Investigating Industry Context Effects in Consumer-Firm Relationships: Preliminary Results From a Dispositional Approach

Edwin Nijssen, Jagdip Singh, Deepak Sirdeshmukh and Hartmut Holzmüeller

Journal of the Academy of Marketing Science 2003; 31; 46
DOI: 10.1177/0092070302238604

Investigating Industry Context Effects in Consumer-Firm Relationships: Preliminary Results From a Dispositional Approach

Edwin Nijssen
University of Nijmegen

Jagdip Singh
Case Western Reserve University

Deepak Sirdeshmukh
Case Western Reserve University

Hartmut Holzmüeller
Dortmund University

Few, if any, past studies have attempted to develop a model to capture and explain industry context variability and hypothesize its effects on consumer-firm relationships. Generally, industry effects are ignored, described, or explained post hoc. Using the notion of consumers' dispositions toward a market, a framework is proposed for understanding the influence of industry context on consumer satisfaction, trust, value, and loyalty in relational exchanges. The empirical results of a survey in two service industries show that industry contexts matter and yield significant direct and moderating effects on consumer-firm relationships. The study underscores the promise of a dispositional approach for providing insights for the theory and practice of relationship marketing, resolving outstanding questions, and proposing fruitful areas for further examination.

Journal of the Academy of Marketing Science.
Volume 31, No. 1, pages 46-60.
DOI: 10.1177/0092070302238604

Under the rubric of relationship marketing, interest in understanding consumer-firm relationships has mushroomed into a significant body of work (Garbarino and Johnson 1999; Sirdeshmukh, Singh, and Sabol 2002; Smith and Barclay 1997). Concurrently and perhaps paradoxically fueling this growth is the increasing recognition among researchers and practitioners alike that consumer loyalty is fickle. Conventional constructs of satisfaction and trust often fail to show a strong association with loyalty (Oliver 1999). Significantly, empirical research has begun to systematically document that the association between loyalty and satisfaction is subject to wide variability across industry contexts. In some studies, the satisfaction and loyalty association ranges from almost nonsignificant (e.g., cars) to highly significant, near-perfect associations (e.g., local telephone services) (Jones and Sasser 1995).

Why do such wide differences occur? Surprisingly, little theoretical work has been done to map the mechanisms underlying industry variability. Specifically, past research has tended to account for industry variability in consumer-firm relationships in one of three ways. The first approach

ignores across industry heterogeneity by pooling such data to provide an aggregate sense of the focal interrelationships. Often, it is reasoned that conceptual interest lies in the associations between theoretical constructs, while contextual variability is akin to random "error." A characteristic of this approach is the use of large random samples drawn from multiple industries that are pooled for analysis (e.g., Tax, Brown, and Chandrashekaran 1998). The second approach copes with industry variability by *describing* the heterogeneity in consumer-firm relationships. This approach controls for industry effects but typically does not model industry variability (e.g., Jones and Sasser 1995). The third approach, although less common, attempts to develop a model to "explain" industry variability and hypothesize its effects on consumer-firm relationships. Often these studies use *structural* characteristics of industries (e.g., level of concentration or rivalry, and regulatory environment) to model industry variability (Singh 1991). Although each of these approaches has produced useful insights, the third approach appears most promising for mapping underlying mechanisms and addressing critical questions such as those posed by Anderson (1994): "*Why* do we observe these differences?" and "*How* do these differences emerge?" (p. 25)

The purpose of our study is to contribute to the third approach by modeling the effects of industry context on consumer-firm relationships using an approach rooted in the consumer dispositions literature. Although the notion of consumer dispositions as cognitive and action tendencies dates back to the early work on consumer attitudes toward businesses (e.g., Barksdale and Darden 1972), we align our conceptualization with the emerging ideas of context-specific dispositions that depict situational sensitivity (cf. Steenkamp, ter Hofstede, and Wedel 1999) and rely on consumers' schemas or representations of industry contexts (Rosa, Porac, Runser-Spanjol, and Saxon 1999). Just as a dispositional approach has yielded useful insights in other areas of marketing inquiry (e.g., in studying innovativeness) (cf. Steenkamp et al. 1999), we reason that such an approach is likely to be fruitful for modeling industry context effects and for opening new directions for research. Thus, the key premise guiding this research is not that the dispositional approach is necessarily superior to other approaches but rather that it is a theoretically sound and empirically useful approach for providing unique insights into industry contexts. If the results of our efforts are promising, we hope that future researchers will be encouraged to develop more completely the theoretical ideas concerning consumer dispositions and their potential impact.

Our research is organized as follows. First, we introduce the framework of consumer dispositions. Next, we review the literature on satisfaction-loyalty linkages to introduce a baseline model and develop hypotheses for the direct and moderating effects of the proposed dispositional dimensions. Thereafter, we discuss initial empirical evidence with data from retail and airline contexts. We close with a discussion and implications for future research.

CONCEPTUALIZING CONSUMER DISPOSITIONS

A considerable body of work exists to establish that industry/contextual factors have a significant influence on satisfaction-loyalty relationships. Often, this influence is construed in one of two ways. *First*, the *level* of satisfaction and loyalty is thought to vary depending on the industry involved—an approach that has been recently popularized by the Consumer Satisfaction Index studies in Sweden, the United States, and other countries (Fornell, Johnson, Anderson, Cha, and Bryant 1996). *Second*, industry and/or product/service categories are posited to *moderate* the relationship between satisfaction and loyalty. Jones and Sasser (1995) have provided evidence that satisfaction-loyalty relationships are consistently stronger in less competitive markets (e.g., local telephone services and airlines). Likewise, Johnson and Auh (1998) identified industry context as an important moderator of satisfaction-loyalty relationships.

Although few studies have theoretically explored the mechanisms underlying the influence of industry context, Hirschman (1970) drew on economic and political theory to develop a consumer-based explanation with specific focus on dispositions to exit or voice, or both. In industries where consumers are disposed toward exit and feel empowered to act on the basis of their dispositions, Hirschman reasoned that satisfaction levels would be higher as sellers would work harder to avoid the deleterious consequences of consumer exit. Likewise, in industries where consumers are disposed toward voice and feel empowered, satisfaction levels may be high as well because sellers are likely to be wary of the wrath of angry consumers who may engage in boycotts and organized protest. However, when consumers' disposition toward voice and exit is curbed either because consumers feel powerless to exit and/or lack efficacy, Hirschman posited that satisfaction levels would suffer. Empirical tests have found support for Hirschman's propositions in the consumer dissatisfaction context (Singh 1991). Notably, Hirschman uses the notion of consumers' dispositions toward an industry to "explain" variability in satisfaction-loyalty levels.

We draw on the theoretical work of Mischel and Shoda (1999) and Davis-Blake and Pfeffer (1989) to build on Hirschman's work and provide a foundation for conceptualizing the notion of consumer dispositions and hypothe-

sizing its direct and moderating role in satisfaction-loyalty relationships. We define *dispositions* as attitudes and action tendencies to respond to industry-context situations in a particular, predetermined manner. Specifically, dispositions are conceptualized as predictable patterns of behaviors/attitudes that account for intraindividual coherence and stability *within* industry contexts but are capable of depicting differential sensitivity across contexts (Mischel and Shoda 1999). Moreover, the notion of dispositions is consistent with the social constructionist approach to conceptualizing product markets (Rosa et al. 1999). That is, consumer dispositions are conceptualized to emerge as consumers synthesize their information and experiences across multiple exchanges within an industry to develop higher-level inferences. Such higher order inferencing may be a complex process, in which individual exchanges with one or more sellers in an industry are filtered through the perceptions and attributions of the consumer. Within an industry context, such sense making is aggregated across sellers, experiences, and time through a process of assimilation and updating, resulting in an overall industry disposition. This account of consumer dispositions as being situationally defined, that is, at the level of marketers in specific industries rather than at the overall market level, is consistent with current models of schematic representation of knowledge (Friestad and Wright 1995; Myers-Levy and Tybout 1989; Rosch and Mervis 1975). Also, the work of Srinivasan and Ratchford (1991) and Mittal and Kamakura (2001) points to the influence of personal motivations and personal characteristics in this process.

