It's the Principle that Matters: The Antecedents and Consequences of Procedural Justice in a Consumer Setting

by

Laurence Ashworth

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Abstract

Much research on fairness in marketing has focused on the fairness of prices. This work has demonstrated that unfair prices lead to a variety of negative behaviours. However, much of this research has ignored the question of why consumers actually care about fairness. The focus on price fairness suggests that consumers are primarily concerned with their material well-being. However, research in other areas, in particular organizational psychology, suggests that consumers might also react to unfairness because it can convey a lack of respect. This work has been studied under the rubric of procedural justice.

In its strictest sense, procedural justice refers to the fairness of the policies and procedures that are used to determine outcomes. However, one of the reasons procedures are considered important is because they can also convey important information relating to individuals’ social standing. It is argued that consumers react to unfairness in exchange not just because it can influence their material outcomes, but also because it reflects perceptions of their social standing. It is further suggested that procedural unfairness stems from the violation of important social norms that reflect consumers’ expectations for the way they should be treated.

Study 1 showed that the violation of a norm of consistency led to perceptions of unfairness, even when the violation could not have affected consumers’ material outcome. Study 2 demonstrated that consumers considered it unfair when openness was violated. In this case, openness was violated when consumers were not told of an upcoming sale. This was considered unfair even when the information could not have affected their material outcome. In both studies, the effect of norm violation on perceptions of fairness was mediated by procedural justice. The final study demonstrated that normative violations affected procedural justice because they lowered consumers’ self-esteem, especially those consumers with high trait self-esteem.
In contrast to much of the existing work in marketing, the present research indicates that fairness concerns have an important social component. Not only does unfairness undermine consumers’ claims to allocations of material outcomes, but it can also have a detrimental effect on perceptions of their social standing and self-evaluations.
# Table of Contents

Abstract .............................................................................................................. ii

Table of Contents ................................................................................................ iv

List of Tables ....................................................................................................... viii

List of Figures ..................................................................................................... ix

Acknowledgement ............................................................................................... x

Background ........................................................................................................... 4

  Fairness in Marketing ....................................................................................... 4

  Distributive Justice ......................................................................................... 6

  Procedural Justice ............................................................................................ 12

  Interactional Justice ......................................................................................... 13

  Justice Definitions .......................................................................................... 16

  Justice: A Monistic Perspective ...................................................................... 24

  Referent Standards .......................................................................................... 27

Rethinking the Procedural/Distributive Distinction ................................................ 31

A Procedural Alternative ..................................................................................... 32

Origins and Content of Procedural Standards ....................................................... 34

Norms in Marketing ............................................................................................ 39

  Consistency ..................................................................................................... 40

  Openness ........................................................................................................ 41

Study 1 .................................................................................................................. 44

  Method ........................................................................................................... 46

    Scenario ....................................................................................................... 47

    Input-Relevance Manipulation .................................................................... 47

    Norm-Violation Manipulation .................................................................... 48

    Control Conditions ....................................................................................... 48

    iv
Measures.......................................................................................................................... 49
Purchase Satisfaction Index .............................................................................................. 50
Global Fairness Index ......................................................................................................... 50
Distributive and Procedural Justice Indices ...................................................................... 51
Factor Analysis of Satisfaction, Global Fairness and Justice Indices ......................... 51
Manipulations Checks ....................................................................................................... 52
Results............................................................................................................................... 52
Purchase Satisfaction Index .............................................................................................. 52
Global Fairness Index ......................................................................................................... 53
Procedural Justice ............................................................................................................... 54
Distributive Justice ............................................................................................................. 54
Fair Reference Price ........................................................................................................... 55
Mediation Analysis ............................................................................................................. 55
Discussion .......................................................................................................................... 56
Study 2 ............................................................................................................................... 60
Method............................................................................................................................... 61
Scenario .............................................................................................................................. 61
Openness Manipulation ....................................................................................................... 61
Material-Consequences Manipulation .............................................................................. 62
Measures............................................................................................................................. 63
Results............................................................................................................................... 64
Purchase Satisfaction Index .............................................................................................. 64
Global Fairness Index ......................................................................................................... 65
Procedural Justice ............................................................................................................... 65
Distributive Justice ............................................................................................................. 65
Mediation Analyses ........................................................................................................... 66
List of Tables

Table 1: Oblique Factor Pattern Matrix of Dependent Variables in Study 1 (Satisfaction, Global Fairness, Distributive and Procedural Justice) Using Harris-Kaiser Transformation ($\delta = 0$) ................................................................. 119

Table 2: Correlations between Dependent Variables in Study 1 .................. 120

Table 3: Means of Dependent Variables in Study 1 by Condition and corresponding ANOVA Tests ................................................................. 121

Table 4: Means of Dependent Variables in Study 2 by Condition and corresponding ANOVA Tests ................................................................. 123

