the brand ($c = -0.41$,

s.e. $= 0.07$, $p < 0.01$, 95% BC CI $= -0.54$ to -0.26). Since the 95% BC CI excludes 0, the

null hypothesis that there is no relationship between perceived powerlessness and attitude

toward the brand is rejected. The second step was to test the bivariate paths between the

independent variable (perceived powerlessness) and the mediators (felt alienation,

offensive negative emotions, defensive negative emotions, and positive emotions). The

path (standardized beta) coefficients (*'a'*) have already been provided in earlier. The third

step was to compute the path coefficients from independent variable (perceived

powerlessness) to the dependent variable (attitude toward the brand) while allowing the

four mediators to also predict the dependent variable. Amongst the mediators, offensive

negative emotions (coefficient $= -0.54$, s.e. $= 0.15$, $p < 0.01$, 95% BC CI $= -0.86$ to -0.27)

and defensive negative emotions (coefficient $= 0.24$, s.e. $= 0.11$, $p < 0.05$, 95% BC CI $=$

0.05 to 0.50) had a significant impact on the dependent variable; felt alienation had a

marginally significant impact (coefficient $= -0.21$, s.e. $= 0.11$, $p < 0.10$, 95% BC CI $= -$

0.40 to 0.02). This indicates that felt alienation might not have as much of an impact on

attitude toward the brand as compared to offensive and defensive negative emotions.

Defensive negative emotions, once again, have a positive impact on consumer attitude

toward the brand. The standardized regression coefficient between perceived

powerlessness and the attitude toward the brand was not significantly different from 0 (p

- 158 -

> 0.10, 95% BC CI = -0.23 to 0.09) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 14), since the path coefficient ('c'') from perceived powerlessness to the attitude toward the brand is not significantly different from 0, full mediation of the relationship between perceived powerlessness and attitude toward the brand by offensive negative emotions, defensive negative emotions, and (marginally by) felt alienation is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.35) was also found to be significant (s.e. = 0.06, p < 0.01, 95% BC CI = -0.47 to -0.24).

Powerlessness →Mediators →Attitude toward the Top Management—The first step was to compute the bivariate path coefficients between the independent variable (perceived powerlessness) and the dependent variable (attitude toward the top management). This path (standardized beta) coefficient ('c') was significant and negative indicating that there is an inverse relationship between powerlessness and attitude toward the top management (c = -0.40, s.e. = 0.07, p < 0.01, 95% BC CI = -0.53 to -0.26). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between perceived powerlessness and attitude toward the top management is rejected. The second step was to test the bivariate paths between the independent variable (perceived powerlessness) and the mediators (felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions). The path (standardized beta) coefficients ('a') have already been provided in earlier. The third step was to compute the path coefficients from independent variable (perceived powerlessness) to the dependent variable (attitude toward the top management) while allowing the four mediators to also predict the

- 159 -

dependent variable. Amongst the mediators, felt alienation (coefficient = -0.27, s.e. = 0.10, $p < 0.05$, 95% BC CI = -0.45 to -0.06), offensive negative emotions (coefficient = -0.48, s.e. = 0.13, $p < 0.01$, 95% BC CI = -0.86 to -0.27), and defensive negative emotions (coefficient = 0.23, s.e. = 0.11, $p < 0.05$, 95% BC CI = 0.04 to 0.47) had a significant impact on the dependent variable. Defensive negative emotions have a positive (instead of negative) impact on consumer attitude toward the top management. The standardized regression coefficient between perceived powerlessness and the attitude toward the brand was not significantly different from 0 ($p > 0.10$, 95% BC CI = -0.17 to 0.11) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 14), since the path coefficient ('c'') from perceived powerlessness to the attitude toward the top management is not significantly different from 0, full mediation of the relationship between perceived powerlessness and attitude toward the top management by felt alienation, offensive negative emotions, and defensive negative emotions is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.39) was also found to be significant (s.e. = 0.06, $p < 0.01$, 95% BC CI = -0.51 to -0.28).

Powerlessness →Mediators →Attitude toward the Branch Executives—The first step was to compute the bivariate path coefficients between the independent variable (perceived powerlessness) and the dependent variable (attitude toward the branch executives). This path (standardized beta) coefficient ('c') was significant and negative indicating that there is an inverse relationship between powerlessness and attitude toward the branch executives ($c = -0.25$, s.e. = 0.08, $p < 0.01$, 95% BC CI = -0.39 to -0.10). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between

perceived powerlessness and attitude toward the branch executives is rejected. The second step was to test the bivariate paths between the independent variable (perceived powerlessness) and the mediators (felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions). The path (standardized beta) coefficients ('a') have already been provided in earlier. The third step was to compute the path coefficients from independent variable (perceived powerlessness) to the dependent variable (attitude toward the branch executives) while allowing the four mediators to also predict the dependent variable. Amongst the mediators, only felt alienation (coefficient = -0.37, s.e. = 0.12, $p < 0.01$, 95% BC CI = -0.60 to -0.14) had a significant impact on the dependent variable; positive emotions (coefficient = -0.14, s.e. = 0.08, $p < 0.10$, 95% BC CI = -0.02 to 0.30) had a marginally significant impact. The standardized regression coefficient between perceived powerlessness and the attitude toward the branch executives was not significantly different from 0 ($p > 0.10$, 95% BC CI = -0.09 to 0.23) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 14), since the path coefficient ('c'') from perceived powerlessness to the attitude toward the branch executives is not significantly different from 0, full mediation of the relationship between perceived powerlessness and attitude toward the branch executives by felt alienation and (marginally by) positive emotions is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.36) was also found to be significant (s.e. = 0.07, $p < 0.01$, 95% BC CI = -0.51 to -0.25).

From the above discussion, it can be seen that the relationship between perceived powerlessness and attitude toward (i) the decision is partially mediated by felt alienation

and positive emotions, (ii) the treatment is fully mediated by felt alienation, offensive and defensive negative emotions, (iii) the brand is fully mediated by offensive and defensive negative emotions, and marginally by felt alienation, (iv) the top management is fully mediated by felt alienation, offensive and defensive negative emotions, and (v) the branch executives is fully mediated by felt alienation and marginally by positive emotions. An interesting finding is that defensive negative emotions (unlike felt alienation and offensive negative emotions) have a positive impact on the consumer attitudes, which seems to indicate that greater the magnitude of defensive negative emotions, the more favorable are consumer attitudes. However, theoretically this does not make sense. On examining defensive negative emotions as the only mediator, it was found that its relationship with the dependent variables was, as theory suggests, negative. This indicates that on including other mediators along with defensive negative emotions, this variable is statistically being 'suppressed' as is witnessed through the change in the sign of its relationship with the dependent variables (Shrout and Bolger 2002). Nevertheless, overall, H4 is supported by demonstrating the roles of different mediators in impacting the relationship between perceived powerlessness and consumer attitudes.

H4 individually tested for Positive and Negative Outcome conditions—In order to further examine the differences in impacts of the mediators on the relationship between the independent and dependent variables across the outcome types, structural equation modeling using bootstrapping method was separately performed for *positive* and *negative* outcome conditions. In the positive outcome condition, the independent variable (perceived powerlessness) and all the dependent variables (except attitude toward the decision ($p > 0.10$, 95% BC CI = -0.36 to 0.04) indicated significant relationships—(i)

attitude toward the treatment (coefficient = -0.32, s.e. = 0.10, p < 0.01, 95% BC CI = - 0.50 to -0.14), (ii) attitude toward the brand (coefficient = -0.37, s.e. = 0.10, p < 0.01, 95% BC CI = -0.55 to -0.17), (iii) attitude toward the top management (coefficient = - 0.27, s.e. = 0.10, p < 0.01, 95% BC CI = -0.46 to -0.07), and (iv) attitude toward the branch executives (coefficient = -0.37, s.e. = 0.09, p < 0.01, 95% BC CI = -0.55 to -0.19). Following the same steps adopted earlier (Baron and Kenny 1986), the full structural model for the data related to the positive outcome condition yielded the following model fit results—χ^2 = 1742.33, df = 815, p = 0.00, CFI = 0.84, and RMSEA = 0.09—which though not ideal are typical of those found in small samples (Hu and Bentler 1999). Results indicated that the relationship between perceived powerlessness and (i) attitude toward the treatment was fully mediated by felt alienation, offensive negative emotions, and defensive negative emotions (indirect effect estimate = -0.27, s.e. = 0.09, p < 0.01, 95% BC CI = -0.47 to -0.10), (ii) attitude toward the brand was fully mediated by felt alienation (indirect effect estimate = -0.28, s.e. = 0.08, p < 0.01, 95% BC CI = -0.48 to - 0.14), (iii) attitude toward the top management was fully mediated by offensive and defensive negative emotions (indirect effect estimate = -0.28, s.e. = 0.10, p < 0.01, 95% BC CI = -0.48 to -0.10), and (iv) attitude toward the branch executives was fully mediated by felt alienation (indirect effect estimate = -0.25, s.e. = 0.08, p < 0.01, 95% BC CI = -0.45 to -0.13). However, in the negative outcome condition, it was found that mediation tests could not be performed as there was no relationship between the independent variable (perceived powerlessness) and the dependent variables—(i) attitude toward the decision (p > 0.10, 95% BC CI = -0.21 to 0.18), (ii) attitude toward the treatment (p > 0.10, 95% BC CI = -0.24 to 0.21), (iii) attitude toward the brand (p > 0.10,

95% BC CI = -0.27 to 0.24), (iv) attitude toward the top management (p > 0.10, 95% BC CI = -0.27 to 0.19), and (v) attitude toward the branch executives (p > 0.10, 95% BC CI = -0.09 to 0.39). These findings of mediations for positive and negative outcomes are not reliable because of the small sample sizes and the high residual values. Statisticians (e.g., Hu and Bentler 1999) have stated that any model which reports high residual values (e.g., RMSEA > 0.08) is unacceptable regardless of how acceptable the other fit indices are.

_H5_: In order to test the hypothesized mediations, structural equation modeling analyses were performed by adopting the bootstrapping technique (Bollen and Stine 1990; Efron and Tibshirani 1993; Shrout and Bolger 2002). AMOS 16 was used to test the hypothesized structural model for mediation (figure 19a); 5000 bootstrap iterations were conducted. Due to limited space, the underlying scale measures for each of the latent variables (_independent variables_: felt alienation, offensive negative emotions, defensive negative emotions, positive emotions; _mediators_: attitude toward the decision, attitude toward the treatment, attitude toward the brand, attitude toward the top management, and attitude toward the branch executives; _dependent variable_: behavioral intentions) are not depicted.

Figure 19a: Hypothesized Structural Model for H5 in Study 2
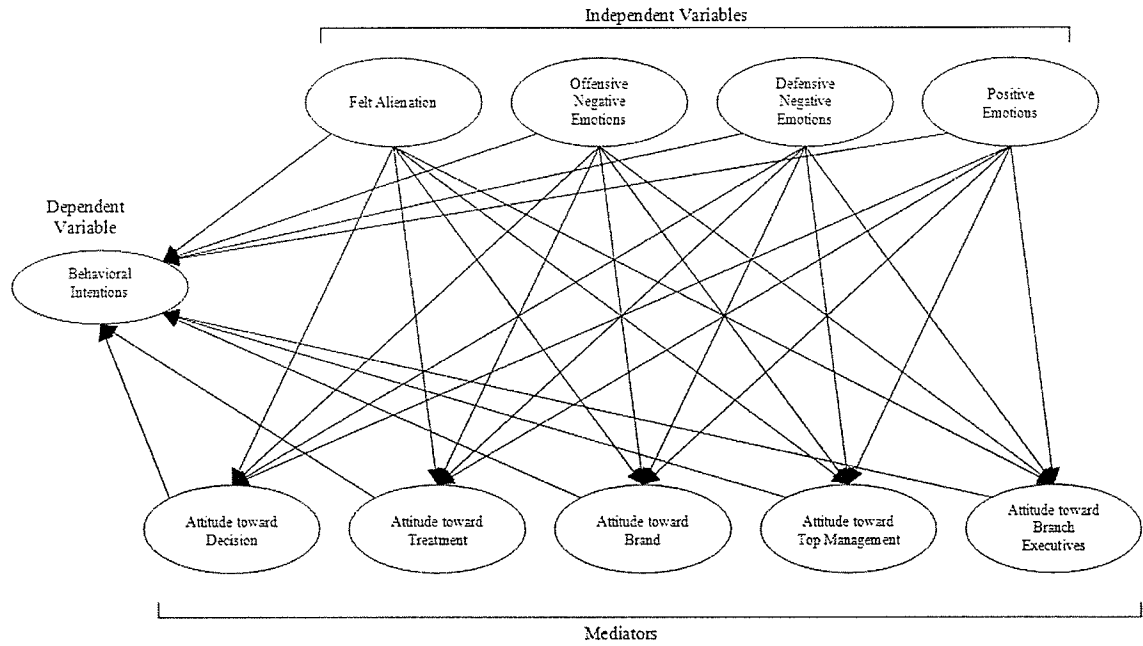
Confirmatory factor analysis on the overall model (figure 19a) revealed a chi-square of 3077.54 (df = 906, p < 0.01), CFI = 0.85, and RMSEA = 0.10, indicating adequate fit of the data with the hypothesized model (Hu and Bentler 1999). The parameter estimates (i.e., standardized regression coefficients), standard errors (s.e.), 95% bias-corrected confidence intervals (BC CI), and significance levels are detailed in table 15; the significant and non-significant paths are depicted in figure 19b.

Figure 19b: Significant and Non-Significant Paths of the Structural Model for H5 in Study 2

significant path   - - - - ▶ not significant path (p > 0.10)
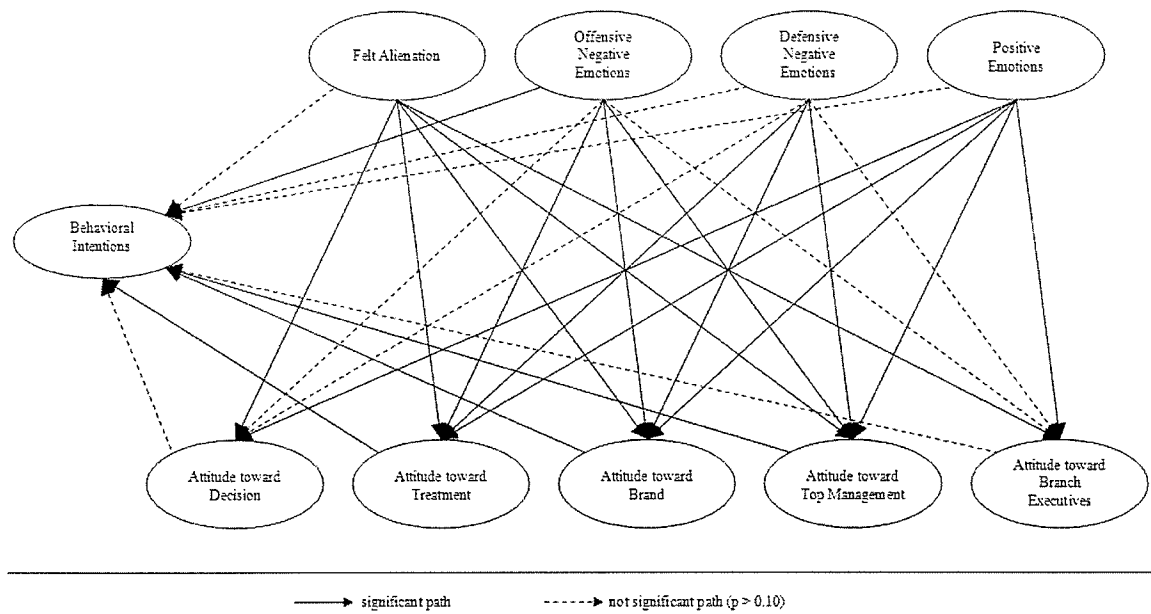
Table 15: Standardized Parameter Estimates, Standard Errors, Significance Levels , and 95% Bias-Corrected Confidence Intervals from Test of H5 in Study 2

Hypothesized Paths		Parameter Estimates			95% BC CI	
From	**To**	**Standardized**	**s.e.**	**p**	**Lower**	**Upper**
Alienation						
→	Decision Attitude	-0.36	0.09	< 0.01	-0.54	-0.17
→	Treatment Attitude	-0.33	0.10	< 0.01	-0.52	-0.12
→	Brand Attitude	-0.25	0.10	< 0.05	-0.43	-0.05
→	Top Management Attitude	-0.30	0.09	< 0.01	-0.47	-0.10
→	Branch Executives Attitude	-0.34	0.11	< 0.05	-0.52	-0.09
→	Behavioral Intentions	-0.15	0.09	> 0.10	-0.18	0.14
Offensive Negative Emotions						
→	Decision Attitude	-0.14	0.11	> 0.10	-0.36	0.07
→	Treatment Attitude	-0.38	0.11	< 0.01	-0.58	-0.15
→	Brand Attitude	-0.48	0.09	< 0.01	-0.64	-0.26
→	Top Management Attitude	-0.45	0.09	< 0.01	-0.61	-0.26
→	Branch Executives Attitude	-0.09	0.12	> 0.10	-0.34	0.13
→	Behavioral Intentions	-0.14	0.08	< 0.10	-0.30	0.02
Defensive Negative Emotions						
→	Decision Attitude	0.03	0.08	> 0.10	-0.14	0.17
→	Treatment Attitude	0.18	0.08	< 0.05	0.03	0.32
→	Brand Attitude	0.18	0.07	< 0.05	0.03	0.31
→	Top Management Attitude	0.18	0.07	< 0.05	0.03	0.31
→	Branch Executives Attitude	-0.09	0.07	> 0.10	-0.27	0.09
→	Behavioral Intentions	-0.03	0.06	> 0.10	-0.16	0.09
Positive Emotions						
→	Decision Attitude	0.49	0.07	< 0.01	0.33	0.62
→	Treatment Attitude	0.20	0.09	< 0.05	0.02	0.37
→	Brand Attitude	0.14	0.08	< 0.10	-0.01	0.29
→	Top Management Attitude	0.16	0.08	< 0.05	0.02	0.32
→	Branch Executives Attitude	0.15	0.08	< 0.05	0.01	0.30
→	Behavioral Intentions	0.02	0.05	> 0.10	-0.01	0.13
Decision Attitude						
→	Behavioral Intentions	0.03	0.06	> 0.10	-0.09	0.15
Treatment Attitude						
→	Behavioral Intentions	-0.17	0.08	< 0.05	-0.32	-0.01
Brand Attitude						
→	Behavioral Intentions	0.55	0.10	< 0.01	0.38	0.74
Top Management Attitude						
→	Behavioral Intentions	0.25	0.09	< 0.01	0.07	0.44
Branch Executives Attitude						
→	Behavioral Intentions	0.09	0.07	> 0.10	-0.05	0.21

These results, overall, seem to indicate that the relationship between (i) felt alienation and behavioral intentions is fully mediated through attitudes toward the treatment, brand, and top management, (ii) offensive negative emotions and behavioral intentions is partially mediated through attitudes toward the treatment, brand, and top management, (iii) defensive negative emotions and behavioral intentions is fully mediated through attitudes toward the treatment, brand, and top management, and (iv) positive emotions and behavioral intentions is fully mediated through attitudes toward the treatment, brand, and top management. We see that only the attitudes toward the treatment, brand, and top management appear to have an impact on behavioral intentions. As seen in H4 results, defensive negative emotions (unlike felt alienation and offensive negative emotions) have a positive impact on the consumer attitudes, which means that greater the magnitude of defensive negative emotions, the more favorable are consumer attitudes. In order to verify these mediation findings, Baron and Kenny's (1986) guidelines were adopted.

Felt Alienation →Mediators →Behavioral Intentions—The first step was to compute the bivariate path coefficients between the independent variable (felt alienation) and the dependent variable (behavioral intentions). This path (standardized beta) coefficient ($'c'$) was significant and negative indicating that there is an inverse relationship between felt alienation and behavioral intentions (c = -0.35, s.e. = 0.09, p < 0.01, 95% BC CI = -0.52 to -0.15). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between felt alienation and behavioral intentions is rejected. The second step was to test the bivariate paths between the independent variable (felt alienation) and the mediators (attitudes toward the decision, treatment, brand, top

management, and branch executives). The path (standardized beta) coefficients ('a') were also significant—$a_{decision\_attitude}$ = -0.35 (s.e. = 0.09, p < 0.01, 95% BC CI = -0.53 to -0.17), $a_{treatment\_attitude}$ = -0.33 (s.e. = 0.10, p < 0.01, 95% BC CI = -0.52 to -0.13), $a_{brand\_attitude}$ = -0.25 (s.e. = 0.09, p < 0.05, 95% BC CI = -0.43 to -0.05), $a_{top\_management\_attitude}$ = -0.30 (s.e. = 0.09, p < 0.01, 95% BC CI = -0.46 to -0.12), and $a_{branch\_executives\_attitude}$ = -0.34 (s.e. = 0.10, p < 0.01, 95% BC CI = -0.51 to -0.10). The exclusion of 0 in the 95% BC CIs rejects the null hypothesis that there is no relationship between felt alienation and the five mediators. The third step was to compute the path coefficients from independent variable (felt alienation) to the dependent variable (behavioral intentions) while allowing the five mediators to also predict the dependent variable. Amongst the mediators, only attitude toward the treatment (coefficient = -0.18, s.e. = 0.08, p < 0.05, 95% BC CI = -0.34 to -0.01), attitude toward the brand (coefficient = 0.59, s.e. = 0.10, p < 0.01, 95% BC CI = 0.40 to 0.81), and attitude toward the top management (coefficient = 0.28, s.e. = 0.10, p < 0.01, 95% BC CI = 0.09 to 0.48) had a significant impact on the dependent variable. The standardized regression coefficient between felt alienation and behavioral intentions was significant at -0.15 (s.e. = 0.08, p < 0.05, 95% BC CI = -0.30 to -0.02) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 15), since the path coefficient ('c'') from felt alienation to behavioral intentions is not significantly different from 0, full mediation of the relationship between felt alienation and behavioral intentions by attitudes toward the treatment, brand, and top management is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.20) was also found to be significant (s.e. = 0.07, p < 0.01, 95% BC CI = -0.35 to -0.06).

Offensive Negative Emotions →Mediators →Behavioral Intentions—The first step

was to compute the bivariate path coefficients between the independent variable

(offensive negative emotions) and the dependent variable (behavioral intentions). This

path (standardized beta) coefficient (*'c'*) was significant and negative indicating that

there is an inverse relationship between offensive negative emotions and behavioral

intentions ($c = -0.46$, s.e. = 0.10, $p < 0.01$, 95% BC CI = -0.63 to -0.25). Since the 95%

BC CI excludes 0, the null hypothesis that there is no relationship between offensive

negative emotions and behavioral intentions is rejected. The second step was to test the

bivariate paths between the independent variable (offensive negative emotions) and the

mediators (attitudes toward the decision, treatment, brand, top management, and branch

executives). Only the following three path (standardized beta) coefficients (*'a'*)—

$a_{treatment\_attitude} = -0.33$ (s.e. = 0.10, $p < 0.01$, 95% BC CI = -0.52 to -0.13), $a_{brand\_attitude} = -0.25$ (s.e. = 0.09, $p < 0.05$, 95% BC CI = -0.43 to -0.05), and $a_{top\_management\_attitude} = -0.30$

(s.e. = 0.09, $p < 0.01$, 95% BC CI = -0.46 to -0.12)—were significant; the exclusion of 0

in the 95% BC CIs rejects the null hypothesis that there is no relationship between

offensive negative emotions and these three mediators. The third step was to compute the

path coefficients from independent variable (offensive negative emotions) to the

dependent variable (behavioral intentions) while allowing the mediators to also predict

the dependent variable. As mentioned in the previous paragraph, amongst the mediators,

only attitude toward the treatment, brand, and top management had a significant impact

on the dependent variable. The standardized regression coefficient between offensive

negative emotions and behavioral intentions was significant at -0.15 (s.e. = 0.08, $p <$

0.05, 95% BC CI = -0.33 to -0.01) which has dropped when compared to c, thereby,

providing evidence of mediation. From the parameter estimates of the full structural model (table 15), since the path coefficient ('*c'* ') from offensive negative emotions to behavioral intentions is significantly different from 0, partial mediation of the relationship between offensive negative emotions and behavioral intentions by attitudes toward the treatment, brand, and top management is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.33) was also found to be significant (s.e. = 0.07, p < 0.01, 95% BC CI = -0.47 to -0.19).

Defensive Negative Emotions →Mediators →Behavioral Intentions—The first step was to compute the bivariate path coefficients between the independent variable (defensive negative emotions) and the dependent variable (behavioral intentions). This path (standardized beta) coefficient ('*c'*) was not significant indicating that there is no relationship between defensive negative emotions and behavioral intentions that can be mediated (*c* = 0.08, s.e. = 0.08, p > 0.10, 95% BC CI = -0.08 to 0.22). Thus, no further steps were conducted.

Positive Emotions →Mediators →Behavioral Intentions—The first step was to compute the bivariate path coefficients between the independent variable (positive emotions) and the dependent variable (behavioral intentions). This path (standardized beta) coefficient ('*c'*) was not significant indicating that there is no relationship between positive emotions and behavioral intentions that can be mediated (*c* = 0.13, s.e. = 0.08, p > 0.10, 95% BC CI = -0.03 to 0.28). Thus, no further steps were conducted.

These results, overall, indicate that the relationship between (i) felt alienation and behavioral intentions is fully mediated through attitudes toward the treatment, brand, and

top management and (ii) offensive negative emotions and behavioral intentions is partially mediated through attitudes toward the treatment, brand, and top management. Further, there is no relationship between defensive negative emotions or positive emotions and behavioral intentions that can be mediated through the attitudes. Only the attitudes toward the treatment, brand, and top management have an impact on behavioral intentions. Thus, for H5, support for consumer attitudes toward the decision and branch executives as mediators of the relationship between felt alienation and behavioral intentions is not found. Instead, attitudes toward the treatment, brand, and top management serve as full mediators of this relationship.

H5 individually tested for Positive and Negative Outcome conditions—Structural equation modeling using bootstrapping method was separately performed for *positive* and *negative* outcome conditions as well. In the positive outcome condition, felt alienation (independent variable) indicated significant relationship with behavioral intentions (dependent variable)—coefficient = -0.34, s.e. = 0.11, p < 0.01, 95% BC CI = -0.56 to -0.12; similarly, offensive negative emotions were significantly related to behavioral intentions (coefficient = -0.44, s.e. = 0.13, p < 0.01, 95% BC CI = -0.65 to -0.17). Following the steps adopted earlier (Baron and Kenny 1986), the full structural model for the data related to the positive outcome condition yielded the following model fit results—χ^2 = 2218.64, df = 906, p = 0.00, CFI = 0.81, and RMSEA = 0.11—which though is not acceptable because of high RMSEA (Hu and Bentler 1999). Nevertheless, results indicated that the relationship between (i) felt alienation and behavioral intentions was fully mediated by consumer attitudes toward the decision, treatment, brand, top management, and branch executives (indirect effect estimate = -0.28, s.e. = 0.11, p <

0.05, 95% BC CI = -0.47 to -0.05) and (ii) offensive negative emotions and behavioral intentions was fully mediated by consumer attitudes toward the treatment, brand, and top management; however, in this case, the indirect effect (-0.26, s.e. = 0.15) is only marginally significant (p < 0.10, 95% BC CI = -0.55 to 0.04). Similarly, in the negative outcome condition, it was found that felt alienation (independent variable) indicated significant relationship with behavioral intentions (dependent variable)—coefficient = -0.24, s.e. = 0.11, p < 0.05, 95% BC CI = -0.44 to -0.04; similarly, offensive negative emotions were significantly related to behavioral intentions (coefficient = -0.43, s.e. = 0.14, p < 0.01, 95% BC CI = -0.67 to -0.15). Following the Baron and Kenny's (1986) steps adopted earlier, the full structural model for the data related to the negative outcome condition yielded the following model fit results—χ^2 = 1861.35, df = 906, p = 0.00, CFI = 0.81, and RMSEA = 0.10—which is not acceptable because of high RMSEA (Hu and Bentler 1999). Nevertheless, results indicated that the relationship between (i) felt alienation and behavioral intentions was fully mediated by consumer attitude toward the top management (indirect effect estimate = -0.14, s.e. = 0.09, p < 0.05, 95% BC CI = -0.33 to -0.001) and (ii) offensive negative emotions and behavioral intentions was fully mediated by consumer attitude toward the brand (indirect effect estimate = -0.24, s.e. = 0.09, p < 0.05, 95% BC CI = -0.42 to -0.06). These findings of mediations for positive and negative outcomes are not reliable because of the small sample sizes and, especially, the high residual values. Statisticians (e.g., Hu and Bentler 1999) have stated that any model which reports high residual values (e.g., RMSEA > 0.08) is unacceptable regardless of how acceptable the other fit indices are.

VI. Discussion

Results of manipulation checks for the independent variables (outcome, treatment, and relationship type) demonstrate successful manipulations, suggesting that these could be replicated in experimental scenarios for future studies. However, based on the tests for homogeneity of variances for the dependent variables across the relationship types (discussed earlier under "tests of hypotheses"), it appears that the communal versus exchange relationship type manipulations, despite being strengthened through re-priming in this second study, have not yielded significant results (except demonstrating relationship transformation on account of the managerially-imposed relational stressor), yet again. Even after conducting post-hoc regression analysis with relationship type, no new insights were gained. Since the results for relationship type have been replicated in this study as well, it can be inferred that perhaps (i) communal and exchange relationships are not mutually exclusive or orthogonal (as witnessed especially in the means of the *net communality* and *net exchange* scales), (ii) the manipulation of relationship type by making respondents 'read a scenario' is not the most effective method to instil consumer-brand relationships, esp. of the communal nature, and (iii) consumers are more accustomed to experiencing businesslike and not close friendship ties with their bank, as is typical in low-risk regular banking contexts. For the next study, it has been decided that relationship type will not be manipulated. It will be measured, instead, as a post-stressor variable for all respondents.

In this study, though power was initially viewed as being generated through the combined influence of outcome and treatment, results have not indicated significant interaction of these factors on the magnitude of power. In fact, only outcome has been

consistently found to impact perceived powerlessness. This finding supports the

theoretical standpoint of sociologists who consider powerlessness to be primarily driven

by the perceived inability of an individual to modify an unfavorable *outcome* (e.g., Geyer

1976; Seeman 1959). Therefore, going forward, it is considered apt to view power as

being generated by only outcome.

With this view of power as being outcome-driven, results support the hypothesis

(H2a) that as power declines, those consumers who experience their campus branch being

closed (vis-à-vis the branch being kept open) feel more powerless, alienated, negative

(both offensive and defensive emotions), less positive, have lower self-esteem, and

harbor more unfavorable attitudes toward the decision, treatment, brand, top

management, branch executives, and have unfavorable behavioral intentions toward the

bank. Furthermore, after experiencing the stressor, such consumers reduce their

perceptions of communal ties with the brand.

Results have indicated that the combined influence of outcome and treatment

impacts the magnitude of felt alienation, negative emotions experienced, as well as

attitudes toward the treatment and branch executives. While positive treatment of its

consumers can help the bank to reduce some of the negative consequences of

powerlessness, especially felt alienation, negative emotions, and unfavorable attitudes

toward the treatment and branch executives, negative treatment clearly exacerbates the

magnitude of such consequences. Thus, where positive treatment helps 'soften the blow'

for consumers who are shut out when the bank has to close its branch, negative treatment

only makes things worse. When treatment was controlled, the consequences were not

different from that of those who were positively treated. This demonstrates that consumers generally expect positive treatment from a service provider such as a bank.

When outcome was positive (i.e., the branch kept open) and treatment was positive (i.e., consumer treated respectfully and apologized to), consumers reported lowest magnitudes of perceived powerlessness, felt alienation, negative emotions and offensive negative emotions, highest magnitudes of positive emotions and state self-esteem, and most favorable attitudes toward the decision, treatment, top management, and branch executives. Whereas, when the outcome was negative (i.e., the branch closed) and treatment was negative (i.e., consumer treated disrespectfully and not apologized to), consumers reported highest magnitude of felt alienation and most unfavorable attitudes toward the treatment, top management, and branch executives. Though significant results were not found for all dependent measures, the means were in the directions hypothesized in H2b.

Reconfirming the finding in study 1, attitude towards the decision is most sensitive to perceptions of power (i.e., outcome–positive vs. negative), such that as power declines (i.e., outcome is negative), attitude toward the decision is least favorable as compared to that toward the treatment, brand, top management, and branch executives (supporting H2c). This supports the reasoning that consumers evaluate the stressful situation as a *one-time* negative event with the company and, their general attitudes toward the brand or branch executives are not negatively impacted.

When outcome is negative (vis-à-vis positive) and consumers have a communal relationship with the brand, more of these consumers choose the picture group that

depicts exchange (vis-à-vis communal) ties, regardless of treatment. This demonstrates a change in their perceptions of relationship with the brand where the level of communality is decreased. Consumers who enjoy an exchange relationship with the brand continue to choose the picture group that represents business ties, regardless of outcome and treatment. Thus, similar to the findings in study 1, majority of the changes in relationships take place amongst consumers who have communal (not exchange) relations with the brand. These findings suggest that companies that endeavour to forge close ties with their customers need to avoid giving their customers any perceptions of powerlessness through negative outcomes, as such actions could cause consumers to feel perceive their relationship with the brand to be distanced.

While examining the mediations hypothesized in H4, Fornell and Larcker's (1981) guidelines were used to determine convergent and discriminant validities of the mediators—felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions. The results confirm that these mediators are distinct from each other. By using structural equation modeling with bootstrapping technique, it is found that these mediators impact the relationship between the independent variable (perceived powerlessness) and the dependent variables (consumer attitudes toward the decision, treatment, brand, top management, and branch executives) differently. Whilst felt alienation mediates the relationship between perceived powerlessness and each of the consumer attitudes, the others mediate only selected paths—(a) offensive and defensive negative emotions mediate the relationship between powerlessness and attitudes toward the treatment, brand, and top management, and (b) positive emotions mediate the relationship between powerlessness and attitudes toward the decision and branch

executives. Contrary to theory, defensive negative emotions indicate a positive relationship with consumer attitudes. This is possibly an indication of suppression (statistical fallout) on account of the presence of multiple mediators.

H4 was further examined across outcome types. Results indicate that amongst consumers who experience the positive outcome, felt alienation is found to mediate the relationship between perceived powerlessness and consumer attitudes toward the treatment, brand, and branch executives. Offensive and defensive negative emotions were found to mediate the relationship between powerlessness and consumer attitudes toward the treatment and top management. No relationship was found between powerlessness and attitude toward the decision. Amongst consumers who experience negative outcome, no mediation tests were conducted as results indicated no relationship between the independent and dependent variables. It was not possible to examine H4 across treatment types as well, because of structural equation modeling's inability to process small samples.

Tests of mediations hypothesized in H5 indicate that amongst the independent variables (felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions), only felt alienation and offensive negative emotions have a relationship with consumers' behavioral intentions (dependent variable). Furthermore, amongst the mediators (consumer attitudes toward the decision, treatment, brand, top management, and branch executives), only consumer attitudes toward the treatment, brand, and top management mediate the relationship. Whilst, these three mediators fully mediate the relationship between felt alienation and behavioral intentions, these partially mediate the relationship between offensive negative emotions and behavioral intentions.

