

INFORMATION TO USERS

This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps. Each original is also photographed in one exposure and is included in reduced form at the back of the book.

Photographs included in the original manuscript have been reproduced xerographically in this copy. Higher quality 6" x 9" black and white photographic prints are available for any photographs or illustrations appearing in this copy for an additional charge. Contact UMI directly to order.

U·M·I

University Microfilms International
A Bell & Howell Information Company
300 North Zeeb Road, Ann Arbor, MI 48106-1346 USA
313 761-4700 800 521-0600

Order Number 9401361

**Customer expectations and management event schemata:
Satisfaction, patronage and retail store service**

Stanforth, Nancy Jean Fadgen, Ph.D.

The Ohio State University, 1993

U·M·I
300 N. Zeeb Rd.
Ann Arbor, MI 48106

CUSTOMER EXPECTATIONS AND MANAGEMENT EVENT SCHEMATA:
SATISFACTION, PATRONAGE AND RETAIL STORE SERVICE

DISSERTATION

Presented in Partial Fulfillment of the Requirements for
the Degree Doctor of Philosophy in the Graduate
School of The Ohio State University

By

Nancy Jean Stanforth, B.S., M.S.

* * * * *

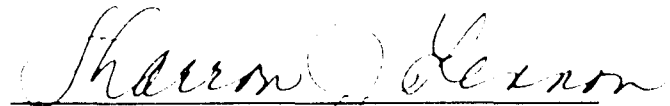
The Ohio State University

1993

Dissertation Committee:

Approved by

S. Lennon
C. Haugtvedt
G. O'Neal
H. Jackson



Adviser
College of Human Ecology,
Department of Textiles
and Clothing

ACKNOWLEDGMENTS

I express sincere appreciation to Dr. Sharron Lennon for her guidance and insight throughout this research. Thanks go to the other members of my advisory committee, Drs. Gwendolyn O'Neal, Hazel O. Jackson, and Curtis Haugtvedt, for their suggestions and comments. I would like to express a very special thanks to Dr. Carol Surprenant for supplying me with information from her past research, and Dr. Elizabeth Rhodes for assistance with data collection. Thanks to Dianna Leaman for her assistance as well. To my friends, thank you for your support and your confidence in my ability to accomplish my goals. And to my best friend, Kendall, thank you for always being there.

VITA

1972. B.S. South Dakota State
University, Brookings, South
Dakota.

1973-1974 Graduate Teaching Assistant,
Department of Clothing, Textiles
and Merchandising, Oklahoma State
University, Stillwater, Oklahoma.

1974. M.S. Oklahoma State University,
Stillwater, Oklahoma.

1978-1980 Store Supervisor, Foster and
Gallagher, Peoria, Illinois.

1980-1983 Divisional Sales Manager and Store
Manager, Carson, Pirie, Scott and
Company, Chicago, Illinois.

1983-1985 Department Manager, Shepler's,
Inc., Wichita, Kansas.

1985-1989 Sales, Forms Management, Montgomery
Wards, Wichita, Kansas.

1989-1990 Instructor, temporary, Kansas State
University, Manhattan, Kansas.

1990-1991 University Fellow, The Ohio State
University, Columbus, Ohio.

1991-1992 Graduate Teaching Associate,
Department of Textiles and
Clothing, The Ohio State
University, Columbus, Ohio.

1992-1993 College Fellow, Department of
Textiles and Clothing, The Ohio
State University, Columbus, Ohio.

Fields of Study

Major Field: College of Human Ecology, Textiles
and Clothing
Apparel and Textiles Marketing

Minor Field: Marketing
Consumer Behavior

TABLE OF CONTENTS

| | |
|----------------------------|------|
| ACKNOWLEDGEMENTS | ii |
| VITA | iii |
| LIST OF TABLES | vii |
| LIST OF FIGURES | viii |

| CHAPTER | PAGE |
|---|------|
| I. INTRODUCTION | 1 |
| Purpose | 5 |
| Limitations | 6 |
| Definition of Terms | 6 |
| II. RELATED LITERATURE | 11 |
| Salesperson Service Interaction Model | 11 |
| The Physical Environment of the Retail Store | 15 |
| Schema Construct | 19 |
| Attribution Theory | 26 |
| Customer Satisfaction and Customer Service | 41 |
| Patronage | 57 |
| Hypotheses | 62 |
| III. METHODOLOGY | 65 |
| Pilot Study 1: Development of Management Event Schemata | 66 |
| Pilot Study 2: Development of Printed Scripts | 70 |
| Pilot Study 3: Development of Audio Tapes | 71 |
| Pilot Study 4: Manipulation of Visual Merchandising | 72 |
| Experiments | 76 |
| Experimental Design: Experiment 1 | 78 |
| Experimental Design: Experiment 2 | 80 |
| IV. ANALYSIS OF RESULTS | 83 |
| Analysis of Study 1 | 84 |
| Analysis of Study 2 | 103 |

| | |
|---|-----|
| V. DISCUSSION AND IMPLICATIONS | 118 |
| Consumer Satisfaction | 125 |
| Patronage Intentions | 131 |
| Implications | 133 |
| Suggestions for Further Research | 137 |
| | |
| BIBLIOGRAPHY | 140 |
| | |
| APPENDICES | |
| A. CONSENT FOR PARTICIPATION IN SOCIAL AND BEHAVIORAL RESEARCH | 151 |
| B. FOCUS GROUP DISCUSSION DATA SHEET AND MODERATOR GUIDE | 153 |
| C. EXPERIMENT 1 COVER STORY, SCENARIOS AND DEPENDENT MEASURE | 156 |
| D. SCENARIOS AND DEPENDENT MEASURE FOR STUDY 2 | 168 |
| E. STORE INTERIOR SLIDES | 175 |
| F. DATA FOR STUDY 1 | 180 |

LIST OF TABLES

| TABLE | PAGE |
|---|------|
| 1. Factor Analysis of Salesperson Ratings for Study 1 | 85 |
| 2. Factor Analysis of Store Ratings for Study 1 . . . | 86 |
| 3. Multivariate Analysis of Variance for Study 1 . . | 89 |
| 4. Summary of Univariate Analysis of Variance of Visual Merchandising in Study 1 | 89 |
| 5. Summary of Univariate Analysis of Variance of Management Event Schema in Study 1 | 90 |
| 6. Cell Means of Overall Salesperson Ratings and Customer Activity Behaviors | 102 |
| 7. Factor Analysis of Salesperson Ratings for Study 2 | 105 |
| 8. Factor Analysis of Store Ratings for Study 2 . . . | 106 |
| 9. Multivariate Analysis of Variance for Study 2 . . | 107 |
| 10. Summary of Analysis of Variance of Visual Merchandising in Study 2 | 108 |
| 11. Summary of Analysis of Variance of Attribution of Cause in Study 2 | 109 |
| 12. Means of Variables by Visual Merchandising Level for Study 2 | 110 |
| 13. Means of Variables by Attribution of Cause for Study 2. | 112 |
| 14. Univariate Analysis of Overall Salesperson Rating and Customer Activity Variables | 181 |
| 15. Summary Table for Multiple Regression for Overall Satisfaction | 182 |
| 16. Summary Table for Regression for Likelihood of Shopping in the Store Again | 182 |
| 17. Summary Table for Regression for Refusing to Shop in the Store Again. | 182 |

LIST OF FIGURES

| FIGURES | PAGE |
|--|------|
| 1. Salesperson Service Interaction Model | .14 |
| 2. Low Level Visually Merchandised Store | 176 |
| 3. High Level Visually Merchandised Store. | 178 |

CHAPTER I
INTRODUCTION

The United States has a service economy, and the forecast is for the economy to continue to be service dominated for the foreseeable future (Albrecht & Zemke, 1985). For businesses engaged in providing services to their customers, e.g., in which service is an important part of the product, improving customer service may be a way to develop a differential advantage over competitors (Albrecht & Zemke, 1985).

There is a new sense that businesses need to be customer oriented, delivering quality and value to the customer through improved salesperson service (Fuller, 1989; Parasuraman, Zeithaml, & Berry, 1985; Woodruff, Schumann, Clemons, Burns, Gardial, 1991). However, good salesperson service is not wholly dependent upon salesperson performance. It has been estimated that 80% of customer service problems are caused, not by the employee, but by the system (Bennett, 1990). Stores often have policies and procedures in place which are not customer oriented and which may cause customers to be dissatisfied with the store and with salesperson service. The purpose of this study is

to isolate the store's policies and procedures as a source of customer dissatisfaction apart from salesperson service and investigate the impact on customer satisfaction and patronage intentions.

Customer service and consumer (dis)satisfaction are important topics for research, both in academia (e.g., Bitner, 1990; Czepiel, Solomon, & Surprenant, 1985; Lennon & Davis, 1989; Parasuraman, Zeithaml, & Berry, 1985) and in the popular press (e.g., Bennett, 1990; Koepp, 1987). Extensive research has focused on the measurement of customer (dis)satisfaction (e.g., Oliver, 1980; Tse, Nicosia, & Wilton, 1990; Woodruff, Cadotte, & Jenkins, 1983), and demands made by consumers that exceed the system's ability to perform (Nyquist, Bitner, & Booms, 1985). Little research directly focuses on the problem of systemic factors which may cause the customer to be dissatisfied with the store's service, with much research not differentiating between service elements controlled by the salesperson and those controlled by the system. Isolation of the systemic factors from the salesperson's behavior is important because systemic factors may affect customer (dis)satisfaction (Solomon, Surprenant, Czepiel, & Gutman, 1985), and the negative impact may not be lessened by the salesperson's actions. Customers who have experienced problematic retail service may develop negative attitudes toward that retail firm, which may well affect

future patronage behavior (Krentler, 1988). Little research focuses specifically on retail stores, and even less focuses on retail apparel stores. Much of the research on retail store service has focused on the salesperson (e.g., Lennon & Davis, 1989) and/or the customer (e.g., Stead & Zinkhan, 1986; Wise, 1974) and has virtually ignored systemic factors (e.g., store policies) which may affect (dis)satisfaction with customer service.

In addition, stores need to be able to differentiate between the factors which lead to customer patronage and those which do not. While superior service can be a competitive advantage (Coyne, 1989), not every service improvement will create an competitive edge. Salesperson service may be very important in choosing the retail apparel store to patronize but not important in the choice of apparel product to buy. On the other hand, if the store is the only outlet for a desired apparel product, customer service may have little impact on customer choice of store to patronize. Location, price, selection and convenient hours may be far more important factors in the customer's choice of store to patronize than is customer service. The challenge to marketers is to determine which features of customer service are relatively more important to customer (dis)satisfaction and patronage, and to attempt to meet those normative expectations that are reasonable and feasible. Retailers need to determine if salesperson

service is critical to the store's success and, if it is, institute procedures to ensure good salesperson service.

One of the biggest problems in formulating policies and procedures may be management's distance from the customer, and misconceptions by management concerning what is important to the customer (Coyne, 1989). Improving a service that the customers find unimportant may be counterproductive, particularly if the improvement involves a substantial investment. While stores cannot meet every customer's expectations, there is some evidence (Parasuraman, Zeithaml & Berry, 1985) that the customer's perception that the company is at least attempting to meet expectations can influence customer satisfaction. Lack of information concerning the company's ability to meet expectations may lead to customer dissatisfaction (Parasuraman, Zeithaml & Berry, 1985). Explanations, apologies and offers of compensation in problematic situations have been found to be moderating factors in customer (dis)satisfaction (Goodwin & Ross, 1992).

While the type of customer service has been shown to be important in many types of businesses, shopping in a retail apparel store is a somewhat unique situation. The purchase of apparel has many social and hedonic components not found in other purchase situations. Apparel shopping may be undertaken just to 'browse' (Wilson & Woodside, 1991).

Shopping may be a form of entertainment and information gathering, not necessarily an occasion to buy. Additionally, apparel is linked to how the consumer sees herself/himself and how the consumer interacts with others. Clothing may be thought of as part of the extended self (Belk, 1988; Kaiser, 1990), and therefore clothing purchases may be more ego involving than other product purchases. The idea that the consumer views the clothing being purchased as an important part of the consumer's sense of self has ramifications for the manner in which clothing is sold. Salesperson advice and assistance with selections may be much more important when purchasing clothing than it is when purchasing other types of goods. However, most research concerning the extended self and possessions is undertaken after purchase, leaving the manner in which the product is sold as an area that needs to be investigated.

This study will extend satisfaction research to investigate the impact of store policies and procedures on overall customer satisfaction, customer satisfaction with salesperson service, customer satisfaction with the store, and subsequent patronage intentions.

Purpose: The purposes of this research are: (1) to investigate the impact that management event schemata have on the perception of customer satisfaction and intention to patronize, (2) to investigate the impact of visual

merchandising, on customer satisfaction and the customers' intention to patronize, (3) and to investigate the effect of attribution of cause of problematic policies and procedures on the perceptions of customer satisfaction and patronage intentions.

Limitations

This study will investigate the impact of policies and procedures on customer satisfaction in conjunction with store visual merchandising. The methodology used in this study is limited to the range of policies and procedures that were tested, and the results cannot be generalized beyond the sample or to every situation in every store. All situations involved apparel products and the results may not be similar for all products. The policies that are illustrated are the return of a defective product, the attempt to purchase an advertised item that is not in the store, and an inconvenient return policy. While the problematic situations in the scenarios are not unique to apparel purchasing, the customers' reactions may not be applicable to other, less personally involving products.

Definition of Terms

Terms that were used in this study are defined below:

Service: Retail stores have components of both tangible and intangible products, in that the customer's

bundle of benefits includes a physical product as well as service components. In addition, services within the retail store may include a variety of activities within the store, including salesperson assistance, credit, gift wrapping and package delivery. For the purposes of this study, service will be examined as a process, that is, the interaction between the customer and the store personnel in a disconfirming situation.

Customer and consumer: Since retail store services are delivered primarily in the store, consumers of retail store services are necessarily customers of the store. Therefore, in the case of retail store service in this study, the terms customer and consumer may be thought of as synonymous terms.

Satisfaction: Satisfaction with retail store service in this study is a state in which the customer's expectations, wishes or desires are met. Satisfaction was measured directly, with the subjects indicating their relative satisfaction with the policies and procedures, the salesperson and the transaction.

Confirmation/disconfirmation: Confirmation refers to the outcome of a situation in which the expectations of the customer are met. Disconfirmation refers to the outcome of a situation in which the customer's expectations are not met. Disconfirmation may be either positive or negative, with positive confirmation generally resulting in the customer being happy or delighted. Negative disconfirmation

will lead the customer to be dissatisfied. Management is generally concerned with situations that cause negative disconfirmation, and negative situations are those of interest in this study. Negatively disconfirming situations are those situations that result in customer disconfirmation of expectations, such as a garment that failed or an advertised garment that was not available as advertised.

Disconfirming situation: In this study, a disconfirming situation is one in which the customer has experienced a problem. All the disconfirming situations in this study are negative and the scenarios attempt to resolve the problem created by the disconfirming situation with a management policy or procedure.

Perception: Perception is the view of reality held by members of any interaction. Each member of an interaction has a unique perception of the interaction, which may be similar or dissimilar to the perception of the other members of the interaction. A participants' perception of any interaction constitutes reality for that member. Therefore, customers' perceptions of the service interaction are reality for them and are used to evaluate service in comparison to normative expectations.

Normative expectations: Normative expectations are the expectations of what the customer thinks 'ought' to or 'should' happen. The customer's expectation of what is 'likely' to happen is termed expectations, and is a distinct

construct.

Visual merchandising: The visual merchandising of the store refers to the physical appearance of the store, and includes factors such as the width of the aisles, the neatness of the merchandise, the lighting and the decor. In this study, visual merchandising is used to manipulate customer expectations of salesperson service.

Schema: Schema refers to a cognitive structure that represents knowledge about a concept, including the concept's attributes and the relations among those attributes. Schemata is the plural of schema.

Event schema/script: The event schema/script is the cognitive structure representing specific sequences of occurrences within a specific event (Abelson, 1981; Fiske & Taylor, 1991).

Management event schema: Management event schema is the appropriate sequence of events for the salesperson/customer interaction as specified by the store's management. Events which are mandated by the management include policies and procedures that are in place for the specific store. Policies and procedures could include return policies, payment acceptance, sales floor staffing, store promotional events and delivery of merchandise. In this study, the management event schema is the service response to the negatively disconfirming situation.

Script: Script is an alternative term for event

schema.

Visual merchandising levels: The visual merchandising levels were arbitrarily termed high and low, to define the experimental manipulations. The store that was perceived as selling less expensive merchandise was termed the low level merchandised store. The store that was perceived as selling more expensive merchandise was termed the high level merchandised store.

CHAPTER II

RELATED LITERATURE

This study investigated the impact of management event schemata, in the form of company policies and procedures, and visual merchandising on perception of (1) customer satisfaction with retail store salesperson service and (2) patronage intent. In this chapter, the theory and models employed in this study will be discussed and the various perspectives will be presented. The three theories/models discussed are (1) customer satisfaction, (2) the schema construct, and (3) attribution theory.

Salesperson Service Interaction Model

The model used in this study is an adaptation of a model used by Bitner (1990) to investigate the position of attribution in the service encounter evaluation. (See Figure 1). Bitner applied this model to service in a travel agency, experimentally testing a portion of the model to assess the effects of physical surroundings and employee responses on attributions and consumer satisfaction in a negatively disconfirming situation. In the current study, this model has been modified to specifically address the

retail store salesperson service interaction.

The salesperson service interaction model used in this study begins with a *negatively disconfirming situation*. A negatively disconfirming situation is one in which the customer's normative expectations have not been met. The customer also holds normative expectations concerning the manner in which this disconfirming situation should be resolved, such that the store's *visual merchandising* may moderate the customer's expectations. The *service response* on the part of the store is the salesperson's resolution of the disconfirming situation. The service response is mandated by the *management event schemata*, that is, the policies and procedures of the store, for that specific situation.

Following the service response, the customer compares that response to his/her normative expectation for service in this particular situation. If the response is considered *good*, the customer should be *satisfied*, and that satisfaction should lead to *patronage*. However, if the customer determines that the service response is *poor*, the customer will attempt to determine the *cause* of the poor response. The cause of the response could be *attributed* to the *salesperson*, the *store*, or to an *external force*. After attempting to attribute the cause to one of the three, the customer will form a *(dis)satisfaction* judgment.

The current study modified the model, adding three

paths following the attribution component: (1) external factors as the perceived cause (e.g., regulations and laws); (2) the salesperson as the perceived cause; and (3) the institution as the perceived cause. Each of these components may independently lead to (dis)satisfaction and subsequent patronage intentions. In addition, the precursors of the disconfirmation are not in this model, as the disconfirming situations in this study are not salesperson service failures but failures related to merchandise. The third modification is following the (dis)satisfaction component, with the perceived service quality component deleted, as this study did not measure service quality. This study also did not investigate attribution of cause concerning the good response, so there is no attribution element in the good response path.

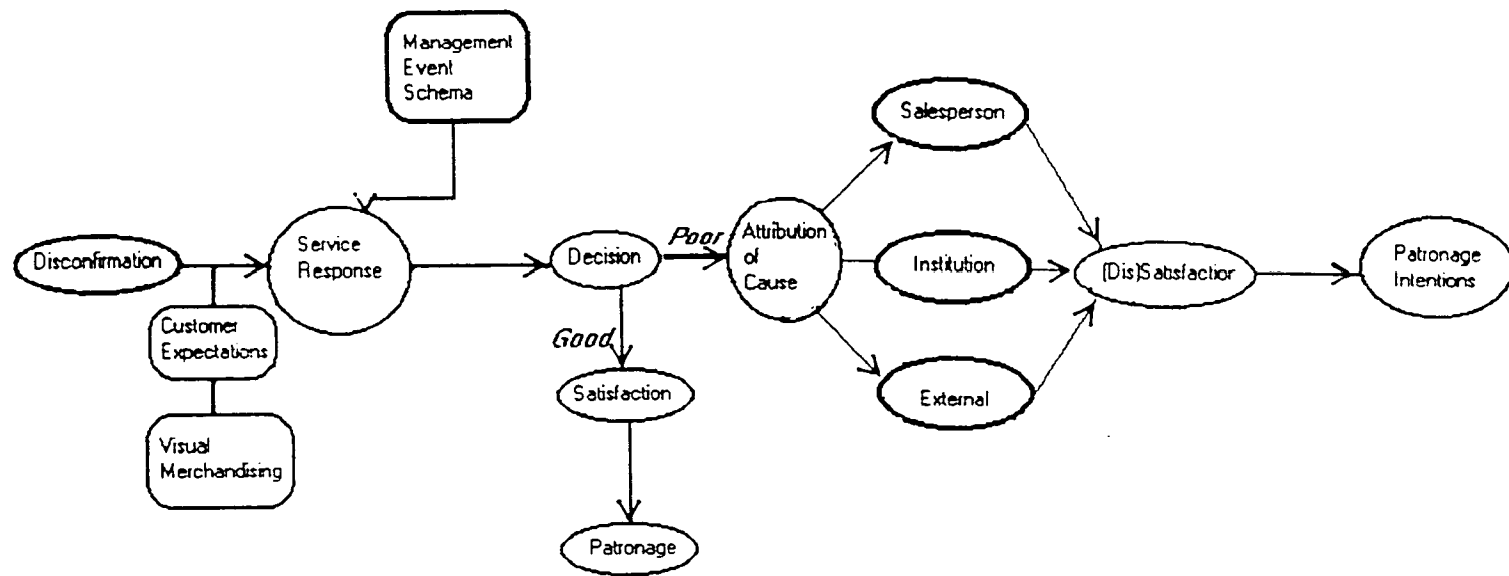


Figure 1. Salesperson Service Interaction Model

The discussion of the related literature will follow the sequence of the model, beginning with a discussion of the physical environment or visual merchandising component, then the management event schemata, attribution of cause, consumer satisfaction and patronage intentions.

The Physical Environment of the Retail Store

Customers may use physical cues in a retail store to categorize and make inferences about the services offered by retailers (Ward, Bitner, & Barnes, 1992). The physical environment may offer the customer cues as to the level of service and type of merchandise offered by the store, with the customer expecting varying levels of service in different store categories. For example, a store that is very neat, with wide aisles and subdued lighting may lead the customer to categorize the store as 'expensive' or 'exclusive' and conclude that a store selling this type of merchandise will have superior customer service. The customer may use the store's visual merchandising to predict the expected service response to a problem in this type of store, and may be dissatisfied with the service response if it does not meet expectations.

There are two models that specifically address retail outlet customer satisfaction (Westbrook, 1981). The total product model maintains that a product is a sum of all the satisfactions/dissatisfactions and all the utilities/

disutilities gained over the course of acquiring, consuming, and disposing of the product. The second model, the institutional model, contends that the retail outlet provides satisfactions/dissatisfactions distinct from the product. While both models are useful, the institutional model is helpful in explaining retail store customer service satisfaction. If the merchandise is similar or identical between stores, the difference in satisfaction levels with the shopping experience must necessarily be attributed to the institution.

The institutional model is also useful in the investigation of consumer satisfaction with salesperson service. Subsumed in this model are the behaviors exhibited by the personnel within the store, the types of services offered (e.g., gift wrap, delivery, and convenient hours), and the physical configuration of the store, which may be all be factors in consumer satisfaction with the shopping experience.