Table 5: Means of Dependent Variables in Study 3 by Condition and corresponding ANOVA Tests ................................................................. 125
List of Figures

Figure 1: Procedural and Distributive Justice Mediation of Norm-Violation and Input-Relevance on Global Fairness (and Satisfaction) in Study 1 ......................... 127

Figure 2: Procedural and Distributive Justice Mediation of Openness and Outcome Consequences on Global Fairness in Study 2 ............................................. 128

Figure 3: Procedural and Distributive Justice Mediation of Openness and Outcome Consequences on Satisfaction in Study 2 .................................................. 129

Figure 4: State Self-Esteem and Reference Price Mediation of Openness and Trait Self-Esteem on Procedural and Distributive Justice in Study 3 ...................... 130
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Fairness matters to consumers. There is evidence that fairness is an important source of satisfaction with purchases (e.g. Darke and Dahl 2003; Oliver and Swan 1989) and consumers tend to react negatively to perceived unfairness (Kahneman, Knetsch and Thaler 1986a) – especially unfair prices (Bolton, Warlop and Alba 2003). However, what exactly do consumers react to? Within the context of exchange, consumers appear to react to prices that are above some preconceived notion of what the price should be – the reference price (Bolton, Warlop and Alba 2003; Thaler 1985; Winer 1986). This is generally assumed to reflect consumers’ concern for their material well-being. However, this does not seem to fully account for consumers’ reactions. At the very least, consumers try to avoid unfair transactions (Campbell 1999). However, they often react more negatively, for example, by boycotting firms or engaging in negative word of mouth (Blodgett, Granbois, and Walters 1993; Kahneman, Knetsch and Thaler 1986b; Turillo et al. 2002). Sometimes consumers will attempt to punish transgressors who they perceive to have acted unfairly (Kahneman, Knetsch and Thaler 1986b). Under certain circumstances individuals are even willing to incur a financial cost in order to punish or restore equity (Kahneman, Knetsch and Thaler 1986a, b; Turillo et al. 2002).

It is proposed that consumers’ perceptions of fairness reflect more than just a concern for their material well-being. In particular, consumers might also react to the violation of underlying principles. For example, when consumers are faced with an inflated price, they react not just to the fact they are going to have to pay more than they might pay elsewhere, but also to the fact they believe the store is taking advantage of them. Consider also the case of an airline ticket – a consumer who pays more than another (as is often the case) might not react just to the price discrepancy but also to the fact that the airline is practicing discrimination. This might violate an important ethical principle. As such, fairness could reflect both consumers’ concern with their material well-being as well as a concern that underlying ethical principles are observed.
This phenomenon is examined using the concept of procedural justice. In its strictest sense, procedural justice refers to the perceived fairness of the policies and protocols used to allocate resources (e.g. Cropanzano and Greenberg 1997). However, procedural justice is also considered important because it is assumed to reflect the extent to which individuals are respected and valued (Lind and Tyler 1988). It is this aspect of fairness that is related to concerns with the underlying principle. In particular, it is argued that the types of behaviour that convey respect are prescribed by social norms. These prescriptive or injunctive norms (Cialdini, Kallgren and Reno 1991) depict the kinds of behaviours that individuals ought to perform. They constitute the moral rules of the group (Cialdini and Trost 2000). It is proposed that some of these norms are relevant to exchange and that these norms represent principles that consumers believe should be abided by. Consequently, behaviour that violates the principles of respectful treatment should lead to perceptions of procedural injustice.

In reality, such violations probably coincide with or lead to inequitable outcomes. For instance, price discrimination involves separating consumers in order to charge them different prices. In this case, the discrimination is inexorably linked to consumers' outcomes. Consequently, consumers' perceptions of unfairness probably reflect both the economic and socioemotional consequences of price discrimination. In order to fully understand consumers' reactions we need to be able to separate the bases of their response. This means examining the consequences of violations of the underlying principle in the absence of or controlling for economic consequences.

This question is explored across three studies. These studies attempt to identify the content of a number of principles that are likely to be important in exchange and then examine the consequences of the violation of these principles. This is examined in exchanges where consumers' economic outcomes are, fair, unfair and when they are entirely unaffected. The results suggest that the violation of underlying principles has an
important and distinct influence on perceptions of procedural justice, fairness, satisfaction and even behavioural responses.