When H5 was further examined across both outcome types, results support the earlier finding that only felt alienation and offensive negative emotions have a negative impact on behavioral intentions. Amongst consumers who experience positive outcome, each of the consumer attitudes is found to mediate the relationship between felt alienation and behavioral intentions. Consumer attitudes toward the treatment, brand, and top management are found to marginally mediate the relationship between offensive negative emotions and behavioral intentions. Amongst consumers who experience negative outcome, only attitude toward the top management mediates the relationship between felt alienation and behavioral intentions and only attitude toward the brand mediates that between offensive negative emotions and behavioral intentions. However, these results for each of the outcome types are unreliable because the residuals computed were above the acceptable limit.

A key concern in this study is that the independent variable 'treatment' is a combination of two aspects: (i) the conduct of the bank's employee toward the consumer when contacted to find out about the final decision of the bank and (ii) the presence or absence of apology made by the bank to the consumer. Because of this, it is unclear as to which aspect of the overall treatment has moderated the influence of outcome on the dependent variables. In order to examine whether the conduct of the bank employee and/or the apology offered influence consumer evaluations, the next study shall investigate these two aspects separately.

CHAPTER SIX

STUDY THREE

In this chapter, the methodologies and analyses employed, and results and discussions pertaining to a laboratory experiment that tested hypothesized effects of outcome-related power, treatment, and apology (i.e., hypotheses H2, H4, and H5) are presented. This study builds on the findings in study 2, whereby, the variations in consumer perceptions of power over altering brand decisions (i.e., the *positive* versus *negative* outcomes of consumer demands to reverse the bank's initial decision to close the branch) are examined, along with the moderating influences of (i) treatment meted to consumers by an employee at the bank's headquarters (i.e., *positive* versus *negative* treatment), and (ii) apology (*presence* versus *absence* versus *control*) offered by the bank to its consumers. Further, in this study, relationship type is only measured, not manipulated.

The chapter is divided into six sections. The first section lays out the research design and procedure that was utilized. The second section describes the research sample and the third section lays out the experimental manipulations of independent variables— outcome-related power, treatment meted out to consumers, and apology—that were used. The fourth section then describes the measures that were used to test the success of these manipulations and to operationalize the various dependent variables and covariates in the study. The fifth section explains the analyses used and the results found. Finally, the sixth section is composed of discussions of the results found.

I. Research Design and Procedure

A 2 (outcome: positive, negative) by 2 (treatment of consumer: positive, negative) by 3 (apology by bank: present, absent, control) between-subjects experimental design that incorporated a managerially-induced relational stressor and 2 additional controls for outcome sans the treatment/apology were employed to test hypotheses H2, H4, and H5. Based on the finding in study 2, power was expected to be generated through only outcome. The study was conducted using MediaLab v2008 software. Except for the use of electronic (instead of paper-pencil) medium to collect data, the procedure was similar to that adopted in the earlier studies. Participants were randomly assigned to one of the fourteen experimental conditions, were asked to imagine scenarios pertaining to their banking experiences with the hypothetical on-campus bank called 'Grove Bank.' They were then informed that the task was a bank study where they would have to carefully read the scenario provided and answer the questions that followed. They were provided clear instructions on how to navigate through the software. At the start of the scenario, the respondents were informed that they had been banking with Grove Bank's on-campus branch for the last 5 years and that they had found the services to be very good. They were then exposed to a situation that Grove Bank proposed to close their on-campus branch within the coming month. This situation was intended to be stressful for the consumer. Participants were then asked to imagine that they attempted to reverse this negative decision by starting a campaign amongst other consumers, where they and the others sent a formal letter to the bank and also garnered media coverage. Subsequent negative (positive) treatment perceptions were manipulated by telling the respondents that when they called the headquarters of the bank for information on the final decision

concerning their campus branch, they executive spoke with them very impolitely and disrespectfully (politely and respectfully). Negative (positive) outcome perceptions were then created by telling respondents that they were unable (able) to change the bank's decision to shut the branch down. Presence (absence) of apology offered by the bank was manipulated by informing the participants that the apologized (did not apologize) to the consumer when they sent (did not send) a letter communicating the final decision of the bank. They also apologized (did not apologize) through a notice put up at the campus branch. No information related to bank's apology was provided in the apology control condition. Dependent variables related to positive and negative affect, sense of alienation, attitudes toward the decision, treatment, brand, top management and branch executives, behavioural intentions, relationship type, brand personality, and consumer forgiveness were then measured. Respondents' thoughts to understand why the bank took such a final decision (positive or negative) and why the executive treated them that way (respectfully or disrespectfully) were also recorded. Finally, manipulation check questions for outcome, treatment, apology, and potential covariates such as banking experience, gender, age, nationality, and language spoken at home were gauged. The total task took no more than 20 minutes to complete. See figure 20 for a detailed procedure of this study. The study instruments are available in the appendices (3.1 to 3.3).

Figure 20

Detailed Procedure for Study 3

CONTROLS

Level of Power (Outcome-Related Scenarios)
Positive
Negative

TREATMENTS

Level of Power (Outcome-Related) with Treatment and Apology Scenarios		
Outcome	Treatment	Apology
Positive	Positive	Present
Negative	Negative	Absent
		Control

Dependent Variables

1. Powerlessness
2. Alienation
3. Emotions
4. State Self-Esteem
5. Brand Sincerity
6. Attitude towards
   a. Latest Decision
   b. Treatment
   c. Bank's Final Communication Manner
   d. Brand
   e. Top Management
   f. Branch Executives
7. Brand Partner Quality
8. Behavioral Intentions
9. Relationship Strength Indicators:
   a. Commitment to the Brand
   b. Satisfaction with the Brand
10. Apology Sincerity
11. Forgiveness
12. Relationship type
    a. Abridged Communality Scale
    b. Pictures

Manipulation Checks

- Outcome Positivity
- Treatment Positivity
- Apology
- Likelihood to Occur
- Scenario Recall
  o Level of Stress
  o Powerful vs. Powerless
  o Other Specifics

Covariates & Demographics

- Banking Preference
- Banking History
- Language Spoken
- Nationality
- Gender
- Faculty
- Age

II. Study Participants

272 undergraduate business students at a major mid-western university participated in the study in exchange for course credit. 19 to 21 respondents were assigned to the fourteen experimental conditions (see table 16 for exact cell sizes). The sample consisted of 59% males and 41% females with a mean age of 21 years. Most respondents indicated experience with basic consumer banking—all respondents reported having one (67%) or more (32%) bank accounts, and over 69% interacted with their local bank branch executives on a monthly or bi-monthly basis. Further, 76% of the participants banked online—of these, 32% did so at least once per week.

Table 16: Study 3 Conditions and Cell Sizes

OUTCOME	APOLOGY	TREATMENT	
		Positive	*Negative*
Positive	*Present*	20	19
	Control	20	19
	Absent	21	20
Negative	*Present*	20	19
	Control	19	19
	Absent	19	19

Additional Controls for *Positive* and *Negative* Outcomes: 19 each

III. Independent Variables

Manipulation of Outcome

All respondents were exposed to the stressor scenario used in study 1 (table 4A) after which outcome was manipulated by using the hypothetical scenarios presented in table 9, used in study 2. In the negative outcome condition, respondents were told that they were unsuccessful in reversing the bank's decision to shut the on-campus branch and

- 184 -

the branch was closed. In the positive outcome condition, respondents were informed that they were successful in reversing the bank's decision to shut the on-campus branch and the branch was kept open.

Manipulation of Treatment

After respondents (except those in the outcome control conditions) were exposed to the same stressor situation used in study 1 (table 4A) and informed that they and many others from the university spent a lot of time and effort (through letter and media coverage) to petition Grove Bank not to close the campus branch, treatment was manipulated as either negative or positive by using the part of the hypothetical scenarios used in study 2 that dealt with how they were spoken to by the employee at the bank's headquarters (table 10). Specifically, In the positive treatment condition, respondents were told that they received respectful/positive treatment when they called the bank's headquarters to find out about their campus branch. They were also informed that their petition letter was received, their efforts taken into account, and that information would be provided once the final decision was made. In the negative treatment condition, respondents were informed that they were met with disrespectful/negative treatment when they called the bank's headquarters to find out the status of bank regarding their campus branch and were not informed whether their petition letter was received, their efforts taken into account, or being informed once the final decision was made.

Manipulation of Apology

After being informed about the treatment meted out to them, presence or absence of apology was manipulated by exposing the respondents to that part of the treatment

scenario used in study 2 (table 10) that dealt with the apology. Specifically, presence of apology was manipulated by informing the respondents that they were sent a letter communicating the final decision along with an apology, and that the next time they went to the campus branch they found a notice for the customers about the final decision along with the apology. Absence of apology was manipulated by explicitly informing the respondents that the bank neither sent a letter communicating the final decision nor apologized. The next time the respondent visited the campus branch there was no apology offered by the bank in their notice to the customers. No such information was provided in the apology control condition.

IV. Manipulation Checks and Dependent Variable Measures

Manipulation Check Measures

Outcome. The *perceived outcome positivity* scale (Pearson's Correlation = 0.94) comprising the two questions used in study 2 were administered.

Treatment. The *perceived treatment positivity* index (Cronbach's α = 0.97) comprising of four questions used in study 2 was administered in this study as well.

Apology. Two questions were included to verify this manipulation. The first question asked the respondent whether the bank apologized while communicating its final decision (answer choices: "yes, it did" and "no, it didn't"). The second question was a 7-point scale (anchored by 1 = strongly disagree and 7 = strongly agree) asking the respondent to specify to what extent s/he agreed with the statement: "Grove Bank apologized to you while communicating its final decision."

Perceived Stress. Questions used in the earlier studies were included to gauge whether the initially announced decision of the bank and the final decision were perceived to be stressful.

Scenario-Based Recollections. The respondents were asked the same set of questions as used in the earlier two studies.

Dependent Variable Measures

Powerlessness. Participants were asked to respond to the 5-item *powerlessness* scale (Cronbach's $\alpha = 0.78$) that was similar to the one used in studies 1 and 2. They were also asked to what extent they felt powerless versus powerful in light of the final decision of the bank (7-point Likert scale with 1 = powerless and 8 = powerful as anchors).

Alienation. The same two items used the previous two studies were included and averaged to form the *alienation* index (Pearson's Correlation = 0.68).

Emotions. The scale items used in study two were included to gauge the intensity of the following emotions that respondents felt when they thought of Grove Bank on 7-point Likert scales (anchored by 1 = not at all and 7 = extremely so). An exploratory factor analysis indicated that these scale items were related to the same three underlying dimensions identified in study two (75% of variance explained, Eigen values > 1). The first dimension consisted of the eight positive emotions (*happy, elated, joyful, cheerful, delighted, pleased, respected, valuable*) which were averaged to form an overall *positive emotions* index (Cronbach's $\alpha = 0.96$). The second dimension consisted of the eight

- 187 -

offensive negative emotions (*betrayed, bitter, angry, hurt/offended, upset, annoyed, irritated,* and *disappointed*) which were averaged to form an overall *offensive negative emotions* index (Cronbach's $\alpha = 0.94$). The third dimension consisted of the five defensive negative emotions (*sad, bad (awful/lousy), worried, anxious,* and *humiliated*) which were averaged to form an overall *defensive negative emotions* index (Cronbach's $\alpha = 0.86$). The thirteen negative emotions combined also revealed good scale reliability (Cronbach's $\alpha = 0.95$) and, hence, were averaged to form an overall *negative emotions* index.

State Self-Esteem. Respondents' level of state self-esteem was gauged by including the scale items used in study 2 resulting in the formation of the *emotions state self-esteem* index (Cronbach's $\alpha = 0.85$) and the *abridged state self-esteem* index (Cronbach's $\alpha = 0.83$).

Brand Sincerity. To examine the extent to which respondents view the Grove Bank brand to be "sincere," which is one of the fundamental personality traits in close relationships (Fletcher, Simpson, Thomson, and Giles 1999), the sincerity dimension from Aaker's (1997) brand personality research was included. Respondents were asked to imagine that Grove Bank comes alive and becomes a person. They were then asked on 7-point Likert scales, the extent to which the brand was *sincere, earnest, ethical, thoughtful, caring, friendly,* and *warm*. These seven scales were then averaged to form an overall *brand sincerity* index (Cronbach's $\alpha = 0.96$).

Attitudes. To assess the impact of emotions and alienation on respondents' attitudes, seven sets of attitudes were measured – attitude towards the final decision,

treatment meted out, manner in which decision communicated, brand, top management, executive on phone, and branch executives. These attitudes had five items each on 7-point Likert scales with the following anchors: *bad/good, unfavorable/favorable, unlikeable/likeable, negative/positive*, and *unpleasant/pleasant*. The five scales were averaged to form indices for *attitude toward the latest decision* (Cronbach's $\alpha = 0.99$), *attitude toward the treatment* (Cronbach's $\alpha = 0.99$), *attitude toward the manner of communication* (Cronbach's $\alpha = 0.98$), *attitude toward the brand* (Cronbach's $\alpha = 0.98$), *attitude toward the top management* (Cronbach's $\alpha = 0.98$), *attitude toward the employee on phone* (Cronbach's $\alpha = 0.98$), and *attitude toward the branch executives* (Cronbach's $\alpha = 0.97$).

Brand Partner Quality. Brand partner quality is an assessment of Grove Bank's value as a relationship partner for the consumers (e.g., Aaker et al. 2004; Fournier 1998). In order to gauge this quality, the following six-item scale used in an earlier study (Aaker et al. 2004) was adapted to the context of Grove Bank (anchored at 1 by *strongly disagree* and 7 by *strongly agree*): "I can always count on Grove Bank to do what is best," "If Grove Bank makes a mistake, it will try its best to make up for it," "I know I can hold Grove Bank accountable for its actions," "Grove Bank is reliable," "Given my experience with Grove Bank, the bank letting me down would surprise me," and "Grove Bank failure would be inconsistent with my expectations." These were averaged to form an overall *brand partner quality* index (Cronbach's $\alpha = 0.82$).

Behavioral Intentions. The seven questions used in studies 1 and 2 were included and averaged to form an overall *behavioral intentions* index (Cronbach's $\alpha = 0.92$).

Relationship Strength Indicators. *Commitment to the brand* and *satisfaction with the brand* are indicators of consumer-brand relationship strength (Aaker et al. 2004). Two scales were included for each of these indicators and measured on 7-point Likert scales (1 = strongly disagree and 7 = strongly agree). *Commitment to the brand*: "I would stay loyal to Grove Bank" and "I would be willing to make small sacrifices in order to keep banking with Grove Bank" were averaged to form the *commitment to the brand* index (Pearson's Correlation = 0.77). *Satisfaction with the brand*: "I am satisfied with Grove Bank" and "I am pleased with Grove Bank" were averaged to form the *satisfaction with the brand* index (Pearson's Correlation = 0.94).

Apology Sincerity. Two scale items were included to assess the extent to which respondents perceive the sincerity of the apology offered by the bank (*sincere* and *earnest*; anchored by 1 = strongly disagree and 7 = strongly agree). These were averaged to form the overall *apology sincerity* index (Pearson's Correlation = 0.96).

Forgiveness. Respondents were asked to state the extent to which they agreed with the following two statements (anchors: 1 = strongly disagree and 7 = strongly agree): "I forgive Grove Bank for the inconvenience it caused for me" and "I completely forgive Grove Bank." These were averaged to form an overall *forgiveness* index (Pearson's Correlation = 0.88).

Relationship Type. The measures used to assess "change in relationship type" in studies 1 and 2 were included. The first section consisted of the same three communal measures, averaged to form an abridged *net communality* index (Cronbach's α = 0.93). The second section consisted of the following three exchange measures used in the

original manipulation checks for relationship type: "Grove Bank interacts with me in a formal businesslike manner," "Grove Bank primarily focuses on providing an efficient banking experience," and "Grove Bank employees are trained to provide prompt and efficient service." These were averaged to form an abridged *net exchange* index (Cronbach's $\alpha = 0.87$). The third section consisted of questions that captured *relative relationship type* through the picture groups.

V. Results

Preliminary Analyses

Manipulation Check – Outcome. Univariate ANOVA on the *outcome positivity* index with outcome as the factor provided support for the manipulation, such that respondents in the positive outcome condition perceived the outcome to be more positive than those in the negative condition ($M_{positive} = 6.06$ vs. $M_{negative} = 1.88$; $F(1, 270) = 685.61$, $p < 0.01$).

Manipulation Check – Treatment. Univariate ANOVA on the *treatment positivity* index with treatment as the factor provided support for the manipulation, such that participants in the positive treatment condition perceived their treatment by the bank to be more positive than those in the negative condition ($M_{positive} = 5.02$ vs. $M_{negative} = 2.05$; $F(1, 232) = 326.77$, $p < 0.01$).

Manipulation Check – Apology. Cross-tabulation results on whether Grove Bank apologized to the respondent revealed that more respondents in the apology present condition said "yes, it did," ($N_{apology\_present} = 72$ vs. $N_{apology\_absent} = 2$ vs. $N_{apology\_control} = 8$)

and more respondents in the apology absent and control conditions said "no, it didn't" ($N_{apology\_present}$ = 6 vs. $N_{apology\_absent}$ = 77 vs. $N_{apology\_control}$ = 69; $\chi 2$ = 1.70, df = 2, p < 0.01). Univariate ANOVA on apology revealed a significant main effect such that those who were apologized to rightly agreed so ($M_{present}$ = 6.10) as compared to those who were explicitly told that they were not apologized to (M_{absent} = 1.60) and those who were not told anything about an apology ($M_{control}$ = 1.78; $F(2, 231)$ = 224.97, p < 0.01). The response of those in the *apology present* condition was significantly different from those in the *apology absent* condition ($F(1, 231)$ = 353.34, p < 0.01) and *apology control* condition ($F(1, 231)$ = 320.89, p < 0.01). However, there were no significant differences in the response between those in the *apology absent* versus *apology control* conditions ($F(1, 231)$ = 0.59, p > 0.10). Hence, the manipulation of apology was successful.

Manipulation Check – Perceived Stress. Univariate ANOVA with outcome, treatment, and apology as factors revealed a main effect of outcome such that participants in the positive (versus negative) outcome condition reported higher level of stress concerning the initially announced decision of Grove Bank ($M_{positive}$ = 5.88 vs. $M_{negative}$ = 5.19; $F(1, 222)$ = 9.31, p < 0.01). However, the means across both outcome types range between 5.19 and 6.28 (with the 95% confidence interval ranging between 4.87 and 6.20) on the 7-point Likert scale. Therefore, it can be inferred that all respondents found the initially announced decision of Grove Bank to shut the campus branch to be stressful.

Regarding the perceived stress level for the final decision, univariate ANOVA with outcome, treatment, and apology as factors indicated a main effect of outcome such that those in the positive outcome condition (M = 2.79) had lower stress than those in the negative outcome condition (M = 4.77; $F(1, 222)$ = 49.83, p < 0.01). Hence, those

- 192 -

respondents who had a negative outcome (i.e., closing of the campus branch) rightly reported higher level of stress as compared to those who had a positive outcome (i.e., campus branch kept open).

Manipulation Check – Scenario-Based Recollections. When asked what Grove Bank (the brand) was planning to do, almost all respondents ($N_{positive}$ = 133 out of 138, $N_{negative}$ = 126 out of 132) answered correctly that it was planning to shut down the campus branch. When asked what the brand finally did, almost all respondents ($N_{positive}$ = 134 out of 138, $N_{negative}$ = 126 out of 132) gave the correct response: "kept the branch open" and "closed the branch," respectively. Main effect of outcome was found when respondents were asked if they were able to reverse the initial decision of Grove Bank, such that those in the positive outcome rightly agreed that they were able to reverse the initial decision (M = 6.13) and those in the negative outcome condition disagreed (M = 1.69; $F(1, 222)$ = 506.72, $p < 0.01$).

Main effect of outcome was found in likelihood of the scenarios to occur, with those in the negative outcome condition (M = 4.20) finding it more likely to occur than those in the positive outcome condition (M = 3.72; $F(1, 222)$ = 5.36, $p < 0.05$). However, the means across all conditions were ranging between 3.42 and 4.58 on the 7-point Likert scale. Hence, no differences in the realism of the scenarios were found across the conditions.

Tests of Hypotheses

Hypotheses H2a and H2c were tested using univariate ANOVA (factor: outcome), H2b was tested using two-way ANOVA (factors: outcome, treatment), while H4 and H5

on mediation were tested using structural equation modeling with bootstrapping technique. Other interesting results were found through three-way (factors: outcome, treatment, and apology) ANOVAs. The covariates (*viz.*, respondents' banking experience, gender, age, nationality, and language spoken at home) were analyzed and found to not significantly impact any of the dependent variables.

H2a: Univariate ANOVA with outcome as the factor (as power is only outcome-related) indicated significant main effect, such that as power declined, those in the negative (vis-à-vis positive) outcome condition felt higher sense of powerlessness (*perceived powerlessness* index: $M_{negative} = 4.73$ vs. $M_{positive} = 3.61$; $F(1, 222) = 65.44$, p < 0.01; *powerless vs. powerful in light of final decision*: $M_{negative} = 2.64$ vs. $M_{positive} = 5.38$; $F(1, 222) = 145.31$, p < 0.01), felt alienation ($M_{negative} = 5.24$ vs. $M_{positive} = 3.51$; $F(1, 222) = 115.27$, p < 0.01), negative emotions ($M_{negative} = 4.68$ vs. $M_{positive} = 3.50$; $F(1, 222) = 54.51$, p < 0.01), offensive negative emotions ($M_{negative} = 5.27$ vs. $M_{positive} = 3.81$; $F(1, 222) = 69.95$, p < 0.01), defensive negative emotions ($M_{negative} = 4.10$ vs. $M_{positive} = 3.19$; $F(1, 222) = 27.97$, p < 0.01), lower magnitude of positive emotions ($M_{negative} = 1.95$ vs. $M_{positive} = 3.64$; $F(1, 222) = 115.24$, p < 0.01), lower self-esteem (*emotions state self-esteem*: $M_{negative} = 4.13$ vs. $M_{positive} = 4.96$; $F(1, 222) = 37.03$, p < 0.01; *abridged state self-esteem*: $M_{negative} = 4.53$ vs. $M_{positive} = 5.06$; $F(1, 222) = 15.31$, p < 0.01), and less favorable consumer attitudes (*toward the decision*: $M_{negative} = 2.04$ vs. $M_{positive} = 5.81$; $F(1, 222) = 675.52$, p < 0.01; *toward the treatment*: $M_{negative} = 2.95$ vs. $M_{positive} = 3.66$; $F(1, 222) = 16.42$, p < 0.01; *toward the manner of communication*: $M_{negative} = 2.46$ vs. $M_{positive} = 3.92$; $F(1, 222) = 78.31$, p < 0.01; *toward the brand*: $M_{negative} = 3.39$ vs. $M_{positive} = 4.41$; $F(1, 222) = 37.83$, p < 0.01; *toward the top management*: $M_{negative} = 2.99$

vs. $M_{positive}$ = 4.05; F (1, 222) = 39.99, p < 0.01; *toward the employee on phone*: $M_{negative}$ = 3.23 vs. $M_{positive}$ = 3.87; F (1, 222) = 15.30, p < 0.01; and *toward the branch executives*: $M_{negative}$ = 3.53 vs. $M_{positive}$ = 4.34; F (1, 222) = 22.11, p < 0.01), less favorable behavioral intentions ($M_{negative}$ = 2.66 vs. $M_{positive}$ = 3.98; F (1, 222) = 73.36, p < 0.01), less favorable perceptions of brand partner quality ($M_{negative}$ = 3.37 vs. $M_{positive}$ = 3.96; F (1, 222) = 17.03, p < 0.01), lower perceptions of brand sincerity ($M_{negative}$ = 2.94 vs. $M_{positive}$ = 3.79; F (1, 222) = 27.85, p < 0.01), lower commitment to the brand ($M_{negative}$ = 2.61 vs. $M_{positive}$ = 3.74; F (1, 222) = 41.16, p < 0.01), higher dissatisfaction with the brand ($M_{negative}$ = 2.67 vs. $M_{positive}$ = 4.01; F (1, 222) = 54.60, p < 0.01), and lower willingness to forgive the brand ($M_{negative}$ = 3.05 vs. $M_{positive}$ = 4.07; F (1, 222) = 23.30, p < 0.01). Furthermore, those in the negative (vis-à-vis positive) outcome condition reported lower scores on the abridged *net communality* index ($M_{negative}$ = 2.72 vs. $M_{positive}$ = 3.70; F (1, 222) = 30.92, p < 0.01) as well as the abridged *net exchange* index ($M_{negative}$ = 1.95 vs. $M_{positive}$ = 3.64; F (1, 222) = 12.91, p < 0.01). As all the dependent variables provided significant results when power declined, H2a was fully supported.

The last finding concerning *net communality* and *net exchange* indices confirms that communality and exchange ties with a brand are not orthogonal, i.e., being high on communal relations with the brand does not automatically translate to being low on exchange relations. This supports the reasoning provided in the discussion sections in chapters four and five for homogeneity of variance across the relationship types.

H2b: Two-way ANOVA with outcome and treatment as factors indicated significant interaction effect only on perceived powerlessness index (F(1, 222) = 4.66, p < 0.05), positive emotions (F(1, 222) = 6.89, p < 0.01), attitude toward the treatment (F(1,

222) = 4.53, p < 0.05), and attitude toward the branch executives (F(1, 222) = 5.65, p < 0.05). Marginally significant interactions were found for behavioral intentions (F(1, 222) = 3.33, p < 0.10) and brand partner quality (F(1, 222) = 3.36, p < 0.10).

Perceived powerlessness—In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported no difference in their levels of powerlessness ($M_{negative}$ = 4.60 vs. $M_{positive}$ = 4.86; F(1, 222) = 1.80, p > 0.10). However, in the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported marginally lower level of powerlessness ($M_{positive}$ = 3.44 vs. $M_{negative}$ = 3.78; F(1, 222) = 2.93, p < 0.10). Thus, sense of powerlessness is lowest (M = 3.44) when both outcome and treatment are positive. *Positive emotions*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported higher magnitude of positive emotions ($M_{positive}$ = 4.12 vs. $M_{negative}$ = 3.14; F(1, 222) = 19.96, p < 0.01). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported no difference in their magnitude of positive emotions ($M_{negative}$ = 1.87 vs. $M_{positive}$ = 2.00; F(1, 222) = 0.51, p > 0.10). Thus, magnitude of positive emotions is highest (M = 4.12) when outcome and treatment are both positive. *Attitude toward treatment*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported more favorable attitude toward their treatment by the bank ($M_{positive}$ = 5.31 vs. $M_{negative}$ = 2.01; F(1, 222) = 177.49, p < 0.01). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported higher unfavorability in their attitude ($M_{negative}$ = 1.68 vs. $M_{positive}$ = 4.22; F(1, 222) = 102.35, p < 0.01). Thus, attitude toward the treatment is most favorable (M = 5.31) when outcome and treatment are positive and least favorable (M = 1.68) when they

are both negative. *Attitude toward branch executives*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported more favorable attitude toward the campus branch's executives ($M_{positive} = 5.09$ vs. $M_{negative} = 3.58$; $F(1, 222) = 39.14$, $p < 0.01$). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported higher unfavorability in their attitude ($M_{negative} = 3.19$ vs. $M_{positive} = 3.88$; $F(1, 222) = 7.95$, $p < 0.01$). Thus, attitude toward the branch executives is most favorable ($M = 5.09$) when outcome and treatment are positive and least favorable ($M = 3.19$) when they are both negative. *Behavioral intentions*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported more favorable behavioral intentions toward the bank ($M_{positive} = 4.57$ vs. $M_{negative} = 3.38$; $F(1, 222) = 30.24$, $p < 0.01$). In the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported higher unfavorability in their behavioral intentions ($M_{negative} = 2.35$ vs. $M_{positive} = 2.97$; $F(1, 222) = 8.12$, $p < 0.01$). Thus, behavioral intentions of respondents is most favorable ($M = 4.57$) when outcome and treatment are positive and least favorable ($M = 2.35$) when they are both negative. *Brand partner quality*—In the positive outcome condition, those who were positively (vis-à-vis negatively) treated reported more favorable perceptions of brand partner quality ($M_{positive} = 4.36$ vs. $M_{negative} = 3.54$; $F(1, 222) = 17.01$, $p < 0.01$). However, in the negative outcome condition, those who were negatively (vis-à-vis positively) treated reported no significant difference in perceptions of brand partner quality ($M_{negative} = 3.22$ vs. $M_{positive} = 3.52$; $F(1, 222) = 2.21$, $p > 0.10$). Thus, brand partner quality of respondents is most favorable ($M = 4.36$) when outcome and treatment are positive. As significant effects were not found across all dependent measures, H2b is partially supported.

H2c: 2 X 3 repeated-measures ANOVA was conducted with outcome as the between-subjects factor and attitude target (*three levels*—decision, brand, and branch executives) as the within-subjects factor. Results indicated no significant main effect of attitude targets ($M_{decision}$ = 3.92 vs. M_{brand} = 3.91 vs. $M_{branch\_executives}$ = 3.94; $F(1, 222)$ = 0.05, $p > 0.10$). However, a two-way interaction was evidenced between attitude target and outcome ($F(1, 222)$ = 223.26, $p < 0.01$; see figure 21). Planned contrasts revealed that when outcome is negative, attitude toward the decision (Mean = 2.04) was significantly different from the attitude toward the brand (M = 3.40; $F(1, 222)$ = 92.89, $p < 0.01$) and toward the executives (M = 3.54; $F(1, 222)$ = 112.89, $p < 0.01$). No significant differences were found between the attitude toward the brand and executives ($F(1, 222)$ = 0.98, $p > 0.10$). Similarly, under positive outcome condition, contrasts revealed that attitude toward the decision (Mean = 5.81) was significantly different from the attitude toward the brand (M = 4.42; $F(1, 222)$ = 100.90, $p < 0.01$) and that toward the executives (M = 4.35; $F(1, 222)$ = 110.37, $p < 0.01$); however, attitude toward the brand was not significantly different from that toward the executives ($F(1, 222)$ = 0.21, $p > 0.10$). As seen in H2a (simple effect of outcome type), attitudes toward the decision, brand, and executives are more favorable in the positive outcome condition vis-à-vis those in the negative outcome condition. Hence, it can be seen that attitude toward the decision (vs. brand, executives) is most sensitive to changes in perceptions of power, thereby, supporting H2c.

Figure 21: Interaction Effects of Outcome and Attitude Targets in Study 3
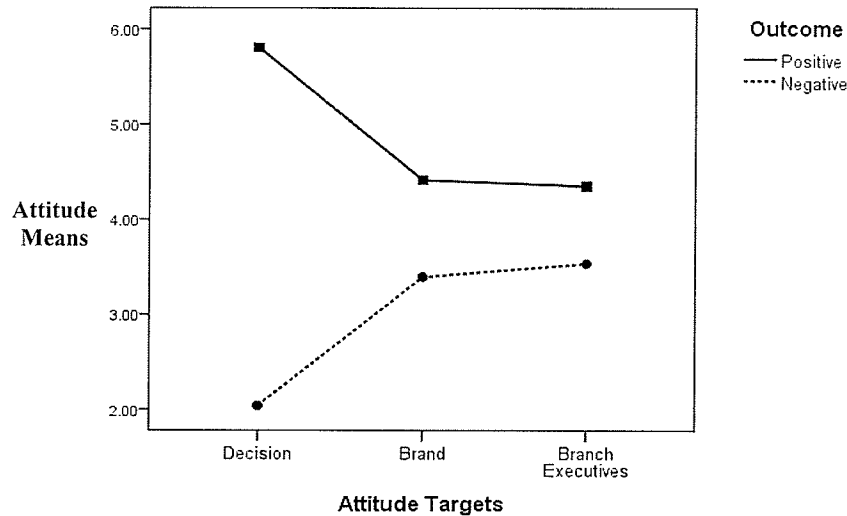
Seven attitude targets—Repeated-measures ANOVA with outcome as the between-subjects factor and attitude target (*seven levels* – decision, treatment, manner of communication, brand, top management, employee on phone, and branch executives) as the within-subjects factor indicated a *main effect of attitude target* ($M_{decision}$ = 3.92 vs. $M_{treatment}$ = 3.33 vs. $M_{manner\_of\_communication}$ = 3.19 vs. M_{brand} = 3.91 vs. $M_{top\_management}$ = 3.53 vs. $M_{employee\_on\_phone}$ = 3.57 vs. $M_{branch\_executives}$ = 3.94; $F(1, 222) = 5.10$, $p < 0.05$) where attitude toward the decision was more favorable than that toward the treatment ($F(1, 222) = 32.20$, $p < 0.01$), toward the manner of communication ($F(1, 222) = 49.44$, $p < 0.01$), toward the top management ($F(1, 222) = 14.27$, $p < 0.01$), and toward the employee on the phone ($F(1, 222) = 11.41$, $p < 0.01$). No significant differences were found between the attitude toward the decision and that toward the brand ($F(1, 222) = 0.03$, $p > 0.10$) and the branch executives ($F(1, 222) = 0.04$, $p > 0.10$). Attitude toward the treatment was significantly less favorable than attitude toward the brand ($F(1, 222) = 30.41$, $p < 0.01$), employee on the phone ($F(1, 222) = 5.28$, $p < 0.05$), and the branch executives ($F(1, 222)$

= 34.51, p < 0.01), marginally different from that toward the top management (F(1, 222) = 3.60, p < 0.10), and not significantly different from that toward the manner of communication (F(1, 222) = 1.84, p > 0.10). Attitude toward the manner of communication was least favorable as compared to that toward the brand (F(1, 222) = 47.22, p < 0.01), the top management (F(1, 222) = 10.58, p < 0.01), the employee on the phone (F(1, 222) = 13.35, p < 0.01), and the branch executives (F(1, 222) = 52.30, p < 0.01). While attitude toward the brand was more favorable than that toward the top management (F(1, 222) = 13.09, p < 0.01) and the employee on the phone (F(1, 222) = 10.35, p < 0.01), it was not significantly different from that toward the branch executives (F(1, 222) = 0.13, p > 0.10). Attitude toward branch executives was more favorable than toward the top management (F(1, 222) = 15.83, p < 0.01) and the employee on the phone (F(1, 222) = 12.80, p < 0.01). Attitude toward the top management was not significantly different from that toward the employee on the phone (F(1, 222) = 0.16, p > 0.10). These results indicate that the attitude toward the manner of communication was the least favorable. Further, as seen in the earlier two studies, attitude toward the brand and branch executives were not significantly different from each other, indicating that perhaps respondents did not attribute the blame of the decision to the branch executives or the brand.