Guided by extant research (Iacobucci and Oström 1996; Wish, Deutsch, and Kaplan 1976), we identified two key dimensions of consumer dispositions for our initial study: (1) *valence*, referring to the overall positivity or negativity of judgments (e.g., Barksdale and Darden 1972; Johnson and Auh, 1998), and (2) *marketplace efficacy*, referring to the perceived control that consumers feel that they have relative to sellers in the marketplace (Allison 1978; Otnes, Lowrey, and Shrum 1997). Both of these dimensions have been identified as core facets of commercial relationships (Oström and Iacobucci 1995; Wish et al. 1976). Together, they provide a more balanced understanding of industry context dispositional mechanisms. However, in focusing on these dispositional dimensions, we neither aim to provide construct and scale development nor suggest that these dimensions are sufficient to circumscribe the dispositions construct. Rather, our aim is to provide tenable insights into the potential of the dispositions approach through an initial study with available constructs and measures. If the results from this initial study are promising, it can likely provide a starting point for future studies with more comprehensive (multidimensional) and rigorous operationalizations of the dispositional constructs.

CONSUMER DISPOSITIONS AND THE STVL RELATIONSHIPS

To develop hypotheses to guide our empirical research, we first describe the two dispositional dimensions and thereafter develop the hypotheses in the context of a baseline model for understanding satisfaction, trust, value, and loyalty (STVL) relationships. STVL relationships capture consumer-firm mechanisms implicated in relational exchanges at the level of a specific individual interacting with a specific relational service provider.

Valence

Valence represents affect dispositions that reflect approach and avoidance. Drawing from Wish et al. (1976) and Iacobucci and Oström (1996), consumer dispositions toward firms in an industry can be valenced positively with cooperative and friendly attitudes or negatively with competitive and hostile attitudes. As such, valence dispositions parallel notions of consumers' sentiment toward various marketing practices and feelings of satisfaction/contentedness or dissatisfaction/discontentedness (Fornell et al. 1996; Lundstrom and Lamont 1976).

Marketplace Efficacy

The notion of marketplace efficacy is cognitive and rooted in the notion of power asymmetry in social and economic settings. When perceived power asymmetrically favors the consumers, their ability to influence outcomes in the industry should enhance their sense of control. Conversely, when power distribution favors the firm, consumers lack control over industry practices (Iacobucci and Oström 1996). Power asymmetry is likely affected by several factors, including lack of sufficient alternatives (Jones and Sasser 1995), information asymmetry (Singh and Sirdeshmukh 2000), or a general lack of customer orientation by members in the industry. Moreover, the literature on consumer alienation provides additional support for the relevance of marketplace efficacy dispositions (Allison 1978).

Baseline Model for Satisfaction-Loyalty Relationships

We recognize that there is significant debate and controversy about the linkages that connect satisfaction and loyalty and concerning the constructs that mediate this relationship. Our research does not aim to address these issues. Rather, we utlilize a *baseline* model that draws from published literature and has been shown to be consistent with empirical data in service contexts. As a baseline model, it does not include any influence of industry context, however. We use this baseline model to model

the effect of industry context by examining the direct and moderating effects of consumer dispositions.

Drawing on previous research, we define encounter-specific satisfaction as the degree of fulfillment of some need, desire, goal, or some other pleasurable end state in a given exchange encounter between the consumer and firm (Oliver 1999). Likewise, loyalty is indicated by an intention to perform a diverse set of behaviors that signal a motivation to maintain a relationship with the service provider/seller. In general, the satisfaction-loyalty literature has anticipated a direct, linear, and positive effect of satisfaction on loyalty (Johnson and Auh 1998). However, empirical studies have often indicated that the relationship is indirect and complex. Others have gone as far as to suggest that satisfaction and loyalty are unrelated constructs (Neal 1999). Explanations for these discrepancies vary and have been rather speculative. Recently, Oliver (1999) noted that the direct relationship between satisfaction and loyalty is probably "misspecified" and "mediated by other exchange-relevant constructs" (p. 34).

Because loyalty implies a behavioral commitment on the part of the consumer toward a seller/provider, the mediating variables must link (past) encounter-specific satisfaction to the ongoing relational construct of loyalty. The recent work of Garbarino and Johnson (1999) and Sirdeshmukh et al. (2002) suggests that trust and value act as critical mediating variables. Following these studies, we define trust as a customer's confidence that the seller can be relied on to deliver promised services, while value is defined as the consumer's perceptions of the benefits enjoyed versus cost incurred. Using the trust-commitment theory, Garbarino and Johnson (1999) demonstrated that trust mediates the link between encounter-specific satisfaction and relational commitment including consumers' future intentions to purchase and continue the relationship. Sirdeshmukh et al. extended this finding by conceptualizing and providing evidence for the mediating role of value. Drawing from the theory of goal-directed behaviors, the authors argued that consumers seek value as the higher order goal in marketplace exchanges and that this goal regulates their future behaviors including loyalty. As such, satisfaction and trust build loyalty only to the extent that it contributes to the higher order goal of value. Using data from different service contexts, Sirdeshmukh et al. provide consistent evidence in support of their hypothesis that value mediates the influence of satisfaction and trust on loyalty.

Using this stream of past research, we conceptualize a baseline model of STVL as shown in Figure 1. Consistent with the notion of partial mediation, each antecedent construct is posited to influence the downstream variables directly as well as indirectly following its effect on intervening constructs. As noted, this model is used as a baseline model to hypothesize and explore consumer disposition effects.

Hypotheses

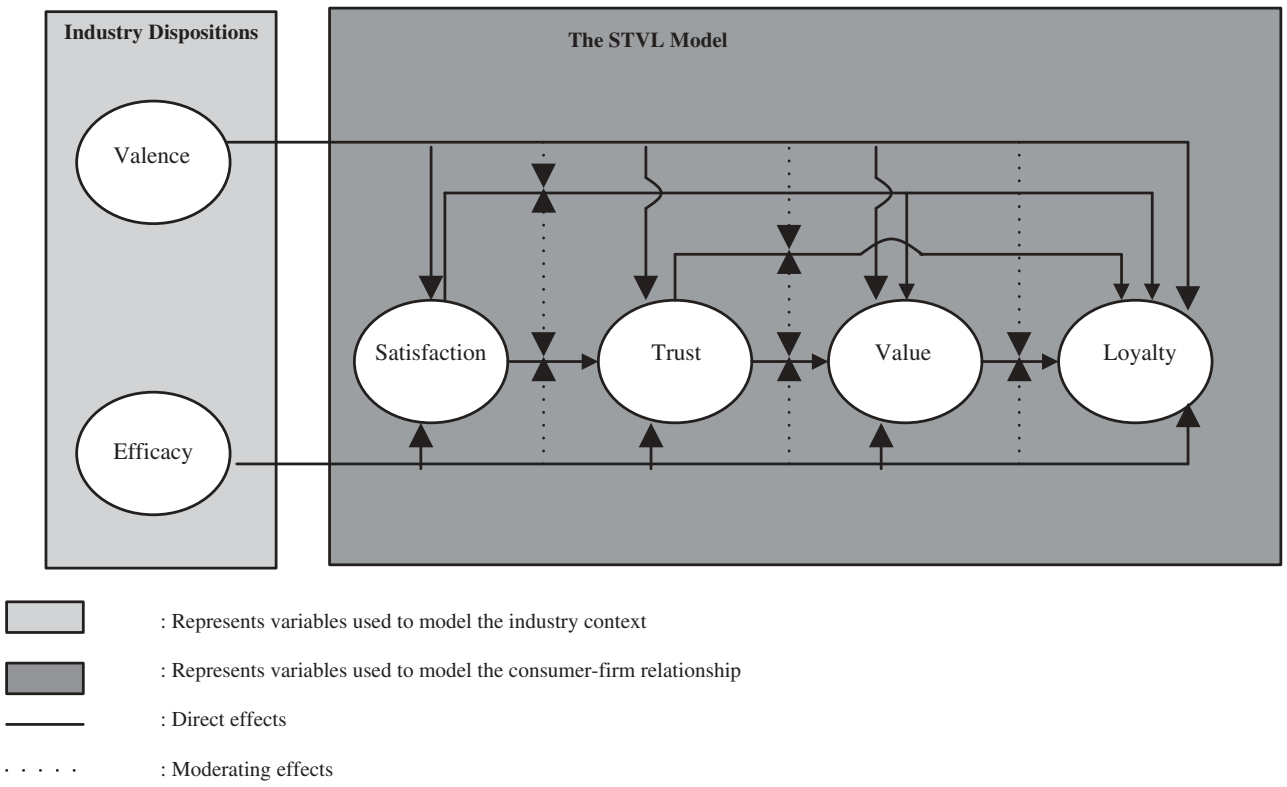
The valence and marketplace efficacy dispositions are hypothesized to directly influence the STVL constructs in specific exchanges between the consumer and individual seller/service providers. Consumers interpret and encode their interactions with a given firm in the context of the valence of the industry schema evoked in memory (Friestad and Wright 1995). Due to the aggregation of multiple experiences in the industry schema, valence dispositions are probably held with confidence, positively influencing firm-level transactions and relationships (Fazio and Zanna 1978). Likewise, efficacy dispositions are posited to have a direct positive affect. A consumer's feelings of satisfaction and trust are closely related to his or her sense of controllability of outcomes. Studies show that people with greater sense of ability and control maintain more positive affects and evaluate performance more positively. Hui and Bateson (1991) demonstrated direct positive impact of these variables on behavioral tendencies. In addition, social justice theory suggests that consumers' sense of control and efficacy through voice enhances their sense of fairness of outcomes. In turn, these fairness perceptions promote trust and enhance loyalty toward the service provider (Lind and Tyler 1988). Thus, we propose the following:

Hypothesis 1: The consumer industry dispositions of (a) valence and (b) marketplace efficacy will be related positively to the evaluations of satisfaction, trust, value, and loyalty toward a specific service provider/firm.

Moderating influences of consumer dispositions on the STVL interrelationships are also anticipated. Regarding valence, we draw on attribution theory to posit that positive valence dispositions will lead to beneficial and benevolent attributions of firm behaviors enhancing the strength of STVL relationships. Negative valence, on the other hand, is expected to have the reverse effect due to the dominance of negative attributions that likely diminish the STVL interrelationships. Research examining the effect of suspicions on attributions and correspondent inferences provides support for the posited effects. As Fein (1996) noted, "The most fundamental effect that suspicion has on perceivers is that it causes them to hesitate to take behavior at face value. Suspicion renders ambiguous the implications of a variety of behaviors for making dispositional inferences about the actor" (p. 1165). Negative valence dispositions are expected to demonstrate effects analogous to suspicion, weakening the proposed STLV relationships.

Efficacy dispositions are also expected to moderate the interrelationships in the STVL model. When efficacy dispositions are low, consumers may develop uncertainty regarding the provider's motivation to provide the present

FIGURE 1
Empirical Model Used to Examine the Direct and Moderating Effects of Consumer Dispositions on the STVL Model



NOTE: STVL = satisfaction, trust, value, and loyalty.

benefits in the future or regarding their own ability to be efficacious. Conversely, high perceptions of efficacy are likely to lead to enhancement of STLV relationships by creating confidence in the continuity of relational benefits. Thus, by affecting the consumers' ability to make confident predictions about the future based on benefits and value received in the present, efficacy is expected to positively moderate the impact of satisfaction, trust, and value on loyalty. However, predictions for the opposite effect of efficacy dispositions are also tenable. Increasing efficacy dispositions in an industry may reduce the consumer's dependence on a given firm for achieving satisfaction and relational benefits. That is, when efficacy is low, consumers are likely to have greater dependence on a given firm to provide satisfying transactions. Low levels of efficacy should reduce the consumer's optimism that they will be able to obtain satisfying transactions with another firm, leading to stronger STLV relationships. By contrast, when consumers have high efficacy dispositions, a fundamental outcome may be that consumers perceive greater ability to exit, voice, or otherwise obtain desired benefits. Thus, while it may be predicted that STLV relationships will be negatively moderated by efficacy dispositions, we anticipate that the positive moderating effects of efficacy are likely to dominate because, under high satisfaction, the costs of continued search eventually outweigh the benefits (Johnson and Auh 1998:16).

Hypothesis 2: The consumer industry dispositions of (a) valence and (b) marketplace efficacy will have positive moderating effects on the interrelationships between satisfaction, trust, value, and loyalty toward a service provider/firm.

RESEARCH DESIGN AND METHOD

Overall Considerations

Two service industries, retail clothing purchases and nonbusiness airline travel, were selected for our initial study. Within these industry contexts, we focused on exchanges that were likely to depict relational characteristics.

For clothing purchases, we asked consumers to focus on exchanges with a retail store that involved at least a $50 purchase in the last visit and at least two visits during the last 6 months. If consumers could not come up with exchanges that satisfied the preceding qualifying criteria, they were excluded. Likewise, for airline travel, we asked consumers to focus on exchanges with an airline company for which they hold a frequent-flyer account and have made at least one nonbusiness trip during the last 6 months.

Sample

The sample consisted of individual consumers residing in the metropolitan area of a large midwestern city. Questionnaires accompanied by a cover letter and a stamped return envelope were mailed to 1,230 respondents for each service category. A second wave of questionnaires was mailed to all respondents with a reminder, 4 weeks after the initial mailing.

In the clothing purchase category, a total of 325 usable responses were received across the two waves. Likewise, in the airline travel category, a total of 113 returned responses were received. Adjusting for the qualification ratio based on nonqualifyers' returned questionnaires, response rates of 26 percent and 29 percent were calculated for retail and airlines services, respectively (Armstrong and Overton 1977). Table 1 depicts the respondent profile. Except for a significant gender imbalance in each service category, with 70 percent of respondents in the clothing sample being female, while only 30 percent in the airline sample were female, no major differences were encountered.

Measurements

Table 2 provides the operationalization and descriptive statistics for the study's constructs. The correlation matrix and reliabilities are reported in the appendix.

STVL constructs. The measures for STVL were adapted from the extant literature. The *loyalty* measure used is a four-item measure drawn from the services literature (Zeithaml, Berry, and Parasuraman 1996). Respondents indicated the likelihood of performing several future behaviors involving the specific provider including the likelihood of repeat usage, doing most of their future shopping (traveling) with this provider (i.e., share of category wallet), and positive word of mouth. A four-item measure of *value* was adapted from existing value research (Grisaffe and Kumar 1998). Respondents evaluated the worth of benefits received given the prices paid, time spent, effort involved, and overall experience in maintaining a relationship with the focal provider. Adapting measures from extant research for our context (Morgan and Hunt 1994) resulted in a 10-item, 10-point semantic differential scale measure of overall *trust* in the service provider. The measure included 5 items each to measure trust in frontline employees and company policies and practices. They were aggregated to develop an indicator of overall trust (in accordance with Doney and Cannon 1997). Finally, three items were included to measure episode-specific consumer *satisfaction* with the last experience on a 10-point scale anchored by end points such as *highly unsatisfactory/highly satisfactory*, *very unpleasant/very pleasant*, and *terrible/delightful*. These measures were adapted from scales reported in satisfaction research (Oliver 1997). The STVL constructs had alpha reliabilities of .88 or higher.

Consumer dispositions. Consumer dispositions were measured using the two dimensions identified. Because the notions of consumers' marketplace valence and efficacy are rooted in alienation theory and consumer sentiment toward marketing, we reviewed various measures including that of Barksdale and Darden (1972) for consumer attitudes toward marketing, Gaski and Etzel's (1986) measure regarding consumer sentiment toward marketing, Lundstrom and Lamont's (1976) consumer discontent measure, and Allison's (1978) consumer alienation scale. Unfortunately, these measures confound valence and efficacy, as well as general attitudes toward business practices. Several researchers have raised concerns with regard to the preceding measures. For example, after reviewing some of these measures, Lambert (1980) concluded that researchers "should exercise care to avoid overlapping measures" (p. 11) when selecting instruments to measure consumer alienation and dissatisfaction. In a study on construct redundancy using consumer alienation and discontent constructs, Singh (1991) showed that while discontent and alienation may be conceptually nonredundant, their current operationalizations are empirically redundant.