The physical environment may play a large part in consumer expectations (Bitner, 1986) because the ambiance of a business may generate a set of expectations in the consumer. In Bitner's study (1986) of the influence of the services marketing mix on satisfaction with the service encounter, the physical environment was manipulated to investigate the impact on customer satisfaction and attributions in disconfirming situations. Subjects were

asked to read a travel story, describing a negative service disconfirmation situation. The story describes a traveler who finds that he/she did not get the cheapest fare available for the flight and returns to the travel agent. The 3 (internal explanation vs. external explanation vs. no explanation) X 2 (offer vs. no offer) X 2 (organized environment vs. disorganized environment) factorial experiment was conducted in an international airport. The narrative was in a booklet along with full-color photographs, showing the same travel agency under one of two environmental conditions (organized physical environment vs. disorganized physical environment). After reading the narrative and viewing the photographs, the subjects were asked to respond to measures of disconfirmation, attitude, attributions, satisfaction and intended behaviors. Bitner found that subjects viewing the organized setting were less likely to expect failure to occur in the future than were subjects viewing the disorganized setting. While the disorganized setting did not necessarily cause the service failure, the subjects used the setting as a cue for what to expect in the future.

A study by Means (1981) also investigated the influence of physical cues in retail settings on consumer judgments. This study investigated clothing store windows as communication events. During personal interviews, fourteen female subjects were shown photographs of nine store windows

and asked to group the pictures, assign a label to each group, and to identify the distinctive features of the photograph that caused the subjects to place the store in each group. The structure of the displays in the windows, not the merchandise, was found to be the cue used to categorize stores into a two by two design: mainstream versus nonmainstream; higher versus lower socioeconomic stratum. Salient cues for upscale mainstream windows in order of importance were: (1) simplicity or lack of crowding; (2) decorative elements (e.g. art, porcelain vases, antique tables); (3) and merchandise. For the lower status, mainstream windows, clutter and crowding was the most salient cue, with merchandise second. However, in stores not termed mainstream, the merchandise was most important. This study indicates that the structure of the window was more important than the content of the window for mainstream stores. By implication, the visual merchandising of the interior of the store may be as important in categorizing a store as is the merchandise. Wide aisles, uncluttered racks, and spacious service areas may be very important in influencing customer expectations of retail store service.

Donovan and Rossiter (1982) investigated the influence of the physical environment on intended shopping behaviors. Respondents in this study were thirty graduate business students, who were instructed to visit selected stores at

different days and times. While in the store, the respondents completed a dependent measure. The dependent measure included measures of the respondent's emotional states, Mehrabian and Russell's (1974) General Measure of Information Rate and a measure of their intentions to behave in the store. Results showed that the larger the 'scale' of the environment, that is larger physical size and the open space, the longer the respondent intended to stay in the store. In addition, store-induced pleasure was a determinant of approach-avoidance behaviors. Store-induced feelings of arousal may increase time spent in the store and willingness to interact with the salesperson. Therefore, the manner in which the store is merchandised may in itself be a factor in the customer's willingness to spend time in the store and interact with the salespeople.

The physical appearance of the store has been found to influence customer expectations and desire to patronize a store. The way in which expectations function to affect perceptions and behavior can be explained by the schema construct.

Schema Construct

The schema construct (Wyer, 1980) can be used to make sense of the manner in which systemic factors and visual merchandising affect satisfaction with retail store service. A schema is a cognitive structure of organized prior

knowledge abstracted from one's experience. Schema research indicates that schemata are shared by people from the same cultural groups (Bartlett, 1932; Hoffman, Lau, & Johnson, 1986). Schemata are important since they affect the processing of new information (Johnson, Doll, Bransford, & Lapinski, 1974; Owens, Bower, & Black, 1979), the retrieval of stored information (Anderson & Pichert, 1978, Exp.1; Bransford & Franks, 1971; Snyder & Uranowitz, 1978), and inference making (e.g., see Fiske & Neuberg, 1990, for a review). The schema is a broad construct, event schema is the subtype that will be applied to this study.

According to the salesperson service interaction model, customers hold expectations concerning what 'ought to' happen when shopping in a store, and these expectations may vary between stores. These expectations form a set of expected actions that the salesperson is to enact when the customer shops in the store. This set of expected actions are termed the customer's event schema or script concerning salesperson service. In addition, management also has a set of expected actions that the salesperson is to enact in a given situation. The management's set of expectations form the management's event schema or script.

The schema construct has been applied in marketing situations to examine the way in which consumers evaluate products. Marketers theorize that consumers compare products/services to expectations as a function of currently

held schemata, and that schemata congruency influences evaluations (Meyers-Levy & Tybout, 1989). In the case of retail salesperson service, the customer's salesperson service schema may have been formed from previous shopping experiences or through vicarious learning. When shopping in a store, the customer compares his/her personal schema for salesperson service in this type of store and situation, and evaluates the salesperson's behavior against this standard. If the salesperson's behavior is incongruent with the customer's schema for salesperson behavior, the customer will evaluate the encounter as better or worse than the customer held schema.

Incongruity between management's expectations and the customers' expectations for the salesperson's behavior will cause the customer to evaluate the transaction, and may find it either positive or negative. Positive evaluations would lead to a feeling of satisfaction, while negative evaluation would lead to dissatisfaction. However, evaluations may not occur in every situation. Disconfirming situations, either positive or negative, are more likely to trigger an evaluation of the salesperson's behavior.

Event Schema

Event schema or scripts are a subtype of schemata that describes behavioral sequences of events in well-known situations (Abelson, 1981). For example, most of us share

expectations regarding what to expect when we visit a retail store to buy a product. We expect that the salesperson will charge us the price marked on the product, that the salesperson will accept our check as payment and that the product will be placed in a bag for us to take out of the store. This example illustrates the customer's event schema for buying merchandise in a store.

The store's management also has its own script, termed the management event schema, for the way in which a salesperson should handle this transaction. Management event schemata or management scripts are the management's expectations of the specific set of events that will occur when the salesperson and the customer interact. Management's event schemata encompass those activities which the management has mandated to occur within a specific situation, in this case, the interaction between the salesperson and the customer when buying merchandise in the retail store. Those events which are mandated by the management include policies and procedures that are in place for the specific store. Policies and procedures are management event schemata developed for specific situations in a store and could include return policies, payment acceptance, sales floor staffing, store promotional events and delivery of merchandise. Management event schemata may prevent the store from meeting the customer's desired event schema, the normative expectations of the customer. For

example, management may mandate that a customer must have a receipt to return merchandise, while the customer's event schema may not include producing any proof of purchase. This discrepancy between the customer's event schema and the management's event schema may cause the customer to be dissatisfied with the interaction. The customer may blame the salesperson for the policy, when in fact the service priorities are mandated by management. This problem may occur because the customer's event schema is not in congruence with the management's event schema for the interaction.

These scripts or management event schemata may be transmitted through formal or informal training by management, or through policy and procedure manuals. Informal transmission may be accomplished through direct contact between management and salespeople. For example, many stores will give their salespeople guidelines that outline management's idea of the manner in which they would like their customers to be treated. These guidelines might include what the salesperson is to say, how quickly the salesperson must greet the customer, or even how the salesperson should close sales. These guidelines constitute management event schemata. Enforcement of the guidelines will vary between stores and there are various ways in which salespeople might be monitored to ensure compliance. Problems may result when actions in management's event

schema for salesperson service are not yet integrated into the customer's event schema.

The customer's event schema for shopping in a store may be visually triggered (Fiske & Taylor, 1991; Posner, Nissen & Klein, 1976; Shostack, 1987; Ward, Bitner & Barnes, 1992) and customers may use appearance as a cues to which salesperson behaviors the customer might anticipate. The visual trigger for a service encounter may be the salesperson herself, or may be some visual aspects of the store merchandising or other aspect of the store interior, which may lead the customer to form service expectations. A very neat and clean store may invoke one schema, a very messy, dusty store may invoke another. The differing event schemata may cause the customer to recall different schemata or expectations concerning the salesperson.

Once a person has formed a schema for any activity, the schema tends to resist change and may persist in the face of disconfirming evidence (Ross, Lepper, & Hubbard, 1975). Even when a customer has shopped in a store and repeatedly received service that is inconsistent with the customer's schema for good customer service, the customer will often maintain the schema. When confronted with this discrepancy, some people may discount information that does not support the schema (Ross, Lepper, & Hubbard, 1975). In the case of store policies and procedures that are discrepant with the customers' schema, it is possible that the customers will

blame the salesperson, even when they are aware that the salesperson did not create the irritating store policy.

It may be possible to manipulate customers' expectations for salesperson service by changing the visual merchandising rather than by changing the actual salesperson activities. Changing a customer's schema for salesperson service may be difficult for stores that are familiar to customers and may require a great deal of effort on the part of the retailer. Recently, JCPenney attempted to change their customers' schemata by changing their visual merchandising (Zellner, 1993). A corporate decision was made in the 1980s to differentiate JCPenney's from competitors by upgrading merchandise and dropping lines. More than ten years later, JCPenney's is still working to change the store image, both with consumers and with vendors. Their experience with attempting to modify the image of a well known store illustrates the difficulty encountered by retailers in changing the customer's schemata.

If retailers want to modify the customer's event schema, they need to understand how customers form these expectations (Nyquist, Bitner & Booms, 1985), or how customers develop scripts initially. If the store's merchandising techniques are instrumental in shaping customer's expectations, store management may be able to use visual merchandising to change perceptions or expectations

of salesperson service, which could bring management event schema and customer event schema more in congruence.

When there is a perceived discrepancy between the management's event schema and customer's event schema for a given situation, the customer is thought to attempt to find the cause of the discrepancy. The attribution of cause of the discrepancy may influence the customer's subsequent (dis)satisfaction judgment.

Attribution Theory

Attribution theory is really a group of theories from social psychology that address how social perceivers use information to arrive at the underlying causes of events (Heider, 1958). Heider (1958) posited that people want to understand and predict their environment, and make causal attributions concerning other's actions in order to predict future behaviors. Heider thought that people might be able to control the outcome of situations if they knew the underlying cause (Heider, 1958).

Further research was undertaken by Weiner (1979) concerning causal attributions in the context of achievement and helping behavior. Through his research, Weiner developed a model of causal attribution that maintains that people assess whether they have succeeded or failed at a given task and react in a general emotional way to that assessment. They then search for the cause of the outcome

and attempt to classify the cause along three dimensions. These three dimensions are: stability, locus, and controllability (Weiner, 1980).

Stability of cause refers to the likelihood of the event occurring again in the future. For example, the service in a store might be very slow because the store has not hired an adequate number of salespeople (likely to happen again), or because there is a big clearance sale on and everyone is there for the great buys (not likely to happen often). The second dimension is locus, that is, the source of the behavior/event. For example, jeans that shrink may be due to poor quality fabric or may be due to improper washing methods used by the consumer.

The third dimension, controllability, refers to the degree to which the cause is volitional. An example of a behavior/event that may or may not be under the control of the store is the availability of advertised merchandise. While unavailability is often due to lack of planning by the buyer, there are also times when merchandise is unavailable due to natural catastrophes during shipment. These three dimensions form a 2 X 2 X 2 classification system of causes, with each dimension being considered dichotomous (Weiner, 1980). Weiner's research has focused on future expectations, emotions and performance. Future predictions are based on the stability of cause over time. While Weiner's research focuses predominantly on expectations,

emotions and performance, one can apply the same logic to interactions in which the social perceiver is predominantly an observer of, not the cause of, the outcome.

In the service encounter, both the service provider and the customer are termed social perceivers, with each using information to determine the cause for the event. If the customer can determine the cause of the salesperson's behavior, the customer is thought to be better able to predict the outcome of future interactions. For example, if a customer shops in the same grocery store every week, and encounters a very long line, the customer may attempt to determine the cause of the line. Should the customer decide that the long line is due to a very slow cashier, the customer can predict that this cashier's line will always be long and avoid her line in the future. However, should the cause be due to the fact that there are not enough cashiers available, the customer may predict that this is likely to recur in the future, and must either accept the long lines or shop elsewhere. In either case, the customer is attempting to control the outcome of the shopping trip.

In this example, the long lines might be considered an unusual or abnormal condition. The abnormal conditions model (Hilton & Slugoski, 1986) suggests that an abnormal condition occurrence will prompt a search for the cause of that event. In the context of the salesperson/customer interaction, an abnormal condition would be one that

violated the customer's normative expectations for the interaction. For example, if the salesperson refuses to handle a return, an activity that may be part of the customer's normative expectations for salesperson service, the customer will search for the condition that was the cause of this refusal. The social perceiver, in this case the customer, attempts to ascertain the condition that produced this refusal on the part of the salesperson, with success dependent upon the amount of information the customer holds. In this case, the social perceiver will have detailed knowledge as to how people normally should behave in a retail setting, based on normative expectations.

Since the social perceiver has in mind a specific set of actions, a schema, that is expected in this particular situation, any deviation from that schema may trigger the search for the abnormal conditions causing the discrepancy. When there is a gap between what is expected and what has occurred, the social perceiver will search for causal explanations.

However, the social perceiver may be unable to determine the cause due to lack of information or erroneous information. For example, in explaining that Bob had a car accident and that the roads were icy and many people had accidents, the listener may infer that the cause of Bob's accident was an icy road. However, the social perceiver may not know that Bob's car was in a covered parking deck and

the accident was the result of another driver backing into Bob's car. Lack of the information that Bob's car was in a covered parking deck is apt to cause the social perceiver to make an erroneous causal attribution. Thus, an abnormal event in the retail store may trigger the attribution process and the search on the part of the customer for the cause of the event.

However, errors and biases are often present in the attribution process. One of the most common biases has been termed fundamental attribution error (Heider, 1958). This type of error attributes behavior to dispositional qualities of the person rather than other equally plausible situational factors. Social perceivers generally see others' behavior as freely chosen and not as determined by the environment.

This is particularly relevant to salesperson service in retail store. For instance, in the case of the seemingly inattentive salesperson, the customer may attribute the salesperson's inattentiveness to the salesperson's personality. The customer may conclude that the salesperson's inability to meet the customer's expectations is due to unwillingness to focus on the customer. However, the cause of the salesperson's inattentiveness may be due to the company's policy that requires the salesperson to take care of three or four customers at a time when the store is busy, a situational factor. Due to the effect of

fundamental attribution error, customers may blame the salesperson for the failure, and not the system. Customer complaints concerning the inattentive salesperson service may cause management to chastise the salespeople, instructing them to give more personal attention to each customer, when in fact the management needs to add more salespeople.

In addition, the social perceiver may be cognitively busy when assessing the abnormal condition. When people are cognitively busy, they may be less able to use situational factors in forming dispositional inferences (Gilbert, Krull, & Pelham, 1988). When apparel shopping, a customer may be very cognitively busy, trying to locate the desired merchandise, thinking about how the merchandise will look on him/her, thinking about the event that the garment is appropriate for, and perhaps even watching children. The customer may therefore be unable to use situational factors in forming dispositional inferences concerning the salesperson or the store management. Therefore, the customer may be especially prone to misinterpretation of the cause of a salesperson's behavior during the salesperson/customer interaction. When the cause of customer dissatisfaction is identified as the salesperson rather than systemic, management tends to attempt to correct the problem through salesperson training. However, if the problem is systemic, extensive training of the salesforce

will not correct the problem, and will not be an effective use of the company's assets.

This salesperson/customer interaction model begins with a disconfirming situation. A disconfirming situation, particularly one in which there is a negative discrepancy, may be identified as an abnormal condition. The abnormal condition may be due to product failure (e.g., defective merchandise or products that do not perform as expected), salesperson failure (e.g., rudeness or inattentiveness), or systemic failure (e.g., out-of-stocks and locked doors).

According to the model, when the customer encounters a disconfirming situation, such as the return of a defective product, the customer is anticipating a service response. Immediately following the salesperson/customer interaction, the customer mentally compares the perceived service response to the expected service response. This service response is controlled by management event schemata. A good response to the disconfirming situation should lead to satisfaction and subsequent patronage intentions. However, if the service response is poor and does not meet the customer's expectations of what should occur, the customer seeks to ascertain the cause of the poor response.

The attribution of cause may be influenced by the level of visual merchandising. High level merchandising may trigger one set of customer expectations, low level merchandising may trigger another set of expectations. If

the encounter is as expected, the customer experiences confirmation. However, when confronted with a discrepancy between the expected service response and the perceived service response, the customer is thought to apply a personal standard to the situation (Woodruff, Clemons, Schumann, Gardial, & Burns, 1991), with the customer comparing normative expectations, what 'should' have happened, with what actually occurred. After determining the attribution of cause for the disconfirming situation, the customer forms a (dis)satisfaction judgment, which in turn leads to patronage intentions.

The attribution of cause has been used in marketing studies concerning product and service failure. Bitner (1990) used attribution theory to clarify the processes used by the customer to make satisfaction judgments concerning salespeople and service encounters. She investigated the impact of the marketing mix, specifically promotion, during service encounters in influencing customer satisfaction. In a study of airline travelers, subjects were asked to imagine themselves in a negative service situation, and to respond to measures of disconfirmation, attributions, attitude, satisfaction and intended behaviors. A negative service situation was selected so that the subjects would experience disconfirmation. In all situations, negative disconfirmation was held constant, while the explanation for the problem and offers to compensate for the problem were

changed. If the company was perceived as the cause of the service failure and that failure was likely to occur again, the subjects were more dissatisfied than when the travel agent was seen as the cause and it was not likely to happen in the future. Controllable variables, such as employee explanations, offers to compensate and physical surroundings were found to influence the customer's perceptions of the cause of the service failure. Thus nonverbal cues, such as the physical appearance of the business, may not only influence customer expectations as previously argued but also customer attributions and satisfaction, with subjects being less satisfied with the employee in the messy business setting.

Attribution theory has also been used to examine consumer's reactions to product failure (Folkes, 1984), and subsequent complaining behavior (Krishnan & Valle, 1979). Attribution of cause is related to the way in which a consumer responds, with perceived external causes related to complaining behavior. For example, if a flight is delayed due to inclement weather, customers may be less inclined to complain since the cause of the delay is not within the control of the business. The perceived controllability over the solution also affects how consumers respond (Folkes, Koletsky, & Graham, 1987). Even if the problem is not controllable by the company but the consumer perceives that the solution to the problem is controllable by the company,

the consumer will experience a negative reaction.

Folkes (1984) investigated product failure and attributions of cause of the failure in relationship to consumer complaining behavior. She hypothesized that the attribution of cause of product failure would change the expectancy reaction of consumers. Using the critical incident technique, 61 subjects were asked to recall product failures. After recalling an incident in a restaurant, subjects were asked to rate the experience. Folkes found three types of attributions that accounted for 93 per cent of the variance. The most common classification was stable and restaurant controlled. The second most common classification was unstable and restaurant controlled. Stable, consumer controlled causes was the third classification. The more stable the cause, the more certain were subjects that the problem would arise again, and that they would prefer a refund to a replacement.

To further test the relationship between causal dimensions and consumer responses, 56 subjects were recruited for an experiment (Folkes, 1984). The reason related to product failure was varied: stability, controllability and locus of control. There were four different versions of the questionnaire, describing different products and varying causes of failure over a variety of products. Subjects responded to six questions. Multivariate analysis revealed a main effect for stability.

Subjects thought that consumers were more likely to expect future product failure when the cause of failure was stable. When the cause was unstable, subjects thought that the consumer would more likely accept an exchange, rather than a refund. Locus of control was highly significant, with consumers due a refund when the cause of the failure was manufacturer/store related. Feelings of anger and desire for revenge were more likely when the locus of control was manufacturer/store related. This research suggests that attributions of cause influence the consumer's reactions to product failure. However, as Folkes notes, consumers may not always arrive at the 'true' cause of product failure and therefore may make erroneous attributions. Nevertheless, these attributions may affect future behavior.

In a later study, Folkes, Koletsky and Graham (1987), again investigated attributions of product failure and subsequent behavioral responses. Subjects were 97 airline passengers waiting to board delayed flights and 38 passengers waiting for on-time flights. Individuals were approached by interviewers and asked to respond to a rating scale. Path analysis was used to develop a model. The model showed a complex relationship between locus of control, importance and stability, anger at firm, desire to complain and intention to repurchase the product. Controllability and stability were shown to increase anger. Results showed that inferences concerning the cause of the

product failure influence the consumers' desire to complain and intention to repurchase.

In the retail setting, salesperson service might be considered a part of the product, and erroneous attributions of the cause of service failures may have an impact on customer satisfaction and patronage intentions.

According to attribution theory, the cause of any event can be primarily due to a person or to the environment or the situation within which the event or behavior occurs. In a retail service encounter, the outcome can be controlled or dominated by one of two people, the customer or the salesperson, or by the store system (Bateson, 1985).

The customer dominated encounter is one in which the customer has high perceived control of the situation. In this condition, the system must be flexible to adjust to the individual customer's desires. This type of encounter tends to be costly for the customer, as it requires more salespeople and more special services to meet individual needs, and the customer must be prepared to pay for these costs. Stores that sell custom tailored clothing are examples of customer dominated stores, with the store producing clothing that is specifically designed to the customer's individual needs and desires.

The encounter in which the salesperson is dominant will give little control to the customer. An example might be an auto repair service, in which the customer has limited

expertise and therefore has little say in the encounter. Retail stores are often of a third type, with the system dominating the interaction. The operating procedures are established to gain efficiency through standardization. Neither the customers nor the salespersons will perceive themselves as having control of the situation. This may be problematic as

contact personnel are aware of the quality of service they are providing the customer. The sensitive bank teller may therefore know the customer will be upset when asked for identification but can do nothing about it (Bateson, 1985, p.74).

This lack of control may be detrimental to satisfaction and may have a negative impact on patronage. There is evidence that perceived control has a positive impact on the service encounter (Bateson, 1985). Perceived control allows the customer to predict or to form expectations of what is likely to occur when in the store.

Langer and Saegert (1977) showed that perceived control decreased the negative impact of crowding in a supermarket. In a 2 (crowded/uncrowded) X 2 (informed/not informed) factorial design, subjects were selected as they entered a grocery store and asked to choose items on a shopping list. The selection of subjects were made during times that were both crowded and not crowded, and the experimenters established two levels of cognitive control, subjects informed in advance that the store might be crowded as they worked on the task and those not informed in advance. It

was thought that by informing the subjects in advance that they would encounter crowding would give them a sense of control. As expected, crowding did interfere with task performance. This study showed that the impact of cognitive control operated in both the crowded and uncrowded conditions, with those subjects in the "cognitive control" cells rating all items on the supermarket survey higher.

Hui & Bateson (1991) investigated perceived control and the service experience. Perceived control is proposed to be a variable moderating the consumer's responses to the physical environment and the service providers. In order to test the impact of perceived control, these researchers focused on two situational characteristics: consumer choice and consumer density, hypothesizing that giving the consumer a choice would result in higher perceptions of control. An experimental study was conducted; manipulating consumer choice and consumer density in a bank and a bar. Consumer density was operationalized through color slides portraying three different numbers of consumers in the service settings. Written scenarios were used to operationalize the choice treatments. Subjects were asked to read the scenario, view the slides, and then respond to the dependent measure. The subjects were asked to report the hypothetical consumer's feelings, not to play the role of the consumer. Five dependent variables were measured: perceived choice, perceived control, perceived crowding, pleasure and

approach/avoidance. This study revealed that perceived control as a function of consumer choice and consumer density had an impact on pleasure and approach/avoidance. Returning some control to the consumer can moderate the impact of consumer density, lowering the perception of crowding. Most importantly in relationship to this study, giving more choice to the consumer during the service encounter can contribute to a more pleasant service experience.