Repeated-measures ANOVA provided evidence of interaction between attitude targets and outcomes (F(1, 222) = 144.09, p < 0.01; see figure 22). Contrasts revealed that in the positive outcome condition, the attitudes were significantly different across all seven levels ($M_{decision}$ = 5.81 vs. $M_{treatment}$ = 3.70 vs. $M_{manner\_of\_communication}$ = 3.90 vs. M_{brand} = 4.42 vs. $M_{top\_management}$ = 4.06 vs. $M_{employee\_on\_phone}$ = 3.90 vs. $M_{branch\_executives}$ = 4.35; F(1,

222) = 48.31, p < 0.01). In this case, attitude toward the decision was more favorable than that toward the treatment (F(1, 222) = 207.29, p < 0.01), the manner of communication (F(1, 222) = 169.54, p < 0.01), the brand (F(1, 222) = 90.23, p < 0.01), the top management (F(1, 222) = 142.90, p < 0.01), the employee on the phone (F(1, 222) = 169.84, p < 0.01), and the branch executives (F(1, 222) = 98.03, p < 0.01). Attitude toward the treatment was less favorable than that toward the brand (F(1, 222) = 24.00, p < 0.01), the top management (F(1, 222) = 5.97, p < 0.05), and the branch executives F(1, 222) = 19.92, p < 0.01), and not significantly different from that toward the manner of communication (F(1, 222) = 1.90, p > 0.10) and the employee on the phone (F(1, 222) = 1.86, p > 0.10). Attitude toward the manner of communication was less favorable than that toward the brand (F(1, 222) = 15.84, p < 0.01) and the branch executives (F(1, 222) = 9.52, p < 0.01), and not significantly different from that toward the top management (F(1, 222) = 1.14, p > 0.10) and the employee on the phone (F(1, 222) = 0.00, p > 0.10). Attitude toward the brand was more favorable than that toward the top management (F(1, 222) = 6.03, p < 0.05), the employee on the phone (F(1, 222) = 12.49, p < 0.01), and not significantly different from that toward the branch executives (F(1, 222) = 0.19, p > 0.10). While the attitude toward the top management was not significantly different from that toward the employee on the phone (F(1, 222) = 1.16, p > 0.10), it was significantly different from that toward the branch executives (F(1, 222) = 4.08, p < 0.05). Attitude toward the branch executives was more favorable than that toward the employee on the phone (F(1, 222) = 9.59, p < 0.01).

Figure 22: Interaction Effects of Outcome and Attitude Targets (Decision, Treatment, Manner of Communication, Brand, Top Management, Employee on the Phone, and Branch Executives) in Study 3
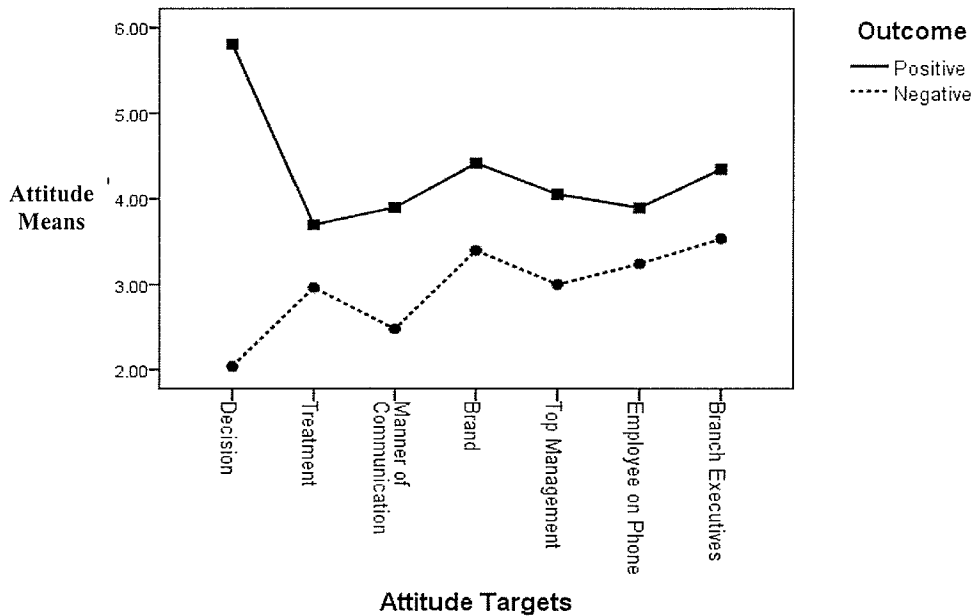
Similarly, in the negative outcome condition, the attitudes were significantly different across all seven levels ($M_{decision} = 2.04$ vs. $M_{treatment} = 2.96$ vs. $M_{manner\_of\_communication} = 2.48$ vs. $M_{brand} = 3.40$ vs. $M_{top\_management} = 3.00$ vs. $M_{employee\_on\_phone} = 3.24$ vs. $M_{branch\_executives} = 3.54$; $F(1, 222) = 99.99$, $p < 0.01$). In this case, attitude toward the decision was more unfavorable than that toward the treatment ($F(1, 222) = 38.40$, $p < 0.01$), the manner of communication ($F(1, 222) = 8.65$, $p < 0.01$), the brand ($F(1, 222) = 83.07$, $p < 0.01$), the top management ($F(1, 222) = 41.65$, $p < 0.01$), the employee on the phone ($F(1, 222) = 65.22$, $p < 0.01$), and the branch executives ($F(1, 222) = 100.96$, $p < 0.01$). Attitude toward the treatment was more favorable than that toward the manner of communication ($F(1, 222) = 10.60$, $p < 0.01$) but less favorable than that toward the brand ($F(1, 222) = 8.51$, $p < 0.01$), and the branch executives $F(1,$

222) = 14.83, p < 0.01), marginally different from that toward the employee on the phone (F(1, 222) = 3.53, p < 0.10), and not significantly different from that toward the top management (F(1, 222) = 0.07, p > 0.10). Attitude toward the manner of communication was less favorable than that toward the brand (F(1, 222) = 38.11, p < 0.01), the top management (F(1, 222) = 12.34, p < 0.01), the employee on the phone (F(1, 222) = 26.37, p < 0.01), and the branch executives (F(1, 222) = 50.51, p < 0.01). Attitude toward the brand was more favorable than that toward the top management (F(1, 222) = 7.08, p < 0.01), and not significantly different from that toward the employee on the phone (F(1, 222) = 1.08, p > 0.10) and the branch executives (F(1, 222) = 0.87, p > 0.10). While the attitude toward the top management was not significantly different from that toward the employee on the phone (F(1, 222) = 2.63, p > 0.10), it was less favorable from that toward the branch executives (F(1, 222) = 12.92, p < 0.01). Attitude toward the branch executives was more favorable than that toward the employee on the phone (F(1, 222) = 3.89, p < 0.05). Thus, we see that even when considering all seven attitude targets, attitude toward the decision is most sensitive to perceptions of power. Hence, H2c is supported.

H4: In order to test the mediations, structural equation modeling analysis was performed by adopting the bootstrapping technique. AMOS 16 was used to test the hypothesized structural model for mediation (figure 23a); 1000 bootstrap iterations were conducted. Due to limited space, the underlying scale measures for each of the latent variables (*independent variable*: powerlessness; *mediators*: felt alienation, offensive negative emotions, defensive negative emotions, positive emotions; *dependent variables*: attitude toward the decision, attitude toward the treatment, attitude toward the manner of

communication, attitude toward the brand, attitude toward the top management, attitude toward the employee on the phone, and attitude toward the branch executives) are not depicted.

Figure 23a: Hypothesized Structural Model for H4 in Study 3
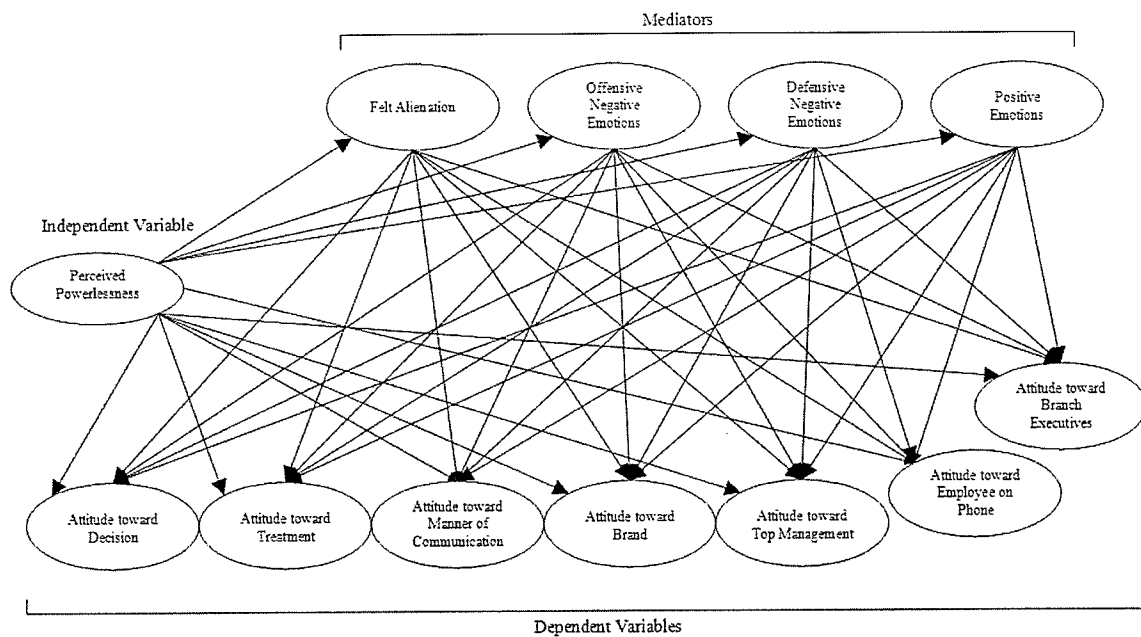
Confirmatory factor analysis on the overall model (figure 23a) revealed a chi-square of 3212.56 (df = 1644, p < 0.01), CFI = 0.92, and RMSEA = 0.06, indicating good fit of the data with the hypothesized model (Hu and Bentler 1999). The parameter estimates (i.e., standardized regression coefficients), standard errors (s.e.), 95% bias-corrected confidence intervals (BC CI), and significance levels are detailed in table 17; the significant paths are depicted in figure 23b.

Figure 23b: Significant Paths of the Structural Model for H4 in Study 2
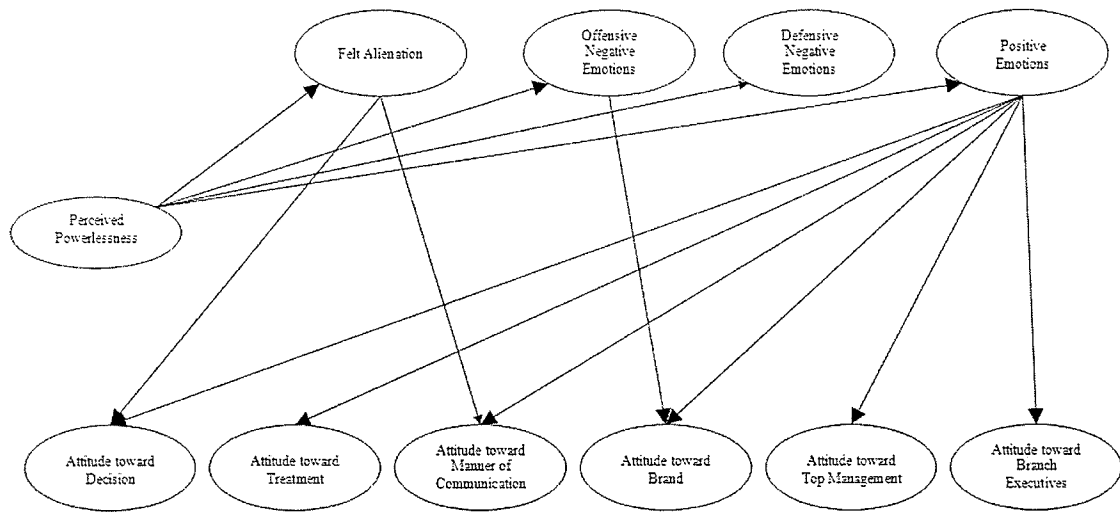
Only significant paths are depicted.

Table 17: Standardized Parameter Estimates, Standard Errors, Significance Levels, and 95% Bias-Corrected Confidence Intervals from Test of H4 in Study 3

Hypothesized Paths		Parameter Estimates			95% BC CI	
From	**To**	**Standardized**	**s.e.**	**p**	**Lower**	**Upper**
Powerlessness						
→	Alienation	0.55	0.07	< 0.01	0.41	0.69
→	Offensive Negative Emotions	0.33	0.07	< 0.01	0.18	0.45
→	Defensive Negative Emotions	0.26	0.09	< 0.01	0.09	0.43
→	Positive Emotions	-0.39	0.07	< 0.01	-0.51	-0.23
→	Decision Attitude	-0.09	0.09	> 0.10	-0.25	0.09
→	Treatment Attitude	-0.09	0.09	> 0.10	-0.09	0.26
→	Manner of Communication Attitude	-0.07	0.10	> 0.10	-0.11	0.29
→	Brand Attitude	-0.06	0.09	> 0.10	-0.23	0.14
→	Top Management Attitude	0.02	0.09	> 0.10	-0.14	0.22
→	Employee on Phone Attitude	-0.01	0.10	> 0.10	-0.21	0.20
→	Branch Executives Attitude	0.00	0.09	> 0.10	-0.17	0.21
Alienation						
→	Decision Attitude	-0.48	0.16	< 0.01	-0.85	-0.21
→	Treatment Attitude	-0.02	0.19	> 0.10	-0.40	0.34
→	Manner of Communication Attitude	-0.34	0.18	< 0.05	-0.76	-0.04
→	Brand Attitude	-0.08	0.17	> 0.10	-0.40	0.27
→	Top Management Attitude	-0.27	0.18	> 0.10	-0.61	0.08
→	Employee on Phone Attitude	-0.01	0.17	> 0.10	-0.31	0.38
→	Branch Executives Attitude	-0.18	0.17	> 0.10	-0.56	0.14
Offensive Negative Emotions						
→	Decision Attitude	-0.01	0.17	> 0.10	-0.31	0.36
→	Treatment Attitude	-0.31	0.21	> 0.10	-0.75	0.13
→	Manner of Communication Attitude	-0.14	0.17	> 0.10	-0.48	0.21
→	Brand Attitude	-0.31	0.18	< 0.10	-0.70	0.03
→	Top Management Attitude	-0.10	0.20	> 0.10	-0.48	0.32
→	Employee on Phone Attitude	-0.29	0.20	> 0.10	-0.68	0.07
→	Branch Executives Attitude	-0.21	0.21	> 0.10	-0.67	0.17
Defensive Negative Emotions						
→	Decision Attitude	0.03	0.13	> 0.10	-0.26	0.26
→	Treatment Attitude	0.03	0.15	> 0.10	-0.25	0.36
→	Manner of Communication Attitude	0.02	0.14	> 0.10	-0.28	0.29
→	Brand Attitude	0.02	0.15	> 0.10	-0.29	0.29
→	Top Management Attitude	-0.16	0.17	> 0.10	-0.48	0.16
→	Employee on Phone Attitude	0.03	0.16	> 0.10	-0.27	0.37
→	Branch Executives Attitude	0.04	0.18	> 0.10	-0.27	0.45
Positive Emotions						
→	Decision Attitude	0.30	0.08	< 0.01	0.16	0.47
→	Treatment Attitude	0.20	0.10	< 0.10	-0.003	0.38
→	Manner of Communication Attitude	0.20	0.09	< 0.05	0.01	0.38
→	Brand Attitude	0.23	0.09	< 0.01	0.05	0.41
→	Top Management Attitude	0.18	0.09	< 0.05	0.003	0.35
→	Employee on Phone Attitude	0.17	0.10	< 0.10	-0.03	0.36
→	Branch Executives Attitude	0.14	0.10	> 0.10	-0.06	0.32

These results, overall, seem to indicate that the relationship between perceived powerlessness and attitude toward (i) the decision is fully mediated by felt alienation and

positive emotions, (ii) the treatment is fully mediated by positive emotions, (iii) the

manner of communication is fully mediated by felt alienation and positive emotions, (iv)

the brand is fully mediated by offensive negative emotions and positive emotions, (v) the

top management is fully mediated by positive emotions, and (vi) the branch executives is

fully mediated by positive emotions. In order to verify these findings, Baron and Kenny's

(1986) guidelines were adopted.

Powerlessness →Mediators →Attitude toward the Decision—The first step was to

compute the bivariate path coefficients between the independent variable (perceived

powerlessness) and the dependent variable (attitude toward the decision). This path

(standardized beta) coefficient (*'c'*) was significant and negative indicating that there is

an inverse relationship between powerlessness and attitude toward the decision (c = -

0.46, s.e. = 0.06, p < 0.01, 95% BC CI = -0.59 to -0.34). Since the 95% BC CI excludes

0, the null hypothesis that there is no relationship between perceived powerlessness and

attitude toward the decision is rejected. The second step was to test the bivariate paths

between the independent variable (perceived powerlessness) and the mediators (felt

alienation, offensive negative emotions, defensive negative emotions, and positive

emotions). These path (standardized beta) coefficients ('*a*') were also significant—

$a_{\text{alienation}}$ = 0.55 (s.e. = 0.07, p < 0.01, 95% BC CI = 0.41 to 0.69), $a_{\text{offensive\_negative\_emotions}}$ =

0.33 (s.e. = 0.07, p < 0.01, 95% BC CI = 0.18 to 0.45), $a_{\text{defensive\_negative\_emotions}}$ = 0.26 (s.e.

= 0.09, p < 0.01, 95% BC CI = 0.09 to 0.42), and $a_{\text{positive\_emotions}}$ = -0.39 (s.e. = 0.07, p <

0.01, 95% BC CI = -0.51 to -0.23). Again, the exclusion of 0 in the 95% BC CIs rejects

the null hypothesis that there is no relationship between perceived powerlessness and the

four mediators. The third step was to compute the path coefficients from independent

variable (perceived powerlessness) to the dependent variable (attitude toward the decision) while allowing the four mediators to also predict the dependent variable. Amongst the mediators, only felt alienation (coefficient = -0.47, s.e. = 0.14, $p < 0.01$, 95% BC CI = -0.77 to -0.24) and positive emotions (coefficient = 0.31, s.e. = 0.08, $p < 0.01$, 95% BC CI = 0.16 to 0.48) had an impact on the dependent variable. The standardized regression coefficient between perceived powerlessness and the attitude toward the decision was -0.16 (s.e. = 0.07, $p < 0.01$, 95% BC CI = -0.31 to -0.04) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 17), since the path coefficient ('c'') from perceived powerlessness to the attitude toward the decision is not significantly different from 0, full mediation of the relationship between perceived powerlessness and attitude toward the decision by felt alienation and positive emotions is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.38) was also found to be significant (s.e. = 0.08, $p < 0.01$, 95% BC CI = -0.57 to -0.26).

Powerlessness →Mediators →Attitude toward the Treatment—The first step was to compute the bivariate path coefficients between the independent variable (perceived powerlessness) and the dependent variable (attitude toward the treatment). This path (standardized beta) coefficient ('c') was not significant indicating that there is no relationship between powerlessness and attitude toward the treatment ($p > 0.10$, 95% BC CI = -0.24 to 0.06). Since the 95% BC CI includes 0, the null hypothesis that there is no relationship between perceived powerlessness and attitude toward the treatment is supported. Hence, the next steps for testing mediation have not been performed.

Powerlessness →Mediators →Attitude toward the Manner of Communication—

The first step was to compute the bivariate path coefficients between the independent variable (perceived powerlessness) and the dependent variable (attitude toward the manner of communication). This path (standardized beta) coefficient ($'c'$) was significant and negative indicating that there is an inverse relationship between powerlessness and attitude toward the manner of communication ($c = -0.23$, s.e. $= 0.07$, $p < 0.01$, 95% BC CI $= -0.37$ to -0.08). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between perceived powerlessness and attitude toward the manner of communication is rejected. The second step was to test the bivariate paths between the independent variable (perceived powerlessness) and the mediators (felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions). The path (standardized beta) coefficients ($'a'$) have already been provided in earlier. The third step was to compute the path coefficients from independent variable (perceived powerlessness) to the dependent variable (attitude toward the manner of communication) while allowing the four mediators to also predict the dependent variable. Amongst the mediators, only felt alienation (coefficient $= -0.32$, s.e. $= 0.15$, $p < 0.01$, 95% BC CI $= -0.63$ to -0.06) had a significant impact on the dependent variable; positive emotions had a marginally significant impact (coefficient $= 0.19$, s.e. $= 0.09$, $p < 0.10$, 95% BC CI $= -0.01$ to 0.36). This indicates that positive emotions might not have as much of an impact on attitude toward the manner of communication as compared to felt alienation. The standardized regression coefficient between perceived powerlessness and the attitude toward the manner of communication was not significantly different from 0 ($p > 0.10$, 95% BC CI $= -0.12$ to 0.17) which has dropped when compared to c, thereby, providing

evidence of mediation. From the parameter estimates of the full structural model (table 17), since the path coefficient ('c'') from perceived powerlessness to the attitude toward the manner of communication is not significantly different from 0, full mediation of the relationship between perceived powerlessness and attitude toward the manner of communication by felt alienation and (marginally by) positive emotions is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.31) was also found to be significant (s.e. = 0.08, p < 0.01, 95% BC CI = -0.53 to -0.19).

Powerlessness →Mediators →Attitude toward the Brand—The first step was to compute the bivariate path coefficients between the independent variable (perceived powerlessness) and the dependent variable (attitude toward the brand). This path (standardized beta) coefficient ('c') was significant and negative indicating that there is an inverse relationship between powerlessness and attitude toward the brand (c = -0.29, s.e. = 0.08, p < 0.01, 95% BC CI = -0.43 to -0.11). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between perceived powerlessness and attitude toward the brand is rejected. The second step was to test the bivariate paths between the independent variable (perceived powerlessness) and the mediators (felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions). The path (standardized beta) coefficients ('a') have already been provided in earlier. The third step was to compute the path coefficients from independent variable (perceived powerlessness) to the dependent variable (attitude toward the brand) while allowing the four mediators to also predict the dependent variable. Amongst the mediators, only positive emotions (coefficient = 0.23, s.e. = 0.09, p < 0.01, 95% BC CI = 0.05 to 0.40) had a significant impact on the dependent variable; offensive negative emotions had a

marginally significant impact (coefficient = -0.14, s.e. = 0.16, p < 0.10, 95% BC CI = -0.46 to 0.18). This indicates that offensive negative emotions might not have as much of an impact on attitude toward the brand as compared to positive emotions. The standardized regression coefficient between perceived powerlessness and the attitude toward the brand was not significantly different from 0 (p > 0.10, 95% BC CI = -0.12 to 0.18) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 17), since the path coefficient ('c'') from perceived powerlessness to the attitude toward the brand is not significantly different from 0, full mediation of the relationship between perceived powerlessness and attitude toward the brand by positive emotions and (marginally by) offensive negative emotions is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.31) was also found to be significant (s.e. = 0.08, p < 0.01, 95% BC CI = -0.53 to -0.19).

Powerlessness →Mediators →Attitude toward the Top Management—The first step was to compute the bivariate path coefficients between the independent variable (perceived powerlessness) and the dependent variable (attitude toward the top management). This path (standardized beta) coefficient ('c') was significant and negative indicating that there is an inverse relationship between powerlessness and attitude toward the top management (c = -0.27, s.e. = 0.08, p < 0.01, 95% BC CI = -0.41 to -0.10). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between perceived powerlessness and attitude toward the top management is rejected. The second step was to test the bivariate paths between the independent variable (perceived powerlessness) and the mediators (felt alienation, offensive negative emotions, defensive

negative emotions, and positive emotions). The path (standardized beta) coefficients ('a')

have already been provided in earlier. The third step was to compute the path coefficients

from independent variable (perceived powerlessness) to the dependent variable (attitude

toward the top management) while allowing the four mediators to also predict the

dependent variable. Amongst the mediators, only positive emotions (coefficient = 0.18,

s.e. = 0.09, $p < 0.10$, 95% BC CI = 0.05 to 0.40) had a marginally significant impact on

the dependent variable. The standardized regression coefficient between perceived

powerlessness and the attitude toward the brand was not significantly different from 0 (p

> 0.10, 95% BC CI = -0.21 to 0.10) which has dropped when compared to c, thereby,

providing evidence of mediation. From the parameter estimates of the full structural

model (table 17), since the path coefficient ('c' ') from perceived powerlessness to the

attitude toward the top management is not significantly different from 0, full mediation of

the relationship between perceived powerlessness and attitude toward the top

management (marginally) by positive emotions is supported. Furthermore, the overall

standardized indirect effect of mediation (coefficient = -0.29) was also found to be

significant (s.e. = 0.07, $p < 0.01$, 95% BC CI = -0.48 to -0.17).

Powerlessness →Mediators →Attitude toward the Employee on the Phone—The

first step was to compute the bivariate path coefficients between the independent variable

(perceived powerlessness) and the dependent variable (attitude toward the employee on

the phone). This path (standardized beta) coefficient ('c ') was significant and negative

indicating that there is an inverse relationship between powerlessness and attitude toward

the employee on the phone (c = -0.17, s.e. = 0.07, $p < 0.05$, 95% BC CI = -0.30 to -0.01).

Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between

perceived powerlessness and attitude toward the employee on the phone is rejected. The second step was to test the bivariate paths between the independent variable (perceived powerlessness) and the mediators (felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions). The path (standardized beta) coefficients ('a') have already been provided in earlier. The third step was to compute the path coefficients from independent variable (perceived powerlessness) to the dependent variable (attitude toward the employee on the phone) while allowing the four mediators to also predict the dependent variable. Amongst the mediators, only positive emotions (coefficient = 0.17, s.e. = 0.10, p < 0.10, 95% BC CI = -0.03 to 0.35) had a marginally significant impact on the dependent variable. The standardized regression coefficient between perceived powerlessness and the attitude toward the employee on the phone was not significantly different from 0 (p > 0.10, 95% BC CI = -0.17 to 0.16) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 17), since the path coefficient ('c'') from perceived powerlessness to the attitude toward the employee on the phone is not significantly different from 0, full mediation of the relationship between perceived powerlessness and attitude toward the employee on the phone (marginally) by positive emotions is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.16) was also found to be significant (s.e. = 0.07, p < 0.01, 95% BC CI = -0.30 to -0.02).

Powerlessness →Mediators →Attitude toward the Branch Executives—The first step was to compute the bivariate path coefficients between the independent variable (perceived powerlessness) and the dependent variable (attitude toward the branch

executives). This path (standardized beta) coefficient ('c') was significant and negative indicating that there is an inverse relationship between powerlessness and attitude toward the branch executives (c = -0.21, s.e. = 0.08, p < 0.01, 95% BC CI = -0.35 to -0.05). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between perceived powerlessness and attitude toward the branch executives is rejected. The second step was to test the bivariate paths between the independent variable (perceived powerlessness) and the mediators (felt alienation, offensive negative emotions, defensive negative emotions, and positive emotions). The path (standardized beta) coefficients ('a') have already been provided in earlier. The third step was to compute the path coefficients from independent variable (perceived powerlessness) to the dependent variable (attitude toward the branch executives) while allowing the four mediators to also predict the dependent variable. None of the mediators had a significant impact on the dependent variable. Hence, there is no mediation of the relationship between perceived powerlessness and attitude toward the branch executives.

From the above discussion, it can be seen that the relationship between perceived powerlessness and attitude toward (i) the decision is fully mediated by felt alienation and positive emotions (same as in study 2), (ii) the manner of communication is fully mediated by felt alienation and (marginally by) positive emotions, (iii) the brand is fully mediated by positive emotions and (marginally by) offensive negative emotions, (iv) the top management is fully mediated (marginally) by positive emotions, and (v) the employee on the phone is fully mediated (marginally) by positive emotions. Except for the full mediation of the relationship between perceived powerlessness and attitude toward the decision by felt alienation and positive emotions, none of the other findings of

study 2 have been replicated here. Nevertheless, overall, H4 is supported by demonstrating the roles of different mediators in impacting the relationship between perceived powerlessness and consumer attitudes. The software was unable to test the mediations separately for positive and negative outcome conditions because of small sample limitation.

H5: In order to test the hypothesized mediations, structural equation modeling analyses were performed by adopting the bootstrapping technique. AMOS 16 was used to test the hypothesized structural model for mediation (figure 24a); 1000 bootstrap iterations were conducted. Due to limited space, the underlying scale measures for each of the latent variables (*independent variables*: felt alienation, offensive negative emotions, defensive negative emotions, positive emotions; *mediators*: attitude toward the decision, attitude toward the treatment, attitude toward the manner of communication, attitude toward the brand, attitude toward the top management, attitude toward the employee on the phone, and attitude toward the branch executives; *dependent variable*: behavioral intentions) are not depicted.

Figure 24a: Hypothesized Structural Model for H5 in Study 3
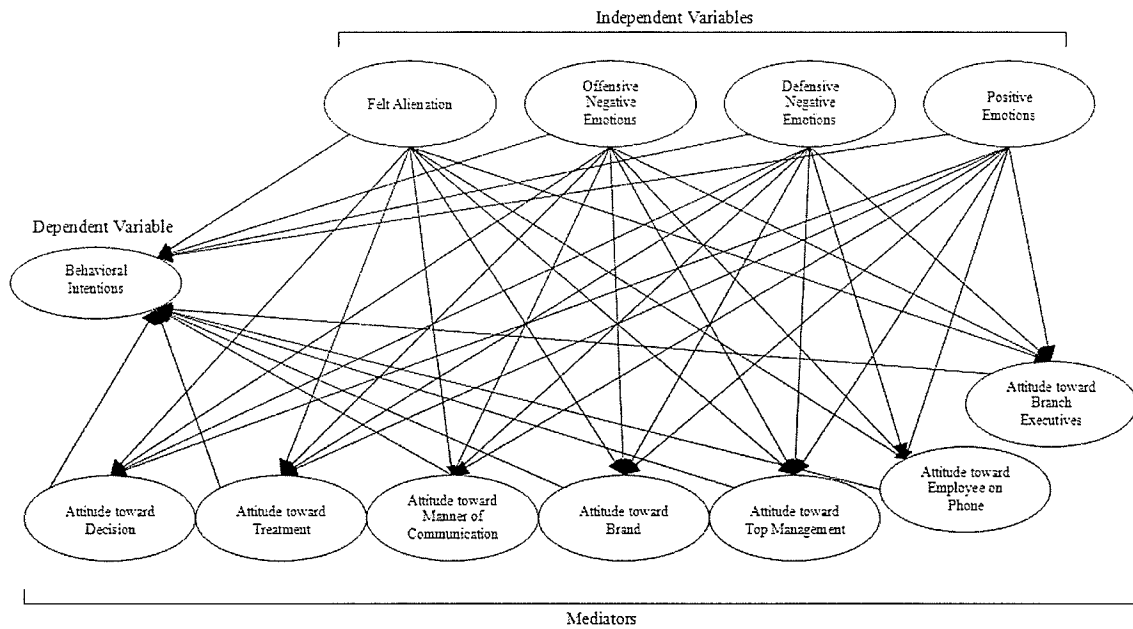
Confirmatory factor analysis on the overall model (figure 24a) revealed a chi-square of 4193.45 (df = 1769, p < 0.01), CFI = 0.89, and RMSEA = 0.08, indicating good fit of the data with the hypothesized model (Hu and Bentler 1999). The parameter estimates (i.e., standardized regression coefficients), standard errors (s.e.), 95% bias-corrected confidence intervals (BC CI), and significance levels are detailed in table 18; the significant paths are depicted in figure 24b.

Figure 24b: Significant Paths of the Structural Model for H5 in Study 3
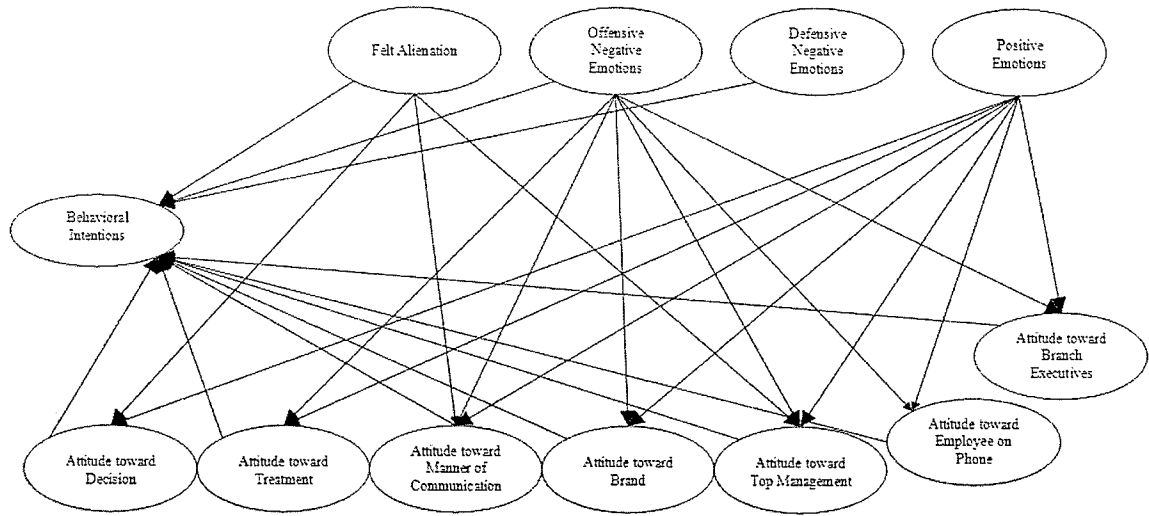
Table 18: Standardized Parameter Estimates, Standard Errors, Significance Levels , and 95% Bias-Corrected Confidence Intervals from Test of H5 in Study 3

Hypothesized Paths		Parameter Estimates			95% BC CI	
From	To	Standardized	s.e.	p	Lower	Upper
Alienation						
→	Decision Attitude	-0.47	0.10	< 0.01	-0.63	-0.27
→	Treatment Attitude	-0.001	0.12	> 0.10	-0.23	0.21
→	Manner of Communication Attitude	-0.27	0.11	< 0.05	-0.48	-0.06
→	Brand Attitude	-0.13	0.11	> 0.10	-0.34	0.09
→	Top Management Attitude	0.24	0.12	< 0.10	-0.46	0.01
→	Employee on Phone Attitude	-0.04	0.10	> 0.10	-0.25	0.16
→	Branch Executives Attitude	-0.17	0.11	> 0.10	-0.39	0.05
→	Behavioral Intentions	-0.26	0.09	< 0.01	-0.44	-0.07
Offensive Negative Emotions						
→	Decision Attitude	-0.18	0.11	> 0.10	-0.38	0.04
→	Treatment Attitude	-0.27	0.12	< 0.05	-0.49	-0.03
→	Manner of Communication Attitude	-0.25	0.11	< 0.05	-0.46	-0.02
→	Brand Attitude	-0.30	0.12	< 0.05	-0.51	-0.07
→	Top Management Attitude	-0.28	0.13	< 0.05	-0.53	-0.01
→	Employee on Phone Attitude	-0.27	0.11	< 0.05	-0.47	-0.03
→	Branch Executives Attitude	-0.21	0.12	< 0.10	-0.44	0.03
→	Behavioral Intentions	-0.18	0.08	< 0.05	-0.33	-0.03
Defensive Negative Emotions						
→	Decision Attitude	0.09	0.10	> 0.10	-0.11	0.26
→	Treatment Attitude	-0.02	0.10	> 0.10	-0.21	0.17
→	Manner of Communication Attitude	0.06	0.10	> 0.10	-0.14	0.25
→	Brand Attitude	-0.02	0.10	> 0.10	-0.22	0.15
→	Top Management Attitude	0.02	0.12	> 0.10	-0.29	0.16
→	Employee on Phone Attitude	-0.05	0.10	> 0.10	-0.18	0.21
→	Branch Executives Attitude	0.02	0.10	> 0.10	-0.19	0.21
→	Behavioral Intentions	0.17	0.07	< 0.05	0.04	0.31
Positive Emotions						
→	Decision Attitude	0.40	0.08	< 0.01	0.26	0.55
→	Treatment Attitude	0.20	0.09	< 0.05	0.03	0.37
→	Manner of Communication Attitude	0.23	0.09	< 0.05	0.07	0.39
→	Brand Attitude	0.28	0.09	< 0.01	0.12	0.44
→	Top Management Attitude	0.20	0.09	< 0.05	0.03	0.36
→	Employee on Phone Attitude	0.18	0.09	< 0.05	0.01	0.35
→	Branch Executives Attitude	0.17	0.09	< 0.10	-0.002	0.34
→	Behavioral Intentions	0.04	0.06	> 0.10	-0.07	0.16
Decision Attitude	→ Behavioral Intentions	-0.01	0.06	< 0.05	-0.14	0.09
Treatment Attitude	→ Behavioral Intentions	0.00	0.08	> 0.10	-0.09	0.15
Manner of Communication Attitude	→ Behavioral Intentions	0.03	0.06	> 0.10	-0.18	0.16
Brand Attitude	→ Behavioral Intentions	0.56	0.07	< 0.01	-0.08	0.14
Top Management Attitude	→ Behavioral Intentions	-0.01	0.07	> 0.10	-0.17	0.12
Employee on the Phone Attitude	→ Behavioral Intentions	0.12	0.10	> 0.10	-0.06	0.32
Branch Executives Attitude	→ Behavioral Intentions	0.08	0.07	> 0.10	-0.06	0.20

These results, overall, seem to indicate that the relationship between (i) felt alienation and behavioral intentions is partially mediated through attitudes toward the decision, manner of communication, and top management, (ii) offensive negative emotions and behavioral intentions is partially mediated through all consumer attitudes except toward the decision, (iii) defensive negative emotions and behavioral intentions is not mediated through the attitudes, and (iv) positive emotions and behavioral intentions is fully mediated through all consumer attitudes. To verify these mediation findings, Baron and Kenny's (1986) guidelines were adopted.