Thus, while it is clear to us that original scale development work is necessary, we sought to identify a subset of items from these scales that could serve as adequate indicators for valence and efficacy concepts. We felt that for this initial study, such a bootstrapping approach may be reasonable. Specifically, each of the coauthors independently identified a tight set of plausible measures for the valence and efficacy conceptualizations from a pooled set of consumer sentiment (Barksdale and Darden 1972; Gaski and Etzel 1986), consumer discontent (Lundstrom and Lamont 1976), and consumer alienation items (Allison 1978). Thereafter, the coauthors met to discuss the items identified to select a common set of items. Overall, the coauthors reported difficulty in identifying a large number of items that were (a) consistent with the

TABLE 1
Demographic Profile of the Respondents

Variable	*Percentage*
Age	
18-24	1.7
25-34	13.1
35-44	29.5
45-54	29.2
55+	26.5
Gender	
Male	44.6
Female	55.4
Education	
High school	10.7
Some college	22.8
College degree	41.6
Graduate school	24.8
Ethnicity	
White	93.9
African American	4.7
Other	1.4
Marital status	
Married	77.9
Single	9.4
Divorced/separate	9.7
Widow(er)	3.0
Household size	
1	11.4
2	32.7
3	16.5
4	23.6
5	11.4
≥ 6	4.4
Annual household income	
< $35,000	4.9
$35,000-$44,999	13.2
$45,000-$54,999	13.6
$55,000-$64,999	13.6
$65,000-$74,999	9.8
$75,000-$84,999	10.8
$85,000-$94,999	8.4
≥ $95,000	25.7

conceptual definitions, (b) unconfounded with other aspects of consumer sentiment, and (c) clearly written and meaningful for the retail and airline context of the present study. As such, we sought to refine the items slightly to provide a better fit with the preceding criteria. In all, four items were adopted with rewording and refinement (see Table 2). For example, the item "These days shopping is generally an unpleasant experience" was adopted on the basis of Gaski and Etzel's "Because of the way retailers treat me, most of my shopping is unpleasant" and Allison's "Shopping is usually a pleasant experience." Likewise, the efficacy item "Misleading ads are something we have to live with" involved a composite of "Advertising makes false claims" (Gaski and Etzel 1986), "Advertising tempts people to spend their money foolishly" (Lundstrom and Lamont 1976), and "Mispresentation of product features is just something we have to live with" (Allison 1978). Respondents were asked to respond on a 5-point scale ranging from *strongly agree* to *strongly disagree*. Although the items were negatively framed, the use of bipolar response categories allows measurement of the valence continuum ranging from positive to negative dispositions and efficacy from a sense of helplessness to empowerment when dealing with firms. The internal consistency of the measure was reasonable (valence $\alpha = .70$, efficacy $\alpha = .80$).

Control variables. Several control variables were included in this study to enhance the validity of the obtained results, including gender ("0" for male and "1" for female) and education. Also, a general industry dummy was introduced to control for additional structural differences ("0" for clothing and "1" for airline). Other demographic control variables initially controlled for included age, income, and household size. They were not significant and were removed from the final analysis to keep the model parsimonious.

Method of analysis. The data were analyzed using EQS software. However, before testing the hypotheses, the construct validity of all variables was examined using confirmatory factor analysis (CFA) and chi-square difference tests. The CFA model yielded a good overall fit ($\chi^2 = 1340.5$, $df = 260$, $p < .01$; Normed Fit Index [NFI] = .93, Non-Normed Fit Index [NNFI] = .94, Comparative Fit Index [CFI] = .94, root mean square error [RMR] = .06, root mean square error of approximation [RMSEA] = .11, 90% confidence interval [CI] = [.10-.11]), and with factor loadings that were significant and greater than .65, without any exception. This suggests a high level of convergent validity of study constructs as measures load only on their hypothesized factors. The correlations among the constructs range from .25 to .68, with an average of .47, indicating that constructs do not share a substantial portion of their variance. This evidence of discriminant validity was confirmed by conducting pairwise chi-square difference tests supporting that none of the correlations among the study constructs equaled unity. In addition, the valence and efficacy measures were factor analyzed to separately test their discriminant and convergent validity. Using the scree plot and eigenvalue criteria, two factors with eigenvalues of 2.83 and 1.20 that explained more than 67 percent of the variance were extracted as expected. Upon oblique rotation, two clean factors were obtained with all hypothesized loadings exceeding .50 and cross-loadings less than .15. The factor pattern conformed to theoretical expectations. The interitem correlation between the valence and efficacy dimensions was .46, indicating that less than 22 percent of the variance is shared between these dispositional con-

TABLE 2
Operational Measures Used for the Study Constructs

Consumer-Firm Relationship Constructs	*Industry Context Constructs (Consumer Dispositions)*
Loyalty (10-point semantic differential scale, *very unlikely-very likely*, $\bar{X} = 7.09$, $s = 2.10$)	
How likely are you to	
do most shopping for clothing items at this store?	
recommend this clothing store to friends, neighbors, and relatives?	
shop at this store the very next time to buy clothing items?	
spend more than 50 percent of your clothing budget at this store?	
Value (10-point semantic differential scale, $\bar{X} = 7.02$, $s = 1.67$)	
Evaluate the store on the following factors:	
Prices you pay for clothing at this store	
Very poor deal / very good deal	
Time you spent shopping for clothes at this store	
Highly unreasonable / highly reasonable	
Effort involved in shopping at this store	
Not at all worthwhile / very worthwhile	
How would you rate the store?	
Extremely poor value / extremely good value	
Trust (10-point semantic differential scale, $\bar{X} = 7.59$, $s = 1.61$)	
I feel that this store is[a]	
Highly untrustworthy / highly trustworthy	
Highly undependable / highly dependable	
Very incompetent / very competent	
Of very low integrity / of very high integrity	
Very unresponsive to customers / very responsive to customers	
Satisfaction (10-point semantic differential scale, $\bar{X} = 7.17$, $s = 1.78$)	
How satisfying was your last experience with this store?	
Highly unsatisfying / highly satisfying	
Very unpleasant / very pleasant	
Terrible / delightful	
	Valence (5-point Likert-type scale, *strongly disagree-strongly agree*, $\bar{X} = 3.25$, $s = 0.94$)
	Please tell us how strongly you disagree or agree with the following statements regarding clothing stores in general:
	These days shopping is generally an unpleasant experience (R)
	I often feel dissatisfied with what I purchase (R)
	Efficacy (5-point Likert-type scale, *strongly disagree-strongly agree*, $\bar{X} = 3.92$, $s = 1.05$)
	Please tell us how strongly you disagree or agree with the following statements regarding clothing stores in general:
	We must be willing to accept poor service (R)
	Misleading ads are something we have to live with (R)

NOTE: Items presented are for the retail clothing context. Items for the airline context were similar, with slight changes for relevance purposes only. (R) indicates a reversed-scored item.
a. The same five-item question was asked regarding store employees.

structs. Finally, we conducted Fornell and Larcker's (1981) test for discriminant validity by confirming that the squared correlation between any two constructs is lower than the average variance extracted by either construct (see appendix).

RESULTS

Table 3 summarizes the results from estimating the hypothesized model of Figure 1. In terms of overall model fit, the statistics obtained were as follows: $\chi^2 = 117.8$, $df = 74$, $p < .01$, indicating that the hypothesized model does not fit the data adequately. However, this statistical test is known to be oversensitive and biased toward rejection. The more robust fit indexes including the relative indexes (e.g., NFI = .95, CFI = .98) and absolute indicators of fit (e.g., RMSEA = .04, 90% CI = .027-.055; RMR = .05) suggest the proposed model to be a reasonable explanation of observed covariances among the study constructs. In addition, the NNFI, which is thought to be sensitive to both explanation and parsimony, equals .96, indicating that the model strikes an appropriate balance between these competing goals.