The question of control is problematic for the retail store in that the customer may not be able to discern which portions of the salesperson/customer interaction are systemically controlled and which are salesperson controlled. This is important because some evidence suggests that customers may view the interactions differently if the interaction is seen as systemically controlled rather than as salesperson controlled (Parasuraman, Zeithaml, & Berry, 1985). These authors believe that if the customer is aware that a specific policy or procedure has been instituted to comply with the law or to protect the customer, the customer's level of satisfaction with the interaction may be positively affected. Satisfaction with the sales interaction may increase if the customer does not blame the salesperson for enforcing the offending policy, and, in fact, customers may even come to understand the benefit of the policy

(Parasuraman, Zeithaml, & Berry, 1985).

Customer Satisfaction and Customer Service

Following the attribution of cause, the customer forms a satisfaction judgment concerning the service response. There are two areas of research that dominate customer service research: consumer satisfaction and service quality. These two constructs are thought to be theoretically distinct constructs but also are intertwined with one another. While this study is concerned with consumer satisfaction, a discussion of the service quality construct is necessary to the understanding of consumer satisfaction with salesperson service.

Service Quality

The foundation of service quality research may be found in the product quality sector (Parasuraman, Zeithaml, & Berry 1988). Product quality is based on "zero defects--doing it right the first time," (Parasuraman, Zeithaml, & Berry 1985, p. 41) a Japanese philosophy. Marketers have attempted to apply production line ideas to service, to eliminate variation in service delivery (Levitt, 1972). However, there are three unique features of the service construct which cannot be eliminated: intangibility, heterogeneity, and inseparability of production and consumption (Parasuraman, Zeithaml, & Berry, 1988). Each

interaction between service providers and customers is unique, with different outcomes resulting from each unique interaction. In addition, the service interaction is intangible and difficult to evaluate objectively. Thirdly, the evaluation of retail salesperson service is temporal, with much of evaluation occurring during the interaction. Unlike a product evaluation, for which the customer has many instances during the life of the product to reevaluate, later evaluation of retail salesperson service relies only on the customer's memory of the sales interaction. Therefore, production line principles do not always apply to service interactions.

Service quality is an abstract construct (Cronin & Taylor, 1992) and is difficult to define. Service quality has been described as a type of attitude, not equivalent to consumer satisfaction, but a distinct construct from satisfaction (Bitner, 1990; Bolton & Drew, 1991). Cronin and Taylor (1992) state that the current explanation of the difference between perceived service quality and consumer satisfaction is that perceived service quality is a long-run overall evaluation, whereas satisfaction is defined as transaction-specific. In addition, the manner in which the disconfirmation construct has been operationalized is different for the quality and satisfaction constructs. Perceived service quality has been defined as a comparison between what the consumer *should* expect to occur and the

actual occurrence, whereas consumer satisfaction has been operationalized as a comparison between what the consumer *would* expect to occur and the actual occurrence.

However, there is substantial disagreement concerning this difference. In developing a model of consumer satisfaction, Woodruff, Cadotte and Jenkins (1983) suggest that experience based norms are used to form expectations of what *should* occur, the traditional definition of service quality. In addition, Spreng and Olshavsky (1992) measure consumer satisfaction using a desires-as-standard model, a construct also based on norms and what *should* occur in order for the consumer to achieve the benefits that will lead to higher level goals. Thus, there seems to be no clear definition that delineates the two constructs in academic research. In practitioners' publications, the term customer service may be defined as 'doing all the things that a business promises to do ' and customer satisfaction may be defined as making the customers happy (Raphel, 1992). It is apparent that the constructs of service quality and consumer satisfaction have substantial commonalities.

Parasuraman, Zeithaml and Berry (1988) developed a paper and pencil instrument, SERVQUAL to measure perceptions of service quality. It is based on the gap theory, which states that customers compare the actual performance of service providers to their expectations for that performance (Cronin & Taylor, 1992). The scale has five dimensions:

Tangibles: Physical facilities, equipment, and appearance of personnel

Reliability: Ability to perform the promised service dependably and accurately

Responsiveness: Willingness to help customers and provide prompt service

Assurance: Knowledge and courtesy of employees and their ability to inspire trust and confidence

Empathy: Caring, individualized attention the firm provides its customers (Parasuraman, Zeithaml, & Berry, 1988, p. 23).

Most, if not all of these dimensions, rely heavily on the customer's perceptions and assessment of the service provider's actions. By implication, many service quality failures as measured by SERVQUAL would be attributed directly to the service provider, rather than apportioning responsibility between the service provider and the system. Salesperson failure is often implied as the reason for the negative assessment of service quality (Becker & Wellins, 1990), when the problem may well be the system's inability to meet the customer's normative expectations of good service.

The service quality construct rests on the concept of how well the service providers meet customer expectations of what should occur. However, as George and Jones (1991) point out, service quality research also assumes that consumer expectations are homogenous over a great number of consumers. They argue that the consumers are heterogeneous, and that no set of rigid behaviors will satisfy all

consumers. Therefore, the development of scales like SERVQUAL to measure service quality may not be productive, since appropriate scales may need to be context specific. Furthermore, since SERVQUAL focuses on the service provider, it neglects the extent to which systemic factors affect service quality.

Consumer Satisfaction

While there is a large body of research concerning satisfaction, this study will only be concerned with consumer satisfaction. Consumer satisfaction models are somewhat controversial, with many points of view concerning the antecedents and consequences of satisfaction. For the purposes of this study, the norms model of consumer satisfaction model will be used as it most clearly explains the salesperson/customer interaction. This section will discuss the historical view of consumer satisfaction and the various models that have been proposed.

As a group, consumer satisfaction theories are based on the discrepancy between the customer's perceptions of the service interaction and the customer's expectations of the interaction (Erevelles & Leavitt, 1992; Parasuraman, Zeithaml, & Berry, 1988; Woodruff, Clemons, Schumann, Gardial, & Burns, 1991). When the expectations of the customer are not met, the customer experiences disconfirmation (Churchill & Surprenant, 1982; Grewal &

Sharma, 1991; Swan & Trawick, 1981). Salesperson service may be better than expected (positive disconfirmation) or may be worse than expected (negative disconfirmation). Meeting normative expectations results in confirmation and satisfaction. Both positive and negative disconfirmation may be experienced by the customer, with positive disconfirmation being a pleasant surprise, creating satisfaction, and negative disconfirmation creating dissatisfaction.

Customers will evaluate salesperson services based on the personal criteria that they bring to the service encounter (Crosby & Cowles, 1986), their personal expectations. Management's event schemata for good salesperson service often have specific sets of actions that should be performed by the salesperson. However, not all consumers will perceive those sets of actions in the same way (George & Jones, 1991) due to varying personal expectations. Some will believe service to be excellent, while others will find the same actions to be staid and mechanical. There is also evidence that performance standards will vary across situations (Cadotte, Woodruff, & Jenkins, 1987). Those salesperson behaviors that are perceived as the minimum acceptable in an store selling expensive merchandise may be perceived as exceptional in a discount store situation. The perceptions of the customers and their expectations of what should occur are the

foundation of most consumer satisfaction models.

Models of Consumer Satisfaction

Consumer satisfaction research has generated several models to explain how consumers arrive at an evaluation of the product or service encounter (Crosby & Cowles, 1986; Erevelles & Leavitt, 1992). The models generally attempt to explain both product and service evaluations, and do not make distinctions between the manner in which consumers evaluate products and service.

The expectancy/disconfirmation paradigm dominated the consumer satisfaction research in the 1970s (Erevelles & Leavitt, 1992; Oliver, 1980) and is expressed as:

$$\text{Satisfaction} = f (\text{Expectations, Disconfirmation}).$$

This model suggests that consumers hold expectations of services and products, and that the services or products will be judged against this standard (Oliver, 1980). This model may be applied to both products and services, although it may not fully explain (dis)satisfaction in all instances. If the consumer is expecting poor service or poor product performance and receives poor service or poor product performance, this model contends that the consumer would be satisfied, an intuitively unreasonable conclusion. The underlying assumption is that the consumer would not choose to patronize a business that gives poor service or buy a product that the consumer knows will not perform well.

However, there are other factors which may lead to such behavior, and choosing the least objectional option may not be uncommon. Location, convenient hours and exclusivity of merchandise selection may all be more important than the salesperson service.

However, this model (Oliver, 1980) does help to clarify the various and conflicting responses of customers toward identical situations. Since each customer may hold a unique set of expectations, the comparison of expectations to perceptions of service will be unique to each customer as well. Service may be better than expected (positive disconfirmation) or may be worse than expected (negative disconfirmation), or as expected (confirmation) (Churchill & Surprenant, 1982; Grewal & Sharma, 1991; Swan & Trawick, 1981). Customers may experience both positive and negative disconfirmation, with positive disconfirmation leading to satisfaction, and negative disconfirmation leading to dissatisfaction. Therefore, customers' perceptions of a set of actions will vary, with different customers interpreting the set of actions in different ways as a function of their individual expectations. This model is useful in explaining divergent results of consumer satisfaction research.

However, many refinements have been made to this basic model in order to improve predictability. Oliver's model has been used extensively in marketing research and has been applied to a variety of contexts.

Norms Models

A group of models on which consumer satisfaction/dissatisfaction may be based are the norms models of consumer (dis)satisfaction (Erevelles & Leavitt, 1992). These models suggest that products are evaluated against a standard, or norm, and that satisfaction is a result of a comparison between the actual product/service and the standard. There are a number of standards which may be utilized in the comparison between products/services and actual performance: expectations, equity, experience-based norms, desires/values, ideal, and promises (Woodruff, Clemons, Schumann, Gardial, & Burns, 1991).

While some of these standards are applicable to customer/salesperson interactions, others are not. Equity theory applies primarily to social interactions (Oliver & Swan, 1989). The promises standard is concerned with the consumer forming beliefs regarding the product/service performance, given the seller's promises. This standard implies that the seller has made promises. However, in the case of salesperson service, this standard does not fit well as specific promises are not often made concerning salesperson service.

Woodruff, Cadotte and Jenkins (1983) investigated experience-based norms as the standard in place of the traditional expectancy/disconfirmation paradigm. The standard of comparison for this model is the consumers'

previous experiences (Woodruff, Clemons, Schumann, Gardial, & Burns, 1991). This model acknowledges that consumers have had experiences with products, services and brands other than the focal object. These experiences are likely to be used by consumers to set the standard for the focal product/service. There may be different standards across consumers and within the same consumer. This model is somewhat applicable to salesperson service.

Spreng and Olshavsky (1992) developed a model using desired-states as the standard of comparison. Desires are defined by Spreng and Olshavsky (1992) as the aspects or levels of aspects that the consumer judges will lead to his/her personal higher level values. Higher level values, Spreng and Olshavsky contend, are the standards or criteria used to guide thought and action, and involve normative considerations of desirability, or how the service ought to be performed, and the evaluative dimensions of goodness and badness. According to this model, the customer will evaluate a product's or service's benefits and how those benefits allow the consumer to meet his/her higher level desires. Products are evaluated on their concrete attributes, then evaluated on the benefits provided by the concrete attributes, and are subsequently evaluated on the relationship between the consumption of the product and the consumer's personal values. While Spreng and Olshavsky define the desired states model in relation to products, one

can apply the same logic to services. Actual performance of specific acts or attributes of service may not be as important to satisfaction as the way in which the customer perceives the performance in relationship to personal values. The customer's perception of the performance is compared to the level of service the customer desires in order to fulfill his/her higher level values. For example, suppose that a customer highly values the time spent with his/her family and therefore wants to spend the least amount of time shopping possible. Consequently, in choosing a store, the customer may select one that has many salespeople. The customer attempts to acquire the benefit of increased salesperson attention, which should minimize the time spent in the store selecting a product. This model is currently being investigated (Woodruff, Clemons, Schumann, Gardial, & Burns, 1991) but has not yet received empirical support.

Another model is based on the ideal as the standard of comparison. Consumers may employ an ideal as the comparison standard for products/service. This standard suggests that consumers have an understanding of what ideally 'ought to' happen, and consumers compare what did happen with what would happen in the situation if it had been the ideal interaction.

While all the models of consumer satisfaction are based on some type of comparison between expectations/standards

and the actual product/service performance, none address the cause of the actual performance. In Nyquist, Bitner and Booms' study (1985), the major sources of customer dissatisfaction were difficulties which resulted from customers' expectations of what should occur which exceeded the system's ability to perform the service. These authors found that in a hotel setting, many of the instances of customer dissatisfaction were the result of customer expectations that exceeded the system's capacity to deliver. This discrepancy between the customer's normative expectations and the system's capacity led to customer dissatisfaction.

In situations in which the customer's normative expectations exceed the system's capacity, employees are often faced with problems that cannot be resolved to the customer's satisfaction. Systemic problems in the form of management policies and procedures may prevent the store from meeting these customer normative expectations, causing a negative evaluation. The customer may experience a difference between normative expectations and the actual service delivered by the store salesperson. The discrepancy between the perception of service delivered to the customer and the expectation of service that the customer thinks should be delivered, may lead to satisfaction or dissatisfaction. A negative discrepancy, with actual service delivered below the level of customer expectations,

may lead to dissatisfaction with the interaction. Both positive and negative discrepancies may be experienced by the customer, with positive discrepancies being a pleasant surprise, leading to satisfaction, and negative discrepancies creating dissatisfaction. Negative discrepancies between the customer's normative expectations and the service provided should not lead to consumer satisfaction with the interaction.

These normative expectations of customer service may be formed in a variety of ways, including prior experiences and vicarious learning (Solomon, Surprenant, Czepiel, & Gutman, 1985), and the formation of these expectations is not an entirely rational process (Zajonc, 1980). Formation of normative expectations begins prior to shopping, with the customer forming normative expectations of the performance of a set of salient attributes (Oliver, 1980; Swan & Trawick, 1981). The customer then shops, comparing recalled normative expectations to the perception of the actual performance, judging the performance on the salient attributes.

There is little research that is specific to retail salesperson service satisfaction. Many of the studies of consumer satisfaction concern satisfaction with clothing (Francis & Burns, 1992), products (Churchill & Surprenant, 1982) and after purchase service of the product (Vredenburg & Wee, 1986), or with predominantly service industries, such

as banks (Surprenant & Solomon, 1987) and telephone service (Bolton & Drew, 1991). While retail stores have a great deal in common with these types of businesses, there are also some important differences. In the case of local telephone service, the customer is more or less captive, with little choice but to use the service. While banks have more in common with retail stores, banks offer predominantly intangible services. In comparison with other businesses, retail stores offer a bundle of benefits, both tangible products and intangible services. Consequently, the results of other research concerning customer service and satisfaction may not be directly applicable to the retail apparel store.

Swan and Trawick (1981) investigated the applicability of the disconfirmation model of consumer satisfaction in a restaurant setting. Participating restaurant customers completed a self-administered questionnaire concerning their expectations and perceptions of the food and service in the restaurant. Upon ordering their meal, customers completed a 'before' portion of the questionnaire, answering questions about what they expected the food and service to be like. After completing the 'main' course, customers evaluated the food and service on the same attributes. This study showed that in addition to positive and negative disconfirmation, there is inferred and perceived disconfirmation (Swan & Trawick, 1981). Perceived disconfirmation refers to the

difference between the customer's expectations and the customer's perception of the performance of the service or product. Inferred disconfirmation refers to the difference between a customer's pre-rating and post-rating of a product or store. In order to measure inferred disconfirmation, a customer is asked to pre-rate a product or service, then experience the service or use the product, then re-rate the product or service. Any difference perceived is termed inferred disconfirmation.

The results of this study suggested that satisfaction is predicted primarily by inferred disconfirmation, that is, their pre-rating of the product or service. These results provide evidence that satisfaction is first based on the disconfirmation of expectations and second, on the initial level of expectations. When perceived performance exceeded expectations, creating positive disconfirmation, satisfaction was higher. Additionally, perceived performance was a better predictor of satisfaction than was past experiences with the store. Intentions to repatronize were predicted most strongly by satisfaction, followed by inferred disconfirmation. This implies that by exceeding customer expectations for food or service, the customer will be more satisfied and be more likely to repatronize.

The concept of inferred disconfirmation has also been investigated in relation to a pure service industry rather than a mixed service/product industry. In Bolton and Drew's

(1991) longitudinal study of perceived service quality with local telephone service, customers were asked to evaluate the overall quality of all services provided by the telephone company prior to and after institution of service changes. The customers were asked to rate the quality of local telephone service six months prior to the service changes. Again, one month and six months after making the change in the quality of the service, the customers were asked to rerate the service. This study found that disconfirmation was a more important factor in immediate evaluations and less important in determining long-run effects of service changes. The effects of disconfirmation were relatively transitory. Actual performance was more important in the long-term evaluation of service quality. This study implies that in the case of retail store customer service, customer satisfaction with infrequent individual transactions that do not meet the customer's expectations may not have long term effects on the evaluation of the store's overall service quality.

The impact of role expectations and personalization have been investigated as applied to the service encounter (Surprenant & Solomon, 1987). These researchers hypothesized that a significant determinant of satisfaction with a service encounter is the degree to which it is congruent with the customer's role expectations for the service provider. Experimental subjects listened to an

audiotape of a bank employee talking with a customer about various types of banking services, and then completed a dependent measure. This research found that not all forms of personalization result in more positive evaluations of the service offering. Customized personalization, that is, shaping the service offering to the unique needs of the individual customer, produced positive effects on salesperson ratings. This implies that the retail store that empowers the salesperson to select the problem resolution that most closely meets the consumer's expectations will receive more positive ratings.

The perceived performance model (Churchill & Surprenant, 1982) contends that the disconfirmation variable may not affect the level of customer satisfaction in some situations. The results of Churchill and Surprenant's study illustrated a difference in how consumers make judgments of satisfaction concerning durable and non-durable goods. In that study, the non-durable product was a plant, the durable product, a video disc player. For the non-durable product, the model of expectancy/disconfirmation (Oliver, 1980) held, but not for the durable product. Satisfaction with the durable product was determined solely by performance.

Patronage

Conventional wisdom among marketers (Bennett, 1990), and in particular retail store executives, is that consumer

satisfaction with a store will lead to increased patronage. Satisfaction is thought to be antecedent to loyalty (Bitner, 1990; LaBarbera & Mazursky, 1983) and loyalty is directly related to firm profitability (Heskett, Sasser & Hart, 1990). Although not identical, customer loyalty and patronage intent may be thought of as somewhat similar. Customer loyalty specifically refers to repeated patronage of a given business, and is generally used in examining long term relationships between business and customer. If a customer is loyal, it can be assumed that he/she will patronize the business. However, patronizing a business does not necessarily imply any loyalty to that business. A customer may shop in a store repeatedly, but may continually be searching for a better alternative. Therefore, customer loyalty may be thought to be a stronger indication of future behavior than is patronage intentions.

While the relationship between satisfaction and patronage seems reasonable, there are times when other factors are more important to patronage. Consumers may shop in stores that do not provide satisfaction due to time constraints or location, for example. However, there has been little investigation of the link between consumer satisfaction and patronage intentions (Bitner, 1990; Oliva, Oliver, & MacMillan, 1992; Oliver, 1980). It is thought that positive consumer attitudes will lead to increased patronage (Korgaonkar, Lund, & Price, 1985), but follow up

research is not common (Oliva, Oliver, & MacMillan, 1992).

Finn and Louviere (1990) investigated consideration sets for shopping centers when shopping for apparel and subsequent patronage. A consideration set is the units, in this case shopping centers, that the customer would consider patronizing in the specific situation. For example, while consumers may have a favorite shopping center, this shopping center would probably not be part of the consideration set when planning grocery shopping trips. Data surveys were sent to 796 names, with 339 usable surveys returned. Respondents were asked to indicate which of the local shopping centers they would 'seriously consider' when choosing places to shop for clothing. They were also asked to report the approximate percentage of clothing purchase dollars spent in each of the shopping centers. Perceptions concerning the malls' attributes were also gathered. Their findings suggest that good service and wide selection were important factors in the consumer's choice of shopping center to patronize. These findings support the proposition that good salesperson service may be important in the consumer's choice of store to patronize.

In Korgaonkar, Lund, and Price's study (1985) investigating the relationship between attitudes and behaviors, a survey instrument was developed to measure attitudes toward shopping and shopping frequency at selected stores. Personal interviews with 406 respondents measured

attitudes toward shopping, shopping frequency, and the four functions of attitudes. This study supported the attitude-behavior linkage, but found that the reciprocal relationship of behavior-attitude was not significant. Therefore, a positive attitude toward a store may lead to increased patronage, but many instances of store patronage will not necessarily produce a positive attitude toward the store. However, attitudes are considered to be long term and more related to service quality, while consumer satisfaction is related to a more transitory evaluation. The linkage between satisfaction and patronage may not follow the model of attitude-behavior, and may have a different relationship.

Patterns of store choice were investigated by Wilson and Woodside (1991). One hundred fifty-five subjects were asked to respond to a questionnaire concerning their shopping behavior in a group of five selected specialty apparel stores. Findings suggest that shoppers do not exhibit 100 per cent loyalty to their 'favorite' store. All the subjects reporting a store as their 'favorite' had shopped at that store during the preceding three months. However, all those subjects also reported shopping elsewhere during that same time period. This study suggests that increasing market penetration is more important than increasing the frequency of shopping trips.

To investigate the relationship between the quality of customer service satisfaction and customer loyalty in an

industrial setting, Oliva, Oliver, and MacMillan (1992) used a company produced customer service data base. Thirty-one statements describing the quality of service were analyzed: personnel, quotations, ordering, delivery, post-order service, disputes and returns, and overall satisfaction. The customers were asked to rate their level of agreement with the statements on a scale ranging from strongly agree to strongly disagree. It was found that the relation between loyalty and customer satisfaction can be nonlinear. Improving those services that are important to the customer can give the firm a competitive advantage, while improving those services that are not important to the customer may be non-productive.

While this study was concerned with an industrial setting, the results might be applied to retail apparel stores. For the retail apparel store, improving the in-stock levels or the number of salespeople might be more important than training salespeople to be friendly. Oliva, Oliver and MacMillan (1992) state that evaluating each service encounter individually is important in identifying those services which lead to customer loyalty. While it would be physically impossible to evaluate each service encounter, evaluating each type of service encounter may be useful. There may be commonalities among all the transactions that involve customers attempting to return defective merchandise that might assist the store's

management in formulating policies and procedures that would lead to more satisfied customers. For example, when customers want to return a purchase, it may be that the option of getting cash back is very important. The cash back option may be equally important whether the merchandise being returned is defective or just the wrong size. The customer's desire for cash back may be common to all return transactions.

Based on the previous arguments the following research hypotheses were formulated:

H1: Management event schemata will affect perceived customer satisfaction and salesperson evaluations.

a: Customer satisfaction with the salesperson and salesperson evaluations will be lower in negatively disconfirming situations which are resolved with a bad management event schema as compared to those resolved with a good management event schema.

b: Customer satisfaction with store policies and store evaluations will be lower in negatively disconfirming situations which are resolved with a bad management event schema as compared to those resolved with a good management event schema.

c: Overall customer satisfaction will be lower in negatively disconfirming situations which are resolved with a bad management event schema as compared to those resolved with a good management event schema.