Felt Alienation →Mediators →Behavioral Intentions—The first step was to compute the bivariate path coefficients between the independent variable (felt alienation) and the dependent variable (behavioral intentions). This path (standardized beta) coefficient (*'c'*) was significant and negative indicating that there is an inverse relationship between felt alienation and behavioral intentions (c = -0.34, s.e. = 0.10, p < 0.01, 95% BC CI = -0.52 to -0.12). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between felt alienation and behavioral intentions is rejected. The second step was to test the bivariate paths between the independent variable (felt alienation) and the mediators (attitudes toward the decision, treatment, manner of communication, brand, top management, employee on the phone, and branch executives). Only the following path (standardized beta) coefficients ('*a*') were significant—

$a_{decision\_attitude}$ = -0.47 (s.e. = 0.11, p < 0.01, 95% BC CI = -0.63 to -0.23),

$a_{manner\_of\_communication\_attitude}$ = -0.26 (s.e. = 0.12, p < 0.05, 95% BC CI = -0.48 to -0.03), and

$a_{top\_management\_attitude}$ = -0.25 (s.e. = 0.12, p < 0.10, 95% BC CI = -0.47 to 0.001). The exclusion of 0 in the 95% BC CIs rejects the null hypothesis that there is no relationship

between felt alienation and these three mediators. The third step was to compute the path coefficients from independent variable (felt alienation) to the dependent variable (behavioral intentions) while allowing the mediators to also predict the dependent variable. Amongst the mediators, none of them had a significant impact on the dependent variable. The standardized regression coefficient between felt alienation and behavioral intentions was significant at -0.23 (s.e. = 0.08, p < 0.01, 95% BC CI = -0.38 to -0.09). Hence, there is no mediation of the relationship between felt alienation and behavioral intentions.

Offensive Negative Emotions →Mediators →Behavioral Intentions—The first step was to compute the bivariate path coefficients between the independent variable (offensive negative emotions) and the dependent variable (behavioral intentions). This path (standardized beta) coefficient (*'c'*) was significant and negative indicating that there is an inverse relationship between offensive negative emotions and behavioral intentions (*c* = -0.39, s.e. = 0.11, p < 0.01, 95% BC CI = -0.57 to -0.16). Since the 95% BC CI excludes 0, the null hypothesis that there is no relationship between offensive negative emotions and behavioral intentions is rejected. The second step was to test the bivariate paths between the independent variable (offensive negative emotions) and the mediators (attitudes toward the decision, treatment, manner of communication, brand, top management, employee on the phone, and branch executives). The following path (standardized beta) coefficients (*'a'*) were significant—$a_{treatment\_attitude}$ = -0.27 (s.e. = 0.12, p < 0.05, 95% BC CI = -0.49 to -0.03), $a_{manner\_of\_communication\_attitude}$ = -0.25 (s.e. = 0.11, p < 0.05, 95% BC CI = -0.46 to -0.02), $a_{brand\_attitude}$ = -0.30 (s.e. = 0.11, p < 0.05, 95% BC CI = -0.51 to -0.08), $a_{top\_management\_attitude}$ = -0.27 (s.e. = 0.13, p < 0.05, 95% BC CI = -0.52 to

-0.01), $a_{employee\_on\_phone\_attitude}$ = -0.27 (s.e. = 0.11, p < 0.05, 95% BC CI = -0.47 to -0.04), and $a_{branch\_executives\_attitude}$ = -0.21 (s.e. = 0.12, p < 0.10, 95% BC CI = -0.44 to 0.04). The exclusion of 0 in the 95% BC CIs rejects the null hypothesis that there is no relationship between offensive negative emotions and these mediators. The third step was to compute the path coefficients from independent variable (offensive negative emotions) to the dependent variable (behavioral intentions) while allowing the mediators to also predict the dependent variable. Amongst the mediators, only attitude toward the brand had a significant impact on the dependent variable. The standardized regression coefficient between offensive negative emotions and behavioral intentions was significant at -0.17 (s.e. = 0.08, p < 0.05, 95% BC CI = -0.33 to -0.01) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 18), since the path coefficient ('c' ') from offensive negative emotions to behavioral intentions is significantly different from 0, partial mediation of the relationship between offensive negative emotions and behavioral intentions by attitude toward the brand is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = -0.22) was also found to be significant (s.e. = 0.08, p < 0.05, 95% BC CI = -0.36 to -0.05).

Defensive Negative Emotions →Mediators →Behavioral Intentions—The first step was to compute the bivariate path coefficients between the independent variable (defensive negative emotions) and the dependent variable (behavioral intentions). Similar to the finding in study 2, this path (standardized beta) coefficient ('c') was not significant indicating that there is no relationship between defensive negative emotions and

behavioral intentions that can be mediated (p > 0.10, 95% BC CI = -0.04 to 0.33). Thus, no further steps were conducted.

Positive Emotions →Mediators →Behavioral Intentions—The first step was to compute the bivariate path coefficients between the independent variable (positive emotions) and the dependent variable (behavioral intentions). This path (standardized beta) coefficient ('*c*') was significant indicating that there is a relationship between positive emotions and behavioral intentions that can be mediated ($c = 0.24$, s.e. $= 0.08$, p < 0.01, 95% BC CI = 0.09 to 0.39). The second step was to test the bivariate paths between the independent variable (positive emotions) and the mediators (attitudes toward the decision, treatment, manner of communication, brand, top management, employee on the phone, and branch executives). All the path (standardized beta) coefficients ('*a*') were significant—$a_{decision\_attitude} = 0.40$ (s.e. $= 0.08$, p < 0.01, 95% BC CI = 0.26 to 0.55), $a_{treatment\_attitude} = 0.20$ (s.e. $= 0.09$, p < 0.05, 95% BC CI = 0.03 to 0.37), $a_{manner\_of\_communication\_attitude} = 0.23$ (s.e. $= 0.08$, p < 0.05, 95% BC CI = 0.06 to 0.39), $a_{brand\_attitude} = 0.28$ (s.e. $= 0.09$, p < 0.01, 95% BC CI = 0.12 to 0.44), $a_{top\_management\_attitude} = 0.20$ (s.e. $= 0.09$, p < 0.05, 95% BC CI = 0.03 to 0.35), $a_{employee\_on\_phone\_attitude} = 0.18$ (s.e. $= 0.09$, p < 0.05, 95% BC CI = 0.01 to 0.35), and $a_{branch\_executives\_attitude} = 0.17$ (s.e. $= 0.09$, p < 0.10, 95% BC CI = -0.002 to 0.34). The exclusion of 0 in the 95% BC CIs rejects the null hypothesis that there is no relationship between positive emotions and these mediators. The third step was to compute the path coefficients from independent variable (positive emotions) to the dependent variable (behavioral intentions) while allowing the mediators to also predict the dependent variable. Amongst the mediators, only attitude toward the brand had a significant impact on the dependent variable. The standardized

regression coefficient between positive emotions and behavioral intentions was not significant ($p > 0.10$, 95% BC CI = -0.08 to 0.14) which has dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural model (table 18), since the path coefficient ('c'') from positive emotions to behavioral intentions is not significantly different from 0, full mediation of the relationship between positive emotions and behavioral intentions by attitude toward the brand is supported. Furthermore, the overall standardized indirect effect of mediation (coefficient = 0.19) was also found to be significant (s.e. = 0.07, $p < 0.01$, 95% BC CI = 0.07 to 0.32).

These results, overall, indicate that the relationship between (i) felt alienation and behavioral intentions is not mediated through the attitudes, (ii) offensive negative emotions and behavioral intentions is partially mediated through attitude toward the brand, (iii) positive emotions and behavioral intentions is fully mediated through attitude toward the brand. Further, there is no relationship between defensive negative emotions and behavioral intentions that can be mediated through the attitudes. Thus, only the consumer attitude toward the brand has had an impact on behavioral intentions. Thus, for H5, support for consumer attitudes toward the decision and branch executives as mediators of the relationship between felt alienation and behavioral intentions is not found. H5 with respect to felt alienation is not supported. Also, the software was unable to test the mediations separately for positive and negative outcome conditions because of small sample limitation.

Other Interesting Findings

Moderating Impact of Apology: A two-way ANOVA (with outcome and apology as factors) provided evidence of significant interaction between the two on attitude toward the manner of communication ($F(2, 222) = 8.13$, $p < 0.01$). Contrasts in the positive outcome condition revealed that when apology was present, consumer attitude toward the manner of communication was more favorable ($M = 5.22$) than when the apology was absent ($M = 2.43$; $F(1, 222) = 98.04$, $p < 0.01$) or controlled ($M = 4.12$; $F(1, 222) = 14.75$, $p < 0.01$). Similarly, consumer attitude toward the manner of communication was less favorable when the apology was absent than when controlled ($F(1, 222) = 36.15$, $p < 0.01$). Contrasts in the negative outcome condition revealed a similar pattern. When bank's apology was present, consumer attitude toward the manner of communication was more favorable ($M = 3.49$) than when it the apology was absent ($M = 1.89$; $F(1, 222) = 30.95$, $p < 0.01$) or controlled ($M = 2.02$; $F(1, 222) = 26.23$, $p < 0.01$). However, no significant difference in consumer attitudes toward the manner of communication was found when the apology was absent versus when controlled ($F(1, 222) = 0.19$, $p > 0.10$). Thus, we see that the presence of an apology (vis-à-vis absence or control) offered by the bank definitely helps generate favorable attitude toward the manner in which the bank communicates with the consumers. No other dependent measures were significantly impacted by the interaction of outcome and apology.

Moderating Impact of Treatment: A two-way ANOVA (with outcome and treatment as factors) provided evidence of significant interaction between the two on positive emotions ($F(1, 222) = 6.96$, $p < 0.01$), attitude toward the treatment ($F(1, 222) = 4.65$, $p < 0.05$), and attitude toward the branch executives ($F(1, 222) = 5.71$, $p < 0.05$).

Contrasts in the positive outcome condition revealed that when treatment was positive (vis-à-vis negative), magnitude of positive emotions was higher ($M_{positive}$ = 4.12 vs. $M_{negative}$ = 3.14; $F(1, 222)$ = 19.96, $p < 0.01$), and consumer attitudes toward the treatment ($M_{positive}$ = 5.31 vs. $M_{negative}$ = 2.01; $F(1, 222)$ = 177.49, $p < 0.01$) and the branch executives ($M_{positive}$ = 5.09 vs. $M_{negative}$ = 3.58; $F(1, 222)$ = 39.14, $p < 0.01$) were more favorable. Contrasts in the negative outcome condition revealed that when treatment was positive (vis-à-vis negative), while magnitude of positive emotions was not significantly different ($M_{positive}$ = 2.03 vs. $M_{negative}$ = 1.87; $F(1, 222)$ = 0.51, $p > 0.10$), consumer attitudes toward the treatment ($M_{positive}$ = 4.22 vs. $M_{negative}$ = 1.68; $F(1, 222)$ = 102.35, $p < 0.01$) and the branch executives ($M_{positive}$ = 3.88 vs. $M_{negative}$ = 3.19; $F(1, 222)$ = 7.95, $p < 0.01$) were more favorable. Thus, we see that positive treatment of consumers by the bank can help reduce some of the negative fallouts (e.g., unfavorable attitudes) of negative outcome.

Interaction of Treatment and Apology: A two-way ANOVA (with treatment and apology as factors) provided evidence of significant interaction between the two on consumer attitude toward the manner of communication ($F(2, 222)$ = 7.12, $p < 0.01$). Contrasts in the positive treatment condition revealed that when apology was present, consumer attitude toward the manner of communication was more favorable (M = 4.94) than when it the apology was absent (M = 2.08; $F(1, 222)$ = 103.37, $p < 0.01$) or controlled (M = 3.60; $F(1, 222)$ = 22.49, $p < 0.01$). Similarly, consumer attitude toward the manner of communication was less favorable when the apology was absent than when controlled ($F(1, 222)$ = 28.74, $p < 0.01$). Further contrasts in the negative treatment condition revealed that when the bank apologized, consumer attitude toward the manner

of communication was more favorable (M = 3.74) than when it the apology was absent

(M = 2.27; $F(1, 222) = 26.20$, $p < 0.01$) or controlled (M = 2.56; $F(1, 222) = 16.60$, $p <$

0.01). However, no significant difference in consumer attitudes toward the manner of

communication was found when the apology was absent versus when controlled ($F(1,$

$222) = 1.04$, $p > 0.10$). Contrasts in the apology present condition indicated that positive

(versus negative) treatment helps make attitude toward the manner of communication

more favorable ($M_{positive} = 4.94$ vs. $M_{negative} = 3.74$; $F(1, 222) = 17.74$, $p < 0.01$).

However, in the apology absent condition, positive (versus negative) treatment did not

help make the attitude more favorable ($M_{positive} = 2.08$ vs. $M_{negative} = 2.27$; $F(1, 222) =$

0.46, $p > 0.01$). In the apology control condition, positive (versus negative) treatment

resulted in more favorable attitude ($M_{positive} = 3.60$ vs. $M_{negative} = 2.56$; $F(1, 222) = 12.99$,

$p < 0.01$). Thus, we find that both positive treatment and apology offered by the bank can

help reduce the adverse impacts of negative outcome.

Brand partner quality as a mediator: Literature suggests that brand partner

quality is a mediator of the relationship between brand sincerity and consumer-brand

relationship strength indicators, viz. commitment to the brand and satisfaction with the

brand (Aaker, Fournier, and Brasel 2004). A simple path model (figure 25) was

developed and AMOS 16 with bootstrapping technique was used to test this mediation.

Figure 25: Brand Partner Quality as a Mediator of the Relationship between Brand Sincerity and Consumer-Brand Relationship Strength Indicators
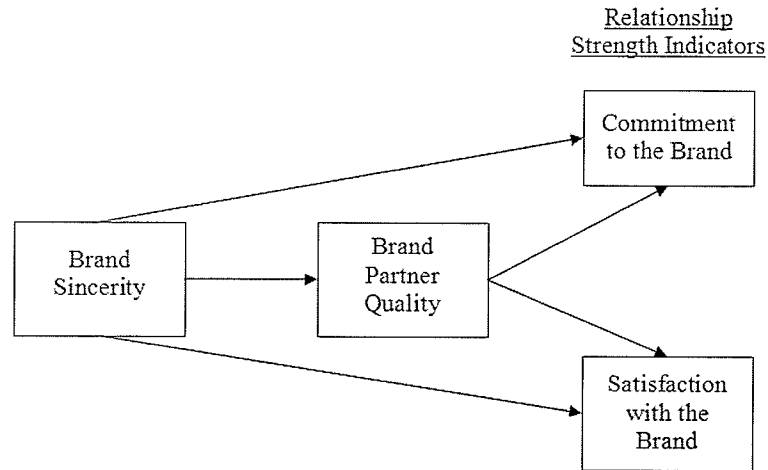
Confirmatory factor analysis on this model (figure 25) resulted in a chi-square of 117.483 (df = 1, p < 0.01) and CFI = 0.83, indicating good fit of the data with the hypothesized model (Hu and Bentler 1999). The parameter estimates (i.e., standardized regression coefficients), standard errors (s.e.), 95% bias-corrected confidence intervals (BC CI), and significance levels are detailed in table 19.

Table 19: Standardized Parameter Estimates, Standard Errors, Significance Levels, and 95% Bias-Corrected Confidence Intervals for Brand Partner Quality as Mediator in Study 3

Hypothesized Paths		Parameter Estimates			95% BC CI	
From	To	Standardized	s.e.	p	Lower	Upper
Brand Sincerity						
→	Brand Partner Quality	0.66	0.04	< 0.01	0.57	0.73
→	Commitment to the Brand	0.57	0.06	< 0.01	0.45	0.67
→	Satisfaction with the Brand	0.54	0.06	< 0.01	0.42	0.63
Brand Partner Quality		-				
→	Commitment to the Brand	0.26	0.06	< 0.01	0.15	0.37
→	Satisfaction with the Brand	0.33	0.06	< 0.01	0.22	0.43

These results seem to indicate that brand partner quality partially mediates the relationship between brand sincerity and the consumer-brand relationship strength indicators. Baron and Kenny's (1986) guidelines were used to verify this. The first step was to compute the bivariate path coefficients between the independent variable (brand sincerity) and the dependent variables (commitment to the brand and satisfaction with the brand). These path (standardized beta) coefficients ($'c'$) were significant indicating that there is a relationship between brand sincerity and each of the relationship strength indicators that can be mediated ($c_{commitment\_to\_the\_brand} = 0.74$, s.e. $= 0.03$, p < 0.01, 95% BC CI $= 0.67$ to 0.80; $c_{satisfaction\_with\_the\_brand} = 0.75$, s.e. $= 0.03$, p < 0.01, 95% BC CI $= 0.69$ to 0.81). The second step was to test the bivariate paths between the independent variable (brand sincerity) and the mediator (brand partner quality). The path (standardized beta) coefficient ('a') was significant—$a = 0.66$ (s.e. $= 0.04$, p < 0.01, 95% BC CI $= 0.57$ to 0.73). The exclusion of 0 in the 95% BC CIs rejects the null hypothesis that there is no relationship between brand sincerity and brand partner quality. The third step was to compute the path coefficients from independent variable (brand sincerity) to the dependent variables (commitment to the brand and satisfaction with the brand) while allowing the mediator (brand partner quality) to also predict the dependent variable. The mediator had a significant impact on the dependent variables. The standardized regression coefficient between brand sincerity and commitment to the brand (coefficient $= 0.63$, s.e. $= 0.06$, p < 0.01, 95% BC CI $= 0.51$ to 0.73) and satisfaction with the brand (coefficient $= 0.61$, s.e. $= 0.06$, p < 0.01, 95% BC CI $= 0.48$ to 0.71) were significantly different from 0. These coefficients had also dropped when compared to c, thereby, providing evidence of mediation. From the parameter estimates of the full structural

model (table 19), since the path coefficient ('c'') from positive emotions to behavioral intentions is significantly different from 0, partial mediation of the relationship between brand sincerity and the consumer-brand relationship strength indicators by brand partner quality is supported. Furthermore, the overall standardized indirect effects of mediation were also found to be significant (coefficient$_{commitment\_to\_the\_brand}$ = 0.17, s.e. = 0.04, p < 0.01, 95% BC CI = 0.10 to 0.26; coefficient$_{satisfaction\_with\_the\_brand}$ = 0.22, s.e. = 0.04, p < 0.01, 95% BC CI = 0.14 to 0.30).

A comparison of the standardized regression coefficients across the outcome types is provided in table 20. From this table, it can be seen that the impact of the mediator (brand partner quality) on the dependent variables in the negative outcome condition is lesser than that in positive outcome. Whilst in the negative outcome, majority of the impact on the relationship strength indicators is via the independent variable (brand sincerity), in the positive outcome, majority of the impact on the indicators is via the mediator (brand partner quality).

Table 20: Brand Partner Quality as Mediator – Standardized Parameter Estimates Comparing Positive versus Negative Outcomes in Study 3

Hypothesized Paths		Standardized Parameter Estimates	
From	To	Positive Outcome	Negative Outcome
Brand Sincerity			
→	Brand Partner Quality	0.73	0.51
→	Commitment to the Brand	0.49	0.58
→	Satisfaction with the Brand	0.46	0.56
Brand Partner Quality			
→	Commitment to the Brand	0.35	0.18
→	Satisfaction with the Brand	0.40	0.28

Apology sincerity and forgiveness. Research has shown that forgiveness is positively related to perceived sincerity of an apology (e.g., Bachman and Guerrero 2006; Hareli and Eisikovits 2006). An analysis of the relationship between sincerity of apology and forgiveness was conducted for those respondents who were in the apology present condition (Pearson's correlation = 0.53, N = 72, p < 0.01). An interesting finding is that whilst this correlation is significant even for respondents in the positive outcome condition (Pearson's correlation = 0.60, N = 35, p < 0.01; $M_{apology\_sincerity}$ = 5.09, $M_{forgiveness}$ = 4.74), there is only marginally significant correlation between the two in the negative outcome condition (Pearson's correlation = 0.29, N = 37, p < 0.10; $M_{apology\_sincerity}$ = 3.77, $M_{forgiveness}$ = 3.28).

Attributions concerning the final outcome: Respondents were asked to write why they thought the bank took the final decision that it did. In the negative outcome condition, regardless of treatment and apology, out of 137 thought listings, 134 of these could be classified as "for profit/business reasons." Here is a sample of the thoughts provided by the respondents: "the branch just wasn't making enough money," "lack of profit from students," "they weren't doing enough business at the university location," "profits or losses, that's what business decisions are always about," "the customer base was low and decreasing, there is not enough people to use the bank," "financial shortage," "it was probably unprofitable for them to continue operating on campus." It is clear from these thought listings that the respondents were able to justify the decision of the bank, and, thereby, not put the blame on the bank. They were willing to understand that a bank needs to operate where it can make profits, and that, perhaps, is not easy to do on a campus branch.

In the positive outcome, however, there was more variance in their thoughts. There were a total of 133 thought listings and these could be broadly classified into four categories: "did not want to lose business" (N = 59), "because of the strong movement and petition" (N = 47), "media's coverage added pressure on the bank" (N = 19) and "to maintain their brand image" (N = 11). The following is a sample of the thoughts provided by the respondents: "they didn't want bad word-of-mouth and maybe realized that moving elsewhere and finding new customers was more costly than just staying put and maintaining their current customers," "to save their reputation," "overwhelming number of student petitions and media attention which brought bad publicity to Grove Bank," "the student petition and bad media."

Attributions concerning the treatment: Respondents were asked to write why they thought the bank's employee at the headquarters spoke to them the way s/he did. In the negative treatment condition, out of 102 thought listings, there emerged five distinct categories: "I am just a student, so, they don't care" (N = 37), "individual employee has a problem/bad day" (N = 31), "frustrated due to other students calling to find out status" (N = 28), "got other things to do, was busy" (N = 17), and "the bank did not train them in customer service" (N = 15). Here is a sample of the thoughts provided by the respondents: "stress," "lack of social skills," "not trained by the bank," "it could have been just a bad day for that executive; one person does not represent an entire company," "possibly just because I am young and a student and don't seem like an important/valuable customer to them," "busy." In the positive treatment condition, 88 thought listings were garnered, which could be classified into four groups: "to retain customers" (N = 48), "customer service standards / it is their job" (N = 24), "avoid

making customer more upset" (N = 19), and "retain good brand image" (N = 11). Some of the thought listings include: "because he wanted me to remain a customer of the bank," "they did not want to lose any customers," they are trained to be polite to customers," "because it's their job to be polite," "to not cause panic and have an angry customer on his hand," and "they wanted to seem like they cared."

Relative Relationship Type. Most of the respondents selected the picture group which depicted business ties to express the picture group that best represents Grove Bank regardless of outcome ($N_{positive}$ = 95 out of 119; $N_{negative}$ = 97 out of 115). Similarly, majority of the respondents selected the picture group that depicted business ties to express the picture group that best represents the respondent's relationship with Grove Bank ($N_{positive}$ = 83 out of 119; $N_{negative}$ = 92 out of 115). Thus, when relationship type is not manipulated, respondents tend to choose the picture group that represents exchange or business ties.

VI. Discussion

Results of manipulation checks for the independent variables (outcome, treatment, and apology) demonstrate successful manipulations, suggesting that these could be replicated in experimental scenarios for future studies.

In this study, based on theoretical underpinnings (e.g., Seeman 1959) and findings from study 2, power was viewed as being generated through the influence of only outcome. Results supported the hypothesis (H2a) that as power declines, those consumers who experience their campus branch being closed (vis-à-vis the branch being kept open) feel more powerless, alienated, negative (both offensive and defensive emotions), less

positive, have lower self-esteem, harbor more unfavorable attitudes toward the decision, treatment, manner of communication, brand, top management, employee on the phone and branch executives, have unfavorable behavioral intentions toward the bank, have unfavorable perceptions of brand partner quality, and brand sincerity. Consumers also demonstrate weaker commitment to the brand and greater dissatisfaction with it. They are also less willing to forgive the bank for the stressful scenario. Furthermore, such consumers report weaker perceptions of communal and exchange ties with the brand.

When outcome is positive (i.e., the branch kept open) and treatment is also positive (i.e., consumer spoken to politely and respectfully), consumers report lowest magnitudes of perceived powerlessness, highest magnitude of positive emotions, and most favorable perceptions of brand partner quality, and attitudes toward the treatment and branch executives, and behavioral intentions. Whereas, when the outcome is negative (i.e., the branch closed) and treatment is negative (i.e., consumer spoken to impolitely and disrespectfully), consumers reported most unfavorable attitudes toward the treatment and branch executives, and behavioral intentions. Though significant results were not found for all dependent measures, the means were in the directions hypothesized in H2b, similar to that found in study 2.

Once again, attitude toward the decision has been found to be most sensitive to perceptions of power (i.e., outcome–positive vs. negative), such that as power declines (i.e., outcome is negative), attitude toward the decision is least favorable as compared to that toward the treatment, manner of communication, brand, top management, employee on the phone, and branch executives (supporting H2c). This, once again, reinforces that consumers have evaluated the stressful situation as a *one-time* negative event with the

company and, their general attitudes toward the brand or branch executives have not been negatively impacted.

Regardless of outcome or treatment or apology, respondents chose the picture group that depicted exchange or business ties to be representative of their relationship with the bank. This demonstrates that there is a pre-bias for exchange relationship with a bank. Perhaps, this is one of the top reasons for not finding significant results using relationship type in studies 1 and 2 – respondents could not view the bank as a close friend, but rather as friendly businessman.

Tests of mediations hypothesized in H4 revealed that the relationship between perceived powerlessness and attitude toward (i) the decision is fully mediated by felt alienation and positive emotions (same as in study 2), (ii) the manner of communication is fully mediated by felt alienation and (marginally by) positive emotions, (iii) the brand is fully mediated by positive emotions and (marginally by) offensive negative emotions, (iv) the top management is fully mediated (marginally) by positive emotions, and (v) the employee on the phone is fully mediated (marginally) by positive emotions. Thus, felt alienation, offensive negative emotions, and positive emotions have served as the key mediators of the relationship between perceived powerlessness and consumer attitudes.

Tests of mediations hypothesized in H5 indicate that the relationship between (i) felt alienation and behavioral intentions is not mediated through the consumer attitudes, (ii) offensive negative emotions and behavioral intentions is partially mediated through attitude toward the brand, (iii) positive emotions and behavioral intentions is fully mediated through attitude toward the brand. Further, there is no relationship between

defensive negative emotions and behavioral intentions. Thus, only the consumer attitude toward the brand has had an impact on behavioral intentions, being mediated by offensive negative emotions and positive emotions.

Results indicate that treating customers respectfully can help reduce some of the negative impacts of unfavorable brand decisions. While apology did not yield significant results in majority of the dependent variables, nevertheless, it has been found that the presence of an apology (vis-à-vis absence or control) offered by the bank can help create favorable attitude toward the manner in which the bank communicates with the consumers. Though both positive treatment and apology combined do not influence the level of powerlessness, alienation, and most of the other dependent variables, they have been found to help reduce negative impacts by generating more favorable attitude toward the manner in which the bank communicates with its customers. Therefore, it would be wise for a company to ensure that its customers are treated respectfully and also apologized to, especially when having to take an unfavorable decision such as closing of a branch office at a particular location.

Brand partner quality is found to mediate the relationship between brand sincerity and consumer-brand relationship strength indicators such as commitment to the brand and satisfaction with the brand. Also, it has been found that in the negative outcome condition, majority of the impact on the relationship strength indicators is via brand sincerity, whereas, in the positive outcome condition, majority of the impact on the indicators is via brand partner quality. This means that for a company to implement a negative outcome (i.e., unfavorable for its customers), it needs ensure that it is perceived as a sincere brand (more so than focussing on brand partner quality) so that customers

continue to stay committed to the brand and satisfied with it. If it is not perceived as a sincere brand, it is possible for the relationship to be weakened.

Typically, the more sincere an apology is perceived to be, the more willing is the relationship partner to forgive the transgressor. Results indicate a strong significant correlation between apology sincerity and forgiveness in the positive outcome condition. However, in the negative outcome condition, this relationship is a marginal one. This might be because consumers tend to view a bank as an exchange (not communal) relationship partner. Therefore, they possibly view the dynamics of apology and forgiveness with a certain level of mistrust, detachment, etc.

Finally, the attributions thought listings revealed that the respondents had a reasonable exposure to business objectives and practices. They revealed their understanding of problems or issues that companies such as banks might face that would lead them to make decisions that might be unpopular or unfavorable for customers. For instance, when asked to specify why the bank took the final decision that it did, vast majority of respondents in the negative outcome condition mentioned "for profit/business" as the reason for closing down the campus branch. In the positive outcome condition, participants believed that the bank was being kept open, despite the initial intent of closing down the branch, so that the bank would not lose business and would be successful in maintaining a good brand image. Further, the strong movement and petition, as well as the media's coverage, has pressurized the bank to stay open on campus. When asked to write why they thought the bank's employee at the headquarters spoke to them the way s/he did, in the negative treatment condition, most of the responses could be classified into one of these five categories: "I am just a student, so, they don't

care," "the individual employee has a problem/bad day," "employee was frustrated due to other students calling to find out status," "s/he got other things to do, was busy," and "the bank did not train them in customer service." In the positive treatment condition, the attributions could be classified into four groups: "to retain customers," "they are trained in customer service standards / it is their job," "to avoid making customer more upset," and "to retain good brand image."

In summary, the theme that emerges is that power is driven primarily by the outcome, and not by the treatment or apology. As power declines, sense of alienation increases and the consumer-brand relationship changes from being communal to exchange. Positive treatment and apology by the bank help reduce the magnitude of some of the negative fall-outs of the negative situation. The next chapter shall now present the overall discussion in terms of the contributions (theoretical and managerial), limitations of this research, and areas of future research.

CHAPTER SEVEN

CONCLUSION

This chapter is divided into four sections. The first section highlights the theoretical implications that arise from the studies conducted. The second section discusses the managerial implications from the results found thus far. The third section presents the limitations of this research. The fourth section proposes potential avenues for future research.

I. Theoretical Implications

First, the results from the three studies in this thesis demonstrate how the concepts of perceived powerlessness and alienation find application even within the realm of consumer behavior, thereby, paving the way for more interdisciplinary research. Findings also support the stand of those sociology researchers who consider powerlessness to be antecedent to alienation (e.g., Ashforth 1989). It is empirically demonstrated in all three studies that felt alienation mediates the relationship between perceived powerlessness and consumer attitudes. However, it is acknowledged that alienation too can lead to powerlessness, in which case it would be prudent to test this by manipulating alienation and then measuring its impact on powerlessness. Second, this research demonstrates that, within the context of the scenario manipulations used, power is dependent on outcome and not on treatment. Initially, in study 2, level of power was viewed as the result of the combined influence of outcome and treatment. However, the results indicated that only outcome is required for variations in perceptions of power level. This was confirmed in

study 3 as well. However, it is possible that power might not be outcome-dependent. For instance, what if the outcome was positive (branch kept open), but not because of the consumer effort, rather because of a government policy to keep a bank branch on every university campus? Would the consumer still feel powerful? Therefore, if the reason for the positive outcome is regardless of consumer action, the consumer might not feel as powerful. Therefore, if the outcome manipulation had been any different from what was used in this study, results might have been different. Third, this research highlights the need to not consider communal and exchange relationships as being mutually exclusive, or orthogonal, especially since the element of exchange is unavoidable in consumer-brand ties. All three studies demonstrate how consumers can report being simultaneously high on communal ties and exchange ties. Moreover, in a regular banking context, perhaps the need for establishing close ties with the bank might not be more important or preferred to professional ties. Consumers might have a higher need for communal ties in a high-risk investment banking context, which could be a future research agenda. Fourth, this research quantitatively demonstrates that relationship definitely undergoes a transformation on account of the managerially-induced stressor. Such transformation has been thus far qualitatively studied by researchers in consumer behaviour (e.g., Fournier 1998). Fifth, only a few studies in marketing have looked at impact of company transgressions which are violations of unwritten codes, operationalized as careless acts or mistakes by service provider in the realm of consumer-brand ties (e.g., Aaker et al. 2004). My research is different from these as it considers unpopular corporate decisions which are not 'careless' acts, rather 'carefully' thought out decisions that companies make. It is important to distinguish transgressions from stressors. Transgressions can be viewed as a

subset of stressors, wherein, all transgressions are stressors but not all stressors are transgressions. Further, based on Fournier's (1998) classification of relational stressors, transgressions can be classified under partner/dyadic stressors, which is different from managerially-imposed relational stressors examined in my research. Sixth, while treatment and apology do not directly impact the level of power, they moderate the influence of outcome on several other dependent measures, such as alienation, emotions, consumer attitudes, etc. It has been found that treating consumers positively and apologizing for any transgression help reduce negative fallouts of powerlessness and alienation. Seventh, study two demonstrates how alienation as a construct is different from offensive negative emotions (such as bitter, upset, angry, betrayed, etc.). Felt alienation is a valid construct presenting convergent and discriminant validities. Eighth, this research finds support for the role of brand partner quality as a mediator of the relationship between brand sincerity and consumer-brand relationship strength indicators (viz., commitment to the brand and satisfaction with the brand). Ninth, though apology sincerity and forgiveness share a positive relationship, in the event of negative outcomes for consumers, this relationship becomes non-significant. This is perhaps more typical of consumer-brand ties where exchange/businesslike interaction is inbuilt and customers are not as pro-relationship as those nurturing communal/close friendship ties (e.g., Bendapudi and Berry 1997; Clark and Mills 1993).

II. Managerial Implications

First, results indicate that managerially-induced relational stressors that cause consumers to feel powerless can alienate existing consumers resulting in eventual relationship termination. Companies need to ensure that they avoid giving their customers

any sense of powerlessness. They need not endeavor to make their customers feel powerful, but should ensure that they avoid fostering feelings of low power. Second, the top management need not be overly anxious about dilution of brand equity when a one-time unpopular decision has to be made where some of its customers are excluded. This is because customers do not transfer their negative emotions and cognitions from the experience of the unpopular decision to their more general brand attitudes. Their experience is evaluated as an isolated event. This has been found across all three studies. Third, positive treatment can alleviate some of the negative fallouts of powerlessness and alienation, whereas, negative treatment of consumers will make things worse. In general, consumers expect positive treatment from service providers. Fourth, constant evaluations of the brand personality (as being sincere) and brand partner quality are critical to ensure that the consumer-brand relationship stays strong, as indicated by satisfaction with the brand and commitment to the brand. Fifth, sincere apology by the company in the event of transgressions can help diminish the magnitude of unfavorable outcomes and result in consumer willing to forgive the brand. However, in negative outcome situations, the relationship between apology sincerity and forgiveness become non-significant. This means that companies should wisely navigate the process of implementing unfavorable or unpopular decisions, ensuring that consumers do not perceive the apology as being insincere.