To test the improvements in model fit due to dispositional variables, we estimated two additional models: (a) a *competing* model that omitted any relationships involving valence and efficacy dispositions but retaining all other paths, including those involving the industry dummy, and (b) a *baseline* model that omitted both the industry dummy and dispositional variables. While the former examines the incremental effect of dispositional constructs beyond the inclusion of an industry dummy, the latter provides evidence for the significance of industry context in STVL relationships regardless of how it is modeled.

Compared with the proposed model, the competing model had inferior fit statistics ($\chi^2 = 258.4$, $df = 94$, $p < .01$; NFI = .91, NNFI = .89, CFI = .93, RMR = .08, and RMSEA = .072, 90% CI = .061-.082), which was confirmed by the chi-square difference test, $\chi^2_{diff} = 140.6$ (258.4 - 117.8), $df_{diff} = 20$ (94 - 74), $p < .01$. Moreover, except for satisfaction, the proposed model also explained nontrivial variances in the dependent constructs, including

TABLE 3
Estimated Coefficients for the Impact of Valence and Efficacy on Consumer Satisfaction, Trust, Value, and Loyalty

	Dependent Constructs							
	Loyalty		*Value*		*Trust*		*Satisfaction*	
Independent Constructs	B (SE)	t-*Value*	B (SE)	t-*Value*	B (SE)	t-*Value*	B (SE)	t-*Value*
Direct effects								
Exchange-specific variables								
Value	.35 (.07)	4.8***	— —	—	— —	—	— —	—
Trust	.24 (.07)	3.3***	.38 (.06)	6.1***	— —	—	— —	—
Satisfaction	.18 (.06)	2.8**	.19 (.06)	3.1***	.55 (.05)	10.2***	— —	—
Dispositional variables								
Valence	.01 (.05)	0.2	.11 (.04)	3.2***	–.03 (.04)	–.7	.25 (.05)	5.2***
Efficacy	–.00 (.05)	0.1	.02 (.04)	0.7	.04 (.04)	1.0	.15 (.05)	3.1***
Industry-specific variables								
Industry dummy	.54 (.09)	5.6***	–.30 (.09)	–3.3***	–.16 (.09)	–1.6	–.18 (.11)	–1.6
Moderating effects								
Dispositional × Exchange variables								
Valence × Value	–.07 (.06)	–1.3	— —	—	— —	—	— —	—
Efficacy × Value	.02 (.05)	0.5	— —	—	— —	—	— —	—
Valence × Trust	.12 (.06)	1.9*	–.01 (.04)	–0.3	— —	—	— —	—
Efficacy × Trust	.17 (.07)	2.7**	.05 (.04)	1.2	— —	—	— —	—
Valence × Satisfaction	–.03 (.06)	–0.5	.03 (.04)	0.8	.03 (.03)	0.7	— —	—
Efficacy × Satisfaction	–.19 (.06)	–3.2***	–.04 (.05)	–0.9	–.03 (.04)	–0.7	— —	—
Industry × Exchange variables								
Industry ×Value	.11 (.11)	1.0	— —	—	— —	—	— —	—
Industry × Trust	.03 (.12)	0.2	.09 (.10)	0.9	— —	—	— —	—
Industry × Satisfaction	–.24 (.11)	–2.0**	.06 (.11)	0.8	.08 (.09)	0.9	— —	—
Control variables								
Gender	.26 (.09)	2.9**	–.1 (.09)	–1.5	–.22 (.08)	–3.0***	–.14 (.09)	–1.5
Education	–.04 (.04)	–1.0	.01 (.04)	0.3	–.02 (.04)	–0.4	–.03 (.04)	–0.7
Model R^2	.43		.43		.37		.13	

*$p < .1$. **$p < .05$. ***$p < .01$.

trust (R^2 = .37), value (R^2 = .43), and loyalty (R^2 = .43). With regard to the low R^2 for satisfaction (R^2 = .13), note that satisfaction is an exogenous construct in our model whose prediction is not intended, and customary antecedents (e.g., disconfirmation) are excluded.

With regard to the competing model, we note that the purpose of the dispositional variables is to explain industry context variability. As such, while dispositional variables may not yield an incremental increase in R^2 beyond that explained by the industry dummy, their inclusion can provide substantive insights into industry context mechanisms based on the pattern of significant dispositional coefficients. As such, we compared the proposed model with the baseline model, which yielded the following fit statistics: $\chi^2 = 60.8$, $df = 15$, $p < .01$; NFI = .96, NNFI = .91, CFI = .97, RMR = .06, and RMSEA = .095, 90% CI = .07-.12). In addition, the R^2 values for the STVL constructs were as follows: loyalty, R^2 = .35; value, R^2 = .43; trust, R^2 = .38; and satisfaction, R^2 = .01. In comparison with the proposed model (Table 3), the baseline model indicated a poorer fit (e.g., NNFI = .96 vs. .91, RMSEA = .04 vs. .095) and a significant deterioration in explained variance for loyalty (R^2 = .43 vs. .35), while the explained variance for value and trust constructs remains unperturbed. As noted before, inferences about the explained variance for satisfaction are not warranted. Taken together, it appears that the hypothesized model is a reasonable fit to the data.

A closer inspection of Table 3 shows that all relationships in the baseline STVL model are significant and positive as expected. Specifically, satisfaction has direct positive and significant effects on trust (B = .55, $p < .01$), value (B = .19, $p < .01$), and loyalty (B = .18, $p < .05$). Likewise, trust influences value (B = .38, $p < .01$) and loyalty (B = .24, $p < .01$) positively and significantly. Finally, as noted, value has a significant positive effect on loyalty (B = .35, $p < .01$).

More important, the findings reveal that valence dispositions have a significant positive direct effect on satisfaction (B = .25, $p < .01$) and value (B = .11, $p < .01$) but a nonsignificant influence on trust and loyalty. This provides partial support for Hypothesis 1a. In accord with Hypothesis 1b, efficacy dispositions produced a

significant positive direct effect on satisfaction ($B = .15$, $p < .01$). However, efficacy dispositions failed to yield a significant effect on trust, value, and loyalty.

In terms of moderating effects of valence, a significant but borderline effect is obtained for the trust-loyalty relationship ($B = .12$, $p < .10$), providing weak support for Hypothesis 2a. None of the other moderating effects hypothesized for valence is supported. For efficacy dispositions, two significant moderating effects were obtained. Efficacy dispositions *positively* moderated the relationship between trust and loyalty ($B = .17$, $p < .05$) but *negatively* moderated the relationship between satisfaction and loyalty ($B = –.19$, $p < .01$). This suggests that efficacy has complicated and conflicting effects as expected. None of the other moderating effects of efficacy dispositions were large enough to achieve significance.

Insofar as the control variables were concerned, gender had a significant positive effect on loyalty ($B = .26$, $p < .01$) but a significant negative effect on trust ($B = –.22$, $p < .01$). This suggests that women tend to have higher loyalty but lower trust in the service providers. None of the relationships concerning education was significant, indicating that its role is not relevant. The industry dummy had a significant effect on value and loyalty ($B = –.30$ and .54, respectively, $p < .01$) but not on trust and satisfaction. In addition, a moderating effect of industry was obtained for the relationship between satisfaction and satisfaction ($B = –.24$, $p < .05$). None of the other effects involving industry achieved significance.

DISCUSSION

Two aims guided this research. *Firs*t, we proposed the notion of consumer dispositions as an alternative approach for modeling the influence of industry context. This represents a point of departure from much previous research that has tended to either aggregate across or describe industry variability. *Second*, for the purposes of an initial study of underlying processes, we used two dimensions of consumer dispositions—valence and marketplace efficacy—to empirically examine the potential of the consumer dispositions approach for modeling industry effects in retailing and airline contexts. We reasoned that if the results from our initial study were promising, greater investments in the proposed approach would be warranted. Overall, our results establish the potential of the consumer dispositional approach. Below, we discuss the key findings of our initial study, outline the limitations of our study, and propose an agenda for future research.