Study 1 first replicates findings (Darke and Dahl 2003) that consumers consider it unfair when they pay more for a product than other consumers. According to equity theory, consumers compare their economic outcome to other consumers' outcomes and will consider an incommensurate price discrepancy unfair. However, it is argued that consumers also react to the violation of underlying norms, in this case, a norm of consistency. Observation of the norm involved the consistent application of a store policy (i.e. applying a particular pricing policy to both customers whether or not the policy would affect their outcomes). Consistent with this, study 1 demonstrated that perceptions of unfairness were reduced when the underlying norm was observed even when this did not affect the price discrepancy. The change in perceptions of fairness was shown to be mediated by perceptions of procedural justice. Study 2 extended these findings in two ways. First, it was demonstrated that consumers considered the violation of a different type of norm unfair – the violation of an openness norm. Second, the study demonstrated that violation of this norm resulted in perceptions of unfairness – both when the violation affected consumers’ material outcome and importantly, when it did not affect their material outcome. Finally, study 3 demonstrated that one of the reasons consumers reacted negatively to norm violation was because such treatment conveyed disrespect and a lack of worth that lowered individuals' self-esteem, particularly those individuals with high trait self-esteem.
Background

Fairness in Marketing

Within marketing, much of the research on fairness has focused on the fairness of prices and the dominant paradigm has involved the notion of a reference price (Winer 1986). Research has demonstrated that incorporating reference prices into choice models better predicts demand than traditional economic models (e.g. Putler 1992). There is also direct evidence that deviations from reference prices are considered unfair when price exceeds the reference price (Kahneman, Knetsch and Thaler 1986a; Bolton, Warlop and Alba 2003) and fair when price is below the reference price (Darke and Dahl 2003; Thaler 1985). Furthermore, perceptions of fairness appear to influence intentions to purchase (Bolton, Warlop and Alba 2003) – in particular, consumers intend to avoid exchanges that involve unfair prices (Bolton, Warlop and Alba 2003; Campbell 1999; Kahneman, Knetsch and Thaler 1986a) and may pursue exchanges that involve fair prices (Darke and Dahl 2003; Thaler 1985).

One explanation for these findings is that consumers do not just derive utility from the good and the associated payment, but also from the perceived fairness of the price. This approach is known as transaction utility theory (Thaler 1985). The first source of utility is known as acquisition utility. This reflects the positive utility associated with taking possession of the good and the negative utility associated with the payment necessary to acquire the good. The second source of utility is known as transaction utility. Transaction utility is assumed to stem from differences between the price and the reference price for the good. Thaler (1985) described the reference price as the expected or fair price. Thus, prices which are above the reference price will yield some negative utility as a result of being considered unfair. Prices below the reference price will yield some positive utility as a result of being considered particularly fair. Total utility from a purchase is assumed to be the sum of the acquisition and transaction utility. It
follows that an unfair price can mean a good will not be purchased when the transaction utility is sufficiently negative that it outweighs any positive acquisition utility. In contrast, positive transaction utility could mean that a good is purchased despite yielding negative acquisition utility.

Consistent with this, it has been demonstrated that perceptions of fairness are related to repurchase intentions (Bolton, Warlop and Alba 2003; Campbell 1999) and contribute to purchase satisfaction (Darke and Dahl 2003; Oliver and Swan 1989). Furthermore, unfairness appears to inspire negative emotional reactions (Adams 1965; Nasr Bechwati and Morrin 2003) which sometimes encourage individuals to punish those they believe responsible (Kahneman, Knetsch and Thaler 1986b; Nasr Bechwati and Morrin 2003; Turillo et al. 2002). In short, fairness appears to be sufficiently important that it affects consumers' psychological and behavioural reactions to purchases and might even determine whether consumers avoid or engage in a particular exchange.

Given the importance of the role reference prices play in perceptions of fairness, much research has focused on the psychological processes involved in the formation of reference prices. Thaler (1985) initially suggested that reference prices are likely to be determined by the cost of the good to the seller. To support this claim, he demonstrated that consumers were willing to pay a higher price for a beer from a fancy hotel resort than a small, run-down grocery store, despite the fact the beer was to be consumed elsewhere. Presumably, the reference price for the beer would be lower at the grocery store because their costs were lower than the hotel. Consequently, a high price at the grocery store would lead to more negative transaction utility and thus reduce the price consumers would be willing to pay.

However, reference prices appear to be affected by variables other than sellers' costs. For example, consumers appear to find it fair when sellers do not change their
prices after a fall in their costs (Kahneman, Knetsch and Thaler 1986b). At the very least, this means that costs are not an exclusive determinant of reference prices. Consumers also appear to use different rules for determining reference prices – for example, restaurants appear to be able to charge different prices in the afternoon and evening, but cannot charge different prices for more desirable seats (Kimes and Wirtz 2002). Other research has demonstrated that consumers use a multitude of comparison standards to determine reference prices – including past prices of the product (Kalwani, Yim, Rinne and Sugita 1990), retail competitors’ prices of the same product (Bolton, Warlop and Alba 2003), the suggested retail price (Putler 1992) and the price of other brands within the category (Klein and Oglethorpe 1987). Finally, fair prices can also be determined by social comparisons to other consumers who have bought similar products (Darke and Dahl 2003) – even when this appears to have little effect on the reference price of the product.