Overall, this research demonstrates that as power declines, magnitude of alienation increases, along with other negative consequences such as stronger intensity of negative emotions, unfavorable consumer attitudes and behavioral intentions, as well as relationship transformation from communal to exchange. Positive treatment meted out to

the consumers as well as an offer of sincere apology by the service provider can help reduce the magnitude of some of the negative consequences of alienation while helping build stronger consumer-brand relationships.

III. Limitations

There are several limitations to this research. First, the use of university students as subjects limits the generalizability of the findings. Second, the context in which the research is examined is limited to a bank brand. Third, experimental design by its very nature does not consider several other factors (such as pre-task affect, availability of alternative options, coping behaviour of respondents, etc.) that would influence the responses in a real world situation. Fourth, the studies do not consider the long term effects of powerlessness and alienation, i.e., they do not consider whether time might reduce or exacerbate feelings of alienation and other attitudes. To that extent, the findings are limited in application. Fifth, there is not yet sufficient progress made in the consumer-brand relationship domain to effectively manipulate relationship type. Despite the fact that most of the manipulation is being undertaken through hypothetical scenarios, it is acknowledged that this is not the best way to manipulate relationships. Sixth, this thesis builds on the assumption that consumers will petition, lobby, and obtain media coverage when faced with a managerially-imposed relational stressor. This, however, might not be the case in many situations. Seventh, mediation tests using structural equation modeling with the bootstrapping technique has inherent drawbacks such as large residuals due to the small sample sizes, resulting in the inability to compute reliable parameter estimates.

IV. Areas for Future Research

First, the impact of interactions of other dimensions of alienation—normlessness, meaninglessness, social isolation, and self-estrangement (Seeman 1959)—with powerlessness on consumer behavior needs to be further examined. In this thesis, attitude toward the brand has not been adversely impacted. It might be interesting to examine conditions under which the brand attitude will be modified. For instance, perhaps, if the bank indulges in an unethical act ("normlessness") such as losing my personal data, consumer attitude toward the brand can be expected to change. Second, it needs to be explored whether other forms of relational stressors (Fournier 1998) would also result in consumer alienation. Third, other methods to manipulate relationship type need to be considered. In the social psychology literature, researchers recruit participants based on their actual real-life relationships. Perhaps, for consumer-brand ties, it might be apt to recruit communal or exchange customers on the basis of bank databases. Fourth, this thesis has examined the effect of measured mediators. It might be insightful to examine the effect of manipulated mediators as well. Fifth, the dimension of sincerity of apology and forgiveness could be explored in future studies, especially, to identify the ideal method of regaining customer goodwill when forced to make unfavorable decisions, such as closing of a branch at a particular location. Sixth, it would be insightful to examine why some consumers experience guilt while others experience shame when dealing with a relational confrontation, as found in study one.

LITERATURE CITED

Aaker, D.A. (1996), *Building Strong Brands*, New York: The Free Press.

Aaker, J. (1997), "Dimensions of Brand Personality," *Journal of Marketing Research*, 34 (August), 347-57.

Aaker, J., S. Fournier, and S.A. Brasel (2004), "When Good Brands Do Bad," *Journal of Consumer Research*, 31 (1), 1-16.

Acevedo, G.A. (2005), "Turning Anomie on Its Head: Fatalism as Durkheim's Concealed and Multidimensional Alienation Theory," *Sociological Theory*, 23 (March), 75-85.

Aggarwal, P. (2004), "The Effects of Brand Relationship Norms on Consumer Attitudes and Behavior," *Journal of Consumer Research*, 31 (June), 87-101.

Aggarwal, P. and S. Law (2005), "Role of Relationship Norms in Processing Brand Information," *Journal of Consumer Research*, 32 (December), 453-64.

Aiken M. and J. Hage (1966), "Organizational Alienation: A Comparative Analysis," *American Sociological Review*, 31 (August), 497-507.

Aisner, J.E. (2002), "More Than a Name: The Role of Brands in People's Lives – Research by Susan M. Fournier," Quarterly Report on Research, Harvard Business School – Leading Research, 2 (1).

Ajzen, I. and M. Fishbein (1980), *Understanding Attitudes and Predicting Social Behavior*, Englewood Cliffs, NJ: Prentice-Hall.

Ajzen, I. (1991), "The Theory of Planned Behavior," *Organizational Behavior and Human Decision Processes*, 50(2), 179-211.

Ajzen, I. (2001), "Nature and Operation of Attitudes," *Annual Review of Psychology*, Vol. 52, 27-58.

Algesheimer, R. (2004), "Brand Communities: Begriff, Grundmodell und Implikation," *Proquest Dissertations and Theses*, Universitaet St. Gallen – Hochschule fuer Wirtschafts-, Rechts-, und Sozialwissenschaften, Publication Number: AAT CB34944.

Algesheimer, R., U.M. Dholakia, and A. Herrmann (2005), "The Social Influence of Brand Community: Evidence from European Car Clubs," *Journal of Marketing*, 69 (July), 19-34.

Allison, N.K. (1978), "A Psychometric Development of a Test for Consumer Alienation from the Marketplace," *Journal of Marketing Research*, 15 (4), 565-75.

Arokach, A. (2006), "Alienation and Domestic Abuse: How Abused Women Cope with Loneliness," *Social Indicators Research*, 78 (2), 327-40.

Ashforth, B.E. (1989), "The Experience of Powerlessness in Organizations," *Organizational Behavior and Human Decision Processes*, 43 (2), 207-42.

Bachman, G.F. and L.K. Guerrero (2006), "Forgiveness, Apology, and Communicative Responses to Hurtful Events," *Communication Reports*, 19 (1), 45-56.

Bagozzi, R.P. and U.M. Dholakia (2006), "Antecedents and Purchase Consequences of Customer Participation in Small Group Brand Communities," *International Journal of Research in Marketing*, 23 (1), 45-61.

Barnes, J.G. (1997), "Closeness, Strength, and Satisfaction: Examining the Nature of Relationships," *Psychology & Marketing*, 14 (18), 765-90.

Baron, R.M. and D.A. Kenny (1986), "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations," *Journal of Personality and Social Psychology*, 51 (6), 1173-82.

Beatty, S.E., M. Mayer, J.E. Coleman, K.E. Reynolds, and J. Lee (1996), "Customer-Sales Associate Retail Relationship," *Journal of Retailing*, 72 (3), 223-47.

Bendapudi, N. and L.L. Berry (1997), "Customer Receptivity to Relationship Marketing," *Journal of Retailing*, 73(1), 15-37.

Blackston, M. (2000), "Observations: Building Brand Equity by Managing the Brand's Relationships," *Journal of Advertising Research*, 40, 101-05.

Blanchard, J. and N. Lurie (2004), "R-E-S-P-E-C-T: Patient Reports of Disrespect in the Health Care Setting and Its Impact on Care," *The Journal of Family Practice*, 53 (9), 721-30.

Blauner, R. (1964), *Alienation and Freedom: The Factory Worker and His Industry*, Chicago: University of Chicago Press.

Bollen, K.A. and R. Stine (1990), "Direct and Indirect Effects: Classical and Bootstrap Estimates of Variability," *Sociological Methodology*, 20, 115-40.

Bougie, R., R. Pieters, and M. Zeelenberg (2003), "Angry Customers Don't Come Back, They Get Back: The Experience and Behavioral Implications of Anger and Dissatisfaction in Services," *Journal of the Academy of Marketing Science*, 31 (4), 377-93.

Brown, T.J., T.E. Barry, P.A. Dacin, and R.A. Gunst (2005), "Spreading the Word: Investigating Antecedents of Consumers' Positive Word-of-Mouth Intentions and Behaviors in a Retailing Context," *Journal of the Academy of Marketing Science*, 33 (2), 123-138.

Browning, C.J., M.F. Farmer, H.D. Kirk, and G.D. Mitchell (1961), "On the Meaning of Alienation," *American Sociological Review*, 26, 780-81.

Burbach, H.J. (1972), "The Development of a Contextual Measure of Alienation," *The Pacific Sociological Review*, 15 (2), 225-34.

Chevalier, M. and G. Mazzalovo (2004), *Pro Logo: Brands as a Factor of Progress*, Palgrave Macmillan.

Clark, J.P. (1959), "Measuring Alienation Within A Social System," *American Sociological Review*, 24 (6), 849-52.

Clark, M.S. and E.J. Finkel (2005), "Willingness to Express Emotion: The Impact of Relationship Type, Communal Orientation, and Their Interaction," *Personal Relationships*, 12, 169-80.

Clark, M.S. and J. Mills (1993), "The Difference Between Communal and Exchange Relationships: What It Is and What It Is Not," *Personality and Social Psychology Bulletin*, 19 (December), 684-91.

Crosby, L.A., K.R. Evans, and D. Cowles (1990), "Relationship Quality in Services Selling: An Interpersonal Influence Perspective," *Journal of Marketing*, 54 (July), 68-81.

Czepiel, J.A. (1990), "Service Encounters and Service Relationships: Implications for Research," *Journal of Business Research*, 20 (1), 13-21.

Davis, S.M. (2000), *Brand Asset Management: Driving Profitable Growth Through Your Brands*, San Francisco: Jossey-Bass, A Wiley Company.

Dawar, N. (2004), "What Are Brands Good For?" *MIT Sloan Management Review*, 46 (1), 31-7.

Dean, D.G. (1961), "Alienation: Its Meaning and Measurement," *American Sociological Review*, 26 (5), 753-58.

Denise, T.C. (1973), "The Concept of Alienation: Some Critical Notices," in *Alienation: Concept, Term & Meaning*, Ed. F. Johnson, New York: Seminar Press.

Dholakia, U.M., R.P. Bagozzi, and L.K. Pearo (2004), "A Social Influence Model of Consumer Participation in Network- and Small-Group-Based Virtual Communities," *International Journal of Research in Marketing*, 21, 241-63.

Dohrenwend, B. Snell, L. Krasnoff, A.R. Askenasy, and B.P. Dohrenwend (1978), "Exemplification of a Method for Scaling Life Events: The PERI Life Events Scale," *Journal of Health and Social Behavior*, 19 (June), 205-29.

Durkheim, E. (1972), "Anomy," in *Alienation and the Social System*, Ed. A.W. Finifter, John Wiley & Sons, Inc., pp. 18-23.

Efron, B. and R. Tibshirani (1993), *An Introduction to the Bootstrap*, New York: Chapman and Hall/CRC.

Faunce, W.A. (1968), *Problems of an Industrial Society*, New York: McGraw-Hill.

Finkel, E.J., C.E. Rusbult, M. Kumashiro, and P.A. Hannon (2002), "Dealing With Betrayal in Close Relationships: Does Commitment Promote Forgiveness?" *Journal of Personality and Social Psychology*, 82 (6), 956-74.

Fishbein M. and I. Ajzen (1975), *Beliefs, Attitudes, Intensions, and Behavior: An Introduction to Theory and Research*, Reading, MA: Addison-Wesley.

Fletcher, G.J.O., J.A. Simpson, G. Thomas, and L. Giles (1999), "Ideals in Intimate Relationships," *Journal of Personality and Social Psychology*, 76 (1), 72-89.

Fornell, C. and D.F. Larcker (1981), "Evaluating Structural Equation Models With Unobservable Variables and Measurement Error," *Journal of Marketing Research*, 18 (February), 39–50.

Foster, S. (1989), "Social Alienation and Peer Identification: A Study of the Social Construction of Deafness," *Human Organization*, 48 (3), p. 226.

Fournier, S. (1994), *A Consumer-Brand Framework for Strategic Brand Management*, Ph.D. Dissertation, University of Florida, Gainesville.

Fournier, S. (1998), "Consumers and Their Brands: Developing Relationship Theory in Consumer Research," *Journal of Consumer Research*, 24 (March), 343-73.

Fromm, E. (1955), *The Sane Society*, New York: Rinehart.

Geyer, F.R. (1976), "Individual Alienation and Information Processing: a Systems Theoretical Conceptualization," in *Theories of Alienation: Critical Perspectives in Philosophy and the Social Sciences*, Eds. F.R. Geyer and D.R. Schweitzer, Leiden: Martinus Nijhoff Social Sciences Division, pp. 189-223.

Geyer, F.R. and D.R. Schweitzer (1976), "Introduction," *Theories of Alienation: Critical Perspectives in Philosophy and the Social Sciences*, Eds. F.R. Geyer and D.R. Schweitzer, Leiden: Martinus Nijhoff Social Sciences Division, pp. xiv-xxv.

Gilmore, G.W. (1919), *Animism or Thought Currents of Primitive Peoples*, Boston: Jones.

Goodwin, C. (1996), "Communality as a Dimension of Service Relationships," *Journal of Consumer Psychology*, 5 (4), 387-415.

Goodwin, C. and D.D. Gremler (1996), "Friendship over the Counter: How Social Aspects of Service Encounters Influence Consumer Service Loyalty," in T.A. Swartz, D.E. Bowen, and S.W. Brown (Editors) *Advances in Services Marketing and Management*, Vol. 5, London: JAI Press, pp. 247– 82.

Gotlieb, J., D. Grewal, M. Levy, and J. Lindsey-Mullikin (2004), "An Examination of Moderators of the Effects of Customers' Evaluation of Employee Courtesy on Attitude Toward the Service Firm," *Journal of Applied Social Psychology*, 34 (April), 825-847.

Gummesson, E. (1990), *The Part-Time Marketer*, Center for Service Research, Karlstad, Sweden.

Gwinner, K.P., D.D. Gremler, and M.J. Bitner (1998), "Relational Benefits in Services Industries: The Customer's Perspective," *Journal of the Academy of Marketing Science*, 26 (2), 101 –14.

Haas, S.M. and M.J. Arnold (2004), "Brand-Self Convergence: A Netnographic Investigation of Brand Communities," *American Marketing Association, Conference Proceedings: 2004 Summer AMA Educators' Proceedings: Enhancing Knowledge*, 15, 240-46.

Hareli, S. and Z. Eisikovits (2006), "The Role of Communicating Social Emotions Accompanying Apologies in Forgiveness," *Motiv Emot*, 30, 189-97.

Heatherton, T.F. and J. Polivy (1991), "Development and Validation of a Scale for Measuring State Self-Esteem," *Journal of Personality and Social Psychology*, 60, 895-910.

Hennig-Thurau, T. and A. Klee (1997), "The Impact of Customer Satisfaction and Relationship Quality on Customer Retention: A Critical Reassessment and Model Development," *Psychology & Marketing*, 14 (8), 737-64.

Hess, J. and J. Story (2005), "Trust-Based Commitment: Multidimensional Consumer-Brand Relationships," *Journal of Consumer Marketing*, 22 (6), 313-22.

Hickman, T.M. (2005), "Intergroup Rivalry in Brand Communities: A Social Identity Theory Perspective," *Proquest Dissertations and Theses*, Arizona State University, Publication Number: AAT 3178245.

Hill, S. and C. Lederer (2001), *The Infinite Asset: Managing Brands To Build New Value*, Boston, MA: Harvard Business School Press.

Hu, L. and P.M. Bentler (1999), "Cutoff Criteria for Fit Indexes in Covariance Structure Analysis: Conventional Criteria versus New Alternatives," *Structural Equation Modeling*, 6(1), 1– 55.

Izard, C.E. (1991), The Psychology of Emotions, New York: Plenum Press.

Jeng, S.P. and C.F. Lin (2005), "Effects of Relationship, Switching Costs, and Marketing Programs on Customer Switching Intentions in the Life Insurance Industry", *Journal of Management*, 22 (3), 377-89.

Johnson, F. (1973), *Alienation: Concept, Term, and Meanings*, Seminar Press, Inc.: New York, p. 3-81, 369-84.

Kanungo, R.N. (1979), "The Concepts of Alienation and Involvement Revisited," *Psychological Bulletin*, 86, 119-38.

Keller, K.L. (1993), "Conceptualizing, Measuring, and Managing Customer-Based Brand Equity," *Journal of Marketing*, 57 (1), 1-22.

Kenniston, K. (1972), "The Varieties of Alienation: An Attempt at Definition," in *Alienation and the Social System*, Ed. A.W. Finifter, John Wiley & Sons, Inc., pp. 32-45.

Kotler, P.H. (1991), *Marketing Management: Analysis, Planning, and Control*, 8th ed. Englewood Cliffs, NJ: Prentice-Hall, Inc.

Krishnan, P., S. Samu, and R.A. Litz (2006), "Exploring the Role of Retailers in Brand Communities: Brand Equity, Identification, and Performance in Trade Name Franchise," *Administrative Sciences Association of Canada 2006 Conference Proceedings*, Vol. 27.

Krishnan, S. and V.A. Valle (1979), "Dissatisfaction Attributions and Consumer Complaining Behavior," *Advances in Consumer Research*, 6, 445–49.

Lambert, Z.V. (1980), "Consumer Alienation, General Dissatisfaction, and Consumerism Issues: Conceptual and Managerial Perspectives," *Journal of Retailing*, 56 (2), 3-24.

Lazarus, R.S. and A. DeLongis (1983), "Psychological Stress and Coping in Aging," *American Psychologist*, 38 (March), 245-54.

Lazarus, R.S. and S. Folkman (1984), *Stress, Appraisal, and Coping*, New York: Springer.

Lazarus, R.S. (1991), "Progress on a cognitive-motivational-relational theory of emotion," *American Psychologist*, 46 (8), 819-34.

Levy, S.J. (1985), "Dreams, Fairy Tales, Animals, and Cars," *Psychology and Marketing*, 2 (Summer), 67-81.

Liao, H. (2007), "Do It Right This Time: The Role of Employee Service Recovery Performance in Customer-Perceived Justice and Customer Loyalty After Service Failures," *Journal of Applied Psychology*, 92 (2), 475-89.

Lindstrom, Martin (2005), "Building Your Brand's Community and Tap Its Energy," *Media*, Hong Kong: Aug 26, 2005, p. 20.

Ludz, P.C. (1976), "Alienation as a Concept in the Social Sciences," *Theories of Alienation: Critical Perspectives in Philosophy and the Social Sciences*, Eds. R.F. Geyer and D.R. Schweitzer, Leiden: Martinus Nijhoff Social Sciences Division, pp. 3-37.

Lukes, S. (1967), "Alienation and Anomie," pp. 134-156 in *Philosophy, Politics, and Society* (3rd Series), Eds. P. Laslett and W.G. Runciman, Oxford, UK: Basil Blackwell.

Lukes, S. (1972), "Alienation and Anomie," in *Alienation and the Social System*, Ed. A.W. Finifter, John Wiley & Sons, Inc., pp. 24-32.

Mackie, D.M., T. Devos, and E.R. Smith (2000), "Intergroup Emotions: Explaining Offensive Action Tendencies in an Intergroup Context," *Journal of Personality and Social Psychology*, 79 (4), 602-16.

Marcuse, H. (1941), *Reason and Revolution*, Oxford University Press: New York.

Marx, K. (1972), "Alienated Labour," in *Alienation and the Social System*, Ed. A.W. Finifter, John Wiley & Sons, Inc., pp. 12-18.

Maxham, J.G. and R.G. Netemeyer (2002), "Modeling Customer Perceptions of Complaint Handling: The Effects of Perceived Justice on Complainant Attitudes and Intentions," *Journal of Retailing*, 78, 239-252.

McAlexander, J.H., J.W. Schouten, and H.F. Koenig (2002), "Building Brand Community," *Journal of Marketing*, 66 (January), 38-54.

McCracken, G. (1995), *Big Hair: A Journey into the Transformation of Self*, Toronto: Viking/Penguin Books of Canada.

McGill, A.L. (1998), "Relative Use of Necessity and Sufficiency Information in Causal Judgments about Natural Categories," *Journal of Personality and Social Psychology*, 75 (July), 70-81.

Merton, R.K. (1957), *Social Theory and Social Structure*, revised and enlarged edition, New York: Free Press of Glencoe.

Meyer, E.H. (1990), "Retail on the Rebound," *Direct Marketing*, May edition, 53.

Mikulincer, M. and I. Orbach (1995), "Attachment Styles and Repressive Defensiveness: The Accessibility and Architecture of Affective Memories," *Journal of Personality and Social Psychology*, 68 (5), 917-25.

Morita M. and K.G. Nishimura (2002), "Alienation in the Internet Society: Changes in Car Buyer Attitudes in the Japanese Automobile Industry," *International Journal of Automotive Technology and Management*, 2 (2), 190-205.

Mottaz, C.J. (1981), "Some Determinants of Work Alienation," *Sociological Quarterly*, 22 (4), 515-29.

Mueller, Jennifer M. (2004), "Amortization of Certain Intangible Assets," *Journal of Accountancy*, 198 (6), 74-8.

Muniz, A.M., Jr. and T.C. O'Guinn (2001), "Brand Community," *Journal of Consumer Research*, 27 (March), 412-32.

Muniz, A.M., Jr. and H.J. Schau (2005), "Religiosity in the Abandoned Apple Newton Brand Community," *Journal of Consumer Research*, 31 (March), 737-47.

Neal, A.G. and S. Rettig (1967), "On the Multidimensionality of Alienation," *American Sociological Review*, 32 (1), 54-64.

Neimeyer, G.J. and R.A. Neimeyer (1985), "Relational Trajectories: A Personal Construct Contribution," *Journal of Social and Personal Relationships*, 2, 325-49.

Nettler, G. (1957), "A Measure of Alienation," *American Sociological Review*, 22 (6), 670-7.

Nunnally, J. (1978), *Psychometric Theory*, New York: McGraw-Hill Book Company.

Nyer, P.U. and M. Gopinath (2005), "Effects of Complaining Versus Negative Word of Mouth on Subsequent Changes in Satisfaction: The Role of Public Commitment," *Psychology & Marketing*, 22 (12), 937-53.

Oetting, E.R. and J.F. Donnermeyer (1998), "Primary Socialization Theory: The Etiology of Drug Use and Deviance," *Substance Use and Misuse*, I (33), 995-1026.

Panksepp, J. (2005), "Why Does Separation Distress Hurt? Comment on MacDonald and Leary," *Psychological Bulletin*, 131 (March), 224-30.

Plummer, J. (1985), "How Personality Makes a Difference," *Journal of Advertising Research*, 24 (December/January), 27-31.

Pruden, H.O. and D.S. Longman (1972), "Race, Alienation, and Consumerism," *Journal of Marketing*, 36 (3), 58-63.

Ragas, M.W. and B.J. Bueno (2002), *The Power of Cult Branding: How 9 Magnetic Brands Turned Customers into Loyal Followers (and Yours Can, Too)*, New York: Prima Venture.

Raghunathan, R., M.T. Pham, and K.P. Corfman (2006), "Informational Properties of Anxiety and Sadness, and Displaced Coping," *Journal of Consumer Research*, 32 (4), 596-601.

Rotter, J.B. (1966), "Generalized Expectancies for Internal vs. External Control of Reinforcement," *Psychological Monographs*, 80, 1-28.

Rozanski, H.D., A.G. Baum, and B.T. Wolfsen (1999), "Brand Zealots: Realizing the Full Value of Emotional Brand Loyalty," *Strategy and Business*, 17 (Fourth Quarter), 51-62.

Schouten, J.W. and J.H. McAlexander (1995), "Subcultures of Consumption: An Ethnography of the New Bikers," *Journal of Consumer Research*, 22 (June), 43-61.

Seeman, M. (1959), "On the Meaning of Alienation," *American Sociological Review*, 24, 783-91.

Seeman, M. (1975), "Alienation Studies," *Annual Review of Sociology*, 1, 91-123.

Seligman, M.E.P. (1975), *Helplessness: On Depression, Development, and Death*, San Francisco: Freeman.

Shepard, J.M. (1972), "Alienation as a Process: Work as a Case in Point," *Sociological Quarterly*, 13, 161-73.

Shrout, P.E. and N. Bolger (2002), "Mediation in Experimental and Nonexperimental Studies: New Procedures and Recommendations," *Psychological Methods*, 7 (4), 422-45.

Singh, J. and R.E. Wilkes (1996), "When Consumer Complain: A Path Analysis of the Key Antecedents of Consumer Complaint Response Estimates," *Journal of the Academy of Marketing Science*, 24 (4), 350-65.

Sommer, K.L., K.D. Williams, N.J. Ciarocco, and R.F. Baumeister (2001), "When Silence Speaks Louder than Words: Explorations into the Intrapsychic and Interpersonal Consequences of Social Ostracism," *Basic and Applied Social Psychology*, 2, 225-43.

Srivastava, R.K., T.A. Shervani, and L. Fahey (1998), "Market-Based Assets and Shareholder Value: A Framework for Analysis," *Journal of Marketing*, 62 (1), 2-18.

Srole, L. (1956), "Social Integration and Certain Corollaries: An Exploratory Study," *American Sociological Review*, 21, 709-16.

Stephens, N. and K.P. Gwinner (1998), "Why Don't Some People Complain? A Cognitive-Emotive Process Model of Consumer Complaint Behavior," *Journal of the Academy of Marketing Science*, 26 (3), 172-189.

Story, J. and J. Hess (2006), "Segmenting Customer-Brand Relations: Beyond the Personal Relationship Metaphor," *Journal of Consumer Marketing*, 23 (7), 406-13.

Strickland, B.R. (1978), "Internal-External Expectancies and Health-Related Behaviors," *Journal of Consulting and Clinical Psychology*, 46, 1192-211.

Van Beest, I. and K.D. Williams (2006), "When Inclusion Costs and Ostracism Pays, Ostracism Still Hurts," *Journal of Personality and Social Psychology*, 91, 918–28.

Van Dijk, W.W., M. Zeelenberg, and J. Van der Pligt (1999), "Not Having What You Want versus Having What You Do Not Want: The Impact of Negative Outcome on

the Experience of Disappointment and Related Emotions," *Cognition and Emotion*, 13 (2), 129-48.

Wallston, B.S. and K.A. Wallston (1978), "Locus of Control and Health: A Review of the Literature," *Health Education Monographs*, 6, 107-17.

Watson, D., L.A. Clark, and A. Tellegen (1988), "Development and Validation of Brief Measures of Positive and Negative Affect: The PANAS Scales," *Journal of Personality and Social Psychology*, 54 (June), 1063-70.

Williams, K.D., C.K. Cheung, and W. Choi (2000), "Cyberostracism: Effects of Being Ignored over the Internet," *Journal of Personality and Social Psychology*, 79 (5), 748-62.

Williamson, G.M. and M.S. Clark (1989), "The Communal/Exchange Distinction and Some Implications for Understanding Justice in Families," *Social Justice Research*, 3 (2), 77-103.

Williamson, I. and C. Cullingford (1997), "The Uses and Misuses of 'Alienation' in the Social Sciences and Education," *British Journal of Educational Studies*, 45 (3), 263-75.

Yi, S. and H. Baumgartner (2004), "Coping with Negative Emotions in Purchase-Related Situations," *Journal of Consumer Psychology*, 14 (3), 303-17.

Zadro, L., K.D. Williams, and R. Richardson (2004), "How Low Can You Go? Ostracism by a Computer is Sufficient to Lower Self-Reported Levels of Belonging, Control,

Self-Esteem, and Meaningful Existence," *Journal of Experimental Social Psychology*, 40 (4), 560-7.

Zeelenberg, M. and R. Pieters (2004), "Beyond Valence in Customer Dissatisfaction: A Review and New Findings on Behavioral Responses to Regret and Disappointment in Failed Services," *Journal of Business Research*, 57, 445-55.

Study 1: Pre-Test Scenario – "Powerful"

Please carefully read and imagine this scenario:

You have been banking at the university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good.

Please turn to the next page and do not turn back to this page once you get started.

Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement – **"the branch would be closed down in 30 days"**. This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult. The closing down of the campus branch of Grove Bank is extremely inconvenient for you. You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition. Because of the strong movement that you are a part of and your time and efforts, Grove Bank decides not to shut down the university campus branch. They send you a letter communicating this decision with an apology for the inconvenience caused to you. When you visit the branch location the next time, you find that the bank is open for regular business.

Please turn to the next page and do not turn back to this page once you get started.

Study 1: Pre-Test Scenario – "Powerless"

Please carefully read and imagine this scenario:

You have been banking at the university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good.

Please turn to the next page and do not turn back to this page once you get started.

Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement – "**the branch would be closed down in 30 days**". This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult. The closing down of the campus branch of Grove Bank is extremely inconvenient for you. You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition. Despite the strong movement that you are a part of and your time and efforts, Grove Bank decides to shut down the university campus branch. They do not send you a letter communicating this decision and do not apologize for the inconvenience caused to you. When you visit the branch location the next time, you find that the bank has been closed.

Please turn to the next page and do not turn back to this page once you get started.

Study 1: Pre-Test Scenario – "Power Control"

Please carefully read and imagine this scenario:

You have been banking at the university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good.

Please turn to the next page and do not turn back to this page once you get started.

Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement – **"the branch would be closed down in 30 days"**. This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult. The closing down of the campus branch of Grove Bank would be extremely inconvenient for you.

Please turn to the next page and do not turn back to this page once you get started.

Appendix 1.4.

Study 1: Pre-Test Questions – "Powerful" & "Powerless"

Section 1

The following questions relate to your beliefs and thoughts concerning the decision of Grove Bank.

1. There is little that people like me can do to change the decision of Grove Bank.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

2. There is little use in complaining to the Grove Bank officials because usually they will not do anything to satisfy an individual customer.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

3. It is only wishful thinking to believe that one can really influence what happens at Grove Bank.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

4. A few people in power run Grove Bank and there is not much that an individual customer like me can do.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

5. Most of the time, I feel that I have an effective voice in the decisions made by Grove Bank.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

6. More and more, I feel helpless in the face of what is happening at Grove Bank.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

7. An individual customer like me has little chance of protecting his/her personal interests when they are in conflict with those of Grove Bank.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

8. The size and complexity of Grove Bank make it very difficult for an individual customer to know where to turn.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

9. The bureaucracy/rules and regulations of Grove Bank have me confused.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

10. Things have become so complicated at Grove Bank that I really do not understand what is going on.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

11. I cannot seem to make much sense of my banking experience at Grove Bank.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

12. I hardly know what to expect day to day from Grove Bank.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

13. It seems to me that Grove Bank is justified in doing almost anything if it means making higher profits.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

14. Grove Bank does things that put others in inconvenience in order to get ahead in the world.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

15. To be a success, it is usual for Grove Bank to be inconsiderate towards individual customers.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

16. Grove Bank would not mind doing wrong to its customers when its interests conflict with those of its customers.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

17. The main reason why Grove Bank would do the right thing is to avoid negative publicity and penalties.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

18. It would be best for Grove Bank to be honest in its dealings even if it resulted in lower profits.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

19. I feel that I am an integral part of the Grove Bank community.

Strongly
Disagree

Strongly
Agree

1   2   3   4   5   6   7

20. I seldom feel 'lost' or 'alone' in the Grove Bank community.

Strongly
Disagree

                                                                   Strongly
Agree

1   2   3   4   5   6   7

21. My experience at Grove Bank has been devoid of any meaningful relationships.

Strongly
Disagree
                                                                    Strongly
Agree

1   2   3   4   5   6   7

22. Grove Bank is just too big and impersonal to provide for the individual customer.

Strongly
Disagree
                                                                    Strongly
Agree

1   2   3   4   5   6   7

23. I feel like there is a barrier or separation between Grove Bank and me because of their current decision.

Strongly
Disagree
                                                                    Strongly
Agree

1   2   3   4   5   6   7

24. I feel excluded by Grove Bank.

Strongly
Disagree
                                                                    Strongly
Agree

1   2   3   4   5   6   7

Section 2

The following question relates to your attitude towards the decision of Grove Bank.

25. The latest decision of Grove Bank is:

(i)

Bad   *Good*

1   2   3   4   5   6   7

(ii)

Foolish   *Wise*

1   2   3   4   5   6   7

(iii)

Harmful To
Me   *Beneficial*
For Me

1   2   3   4   5   6   7

(iv)

Unpleasant   *Pleasant*

1   2   3   4   5   6   7

(v)

Punishing   *Rewarding*

1   2   3   4   5   6   7

Section 3

The following questions are based on the scenario that you were asked to imagine.

26. The scenario is

Very Unlikely
To Occur   *Very Likely*
To Occur

1   2   3   4   5   6   7

27. What was Grove Bank planning to do?

☐ *Open another branch on campus*

☐ *Close the campus branch*

☐ *Change the hours of operation*

28. What did Grove Bank do after you sent the formal letter?

    ☐ *Closed the campus branch*

    ☐ *Kept the campus branch open*

    ☐ *Changed the hours of operation*

29. Did Grove Bank communicate with you after you sent the formal letter?

    ☐ *Yes, it did*   ☐ *No, it didn't*

Section 4

The following questions are about your <u>real-life banking history</u>.

30. How many banks do you currently have account(s) with?

    ☐ *None*   ☐ *One*   ☐ *Two*   ☐ *More than two*

31. How many credit cards do you currently have?

    ☐ *None*   ☐ *One*   ☐ *Two*   ☐ *More than two*

32. How frequently do you visit a local branch for services other than ATM?

    ☐ *Never*   ☐ *Once a month*

    ☐ *Once every 2-3 months*   ☐ *Once every 4 months*

    ☐ *Once every 6 months*   ☐ *Once every year*

    ☐ *Other (please specify:* _____)

33. (i) Do you do online banking?

    ☐ *Yes*   ☐ *No*

   (ii) If yes, how frequently do you do online banking?

    ☐ *More than once a week*   ☐ *Once a week*

    ☐ *Once every 2 weeks*   ☐ *Once every month*

    ☐ *Other (please specify:* _____)

Section 5

The following questions are on your demographic profile.

34. Your nationality:

    ☐ *Canadian*   ☐ *Other (Please specify:* _____)

35. Your age: _____ years.

36. Your gender:

    ☐ *Male*   ☐ *Female*

37. Language spoken at home:

    ☐ *English*   ☐ *Other (Please specify:* _____)

38. Current faculty at the U of M:

    ☐ *Management*   ☐ *Arts* ☐ *Science*

    ☐ *Other (Please specify:* _____)

Appendix 1.5.

RESPONDENTS ARE ASKED THE SAME SET OF QUESTIONS AS LISTED IN APPENDIX 1.4, EXCLUDING QUESTION # 28-29 (i.e., questions related to the bank's final decision).

Study 1: Pre-Test #1 Scenario – "Communal Relationship"

Please carefully read and imagine this scenario:

You have been banking at the university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with the quality of their services. When you first joined university, you had opened an account with them. You still remember how thrilled you were when you got your first credit card from them. You have always associated the bank with positive feelings since you often visit the bank whenever you receive money from home. The bank has always treated you well. Over the past few years, whenever you visited the bank, you have had a very pleasant and warm interaction. They seem to be taking a personal interest in you, and have often taken the initiative to suggest ways to better manage your idle funds in the bank. Overall, your experience with Grove Bank has been memorable.

Please turn to the next page and do not turn back to this page once you get started.