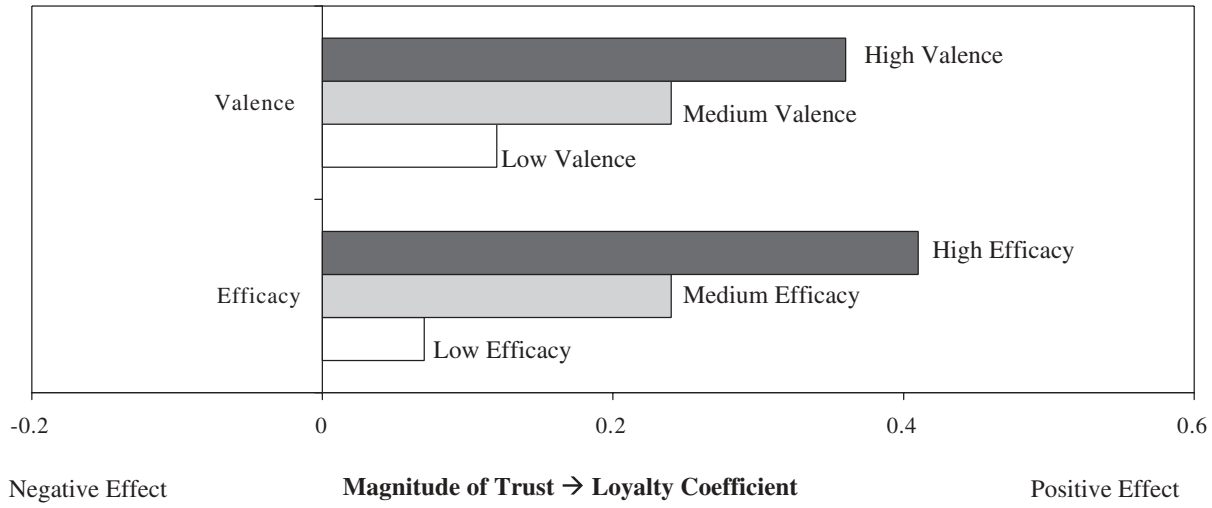
Our results provide evidence that explanation of relational dynamics (STVL) is significantly enhanced by the inclusion of dispositional constructs of valence and efficacy. In our analysis, model fit deteriorates significantly when the dispositional constructs are omitted in the competing model. Moreover, because the competing model included an industry "dummy" to account for the conventional approach for modeling industry effects, it appears that the dispositional approach clarifies and extends conventional wisdom. Specifically, the use of two distinct dimensions of valence and efficacy provides a mechanism for probing and clarifying how industry effects may influence STVL dynamics. By contrast, an industry "dummy" is a blunt instrument that is neither powerful enough to fully capture industry context variability nor to provide insights into mechanisms implicated in the influence-of-industry context.

While recognizing the tentative nature of the reported effects, we appear to have sufficient evidence to conclude that a dispositional approach for "unpacking" the effect of industry context is viable and warrants the attention of future researchers. In particular, the direct and moderating effects obtained in our study offer insights into the influence of industry context dispositions on STVL mechanisms. The valence aspect of context-induced dispositions—that is, consumers' positive or negative affect toward the industry—produced a dominant *direct* effect on satisfaction ($B = .25$) and value ($B = .11$). Likewise, context-induced efficacy dispositions—that is, consumers' perceived control on marketplace outcomes in that industry—*directly* influence satisfaction ($B = .15$). As such, both valence and efficacy positively "color" perceived encounter-specific satisfaction. When consumers feel positively toward an industry and/or have a greater sense of control within that industry, they are likely to perceive higher levels of satisfaction in individual exchanges with specific firms. Although we do not imply causal mechanisms, it is possible to construe these direct effects as disposition "spillover" effects such that dispositional evaluations of an industry spill over to affect future individual exchanges with specific sellers within this industry.

In addition to their direct effects, consumer dispositions significantly moderate the relationships in the STVL model, including (a) trust-loyalty and (b) satisfaction-loyalty relationships. To facilitate interpretation, we have plotted the relevant results based on a procedure from Aiken and West (1991). This procedure involves estimating the regression coefficient for three different levels of the moderating (dispositional) variable: (a) a high level equal to 1 standard deviation above the mean, (b) an average level where the variable assumes a value equal to its mean, and (c) a low level equal to 1 standard deviation below the mean. Figures 2 and 3 display these plots for the focal relationships, respectively.

Figure 2 reveals that valence and efficacy dispositions significantly and positively moderate the relationship between trust and loyalty. When either disposition is held at the average level, a consumer's trust in the specific firm

FIGURE 2
Graphic Display of the Moderating Effects of Consumer Dispositions on the Trust-Loyalty Relationship for Consumers With Low, Medium, and High Disposition Levels



Legend:

: Represents consumers with high value of the disposition variable (1 *SD* above mean)

: Represents consumers with average value of the disposition variable (mean value)

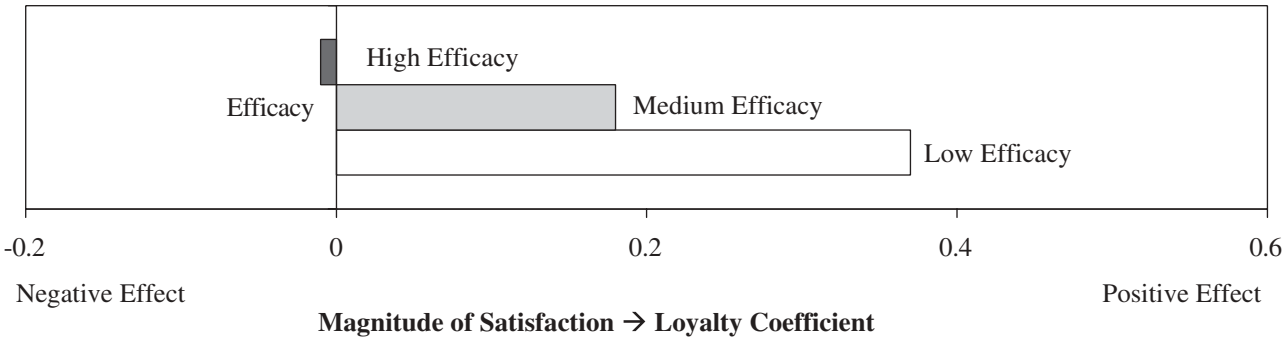
: Represents consumers with low value of the disposition variable (1 *SD* below mean)

with whom he or she maintains a relational exchange has a positive and significant effect on loyalty ($B = .24$, $p < .01$). However, when the consumer dispositions toward the industry are low due to either highly negative (low) valence or a sense of helplessness (low efficacy), the strong relationship between trust and loyalty is reduced significantly ($B = .12$ and .07 for valence and efficacy, respectively). Conversely, when consumers' dispositions are high due to either highly positive (high) valence or a heightened sense of marketplace control (high efficacy), the relationship between trust and loyalty is amplified considerably ($B = .36$ and .41 for valence and efficacy, respectively).

What do these strong moderating effects imply? It appears that in highly favorable industry contexts, consumers reward exchange-specific firms that earn their trust with high levels of loyalty. Such amplifying advantages accrue to individual firms not simply because they are more effective in building trust with the individual customers but because they belong to an industry that is perceived by consumers to facilitate a greater sense of control and/or provide them with positive experiences. By contrast, in industry contexts that consumers perceive negatively, firms seeking to build consumer loyalty may have to work harder to overcome the negative effects of consumer dispositions toward their industry that depress trust-loyalty linkages. In the extreme, context-induced dispositions can shut off the trust-loyalty linkage, resulting in an absence of trust-based consumer loyalty. Thus, complementing the spillover direct effects of dispositions on STVL constructs, consumers' valence and efficacy dispositions have modifying effects that either shut off or amplify the link between trust and loyalty.