Distributive Justice

With a few exceptions (e.g. Smith, Bolton and Wagner 1999; Tax, Brown and Chandrashekaran 1998), most of the research in marketing can be understood in terms of theories of distributive justice. Broadly speaking, distributive justice is concerned with the fairness of the allocation of positive and negative outcomes. Fair distributions are generally assumed to be allocated according to some characteristic of the recipient (Deutsch 1980) – including their merit (equity theory; Adams 1965), need (e.g. Bar-Hillel and Yaari 1993), rights and equality (e.g. Messick 1993), among other criterion. Like judgments of price fairness, judgments of distributive justice are assumed to involve a comparison between individuals’ outcome (e.g. a good at a particular price) and the outcome they should have received (e.g. the good at the reference price). Unfairness stems from a perceived discrepancy that is assumed to result in a state of tension (accompanied by negative emotions) that motivates individuals to reduce the
discrepancy (Adams 1965). Different theories have emphasized different characteristics of the recipient that are relevant to their outcome, different variables that can be judged according to the framework of distributive fairness and different processes underlying the judgment.

Perhaps the most widely cited theory of distributive justice is equity theory (Adams 1965). Equity theory is a mathematical representation of the relationship (first espoused by Aristotle and later by Homans, 1961, and Blau, 1963) of the variables assumed to be involved in fairness judgments. The equity equation represents the notion that individuals judge fairness by comparing the ratio of their outcomes and inputs to the ratio of some other set of outcomes and inputs. Equity is said to exist when:

\[
\frac{O_{\text{Perceiver}}}{I_{\text{Perceiver}}} = \frac{O_{\text{Comparison}}}{I_{\text{Comparison}}}
\]

Inequity is advantageous when the perceivers' ratio is greater than the comparison ratio and disadvantageous when it is less than the comparison ratio. Adams (1965) argued that inequity (and particularly disadvantageous inequity) produced a state of tension rather like dissonance (Festinger 1957) that had to be resolved – typically through the actual or psychological adjustment of the perceiver's or comparison inputs and outcomes. The theory does not specify what constitutes a comparable set of outcomes and inputs, but is sufficiently broad to encompass all nature of comparisons, including comparisons to the ratios of similar others, previously experienced ratios, expected future ratios, etc. This is consistent with the notion that consumers consider a wide range of comparison prices when forming a reference price.

Equity theory has also been used to understand exchanges that involve more than economic inputs and outcomes. For example, Walster, Walster and Berscheid (1978) extended equity theory to intimate relationships. They argued that intimate relationships need to be equitable in order to exist and that equity judgments are
therefore relevant to a broad range of resources, including goods, money, information, services, status and love (Turner, Foa and Foa 1971). Other researchers have argued that merit is not the only fair way of allocating outcomes (as emphasized in equity theory) and have demonstrated that need, rights and equality are other important rules (e.g. Bar-Hillel and Yaari 1993; Deutsch 1980; Messick 1993). Deutsch (1980), in particular, argued that the basis of the allocation is likely to depend on the type of good being distributed and the goal of the distribution (e.g. fair distributions are more likely to be based on merit when economic productivity is important than when fostering social relationships).

Although research on price fairness has typically not been conducted within the framework of equity theory, the notion that judgments of fairness stem from a comparison process is common to both approaches. In equity theory, fairness judgments are assumed to involve a comparison between the perceiver's ratio and some other ratio. Similarly, price fairness judgments are assumed to involve a comparison of actual prices and reference prices. Traditionally, reference prices are assumed to relate to sellers' cost of goods (Thaler 1985), sellers' profit (Kahneman, Knetsch and Thaler 1986a) or other prices (Bolton, Warlop and Alba 2003). Darke and Dahl (2003) went someway towards integrating these approaches by demonstrating that the prices other consumers pay are relevant to fairness judgments and that certain consumers appear to be entitled to lower prices than other consumers (e.g. loyal customers). These findings suggest that reference prices should perhaps be considered within the broader framework of equity theory. Furthermore, Oliver and Swan (1989) showed that the perceived inputs and outcomes of customers and salespeople (as perceived by customers) predicted the perceived fairness of a car sales interaction in a manner that was somewhat consistent with equity theory.
The consequences of price unfairness can also be understood within the framework of equity theory. According to equity theory, inequity creates a state of tension that needs to be resolved. Individuals can attempt to reduce an inequity by altering their inputs or outcomes, altering the inputs or outcomes of their comparison, or leaving the field (Adams 1965). Researchers of price fairness have demonstrated that consumers sometimes complain as a result of perceived unfairness, perhaps in an attempt to reduce their inputs (e.g. by demanding a partial refund; Huppertz, Arenson and Evans 1978). Consumers also engage in negative word of mouth which might go some way to restoring equity by reducing the future outcomes of the seller. Finally, consumers often intend to avoid unfair purchases or resolve not to repurchase from sellers that have priced unfairly (e.g. Bolton, Warlop and Alba 2003; Campbell 1999). They may even attempt to rescind exchanges they believe to be unfair. Such behaviours demonstrate a willingness to leave the field (Huppertz, Arenson and Evans 1978). Thus, consumers' reactions to unfair exchanges appear to be consistent with predictions from equity theory. Overall, it would appear that equity theory provides one way in which reference prices and fairness in exchange more generally can be considered.