Study 1: Pre-Test #1 Scenario – "Exchange Relationship"

Please carefully read and imagine this scenario:

You have been banking at the university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with their efficiency and the quality of their services. You have taken a loan from the bank and, in fact, they were able to get the paperwork done quite quickly. Their interest rates are also among the best in the city. You also use their credit card because they offer a large credit limit and very good interest rates. Grove Bank also periodically makes some offers to you that appear to be of great value. In the past, whenever you have gone to the branch, you have gotten your work done very fast – they respect your time, and get the job done very fast. Their executives seem to be quite well trained and smart. Overall, your experience with Grove Bank has been excellent.

Please turn to the next page and do not turn back to this page once you get started.

Appendix 1.8.

> ### Study 1: Pre-Test #1 Questions – "Communal Relationship" & "Exchange Relationship"

Section 1

The following questions relate to your relationship with Grove Bank. Please circle the number that best illustrates your answer.

1. I have warm feelings for Grove Bank.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

2. Grove Bank helps me in times of need.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

3. I'd miss Grove Bank if I moved away.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

4. Grove Bank treats me special.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

5. Grove Bank cares for me.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

6. Grove Bank likes me.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

7. I care for Grove Bank.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

8. Grove Bank provides good value for money.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

9. Grove Bank provides good service to get business.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

10. I get my money's worth from Grove Bank.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

11. Grove Bank provides its services at the time it promises to do so.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

12. Grove Bank is dependable.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

13. When Grove Bank promises to do something by a certain time, it does so.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

14. Grove Bank is efficient.

Strongly Disagree   *Strongly Agree*
    1   2   3   4   5   6   7

Section 2

Now, imagine that Grove Bank comes alive and becomes a person.

15. To what extent is Grove Bank like a close friend?

Not At All   *Extremely So*
   1   2   3   4   5   6   7

16. To what extent is Grove Bank like a family member?

Not At All   *Extremely So*
   1   2   3   4   5   6   7

17. To what extent is Grove Bank like a person that I care about?

Not At All   *Extremely So*
   1   2   3   4   5   6   7

18. To what extent is Grove Bank like a businessperson?

Not At All   *Extremely So*
   1   2   3   4   5   6   7

19. To what extent is Grove Bank like a merchant?

Not At All   *Extremely So*
   1   2   3   4   5   6   7

20. To what extent is Grove Bank like a person I would have business relations with?

Not At All   *Extremely So*
   1   2   3   4   5   6   7

There are three picture groups (A, B, and C) shown below. Questions 21 to 25 are based on these picture groups.

Group A	Group B	Group C

21. Which of the 3 picture groups best represents Grove Bank to you?

     ☐ *Group A*   ☐ *Group B*   ☐ *Group C*

22. Which of the 3 picture groups best represents your relationship with Grove Bank?

     ☐ *Group A*   ☐ *Group B*   ☐ *Group C*

23. To what extent does Picture Group A represent your relationship with Grove Bank?

Not At All   *Extremely So*
   1   2   3   4   5   6   7

24. To what extent does Picture Group B represent your relationship with Grove Bank?

Not At All   *Extremely So*

1   2   3   4   5   6   7

25. To what extent does Picture Group C represent your relationship with Grove Bank?

Not At All   *Extremely So*

1   2   3   4   5   6   7

Questions 26 to 27 are based on the following pictures (A, B, C, D, E, and F).
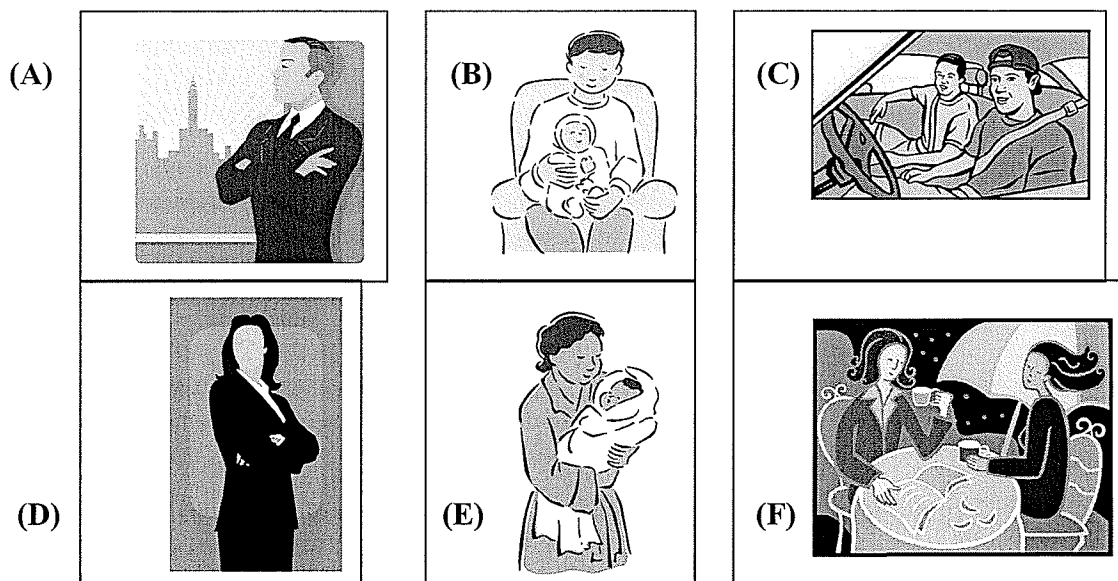
26. Which of the 6 pictures best represents Grove Bank to you?

☐ **A**   ☐ *B*   ☐ *C*   ☐ **D**   ☐ *E*   ☐ *F*

27. Which of the 6 pictures best represents your relationship with Grove Bank?

☐ **A**   ☐ *B*   ☐ *C*   ☐ **D**   ☐ *E*   ☐ *F*

Section 3

The following question is based on the scenario that you were asked to imagine.

28. The scenario is

Very Unlikely   *Very Likely*

To Occur   *To Occur*

1   2   3   4   5   6   7

Section 4

The following questions relate to your <u>real-life banking history</u>.

29. How many banks do you currently have account(s) with?

☐ *None*   ☐ *One*   ☐ *Two*   ☐ *More than two*

30. How many credit cards do you currently have?

☐ *None*   ☐ *One*   ☐ *Two*   ☐ *More than two*

31. How frequently do you visit a local branch for services other than ATM?

☐ *Never*   ☐ *Once a month*

☐ *Once every 2-3 months*   ☐ *Once every 4 months*

☐ *Once every 6 months*   ☐ *Once every year*

☐ *Other (please specify:* _____)

32. (i) Do you do online banking?

    □ *Yes*   □ *No*

   (ii) If yes, how frequently do you do online banking?

    □ *Once a week*   □ *More than once a week*

    □ *Once a month*   □ *Other* (please specify: _____)

Section 5

The following questions are on your demographic profile.

33. Your nationality:

    □ *Canadian*   □ *Other* (Please specify: _____)

34. Your age: _____ years.

35. Your gender:

    □ *Male*   □ *Female*

36. Language spoken at home:

    □ *English*   □ *Other* (Please specify: _____)

37. Current faculty at the U of M:

    □ *Management*   □ *Arts* □ *Science*

    □ *Other* (Please specify: _____)

Study 1: Pre-Test #2 Scenario – "Communal Relationship"

Please carefully read and imagine this scenario:

You have been banking at the university campus branch of Grove Bank for the last five years. The bank has a strong reputation for being warm and friendly. In your personal experience with Grove Bank, you have found this to be true. The bank's executives have been very friendly and caring. They always seem to be cheerful and informal. They get your job done fast. You have always had very pleasant and warm interactions with the bank. You are usually addressed informally by your first name. The bank does special things for you. For instance, on your last birthday, Grove Bank sent you a hand-written card. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good. Given below is one of their advertisements, which appeared in your campus newspaper this year, inviting new students to open an account with the bank:

> **New on campus?**
> **Need to open a bank account?**
>
> **GROVE BANK**
>
> *A Warm & Friendly Banking Experience*

Please turn to the next page and do not turn back to this page once you get started.

Appendix 1.10.

Study 1: Pre-Test #2 Scenario – "Exchange Relationship"

Please carefully read and imagine this scenario:

You have been banking at the university campus branch of Grove Bank for the last five years. The bank has a strong reputation for being professional and competent. In your personal experience with Grove Bank, you have found this to be true. The bank's executives have been very capable and efficient. You have found them to be dignified and formal. They get your job done fast. You have always had very professional and businesslike interactions with the bank. You are usually addressed formally by your last name. The bank provides regular services for you. For instance, when a payment is due from your account, Grove Bank sends you an automatic computer-generated reminder. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good. Given below is one of their advertisements, which appeared in your campus newspaper this year, inviting new students to open an account with the bank:

New on campus?
Need to open a bank account?

GROVE BANK

A Professional & Efficient Banking Experience

Please turn to the next page and do not turn back to this page once you get started.

Study 1: Pre-Test #2 Questions – "Communal Relationship" & "Exchange Relationship"

Section 1

The following questions relate to your relationship with Grove Bank. Please circle the number that best illustrates your answer.

1. I have warm feelings for Grove Bank.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

2. Grove Bank helps me in times of need.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

3. I like Grove Bank.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

4. Grove Bank treats me special.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

5. Grove Bank cares for me.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

6. Grove Bank likes me.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

7. I care for Grove Bank.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

8. Grove Bank provides good value for money.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

9. Grove Bank provides good service to get business.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

10. I get my money's worth from Grove Bank.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

11. Grove Bank provides its services at the time it promises to do so.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

12. Grove Bank is dependable.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

13. When Grove Bank promises to do something by a certain time, it does so.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

14. Grove Bank is efficient.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

Section 2

Now, imagine that Grove Bank comes alive and becomes a person.

15. To what extent is Grove Bank like a close friend?

Not At All   *Extremely So*
1   2   3   4   5   6   7

16. To what extent is Grove Bank like a family member?

Not At All   *Extremely So*
1   2   3   4   5   6   7

17. To what extent is Grove Bank like a person that I care about?

Not At All   *Extremely So*
1   2   3   4   5   6   7

18. To what extent is Grove Bank like a businessperson?

Not At All   *Extremely So*
1   2   3   4   5   6   7

19. To what extent is Grove Bank like a merchant?

Not At All   *Extremely So*
1   2   3   4   5   6   7

20. To what extent is Grove Bank like a person I would have business relations with?

Not At All   *Extremely So*
1   2   3   4   5   6   7

21. To what extent is Grove Bank like a businessperson vis-à-vis a friend?

Businessperson   *Friend*
1   2   3   4   5   6   7   8

Section 3

The following questions relate to your perception of Grove Bank's quality. Please circle the number that illustrates your answer.

22. The quality of Grove Bank's products is:

Bad   *Good*
1   2   3   4   5   6   7

23. The quality of Grove Bank's services is:

Bad   *Good*
1   2   3   4   5   6   7

Section 4

There are three picture groups (A, B, and C) shown below. Questions 24 to 28 are based on these picture groups.
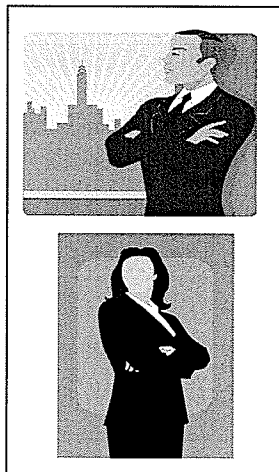
Group A	Group B	Group C
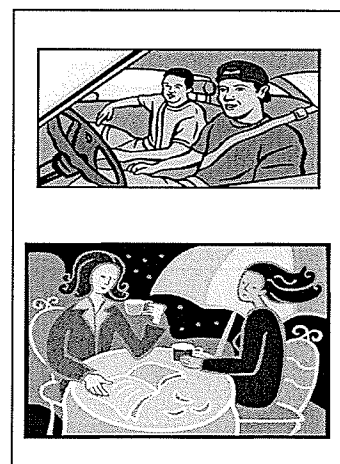
24. (i) Which one or more of the 3 picture groups best <u>represents Grove Bank</u> to you?

    □ *Group A*   □ *Group B*   □ *Group C*

(ii) Provide a ranking of how best the 3 picture groups <u>represent Grove Bank</u> to you. [Rank # 1 is the highest/best and Rank # 3 is the lowest]

        Group A → Rank #_____
        Group B → Rank #_____
        Group C → Rank #_____

25. (i) Which one or more of the 3 picture groups best <u>represents your relationship with Grove Bank</u>?

    □ *Group A*   □ *Group B*   □ *Group C*

(ii) Provide a ranking of how best the 3 picture groups <u>represent your relationship with Grove Bank</u> to you. [Rank # 1 is the highest/best and Rank # 3 is the lowest]

        Group A → Rank #_____
        Group B → Rank #_____
        Group C → Rank #_____

26. To what extent does **Picture Group A** represent your relationship with Grove Bank?

Not At All   *Extremely So*
  1   2   3   4   5   6   7

27. To what extent does **Picture Group B** represent your relationship with Grove Bank?

Not At All   *Extremely So*
  1   2   3   4   5   6   7

28. To what extent does **Picture Group C** represent your relationship with Grove Bank?

Not At All   *Extremely So*
  1   2   3   4   5   6   7

Questions 29 to 30 are based on the following pictures (A, B, C, D, E, and F).
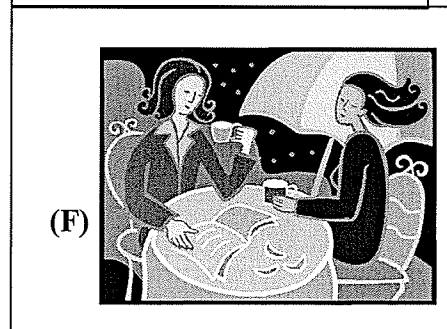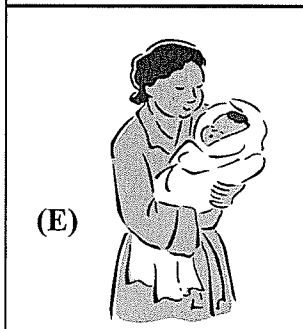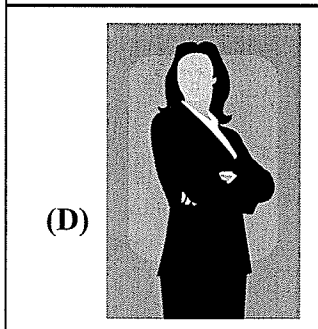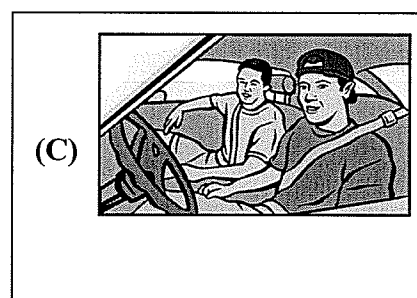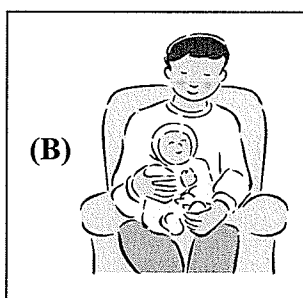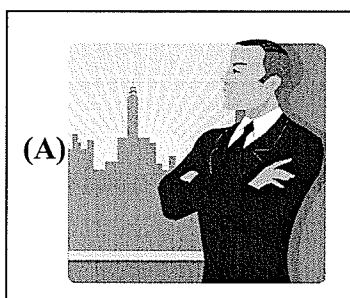
29. Which one or more of the 6 pictures best represents Grove Bank to you?

    □ **A**   □ *B*   □ *C*   □ **D**   □ *E*   □ *F*

30. Which one or more of the 6 pictures best represents your relationship with Grove Bank?

☐ **A**   ☐ **B**   ☐ **C**   ☐ **D**   ☐ **E**   ☐ **F**

Section 5

The following question is based on the scenario that you were asked to imagine.

31. The scenario is

Very Unlikely To Occur						*Very Likely To Occur*
1	2	3	4	5	6	7

Section 6

The following questions relate to your <u>real-life banking history</u>.

32. How many banks do you currently have account(s) with?

☐ *None*   ☐ *One*   ☐ *Two*   ☐ *More than two*

33. How many credit cards do you currently have?

☐ *None*   ☐ *One*   ☐ *Two*   ☐ *More than two*

34. How frequently do you visit a local branch for services other than ATM?

☐ *Never*   ☐ *Once a month*

☐ *Once every 2-3 months*   ☐ *Once every 4 months*

☐ *Once every 6 months*   ☐ *Once every year*

☐ *Other (please specify:* _____)

35. (i) Do you do online banking?

☐ *Yes*   ☐ *No*

(ii) If yes, how frequently do you do online banking?

☐ *Once a week*   ☐ *More than once a week*

☐ *Once a month*   ☐ *Other (please specify:* _____)

Section 7

The following questions are on your demographic profile.

36. Your nationality:

☐ *Canadian*   ☐ *Other (Please specify:* _____)

37. Your age: _____ years.

38. Your gender:

☐ *Male*   ☐ *Female*

39. Language spoken at home:

☐ *English*   ☐ *Other (Please specify:* _____)

40. Current faculty at the U of M:

☐ *Management*   ☐ *Arts* ☐ *Science*

☐ *Other (Please specify:* _____)

Appendix 1.12.

Please carefully read and imagine this scenario:

You have been banking at the university campus branch of Grove Bank for the last five years. The bank has a strong reputation for being warm and friendly. In your personal experience with Grove Bank, you have found this to be true. The bank's executives have been very friendly and caring. They always seem to be cheerful and informal. They get your job done fast while taking the time to speak with you and catch up with what's going on with your life. You have always had very pleasant and warm interactions with the bank. You are usually addressed informally by your first name. The bank does special things for you. For instance, on your last birthday, Grove Bank sent you a hand-written card. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good. Given below is one of their advertisements, which appeared in your campus newspaper this year, inviting new students to open an account with the bank:

```
┌─────────────────────────────────────────┐
│            New on campus?                │
│      Need to open a bank account?        │
│                                          │
│                                          │
│             GROVE BANK                   │
│                                          │
│    A Warm & Friendly Banking Experience  │
└─────────────────────────────────────────┘
```

Please turn to the next page and do not turn back to this page once you get started.

Appendix 1.13.

Please carefully read and imagine this scenario:

You have been banking at the university campus branch of Grove Bank for the last five years. The bank has a strong reputation for being professional and competent. In your personal experience with Grove Bank, you have found this to be true. The bank's executives have been very capable and efficient. You have found them to be dignified and formal. They get your job done fast by spending just the amount of time required to complete the transaction that you are there for. You have always had very professional and businesslike interactions with the bank. You are usually addressed formally by your last name. The bank provides regular services for you. For instance, when a payment is due from your account, Grove Bank sends you an automatic computer-generated reminder. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good. Given below is one of their advertisements, which appeared in your campus newspaper this year, inviting new students to open an account with the bank:

> **New on campus?**
> **Need to open a bank account?**
>
> **GROVE BANK**
>
> *A Professional & Efficient Banking Experience*

Please turn to the next page and do not turn back to this page once you get started.

Study 1: Scenario – "Powerful"

Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement – "**the branch would be closed down in 30 days**".

This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult.

The closing down of the campus branch of Grove Bank would be **extremely inconvenient for you**.

You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.

Because of the strong movement that you are a part of and your time and efforts, Grove Bank **decides not to shut down** the university campus branch. They **send you a letter** communicating this decision **with an apology for the inconvenience caused** to you. When you visit the branch location the next time, you find that the bank is open for regular business.

Please turn to the next page and do not turn back to this page once you get started.

Appendix 1.15.

Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement – **"the branch would be closed down in 30 days"**.

This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult.

The closing down of the campus branch of Grove Bank would be **extremely inconvenient for you**.

You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.

Despite the strong movement that you are a part of and your time and efforts, Grove Bank **decides to shut down** the university campus branch. They **do not send you a letter** communicating this decision and **do not apologize for the inconvenience caused** to you. When you visit the branch location the next time, you find that the bank has been closed.

Please turn to the next page and do not turn back to this page once you get started.

Appendix 1.16.

Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement – **"the branch would be closed down in 30 days"**.

This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult.

The closing down of the campus branch of Grove Bank would be **extremely inconvenient for you**.

Please turn to the next page and do not turn back to this page once you get started.

Study 1: Questions Immediately Following Relationship Type Scenario

---

STEP 1: RESPONDENTS PRESENTED WITH RELATIONSHIP TYPE SCENARIO (APPENDIX 1.12 OR 1.13)

STEP 2: RESPONDENTS ASKED FOLLOWING QUESTIONS

Section 1

The following questions relate to your relationship with Grove Bank.

1. I have warm feelings for Grove Bank.

   Strongly Disagree   *Strongly Agree*

   1   2   3   4   5   6   7

2. Grove Bank enjoys serving me cheerfully.

   Strongly Disagree   *Strongly Agree*

   1   2   3   4   5   6   7

3. Grove Bank does special things for its customers.

   Strongly Disagree   *Strongly Agree*

   1   2   3   4   5   6   7

4. Grove Bank cares for me.

   Strongly Disagree   *Strongly Agree*

   1   2   3   4   5   6   7

5. I care for Grove Bank.

   Strongly Disagree   *Strongly Agree*

   1   2   3   4   5   6   7

6. Grove Bank employees interact with me in a warm and friendly manner.

   Strongly Disagree   *Strongly Agree*

   1   2   3   4   5   6   7

7. Grove Bank primarily focuses on providing an efficient banking experience.

   Strongly Disagree   *Strongly Agree*

   1   2   3   4   5   6   7

8. Grove Bank interacts with me in a formal businesslike manner.

   Strongly Disagree   *Strongly Agree*

   1   2   3   4   5   6   7

9. Grove Bank gives me just the amount of time that my transaction requires.
Strongly   *Strongly*
Disagree   *Agree*

1	2	3	4	5	6	7

10. Grove Bank employees are trained to provide prompt and efficient service.
Strongly   *Strongly*
Disagree   *Agree*

1	2	3	4	5	6	7

11. Grove Bank prefers professionalism and efficiency more than warm and friendly interactions with its customers.
Strongly   *Strongly*
Disagree   *Agree*

1	2	3	4	5	6	7

12. Grove Bank employees are competent and do their job in a professional manner.
Strongly   *Strongly*
Disagree   *Agree*

1	2	3	4	5	6	7

13. Grove Bank fosters (promotes or encourages) warm and friendly interactions with its customers <u>more than</u> professional and efficient interactions.

Strongly Disagree   *Strongly Agree*

1	2	3	4	5	6	7	8

Section 2

Now, imagine that Grove Bank comes alive and becomes a person.

14. To what extent is Grove Bank like a businessperson <u>versus</u> a close friend?

Businessperson   *Close Friend*

1	2	3	4	5	6	7	8

15. To what extent is Grove Bank like a close friend?

Not At All   *Extremely So*

1	2	3	4	5	6	7

16. To what extent is Grove Bank like a person that I care about?

Not At All   *Extremely So*

1	2	3	4	5	6	7

17. To what extent is Grove Bank like a businessperson?

Not At All   *Extremely So*

1	2	3	4	5	6	7

18. To what extent is Grove Bank like a person I would have business relations with?

Not At All   *Extremely So*

1	2	3	4	5	6	7

Section 3

There are two picture groups (A and B) shown below. Questions 19 to 24 are based on these picture groups.
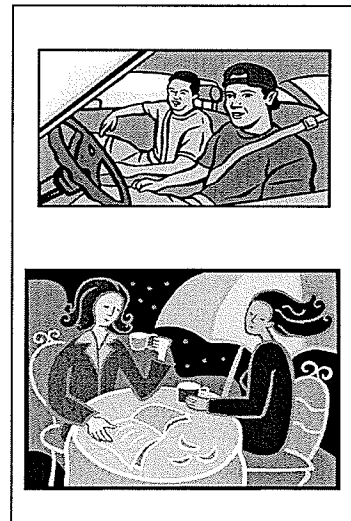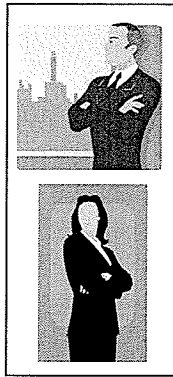
Group A

Group B

19. (i) Which of the picture groups best <u>represents Grove Bank</u> to you?

   ☐ *Group A*   ☐ *Group B*

(ii) Provide a ranking of how best the 2 picture groups <u>represent Grove Bank</u> to you.
[Rank # 1 is the highest/best and Rank # 2 is the lowest]
     Group A → Rank #_____   **Group B** → Rank #_____

20. (i) Which of the picture groups best <u>represents your relationship with Grove Bank</u>?

   ☐ *Group A*   ☐ *Group B*

(ii) Provide a ranking of how best the 2 picture groups <u>represent your relationship with Grove Bank</u> to you. [Rank # 1 is the highest/best and Rank # 2 is the lowest]
     Group A → Rank #_____   **Group B** → Rank #_____

21. To what extent is Grove Bank like **Picture Group A** <u>versus</u> **Picture Group B**?

Group A   *Group B*
1   2   3   4   5   6   7   8

22. To what extent does **Picture Group A** <u>represent your relationship with Grove Bank</u>?

Not At All   *Extremely So*
1   2   3   4   5   6   7

23. To what extent does **Picture Group B** <u>represent your relationship with Grove Bank</u>?

Not At All   *Extremely So*
1   2   3   4   5   6   7

24. To what extent does **Picture Group A** <u>versus</u> **Picture Group B** <u>represent your relationship with Grove Bank</u>?

Group A   *Group B*
1   2   3   4   5   6   7   8

Section 4

The following questions are concerning the quality of Grove Bank's products and services.

25. The quality of Grove Bank's products is:

Bad   *Good*
1   2   3   4   5   6   7

26. The quality of Grove Bank's services is:

Bad   *Good*
1   2   3   4   5   6   7

Study 1: Questionnaire for "Powerful" & "Powerless" Conditions

STEP 1: RESPONDENTS PRESENTED WITH RELATIONSHIP TYPE SCENARIOS (APPENDIX 1.12 OR 1.13)

STEP 2: RESPONDENTS ARE ASKED QUESTIONS LISTED IN APPENDIX 1.17

STEP 3: RESPONDENTS PRESENTED WITH 'POWERFUL' SCENARIO (APPENDIX 1.14) OR 'POWERLESS' SCENARIO (APPENDIX 1.15)

STEP 4: RESPONDENTS ARE ASKED THE FOLLOWING QUESTIONS

Section 5
27. This section consists of a number of words that describe different feelings and emotions. Please read each item and then mark the appropriate number in the space next to that word.

Indicate to what extent you feel this way when you think of Grove Bank.

	Not At All			Moderately			Extremely So
a) interested	1	2	3	4	5	6	7
b) distressed	1	2	3	4	5	6	7
c) excited	1	2	3	4	5	6	7
d) upset	1	2	3	4	5	6	7
e) strong	1	2	3	4	5	6	7
f) guilty	1	2	3	4	5	6	7
g) scared	1	2	3	4	5	6	7
h) enthusiastic	1	2	3	4	5	6	7
i) hostile	1	2	3	4	5	6	7
j) proud	1	2	3	4	5	6	7
k) irritable	1	2	3	4	5	6	7
l) alert	1	2	3	4	5	6	7
m) ashamed	1	2	3	4	5	6	7
n) inspired	1	2	3	4	5	6	7

o) nervous	1	2	3	4	5	6	7
p) determined	1	2	3	4	5	6	7
q) attentive	1	2	3	4	5	6	7
r) jittery	1	2	3	4	5	6	7
s) active	1	2	3	4	5	6	7
t) afraid	1	2	3	4	5	6	7

Section 6

The following question relates to your attitude towards the latest decision of Grove Bank.

28. The latest decision of Grove Bank is:

(i)

Bad						*Good*
1	2	3	4	5	6	7

(ii)

Foolish						*Wise*
1	2	3	4	5	6	7

(iii)

Harmful To Me						*Beneficial For Me*
1	2	3	4	5	6	7

(iv)

Unpleasant						*Pleasant*
1	2	3	4	5	6	7

(v)

Punishing						*Rewarding*
1	2	3	4	5	6	7

(vi)

Unfavorable						*Favorable*
1	2	3	4	5	6	7

(vii)

Negative						*Positive*
1	2	3	4	5	6	7

Section 7

The following questions relate to your attitudes and beliefs about Grove Bank and its executives.

29. Overall, Grove Bank is:

(i)

Bad						*Good*
1	2	3	4	5	6	7

(ii)

Unfavorable						*Favorable*
1	2	3	4	5	6	7

(iii)

Unlikeable   **_Likeable_**

     1   2   3   4   5   6   7

(iv)

Negative   **_Positive_**

     1   2   3   4   5   6   7

30. Overall, the executives of Grove Bank are:

(i)

Bad   **_Good_**

     1   2   3   4   5   6   7

(ii)

Unfavorable   **_Favorable_**

     1   2   3   4   5   6   7

(iii)

Unlikeable   **_Likeable_**

     1   2   3   4   5   6   7

(iv)

Negative   **_Positive_**

     1   2   3   4   5   6   7

Section 8

The following questions relate to your behavioral intentions with Grove Bank.

31. I would say positive things about Grove Bank to other people.

Not At All   **_Extremely_**
Likely   **_Likely_**

     1   2   3   4   5   6   7

32. I would recommend Grove Bank to someone who seeks my advice.

Not At All   **_Extremely_**
Likely   **_Likely_**

     1   2   3   4   5   6   7

33. I would encourage my friends to bank with Grove Bank.

Not At All   **_Extremely_**
Likely   **_Likely_**

     1   2   3   4   5   6   7

34. I would consider Grove Bank as my first choice for banking purposes.

Not At All   **_Extremely_**
Likely   **_Likely_**

     1   2   3   4   5   6   7

35. I would stay a customer of Grove Bank.

Not At All   **_Extremely_**
Likely   **_Likely_**

     1   2   3   4   5   6   7

36. If another bank (competing with Grove Bank) with similar levels of service opened a branch on university campus, how likely is it that you would switch to the other bank?

Not At All   **_Extremely_**
Likely   **_Likely_**

     1   2   3   4   5   6   7

37. If another bank (competing with Grove Bank) opened a branch on university campus, and made a "first 2 months no service fee" offer, how likely is it that you would switch to the other bank?

Not At All
Likely

						Extremely
						Likely
1	2	3	4	5	6	7

Section 9
The following questions relate to your relationship with Grove Bank.

38. I have warm feelings for Grove Bank.

Strongly
Disagree

						Strongly
						Agree
1	2	3	4	5	6	7

39. Grove Bank cares for me.

Strongly
Disagree

						Strongly
						Agree
1	2	3	4	5	6	7

40. I care for Grove Bank.

Strongly
Disagree

						Strongly
						Agree
1	2	3	4	5	6	7

Section 10
Now, imagine that Grove Bank comes alive and becomes a person.

41. To what extent is Grove Bank like a businessperson <u>versus</u> a close friend?

Businessperson   **Close Friend**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

42. To what extent is Grove Bank like a close friend?

Not At All   *Extremely So*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

43. To what extent is Grove Bank like a person that I care about?

Not At All   *Extremely So*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

44. To what extent is Grove Bank like a businessperson?

Not At All   *Extremely So*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Section 11
There are two picture groups (A and B) shown below. Questions 45 to 50 are based on these picture groups.
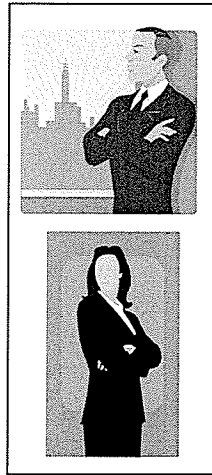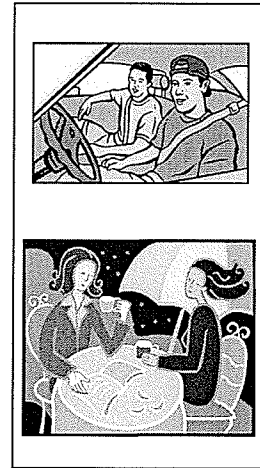
Group A   **Group B**

45. (i) Which of the picture groups best represents Grove Bank to you?

☐ *Group A*   ☐ *Group B*

(ii) Provide a ranking of how best the 2 picture groups <u>represent Grove Bank</u> to
you. [Rank # 1 is the highest/best and Rank # 2 is the lowest]
Group A → Rank #_____   **Group B** → Rank #_____

46. (i) Which of the picture groups best represents your relationship with Grove Bank?

☐ *Group A*   ☐ *Group B*

(ii) Provide a ranking of how best the 2 picture groups <u>represent your relationship
with Grove Bank</u> to you. [Rank # 1 is the highest/best and Rank # 2 is the lowest]
Group A → Rank #_____   **Group B** → Rank #_____

47. To what extent is Grove Bank like **Picture Group A** <u>versus</u> **Picture Group B**?

Group A   *Group B*
  1   2   3   4   5   6   7   8

48. To what extent does **Picture Group A** <u>represent your relationship with Grove Bank</u>?

Not At All   *Extremely So*
  1   2   3   4   5   6   7

49. To what extent does **Picture Group B** <u>represent your relationship with Grove Bank</u>?

Not At All   *Extremely So*
  1   2   3   4   5   6   7

50. To what extent does **Picture Group A** <u>versus</u> **Picture Group B** <u>represent your
relationship with Grove Bank</u>?

Group A   *Group B*
  1   2   3   4   5   6   7   8

Section 12

The following questions relate to your beliefs and thoughts concerning the latest decision
of Grove Bank.

51. There is little that people like me can do to change the decision of Grove Bank.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

52. A few people in power run Grove Bank and there is not much that an individual customer like me can do.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

53. Most of the time, I feel that I have an effective voice in the decisions made by Grove Bank.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

54. More and more, I feel helpless in the face of what is happening at Grove Bank.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

55. An individual customer like me has little chance of protecting his/her personal interests when they are in conflict with those of Grove Bank.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

56. I feel like there is a barrier or separation between Grove Bank and me because of their latest decision.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

57. I feel excluded by Grove Bank.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

Section 13

The following questions are based on the scenario that you were asked to imagine.

58. The scenario is

Very Unlikely   *Very Likely To*
To Occur   *Occur*
    1   2   3   4   5   6   7

59. What did Grove Bank announce that it was planning to do?

☐ Close the branch on campus   ☐ Open another branch on campus

☐ Change the hours of operation

60. This decision (that Grove Bank announced) would create a stressful situation for you.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

61. To what extent did you feel <u>powerful versus powerless (i.e., helpless)</u> to change the decision of Grove Bank?

Powerless   *Powerful*
 1   2   3   4   5   6   7   8

62. What did Grove Bank finally do (i.e., its latest decision) after you sent the formal letter?

☐ Closed the branch on campus   ☐ Kept the branch on campus open

☐ Changed the hours of operation

63. Did Grove Bank communicate its final (i.e., latest) decision to you after you sent the formal letter?

☐ Yes, it did   ☐ No, it didn't

64. In the scenario, you were able to get Grove Bank to reverse its initial decision.

Strongly						*Strongly*
Disagree						*Agree*
1	2	3	4	5	6	7

65. The latest (i.e., final) decision of Grove Bank would create a stressful situation for you.

Strongly						*Strongly*
Disagree						*Agree*
1	2	3	4	5	6	7

66. To what extent did you feel powerful versus powerless (i.e., helpless) in light of Grove Bank's latest (i.e., final) decision?

| *Powerless* | | | | | | | *Powerful* |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

Section 14

The following questions relate to your banking preferences.

67. I prefer a bank that provides a professional and formal banking experience.

Strongly						*Strongly*
Disagree						*Agree*
1	2	3	4	5	6	7

68. I prefer a bank that provides a warm and friendly banking experience.

Strongly						*Strongly*
Disagree						*Agree*
1	2	3	4	5	6	7

69. To what extent would you prefer a professional banking experience versus a friendly banking experience?

Professional Banking							*Friendly Banking*
Experience							*Experience*
1	2	3	4	5	6	7	8

Section 15

The following questions relate to your real-life banking history.