Compared to the results for the trust-loyalty link, the effect of efficacy dispositions on the relationship between satisfaction and loyalty run in the opposite direction (see Figure 3). At the average level of efficacy, the relationship between satisfaction and loyalty is positive and significant ($B = .18$, $p < .01$). When a consumer has a low sense of control in the marketplace and feels helpless, the relationship between satisfaction and loyalty is amplified twofold ($B = .37$). In contrast, when efficacy dispositions indicate a high sense of control, the link between satisfaction and loyalty dissolves to insignificance ($B = –.01$). *Why so?* Apparently, in markets where marketplace practices and

FIGURE 3
Graphic Display of the Moderating Effects of Consumer Dispositions on the Satisfaction-Loyalty Relationship for Consumers With Low, Medium, and High Disposition Levels



Legend:

: Represents consumers with high value of the disposition variable (1 *SD* above mean)

: Represents consumers with average value of the disposition variable (mean value)

: Represents consumers with low value of the disposition variable (1 *SD* below mean)

consumer behaviors have converged to empower the consumer, loyalty gains from transactional advantages appear to evaporate. Ironically, superior performance in markets where consumers are otherwise helpless appears to pay off in stronger ties due to consumer dependence. This result is in accord with Hirschman (1970) and Jones and Sasser (1995). We note the conjectural nature of our explanation and encourage future researchers to explore such attributional dynamics within the dispositions approach.

Nevertheless, the counteracting modifying effects of efficacy dispositions on trust-loyalty and satisfaction-loyalty relationships are intriguing and require further discussion. It is important to keep in mind that satisfaction and loyalty are connected by two distinct pathways: (1) satisfaction has a direct, unmediated effect on loyalty, and (2) satisfaction indirectly affects loyalty via its effect in building trust. The latter is a mediated effect such that consumer loyalty is enhanced to the extent satisfaction contributes to enhanced trust, which in turn has direct and indirect effects on loyalty (via value). Our pattern of results suggests that under *low-efficacy* dispositions, the direct effect of satisfaction to loyalty is amplified ($B = .37$), while the indirect effect via trust is curtailed as trust fails to build loyalty ($B = .07$). By contrast, under *high-efficacy* dispositions, the direct effect of satisfaction on loyalty is severely curtailed ($B \approx 0$), while the indirect effect via trust is amplified as trust contributes heavily to loyalty ($B = .41$). We have conjectured that this pattern is possible because consumers with low-efficacy dispositions tend to feel a sense of helplessness in dealing with the industry and are, consequently, less willing to build relationships with individual firms. Instead, such low-efficacy consumers are transactionally oriented, relying on arm's-length exchanges for obtaining desired outcomes. For such transactional consumers, trust judgments are less critical in determining future exchanges. As Garbarino and Johnson (1999) reported, satisfaction assumes a relatively more dominant role in determining loyalty for transactional consumers. By contrast, under the *high-efficacy* condition, consumers are more likely to be relationally oriented. For these consumers, trust, not satisfaction, plays a dominant role in determining their loyalty as they tend to reciprocate trust by being more loyal to the specific firm.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

For a balanced assessment of the promise of the dispositions approach and the insights obtained, it is useful to highlight some limitations of the present study.

First, a key limitation involves the measurement of a limited set of consumer dispositions with a restricted set of operational items. Although the measures evidence acceptable reliability, convergent and discriminant validity, we recognize that consumer disposition is a multifaceted, multidimensional construct and that we have barely scratched the surface of its complexity. However, our study was not intended to provide a definitive study of consumer dispositions. Instead, we aimed to provide initial evidence concerning the potential of a relatively novel approach for studying the influence of industry context. We reasoned that if the evidence were compelling despite its limitations, our study would motivate more thorough and programmatic study of consumer dispositions. Future researchers should regard our dimensions and operationalizations as starting points for further conceptualizations of the consumer dispositions construct.

Second, as a cross-sectional study, the findings may be biased due to common method variance and spurious cause-effect inferences. Common method variance is known to inflate correlations resulting in overestimating the influence of hypothesized predictors. However, our focus is on the differential pattern of results—in terms of moderating effects of valence and marketplace efficacy. Because method variance is "common," affecting all relationships equally, it is likely to work against detection of moderating effects, suggesting that our results may be conservative. We recognize that drawing cause-effect inferences from cross-sectional data is essentially tenuous and agree that longitudinal studies are needed to establish the hypothesized sequence of effects. In addition, as a part of the cross-sectional design, we focus primarily on the impact of dispositions on consumers' relational exchanges in an industry. However, industry dispositions are being constantly shaped *by* relational exchanges with specific providers, leading, in essence, to a nonrecursive relationship among the levels of exchange. Future research should examine the processes that determine the development of industry dispositions of consumers, the process by which dispositions, once formed, are updated.

Third, the study may have limited generalizability due to the limited set of industry contexts used. Although the retailing and airline contexts provide substantial variability to result in significant direct and moderating effects of dispositional variables, including more industry contexts can enhance the generalizability of the suggested approach. In addition, the size of the airline sample is relatively small mainly because of a lower qualifying rate.

Finally, because of the small sample size and inclusion of moderating effects, we used a path model with simultaneous estimation of modeled equations but without control over measurement error. Measurement error is known to bias path coefficients. While procedures for incorporating measurement error in complex nonlinear equations have become available recently, they demand large sample sizes. In addition, data about the performance of these procedures are lacking. Future researchers attempting to replicate or extend the present work may find it useful to examine the potential of these procedures.

In closing, we confirm that the observed industry variability is an important *unexplained* effect that researchers should seek to analyze further using theoretically grounded approaches. Taking one step in this direction, the disposition approach adopted here demonstrates that industry contexts are perceived differently by consumers, and these perceptions affect how consumers evaluate their experiences with individual firms in an industry and behaviorally respond in future exchanges. In doing so, we hope we have increased focus on the notion that industry variability is open to deeper analysis and explanation. Understanding industry variability can provide conceptual and practical insights into consumer-firm relationships, and further development of the consumer dispositions approach is likely to be fruitful in this pursuit.

APPENDIX
Reliabilities, Correlations, and Discriminant Validity Evidence of the Study Constructs

	Correlation Matrix							
	Loyalty	*Value*	*Trust*	*Satisfaction*	*Valence*	*Efficacy*	*Variance Extracted*	*Highest Variance Shared*
Loyalty	.92						.72	.30
Value	.55	.88					.79	.35
Trust	.51	.59	.96				.80	.40
Satisfaction	.46	.55	.63	.94			.84	.40
Valence	.25	.42	.28	.39	.70		.55	.18
Efficacy	.21	.31	.27	.31	.34	.80	.68	.12

NOTE: All coefficients are significant at $p < .001$; Cronbach's alpha reliabilities are on the diagonal.

REFERENCES

Aiken, L. S. and S. G. West. 1991. *Multiple Regression: Testing and Interpreting Interactions*. Newbury Park, CA: Sage.

Allison, Neil K. 1978. "A Psychometric Development Test for Consumer Alienation From the Marketplace." *Journal of Marketing Research* 15 (November): 566-575.

Anderson, Eugene W. 1994. "Cross Category Variation in Customer Satisfaction and Retention." *Marketing Letters* 5 (1): 19-30.

Armstrong, J. Scott and Terry S. Overton. 1977. "Estimating Nonresponse Bias in Mail Surveys." *Journal of Marketing Research* 14 (August): 396-402.

Barksdale, Hiram C., and William R. Darden. 1972. "Consumer Attitudes Toward Marketing and Consumerism." *Journal of Marketing* 36 (October): 28-35.

Davis-Blake, A. and Jerry Pfeffer. 1989. "Just a Ratrace: The Search for Dispositional Effects in Organizational Research." *Academy of Management Review* 14:385-400.

Doney, Patricia M. and Joseph P. Cannon. 1997. "An Examination of the Nature of Trust in Buyer-Seller Relationships." *Journal of Marketing* 61 (April): 35-51.

Fazio, Russell H. and Mark P. Zanna. 1978. "On the Predictive Validity of Attitudes: The Roles of Direct Experience and Confidence." *Journal of Personality* 46:228-243.

Fein, Steven. 1996. "Effects of Suspicion on Attributional Thinking and the Correspondence Bias." *Journal of Personality and Social Psychology* 70 (6): 1164-1184.

Fornell, Claes, Michael D. Johnson, Eugene W. Anderson, Jaesung Cha, and Barbera Everitt Bryant. 1996. "The American Customer Satisfaction Index: Nature, Purpose and Findings." *Journal of Marketing* 60 (October): 7-18.