In summary, much of the research on fairness in marketing has focused on prices. The dominant paradigm involves a comparison between actual prices and reference prices, where discrepancies between the two lead to perceptions of fairness (and unfairness). The notion that consumers compare their material outcome to some referent standard is consistent with the framework of distributive justice and more specifically, equity theory. These approaches emphasize the importance of material outcomes and a psychological process that involves the comparison of actual material outcomes to some referent material outcome.

There are, however, a number of reasons to believe that consumers react to more than just their material outcome when it comes to perceptions of fairness in
exchange. For example, Thaler's (1985) work on transaction utility demonstrated that consumers would charge their friends the price they paid for a ticket to a sports game. In contrast, they would charge strangers the prevailing market rate (assuming it was higher). Thaler argued this provided evidence that sellers' costs influence reference price. However, it is also possible that consumers decided to charge their friends less because they felt it was wrong to profit from them. In other words, the lower price may have reflected a desire to conform to a moral norm rather than the influence of a reference price per se. Because the norm would not be relevant when selling the ticket to a stranger, consumers were free to make a (small) profit. Had sellers violated the norm and profited from their friends, this could imply that they did not respect them.

The work of Oliver and Swan (1989a, b) also suggests that perceptions of fairness may involve more than just consumers' material outcomes. Using the framework of equity theory, they concluded that consumers' perceptions of fairness were most strongly related to their outcomes and sellers' inputs (1989a). However, the relationship was not entirely consistent with equity theory – consumers' inputs and sellers' outcomes appeared to have little effect on fairness. A closer look at the measures employed revealed that the input and outcome measures go beyond material inputs and outcomes. In fact, these measures primarily related to the effort and attention of the salesperson. Furthermore, two of the three fairness items related to the fairness of the treatment received rather than the fairness of the purchase. One interpretation of these findings is that they did not capture the concept of equity so much as they captured the extent to which the salesperson conformed to a norm of paying special attention to the customer. In this case, perceptions of fair treatment presumably reflected the extent to which the salesperson treated customers with respect by adhering to the norm.

Such research suggests that perceptions of fairness in exchange are related to more than just the material consequences of the exchange. In particular, it is proposed
that consumers also react to the violation of underlying principles. These principles reflect social norms that must be abided by to convey respect (Miller 2001). Fairness related to respect is theoretically distinct from fairness that is related to material outcomes (Deutsch 1980; Leventhal 1980; Thibaut and Walker 1975). The former is known as procedural justice, while the latter is titled distributive justice. In its strictest sense, procedural justice refers to the fairness of the policies, procedures and methods used to determine the allocation of outcomes (e.g. Cropanzano and Greenberg 1997). However, one of the reasons procedural justice is considered important is because it can reflect the extent to which individuals are valued and respected (Lind and Tyler 1988; Miller 2001). Some research in marketing has directly examined the influence of treatment on perceptions of procedural justice. For example, Smith, Bolton and Wagner (1999) showed that in restaurant and hotel settings, inattentive service led to perceptions of procedural injustice – possibly because such service was considered disrespectful. However, there has been little work in marketing that has examined the role of procedural justice in exchange more generally.

The current work represents an attempt to address this void. Furthermore, this work attempts to delineate the antecedents of procedural injustice. Specifically, it is suggested that exchange is governed by implicit social norms that dictate the basis of respectful behaviour. Violations of such norms convey a lack of respect which in turn leads to perceptions of procedural injustice (Miller 2001). The subsequent section provides an overview of the literature on procedural justice. This is followed by the development of the argument that procedural justice is caused by the violation of implicit social norms. Finally, a case is made for the existence of two norms that should be particularly relevant to exchange. These norms form the basis of the three studies that follow.
Procedural Justice

The notion of procedural justice was first introduced by Thibaut and Walker (1975). Their research was conducted primarily in legal settings, in the context of conflict or dispute resolution. They noted that disputants appeared to care not just about their outcome, but also about the way in which that outcome was decided. This was termed procedural justice and referred to the fairness of the process used to assign outcomes. Their research suggested that the fairest process for resolving legal disputes was one that allowed the disputants to find and present the facts of the case — as in an adversarial system where disputants are each represented by an openly biased third party. In fact, disputants were sufficiently assured by the fairness of this process that they were willing to sacrifice control over the final decision to a third party — as evidenced by their willingness to adopt methods such as arbitration (where a third party would decide the final outcome) in preference to mediation (where the parties decide the final outcome). The freedom and opportunity to put forward one’s own arguments prior to an allocation decision became known as “voice” (Folger 1977) and for Thibaut and Walker it was virtually synonymous with procedural justice (Folger and Cropanzano 1998).