H2: Negative management event schemata will have a negative effect on patronage intentions in disconfirming situations.

H3: Visual merchandising will affect perceived customer satisfaction with customer service and salesperson evaluations.

a: Customer satisfaction with salesperson service and salesperson evaluations will be more negative in disconfirming situations in which visual merchandising

levels are high, as compared to disconfirming situations in which visual merchandising levels are low.

b: Overall customer satisfaction will be more negative in disconfirming situations in which visual merchandising levels are high, as compared to disconfirming situations in which visual merchandising levels are low.

H4: Visual merchandising will affect patronage intentions.

a: Patronage intentions will be more negatively affected in disconfirming situations in which visual merchandising levels are high, as compared to disconfirming situations in which visual merchandising levels are low.

Based on the fundamental attribution error the following hypotheses were formulated:

H5: Customer dissatisfaction with salesperson service will have a more negative impact on overall customer satisfaction than will customer dissatisfaction with the store policy.

a: Customer satisfaction with the store policy will be predicted by satisfaction with the salesperson.

b: Customer overall satisfaction will be predicted by satisfaction with the salesperson.

H6: Customer dissatisfaction with salesperson service will have a more negative impact on patronage intentions than will customer dissatisfaction with the store.

H7: Customer satisfaction and evaluations will be affected by the attribution of cause during a salesperson/customer interaction.

a: As compared to when the customer perceives the system as the cause of a problematic policy or procedure, when the customer perceives the salesperson as the cause of a problematic policy or procedure, satisfaction with and evaluation of the salesperson will be affected negatively.

b: As compared to when the customer perceives the system as the cause of a problematic policy or procedure, when the customer perceives the salesperson

as the cause of a problematic policy or procedure, satisfaction with and evaluation of the store will be affected negatively.

H8: Customer patronage intentions will be affected by the attribution of cause in negatively disconfirming situations.

a: As compared to when the customer perceives the system as the cause of a problematic policy or procedure, when the customer perceives the salesperson as the cause of a problematic policy or procedure, patronage intentions will be affected negatively.

CHAPTER III

METHODOLOGY

Preliminary Analysis

A series of pilot studies and experiments were conducted to investigate (1) the impact of management event schema and visual merchandising on perceptions of customer satisfaction and intent to patronize a store and (2) the impact of visual merchandising and attribution of cause on perceptions of customer satisfaction and intent to patronize.

In order to investigate customer satisfaction it is necessary to identify situations in which customers are dissatisfied, since it is only through an examination of dissatisfaction that the boundary conditions for satisfaction can be established. Therefore, in order to understand conditions which lead to satisfaction, it is necessary to study negatively disconfirming situations, in order to create an abnormal condition. The disconfirming situations used in the scenarios led to the salesperson implementing the company's policy or procedure, the management event schema appropriate for the situation. In

confirming situations, the likelihood of a discrepancy between the customer's event schema and the management's event schema is low. However, in a negatively disconfirming situation, it is more likely that the management's event schema and the customer's event schema for the situation may be incongruent. Therefore, negatively disconfirming situations were used in this research because they are likely to lead to dissatisfaction. Such dissatisfaction might occur because of poor treatment by sales people or because of store policies (management event schemata) which are annoying to the customer, e.g., policies that are controlled by the system. However, it is often difficult for the customer to differentiate between systemic control of the situation and salesperson control. Therefore, in order to determine possible problematic management event schemata, it was necessary to isolate specific policies and procedures that were both problematic for the customer and also systemic, and not a product of individual salesperson behavior. A pilot study was conducted for this purpose.

Pilot Study 1: Development of Management Event Schemata

The first pilot study used a focus group interview methodology. Focus groups are exploratory in nature and are often used to generate ideas for experiments, a frequent use in marketing research (Calder, 1977; Morgan, 1988). Focus groups involve convening a group of subjects to discuss a

specific topic of interest to the researcher (Calder, 1977). The discussion is directed by the moderator, who guides the conversation toward the research objectives. The discussion is open-ended, intended to generate new ideas concerning the topic of interest. The advantage of using the focus group is that the thinking of the researchers is stimulated (Calder, 1977), attempting to use the subjects' everyday experiences to develop the research hypotheses.

In this study, the focus group was used to generate plausible ideas for the manipulations of management event schema. Discussing problematic policies and procedures with salespeople assured that the scenarios were current and represented realistic problems that customers could encounter in stores. The use of focus groups to generate the scenarios helped to control researcher bias, ensuring that the policies and procedures were perceived as problematic by customers. The disadvantage of using a focus group of salespeople is that they have an insider's view of the policies and procedures, and may have a tendency to recall those policies and procedures that most recently caused a customer to be dissatisfied. The focus group did not necessarily identify the most problematic policies and procedures from the customer's viewpoint. However, the objective was to generate problematic policies and procedures, not necessarily the worst ones, as potential scenarios. Through the focus group useable ideas were

identified.

Subjects were midwestern university students enrolled in a Textiles and Clothing program. Subjects were all female students, with an average age of 21. All were volunteers solicited through announcements in classes and personal contact and all were currently employed in a retail apparel store, working a minimum of fifteen hours per week. A number of volunteers were screened, with each being asked the type of store in which she worked. The final group was chosen from the pool of volunteers to assure that a variety of types of stores were represented by employees in the focus group. Six students were selected to participate in a focus group to determine the possible management schemata that customers might find problematic when interacting with salespeople in retail apparel stores. A moderator's guide was developed and pre-tested in four personal interviews with subjects from the same general characteristics as the pilot study subjects. (See Appendix B for moderator guide.) None of the same people participated in more than one phase of the research. Questions were designed to elicit policies and procedures which were problematic for the customer from the salesperson's perspective. Modifications to the moderator guide were made after each successive interview.

The number of focus groups for this type of exploratory research is a function of the goal of the research (Calder, 1977; Morgan, 1988). Calder (1977) states that the research

is completed when the moderator can anticipate what will be said and the groups are no longer producing new ideas. In the current research only one focus group was necessary to meet these criteria. After the first focus group interview, six problematic policies and procedures (management event schemata) were identified for use in the experimental portion of the research.

Following the transcription of the focus group discussion, six policies and procedures that the salespeople view as problematic for the customer were identified. The information was used to generate the six scenarios for the experimental phase of the research. The scenarios used for the experiments were developed by the researcher from this information. Six scripts of the various scenarios were written which described a two person (customer and salesperson) in-store interaction.

Those problematic issues identified as originating within the system, rather than from the individual salesperson, were isolated. Good and bad solutions were identified to manipulate the policies and procedures that the management event schemata dictate as the correct solution for the problem. Scenarios were constructed in order that the salesperson had no choice but to follow management policy. Although in real life salespeople can break some of the rules in place in a store, these scenarios were constructed to prohibit circumventing the system in

order to satisfy the customer. Two major issues were selected from those identified as systemic: (1) out of stock on an advertised item and (2) return of a defective garment that was guaranteed by the manufacturer. Each scenario for Study 1 was resolved in two ways, one good and one bad, from the customer's perspective, resulting in a total of four scenarios for Study 1. The second scenario from Study 1 was modified for Study 2, such that the salesperson explained that the reason for the solution to the problem was due to the store's policy or to the salesperson's lack of knowledge concerning the way to resolve the problem. In both versions of the scenario, the resolution is the same, but the attribution of cause for the resolution varies. (See Appendix C for all versions of the scenarios.)

Pilot Study 2: Development of Printed Scripts

The scripts of each scenario were pre-tested in printed form to ensure that the described situation was understandable. Subjects for the second pilot study came from the same general pool as those for the first pilot study; however, no one participated in both. Six female subjects were recruited to pretest each scenario, with each subject reacting to only one scenario. While the majority of pre-test subjects had worked in stores as salespeople, they were not required to be salespeople in order to pre-

test the scenarios.

In small groups pilot subjects read and responded to a series of questions regarding the scenarios. No subject read more than one scenario. When pre-testing the scenarios, pilot subjects were asked to respond to the intelligibility of the scenario, not with their personal feelings concerning the scenario. After reading the scripts subjects were asked to write a brief description of the scenario, to determine that they understood the script, to write down their thoughts concerning the scenario and were asked to indicate how believable the scenario seemed. Based on subjects' responses, all four scripts for Study 1 were deemed appropriate for use. All subjects understood the situation described and found the situations to be realistic.

Pilot Study 3: Development of Audio Tapes

The scripts were then taped in a professional sound studio with a female actor. The same actor was used in all the tapes to prevent variance in responses due to differences in voices. Only the salesperson's portion of the conversation was taped. Each taped script began with the salesperson's voice asking if she might assist the customer. In accord with previous research (Surprenant & Solomon, 1987), no customer's voice is heard so that the taped scenario was one-sided. The scenarios end with the

salesperson's solution to the problematic situation, following the company's policy or procedure. All the scenarios are of negatively disconfirming situations (e.g., a problem with an out-of-stock advertised item and a defective jacket) with either a relatively good or bad solution to the problem. In order to enhance credibility, a 'noise' soundtrack was added to the tape, since the tapes did not sound as if they had been taped in a store.

The taped scenarios were pre-tested to clarify any ambiguities that the subjects might encounter when listening to the tapes. Subjects for the third pilot study came from the same general pool as those for the first two pilot studies; however, no one subject participated in more than one such study. Each tape was heard by three female subjects. All subjects understood the scenario and rated the salesperson as believable.

Pilot Study 4: Manipulation of Visual Merchandising

It is believed that customers expect different levels and types of service in different types of stores (Solomon, Surprenant, Czepiel, & Gutman, 1985). Sets of colored slides depicting the interiors of two fictitious stores were formed to manipulate customer expectations through visual merchandising of service. The store interior slides were selected to depict either stores thought to sell inexpensive merchandise or stores thought to sell expensive merchandise.

There were no salespeople visible in any of the slides, since the physical characteristics of the salesperson could affect subjects' responses and serve as a confounding variable. The slides for the high visual merchandising condition depicted stores that had open floor spaces, indirect lighting and neat racks and display cases. The slides for the low expectations condition showed stores that had crowded racks, with merchandise displayed haphazardly and harsh, overhead lighting. (See Appendix E for copies of slides.)

Subjects for the fourth pilot study came from the same general pool as those for the first three pilot studies; however, no one subject participated in more than one such study. An initial series of eighty slides were shown to a group of twenty-six female undergraduate students. Subjects were instructed to assign each slide to a category: a store selling inexpensive merchandise; a store selling expensive merchandise; or a store that fit neither category. Slides were specifically selected so that some slides would fit neither category of interest. Those slides that were selected by all twenty-six students as belonging to the categories of interest were isolated. Five slides of a store selling inexpensive merchandise and five of slides of a store selling expensive merchandise were so isolated.

Those slides identified as representing the two categories of interest (e.g., five slides of a store selling

inexpensive merchandise or five slides of a store selling expensive merchandise) were grouped and shown to a second group of eight subjects. In this procedure subjects were shown each set of slides separately and answered an open ended question, asking them to describe the store represented in the slides. All subjects described the stores either as selling expensive (high) merchandise or as selling inexpensive (low) merchandise.

Instrument Development

The instrument contained a mixture of both open-ended and closed-ended questions. The first question was an open-ended question which asked the subjects to write their reactions to the scenario and slides. The first set of closed-ended questions were 7-point Likert-type rating scales which addressed satisfaction. Subjects were asked to indicate overall satisfaction with the transaction, satisfaction with suggested alternatives, satisfaction with the way in which they were treated, and satisfaction with the store policy. The remainder of these items addressed patronage intent and complaining behaviors. These items had been used in previous research (Surprenant & Solomon, 1987), which studied personalization of service in a retail bank setting. Additional items specific to this study were also generated to address shopping behaviors that might be affected by management event schema. (See Appendices C and

D for copies of the dependent measures.)

Based on similar previous research (Surprenant & Solomon, 1987), a set of 19 unipolar adjective rating scales were included to rate the salesperson. These 19 items addressed the technical and functional qualities of salesperson service (Surprenant & Solomon, 1987). The technical qualities refer to the service being delivered and the functional qualities refer to the way that the service is delivered. A set of 6 unipolar adjective rating scales were included to rate the store, addressing both the technical and functional qualities of the store. Subjects were also asked to provide an overall rating of the store and of the salesperson using 7-point scales anchored by poor and excellent. These items had previously been used by Surprenant and Solomon (1987) to rate a bank and the service providers who worked in that bank. Surprenant and Solomon (1987) selected the adjectives for rating the salesperson (service provider) to represent three of the performance dimensions of service quality as proposed by Parasuraman, Zeithaml, and Berry (1984): reliability, responsiveness and competence. These researchers report adequate reliability on the basis of Cronbach's alpha, with alpha levels of .87 on the salesperson scale and .71 for the bank rating scale in their research.

Based on previous research (Bitner, 1990), a single item of attribution was added to the end of the instrument

for the second study. This item was included to assess attribution of cause for the resolution of the problem. Two additional items were also added to the second study to determine the likelihood that the subject would shop in this type of store and his/her overall satisfaction with his/her own apparel shopping experiences.

Experiments

Sample.

Three hundred students were recruited to participate in the series of experiments, through classroom announcements and personal contacts. None of the subjects from the pilot studies participated in the experiments. Two hundred volunteer subjects participated in Experiment 1, all females whose average age was 24 years, and whose median age was 21. There were 100 volunteer subjects for Experiment 2, 37 males and 63 females with an average age of 21, and a median age of 21 as well. These subjects were all students enrolled in home economics or human ecology programs in two midwestern universities. Subjects were majors in family resource management, interior design, nutrition, fashion merchandising, and hotel and restaurant management.

General Procedure for Both Experiments

The experiments were conducted with groups of two to

thirty subjects participating in each fifteen to twenty minute session, with the subjects randomly assigned to experimental conditions. The subjects were seated at tables, facing a screen. The subjects were instructed to listen to a tape describing a problematic situation and view slides on the screen depicting various sections of a store in which the problematic situation supposedly occurred. They were to imagine themselves as the customer in the store and imagine how they would feel if they were in the situation, or to play the role of the customer.

Role playing has been used in other studies of this type (Bitner, 1990; Greenberg, 1967; Surprenant & Solomon, 1987), although demand effects and lack of involvement by subjects can be problematic. However, since actually bringing subjects to a store to evaluate interactions would be logistically difficult, this procedure was considered acceptable.

After viewing the slides and listening to the audio tape, the subjects were asked to sign an informed consent sheet. Subject were then given a packet of dependent measures to complete. The subjects were given three minutes to respond to the open-ended question, and then were allowed to continue with the closed-ended questions. No time limit was set for completion of the closed-ended measures. Upon completion, the subjects were dismissed and debriefed.

Experimental Design: Experiment 1

The first experimental study used the identified scenarios to manipulate management event schemata; e.g., policies and procedures. Two such scenarios were used for stimulus sampling purposes (Fontenelle, Phillips, & Lane, 1985). In general the technique of stimulus sampling is used to achieve external validity (Fontenelle, Phillips, & Lane, 1985), so that the results can be generalized over more than one stimulus. In the present study stimulus sampling required that more than one scenario be used. Stimulus sampling is used to ensure that any effects found are not due to idiosyncratic characteristics of a single stimulus.

The first scenario involved a customer who wanted to purchase a shirt that had been advertised the day before. In the scenario, the store did not have the advertised item in stock, the disconfirming situation. In the good resolution condition the salesperson locates the shirt in another store and asks the customer if she would like to pick it up at the other store or have it sent to her home at no charge. In the bad resolution condition, the salesperson tells the customer that she is too busy to locate the desired shirt in another store and that she will get back to her another day. In addition, the customer will have to go to the other store to pick it up or wait two weeks for it to be transferred to this store.

The second scenario involves the return of a defective ski jacket that the manufacturer guarantees for a year. In the good resolution condition, the salesperson accepts return of the jacket and asks if the customer would like to replace it with the same jacket or to look at the newest styles. In the bad resolution condition, the salesperson tells the customer that she will get the manufacturer's address on Monday and will call the customer. The customer then is told she will have to return the jacket to the manufacturer herself. (See Appendix C for complete scripts.)

To manipulate visual merchandising the two sets of five slides were used which varied store interiors, e.g., the stores' physical merchandising. Thus the design of Experiment 1 was a two ("good" and "bad" management event schemata) by two (visual merchandising: store selling expensive (high) merchandise versus store selling inexpensive (low) merchandise) between subjects factorial. Experiment 1a used the management event schema concerning an out-of-stock advertised item, and Experiment 1b used the management event schema concerning the return of defective merchandise.

Procedure: Experiment 1

The subjects were told that the tape recordings were made in the store pictured in the slides. The subjects were

asked to imagine themselves as the customer and think about how they would feel if they were in this store and in this situation. A series of five slides were used, depicting various sections of the store interior, along with an audio tape representing a customer/salesperson interaction concerning the problematic issue. Each slide was exposed for 6 seconds, then the audio tape was played. The audio tape did not explain that the problematic issue was due to a policy or procedure of the store, and ended without the customer making a decision or voicing a final reaction.

Experimental Design: Experiment 2

The second experiment involved varying the manner in which the policy or procedure is explained in order to manipulate perceived control. It is believed that the stability of the situation, that is, the likelihood that it will be repeated in future encounters, has an impact on satisfaction. Bitner (1990) varied the perceived control between internal and external sources, and found that the subjects were more dissatisfied with those disconfirming situations that were perceived as likely to recur in future encounters. Internal control was found to be viewed as stable, while external explanations were unstable. However, the internal locus control manipulation in Bitner's study had the travel agent admitting responsibility for the problem. There was no internal control manipulation which

attributed cause to the travel agency. Thus, the current study was designed to extend this concept by varying the attribution of cause between two internal sources, the store and the salesperson. It is hypothesized that the store policy would be perceived a stable, while the lack of skills by the salesperson would be considered as unstable.

The design of the second experiment was a two by two between subjects factorial, with two salesperson/customer scripts to manipulate perceived cause (salesperson vs. store) and two sets of store interiors (high level vs low level visual merchandising) to manipulate visual merchandising. The two scripts illustrated one problematic issue, but varied the cause, with one script justifying enforcing the policy or procedure by explaining it as store policy, and the other stating that the salesperson did not know how to take care of the problem and sending the customer to another location.

As in Experiment 1, there were two different sets of store interiors to manipulate visual merchandising. The slides were the same ones used in Experiment 1. The dependent measures were the same as in Experiment 1, with the addition of a measure of attribution of cause, and two measures of the subjects own, everyday shopping experiences. Again each slide was exposed for 6 seconds. Then, the subjects were given the written script of the scenario and the dependent measures. The subjects were asked to read the

script, imagining themselves as the customer in the store, and to respond to the questions as if they were the customer. Subjects were given three minutes to respond to the open-ended question and then were asked to respond to the balance of the questions at their own pace.

CHAPTER IV
ANALYSIS OF RESULTS

Data Analysis

Data were analyzed using descriptive statistics, factor analysis, multivariate analyses of variance, Cronbach's alpha coefficient of reliability, and multiple linear regression. Instrument reliability of the salesperson and store rating scales was determined using Cronbach's alpha. for both Study 1 and Study 2. Factor analysis was used as a data reduction technique for both the salesperson rating scales and the store rating scales in both studies.

Multivariate analyses of variance were used to test all the hypotheses except hypotheses 5 and 6. Multiple linear regression was used to ascertain the predictive value of one variable on another. The model testing approach to multiple regression analysis (Neter, Wasserman & Kutner, 1989) was used. This approach employs a comparison of the full model, containing all the variables of interest, with a reduced model, which deletes the hypothesized predictor variable. A comparison of the adjusted R^2 s indicate the per cent of variance explained by the predictor variable.

Analysis of Study 1

Factor Analysis

The salesperson rating scale was used to measure attitudes toward the salesperson. The items in the scale had been chosen based on three of the performance components of SERVQUAL, a measure used to assess service quality: reliability, responsiveness, and competence (Parasuraman, Zeithaml, & Berry, 1988). These items addressed the functional and technical qualities of salesperson service (Surprenant & Solomon, 1987). Factor analysis was used as a data reduction technique to determine the characteristics of salespersons within a salesperson/customer interaction. Although the scale items had been used in previous research, the decision was made to factor analyze the scale to determine the relevant dimensions for this context. Principle component factor analysis with varimax rotation was used, generating three factors with eigen values equal to or greater than 1.0. Only Factor 1 was retained, as Factor 2 and Factor 3 each accounted for less than 10% of the variance. Furthermore, an examination of the scree plot indicated that only Factor 1 was of importance since there was a large break between Factor 1 and Factors 2 and 3. Items which made up the Factor were those that loaded less than .40 on all other factors and at least .40 or greater on Factor 1. (See Table 1.) The five items selected include 'capable,' 'sincere,' 'caring,' 'not rude,' and

Table 1

Factor Analysis of Salesperson Ratings for Study 1

| Factor Loading | |
|--|--------|
| <u>Factor 1: Solicitousness</u> | |
| Capable | .66224 |
| Sincere | .69911 |
| Caring | .77620 |
| Not rude | .69274 |
| Considerate | .70275 |
| Eigen value: 10.95 % of variance explained = 57.7 | |

'considerate.' Using the five selected items, a new dependent variable, 'solicitude', was formed by summing the ratings on each of the items. The new variable, solicitude, had a eigen value of 10.95, was reliable ($\underline{r} = .87$) and accounted for 57% of the variance in salesperson ratings.

The store rating scales in Study 1 were analyzed in the same manner. Only one factor with an eigen value of more than 1.0 was generated. (Table 2.) Factor 1 was reliable ($\underline{r} = .87$), had an eigen value of 3.55 and accounted for 59.2% of the variance. The ratings for each of the adjectives were summed to form a new variable, trustworthiness. Factor 1, Trustworthiness, consisted of five variables: 'friendly,' 'reliable,' 'formal,' 'caring,' and 'responsible.'

Table 2

Factor Analysis of Store Ratings for Study 1

| Factor Loadings | |
|---|--------|
| Factor 1: Trustworthiness | |
| Friendly | .82586 |
| Reliable | .89935 |
| Caring | .90685 |
| Formal | .56993 |
| Responsible | .87981 |
| Eigen value = 3.55348 % of variance explained = 59.2 | |

The data were entered into a between subjects' multivariate analysis of variance. A 2 (high visual merchandising/low visual merchandising) X 2 (good/bad management event schema) multivariate analysis of variance was conducted. Two policies were used for stimulus sampling purposes. For data analysis, the data were pooled to minimize possible idiosyncratic effects of any one policy on responses. Visual merchandising and management event schema were the independent variables. Dependent variables were: overall satisfaction, satisfaction with alternatives, satisfaction with salesperson, satisfaction with store policy, liking to shop in store, likelihood of shopping in the store again, likelihood of telling the salesperson that customer does not like the policy, likelihood of complaining to the management about the policy, likelihood of looking in another store for the garment, likelihood of refusing to

shop in the store again, likelihood of walking out of store without making a purchase, overall rating of the store, overall rating of the salesperson, salesperson solicitude, and the store's trustworthiness.

There was a significant multivariate main effect for management event schemata on the dependent variables, approximate multivariate, $F(15, 181) = 13.91, p < .001$. There was also a significant multivariate main effect for level of visual merchandising on the dependent variables, approximate multivariate, $F(15, 181) = 3.23, p < .001$. The multivariate interaction was non-significant, approximate multivariate, $F(15, 181) = .643, p > .83$.