70. How many banks do you currently have account(s) with?

☐ None   ☐ One   ☐ Two   ☐ More than two

71. How many credit cards do you currently have?

☐ None   ☐ One   ☐ Two   ☐ More than two

72. How frequently do you visit a local branch for services other than ATM?

☐ Never   ☐ Once a month   ☐ Twice a month

☐ Other (*please specify:* _____)

73. (i) Do you do online banking? ☐ Yes ☐ No

    (ii) If yes, how frequently do you do online banking?

☐ Once a week ☐ More than once a week ☐ Once a month ☐ Twice a month

☐ Other (*please specify:*_____)

Section 16

The following questions are on your demographic profile.

74. Your nationality:

☐ Canadian ☐ Other (*please specify:* _____)

75. Your age: _____ years.

76. Your gender:

☐ Male ☐ Female

77. Language spoken at home:

☐ English ☐ Other (*Please specify:* _____)

78. Current faculty at the U of M:

☐ Management ☐ Arts ☐ Science ☐ Other (*please specify:* _____)

Study 1: Questionnaire for "Power Control" Conditions

STEP 1: RESPONDENTS PRESENTED WITH RELATIONSHIP TYPE SCENARIOS (APPENDIX 1.12 OR 1.13)

STEP 2: RESPONDENTS ARE ASKED QUESTIONS LISTED IN APPENDIX 1.17

STEP 3: RESPONDENTS PRESENTED WITH 'POWER CONTROL' SCENARIO (APPENDIX 1.16)

STEP 4: RESPONDENTS ARE ASKED THE QUESTIONS LISTED IN STEP 4 OF APPENDIX 1.18 EXCEPT QUESTIONS # 62-66 (i.e., questions related to the final decision of the bank)

Study 1: Questionnaire for "Control" (sans Power) Conditions

STEP 1: RESPONDENTS PRESENTED WITH RELATIONSHIP TYPE SCENARIOS (APPENDIX 1.12 OR 1.13)

STEP 2: RESPONDENTS ARE ASKED QUESTIONS LISTED IN APPENDIX 1.17

STEP 3: RESPONDENTS ARE ASKED THE FOLLOWING QUESTIONS

Section 5

27. This section consists of a number of words that describe different feelings and emotions. Please read each item and then mark the appropriate number in the space next to that word.

Indicate to what extent you feel this way when you think of Grove Bank.

	Not At All			Moderately			*Extremely So*
a) interested	1	2	3	4	5	6	7
b) distressed	1	2	3	4	5	6	7
c) excited	1	2	3	4	5	6	7
d) upset	1	2	3	4	5	6	7
e) strong	1	2	3	4	5	6	7
f) guilty	1	2	3	4	5	6	7
g) scared	1	2	3	4	5	6	7
h) enthusiastic	1	2	3	4	5	6	7
i) hostile	1	2	3	4	5	6	7
j) proud	1	2	3	4	5	6	7
k) irritable	1	2	3	4	5	6	7
l) alert	1	2	3	4	5	6	7
m) ashamed	1	2	3	4	5	6	7
n) inspired	1	2	3	4	5	6	7
o) nervous	1	2	3	4	5	6	7
p) determined	1	2	3	4	5	6	7
q) attentive	1	2	3	4	5	6	7

r) jittery	1	2	3	4	5	6	7
s) active	1	2	3	4	5	6	7
t) afraid	1	2	3	4	5	6	7

Section 6

The following question relates to your attitude towards the decisions of Grove Bank.

28. The decisions of Grove Bank are:

(i)

Bad						*Good*
1	2	3	4	5	6	7

(ii)

Foolish						*Wise*
1	2	3	4	5	6	7

(iii)

Harmful To Me						*Beneficial For Me*
1	2	3	4	5	6	7

(iv)

Unpleasant						*Pleasant*
1	2	3	4	5	6	7

(v)

Punishing						*Rewarding*
1	2	3	4	5	6	7

(vi)

Unfavorable						*Favorable*
1	2	3	4	5	6	7

(vii)

Negative						*Positive*
1	2	3	4	5	6	7

Section 7

The following questions relate to your attitudes and beliefs about Grove Bank and its executives.

29. Overall, Grove Bank is:

(i)

Bad						*Good*
1	2	3	4	5	6	7

(ii)

Unfavorable						*Favorable*
1	2	3	4	5	6	7

(iii)

Unlikeable						*Likeable*
1	2	3	4	5	6	7

(iv)

Negative						*Positive*
1	2	3	4	5	6	7

30. Overall, the executives of Grove Bank are:

(i)

Bad						*Good*
1	2	3	4	5	6	7

(ii)

Unfavorable						*Favorable*
1	2	3	4	5	6	7

(iii)

Unlikeable						*Likeable*
1	2	3	4	5	6	7

(iv)

Negative						*Positive*
1	2	3	4	5	6	7

Section 8

The following questions relate to your behavioral intentions with Grove Bank.

31. I would say positive things about Grove Bank to other people.

Not At All Likely						*Extremely Likely*
1	2	3	4	5	6	7

32. I would recommend Grove Bank to someone who seeks my advice.

Not At All Likely						*Extremely Likely*
1	2	3	4	5	6	7

33. I would encourage my friends to bank with Grove Bank.

Not At All Likely						*Extremely Likely*
1	2	3	4	5	6	7

34. I would consider Grove Bank as my first choice for banking purposes.

Not At All Likely						*Extremely Likely*
1	2	3	4	5	6	7

35. I would stay a customer of Grove Bank.

Not At All Likely						*Extremely Likely*
1	2	3	4	5	6	7

36. If another bank (competing with Grove Bank) with similar levels of service opened a branch on university campus, how likely is it that you would switch to the other bank?

Not At All Likely						*Extremely Likely*
1	2	3	4	5	6	7

37. If another bank (competing with Grove Bank) opened a branch on university campus, and made a "first 2 months no service fee" offer, how likely is it that you would switch to the other bank?

Not At All Likely						*Extremely Likely*
1	2	3	4	5	6	7

Section 9

The following questions relate to your beliefs and thoughts concerning the decisions of Grove Bank.

38. There is little that people like me can do to change the decisions of Grove Bank.

Strongly Disagree   *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

39. A few people in power run Grove Bank and there is not much that an individual customer like me can do.

Strongly Disagree   *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

40. Most of the time, I feel that I have an effective voice in the decisions made by Grove Bank.

Strongly Disagree   *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

41. More and more, I feel helpless in the face of what is happening at Grove Bank.

Strongly Disagree   *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

42. An individual customer like me has little chance of protecting his/her personal interests when they are in conflict with those of Grove Bank.

Strongly Disagree   *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

43. I feel like there is a barrier or separation between Grove Bank and me because of its decisions.

Strongly Disagree   *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

44. I feel excluded by Grove Bank.

Strongly Disagree   *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Section 10

The following questions are based on the scenario that you were asked to imagine.

45. The scenario is

Very Unlikely To Occur   *Very Likely To Occur*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Section 11

The following questions relate to your <u>banking preferences</u>.

46. I prefer a bank that provides a professional and formal banking experience.

Strongly Disagree   *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

47. I prefer a bank that provides a warm and friendly banking experience.

Strongly						*Strongly*
Disagree						*Agree*
1	2	3	4	5	6	7

48. To what extent would you prefer a professional banking experience <u>versus</u> a friendly banking experience?

Professional Banking							*Friendly Banking*
Experience							*Experience*
1	2	3	4	5	6	7	8

<u>Section 12</u>

The following questions relate to your <u>real-life banking history</u>.

49. How many banks do you currently have account(s) with?

☐ None   ☐ One   ☐ Two   ☐ More than two

50. How many credit cards do you currently have?

☐ None   ☐ One   ☐ Two   ☐ More than two

51. How frequently do you visit a local branch for services other than ATM?

☐ Never   ☐ Once a month   ☐ Twice a month

☐ Other (*please specify:* _____)

52. (i) Do you do online banking?

☐ Yes   ☐ No

(ii) If yes, how frequently do you do online banking?

☐ Once a week   ☐ More than once a week   ☐ Once a month

☐ Twice a month   ☐ Other (*please specify:* _____)

<u>Section 13</u>

The following questions are on your demographic profile.

53. Your nationality:

☐ Canadian   ☐ Other (*please specify:* _____)

54. Your age: _____ years.

55. Your gender:

☐ Male   ☐ Female

56. Language spoken at home:

☐ English   ☐ Other (*Please specify:* _____)

57. Current faculty at the U of M:

☐ Management   ☐ Arts   ☐ Science   ☐ Other (*please specify:* _____)

Study 2: Pre-Test Scenario – "Outcome Negative & Treatment Negative"

Please carefully read and imagine this scenario:

You have been banking at your university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good. **Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement:**

> # GROVE BANK
> *On your campus since 1995*
> ## This Campus Branch will be closed down in 30 days.

Closed down in 30 days?! This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult. The closing down of Grove Bank's campus branch would be **extremely inconvenient for you!**

You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.

You call up the Bank headquarters to find out the status on your request to keep the campus branch open. You are **spoken to very impolitely and disrespectfully** and not informed if your letter has been received and if your efforts have been taken into consideration. You are also not told if you would be informed once the final decision has been made about the campus branch.

Despite the strong movement that you have been a part of and your time and efforts, Grove Bank **decides to shut down** the university campus branch!

After this, Grove Bank **does not send you a letter** communicating this decision and **does not apologize for the inconvenience caused** to you. When you visit the campus branch location the next time, you find that the bank is closed with the following notice for the customers:

> # GROVE BANK
> *On your campus since 1995*
> ## This Campus Branch shall remain closed.

Please turn to the next page and do not turn back to this page once you get started.

Study 2: Pre-Test Scenario – "Outcome Negative & Treatment Positive"

Please carefully read and imagine this scenario:

You have been banking at your university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good. **Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement:**

> # GROVE BANK
> *On your campus since 1995*
> **This Campus Branch will be closed down in 30 days.**

Closed down in 30 days?! This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult. The closing down of Grove Bank's campus branch would be **extremely inconvenient for you!**

You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.

You call up the Bank headquarters to find out the status on your request to keep the campus branch open. You are **spoken to very politely and respectfully** and informed that your letter has been received and that your efforts have been taken into consideration. You are also told that you would be informed once the final decision has been made about the campus branch.

Despite the strong movement that you have been a part of and your time and efforts, Grove Bank **decides to shut down** the university campus branch!

After this, Grove Bank **sends you a letter** communicating this decision **with an apology for the inconvenience caused** to you. When you visit the campus branch location the next time, you find that the bank is closed with the following notice for the customers:

> # GROVE BANK
> *On your campus since 1995*
> **This Campus Branch shall remain closed.**
> **We sincerely apologize for the recent inconvenience caused to you.**

Please turn to the next page and do not turn back to this page once you get started.

<div align="center">

Appendix 2.3.

</div>

Study 2: Pre-Test Scenario – "Outcome Positive & Treatment Negative"

<div align="center">

Please carefully read and imagine this scenario:

</div>

You have been banking at your university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good. **Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement:**

<div align="center">

GROVE BANK

On your campus since 1995
This Campus Branch will be closed down in 30 days.

</div>

Closed down in 30 days?! This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult. The closing down of Grove Bank's campus branch would be **extremely inconvenient for you!**

You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.

You call up the Bank headquarters to find out the status on your request to keep the campus branch open. You are **spoken to very impolitely and disrespectfully** and not informed if your letter has been received and if your efforts have been taken into consideration. You are also not told if you would be informed once the final decision has been made about the campus branch.

Because of the strong movement that you have been a part of and your time and efforts, Grove Bank **decides not to shut down** the university campus branch!

After this, Grove Bank **does not send you a letter** communicating this decision and **does not apologize for the inconvenience caused** to you. When you visit the campus branch location the next time, you find that the bank is open for regular business with the following notice for the customers:

<div align="center">

GROVE BANK

On your campus since 1995
This Campus Branch shall remain open.

</div>

<div align="center">

Please turn to the next page and do not turn back to this page once you get started.

</div>

Study 2: Pre-Test Scenario – "Outcome Positive & Treatment Positive"

Please carefully read and imagine this scenario:

You have been banking at your university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good. **Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement:**

GROVE BANK

On your campus since 1995
This Campus Branch will be closed down in 30 days.

Closed down in 30 days?! This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult. The closing down of Grove Bank's campus branch would be **extremely inconvenient for you!**

You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.

You call up the Bank headquarters to find out the status on your request to keep the campus branch open. You are **spoken to very politely and respectfully** and informed that your letter has been received and that your efforts have been taken into consideration. You are also told that you would be informed once the final decision has been made about the campus branch.

Because of the strong movement that you have been a part of and your time and efforts, Grove Bank **decides not to shut down** the university campus branch!

After this, Grove Bank **sends you a letter** communicating this decision **with an apology for the inconvenience caused** to you. When you visit the campus branch location the next time, you find that the bank is open for regular business with the following notice for the customers:

GROVE BANK

On your campus since 1995
This Campus Branch shall remain open.
We sincerely apologize for the recent inconvenience caused to you.

Please turn to the next page and do not turn back to this page once you get started.

Appendix 2.5.

Study 2: Pre-Test Questionnaire – Outcome & Treatment Conditions

STEP 1: RESPONDENTS PRESENTED WITH OUTCOME AND TREATMENT COMBINATION SCENARIOS (APPENDIX 2.1 OR 2.2 OR 2.3 OR 2.4)

STEP 2: RESPONDENTS ARE ASKED THE FOLLOWING QUESTIONS

Section 1

The following questions are based on the scenario that you were asked to imagine.

1. How positive or negative to you was the final decision of Grove Bank concerning your university campus branch?

   Negative   *Positive*
   for me   *for me*

       1   2   3   4   5   6   7

2. What are your thoughts concerning the final decision of Grove Bank regarding your university campus branch?

   Unfavorable   *Favorable*
   to me   *to me*

       1   2   3   4   5   6   7

3. The final decision of Grove Bank concerning your university campus branch would create a stressful situation for you.

   Strongly   *Strongly*
   Disagree   *Agree*

       1   2   3   4   5   6   7

4. Did Grove Bank send you a letter communicating its final decision?

   ☐ Yes, it did   ☐ No, it didn't

5. How appropriately did Grove Bank treat you during your interactions with them after they announced their initial decision?

   Inappropriately   *Appropriately*
       1   2   3   4   5   6   7

6. How positive was the overall treatment meted out by Grove Bank to you after it made its initial announcement?

   Negative   *Positive*

       1   2   3   4   5   6   7

7. How respectfully did Grove Bank treat you during your interactions with them after they announced their initial decision?

   Disrespectfully   *Respectfully*
       1   2   3   4   5   6   7

8. How pleasant was your experience when you spoke over the phone with an executive from Grove Bank headquarters to find out about Grove Bank's final decision?

   Unpleasant   *Pleasant*
       1   2   3   4   5   6   7

9. Grove Bank apologized to you and the other customers at your university campus branch after making its final decision.

Strongly Disagree   *Strongly Agree*

      1   2   3   4   5   6   7

10. What are your thoughts concerning the overall treatment meted out by Grove Bank to you?

Unfavorable   *Favorable*
to me   *to me*

      1   2   3   4   5   6   7

11. To what extent did you feel <u>included (e.g., communicated to) versus ignored (not communicated to)</u> by Grove Bank?

Ignored   *Included*
  1   2   3   4   5   6   7   8

Section 2

The following questions are on your demographic profile.

12. Your nationality:

    ☐ Canadian   ☐ Other *(please specify: _____)*

13. Your age: _____ years.

14. Your gender:

    ☐ Male   ☐ Female

15. Language spoken at home:

    ☐ English   ☐ Other *(Please specify: _____)*

16. Current faculty at the U of M:

    ☐ Management   ☐ Arts   ☐ Science   ☐ Other *(please specify: _____)*

Appendix 2.6.

Study 2: Questionnaire for "Treatment - Positive or Negative" Conditions

STEP 1: RESPONDENTS PRESENTED WITH RELATIONSHIP TYPE SCENARIOS (APPENDIX 1.12 OR 1.13)

STEP 2: RESPONDENTS ARE ASKED QUESTIONS LISTED IN APPENDIX 1.17

STEP 3: RESPONDENTS PRESENTED WITH 'OUTCOME NEGATIVE & TREATMENT NEGATIVE' SCENARIO (APPENDIX 2.1) OR 'OUTCOME NEGATIVE & TREATMENT POSITIVE' SCENARIO (APPENDIX 2.2) OR 'OUTCOME POSITIVE & TREATMENT NEGATIVE' SCENARIO (APPENDIX 2.3) OR 'OUTCOME POSITIVE & TREATMENT POSITIVE' SCENARIO (APPENDIX 2.4)

STEP 4: RESPONDENTS ARE ASKED THE FOLLOWING QUESTIONS

Section 5

Given the scenarios you have read, the following questions relate to <u>your beliefs and thoughts concerning the decision of Grove Bank concerning your university campus branch</u>.

1. To what extent did you feel <u>powerful versus powerless (i.e., helpless)</u> *to change the initially announced decision* of Grove Bank?

Powerless   *Powerful*

1	2	3	4	5	6	7	8

2. To what extent did you feel <u>powerful versus powerless (i.e., helpless)</u> in light of Grove Bank's *final decision*?

Powerless   *Powerful*

1	2	3	4	5	6	7	8

3. There is little that people like me can do to change the decision of Grove Bank.

Strongly Disagree   *Strongly Agree*

1	2	3	4	5	6	7

4. A few people in power run Grove Bank and there is not much that an individual customer like me can do.

Strongly Disagree   *Strongly Agree*

1	2	3	4	5	6	7

5. Most of the time, I feel that I have an effective voice in the decisions made by Grove Bank.

Strongly Disagree   *Strongly Agree*

1	2	3	4	5	6	7

6. More and more, I feel helpless in the face of what is happening at Grove Bank.

Strongly
Disagree

						Strongly *Agree*
1	2	3	4	5	6	7

7. An individual customer like me has little chance of protecting his/her personal interests when they are in conflict with those of Grove Bank.

Strongly
Disagree

						Strongly *Agree*
1	2	3	4	5	6	7

Section 6

Given the scenarios that you have read, please answer the following questions about <u>your current feelings and emotions when you think of Grove Bank</u>.

8. I feel like there is a barrier or separation between Grove Bank and me because of their final decision concerning my university campus branch.

Strongly
Disagree

						Strongly *Agree*
1	2	3	4	5	6	7

9. I feel excluded by Grove Bank.

Strongly
Disagree

						Strongly *Agree*
1	2	3	4	5	6	7

10. Given the scenarios you have read, to what extent do you feel the following in relation to Grove Bank?

	Not At All			*Moderately*			*Extremely So*
Betrayed	1	2	3	4	5	6	7
Bitter	1	2	3	4	5	6	7
Sad	1	2	3	4	5	6	7
Bad (awful/lousy)	1	2	3	4	5	6	7
Worried	1	2	3	4	5	6	7
Anxious	1	2	3	4	5	6	7
Angry	1	2	3	4	5	6	7
Hurt / Offended	1	2	3	4	5	6	7
Upset	1	2	3	4	5	6	7
Annoyed	1	2	3	4	5	6	7
Irritated	1	2	3	4	5	6	7
Humiliated	1	2	3	4	5	6	7
Disappointed	1	2	3	4	5	6	7

Happy	1	2	3	4	5	6	7
Elated	1	2	3	4	5	6	7
Joyful	1	2	3	4	5	6	7
Cheerful	1	2	3	4	5	6	7
Delighted	1	2	3	4	5	6	7
Pleased	1	2	3	4	5	6	7
Respected	1	2	3	4	5	6	7
Valuable	1	2	3	4	5	6	7

Section 7

The following questions are designed to measure your thoughts at this moment of time. There is no right or wrong answer for any of the following statements. The best answer is what you feel is true of yourself at this moment. Again, answer these questions as they are true for you AT THIS MOMENT.

11. To what extent do you feel the following at this moment?

	Not At All			Moderately			Extremely So
Effective	1	2	3	4	5	6	7
Confident	1	2	3	4	5	6	7
Competent	1	2	3	4	5	6	7
Inadequate	1	2	3	4	5	6	7
Incompetent	1	2	3	4	5	6	7
Ineffective	1	2	3	4	5	6	7

12. To what extent are the following statements true for you at this moment?

(i) I feel confident about my abilities.

Not At All   *Extremely So*
1   2   3   4   5   6   7

(ii) I feel frustrated or rattled about my performance.

Not At All   *Extremely So*
1   2   3   4   5   6   7

(iii) I feel good about myself.

Not At All   *Extremely So*
1   2   3   4   5   6   7

(iv) I feel that others respect and admire me.

Not At All   *Extremely So*
1   2   3   4   5   6   7

(v) I feel inferior to others at this moment.

Not At All   *Extremely So*
1   2   3   4   5   6   7

(vi) I feel displeased with myself.

Not At All   *Extremely So*
   1   2   3   4   5   6   7

Section 8

Based on the scenarios you have read, the following questions relate to <u>your attitudes towards the final decision of Grove Bank concerning your university campus branch</u>.

    13. The final decision of Grove Bank concerning your university campus branch is:

(i)   **Bad**   **Good**
        1   2   3   4   5   6   7

(ii)   *Unfavorable*   *Favorable*
        1   2   3   4   5   6   7

(iii) *Unlikeable*   *Likeable*
        1   2   3   4   5   6   7

(iv) *Negative*   *Positive*
        1   2   3   4   5   6   7

(v)   *Unpleasant*   *Pleasant*
        1   2   3   4   5   6   7

Section 9

The following questions relate to <u>your attitudes towards your treatment by Grove Bank during the decision concerning your university campus branch</u>.

    14. The treatment meted out by Grove Bank to you (during the decision concerning your university campus branch) is:

(i)   **Bad**   **Good**
        1   2   3   4   5   6   7

(ii)   *Unfavorable*   *Favorable*
        1   2   3   4   5   6   7

(iii) *Unlikeable*   *Likeable*
        1   2   3   4   5   6   7

(iv) *Negative*   *Positive*
        1   2   3   4   5   6   7

(v)   *Unpleasant*   *Pleasant*
        1   2   3   4   5   6   7

Section 10

Based on the scenario you have read, the following questions relate to <u>your attitudes and beliefs about the overall Grove Bank brand</u>.

    15. The overall Grove Bank brand is:

(i)   **Bad**   **Good**
        1   2   3   4   5   6   7

(ii)   *Unfavorable*   *Favorable*
        1   2   3   4   5   6   7

(iii) *Unlikeable*   *Likeable*
        1   2   3.   4   5   6   7

(iv) *Negative*   *Positive*
        1   2   3   4   5   6   7

(v)	*Unpleasant*							*Pleasant*
	1	2	3	4	5	6		7
(vi)	*Bad to do business with*							*Good to do business with*
	1	2	3	4	5	6		7
(vii)	*Unreputable*							*Reputable*
	1	2	3	4	5	6		7
(viii)	*Untrustworthy*							*Trustworthy*
	1	2	3	4	5	6		7
(ix)	*Unsatisfactory*							*Satisfactory*
	1	2	3	4	5	6		7
(x)	*Unprofessional*							*Professional*
	1	2	3	4	5	6		7
(xiii)	*Inefficient*							*Efficient*
	1	2	3	4	5	6		7
(xi)	*Unfriendly*							*Friendly*
	1	2	3	4	5	6		7
(xii)	*Uncaring*							*Caring*
	1	2	3	4	5	6		7

Section 11

Given the scenarios you read, the following questions relate to <u>your attitudes and beliefs about Grove Bank's top management and your university campus branch executives.</u>

16. Overall, the top management of Grove Bank is:

(i)	*Bad*							*Good*
	1	2	3	4	5	6		7
(ii)	*Unfavorable*							*Favorable*
	1	2	3	4	5	6		7
(iii)	*Unlikeable*							*Likeable*
	1	2	3	4	5	6		7
(iv)	*Negative*							*Positive*
	1	2	3	4	5	6		7
(v)	*Unpleasant*							*Pleasant*
	1	2	3	4	5	6		7

17. Overall, the university campus branch executives of Grove Bank are:

(i)	*Bad*							*Good*
	1	2	3	4	5	6		7
(ii)	*Unfavorable*							*Favorable*
	1	2	3	4	5	6		7
(iii)	*Unlikeable*							*Likeable*
	1	2	3	4	5	6		7
(iv)	*Negative*							*Positive*
	1	2	3	4	5	6		7

(v)   *Unpleasant*   *Pleasant*

       1   2   3   4   5   6   7

Section 12

The following question relates to your thoughts concerning the final decision of Grove Bank concerning your university campus branch.

    18. How fair or unfair to you is the overall situation with Grove Bank?

Not At All Fair   *Extremely Fair*

       1   2   3   4   5   6   7

Section 13

Based on the scenarios you have read, the following questions relate to <u>your behavioral intentions with respect to Grove Bank</u>.

    19. I would say positive things about Grove Bank to other people.

Not At All Likely   *Extremely Likely*

       1   2   3   4   5   6   7

    20. I would recommend Grove Bank to someone who seeks my advice.

Not At All Likely   *Extremely Likely*

       1   2   3   4   5   6   7

    21. I would encourage my friends to bank with Grove Bank.

Not At All Likely   *Extremely Likely*

       1   2   3   4   5   6   7

    22. I would consider Grove Bank as my first choice for banking purposes.

Not At All Likely   *Extremely Likely*

       1   2   3   4   5   6   7

    23. I would stay a customer of Grove Bank.

Not At All Likely   *Extremely Likely*

       1   2   3   4   5   6   7

    24. If another bank (competing with Grove Bank) with similar levels of service opened a branch on your university campus, how likely is it that you would switch to the other bank?

Not At All Likely   *Extremely Likely*

       1   2   3   4   5   6   7

    25. If another bank (competing with Grove Bank) opened a branch on your university campus, and made a "first 2 months no service fee" offer, how likely is it that you would switch to the other bank?

Not At All Likely   *Extremely Likely*

       1   2   3   4   5   6   7

    26. How respectfully do you expect Grove Bank to treat you in the future?

Very Disrespectfully   *Very Respectfully*

       1   2   3   4   5   6   7

    27. How favorable to you do you expect the future decisions of Grove Bank to be?

Very Unfavorable   *Very Favorable*
    to me   *to me*

       1   2   3   4   5   6   7

Section 14

The following questions relate to <u>your relationship with Grove Bank</u>.

(Please answer these, even though it may feel like these have been answered before.)

28. I have warm feelings for Grove Bank.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

29. Grove Bank cares for me.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

30. I care for Grove Bank.

Strongly   *Strongly*
Disagree   *Agree*
    1   2   3   4   5   6   7

Section 15

Now, imagine that Grove Bank comes alive and becomes a person.

(Please answer these, even though it may feel like these have been answered before.)

31. To what extent is Grove Bank like a businessperson <u>versus</u> a close friend?

Businessperson   *Close Friend*
    1   2   3   4   5   6   7   8

32. To what extent is Grove Bank like a close friend?

Not At All   *Extremely So*
    1   2   3   4   5   6   7

33. To what extent is Grove Bank like a person that I care about?

Not At All   *Extremely So*
    1   2   3   4   5   6   7

34. To what extent is Grove Bank like a businessperson?

Not At All   *Extremely So*
    1   2   3   4   5   6   7

Section 16

There are two picture groups (A and B) shown below. Questions 61 to 66 are based on these picture groups. (Please answer these, even though it may feel like these have been answered before.)
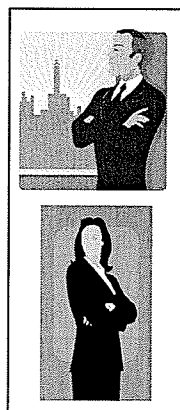
Group A   **Group B**
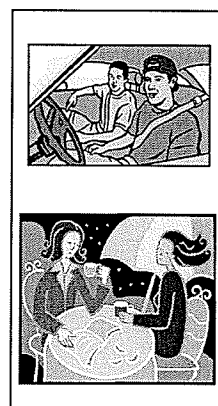
35. (i) Which of the picture groups best represents Grove Bank to you?

☐ *Group A*   ☐ *Group B*

(ii) Provide a ranking of how best the 2 picture groups <u>represent Grove Bank</u> to you. [Rank # 1 is for the best representative group and Rank # 2 is for the least representative group]

Group A → Rank #_____   **Group B** → Rank #_____

36. (i) Which of the picture groups best represents your relationship with Grove Bank?

☐ *Group A*   ☐ *Group B*

(ii) Provide a ranking of how best the 2 picture groups <u>represent your relationship with Grove Bank</u> to you. [Rank # 1 is for the best representative group and Rank # 2 is for the least representative group]

Group A → Rank #_____   **Group B** → Rank #_____

37. To what extent is Grove Bank like **Picture Group A** <u>versus</u> **Picture Group B**?

Group A   *Group B*
  1   2   3   4   5   6   7   8

38. To what extent does **Picture Group A** <u>represent your relationship with Grove Bank</u>?

Not At All   *Extremely So*
  1   2   3   4   5   6   7

39. To what extent does **Picture Group B** <u>represent your relationship with Grove Bank</u>?

Not At All   *Extremely So*
  1   2   3   4   5   6   7

40. To what extent does **Picture Group A** <u>versus</u> **Picture Group B** <u>represent your relationship with Grove Bank</u>?

Group A   *Group B*
  1   2   3   4   5   6   7   8

Section 17

The following questions are based on the scenarios that you were asked to imagine.

41. The scenario is

Very Unlikely   *Very Likely To*
 To Occur   *Occur*

   1   2   3   4   5   6   7

42. What did Grove Bank first announce that it was planning to do in 30 days? ☐ Close the branch on campus ☐ Open another new branch on campus ☐ Change the hours of operation

43. Grove Bank's first (i.e., initial) announcement was to close the branch on your university campus.

Strongly Disagree   *Strongly Agree*
     1   2   3   4   5   6   7

44. Grove Bank's first (i.e., initial) announcement was to open another new branch on your university campus.

Strongly Disagree   *Strongly Agree*
     1   2   3   4   5   6   7

45. Grove Bank's first (i.e., initial) announcement was to change the hours of operation for your university campus branch.

Strongly Disagree   *Strongly Agree*
     1   2   3   4   5   6   7

46. The decision (that Grove Bank first announced) would have created a stressful situation for you.

Strongly Disagree   *Strongly Agree*

    1   2   3   4   5   6   7

47. What did Grove Bank finally do (i.e., its final decision) after you sent the formal letter

(tick only one box)? ☐ Closed the branch on campus   ☐ Kept the branch on campus

open   ☐ Changed the hours of operation

48. Grove Bank finally closed the branch on your university campus.

Strongly Disagree   *Strongly Agree*

    1   2   3   4   5   6   7

49. Grove Bank finally kept the branch on your university campus open.

Strongly Disagree   *Strongly Agree*

    1   2   3   4   5   6   7

50. Grove Bank finally changed the hours of operation for your university campus branch.

Strongly Disagree   *Strongly Agree*

    1   2   3   4   5   6   7

51. In the scenario, you were able to get Grove Bank to reverse its initial (i.e., first announced) decision.

Strongly Disagree   *Strongly Agree*

    1   2   3   4   5   6   7

52. How positive or negative to you was the final decision of Grove Bank concerning your university campus branch?

Negative   *Positive*
for me   *for me*

    1   2   3   4   5   6   7

53. What are your thoughts concerning the final decision of Grove Bank regarding your university campus branch?

Unfavorable   *Favorable*
to me   *to me*

    1   2   3   4   5   6   7

54. The final decision of Grove Bank concerning your university campus branch would create a stressful situation for you.

Strongly   *Strongly*
Disagree   *Agree*

    1   2   3   4   5   6   7

55. Did Grove Bank send you a letter communicating its final decision?

☐ Yes, it did   ☐ No, it didn't

56. How appropriately did Grove Bank treat you during your interactions with them after they announced their initial decision?

Inappropriately   *Appropriately*
    1   2   3   4   5   6   7

57. How positive was the overall treatment meted out by Grove Bank to you after it made its initial announcement?

Negative   *Positive*

    1   2   3   4   5   6   7

58. How respectfully did Grove Bank treat you during your interactions with them after they announced their initial decision?

Disrespectfully   *Respectfully*
1   2   3   4   5   6   7

59. How pleasant was your experience when you spoke over the phone with an executive from Grove Bank headquarters to find out about Grove Bank's final decision?

Unpleasant   *Pleasant*
1   2   3   4   5   6   7

60. Grove Bank apologized to you and the other customers at your university campus branch after making its final decision.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

61. What are your thoughts concerning the overall treatment meted out by Grove Bank to you?

Unfavorable   *Favorable*
to me   *to me*
1   2   3   4   5   6   7

62. To what extent did you feel included (e.g., communicated to) versus ignored (not communicated to) by Grove Bank?

Ignored   *Included*
1   2   3   4   5   6   7   8

63. To what extent do you think that the final decision of Grove Bank was deserved by you?

Not At All Deserved   *Extremely Deserved*
1   2   3   4   5   6   7

64. To what extent do you think that the final decision of Grove Bank was reasonable to you?

Not At All Reasonable   *Extremely Reasonable*
1   2   3   4   5   6   7

Section 18

The following questions relate to your banking preferences.

65. I prefer a bank that provides a professional and formal banking experience.

Strongly   *Strongly*
Disagree   *Agree*
1   2   3   4   5   6   7

66. I prefer a bank that provides a warm and friendly banking experience.

Strongly   *Strongly*
Disagree   *Agree*
1   2   3   4   5   6   7

67. To what extent would you prefer a professional banking experience versus a friendly banking experience?

Professional Banking   *Friendly Banking*
Experience   *Experience*
1   2   3   4   5   6   7   8

Section 19

The following questions relate to your real-life banking history.

68. How many banks do you currently have account(s) with?

☐ None   ☐ One   ☐ Two   ☐ More than two

69. How many credit cards do you currently have?

☐ None ☐ One ☐ Two ☐ More than two

70. How frequently do you visit a local branch for services other than ATM?

☐ Never ☐ Once a month ☐ Twice a month

☐ Other *(please specify:* _____)

71. (i) Do you do online banking?

☐ Yes ☐ No

(ii) If yes, how frequently do you do online banking?

☐ Once a week ☐ More than once a week ☐ Once a month

☐ Twice a month ☐ Other *(please specify:* _____)

Section 20

The following questions are on your demographic profile.

72. Your nationality:

☐ Canadian ☐ Other *(please specify:* _____)

73. Your age: _____ years.

74. Your gender:

☐ Male ☐ Female

75. Language spoken at home:

☐ English ☐ Other *(Please specify:* _____)

76. Current faculty at the U of M:

☐ Management ☐ Arts ☐ Science ☐ Other *(please specify:* _____)

Study 2: Questionnaire for "Treatment – Control" Conditions

STEP 1: RESPONDENTS PRESENTED WITH RELATIONSHIP TYPE SCENARIOS (APPENDIX 1.12 OR 1.13)

STEP 2: RESPONDENTS ARE ASKED QUESTIONS LISTED IN APPENDIX 1.17

STEP 3: RESPONDENTS PRESENTED WITH 'OUTCOME NEGATIVE' SCENARIO (from APPENDIX 2.1 or 2.2) OR 'OUTCOME POSITIVE' SCENARIO (from APPENDIX 2.3 or 2.4)

Outcome Negative: "Despite the strong movement that you have been a part of and your time and efforts, Grove Bank **decides to shut down** the university campus branch! When you visit the campus branch location the next time, you find that the bank is closed."