However, researchers understood that there was more to the process of allocating outcomes than just whether individuals had the opportunity to express their arguments. In particular, organizational researchers saw that the process of allocating outcomes in firms was determined in large part by formal procedures and rules of the firm. Consequently, the notion of procedural justice was extended to include the fairness of the allocation procedures employed by organizations (Skarlicki and Folger 1997). Leventhal (1980) further articulated six rules that he saw as necessary for procedures to be considered fair. He argued that procedures must be consistent, free from bias, accurate, correctable, representative of all parties involved in the allocation and ethical.
These criteria are generally regarded as important and useful criteria in evaluating and defining fair allocation procedures (Colquitt, Conlon, Wesson, Porter and Ng 2001; Cropanzano and Greenberg 1997).

The types of procedures examined have been extremely varied and include procedures involved in determining levels of pay (McFarlin and Sweeney 1992), layoffs (Brockner, Wiesenfeld and Martin 1995; Skarlicki, Ellard and Kelln 1998), employee drug testing (Cropanzano and Konovsky 1995), job offers (van den Bos, Vermunt and Wilke 1997), sales-volume performance (Huffman and Cain 2001), employee relocation decisions (Daly and Geyer 1995), unemployment benefits (Brockner, Konovsky, Cooper-Schneider, Folger, Martin and Bies 1994), smoking bans (Greenberg 1994), promotion decisions (Taylor, Moghaddam, Gamble and Zellerer 1987), pay freezes (Schaubroeck, May and Brown 1994), working overtime (Folger, Rosenfield and Hays 1978), midterm exam results (Schroth and Shah 2000), disciplining action from a supervisor (Ball, Trevino and Sims 1993), and even rejection or revise and resubmit decisions from academic journals (Gilliland and Beckstein 1996). The consistent message has been that the fairness of procedures plays an important role in individuals’ reactions to their outcome, one that is distinct from individuals’ evaluation of the outcome itself (Brockner and Wiesenfeld 1996; Colquitt, Conlon, Wesson, Porter and Yee Ng 2001). In particular, fair procedures appear to mitigate the impact of unfair or unfavorable outcomes, although exactly why this is the case is not entirely clear.

Interactional Justice

Despite these relatively consistent findings, other researchers have argued that fairness and individuals’ reactions to fairness are determined by more than just allocation procedures (procedural justice) and the ensuing outcomes (distributive justice). In particular, it has been argued that the way in which procedures are communicated plays a role in how those procedures are perceived (Bies and Moag 13...
The interpersonal treatment that attends an allocation decision has been labeled interactional justice. This, it is argued, is a third facet of justice, conceptually distinct from procedural and distributive justice.

The notion of interactional justice was further developed by Greenberg (1990, 1993) who argued that interactional justice consists of both distributive and procedural components: interpersonal justice and informational justice respectively. Interpersonal justice refers to the politeness, dignity and respect (Colquitt, Conlon, Wesson, Porter and Ng 2001) with which individuals are treated and could therefore be considered an allocation of socioemotional outcomes (Cropanzano and Ambrose 2001). Consequently, interpersonal justice could be considered a type of distributive justice (Greenberg 1993), consistent with the earlier work of Walster, Walster and Berscheid (1978). Informational justice refers to the extent to which outcomes and the procedures that were used to decide those outcomes are explained to relevant parties. Greenberg (1993) considered this a social procedural component of interactional justice as it refers to an element of the allocation procedure.

There is currently some debate as to whether interactional justice should be considered a distinct component of justice (Cohen-Charash and Spector 2001; Colquitt et al. 2001; Bies 2001). Some researchers have contended that interactional justice is the social aspect of procedural justice (e.g. Brockner and Wiesenfeld 1996; Cropanzano and Greenberg 1997; Lind and Tyler 1988), while others have contended that it is a distinct component of justice (Bies 2001; Bies and Moag 1986) and perhaps should be further divided into components of informational and interpersonal justice (Greenberg 1993). A meta-analysis across 183 studies from 1975 to 1999 (Colquitt et al. 2001) suggested that interactional justice should be considered conceptually distinct from procedural justice. In addition, the data appeared to suggest that informational and interpersonal justice should also be considered conceptually distinct as they explained
significant incremental variance in perceptions of fairness (although their contribution was small compared to the other components of justice).