Table 3

Multivariate Analysis of Variance for Study 1

| Variable | Wilks | df | Approximate Multivariate F | p |
|------------------------------|-------|--------|----------------------------------|------|
| Management event schemata | .493 | 15,181 | 12.469 | .000 |
| Visual merchandising | .794 | 15,181 | 3.151 | .000 |
| MES X VM | .952 | 15,181 | .606 | .868 |

Given that the multivariate statistics were significant, it was appropriate to examine the univariate analyses of variance to determine which dependent variables contributed

to the multivariate main effects. Outcomes for each of the univariate analyses will be discussed in the following section. In order to clarify relationships each hypothesis will be address individually.

Table 4

Summary of Univariate Analysis of Variance of Visual Merchandising in Study 1

| Variable | SS | df | MS | F | p |
|--|---------|----|-------|-------|------|
| Satisfied overall | 466.18 | 1 | 2.38 | 2.878 | .091 |
| Satisfied with alternative | 461.48 | 1 | 2.35 | 1.028 | .312 |
| Satisfied with salesperson | 386.60 | 1 | 1.97 | 6.854 | .010 |
| Satisfied with store policy | 462.80 | 1 | 2.36 | 2.448 | .119 |
| Like to shop in store | 469.56 | 1 | 2.40 | 5.218 | .023 |
| Shop in store again | 542.60 | 1 | 2.77 | 0.354 | .553 |
| Tell salesperson that do not like policy | 627.26 | 1 | 3.20 | 0.189 | .664 |
| Complain to mgt. about policy | 621.70 | 1 | 3.17 | 0.567 | .812 |
| Look in another store | 747.80 | 1 | 3.82 | 3.019 | .084 |
| Refuse to shop in store again | 525.50 | 1 | 2.68 | 0.673 | .413 |
| Walk out of store | 633.32 | 1 | 3.23 | 1.213 | .272 |
| Overall rating of store | 419.32 | 1 | 2.14 | 0.054 | .017 |
| Overall rating of salesperson | 419.32 | 1 | 2.14 | 0.054 | .817 |
| Solicitude | 6464.22 | 1 | 32.98 | 5.077 | .025 |
| Trustworthiness | 6219.32 | 1 | 32.80 | 3.888 | .050 |

Table 5

Summary of Univariate Analysis of Variance of Management
Event Schema in Study 1

| Variable | SS | df | MS | F | p |
|-------------------------------------|---------|----|-------|--------|------|
| Satisfied overall | 466.18 | 1 | 2.38 | 78.30 | .000 |
| Satisfied with alternative | 461.48 | 1 | 2.35 | 102.78 | .000 |
| Satisfied with salesperson | 386.60 | 1 | 1.97 | 40.24 | .000 |
| Satisfied with store policy | 462.80 | 1 | 2.36 | 169.65 | .000 |
| Like to shop in store | 469.56 | 1 | 2.40 | 72.20 | .000 |
| Shop in store again | 542.60 | 1 | 2.77 | 78.14 | .000 |
| Tell salesperson do not like policy | 627.26 | 1 | 3.20 | 66.94 | .000 |
| Complain to mgt. about policy | 621.70 | 1 | 3.17 | 59.30 | .000 |
| Look in another store | 747.80 | 1 | 3.82 | 47.31 | .000 |
| Refuse to shop in store again | 525.50 | 1 | 2.68 | 73.85 | .000 |
| Walk out of store | 633.32 | 1 | 3.23 | 73.54 | .000 |
| Overall rating of store | 419.32 | 1 | 2.14 | 40.72 | .000 |
| Overall rating of salesperson | 419.32 | 1 | 2.14 | 40.72 | .000 |
| Solicitude | 6464.22 | 1 | 32.98 | 31.66 | .000 |
| Trustworthiness | 6219.32 | 1 | 32.80 | 21.55 | .000 |

H1: Management event schemata will affect perceived customer satisfaction.

a: Customer satisfaction with the salesperson and salesperson evaluations will be lower in negatively disconfirming situations which are resolved with a bad management event schema as compared to those resolved with a good management event schema.

b: Customer satisfaction with store policies and store evaluations will be lower in negatively disconfirming situations which are resolved with a bad management event schema as compared to those resolved with a good management event schema.

c: Overall customer satisfaction will be lower in negatively disconfirming situations which are resolved with a bad management event schema as compared to those resolved with a good management event schema.

Results revealed a significant main effect for management event schemata on satisfaction with the salesperson, $F(1, 196) = 40.24, p < .001$. Satisfaction with the way in which the salesperson treated the customer was higher ($M = 6.15$) when the disconfirming situation was resolved with the good management event schema as compared to when it was resolved with the bad management event schema ($M = 4.72$). The analysis also revealed a main effect of management event schema on the overall salesperson rating, $F(1, 196) = 40.72, p < .001$, with the salesperson's overall rating higher in the good resolution condition ($M = 5.96$) than in the bad resolution condition ($M = 4.67$). There was also a main effect for management event schemata on salesperson solicitousness, $F(1, 196) = 31.66, p < .001$. The salesperson was rated as more solicitous when the

disconfirming situation was resolved by a good management event schema ($\underline{M} = 29.47$) than when it was resolved by a bad management event schema ($\underline{M} = 25.39$). The salesperson is generally rated more highly when the disconfirming situation is resolved with a good management event schema, which might suggest that the subjects tended to view the salesperson as responsible for the resolution. Thus H1a was supported.

Two items tapped satisfaction with store policies: satisfaction with alternatives offered and satisfaction with the policy. There was a significant main effect for management event schemata on satisfaction with the alternatives offered to the customer, $\underline{F} (1, 196) = 102.78, p < .001$. Satisfaction with alternatives was higher ($\underline{M} = 6.07$) when the disconfirming situation was resolved with the good management event schema as compared to when it was resolved with the bad management event schema ($\underline{M} = 3.97$). There was also a significant main effect for management event schemata on satisfaction with the store's policy, $\underline{F} (1, 196) = 169.65, p < .001$. As compared to when the disconfirming situation was resolved with the bad management event schema ($\underline{M} = 3.56$), when it was resolved with the good management event schema satisfaction with the store's policy was higher ($\underline{M} = 6.34$).

There was a main effect for management event schema on the overall store rating, $\underline{F} (1, 196) = 60.10, p < .001$. The store's overall rating was lower when the disconfirming

situation was resolved with a bad management event schema (\underline{M} = 3.88) than when it was resolved with a good management event schema (\underline{M} = 5.57). The store was also considered less trustworthy in the bad resolution condition (\underline{M} = 25.07) than in the good resolution condition (\underline{M} = 28.47). The store apparently is also considered responsible for the problematic resolution. Thus H1b was supported.

Results also revealed a significant main effect for management event schemata on overall satisfaction, $F(1, 196) = 78.30, p < .001$. Overall satisfaction was higher (\underline{M} = 6.08) when the disconfirming situation was resolved with the good management event schema as compared to when it was resolved with the bad management event schema (\underline{M} = 4.16). Thus H1c was supported.

H2: Negative management event schemata will have a negative effect on patronage intentions in disconfirming situations.

Three of the dependent measures addressed patronage intent: likelihood of shopping in this store again, likelihood of looking in another store for the garment, and likelihood of refusing to shop in the store again. There was a significant main effect for management event schemata on likelihood of shopping in this store again, $F(1, 196) = 78.14, p < .001$. Subjects said they were more likely to shop again in the store in which the disconfirming situation was resolved with the good management event schema (\underline{M} =

5.91) as compared to the store in which the disconfirming situation was resolved with the bad management event schema ($\underline{M} = 3.84$).

There was also a significant main effect for management event schemata on the likelihood of looking in another store for a garment, $\underline{F} (1, 196) = 47.31, p < .001$. As compared to when the disconfirming situation was resolved with the bad management event schema ($\underline{M} = 5.17$), when it was resolved with the good management event schema, subjects reported being less likely to look in another store for a garment ($\underline{M} = 3.27$). Finally, there was a significant main effect for management event schemata on likelihood of refusing to shop in the store again, $\underline{F} (1, 196) = 73.85, p < .001$. Subjects said they were less likely to refuse to shop in the store in which the disconfirming situation was resolved with the good management event schema ($\underline{M} = 1.74$) as compared to the store in which the disconfirming situation was resolved with the bad management event schema ($\underline{M} = 3.73$). In general, subjects would prefer to patronize stores that resolve negatively disconfirming situations in a positive manner. Thus H2 was supported.

H3: Visual merchandising will affect perceived customer satisfaction with customer service and salesperson evaluations.

a: Customer satisfaction with salesperson service and salesperson evaluations will be more negative in a disconfirming situations in which visual merchandising levels are high, as compared to disconfirming

situations in which visual merchandising levels are low.

b: Overall customer satisfaction will be more negative in disconfirming situations in which visual merchandising levels are high, as compared to disconfirming situations in which visual merchandising levels are low.

Results revealed a significant main effect for visual merchandising on satisfaction with the salesperson, $F(1, 196) = 6.38, p < .05$. Satisfaction with the way in which the salesperson treated the customer was higher in disconfirming situations when visual merchandising levels were low ($M = 5.76$) as compared to when visual merchandising levels were high ($M = 5.26$).

There was a main effect for the visual merchandising of the store on the overall salesperson evaluation, $F(1, 196) = 5.84, p < .02$. The overall salesperson evaluation was higher in the low level visually merchandised store ($M = 5.55$) than in the high level visually merchandised store ($M = 5.08$). Additionally, there was a main effect for visual merchandising, $F(1, 196) = 5.077, p < .03$, on the salesperson solicitousness rating. Mean ratings of solicitousness were higher in the low level visually merchandised store ($M = 28.69$) than in the high level visually merchandised store ($M = 26.27$). Subjects gave less negative ratings to the salesperson from the store that appeared to sell less expensive merchandise than to the salesperson from store that appeared to sell more expensive

merchandise. This suggests that the subjects may have had lower expectations in this type of store, and experienced less disconfirmation between perceived performance and normative expectations.

Thus H3a was supported.

However, the effect for visual merchandising levels on overall satisfaction was not significant, $F(1, 196) = 2.49$, $p > .11$. Thus H3b was not supported.

H4: Visual merchandising will affect patronage intentions.

a: Patronage intentions will be more negatively affected in disconfirming situations in which visual merchandising levels are high, as compared to in which visual merchandising levels are low.

Three of the dependent measures addressed patronage intent: likelihood of shopping in this store again, likelihood of looking in another store for the garment, and likelihood of refusing to shop in the store again. The effect for level of visual merchandising on the likelihood of shopping in the store again, $F(1, 196) = .354$, $p > .10$, looking in another store, $F(1, 196) = 3.02$, $p > .08$, and the likelihood of refusing to shop this store again, $F(1, 196) = 0.673$, $p > .10$ were not significant. This hypothesis was not supported.

Based on the fundamental attribution error the following hypothesis was formulated:

H5: Customer dissatisfaction with salesperson service will have a more negative impact on overall customer satisfaction than will customer dissatisfaction with

the store policy.

a: Customer satisfaction with the store policy will be predicted by satisfaction with the salesperson.

b: Customer overall satisfaction will be predicted by satisfaction with the salesperson.

A linear regression model was developed to examine the importance of satisfaction with the salesperson as a predictor of satisfaction with the store policy. Upon examination of the analysis of variance, a linear relationship was found to be significant, $F(2, 196) = 235.51, p < .001$. However, upon examination of the reduced model, $F(1, 197) = 113.45, p < .001$, satisfaction with the salesperson explained only a portion of the variation (adjusted $R^2 = .362$). The full model, which included the variable satisfaction with the alternatives offered, explained twice the portion of the variance as the reduced model (adjusted $R^2 = .703$). Since satisfaction with the alternatives offered and satisfaction with the store policy tap a similar construct, it would be expected that satisfaction with the alternatives would be predictive of satisfaction with the store policy. As satisfaction with the salesperson was equally good at explaining the variance with satisfaction with the store policy, the predictive ability of satisfaction with the salesperson was equally useful. Hypothesis H5a was supported.

A multiple linear regression model was also developed

to examine the relative importance of satisfaction with the store policy and satisfaction with the salesperson as predictors of overall satisfaction. Results showed that the satisfaction with the policy was a stronger predictor of overall satisfaction than was satisfaction with the salesperson. The full model (adjusted $R^2 = .686$), with both satisfaction with the salesperson and satisfaction with the policy, was significant, $F(2, 191) = 212.00$, $p < .001$. The reduced model (adjusted $R^2 = .593$), with only satisfaction with the store policy in the model, was also significantly correlated with overall satisfaction, $F(2, 191) = 283.31$, $p < .001$. Upon examination of the adjusted R^2 , satisfaction with the salesperson accounted for less than 10 per cent of the variance. Therefore, satisfaction with the salesperson was not a strong predictor of overall satisfaction (see Table 15), and H5b was not supported.

H6: Customer dissatisfaction with salesperson service will have a more negative impact on patronage intentions than will customer dissatisfaction with the store.

A linear regression model was developed to examine the importance of satisfaction with the store policy and satisfaction with the salesperson on patronage intentions. Patronage intentions were measured by two variables: the likelihood of shopping in the store again and the likelihood of refusing to shop in the store again. Separate models were developed for each measure.

The full multiple linear regression model for likelihood of shopping in the store again included the satisfaction with the salesperson variable and the satisfaction with the store's policy variable. Examination of the analysis of variance showed that there was a linear relationship between satisfaction with the salesperson, satisfaction with the store policy and likelihood of shopping in the store again, $F(2, 196) = 128.83, p < .001$. More than 50 per cent of the variance was explained by these two variables (adjusted $R^2 = .564$). A reduced model was developed for likelihood of shopping in the store again and satisfaction with the salesperson. This model revealed a linear relationship, $F(1, 198) = 110.06, p < .001$, which explained more than 36 per cent of the variance (adjusted $R^2 = .364$). Satisfaction with the store policy explained only 20 per cent of the variance, while the satisfaction with the salesperson explained 36 percent of the variance, making satisfaction with the salesperson an important predictor of the likelihood of shopping in the store again.

The variable, the likelihood of refusing to shop in the store again, was examined in the same manner. In the full multiple linear regression model, which included satisfaction with the store policy and satisfaction with the salesperson, a linear relationship was found, $F(2, 196) = 128.83, p < .001$, explaining 40 per cent of the variance (adjusted $R^2 = .403$). The reduced linear regression model

including only satisfaction with the salesperson as a predictor also showed a linear relationship, $F(1, 198) = 51.10$, $p < .001$, explaining 20 per cent of the variance (adjusted $R^2 = .201$). The likelihood of refusing to shop in this store again was equally predicted by satisfaction with the salesperson and satisfaction with the store policy. Hypothesis H6 is supported.

In order to investigate the impact of overall salesperson ratings on attitudes toward shopping behaviors, a post hoc between subjects analysis of the relationship between overall salesperson ratings and the five variables concerning specific activities was undertaken. The five activity variables were: likelihood of telling the salesperson that the customer did not like the policy, the likelihood of complaining to management, the likelihood of looking in another store, the likelihood of refusing to shop in the store again, and the likelihood of walking out of the store without making a purchase. A median split of the overall salesperson rating scores was used to form two groups, high ($N=91$) and low ($N=109$) overall salesperson ratings groups. The subjects were significantly more likely to refuse to shop in the store again, $F(1, 194) = 31.67$, $p < .001$, when the salesperson overall ratings were low ($M = 3.52$), than when they gave the salesperson higher overall ratings ($M = 2.09$). The subjects were also significantly less likely to complain to management, $F(1, 194) = 25.99$, p

< .001, about the store policy when salesperson received high overall ratings ($\bar{M} = 2.19$) as compared to when the salesperson received low overall ratings ($\bar{M} = 3.58$). In addition, the subjects were more likely to tell the salesperson that they did not like the policy, $F(1, 194) = 29.08$, $p < .001$, when the salesperson received low overall ratings ($\bar{M} = 3.92$) as compared to when the salesperson received higher overall ratings ($\bar{M} = 2.44$). They also reported being significantly more likely to walk out without making a purchase, $F(1, 194) = 46.81$, $p < .001$, when the salesperson received low overall ratings ($\bar{M} = 4.96$) than when the salesperson received high overall ratings ($\bar{M} = 3.11$). In all cases, subjects who rated the salesperson lower were significantly more likely to report that they would complain about the policy and would shop in another store. (Table 6 and Table 14.) This implies that a lower salesperson rating reflects on the store, and may be related to the customer patronizing another store or complaining.

Table 6

Cell Means of Overall Salesperson Ratings and Customer Activity Behaviors

| Variable | <u>M</u> =High Salesperson Rating | <u>M</u> =Low Salesperson Rating |
|-------------------------------------|-----------------------------------|----------------------------------|
| Refuse to shop again | 2.09 ^a | 3.52 |
| Walkout w/o making a purchase | 3.11 | 4.96 |
| Tell s/p that do not like policy | 2.44 | 3.92 |
| Complain about policy to management | 2.19 | 3.58 |
| Look in another store | 3.35 | 5.26 |

Note: All cell means are significantly different $p < .001$.
^a Low ratings mean that the subject is less likely to engage in behavior.

Study 1 showed that negative management schemata did have a negative effect on satisfaction, store and salesperson ratings, and patronage intentions. Visual merchandising also had an effect, with negative management event schemata having a more negative impact on satisfaction and patronage intentions in a high level visually merchandised store than in a low level visually merchandised store. The effect of the negative management event schemata on satisfaction with the salesperson and the salesperson ratings prompted further investigation and the development of Study 2. Study 2 is designed to determine the impact of

the attribution of cause on satisfaction and patronage intents.

Analysis of Study 2

In many situations, the customer is unable to determine the cause of the situation, and is therefore unable to determine stability and controllability. Based on the results of Study 1, a second study was developed. In Study 1, results revealed that when the problem resolution was a bad management event schema, the salesperson's ratings and the customer's satisfaction with the salesperson was lower. To expand on these results and to investigate the impact of a potentially moderating variable, attribution of cause, on the customer's (dis)satisfaction judgment and patronage intentions, the second study was undertaken.

Factor Analysis for Study 2

The salesperson ratings in Study 2 were also factor analyzed. Principle components factor analysis with varimax rotation generated three factors with eigen values of more than 1.0. As the third factor explained just 5.6% of the variance, only the first two factors were retained. An examination of the scree plot confirmed that two factors were of importance. Factor 1 had an eigen value of 8.9, was reliable ($\underline{r} = .89$), and explained 47.0% of the variance, and Factor 2 had an eigen value of 2.40, was reliable ($\underline{r} = .89$)

and explained 12.6% of the variance. (See Table 7.)

Items retained for the factors were those that loaded at least .40 on the factor and less than .40 on all other factors. Two factors were retained: Factor 1, 'competence', and Factor 2, 'sociability'. The seven items which were retained for Factor 1 include 'helpful,' 'capable,' 'formal,' 'efficient,' 'businesslike,' 'organized,' and 'responsible.' The items retained for Factor 2 include 'sincere,' 'sociable,' 'caring,' 'talkative,' 'not rude,' 'considerate,' and 'friendly.' Using the selected variables, new dependent variables, 'competence' and 'sociability', were formed by summing the ratings on each of the items retained for each factor.

Table 7

Factor Analysis of Salesperson Ratings for Study 2

| Factor Loadings | |
|---|-------------|
| Factor 1 | Competence |
| Helpful | .69634 |
| Capable | .78342 |
| Formal | .64094 |
| Efficient | .77699 |
| Businesslike | .71998 |
| Organized | .76229 |
| Responsible | .70717 |
| Eigen value = 8.926 % of variance explained = 47.0 | |
| Factor 2 | Sociability |
| Sincere | .74382 |
| Sociable | .84221 |
| Caring | .77829 |
| Talkative | .67607 |
| Not rude | .68660 |
| Friendly | .77960 |
| Eigen value = 2.400 % of variance explained = 12.6 | |

Principle components factor analysis with varimax rotation of the store ratings scale in Study 2 revealed only one factor. Factor 1, Trustworthiness, was reliable ($r = .89$), had an eigen value of 3.61 and accounted for 60.2% of the variance. Trustworthiness, consisted of five items: 'friendly,' 'reliable,' 'formal,' 'caring,' and 'responsible.' (See Table 8).

Table 8

Factor Analysis of Store Ratings for Study 2

| Factor Loadings | |
|---|--------|
| <u>Factor 1 Trustworthiness</u> | |
| Friendly | .84187 |
| Reliable | .90833 |
| Caring | .90570 |
| Formal | .68784 |
| Responsible | .86892 |
| Eigen value = 3.61418 % of variance explained = 60.2 | |

The data were entered into a 2 (high/low visual merchandising) X 2 (store caused/salesperson caused resolution) between subjects multivariate analysis of variance. Visual merchandising and attribution of cause were the independent variables. Dependent variables were: overall satisfaction, satisfaction with alternatives, satisfaction with the salesperson, satisfaction with the store policy, liking to shop in the store, likelihood of shopping in the store again, likelihood of telling the salesperson that the customer does not like policy, likelihood of complaining to management about the policy, likelihood of looking in another store for the garment, likelihood of refusing to shop in the store again, likelihood of walking out of store without making a purchase, overall rating of the store, overall rating of the salesperson, salesperson's competence, salesperson's

sociability, and the store's trustworthiness. (See Table 9.)

There was a significant main multivariate effect for attribution of cause on the dependent variables, approximate multivariate, $F(16, 81) = 1.81, p < .05$. There was also a significant multivariate main effect for visual merchandising on the dependent variables, approximate multivariate, $F(16, 81) = 1.92, p < .03$. The multivariate interaction was non-significant, approximate multivariate, $F(16, 81) = .827, p > .427$.