Outcome Positive: "Because of the strong movement that you have been a part of and your time and efforts, Grove Bank **decides not to shut down** the university campus branch! When you visit the campus branch location the next time, you find that the bank is open for regular business."

STEP 4: RESPONDENTS ARE ASKED THE QUESTIONS LISTED (under step 4) IN APPENDIX 2.6 (EXCEPT QUESTION NUMBERS 55 TO 62, i.e., questions related to treatment)

Study 2: Questionnaire for "Control" (sans Outcome & Treatment) Conditions

---

STEP 1: RESPONDENTS PRESENTED WITH RELATIONSHIP TYPE SCENARIOS (APPENDIX 1.12 OR 1.13)

STEP 2: RESPONDENTS ARE ASKED QUESTIONS LISTED IN APPENDIX 1.17

STEP 3: RESPONDENTS ARE ASKED THE FOLLOWING QUESTIONS

Section 5

Given the scenario you have read, the following questions relate to <u>your beliefs and thoughts concerning decisions that Grove Bank might make with respect to your university campus branch</u>.

1. To what extent do you feel <u>powerful versus powerless (i.e., helpless)</u> *to change any decisions* of Grove Bank?

    Powerless   *Powerful*

    1   2   3   4   5   6   7   8

2. There is little that people like me can do to change any decisions of Grove Bank.

    Strongly   *Strongly*
    Disagree   *Agree*

    1   2   3   4   5   6   7

3. A few people in power run Grove Bank and there is not much that an individual customer like me can do.

    Strongly   *Strongly*
    Disagree   *Agree*

    1   2   3   4   5   6   7

4. Most of the time, I feel that I would have an effective voice in the decisions made by Grove Bank.

    Strongly   *Strongly*
    Disagree   *Agree*

    1   2   3   4   5   6   7

5. More and more, I would feel helpless in the face of what might be happening at Grove Bank.

    Strongly   *Strongly*
    Disagree   *Agree*

    1   2   3   4   5   6   7

6. An individual customer like me has little chance of protecting his/her personal interests when they are in conflict with those of Grove Bank.

    Strongly   *Strongly*
    Disagree   *Agree*

    1   2   3   4   5   6   7

Section 6

Given the scenario you have read, please answer the following questions about <u>your current feelings and emotions when you think of Grove Bank</u>.

7. I feel like there is a barrier or separation between Grove Bank and me because of their potential decisions concerning my university campus branch.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

8. I feel excluded by Grove Bank.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

9. Given the scenario you have read, to what extent do you feel the following in relation to Grove Bank?

	Not At All			*Moderately*			*Extremely So*
Betrayed	1	2	3	4	5	6	7
Bitter	1	2	3	4	5	6	7
Sad	1	2	3	4	5	6	7
Bad (awful/lousy)	1	2	3	4	5	6	7
Worried	1	2	3	4	5	6	7
Anxious	1	2	3	4	5	6	7
Angry	1	2	3	4	5	6	7
Hurt / Offended	1	2	3	4	5	6	7
Upset	1	2	3	4	5	6	7
Annoyed	1	2	3	4	5	6	7
Irritated	1	2	3	4	5	6	7
Humiliated	1	2	3	4	5	6	7
Disappointed	1	2	3	4	5	6	7
Happy	1	2	3	4	5	6	7
Elated	1	2	3	4	5	6	7
Joyful	1	2	3	4	5	6	7
Cheerful	1	2	3	4	5	6	7
Delighted	1	2	3	4	5	6	7
Pleased	1	2	3	4	5	6	7
Respected	1	2	3	4	5	6	7

Valuable	1	2	3	4	5	6	7

Section 7

The following questions are designed to measure <u>your thoughts at this moment of time</u>. There is no right or wrong answer for any of the following statements. The best answer is what you feel is true of yourself at this moment. Again, answer these questions as they are true for you AT THIS MOMENT.

10. To what extent do you feel the following at this moment?

	Not At All		Moderately				Extremely So
Effective	1	2	3	4	5	6	7
Confident	1	2	3	4	5	6	7
Competent	1	2	3	4	5	6	7
Inadequate	1	2	3	4	5	6	7
Incompetent	1	2	3	4	5	6	7
Ineffective	1	2	3	4	5	6	7

11. To what extent are the following statements true for you at this moment?

(i) I feel confident about my abilities.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(ii) I feel frustrated or rattled about my performance.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(iii) I feel good about myself.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(iv) I feel that others respect and admire me.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(v) I feel inferior to others at this moment.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(vi) I feel displeased with myself.

Not At All						*Extremely So*
1	2	3	4	5	6	7

Section 8

Based on the scenario you have read, the following questions relate to <u>your attitudes towards the potential decisions of Grove Bank concerning your university campus branch</u>.

12. The decisions of Grove Bank concerning your university campus branch would be:

(i)

Bad						*Good*
1	2	3	4	5	6	7

(ii)

Unfavorable						*Favorable*
1	2	3	4	5	6	7

(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

Section 9

The following questions relate to <u>your attitudes towards your treatment by Grove Bank during any potential decisions concerning your university campus branch</u>.

13. The treatment meted out by Grove Bank to you (during any future decisions concerning your university campus branch) would be:

(i)	*Bad*						*Good*
	1	2	3	4	5	6	7
(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

Section 10

Based on the scenario you have read, the following questions relate to <u>your attitudes and beliefs about the overall Grove Bank brand</u>.

14. The overall Grove Bank brand is:

(i)	*Bad*						*Good*
	1	2	3	4	5	6	7
(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7
(vi)	*Bad to do business with*						*Good to do business with*
	1	2	3	4	5	6	7
(vii)	*Unreputable*						*Reputable*
	1	2	3	4	5	6	7
(viii)	*Untrustworthy*						*Trustworthy*
	1	2	3	4	5	6	7

(ix)	*Unsatisfactory*						*Satisfactory*
	1	2	3	4	5	6	7
(x)	*Unprofessional*						*Professional*
	1	2	3	4	5	6	7
(xiii)	*Inefficient*						*Efficient*
	1	2	3	4	5	6	7
(xi)	*Unfriendly*						*Friendly*
	1	2	3	4	5	6	7
(xii)	*Uncaring*						*Caring*
	1	2	3	4	5	6	7

Section 11

Given the scenario you read, the following questions relate to <u>your attitudes and beliefs about Grove Bank's top management and your university campus branch executives</u>.

15. Overall, the top management of Grove Bank would be:

(i)	*Bad*						*Good*
	1	2	3	4	5	6	7
(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

16. Overall, the university campus branch executives of Grove Bank are:

(i)	*Bad*						*Good*
	1	2	3	4	5	6	7
(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

Section 12

The following question relates to your thoughts concerning any potential decisions of Grove Bank concerning your university campus branch.

17. How fair or unfair to you would the overall situation with Grove Bank be when they would make any decision about your university campus branch?

Not At All Fair						*Extremely Fair*
1	2	3	4	5	6	7

Section 13

Based on the scenario you have read, the following questions relate to <u>your behavioral intentions with respect to Grove Bank</u>.

18. I would say positive things about Grove Bank to other people.

Not At All Likely   *Extremely Likely*
       1   2   3   4   5   6   7

19. I would recommend Grove Bank to someone who seeks my advice.

Not At All Likely   *Extremely Likely*
       1   2   3   4   5   6   7

20. I would encourage my friends to bank with Grove Bank.

Not At All Likely   *Extremely Likely*
       1   2   3   4   5   6   7

21. I would consider Grove Bank as my first choice for banking purposes.

Not At All Likely   *Extremely Likely*
       1   2   3   4   5   6   7

22. I would stay a customer of Grove Bank.

Not At All Likely   *Extremely Likely*
       1   2   3   4   5   6   7

23. If another bank (competing with Grove Bank) with similar levels of service opened a branch on your university campus, how likely is it that you would switch to the other bank?

Not At All Likely   *Extremely Likely*
       1   2   3   4   5   6   7

24. If another bank (competing with Grove Bank) opened a branch on your university campus, and made a "first 2 months no service fee" offer, how likely is it that you would switch to the other bank?

Not At All Likely   *Extremely Likely*
       1   2   3   4   5   6   7

25. How respectfully do you expect Grove Bank to treat you in the future?

Very Disrespectfully   *Very Respectfully*
       1   2   3   4   5   6   7

26. How favorable to you do you expect future decisions of Grove Bank to be?

Very Unfavorable   *Very Favorable*
to me   *to me*
       1   2   3   4   5   6   7

Section 14

The following question is based on the scenario that you were asked to imagine.

27. The scenario is

Very Unlikely   *Very Likely To*
To Occur   *Occur*
       1   2   3   4   5   6   7

Section 15

The following questions relate to your <u>banking preferences</u>.

28. I prefer a bank that provides a professional and formal banking experience.

Strongly   *Strongly*
Disagree   *Agree*
       1   2   3   4   5   6   7

29. I prefer a bank that provides a warm and friendly banking experience.

Strongly						*Strongly*
Disagree						*Agree*
1	2	3	4	5	6	7

30. To what extent would you prefer a professional banking experience <u>versus</u> a friendly banking experience?

Professional Banking							*Friendly Banking*
Experience							*Experience*
1	2	3	4	5	6	7	8

Section 16

The following questions relate to your <u>real-life banking history</u>.

31. How many banks do you currently have account(s) with?

☐ None   ☐ One   ☐ Two   ☐ More than two

32. How many credit cards do you currently have?

☐ None   ☐ One   ☐ Two   ☐ More than two

33. How frequently do you visit a local branch for services other than ATM?

☐ Never   ☐ Once a month   ☐ Twice a month

☐ Other (*please specify:* _____)

34. (i) Do you do online banking?

☐ Yes   ☐ No

(ii) If yes, how frequently do you do online banking?

☐ Once a week   ☐ More than once a week   ☐ Once a month

☐ Twice a month   ☐ Other (*please specify:* _____)

Section 17

The following questions are on your demographic profile.

35. Your nationality:

☐ Canadian   ☐ Other (*please specify:* _____)

36. Your age: _____ years.

37. Your gender:

☐ Male   ☐ Female

38. Language spoken at home:

☐ English   ☐ Other (*Please specify:* _____)

39. Current faculty at the U of M:

☐ Management   ☐ Arts   ☐ Science   ☐ Other (*please specify:* _____)

Study 3: Scenarios for Outcome, Treatment, & Apology Conditions

STEP 1: FOR ALL CONDITIONS

Please carefully read and imagine this scenario:

You have been banking at your university campus branch of Grove Bank for the last five years. You have used the bank quite extensively and have been very happy with the quality of their services. Overall, your experience with Grove Bank has been very good.

Now imagine that on your regular visit to the university campus branch of Grove Bank, you find an important announcement:

```
┌─────────────────────────────────────────────────────────────────────┐
│                                                                       │
│                        GROVE BANK                                     │
│                                                                       │
│                    On your campus since 1995                          │
│                                                                       │
│        This Campus Branch will be closed down in 30 days.             │
│                                                                       │
└─────────────────────────────────────────────────────────────────────┘
```

Closed down in 30 days?! This means that you will have to start frequenting another branch for all your banking needs. Unfortunately, this is not that simple. The next closest branch is at an extremely inconvenient location for you. There are not enough buses to that place and finding a parking spot is equally difficult.

The closing down of Grove Bank's campus branch would be **extremely inconvenient for you!**

You and many others from the university spend a lot of time and effort and petition Grove Bank to not close down the campus branch. You send a formal letter to the Bank's headquarters with signatures of other petitioners. You also obtain media coverage for the petition.

STEP 2: TREATMENTS
- *Positive* – You call up the Bank headquarters to find out the status on your request to keep the campus branch open. You are **spoken to very politely and respectfully** and informed that your letter has been received and that your efforts have been taken into consideration. You are also told that you would be informed once the final decision has been made about the campus branch.
- *Negative* – You call up the Bank headquarters to find out the status on your request to keep the campus branch open. You are **spoken to very impolitely and disrespectfully** and not informed if your letter has been received and if your efforts have been taken into consideration. You are also not told if you would be informed once the final decision has been made about the campus branch.

STEP 3: OUTCOMES

- *Positive* – Because of the strong movement that you have been a part of and your time and efforts, Grove Bank **decides not to shut down** the university campus branch!
- *Negative* – Despite the strong movement that you have been a part of and your time and efforts, Grove Bank **decides to shut down** the university campus branch!

STEP 4: APOLOGY

- *Present* – After this, Grove Bank **sends you a letter** communicating this decision and **apologizes for the inconvenience caused** to you.
- *Absent* – After this, Grove Bank **does not send you a letter** communicating this decision and **does not apologize for the inconvenience caused** to you.
- *Control* – No mention

STEP 5: NEXT VISIT TO BRANCH

Outcome Positive & Apology Present – When you visit the campus branch location the next time, you find that the bank is open for regular business with the following notice for the customers:

GROVE BANK

On your campus since 1995

This Campus Branch shall remain open.
We sincerely apologize for the recent inconvenience caused to you.

Outcome Negative & Apology Present – When you visit the campus branch location the next time, you find that the bank is closed with the following notice for the customers:

GROVE BANK

On your campus since 1995

This Campus Branch shall remain closed.
We sincerely apologize for the recent inconvenience caused to you.

Outcome Positive & Apology Absent - When you visit the campus branch location the next time, you find that the bank is open for regular business with the following notice for the customers:

GROVE BANK

On your campus since 1995

This Campus Branch shall remain open.

Outcome Negative & Apology Absent - When you visit the campus branch location the next time, you find that the bank is closed with the following notice for the customers:

GROVE BANK

On your campus since 1995

This Campus Branch shall remain closed.

Outcome Positive & Apology Control - When you visit the campus branch location the next time, you find that the bank is open for regular business.

Outcome Negative & Apology Control - When you visit the campus branch location the next time, you find that the bank is closed.

Study 3: Questionnaire for Outcome, Treatment, & Apology Conditions

STEP 1: RESPONDENTS PRESENTED WITH OUTCOME (positive, negative), TREATMENT (positive, negative), & APOLOGY (present, absent) COMBINATION SCENARIOS (APPENDIX 3.1)

STEP 2: RESPONDENTS ARE ASKED THE FOLLOWING QUESTIONS

<u>Section 1</u>

Given the scenario you have read, the following questions relate to <u>your beliefs and thoughts concerning the decision of Grove Bank concerning your university campus branch</u>.

1. There is little that people like me can do to change the decision of Grove Bank.

    Strongly   ***Strongly***
    Disagree   ***Agree***
        1   2   3   4   5   6   7

2. A few people in power run Grove Bank and there is not much that an individual customer like me can do.

    Strongly   ***Strongly***
    Disagree   ***Agree***
        1   2   3   4   5   6   7

3. Most of the time, I feel that I have an effective voice in the decisions made by Grove Bank.

    Strongly   ***Strongly***
    Disagree   ***Agree***
        1   2   3   4   5   6   7

4. More and more, I feel helpless in the face of what is happening at Grove Bank.

    Strongly   ***Strongly***
    Disagree   ***Agree***
        1   2   3   4   5   6   7

5. An individual customer like me has little chance of protecting his/her personal interests when they are in conflict with those of Grove Bank.

    Strongly   ***Strongly***
    Disagree   ***Agree***
        1   2   3   4   5   6   7

6. To what extent did you feel <u>powerful versus powerless (i.e., helpless)</u> *to change the initially announced decision* of Grove Bank?

    Powerless   ***Powerful***
    1   2   3   4   5   6   7   8

7. To what extent did you feel <u>powerful versus powerless (i.e., helpless)</u> in light of Grove Bank's *final decision*?

    Powerless   ***Powerful***
    1   2   3   4   5   6   7   8

Section 2
Given the scenarios that you have read, please answer the following questions about <u>your current feelings and emotions when you think of Grove Bank</u>.

8. I feel like there is a barrier or separation between Grove Bank and me because of their final decision concerning my university campus branch.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

9. I feel excluded by Grove Bank.

Strongly Disagree						*Strongly Agree*
1	2	3	4	5	6	7

10. Given the scenarios you have read, to what extent do you feel the following in relation to Grove Bank?

	Not At All			*Moderately*			*Extremely So*
Betrayed	1	2	3	4	5	6	7
Bitter	1	2	3	4	5	6	7
Sad	1	2	3	4	5	6	7
Bad (awful/lousy)	1	2	3	4	5	6	7
Worried	1	2	3	4	5	6	7
Anxious	1	2	3	4	5	6	7
Angry	1	2	3	4	5	6	7
Hurt / Offended	1	2	3	4	5	6	7
Upset	1	2	3	4	5	6	7
Annoyed	1	2	3	4	5	6	7
Irritated	1	2	3	4	5	6	7
Humiliated	1	2	3	4	5	6	7
Disappointed	1	2	3	4	5	6	7
Happy	1	2	3	4	5	6	7
Elated	1	2	3	4	5	6	7
Joyful	1	2	3	4	5	6	7
Cheerful	1	2	3	4	5	6	7
Delighted	1	2	3	4	5	6	7

Pleased	1	2	3	4	5	6	7
Respected	1	2	3	4	5	6	7
Valuable	1	2	3	4	5	6	7

Section 3

The following questions are designed to measure <u>your thoughts at this moment of time</u>. There is no right or wrong answer for any of the following statements. The best answer is what you feel is true of yourself at this moment. Again, answer these questions as they are true for you AT THIS MOMENT.

11. To what extent do you feel the following at this moment?

	Not At All			*Moderately*			*Extremely So*
Effective	1	2	3	4	5	6	7
Confident	1	2	3	4	5	6	7
Competent	1	2	3	4	5	6	7
Inadequate	1	2	3	4	5	6	7
Incompetent	1	2	3	4	5	6	7
Ineffective	1	2	3	4	5	6	7

12. To what extent are the following statements true for you at this moment?

(i) I feel confident about my abilities.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(ii) I feel frustrated or rattled about my performance.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(iii) I feel good about myself.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(iv) I feel that others respect and admire me.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(v) I feel inferior to others at this moment.

Not At All						*Extremely So*
1	2	3	4	5	6	7

(vi) I feel displeased with myself.

Not At All						*Extremely So*
1	2	3	4	5	6	7

Section 4

Based on the scenarios you have read, the following questions relate to <u>your attitudes towards the final decision of Grove Bank concerning your university campus branch</u>.

13. The final decision of Grove Bank concerning your university campus branch is:

(i)

Bad						*Good*
1	2	3	4	5	6	7

(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

Section 5

The following questions relate to <u>your attitudes towards your treatment by Grove Bank when you called up to find out about the decision concerning your university campus branch</u>.

14. The treatment meted out by Grove Bank to you when you called (to find out about the decision concerning your university campus branch) is:

(i)	*Bad*						*Good*
	1	2	3	4	5	6	7
(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

Section 6

The following questions relate to <u>your attitudes towards how Grove Bank communicated its final decision (about your university campus branch) to you</u>.

15. What Grove Bank did (in terms of communication) after making the final decision concerning your university campus branch is:

(i)	*Bad*						*Good*
	1	2	3	4	5	6	7
(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

Section 7

Based on the scenario you have read, the following questions relate to <u>your attitudes and beliefs about the overall Grove Bank brand</u>.

16. I can always count on Grove Bank to do what is best.

Strongly Disagree   *Strongly Agree*

1   2   3   4   5   6   7

17. If Grove Bank makes a mistake, it will try its best to make up for it.

Strongly Disagree   *Strongly Agree*

1   2   3   4   5   6   7

18. I know I can hold Grove Bank accountable for its actions.

Strongly Disagree   *Strongly Agree*

1   2   3   4   5   6   7

19. Grove Bank is reliable.

Strongly Disagree   *Strongly Agree*

1   2   3   4   5   6   7

20. Given my experience with Grove Bank, the bank letting me down would surprise me.

Strongly Disagree   *Strongly Agree*

1   2   3   4   5   6   7

21. Grove Bank brand failure would be inconsistent with my expectations.

Strongly Disagree   *Strongly Agree*

1   2   3   4   5   6   7

22. The overall Grove Bank brand is:

(i)   *Bad*   *Good*

1   2   3   4   5   6   7

(ii)   *Unfavorable*   *Favorable*

1   2   3   4   5   6   7

(iii)   *Unlikeable*   *Likeable*

1   2   3   4   5   6   7

(iv)   *Negative*   *Positive*

1   2   3   4   5   6   7

(v)   *Unpleasant*   *Pleasant*

1   2   3   4   5   6   7

(vi)   *Bad to do business with*   *Good to do business with*

1   2   3   4   5   6   7

(vii)   *Unreputable*   *Reputable*

1   2   3   4   5   6   7

(viii)   *Untrustworthy*   *Trustworthy*

1   2   3   4   5   6   7

(ix)   *Unsatisfactory*   *Satisfactory*

1   2   3   4   5   6   7

(x)	*Unprofessional*						*Professional*
	1	2	3	4	5	6	7
(xiii)	*Inefficient*						*Efficient*
	1	2	3	4	5	6	7
(xi)	*Unfriendly*						*Friendly*
	1	2	3	4	5	6	7
(xii)	*Uncaring*						*Caring*
	1	2	3	4	5	6	7

Section 8

Given the scenarios you read, the following questions relate to <u>your attitudes and beliefs about Grove Bank's top management and your university campus branch executives</u>.

23. Overall, the top management of Grove Bank is:

(i)	*Bad*						*Good*
	1	2	3	4	5	6	7
(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

24. Overall, the executive who spoke with you on the phone is:

(i)	*Bad*						*Good*
	1	2	3	4	5	6	7
(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

25. Overall, the university campus branch executives of Grove Bank are:

(i)	*Bad*						*Good*
	1	2	3	4	5	6	7
(ii)	*Unfavorable*						*Favorable*
	1	2	3	4	5	6	7
(iii)	*Unlikeable*						*Likeable*
	1	2	3	4	5	6	7
(iv)	*Negative*						*Positive*
	1	2	3	4	5	6	7
(v)	*Unpleasant*						*Pleasant*
	1	2	3	4	5	6	7

Section 9

Based on the scenarios you have read, the following questions relate to <u>your behavioral intentions with respect to Grove Bank</u>.

26. I would say positive things about Grove Bank to other people.

Not At All Likely   *Extremely Likely*

         1   2   3   4   5   6   7

27. I would recommend Grove Bank to someone who seeks my advice.

Not At All Likely   *Extremely Likely*

         1   2   3   4   5   6   7

28. I would encourage my friends to bank with Grove Bank.

Not At All Likely   *Extremely Likely*

         1   2   3   4   5   6   7

29. I would consider Grove Bank as my first choice for banking purposes.

Not At All Likely   *Extremely Likely*

         1   2   3   4   5   6   7

30. I would stay a customer of Grove Bank.

Not At All Likely   *Extremely Likely*

         1   2   3   4   5   6   7

31. If another bank (competing with Grove Bank) with similar levels of service opened a branch on your university campus, how likely is it that you would switch to the other bank?

Not At All Likely   *Extremely Likely*

         1   2   3   4   5   6   7

32. If another bank (competing with Grove Bank) opened a branch on your university campus, and made a "first 2 months no service fee" offer, how likely is it that you would switch to the other bank?

Not At All Likely   *Extremely Likely*

         1   2   3   4   5   6   7

Section 10

The following questions relate to <u>your relationship with Grove Bank</u>.

33. I have warm feelings for Grove Bank.

Strongly Disagree   *Strongly Agree*

         1   2   3   4   5   6   7

34. Grove Bank cares for me.

Strongly Disagree   *Strongly Agree*

         1   2   3   4   5   6   7

35. I like Grove Bank.

Strongly Disagree   *Strongly Agree*

         1   2   3   4   5   6   7

36. I care for Grove Bank.

Strongly Disagree   *Strongly Agree*

         1   2   3   4   5   6   7

37. I would stay loyal to Grove Bank.
Strongly Disagree   *Strongly Agree*
        1   2   3   4   5   6   7

38. I would be willing to make small sacrifices in order to keep banking with Grove Bank.
Strongly Disagree   *Strongly Agree*
        1   2   3   4   5   6   7

39. I am satisfied with Grove Bank.
Strongly Disagree   *Strongly Agree*
        1   2   3   4   5   6   7

40. I am pleased with Grove Bank.
Strongly Disagree   *Strongly Agree*
        1   2   3   4   5   6   7

Section 11

Now, imagine that Grove Bank comes alive and becomes a person.

41. To what extent is Grove Bank like a businessperson <u>versus</u> a close friend?
Businessperson   *Close Friend*
   1   2   3   4   5   6   7   8

42. To what extent is Grove Bank like a close friend?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

43. To what extent is Grove Bank like a person that I care about?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

44. To what extent is Grove Bank like a businessperson?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

45. To what extent is Grove Bank **sincere**?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

46. To what extent is Grove Bank **earnest**?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

47. To what extent is Grove Bank **ethical**?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

48. To what extent is Grove Bank **thoughtful**?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

49. To what extent can is Grove Bank **caring**?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

50. To what extent can is Grove Bank **friendly**?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

51. To what extent can is Grove Bank **warm**?
Not At All   *Extremely So*
   1   2   3   4   5   6   7

Section 12

There are two picture groups (A and B) shown below. Questions 61 to 66 are based on these picture groups.

<div style="display:flex">
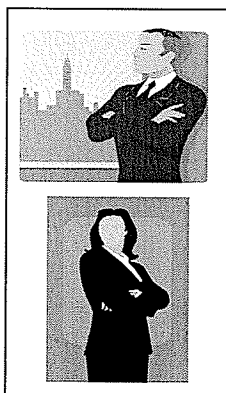
Group A

Group B

</div>
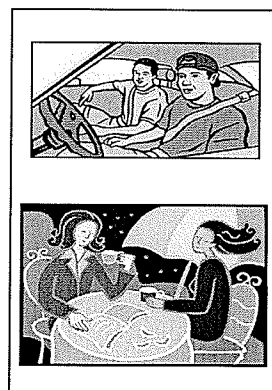
52. (i) Which of the picture groups best represents Grove Bank to you?

☐ *Group A* ☐ *Group B*

(ii) Provide a ranking of how best the 2 picture groups represent Grove Bank to you. [Rank # 1 is for the best representative group and Rank # 2 is for the least representative group]

Group A → Rank #_____ Group B → Rank #_____

53. (i) Which of the picture groups best represents your relationship with Grove Bank?

☐ *Group A* ☐ *Group B*

(ii) Provide a ranking of how best the 2 picture groups represent your relationship with Grove Bank to you. [Rank # 1 is for the best representative group and Rank # 2 is for the least representative group]

Group A → Rank #_____ Group B → Rank #_____

54. To what extent is Grove Bank like **Picture Group A** versus **Picture Group B**?

Group A   *Group B*

1   2   3   4   5   6   7   8

55. To what extent does **Picture Group A** represent your relationship with Grove Bank?

Not At All   *Extremely So*

1   2   3   4   5   6   7

56. To what extent does **Picture Group B** represent your relationship with Grove Bank?

Not At All   *Extremely So*

1   2   3   4   5   6   7

57. To what extent does **Picture Group A** versus **Picture Group B** represent your relationship with Grove Bank?

Group A   *Group B*

1   2   3   4   5   6   7   8

Section 13

The following questions are concerning the quality of Grove Bank's products and services.

58. The quality of Grove Bank's products is:

Bad   *Good*

1   2   3   4   5   6   7

- 340 -

59. The quality of Grove Bank's services is:

Bad   *Good*

  1   2   3   4   5   6   7

Section 14

The following questions are based on the scenarios that you were asked to imagine.

60. The scenario is

Very Unlikely   *Very Likely To*
  To Occur   *Occur*

  1   2   3   4   5   6   7

61. What did Grove Bank first announce that it was planning to do in 30 days? (tick only one box) ☐ Close the branch on campus   ☐ Open another new branch on campus

☐ Change the hours of operation

62. Grove Bank's first (i.e., initial) announcement was to close the branch on your university campus.

Strongly Disagree   *Strongly Agree*

  1   2   3   4   5   6   7

63. Grove Bank's first (i.e., initial) announcement was to open another new branch on your university campus.

Strongly Disagree   *Strongly Agree*

  1   2   3   4   5   6   7

64. Grove Bank's first (i.e., initial) announcement was to change the hours of operation for your university campus branch.

Strongly Disagree   *Strongly Agree*

  1   2   3   4   5   6   7

65. The decision (that Grove Bank first announced) would have created a stressful situation for you.

Strongly Disagree   *Strongly Agree*

  1   2   3   4   5   6   7

66. The decision (that Grove Bank first announced) would have caused inconvenience for you.

Strongly Disagree   *Strongly Agree*

  1   2   3   4   5   6   7

67. How pleasant was your experience when you spoke over the phone with an executive from Grove Bank headquarters to find out about Grove Bank's final decision?

Unpleasant   *Pleasant*

  1   2   3   4   5   6   7

68. To what extent does the executive you spoke with over the phone represent the brand to you?

Not At All   *Extremely So*

  1   2   3   4   5   6   7

69. Please provide your thoughts on why you think that the executive spoke to you the way (that motivated Grove Bank to make its final decision) could be? Why, according to you, did Grove Bank make the decision that it finally did? _____

_____

_____

70. How appropriately were you treated when you called up Grove Bank headquarters to find out their final decision?

Inappropriately   *Appropriately*
1   2   3   4   5   6   7

71. How respectfully were you treated during your telephonic interaction with the Grove Bank executive?

Disrespectfully   *Respectfully*
1   2   3   4   5   6   7

72. How positive was the treatment meted out by Grove Bank to you when you called them up?

Negative   *Positive*
1   2   3   4   5   6   7

73. What are your thoughts concerning the overall treatment meted out by Grove Bank to you?

Unfavorable   *Favorable*
 to me   *to me*
1   2   3   4   5   6   7

74. What did Grove Bank finally do (i.e., its final decision)? ☐ Closed the branch on campus ☐ Kept the branch on campus open ☐ Changed the hours of operation

75. Grove Bank finally closed the branch on your university campus.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

76. Grove Bank finally kept the branch on your university campus open.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

77. Grove Bank finally changed the hours of operation for your university campus branch.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

78. In the scenario, you were able to get Grove Bank to reverse its initial (i.e., first announced) decision.

Strongly Disagree   *Strongly Agree*
1   2   3   4   5   6   7

79. How positive or negative to you was the final decision of Grove Bank concerning your university campus branch?

Negative   *Positive*
 for me   *for me*
1   2   3   4   5   6   7

80. What are your thoughts concerning the final decision of Grove Bank regarding your university campus branch?

Unfavorable   *Favorable*
 to me   *to me*
1   2   3   4   5   6   7

81. The final decision of Grove Bank concerning your university campus branch would create a stressful situation for you.

Strongly   *Strongly*
Disagree   *Agree*

    1   2   3   4   5   6   7

82. The final decision of Grove Bank concerning your university campus branch would cause inconvenience for you.

Strongly   *Strongly*
Disagree   *Agree*

    1   2   3   4   5   6   7

83. According to you, why did Grove Bank make such a final decision concerning your university campus branch? Please provide your thoughts (in the space provided below) on what some of the underlying reasons (that motivated Grove Bank to make its final decision) could be? _____

_____

_____

84. Did Grove Bank send you a letter communicating its final decision?

☐ Yes, it did   ☐ No, it didn't

85. Grove Bank sent you a letter communicating its final decision.

Strongly   *Strongly*
Disagree   *Agree*

    1   2   3   4   5   6   7

86. Did Grove Bank apologize to you while communicating its final decision?

☐ Yes, it did   ☐ No, it didn't

87. Grove Bank apologized to you while communicating its final decision.

Strongly   *Strongly*
Disagree   *Agree*

    1   2   3   4   5   6   7

88. To what extent was this apology sincere? (only if answer to Q# 87 was "Yes, it did")

Not At All   *To A Great*
                                                            Extent

    1   2   3   4   5   6   7

89. To what extent was the apology earnest? (only if answer to Q# 87 was "Yes, it did")

Not At All   *To A Great*
                                                            Extent

    1   2   3   4   5   6   7

90. I forgive Grove Bank for the inconvenience it caused for me.

Strongly   *Strongly*
Disagree   *Agree*

    1   2   3   4   5   6   7

91. I completely forgive Grove Bank.

Strongly   *Strongly*
Disagree   *Agree*

    1   2   3   4   5   6   7

92. To what extent do you think that the final decision of Grove Bank was deserved by you?

Not At All Deserved · *Extremely Deserved*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

93. To what extent do you think that the final decision of Grove Bank was reasonable to you?

Not At All Reasonable · *Extremely Reasonable*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

94. How respectfully do you expect Grove Bank to treat you in the future?

Very Disrespectfully · *Very Respectfully*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

95. How favorable to you do you expect the future decisions of Grove Bank to be?

Very Unfavorable to me · *Very Favorable to me*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Section 15

The following questions relate to your banking preferences.

96. I prefer a bank that provides a professional and formal banking experience.

Strongly Disagree · *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

97. I prefer a bank that provides a warm and friendly banking experience.

Strongly Disagree · *Strongly Agree*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

98. To what extent would you prefer a professional banking experience versus a friendly banking experience?

Professional Banking Experience · *Friendly Banking Experience*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

Section 19

The following questions relate to your real-life banking history.

99. How many banks do you currently have account(s) with?

☐ None ☐ One ☐ Two ☐ More than two

100. How many credit cards do you currently have?

☐ None ☐ One ☐ Two ☐ More than two

101. How frequently do you visit a local branch for services other than ATM?

☐ Never ☐ Once a month ☐ Twice a month

☐ Other (*please specify:* _____)

102. (i) Do you do online banking?

☐ Yes ☐ No

(ii) If yes, how frequently do you do online banking?

☐ Once a week ☐ More than once a week ☐ Once a month

☐ Twice a month ☐ Other (*please specify:* _____)

Section 20

The following questions are on your demographic profile.

103. Your nationality:

     ☐ Canadian   ☐ Other *(please specify:* _____ *)*

104. Your age: _____ years.

105. Your gender:

     ☐ Male   ☐ Female

106. Language spoken at home:

     ☐ English   ☐ Other *(Please specify:* _____ *)*

107. Current faculty at the U of M:

☐ Management   ☐ Arts   ☐ Science   ☐ Other *(please specify:* _____ *)*

Study 3: Questionnaire for "Control" (sans Treatment & Apology) Conditions

STEP 1: RESPONDENTS PRESENTED WITH OUTCOME (POSITIVE OR 7NEGATIVE) SCENARIOS (APPENDIX 3.1)

STEP 2: RESPONDENTS ARE ASKED THE QUESTIONS LISTED IN APPENDIX 3.2 WHILE MODIFYING QUESTIONS # 67-73 (i.e., questions related to treatment) AS SHOWN BELOW

67. How pleasant would your experience be if you were to speak over the phone with an executive from Grove Bank headquarters to find out about Grove Bank's final decision?

Unpleasant   *Pleasant*

  1   2   3   4   5   6   7

68. To what extent does the executive you might speak with over the phone represent the brand to you?

Not At All   *Extremely So*

  1   2   3   4   5   6   7

69. Please provide your thoughts on why you think that the executive might speak to you that way? _____

_____

_____

70. How appropriately would you be treated if you called up Grove Bank headquarters to find out their final decision?

Inappropriately   *Appropriately*

  1   2   3   4   5   6   7

71. How respectfully would you be treated during your telephonic interaction with a Grove Bank executive?

Disrespectfully   *Respectfully*

  1   2   3   4   5   6   7

72. How positive would the treatment meted out by Grove Bank to you be if you call them up?

Negative   *Positive*

  1   2   3   4   5   6   7

73. What are your thoughts concerning the overall treatment that might be meted out by Grove Bank to you?

Unfavorable   *Favorable*

to me   *to me*

  1   2   3   4   5   6   7