Although there is substantial theoretical and empirical evidence that procedural and interactional justice capture somewhat different constructs, these measures are invariably highly correlated. In fact, all measures of justice (distributive, procedural and interactional) tend to be highly correlated (Cohen-Charash and Spector 2001; Colquitt et al. 2001). One of the reasons for this is that these constructs typically co-vary in naturalistic settings and can be difficult to separate experimentally. One way researchers have approached this problem is to recognize that different constructs lend themselves to specific contexts. For example, when it comes to pricing, marketers have focused on the material antecedents of fairness. Consequently, the majority of research on price fairness is concerned with distributive justice. In contrast, marketers have applied the concepts of procedural and interactional justice almost exclusively to service situations, where procedural and interactional components of justice are most clearly relevant.

For instance, Smith, Bolton, and Wagner (1999) contended that failures in a service context can be classified as distributive (outcome failures such as failing to have an entrée available at a restaurant), procedural (process failures such as inattentive service at a restaurant) and interactional (interpersonal failures such as rude service). They showed that recovery efforts that matched the type of failure (e.g. monetary compensation for distributive failures; speedy responses for process failures; and apologies for interactional failures) were more successful than recovery efforts that were incongruous. Furthermore, they showed that recovery efforts that were commensurate with the magnitude of the failure were more successful than those that were not. McCollough, Berry, and Yadav (2000) made similar findings except that they looked exclusively at distributive and interactional justice. They found that service recovery could not fully compensate for an initial failure, but that recoveries that involved both
distributive and interactional elements were significantly more successful than recoveries that involved one or the other but not both.

In a similar vein, Tax, Brown, and Chandrashekaran (1998) showed that customer complaints can be categorized as distributive, procedural and interactional and that these represented the nature of the initial failure, consistent with Smith et al. (1999) and McCollough et al. (2000). Furthermore, they found that distributive recovery efforts could be enhanced and diminished by procedural and interactional efforts. For example, the effect of outcome recoveries was attenuated when it was accompanied by rude interpersonal interactions, whereas outcome recoveries were augmented by a fast response. All in all, the findings across these three studies were quite similar – service failures can take a number of different forms, corresponding to the three primary facets of justice. Furthermore, successful recovery efforts need to employ elements from each of the facets of justice or at least correspond to the initial failure.

Justice Definitions

Across these studies, distributive, procedural and interactional justice were distinguished according to the traditional definitions in the justice literature. Distributive justice referred to the allocation of outcomes; procedural justice referred to the processes involved in allocating outcomes; and interactional justice referred to the accompanying interpersonal treatment. However, under certain circumstances it can be difficult to make these distinctions. In pricing contexts, for example, it can be difficult to distinguish between distributive and procedural justice. For example, one way in which consumers appear to judge the fairness of a price is in relation to the cost of the good to the seller (Thaler 1985). This approach could be understood in terms of equity theory. The consumer's input would be their outlay or the price of the good and their outcome would be the product. The seller's outcome would be the money they receive (which is equal to the price paid by the consumer) and their input would be the cost of the good.
Consequently, judgments of this kind could be considered judgments of distributive justice. However, it could also be argued that a cost-plus rule is the process by which outcomes are allocated. In this case, judgments of this kind should be considered judgments of procedural justice.

Similar confusion can arise with the distinction between procedural and interactional justice. For example, the failure of a salesperson to listen to customers’ needs when it comes to choosing a product could be regarded as a procedural failure. The customer was not permitted “voice” in the allocation decision, whether or not this would have affected their final outcome. However, the failure of a salesperson to listen to a customer could also be considered a serious breach of etiquette and consequently an interactional injustice. Moreover, it could be argued that the rude behaviour was an undeserved socioemotional outcome and should therefore be considered a distributive injustice (Cropanzano and Ambrose 2001).

It appears that in certain circumstances the distinction between distributive, procedural and interactional justice can be tenuous. One of the reasons this problem arises is because the components of justice reflect structural properties of different settings rather than different psychological processes. For example, procedural justice was conceived in the context of legal disputes, where the presentation of arguments forms a lengthy part of the overall process. Consequently, procedures are likely to be an important component of the fairness of legal disputes. The same is true in organizational contexts, where the procedures and policies that determine outcomes occupy a substantial amount of employee/employer time. In these cases, the way in which procedures are communicated is also likely to be important. Consequently, interactional justice is likely to be a salient component of fairness (Bies and Moag 1986). In contrast, consumers in a pure pricing context are faced with little information other than the price of a product. Consequently, elements of distributive justice are most likely to form the
basis of fairness judgments. In short, different aspects of exchange are likely to be more salient across different settings. The predominant aspects of particular settings are more likely to be considered in fairness judgments. Consequently, fairness may appear to comprise of distributive, procedural and interactional components of exchange, even if these are not subject to different psychological processes per se.