Table 9

Multivariate Analysis of Variance for Study 2

| Variable | Wilks | df | Approximate Multivariate F | p |
|-------------------------|-------|-------|------------------------------------|------|
| Attribution of cause | .737 | 16,83 | 1.808 | .044 |
| Visual merchandising | .725 | 16,83 | 1.921 | .030 |
| AC X VM | .827 | 16,83 | 1.059 | .427 |

Table 10

Summary of Univariate Analysis of Variance of Visual Merchandising in Study 2

| Variable | SS | df | MS | F | p |
|--|---------|----|-------|-------|------|
| Satisfied overall | 442.00 | 1 | 4.60 | 0.958 | .330 |
| Satisfied with alternative | 283.20 | 1 | 2.95 | 2.471 | .119 |
| Satisfied with salesperson | 235.12 | 1 | 2.45 | 0.000 | 1.00 |
| Satisfied with store policy | 355.20 | 1 | 3.700 | 6.489 | .012 |
| Like to shop in store | 341.84 | 1 | 3.56 | 8.189 | .005 |
| Shop in store again | 378.16 | 1 | 3.94 | 5.849 | .017 |
| Tell salesperson that do not like policy | 419.12 | 1 | 4.37 | 1.108 | .295 |
| Complain to mgt. about policy | 432.96 | 1 | 4.51 | 0.375 | .542 |
| Look in another store | 405.76 | 1 | 4.23 | 0.946 | .333 |
| Refuse to shop in store again | 398.24 | 1 | 4.15 | 4.252 | .042 |
| Walk out of store | 424.08 | 1 | 4.42 | 2.037 | .157 |
| Overall rating of store | 264.72 | 1 | 2.76 | 2.451 | .121 |
| Overall rating of salesperson | 239.12 | 1 | 2.89 | 1.160 | .284 |
| Competence | 6513.44 | 1 | 67.85 | 0.829 | .365 |
| Sociability | 5091.52 | 1 | 53.04 | 0.272 | .603 |
| Trustworthiness | 2919.36 | 1 | 30.41 | 0.107 | .745 |

Table 11

Summary of Univariate Analysis of Variance of Attribution of Cause in Study 2

| Variable | SS | df | MS | F | p |
|-------------------------------------|---------|----|-------|-------|------|
| Satisfied overall | 442.00 | 1 | 4.60 | 0.628 | .430 |
| Satisfied with alternative | 283.20 | 1 | 2.95 | 1.793 | .184 |
| Satisfied with salesperson | 235.12 | 1 | 2.45 | 0.147 | .702 |
| Satisfied with store policy | 355.20 | 1 | 3.700 | 0.219 | .641 |
| Like to shop in store | 341.84 | 1 | 3.56 | 0.112 | .916 |
| Shop in store again | 378.16 | 1 | 3.94 | 1.990 | .162 |
| Tell salesperson do not like policy | 419.12 | 1 | 4.37 | 0.009 | .924 |
| Complain to mgt. about policy | 432.96 | 1 | 4.51 | 0.554 | .814 |
| Look in another store | 405.76 | 1 | 4.23 | 2.423 | .123 |
| Refuse to shop in store again | 398.24 | 1 | 4.15 | 0.087 | .769 |
| Walk out of store | 424.08 | 1 | 4.42 | 1.096 | .298 |
| Overall rating of store | 264.72 | 1 | 2.76 | 0.711 | .401 |
| Overall rating of salesperson | 239.12 | 1 | 2.89 | 0.678 | .412 |
| Competence | 6513.44 | 1 | 67.85 | 6.940 | .010 |
| Sociability | 5091.52 | 1 | 53.04 | 0.061 | .805 |
| Trustworthiness | 2919.36 | 1 | 30.41 | 1.031 | .312 |

Table 12

Means of Variables by Visual Merchandising Level for Study 2

| Variable | M=High Level | M=Low Level |
|--|-----------------|-----------------|
| Satisfied overall | 4.71 (1.63) | 4.24 (1.81) |
| Satisfied with alternative | 4.16 (1.66) | 3.62 (1.77) |
| Satisfied with salesperson | 5.16 (1.50) | 5.16 (1.61) |
| Satisfied with store policy | 4.56 (1.82) | 3.58 (1.99) |
| Like to shop in store | 4.84 (1.67) | 3.76 (2.06) |
| Shop in store again | 4.84 (1.84) | 3.88 (2.12) |
| Tell salesperson do not like policy | 3.38 (1.88) | 3.82 (2.24) |
| Complain to mgt. about policy | 3.26 (2.05) | 3.52 (2.17) |
| Look in another store | 4.08 (1.99) | 4.48 (2.13) |
| Refuse to shop in store again | 2.82 (1.98) | 3.66 (2.06) |
| Walk out of store | 3.62 (2.10) | 4.22 (2.09) |
| Overall rating of store | 4.46 (1.64) | 3.94 (1.67) |
| Overall rating of salesperson | 4.62 (1.60) | 4.96 (1.55) |
| Competence | 32.86 (8.85) | 34.36 (8.33) |
| Sociability | 36.46 (7.81) | 36.30 (7.72) |

Table 12 (continued)

| | | |
|-----------------|-----------------|-----------------|
| Trustworthiness | 25.35 (5.33) | 25.38 (5.38) |
|-----------------|-----------------|-----------------|

Note: Standard deviations are in parentheses.

Table 13

Means of Variables by Attribution of Cause for Study 2

| <u>Variable</u> | <u>M=Store</u> | <u>M=Salesperson</u> |
|--|-----------------|----------------------|
| Satisfied overall | 4.58 (1.70) | 4.36 (1.78) |
| Satisfied with alternative | 4.12 (1.78) | 3.66 (1.66) |
| Satisfied with salesperson | 5.10 (1.62) | 5.22 (1.49) |
| Satisfied with store policy | 4.16 (2.03) | 3.98 (1.90) |
| Like to shop in store | 4.32 (2.05) | 4.28 (1.84) |
| Shop in store again | 4.64 (2.04) | 4.08 (2.01) |
| Tell salesperson do not like policy | 3.62 (2.07) | 3.58 (2.09) |
| Complain to mgt. about policy | 3.44 (2.18) | 3.34 (2.05) |
| Look in another store | 3.96 (2.16) | 4.60 (1.93) |
| Refuse to shop in store again | 3.18 (2.12) | 3.30 (2.00) |
| Walk out of store | 3.70 (2.15) | 4.14 (2.06) |
| Overall rating of store | 4.34 (1.61) | 4.06 (1.73) |
| Overall rating of salesperson | 4.92 (1.64) | 4.66 (1.52) |
| Competence | 35.78 (8.33) | 31.44 (8.37) |
| Sociability | 36.57 (8.42) | 36.18 (7.05) |

Table 13 (continued)

| | | |
|-----------------|-----------------|-----------------|
| Trustworthiness | 26.10 (5.40) | 24.64 (5.22) |
|-----------------|-----------------|-----------------|

Note: Standard deviations are in parentheses.

As the multivariate statistics were significant, it was appropriate to examine the univariate analyses of variance to determine which dependent variables contributed to the multivariate main effects. The outcomes for each of the univariate analyses will be discussed in the following section. Each hypothesis will be addressed individually.

H7: Customer satisfaction and evaluations will be affected by the attribution of cause during a salesperson/customer interaction.

a: As compared to when the customer perceives the system as the cause of a problematic policy or procedure, when the customer perceives the salesperson as the cause of a problematic policy or procedure, satisfaction with and evaluation of the salesperson will be affected negatively.

b: As compared to when the customer perceives the system as the cause of a problematic policy or procedure, when the customer perceives the salesperson as the cause of a problematic policy or procedure, satisfaction with and evaluation of the store will be affected negatively.

Results revealed no significant main effect for attribution of cause for satisfaction with salesperson, $F(1, 96) = .147, p > .10$. There was no significant main effect for attribution of cause satisfaction with the store policy, $F(1, 96) = .219, p > .10$. Results also revealed no main

effect for attribution of cause on satisfaction with the alternatives offered, $F(1, 96) = 1.79, p > .10$.

Analysis did reveal a main effect for attribution of cause on the competency rating, $F(1, 196) = 6.94, p < .01$. The salesperson was rated as more competent when the store ($M = 35.78$) was the perceived cause for the resolution than when the salesperson ($M = 31.44$) was the perceived cause. The salesperson taking responsibility for the resolution by indicating the he/she lacked the skills to resolve the problem did decrease the perception of competence, as would be expected. However, attribution of cause did not affect the overall rating of the salesperson, $F(1, 196) = .6785, p > .10$. Furthermore, attribution of cause did not affect the salesperson rating of sociability, $F(1, 196) = .061, p > .10$ in the two conditions. Subjects rated the salesperson as less competent in the salesperson as the perceived cause condition, but still viewed the salesperson as similarly sociable in both conditions.

There was no main effect for attribution of cause on the overall store rating, $F(1, 196) = .7108, p > .10$. The store rating for trustworthiness also was not significantly different when the perceived cause was varied, $F(1, 196) = 1.03, p > .10$. Whether the salesperson was the perceived cause or the store was the perceived cause, the subjects rated the store equally badly, which may imply that the store is responsible for the salesperson's behavior. This

hypothesis was not supported.

H8: Customer patronage intentions will be affected by the attribution of cause in negatively disconfirming situations.

a: As compared to when the customer perceives the system as the cause of a problematic policy or procedure, when the customer perceives the salesperson as the cause of a problematic policy or procedure, patronage intentions will be affected negatively.

Results revealed no significant main effect for attribution of cause for the likelihood of shopping in store again, $F(1, 96) = 1.99, p > .10$. There were also no significant main effects for attribution of cause on the likelihood of refusing to shop in store again, $F(1, 96) = .08, p > .10$. Therefore, H8a is not supported.

Since there was an overall main effect for visual merchandising, approximate multivariate, $F(16, 81) = 1.92, p < .03$, it was appropriate to examine the univariate analyses of variance. Results revealed a significant main effect for satisfaction with the store's policy, $F(1, 96) = 6.49, p < .005$. The subjects were more satisfied with the policy in the high level visually merchandised store ($M = 4.56$) than in the low level visually merchandised store ($M = 3.58$). The results concerning satisfaction with the store policy imply that the resolution of the problem is equally important in either type of store. Since the results showed that the subjects would prefer to shop in the store with higher level visual merchandising, the bad resolution to the

disconfirming situation was equally negative in either type of store.

Results also revealed a significant main effect for visual merchandising for the likelihood of shopping in the store again, $F(1, 96) = 5.85, p < .02$. The subjects were more likely to shop in the store again in the high level visually merchandising condition ($M = 4.84$) than in the low level visually merchandising condition ($M = 3.88$). There was also a significant main effect for liking to shop in the store, $F(1, 96) = 8.19, p < .005$. The subjects would like to shop in the store with high level visual merchandising ($M = 4.84$) than in the store with low level merchandising ($M = 3.76$). Thus, the subjects would prefer shopping the store selling more expensive merchandise.

There was also a significant main effect for visual merchandising for the patronage measure, the likelihood of refusing to shop in the store again, $F(1, 96) = 4.25, p < .05$. Subjects were less likely to refuse to shop in the store again in the high level visually merchandising condition ($M = 2.82$) than in the low level visually merchandising condition ($M = 3.66$). Since the final problem resolution was the same in both conditions, the subjects indicated that they would prefer to shop in the store that was perceived as selling more expensive merchandise. These results for visual merchandising are congruent with, and therefore support, those found in Study 1, with the subjects

preferring to shop in the high level visually merchandised store.

CHAPTER V
DISCUSSION AND IMPLICATIONS

The purposes of this research were: (1) to investigate the impact of management event schemata on the perception of customer satisfaction and intention to patronize, (2) to investigate the impact of visual merchandising on customer satisfaction and intention to patronize, and (3) to investigate the effect of attribution of cause of problematic policies and procedures on the perceptions of customer satisfaction and patronage intentions.

While there is a great deal of customer satisfaction and patronage intention research, none of it directly investigates the impact of the management's policies and merchandising techniques in the retail apparel store. Restaurants (Swan & Trawick, 1981), banks (Surprenant & Solomon, 1987) and travel agencies (Bitner, 1990) are frequent contexts for satisfaction research. However, the results found in those studies may not be applicable to the retail apparel store. Additionally, studies do not usually separate the impact of the salesperson behaviors and the management's policies and procedures. Therefore, this study selected the retail apparel store, in order to determine if

the same results would be found for satisfaction and patronage intentions.

In addition, the impact of the attribution of cause for a bad management event schema was tested by varying the perceived cause between the salesperson and the store. It was hypothesized that when the perceived cause was the store, the customer would view the cause as stable, and likely to happen during future interactions. It was thought that an evaluation of the problem as being stable and likely to recur in the future should lead to less satisfaction and less likelihood of patronizing the store in the future.

The impact of the visual merchandising was also examined. It was hypothesized that a store perceived as selling more expensive merchandise would trigger higher normative expectations for salesperson service, and that the discrepancy between the customer's normative expectations and the perceived salesperson behavior would be negatively disconfirming.

It was proposed that customer satisfaction is a function of a comparison between the customer's normative expectations and perceived service. The customer compares a variety of elements of the service encounter, including the salesperson's behavior and the policies and procedures of the store. The comparison of these elements is thought to lead to (dis)confirmation of expectations, which in turn may trigger attributions of attribution of cause in

disconfirming situations.

In a disconfirming situation, a comparison of the salesperson's behavior and the behavior the customer expected of the salesperson may lead to dissatisfaction. The customer is thought to hold role expectations of the salesperson, a role that the customer expects the salesperson to enact. However, it may not be possible for the salesperson to fulfill the customer's expectations due to management policies and procedures. It is hypothesized that the difference between the customer's expectations concerning salesperson service and the behaviors of the salesperson mandated by management policies and procedures may make it impossible for the salesperson to meet the customers' normative expectations. Thus the customer's normative expectations and the management's event schema for an interaction between a salesperson and a customer may not be in congruence and the customer may experience disconfirmation.

This discrepancy between the customer's normative expectations and the perceived performance is thought to be viewed by the customer as an abnormal condition, that is, one that is atypical. The abnormal condition is thought to trigger attributions of cause by the customer, with the cause being categorized by three dimensions as stable/unstable, controllable/uncontrollable and internal/external locus of control. Following attribution

of cause, the customer may form a judgment of satisfaction or dissatisfaction. Judgments of satisfaction are hypothesized to lead to intention to patronize the store.

The following hypotheses were tested:

H1: Management event schemata will affect perceived customer satisfaction.

a: Customer satisfaction with the salesperson and salesperson evaluations will be lower in negatively disconfirming situations which are resolved with a bad management event schema as compared to those resolved with a good management event schema.

b: Customer satisfaction with store policies and store evaluations will be lower in negatively disconfirming situations which are resolved with a bad management event schema as compared to those resolved with a good management event schema.

c: Overall customer satisfaction will be lower in negatively disconfirming situations which are resolved with a bad management event schema as compared to those resolved with a good management event schema.

This hypothesis was supported, with the bad management event schema having a negative impact on the subjects' satisfaction with the salesperson and with the store policy. Additionally, the bad management event schema had a negative impact on their overall satisfaction.

H2: Bad management event schemata will have a negative effect on patronage intentions in disconfirming situations.

This hypothesis was supported, with the subjects indicating they would be less likely to patronize the store in the future.

H3: Visual merchandising will affect perceived customer satisfaction with customer service and salesperson evaluations.

a: Customer satisfaction with salesperson service and salesperson evaluations will be more negative in disconfirming situations in which visual merchandising levels are high, as compared to disconfirming situations in which visual merchandising levels are low.

b: Overall customer satisfaction will be more negative in disconfirming situations in which visual merchandising levels are high, as compared to disconfirming situations in which visual merchandising levels are low.

H3a was supported, with the subjects indicating that they were more satisfied with the salesperson in the less expensively merchandised store when encountering a disconfirming situation. However, overall satisfaction was not significantly different as a function of levels of visual merchandising, and H3b was not supported.

H4: Visual merchandising will affect patronage intentions.

a: Patronage intentions will be more negatively affected in disconfirming situations in which visual merchandising levels are high, as compared to disconfirming situations in which visual merchandising levels are low.

Visual merchandising levels did not have a significant impact on patronage intentions. This hypothesis was not supported. Generally, the subjects indicated that they would like to shop in the store with the higher level merchandising. Apparently, liking to shop in the store is more important to patronage than is satisfaction. The

choice of store to patronize is a complex process, involving a number of factors other than salesperson service.

H5: Customer dissatisfaction with salesperson service will have a more negative impact on overall customer satisfaction than will customer dissatisfaction with the store policy.

a: Customer satisfaction with the store policy will be predicted by satisfaction with the salesperson.

b: Customer overall satisfaction will be predicted by satisfaction with the salesperson.

Customer satisfaction with the salesperson was a good predictor of satisfaction with the store policy. Subjects who were more satisfied with the salesperson were also more satisfied with the store. H5a was supported. However, satisfaction with the salesperson was not as strong a predictor of overall satisfaction as was satisfaction with the store policy. While satisfaction with the salesperson did help to predict overall satisfaction, satisfaction with the policy was a stronger predictor. Therefore, H5b was only partially supported.

H6: Customer dissatisfaction with salesperson service will have a more negative impact on patronage intentions than will customer dissatisfaction with the store.

This hypothesis was supported, with satisfaction with the salesperson being a strong predictor of patronage intentions.

H7: Customer satisfaction and evaluations will be affected by the attribution of cause during a salesperson/customer interaction.

a: As compared to when the customer perceives the system as the cause of a problematic policy or procedure, when the customer perceives the salesperson as the cause of a problematic policy or procedure, satisfaction with and evaluation of the salesperson will be affected negatively.

b: As compared to when the customer perceives the system as the cause of a problematic policy or procedure, when the customer perceives the salesperson as the cause of a problematic policy or procedure, satisfaction with and evaluation of the store will be affected negatively.

This hypothesis was not supported.

H8: Customer patronage intentions will be affected by the attribution of cause in negatively disconfirming situations.

a: As compared to when the customer perceives the system as the cause of a problematic policy or procedure, when the customer perceives the salesperson as the cause of a problematic policy or procedure, patronage intentions will be affected negatively.

H8a was not supported, since the main effect for attribution of cause on patronage intentions was not significant.

Neither hypothesis concerning perceived attribution of cause was supported. While subjects rated the salesperson as less competent when the perceived cause for the procedure was the salesperson as compared to when the store was the perceived cause, no other variable was significantly different. These results may be due to fundamental attribution error, with the subjects viewing the salesperson as representing the store, and not as an independent cause.

Even when the salesperson is willing to take personal responsibility, the subjects attributed the blame to the store. These hypotheses also show that the store may be blamed for the salesperson's lack of knowledge as well as the salesperson being blamed for the store's bad policies.

A summary of the two dependent variables, customer satisfaction and patronage intentions, follows:

Customer Satisfaction

The results of both Study 1 and Study 2 suggest that management policies and procedures are important to the customer's satisfaction and patronage intent. Overall customer satisfaction was higher when management policies and procedures were good than when policies and procedures were bad, as would be expected. Both satisfaction with the salesperson and satisfaction with the store were significantly higher when the disconfirming situation was followed by a good resolution. Bad solutions to customer's problems led to lower satisfaction judgments.

While it would be expected that the store would be rated more negatively in the bad resolution condition, the bad resolution condition would not be expected to reflect negatively on the customer's satisfaction with the salesperson. However, there was a negative impact on satisfaction with the salesperson when the salesperson was enforcing a bad management policy or procedure. Although

the salesperson was polite in each situation, the subjects rated their satisfaction with the salesperson lower when the policy or procedure was a bad resolution to the problem. By implication, much of the dissatisfaction with salesperson service in retail apparel stores may actually be a result of bad policies and procedures instituted by management.

Subjects were often unable to recognize the management's limits on the salesperson as reflected in the following comments:

I believe the salesperson was helpful initially with the customer, as time went on however, she didn't seem as though she really wanted to bother sending it to her home address which was surprising in my opinion.

I don't think it was right for the sales consultant to make the customer send the coat to the manufacturer themselves. I would be very upset. The sales consultant should have given the customer the money or gift certificate for the full amount and sent it back themselves.

Sales associate was pleasant and helpful. I wish the sales associate would have offered to mail the customer's jacket in herself, so the customer didn't have to pay for the shipping charge. The salesperson should have called the manufacturer herself and taken care of the problem, because that is what customer service is all about. I feel the situation could have been better handled... The salesperson could have exchanged the jacket for another one or get her immediate supervisor to get something done for the customer.

Some subjects did not realize that the salesperson could not meet their expectations and resolve the problem, as indicated by their comments.

The visual merchandising of the store had an impact on satisfaction with the salesperson as well. Satisfaction

with the salesperson was lower when the store appeared to sell more expensive merchandise, but overall satisfaction was not affected. Thus, while overall satisfaction was not different as a function of type of visual merchandising, salesperson satisfaction was different. This perhaps is due to lower expectations for salesperson service in the inexpensively merchandised store.

The differing effect for overall satisfaction and salesperson satisfaction may also be due to the fact that the customer views the salesperson as representing the store's customer service philosophy. The customer may be unable to separate the store's policies from the individual salesperson's actions. The salesperson is seen as the source of the problem, rather than the messenger for the store's policies. The customer may believe that the salesperson has the autonomy to resolve the problem and that the store was not responsible for the negative resolution.

Swan and Trawick (1981) found that diners in a restaurant can distinguish between 'good food' and 'poor service.' However, the retail apparel store's customers may be unable to make that type of distinction. The customer may not perceive a difference between a 'good salesperson' who is enforcing a bad policy and the 'bad policy.' Customer complaints concerning the salesperson and the service that the salesperson has provided may actually be complaints stemming from poor store policies. While many

problematic situations are not the result of salesperson behaviors, the customer may be unmotivated to determine that since they both impact the customer in the same way.

Customers may tend to blame the salesperson for the problematic policy or procedure, a fundamental attribution error. This error in attribution of cause by customers may lead to complaining. In turn, customer complaints may induce the store's management to institute training sessions intended to change the salesperson's behavior. This effort and expense may not be prudent since, as demonstrated in this study, the salesperson's polite behavior cannot overcome the negative impact of a problematic policy or procedure.

In addition, a bad procedure may be perceived just as negatively when the salesperson accepts blame for it as when the salesperson blames the store. The addition of a potential moderator variable, attribution of cause, did not significantly affect the satisfaction ratings. In a retail apparel store, the effect of an irritating procedure seems to be the same whether the store is the perceived cause or the salesperson is the perceived cause. The only significant difference due to attribution of cause was due to the rating of the salesperson's competence. While the salesperson is viewed by subjects as less competent when accepting the blame for the problematic procedure, subjects may have considered the salesperson's competence as a

reflection of the store's training and hiring policies. Several of the subjects said that they held the store responsible for the salesperson's inability to solve the problem, indicating that the store is responsible for training the salesperson.

The salesperson was very polite, but was ineffective in dealing with the customer properly. The salesperson seemed unsure how to handle the situation, kept apologizing to the customer. Once a salesperson apologizes to the customer then the salesperson loses control in the sales. Very poor job!

I wish they would hire someone with the knowledge to handle my problems without running me all over the store.

The employee seemed to be as friendly and helpful as possible. But, employees should know how to return things so that there is no more waiting for the customer. If I was the customer, I might be frustrated and just want my money back.

I don't want to shop at this store anymore. They should have the people trained in all aspects of the store.

There is really no reason for the salesperson not to be able to take care of the problem. He/she seemed friendly enough. However, he/she should be trained to take care of the situation.

I thought that the salesperson could've been nicer. I realize it's not her fault, but if she's hired to do a job, she should know how to do all sorts of returns. She seemed, to me, to be of little help, if any.

Seemed okay but the employee didn't seem to know his job. I would have been frustrated by all the red tape and probably not return to the store for my next purchase.

One of the problems for management is interpreting the cause of customer complaints concerning salesperson service. The management often does not understand the language of the

customer. When the Forum Corporation (Bennett, 1990) used focus groups to determine the kind of service desired by bank customers, they found information that was surprising to bank management. While questionnaires had elicited the customer's desire for "friendly service," the focus groups found that "friendly service" was intimately tied to "quicker service." The customer thought that friendly service included having every available bank official to assist customers during busy periods. While the results are intuitively reasonable, they illustrate that today's management decision makers are often far removed from the customer and do not always understand the customer's service priorities. Closed windows and unmanned cashier stands are an irritation to the consumer that management may not recognize as poor retail customer service but which customers do evaluate as poor service. The same phenomena is illustrated in this study. Dissatisfaction with the salesperson was a reflection of dissatisfaction with the management's policies, but the subjects were unable or unmotivated to separate their dissatisfaction with a policy from their dissatisfaction with the salesperson.