——— and David V. Larcker. 1981. "Evaluating Structure Equations Models With Unobservable Variables and Measurement Error." *Journal of Marketing Research* 18 (February): 39-50.

Friestad, Marian and Peter Wright. 1995. "The Persuasion Knowledge Model: How People Cope With Persuasion Attempts." *Journal of Consumer Research* 21 (June): 1-30.

Garbarino, Ellen and Mark Johnson. 1999. "The Different Roles of Satisfaction, Trust and Commitment for Relational and Transactional Consumers." *Journal of Marketing* 63 (April): 70-87.

Gaski, John and Michael Etzel. 1986. "The Index of Consumer Sentiment Toward Marketing." *Journal of Marketing* 50 (July): 71-81.

Grisaffe, Douglas P. and Anand Kumar. 1998. "Antecedents and Consequences of Customer Value: Testing an Expanded Framework." Working Paper 98-107. Marketing Science Institute, Cambridge, MA.

Hirschman, Albert O. 1970. *Exit, Voice, and Loyalty.* Cambridge, MA: Harvard University Press.

Hui, Michael K. and John N. Bateson. 1991. "Perceived Control and the Effects of Crowding and Consumer Choice in the Service Environment." *Journal of Consumer Research* 18 (September): 174-184.

Iacobucci, Dawn, and Amy Ostrom. 1996. "Commercial and Interpersonal Relationships: Using the Structure of Interpersonal Relationships to Understand Individual-to-Individual, Individual-to-Firm, and Firm-to-Firm Relationships in Commerce." *International Journal of Research in Marketing* 13:53-72.

Johnson, Michael D. and Seigyoung Auh. 1998. "Customer Satisfaction, Loyalty, and the Trust Environment. " *Advances in Consumer Research* 25:15-20.

Jones, Thomas O. and W. Earl Sasser Jr. 1995. "Why Satisfied Customers Defect." *Harvard Business Review* 73 (6): 88-99.

Lambert, Zarrel V. 1980. "Consumer Alienation, General Dissatisfaction and Consumerism Issues." *Journal of Retailing* 56 (Summer): 3-24.

Lind, E. Allen and Tom R. Tyler. 1988. *The Social Psychology of Procedural Justice*. New York: Plenum.

Lundstrom, W. J. and Lawrence M. Lamont. 1976. "The Development of a Scale to Measure Consumer Discontent." *Journal of Marketing Research* 13 (November): 373-381.

Mischel, Walter and Yuichi Shoda. 1999. "Integrating Dispositions and Processing Dynamics Within a Unified Theory of Personality: The Cognitive-Affective Personality System." In *Handbook of Personality, Theory and Research*, 2nd ed. Eds. Lawerence A. Pervin and Oliver P. John. New York: Guilford.

Mittal, Vikas and Wagner A. Kamakura. 2001. "Satisfaction, Repurchase Intent, and Repurchase Behavior: Investigating the Moderating Effect of Customer Characteristics." *Journal of Marketing Research* 38 (February): 131-142.

Morgan, Robert M., and Shelby D. Hunt. 1994. "The Commitment-Trust Theory of Relationship Marketing." *Journal of Marketing* 58 (July): 20-38.

Myers-Levy, Joan and Alice M. Tybout. 1989. "Schema Congruity as a Basis for Product Evaluation." *Journal of Consumer Research* 16 (June): 39-54.

Neal, William D. 1999. "Satisfaction Is Nice, but Value Drives Loyalty." *Marketing Research* 11 (Spring): 20-24.

Oliver, Richard. 1997. *Satisfaction: A Behavioral Perspective on the Consumer.* New York: Irwin/McGraw-Hill.

———. 1999. "Whence Consumer Loyalty." *Journal of Marketing* 63 (Special Issue): 33-44.

Oström, Amy and Dawn Iacobucci. 1995. "Consumer Trade-Offs and the Evaluation of Services." *Journal of Marketing* 59 (January): 17-28.

Otnes, Cele, Tina M. Lowrey, and L. J. Shrum. 1997. "Toward an Understanding of Consumer Ambivalence." *Journal of Consumer Research* 24 (June): 80-93.

Rosa, José Antonio, Joseph F. Porac, Jelena Runser-Spanjol, and Michael S. Saxon. 1999. "Sociocognitive Dynamics in a Product Market." *Journal of Marketing* 63 (Special Issue): 64-77.

Rosch, Eleanor and Carolyn B. Mervis. 1975. "Family Resemblances: Studies in the Internal Structure of Categories." *Cognitive Psychology* 7 (October): 573-605.

Singh, Jagdip. 1991. "Industry Characteristics and Consumer Dissatisfaction." *Journal of Consumer Affairs* 25 (1): 19-56.

——— and Deepak Sirdeshmukh. 2000. "Agency and Trust Mechanisms in Consumer Satisfaction and Loyalty Judgements." *Journal of the Academy of Marketing Science* 28 (Winter): 150-167.

Sirdeshmukh Deepak, Jagdip Singh, and Barry Sabol. 2002. "Impact of Frontline Employee Behaviors and Management Practices on Consumer Trust, Value and Loyalty in Relational Service Exchanges." *Journal of Marketing* 66 (January): 15-37.

Smith, Brock J. and Donald W. Barclay. 1997. "The Effects of Organizational Differences and Trust on the Effectiveness of Selling Partner Relationships." *Journal of Marketing* 61 (January): 3-21.

Srinivasan, Narasimhan and Brian T. Ratchford. 1991. "An Empirical Test of a Model of External Search for Automobiles." *Journal of Consumer Research* 18 (September): 233-242.

Steenkamp, Jan-Benedict E. M., Frenkel ter Hofstede, and Michel Wedel. 1999. "A Cross-National Investigation Into the Individual and National Cultural Antecedents of Consumer Innovativeness." *Journal of Marketing* 63 (April): 55-69.

Tax, Stephen S., Stephen W. Brown, and Murali Chandrashekaran. 1998. "Customer Evaluations of Service Complaint Experiences: Implications for Relationship Marketing." *Journal of Marketing* 62 (April): 60-76.

Wish, Myron, Morton Deutsch, and Susan J. Kaplan. 1976. "Perceived Dimensions of Interpersonal Relations." *Journal of Personality and Social Psychology* 33 (4): 409-420.

Zeithaml, V. A., L. L. Berry, and A. Parasuraman. 1996. "The Behavioral Consequences of Service Quality." *Journal of Marketing* 60 (April): 31-46.

ABOUT THE AUTHORS

Edwin Nijssen, Ph.D., is a professor of marketing at the Nijmegen School of Management at the University of Nijmegen, the Netherlands. His research interest focuses on strategic and international marketing issues, relationship marketing, brand management, and new-product development. He has published in *Long Range Planning*, the *Journal of Product Innovation Management*, *Technology Forecasting and Social Change*, *R&D Management*, *Industrial Marketing Management*, and the *Journal of International Marketing* and has written several books on marketing strategy.

Jagdip Singh, Ph.D., is a professor of marketing at the Weatherhead School of Management at Case Western Reserve University. His primary areas of research include consumer dissatisfaction and trust, measurement issues—including relationships between theoretical concepts and empirical observations—and the effectiveness of boundary role personnel. He has published in the *Journal of Marketing*, the *Academy of Management Journal*, the *Journal of the Academy of Marketing Science*, *Behavioral Research in Accounting*, and *Management Science*, among others.

Deepak Sirdeshmukh, Ph.D., is a visiting assistant professor of marketing at the Weatherhead School of Management at Case Western Reserve University. His primary areas of research include consumer trust and consumer processing of brand information. He has published in the *Journal of Marketing*, the *Journal of Marketing Research*, the *Journal of Consumer Research*, the *Journal of the Academy of Marketing Science*, and the *Journal of Consumer Psychology*, among others.

Hartmut H. Holzmüeller, Ph.D., is a professor of marketing at the School of Business at Dortmund University, Germany. His research interests include cross-national consumer research and customer relationship marketing. Most of his work has been published in German. His articles also appeared in the *Journal of International Marketing*, *Management International Review*, and *International Business Review*.