In a highly scripted activity, such as shopping in a retail apparel store, violating the customer's expectations for salesperson service may have an important impact. When customer satisfaction surveys are conducted by the retail store, it is unlikely that the surveys would be structured

to differentiate between policies and salesperson behaviors as this study did. If customers were asked, they might indicate dissatisfaction with salesperson service, when the underlying cause was the management policy being reflected in that rating. And indeed, marketing researchers make the same error. The SERVQUAL measure developed by Parasuraman, Zeithaml and Berry (1988) which is used to measure service quality also relies primarily on the assessment of the salesperson's behaviors, not on the assessment of situational factors.

Patronage Intentions

This study found that negative management event schemata did affect patronage intentions, with subjects preferring to shop in the store employing a good resolution to their disconfirming situation.

Results of the regression analysis revealed that dissatisfaction with the salesperson also had a negative effect on patronage intentions. When asked in an open-ended question to react to the scenario, comments from subjects illustrate this effect:

If this situation happened, I first would never shop at the store again--they did not stand behind their product... I'd get the manager immediately.

I didn't like the way the salesperson handled the customer. My reaction would be to find somewhere else to shop.

The negative relationship between satisfaction with the

salesperson and patronage intentions imply that the subjects believed that this salesperson's behavior may not have been an anomaly, but representative of behaviors of the store's staff. The fact that the attribution of cause in Study 2 revealed the same effect illustrates that the customer may not be able to distinguish between management caused problems and salesperson caused problems. The lack of difference found in Study 2 may also be due to the particular procedure chosen for the study. Studies using other policies or procedures might reveal different results.

Salesperson Interaction Model

The salesperson interaction model was partially supported. In the disconfirming situation, the level of visual merchandising and management event schemata did affect the customer's satisfaction. However, the attribution of cause did not change the subject's satisfaction judgment and subsequent patronage intentions. The paths following the attribution of cause suggesting differing satisfaction judgments due to differing attributions of cause were not supported. However, this effect may be due to the selection of procedure tested in Study 2. Additionally, this study did not test external causes as a factor in satisfaction judgments.

The satisfaction judgment did affect patronage intentions, with negative management schemata leading to the

subjects reporting that they were less likely to patronize the store in the future. Therefore, the model was supported with the exception of the differing attributions of cause leading to differing satisfaction judgments.

Implications

These studies illustrate that management policies and procedures do have an impact on customer satisfaction and patronage intentions. Poorly conceived policies that irritate customers may have long range effects. In addition, the customer may not distinguish between a poor salesperson and a poor policy. Complaints concerning the poor salesperson service in store may in fact be complaints concerning policies. Management needs to ascertain the true source of a customer complaint if effective remedial action is to be taken. One way to do this may be to require personal contact between a complaining customer and management that involves more than simply solving the problem. Often, when receiving a complaint, management appeases the customer. Simply appeasing the customer gives management no insight into the problem. In addition, the problem is likely to recur in the future with another customer, as the underlying cause has not been identified.

Retailers may be able to use visual merchandising to modify the customer's expectations for salesperson service. A balance must be achieved between the type of salesperson

service the store offers and the customers' expectations. While this study did not specifically investigate the visual merchandising elements which may influence customer expectations, the results of these studies demonstrate that visual merchandising may have an impact on satisfaction judgments.

While this study illustrates that salesperson service is important to satisfaction, customer satisfaction does not necessarily translate into patronage intentions. Even though satisfaction with the salesperson was a predictor of patronage, the connection between customer satisfaction and patronage intent is weak in many instances. Prediction of behavior from attitudes has been found to be difficult (Calder & Burnkrant, 1977). This lack of a strong relationship between an attitude and a behavior may be due to factors that have not been considered, as there are examples in the real world of successful stores with poor customer service. In the case of the choice of store to patronize, many factors other than salesperson service may be influential: location, product offerings, prices, image, and store policies may all be more important factors than is salesperson service. For many customers, the product is extremely important, and it is difficult to visualize many consumers purchasing apparel they do not like simply because that is what is offered by the store with excellent salesperson service.

However, when the most important factors can be met by several stores, less important factors may become the deciding element in choosing the store to patronize. For example, if product and price are the most important factors in choosing a store to patronize, there may be several stores in a market that will meet those criteria, and the customer may shop any or all of those stores. Secondary factors such as location and services may assume more importance when choosing the store to patronize most often. After rejecting the stores that do not meet the customer's most important criteria, the customer may make the final choice of store to patronize by choosing the most convenient location, or the one with superior customer service.

Long term sales and profits are dependent on customers patronizing the store and choosing to spend their money there. Salesperson service that is fast, efficient or friendly may be a competitive edge, and new competitors offering better services may attract customers. Opportunities for new competitors to enter the market occur when the customers' expectations are not being met by current businesses.

An additional consideration in the customer satisfaction and patronage relationship is that shopping in a store does not necessarily lead to purchasing. Apparel shopping is a form of amusement or entertainment for many people (Wilson & Woodside, 1991). People may engage in

extensive searches before actually making an apparel purchase (Wilson & Woodside, 1991). Therefore, even though the customer is satisfied with the store services and the products, the customer may not purchase. Extensive search may be an important part of the apparel acquisition process for many market segments. When responding to an open ended question concerning their reactions to the scenario, several of the subjects commented on the fact that they did not like salespeople who 'bug' them while they are shopping.

I felt that though the salesperson was nice, she was too pushy.

The sales person seemed helpful. She also seemed to be rather insisting or saying things to make the product seem great or exceptional to the customer. If I were the customer she would have probably got on my nerves w/in the first few seconds.

The saleslady was really helpful. Sometimes you just want to browse, so maybe she was a little too helpful at first. But her offer to call other stores was nice.

The subjects also reported preferring to shop in the expensively merchandised store. Liking to shop in the store and making a purchase are not synonymous concepts. Based on the age of the subjects in this study, it is doubtful that the more expensive store would be the store in which they usually purchased their apparel. However, when asked if they would like to shop in the store, the mean was higher for the expensive store as compared to the inexpensive store. It may be that while they would like to browse in the expensive store, they would be more likely to spend

money in the inexpensive store. Therefore, it should not be assumed that just increasing patronage should be the ultimate goal of the retailer.

Suggestions for Further Research

Satisfaction research concerning salesperson service is a neglected area. However, practitioners often believe that if the salespeople were more polite, more efficient or more competent that customer complaints would be reduced. This exploratory research illustrates that this belief may not lead to fewer customer complaints. Poor policies and procedures may be more important. Management needs to assess the policies and procedures in place in their own business. Determining which policies and procedures lead to customer dissatisfaction should be evaluated. Bad policies that can be changed should be. For those policies and procedures that cannot be changed, management needs to recognize the impact on the salesperson and assist the salesperson in dealing with the problems that arise.

This type of research needs to be extended to examine other mitigating factors, such as the impact of age and gender on satisfaction with the salesperson in disconfirming situations. Casual observation indicates that men and women may have different shopping styles. Management policies and procedures may need to be tailored to the expectations of the target market. Additionally, there may be generational

influences on customer expectations. As previously noted, event schemata tend to resist change. Therefore, life experiences may have an impact on the customers' expectations for salesperson service.

A second area that could be examined is the impact of the specific words chosen by the salesperson to explain policies and procedures. The impact of allowing the customer to choose a preferred option and thus exert cognitive control could be investigated. For example, would using a question rather than an statement when enforcing a bad policy change the customer's satisfaction? While the customer would have no real choice, perhaps the illusion of choice would make the customer more satisfied with the bad policy.

Preliminary research concerning satisfaction with products has found that the experience of using the product is important to satisfaction. The experience concept could be extended to salesperson service research, investigating the experience aspect of purchasing. Some of the comments from the subjects seeing the expensively merchandised store in this research indicate that the experience of buying is very important.

It seemed like I wouldn't be real enthusiastic to shop there again if exchanges were real easy, but actual returns would not. From the slides I would expect a store like that to put the customer's satisfaction first and do whatever it could to make them happy. I would not have been pleased had it been me.

If I was the one, I would be very upset, because in

that kind of store ("high") they should treat their customers the best they can. Obviously not all kind of people can buy in those kind of stores.

These comments suggest that the subjects expected a certain type of experience in exchange for their money.

Retailers need to be aware of their customer's expectations for salesperson service. Each store will generate a different set of expectations based on the marketing mix in place in the store. Policy makers must be in tune with their customers and institute policies and procedures that meet their particular customers' expectations.

BIBLIOGRAPHY

- Abelson, R. P. (1981). The psychological status of the script concept. American Psychologist, 36, 715-729.
- Albrecht, K., & Zemke, R. (1985). Service America. Homewood, IL: Dow Jones-Irwin.
- Anderson, R. C., & Pichert, J. W. (1978). Recall of previously unrecallable information following a shift in perspective. Journal of Verbal Learning and Verbal Behavior, 17, 1-12.
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. Journal of Personality and Social Psychology, 51(6), 1173-1182.
- Bartlett, F. C. (1932). Remembering: An experimental and social study. New York: Cambridge University Press.
- Bateson, J. E. G. (1985). Perceived control and the service encounter. In J. A. Czepiel, M. R. Solomon, & C. F. Surprenant (Eds.), The service encounter (pp. 67-82). Lexington, MA: Lexington Books.
- Bawa, K., Landwehr, J. T., & Krishna, A. (1989). Consumer response to retailers' marketing environments: An analysis of coffee purchase data. Journal of Retailing, 65(4), 471-495.
- Becker, W. S., & Wellins, R. S. (1990). Customer-service perceptions and reality. Training and Development Journal, 44(3), 49-51.
- Belk, R. W. (1988). Possessions and the extended self. Journal of Consumer Research, 15, 139-168.
- Bennett, A. (1990, November 12). Many consumers expect better service--And say they are willing to pay for it. The Wall Street Journal, sec.B, p. 1.
- Berry, L. L. (1986). Retail businesses are services businesses. Journal of Retailing, 62(1), 3-6.

- Bitner, M. J. (1990). Evaluating service encounters: The effects of physical surroundings and employee responses. Journal of Marketing, 54, 69-82.
- Bolton, R. N., & Drew, J. H. (1991). A longitudinal analysis of the impact of service changes on customer attitudes. Journal of Marketing, 55, 1-9.
- Bransford, J. D., & Franks, J. J. (1971). The abstraction of linguistic ideas. Cognitive Psychology, 2, 331-350.
- Cadotte, E. R., Woodruff, R. B., & Jenkins, R. L. (1987). Expectations and norms in models of consumer satisfaction. Journal of Marketing Research, 24, 305-314.
- Calder, B. J. (1977). Focus groups and the nature of qualitative marketing research. Journal of Marketing Research, 14, 353-364.
- Calder, B. J., & Burnkrant, R. E. (1977). Interpersonal influence on consumer behavior: An attribution theory approach. The Journal of Consumer Research, 4, 29-38.
- Churchill, G. A., Jr., & Surprenant, C. (1982). An investigation into the determinants of customer satisfaction. Journal of Marketing Research, 19, 491-504.
- Coleman, L. G. (1992, March 2). Authors say marketing's failures begin with CEOs. Marketing News, 26(5), 16-17.
- Cox, C. E. (1992, March). Eighteen ways to improve customer service. Human Resource Magazine, pp. 69-72.
- Coyne, K. (1989). Beyond service fads--Meaningful strategies for the real world. Sloan Management Review, 30(4), 69-76.
- Cronin, J. J., Jr., & Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. Journal of Marketing, 56, 55-68.

- Crosby, L. A., & Cowles, D. (1986). A role consensus model of satisfaction with service interaction experiences. Creativity in services marketing: What's new, what works, what's developing. Proceedings Series, American Marketing Association: Chicago, 40-43.
- Czepiel, J. A., Rosenberg, L. J., & Surprenant, C. (1980). The development of thought, theory and research in consumer satisfaction. In C. W. Lamb, Jr. & P. M. Dunne (Eds.), Theoretical developments in marketing, (pp. 216-219). Chicago: American Marketing Association Proceedings Series.
- Czepiel, J. A., Solomon, M. R., & Surprenant, C. F. (Eds.). (1985). The service encounter. Lexington, MA: Lexington Books.
- Donovan, R. J., & Rossiter, J. R. (1982). Store atmosphere: An environmental psychology approach. Journal of Retailing, 58(1), 34-57.
- Erevelles, S., & Leavitt, C. (1992). A comparison of current models of consumer satisfaction/dissatisfaction. Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 5, 104-114.
- Eroglu, S. A., & Machleit, K. A. (1990). An empirical study of retail crowding: Antecedents and consequences. Journal of Retailing, 66(2), 201-221.
- Etzel, M. J., & Silverman, B. I. (1981). A managerial perspective on directions for retail customer dissatisfaction research. Journal of Retailing, 57(3), 124-136.
- Evans, F. B. (1963). Selling as a dyadic relationship. American Behavioral Scientist, 6, 76-79.
- Finn, A. & Louviere, J. (1990). Shopping-center patronage models. Journal of Business Research, 21, 259-275.
- Fiske, S. T., & Taylor, S. E. (1991). Social cognition (2nd ed.). New York: McGraw-Hill, Inc.
- Fiske, S. T., & Neuberg, S. L. (1990). A continuum of impression formation, from category-based to individuating processes: Influences of information and motivation on attention and interpretation. In M. P. Zanna (Ed.), Advances in experimental social psychology (Vol. 23, pp. 1-74). New York: Academic Press.

- Fiske, S. T., & Linville, P. W. (1980). What does the schema concept buy us? Personality and Social Psychology Bulletin, 6(4), 543-557.
- Folkes, V. S. (1984). Consumer reactions to product failure: An attributional approach. Journal of Consumer Research, 10, 398-409.
- Folkes, V. S., Koletsky, S., & Graham, J. L. (1987). A field study of causal inferences and consumer reaction: The view from the airport. Journal of Consumer Research, 13, 534-539.
- Fontenelle, G., Phillips, A., & Lane, D. (1985). Generalizing across stimuli as well as subjects: A neglected aspect of external validity. Journal of Applied Psychology, 70, 101-107.
- Francis, S., & Burns, L. D. (1992). Effect of consumer socialization on clothing shopping attitudes, clothing acquisition, and clothing satisfaction. Clothing and Textiles Research Journal, 10, 35-39.
- Fuller, J. M. (1989, December 12). Service seen as key to retailers. The Kansas City Times, sec. D, p. 1,34.
- George, J. M., & Jones, G. R. (1991). Towards an understanding of customer service quality. Journal of Managerial Issues, 3(2), 220-238.
- Gilbert, D. T., Krull, D. S., & Pelham, B. W. (1988). Of thoughts unspoken: Social inference and the self-regulation of behavior. Journal of Personality and Social Psychology, 55(5), 685-694.
- Goodwin, C., & Frame, C. D. (1989). Social distance within the service encounter: Does the consumer want to be your friend? Advances in Consumer Research, 16, 64-71.
- Goodwin, C., & Ross, I. (1992). Consumer responses to service failures: Influence of procedural and interactional fairness perceptions. Journal of Business Research, 25, 149-163.
- Greenberg, M. S. (1967). Role playing: An alternative to deception? Journal of Personality and Social Psychology, 7(2), 152-157.
- Grewal, D., & Sharma, A. (1991). The effect of salesforce behavior on customer satisfaction: An interactive framework. Journal of Personal Selling and Sales Management, 11(3), 13-23.

- Heider, F. (1958). The psychology of interpersonal relations. New York: John Wiley & Sons, Inc.
- Heskett, J. L., Sasser, W. E., Jr., & Hart, C. W. (1990). Service breakthroughs: Changing the rules of the game. New York: The Free Press.
- Hilton, D. J. & Slugoski, B. R. (1986). Knowledge-base causal attribution: The abnormal conditions focus model. Psychological Review, 93(1), 75-88.
- Hoffman, C., Lau, I., & Johnson, D. R. (1986). The linguistic relativity of person cognition: An English-Chinese comparison. Journal of Personality and Social Psychology, 51, 1097-1105.
- Hollander, S. C. (1985). A historical perspective on the service encounter. In J. A. Czepiel, M. R. Solomon & C. F. Surprenant (Eds.), The service encounter. (pp. 49-64). Lexington, MA: Lexington Books.
- Howard, J. A., & Sheth, J. N. (1969). The theory of buyer behavior. New York: John Wiley & Sons, Inc.
- Hui, M. K., & Bateson, J. E. G. (1991). Perceived control and the effects of crowding and consumer choice on the service experience. Journal of Consumer Research, 18, 174-184.
- Innis, D. E. (1991). Customer service, repurchase intentions, market orientation and firm performance in the channel. (Doctoral dissertation, The Ohio State University).
- Insko, C. A., & Schopler, J. (1972). Experimental social psychology. New York: Academic Press.
- Johnson, M. D., & Fornell, C. (1991). A framework for comparing customer satisfaction across individuals and product categories. Journal of Economic Psychology, 12(2), 267-286.
- Johnson, M. K., Doll, T. J., Bransford, J. D., & Lapinski, R. H. (1974). Context effects in sentence memory. Journal of Experimental Psychology, 103, 358-360.
- Kaiser, S. (1990). The social psychology of clothing (2nd ed.). New York: Macmillan Publishing Company.
- Kelley, S. W., Donnelly, J. H., Jr., & Skinner, S. J. (1990). Customer participation in service production and delivery. Journal of Retailing, 66(3), 315-335.

- Koepp, S. (2, February 1987). Pul-eeze! Will somebody help me? Time, 48-55.
- Korgaonkar, P. K., Lund, D., & Price, B. (1985). A structural equations approach toward examination of store attitude and store patronage behavior. Journal of Retailing, 61(2), 39-60.
- Krapfel, R. E., Jr. (1988). Customer complaint and salesperson response: The effect of the communication source. Journal of Retailing, 64(2), 181-198.
- Krentler, K. A. (1988). Maintaining quality control. The Journal of Services Marketing, 2(1), 71-74.
- Kretch, D. R., Crutchfield, E., & Ballachey, E. (1962). Individual in society. New York: McGraw Hill.
- Krishnan, S., & Valle, V. A. (1979). Dissatisfaction attributions and consumer complaint behavior, in W. L. Wilkie (Ed.), Advances in Consumer Research, 6, 445-9.
- LaBarbera, P. A. & Mazursky, D. (1983). A longitudinal assessment of consumer satisfaction/dissatisfaction: The dynamic aspect of cognitive process. Journal of Marketing Research, 20, 393-404.
- Lanegeard, E., Bateson, J. E. G., Lovelock, C. H., & Eiglier, P. (1981). Services marketing: New insights from consumers and managers. (Report No. 81-104). Cambridge, MA: Marketing Science Institute.
- Langer, E. J., & Saegert, S. (1977). Crowding and cognitive control. Journal of Personality and Social Psychology, 35(3), 175-182.
- Lennon, S. J., & Davis, L. L. (1989, Fall). Customer service, customer appearance, and salesperson goals: Qualitative and quantitative analyses. Home Economics Forum, pp. 9-11, 18.
- Leong, S. M., Busch, P. S., & John, D. R. (1989). Knowledge bases and salesperson effectiveness: A script-theoretic analysis. Journal of Marketing Research, 26(2), 164-178.

- Levitt, T. (1972, September-October). Production-line approach to services. Harvard Business Review, 41-52.
- Mahoney, M. Y., & Sternquist, B. (1989). Perceptions of the discount retailer: An analysis of consumers' and managers' ideal discount store. Journal of Consumer Studies and Home Economics, 13, 101-111.
- Manrai, L. A., & Gardner, M. P. (1991). The influence of affect on attributions for product failure. Advances in Consumer Research, 18, 249-254.
- Mazursky, D., & Jacoby, J. (1986). Exploring the development of store images. Journal of Retailing, 62(2), 145-165.
- Means, B. (1981). Clothing store windows: Communication through style. Visual Communication, 7, 64-71.
- Mehrabian, A., & Russell, J. A. (1974). An approach to environmental psychology. Cambridge, MA: MIT Press.
- Meyers-Levy, J., & Tybout, A. M. (1989). Schema congruity as a basis for product evaluation. Journal of Consumer Research, 16, 39-54.
- Morgan, D. L. (1988). Focus groups as qualitative research. Newbury Park, CA: Sage Publications, Inc.
- Neter, J., Wasserman, W., & Kutner, M. H. (1989). Applied linear regression models. Homewood, IL: Richard D. Irwin, Inc.
- Nyquist, J. D., Bitner, M. J., & Booms, B. H. (1985). Identifying communication difficulties in the service encounter: A critical incident approach. In J. A. Czepiel, M. R. Solomon, & C. F. Surprenant (Eds.), The service encounter (pp. 195-212). Lexington, MA: Lexington Books.
- Oliva, T. A., Oliver, R. L., & MacMillan, I. C. (1992). A catastrophe model for developing service satisfaction strategies. Journal of Marketing, 56, 83-95.
- Oliver, R. L. (1980). Theoretical bases of consumer satisfaction research: Review, critique, and future direction. In C. W. Lamb, Jr. & P. M. Dunne (Eds.), Theoretical developments in marketing, (pp. 206-210). Chicago: American Marketing Association Proceedings Series.

- Oliver, R. L., & Swan, J. E. (1989). Consumer perceptions of interpersonal equity and satisfaction in transactions: A field survey approach. Journal of Marketing, 53(2), 2135.
- Owens, J., Bower, G. H., & Black, J. B. (1979). The "soap-opera" effect in story recall. Memory and Cognition, 7(3), 185-191.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. Journal of Marketing, 49(4), 41-50.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. Journal of Retailing, 64(1), 12-37.
- Posner, M. I., Nissen, M. J., & Klein, R. M. (1976). Visual dominance: An information-processing account of its origins and significance. Psychological Review, 83(2), 157-171.
- Pysarchik, D. T. (1989). Consumer satisfaction of retirees: Products and services. Journal of Consumer Studies and Home Economics, 13, 113-124.
- Raju, P. S. (1980). Optimum stimulation level: Its relationship to personality, demographics, and exploratory behavior. Journal of Consumer Research, 7, 272-282.
- Raphel, M. (1992, July). "Customer service doesn't work anymore..." Direct Marketing, 55, 38-39.
- Reitman, V. (1992, June 3). Shoppers now stop well before they drop. The Wall Street Journal, p. B1.
- Richins, M. L. (1983). An analysis of consumer interaction styles in the marketplace. Journal of Consumer Research, 10, 73-82.
- Ross, L., Lepper, M. R., & Hubbard, M. (1975). Perseverance in self-perception and attribution processes. Journal of Personality and Social Psychology, 32, 880-892.

- Schmidt, S. L., & Kernan, J. B. (1985). The many meanings (and implications) of "Satisfaction Guaranteed". Journal of Retailing, 61(4), 89-108.
- Schwadel, F. (1989, October 13). Shoppers' blues: The thrill is gone. The Wall Street Journal, p. B1-2.
- Sheth, J. N. (1975). Buyer-seller interaction: A conceptual framework. Proceedings Sixth Annual Conference, Association for Consumer Research, 382-386.
- Sheth, J. N. (1983). Emerging trends for the retailing industry. Journal of Retailing, 59(3), 6-18.
- Shostack, G. L. (1987). Service positioning through structural change. Journal of Marketing, 51(1), 73-80.
- Snyder, M., & Uranowitz, S. W. (1978). Reconstructing the past: Some cognitive consequences of person perception. Journal of Personality and Social Psychology, 36(4), 941-950.
- Solomon, M. R., Surprenant, C., Czepiel, J. A., & Gutman, E. G. (1985). A role theory perspective on dyadic interactions: The service encounter. Journal of Marketing, 49, 99-111.
- Spreng, R. A., & Olshavsky, R. W. (1992). A desires-as-standard model of consumer satisfaction: Implications for measuring satisfaction. Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 5, 45-54
- Stanley, L. (1991, October). Standing up for service. Discount Store Merchandiser, 31, 64-65.
- Stead, B. A., & Zinkhan, G. M. (1986). Service priority in department stores: The effect of customer gender and dress. Sex Roles, 15, 601-611.
- Sujan, M., Bettman, J. R., & Sujan, H. (1986). Effects of consumer expectations on information processing in selling encounters. Journal of Marketing Research, 23(4), 346-353.
- Surprenant, C. F., & Solomon, M. R. (1987). Predictability and personalization in the service encounter. Journal of Marketing, 51(2), 86-96.

- Swan, J. E., & Trawick, I. F. (1981). Disconfirmation of expectations and satisfaction with a retail service. Journal of Retailing, 57(3), 49-67.
- Thorndike, E. L. (1920). A consistent error in psychological ratings. Journal of Applied Psychology, 4, 25-29.
- Tosi, H. L. (1966). The effects of expectation levels and role consensus on the buyer-seller dyad. Journal of Business, 39, 516-529.
- Tse, D. K., Nicosia, F. M., & Wilton, P. C. (1990). Consumer satisfaction as a process. Psychology and Marketing, 7(3), 177-193.
- Vredenburg, H., & Wee, C. (1986). The role of customer service in determining customer satisfaction. Academy of Marketing Science, 14(2), 17-26.
- Ward, J. C., Bitner, M. J., & Barnes, J. (1992). Measuring the prototypicality and meaning of retail environments. Journal of Retailing, 68(2), 194-220.
- Weiner, B. (1979). A theory of motivation for some classroom experiences. Journal of Educational Psychology, 71, 3-25.
- Weiner, B. (1980). Human motivation. New York: Holt, Rinehart, & Winston.
- Westbrook, R. A. (1981). Sources of consumer satisfaction with retail outlets. Journal of Retailing, 57(3), 68-85.
- Westbrook, R. A., & Oliver, R. L. (1980). Developing better measures of consumer satisfaction: Some preliminary results, in K. B. Monroe (Ed.), Advances in Consumer Research, 8, 94-99.
- Westbrook, R. A., & Oliver, R. L. (1991). The dimensionality of consumption emotion and consumer satisfaction. Journal of Consumer Research, 18, 84-91.
- Wilson, E. J., & Woodside, A. G. (1991). A comment on patterns of store choice and customer gain/loss analysis. Journal of the Academy of Marketing Science, 19(4), 377-382.
- Wise, G. L. (1974). Differential pricing and treatment by new car salesmen: The effect of the prospect's race, sex, and dress. The Journal of Business, 74(2), 218-230.

- Woodruff, R. B., Cadotte, E. R., & Jenkins, R. L. (1983). Modeling consumer satisfaction processes using experience-based norms. Journal of Marketing Research, 20, 296-304.
- Woodruff, R. B., Clemons, D. S., Schumann, D. W., Gardial, S. F., & Burns, M. J. (1991). The standards issue in CS/D research: A historical perspective. Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 4, 103-109.
- Woodside, A. G., Frey, L. L., & Daly, R. T. (1989). Linking service quality, customer satisfaction, and behavioral intention. Journal of Health Care Marketing, 9(4), 5-17.
- Wyer, R. S. (1980). The acquisition and use of social knowledge: Basic postulates and representative research. Personality and Social Psychology Bulletin, 6(4), 558-573.
- Zajonc, R. B. (1980). Feeling and thinking preferences need no inferences. American Psychologist, 35(2), 151-175.
- Zellner, W. (1993, April 5). Penney's discovers its calling. Business Week, pp. 51-2.
- Zimmer, M. R., & Golden, L. L. (1988). Impressions of retail stores: A content analysis of consumer images. Journal of Retailing, 64(3), 265-293.
- Zinkhan, G. M., & Wallendorf, M. (1985). Service set similarities in patterns of consumer satisfaction/dissatisfaction. International Journal of Research in Marketing, 2(3), 227-235

APPENDIX A

CONSENT FOR PARTICIPATION

IN SOCIAL AND BEHAVIORAL RESEARCH

SKE

Market Research and Management Consulting

400 West Central Suite 100
Kansas City, Missouri 54662

THE OHIO STATE UNIVERSITY
CONSENT FOR PARTICIPATION IN
SOCIAL AND BEHAVIORAL RESEARCH

Research: Factors Affecting Customer Service in the Retail
Setting

Principal Investigator:

Sharron Lennon, Associate Professor
Nancy Stanforth, Graduate Student
Department of Textiles and Clothing
College of Human Ecology

You are being asked to participate in a project which is intended to examine people's ideas about shopping. You will be asked to fill out various forms and answer some general questions. The answers you give will not reflect on you personally. Your name will not be associated with the data we collect.

After the questions are read, please feel free to ask any questions you may have. If at any time during the procedure you feel it would be best if you did not continue, feel free to so inform the person in charge. We appreciate your cooperation. This should take approximately 1 hour to complete.

I voluntarily agree to participate in the proposed activity identified and explained above.

Name (please print)

Signature

Female Male Date _____

Age _____

APPENDIX B
FOCUS GROUP DISCUSSION
DATA SHEET AND MODERATOR GUIDE

DATA SHEET

In order to give us some information about the members of our group, please answer the following questions about your retail sales position:

First Name _____

Type of store where you work:

- Department store (example: Lazarus)
 Specialty store (example: Limited, The Gap)
 Discount store/mass merchandiser (example: K-Mart, Target)
 General merchandise (example: JC Penneys, Sears)
 Outlet store (example: T. J. Maxx, Burlington Coat

Factory)

Do you work

- part time?
 full time?

Are you planning to work here

- for a short time, for the next few years at most
 for the foreseeable future

Are you paid

- hourly wages
 a salary
 straight commission
 a combination of wages and commission
 a combination of salary and commission

FOCUS GROUP MODERATOR GUIDE

1. What do you like best about working in a retail clothing store?

2. Why do you think your customers like to shop in your store?

If the answer is:

Merchandise, prices: What is special about your store?

Service, ambiance: What is different in your store from other stores?

3. Tell me about customer service training in your store. (Probe: what does management expect you to do when you are working in the store? Do they have a certain way that they expect you to handle a sales transaction?)

4. How do you think customers feel about customer service in your store?

Starting the sales interaction

Returns Stock outs

Markdowns/clearance

Check acceptance/charge acceptance

5. Are there specific policies and procedures that you find difficult? Do you always enforce these policies and follow these procedures?

6. How do you handle a dissatisfied customer? Do you ever bend the rules without consulting management to satisfy a customer?

1) follow rules but explain (disclaimer)

2) not follow

3) comply, use company policy as a reason

4) ??????.....

How does management handle a dissatisfied customer?

1) enforce policies

2) give the customer leeway (bend or break the rules)

3) ??????.....

7. What do you think that customers do when they are dissatisfied with the customer service in your store? (Probe: Do they complain, do they quit shopping at the store, do they accept things the way they are?)

If they complain, who do they usually complain to? (Salespeople, Management, Friends?)

APPENDIX C

EXPERIMENT 1

COVER STORY, SCENARIOS AND DEPENDENT MEASURE

COVER STORY
MANAGEMENT EVENT SCHEMA STUDY

Thank you for talking the time to help us out with our research. Before we begin, I'd like to take a minute to explain what we're doing and why.

What we're interested in is what happens when salespeople and customers meet. To study this process, we tape recorded interactions between customers and salespeople in several stores.

In a few minutes, we will ask you to listen to the tape and view some slides of the business where the interaction took place. In each case, we have blanked out the customer's part on the tape--all you will hear is the service provider. There will be silence when the customer was responding. As you listen to the tape and view the slides, try to imagine that you are the customer in this conversation. When the tape is over, we will ask you to answer some questions about what you heard.

As you listen to the tape and view the slides, try to imagine how you would feel and what you would say if you were the customer. At the end of the tape, we will ask you to evaluate the conversation as if you were the customer. Of course, there are no right or wrong answers. We are just interested in your honest feelings about what you heard.

If you have any questions, please feel free to ask them now. Again, thank you for your participation.

(Show slides then play tape.)

(Distribute dependent measure.)

(Collect dependent measure.)

Scenario 1

Scenario 1 Bad: Not right size in stock

Salesperson: Hi, what can I help you with today?

...

You saw this shirt in our ad yesterday? Let's see if we can find that ad. Ah, here it is. Now is it this shirt? That one has really been popular. We have sold so many.

....

And which color was it that you liked?

....

I think that is everyone's favorite color. This shirt comes in small, medium, large and extra-large. Is this for you or for a gift?

....

They are a little over-sized, so you can wear them over other shirts. Which size do you think you might need?

...

Well, they're right over here.

...

And these are so easy to take care of... just throw it in the washer and dryer and it turns out beautifully.

...

Let me see if I can find that size for you. Hum, we don't have it in your color but we do have it in this other color. It has been very popular too. What do you think?

...

It's really a great color and matches a lot of other colors.

....

Well, if you really like the other color better, I'll see if I can find it in another store. I'm too busy right now, but I'll take your name and phone and call stores when I'm free. Then you can go to the store and pick it up. Is that okay?

....

I'm sorry, we can't send it your home. However, you can pick it up here but it will take about two weeks for it to get here.

Scenario 1 Good:

Salesperson: Hi, what can I help you with today?

...

You saw this shirt in our ad yesterday? Let's see if we can find that ad. Ah, here it is. Now is it this shirt? That one has really been popular. We have sold so many.

....

And which color was it that you liked?

....

I think that is everyone's favorite color. This shirt comes in small, medium, large and extra-large. Is this for you or for a gift?

....

They are a little over-sized, so you can wear them over other shirts. Which size do you think you might need?

...

Well, they're right over here.

...

And these are so easy to take care of... just throw it in the washer and dryer and it turns out beautifully.

...

Let me see if I can find that size for you. Hum, we don't have it in your color but we do have it in this other color. It has been very popular too. What do you think?

...

It's really a great color and matches a lot of other colors.

....

Well, if you really like the other color better, I'll see if I can find it in another store. Let me look in the computer and see if I can find you one.

...

Mrs. Bitner, I found you one in Riverside Plaza, which is just 10 minutes from here. Would you like to drive over there to pick it up or would you rather we sent it to your home at no charge? It takes a couple of days to send it. Which would you prefer?

Scenario 2

Scenario 2 Bad: Return on guaranteed item

Hi, how can I help you today?

...

You have a problem with this ski jacket? Tell me what the problem is.

...

I see, about how much did it shrink?

....

I am truly sorry. That is usually a good brand, but you seem to have gotten a bad jacket.

...

Let me take care of this for you.

....

Okay. Do you have a receipt? If you bought it in the last month, I can exchange it. If it was longer than that, I'll have to give you the manufacturer's address and you'll have to return it to the manufacturer.

...

I'm sorry, but the manufacturer guarantees these jackets for a year, so they will have to replace it for you. I'll have to get the address from the buying office on Monday and I'll call you with it. Just give me your phone number and I'll call you next week.

Scenario 2 Good:

Hi, how can I help you today?

...

You have a problem with this ski jacket? Tell me what the problem is.

...

I see, about how much did it shrink?

....

I am truly sorry. That is usually a good brand, but you seem to have gotten a bad jacket.

...

Let me take care of this for you.

...

Okay. Do you happen to have a receipt? It really doesn't matter. I know you got it here. They were really popular jackets and we rarely have any problems with them. The manufacturer guarantees these for a year, so there is no problem. Would you like to replace it with the same jacket or would you like to see our newest jackets?

In at least three sentences, indicate your reaction to this scenario.

DO NOT TURN THE PAGE

Thinking back over this transaction, overall how satisfied were you with the way this transaction was handled:

Not satisfied ___:___:___:___:___:___:___ Very satisfied

How satisfied were you with:

a. the alternatives you were offered Not ___:___:___:___:___:___:___ Very satisfied satisfied

b. the way the salesperson treated you Not ___:___:___:___:___:___:___ Very satisfied satisfied

c. the store's policy Not ___:___:___:___:___:___:___ Very satisfied satisfied

I would like to shop in this store:

Disagree ___:___:___:___:___:___:___ Agree

How likely would you be to shop in this store again?

Unlikely ___:___:___:___:___:___:___ Likely

If you were to encounter this situation, how likely is it that you would:

Tell the salesperson that you do not like this policy.

Unlikely ___:___:___:___:___:___:___ Likely

Complain about this policy to management.

Unlikely ___:___:___:___:___:___:___ Likely

Look in another store for another garment.

Unlikely ___:___:___:___:___:___:___ Likely

Refuse to shop in this store again.

Unlikely ___:___:___:___:___:___:___ Likely

Walk out of this store without making a purchase.

Unlikely ___:___:___:___:___:___:___ Likely

Thinking back over the transaction, how would you describe the salesperson?

- not helpful _____ helpful
- not capable _____ capable
- not formal _____ formal
- not sincere _____ sincere
- not sociable _____ sociable
- not caring _____ caring
- not talkative _____ talkative
- not rude _____ rude
- not considerate _____ considerate
- not efficient _____ efficient
- not friendly _____ friendly
- not businesslike _____ businesslike
- not organized _____ organized
- not practical _____ practical
- not slow _____ slow
- not reliable _____ reliable
- not conscientious _____ conscientious
- not thorough _____ thorough
- not responsible _____ responsible

Now, what did you think of the store where this transaction took place?

not friendly ___:___:___:___:___:___:___ friendly

not indifferent ___:___:___:___:___:___:___ indifferent

not reliable ___:___:___:___:___:___:___ reliable

not caring ___:___:___:___:___:___:___ caring

not formal ___:___:___:___:___:___:___ formal

not responsible ___:___:___:___:___:___:___ responsible

Overall, how would you rate this store in this transaction?

Poor ___:___:___:___:___:___:___ Excellent

Overall, how would you rate this salesperson?

Poor ___:___:___:___:___:___:___ Excellent

SCENARIOS AND DEPENDENT MEASURE
FOR STUDY 2

Scenario A: Store Controlled

Hi, how can I help you today?

...

You have a problem with this ski jacket? Tell me what the problem is.

...

I see, about how much did it shrink?

....

I am truly sorry. That is usually a good brand, but you seem to have gotten a bad jacket.

...

Let me take care of this for you.

....

Okay. Do you have a receipt? Since you bought it several months ago, we no longer have it in stock. However, the manufacturer guarantees these jackets for a year, so it's no problem to get a replacement. However, I can't handle it here. You'll have to go to the returns desk and have them take care of sending it back.

...

Yeah, I noticed there was quite a line down there, but I'm not allowed to take it here. They are in charge of all returns and refunds. Sorry.

...

Scenario B: Salesperson Controlled

Hi, how can I help you today?

...

You have a problem with this ski jacket? Tell me what the problem is.

...

I see, about how much did it shrink?

....

I am truly sorry. That is usually a good brand, but you seem to have gotten a bad jacket.

...

Let me take care of this for you.

....

Okay. Do you have a receipt?

...

If you had bought it in the last month, I could probably exchange it. Since it was a while ago, I don't have any more in stock. No problem. The manufacturer guarantees these jackets for a year, so they will have to replace it for you. We'll have to send it back to the manufacturer and they'll replace it.

...

I don't know to handle manufacturer's return so you'll have to take it down to the returns desk. Sorry about that.

In at least three sentences, indicate your reaction to this scenario.

DO NOT TURN THE PAGE

Thinking back over this transaction, overall how satisfied were you with the way this transaction was handled:

Not satisfied _____ Very satisfied

How satisfied were you with:

a. the alternatives you were offered Not _____ Very satisfied satisfied

b. the way the salesperson treated you Not _____ Very satisfied satisfied

c. the store's policy Not _____ Very satisfied satisfied

I would like to shop in this store:

Disagree _____ Agree

How likely would you be to shop in this store again?

Unlikely _____ Likely

If you were to encounter this situation, how likely is it that you would:

Tell the salesperson that you do not like this policy.

Unlikely _____ Likely

Complain about this policy to management.

Unlikely _____ Likely

Look in another store for another garment.

Unlikely _____ Likely

Refuse to shop in this store again.

Unlikely _____ Likely

Walk out of this store without making a purchase.

Unlikely _____ Likely

Thinking back over the transaction, how would you describe the salesperson?

- not helpful ___:___:___:___:___:___ helpful
- not capable ___:___:___:___:___:___ capable
- not formal ___:___:___:___:___:___ formal
- not sincere ___:___:___:___:___:___ sincere
- not sociable ___:___:___:___:___:___ sociable
- not caring ___:___:___:___:___:___ caring
- not talkative ___:___:___:___:___:___ talkative
- not rude ___:___:___:___:___:___ rude
- not considerate ___:___:___:___:___:___ considerate
- not efficient ___:___:___:___:___:___ efficient
- not friendly ___:___:___:___:___:___ friendly
- not businesslike ___:___:___:___:___:___ businesslike
- not organized ___:___:___:___:___:___ organized
- not practical ___:___:___:___:___:___ practical
- not slow ___:___:___:___:___:___ slow
- not reliable ___:___:___:___:___:___ reliable
- not conscientious ___:___:___:___:___:___ conscientious
- not thorough ___:___:___:___:___:___ thorough
- not responsible ___:___:___:___:___:___ responsible

Now, what did you think of the store where this transaction took place?

not friendly ___:___:___:___:___:___ friendly

not indifferent ___:___:___:___:___:___ indifferent

not reliable ___:___:___:___:___:___ reliable

not caring ___:___:___:___:___:___ caring

not formal ___:___:___:___:___:___ formal

not responsible ___:___:___:___:___:___ responsible

Overall, how would you rate this store in this transaction?

Poor ___:___:___:___:___:___ Excellent

Overall, how would you rate this salesperson?

Poor ___:___:___:___:___:___ Excellent

Please answer the following questions concerning your own everyday shopping behavior:

How likely is it that you would shop in this type of store?

Unlikely ___:___:___:___:___:___ Likely

Overall, how satisfied are you with your everyday apparel shopping experiences?

Not satisfied ___:___:___:___:___:___ Very satisfied

APPENDIX E
STORE INTERIOR SLIDES



Figure 2. Low Level Visually Merchandised Store.

Figure 2. (continued)

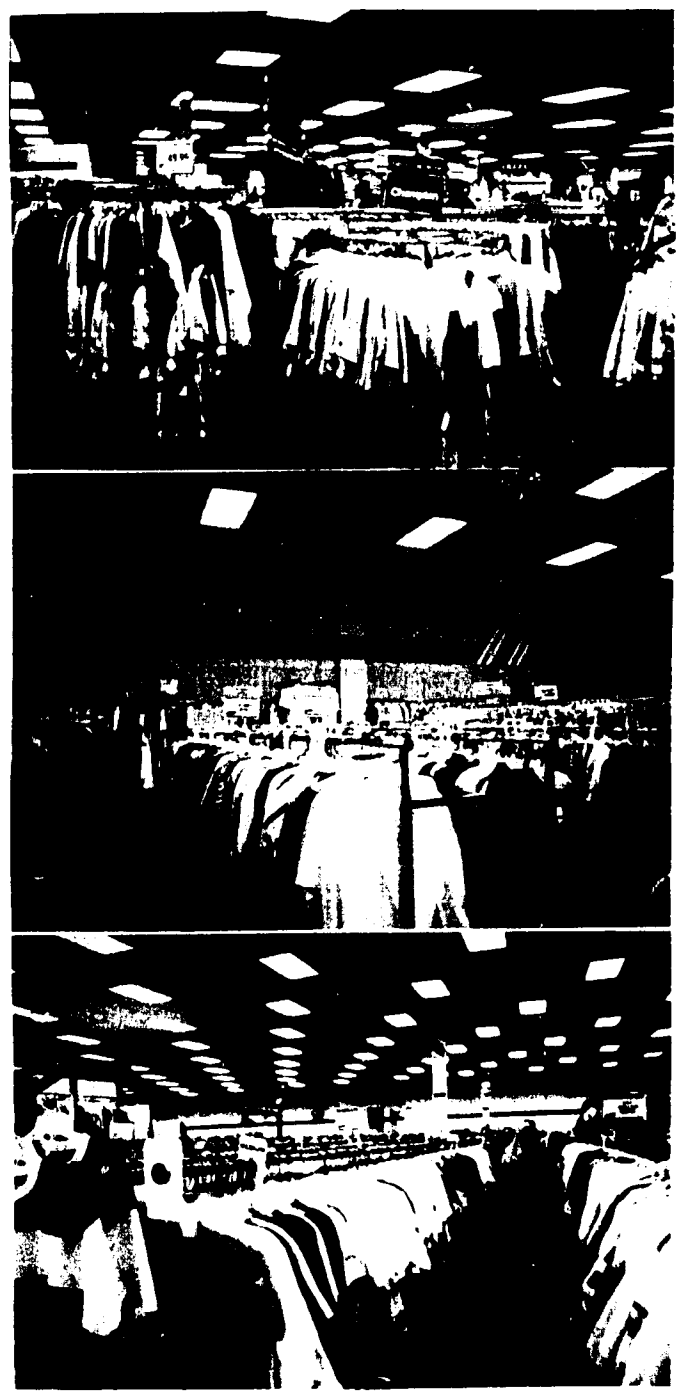




Figure 3. High Level Visually Merchandised Store

Figure 3. (continued)



APPENDIX F
DATA FOR STUDY 1

Table 14

Univariate Analysis of Overall Salesperson Rating and
Customer Activity Variables

| Source of Variation | SS | df | MS | F | Sig. |
|--|--------|----|--------|-------|-------|
| Refuse to shop again | 100.87 | 1 | 100.87 | 31.67 | .0000 |
| Walkout w/o making a purchase | 167.89 | 1 | 167.89 | 46.81 | .0000 |
| Tell s/p that do not like policy | 108.25 | 1 | 108.25 | 29.08 | .0000 |
| Complain about policy to management | 94.58 | 1 | 94.58 | 25.99 | .0000 |
| Look in another store | 179.26 | 1 | 179.26 | 46.60 | .0000 |

Table 15

Summary Table for Multiple Regression for Overall Satisfaction

| Variable | B | SE B | Beta | T | Sig. |
|-------------------------------|------|------|-------|-------|-------|
| Satisfaction with: | | | | | |
| Salesperson | .551 | .066 | .5099 | 8.283 | .0000 |
| Store Policy | .334 | .292 | .3241 | 5.263 | .0000 |
| Adjusted R ² =.573 | | | | | |

Table 16

Summary Table for Regression for Likelihood of Shopping in the Store Again

| Variable | B | SE B | Beta | T | Sig. |
|-------------------------------|------|------|------|-------|-------|
| Overall satisfaction with: | | | | | |
| Store | .585 | .075 | .506 | 7.848 | .0000 |
| Salesperson | .355 | .079 | .290 | 4.507 | .0000 |
| Adjusted R ² =.525 | | | | | |

Table 17

Summary Table for Regression for Refusing to Shop in the Store Again

| Variable | B | SE B | Beta | T | Sig. |
|-------------------------------|-------|------|-------|--------|-------|
| Overall satisfaction with: | | | | | |
| Store | -.518 | .082 | -.456 | -6.351 | .0000 |
| Salesperson | -.298 | .086 | -.248 | -3.461 | .0007 |
| Adjusted R ² =.410 | | | | | |