Much research on justice has implicitly assumed that distributive, procedural and interactional aspects of exchange are separate components of fairness. This means that fairness is assumed to comprise of these constructs. According to this perspective, an unfavourable outcome (distributive injustice), rude treatment (interactional injustice), or being denied "voice" (procedural injustice) would be unfair by definition. Consequently, justice would be measured using what Colquitt and Shaw (2003) called "indirect" measures of justice. For example, Folger and Konovsky (1989) used indirect measures when they asked employees the extent to which they believed their supervisor "gave [them] an opportunity to express [their] side". Such measures are considered equivalent to measuring fairness because each type of justice is assumed to be a component of fairness. In this case, the item measures "voice", which is assumed to be a component of procedural justice.

However, other researchers have treated distributive, procedural and interactional elements of exchange as antecedents of justice. In this case, it is assumed that individuals judge whether different aspects of an exchange are fair, but it does not imply that fairness is composed of these aspects. According to this perspective, individuals may judge the fairness of their outcome, the fairness of procedures, or the fairness of the way in which they were treated, but unfavourable outcomes, procedures or treatment would not constitute unfairness per se. This perspective requires "direct" measures of the fairness of a particular event or action (Colquitt and Shaw 2003). For example, Darke and Dahl (2003) asked respondents to rate the fairness of a purchase
using a six item scale anchored by fair, honest, justified, questionable, bad and unfair and Folger, Rosenfield, Grove and Corkran (1979) asked participants to assess the fairness of the decision making process when demonstrating the "fair process effect" (Colquitt and Shaw 2003).

As Colquitt and Shaw (2003) point out, "ideally, the [indirect] justice criteria would explain 100% of the variance in [direct] procedural fairness perceptions...". However, Colquitt et al.'s (2001) meta-analysis showed that all conceivable indirect measures explained only 53% of the variance in direct procedural measures. A figure that was sufficiently low to raise concern. This raises a number of possibilities. One possible explanation is contamination of measures (Colquitt and Shaw 2003). A second explanation is that direct and indirect measures capture somewhat different constructs. In the context of procedural justice, direct measures capture the perceived fairness of a particular procedure, while indirect measures capture the presence or absence of that procedure. To the extent that the procedure is considered fair by virtue of its presence or absence, direct and indirect measures should be consistent. However, if the fairness judgment entails more than just the presence or absence of the procedure then direct and indirect measures will not necessarily be consistent. The fact that the indirect measures could not explain the variance in direct measures suggests there is more to judgments of fairness than the theorized constituent components.

One way to approach this problem is to examine justice as a psychological process rather than relative to its structural components. That means understanding why fairness is important to individuals rather than assessing individuals' perceptions of different aspects of an exchange. Two perspectives that have attempted to understand why fairness is important have emerged: the instrumental (e.g. Conlon 1993; Greenberg 1990) and relational models of procedural justice (Lind and Tyler 1988; Tyler and Lind 1992). The instrumental model argues that procedures are important because they have
implications for individuals' outcomes. Fair procedures are those that are most likely to lead to favourable or equitable outcomes. Unfair procedures are those that lead to unfavourable or inequitable outcomes. Procedures can be evaluated according to expected future outcomes as well as immediate outcomes. Consequently, the instrumental perspective assumes that judgments of procedural justice reflect current and future judgments of distributive justice.

In contrast, the relational model asserts that procedures are important because they signal the extent to which individuals are considered valued members of a group (Tyler and Lind 1992). This approach was originally called the group-value model (Lind and Tyler 1988), which claimed the way individuals are treated is indicative of their status within a group. Procedures are considered fair to the extent that they acknowledge (or perhaps bolster) the status of individuals to whom the procedure is applied. Lind (1995) outlined three standards that are necessary for a procedure to convey status: neutrality, benevolence and status recognition. Thus, for a procedure to be considered fair it must be impartial, express concern for the perceiver's well-being and acknowledge the perceiver's status. Procedures that meet these standards are deemed to be sufficiently respectful that they are considered fair.

Consistent with this, Miller (2001) argued that the heart of procedural justice (and injustice) is respect. He claimed that individuals believe they have a fundamental entitlement to respect (Bourdieu 1965) and that treatment that violates this entitlement will be regarded as unjust. He cited evidence from studies where individuals described experiences that they believed were unjust. For instance, Mikula (1986) found that college students reported that unjust accusations and blaming were the most frequently reported class of unjust experiences. Broken promises were also a frequently cited class of unjust experiences. In a later paper, Mikula, Petri and Tanzer (1990) found that students' open-ended descriptions of unjust events tended to involve interpersonal
interactions (and mistreatment) rather than specific procedural or distributive injustices.

Similar findings were obtained by Messick, Bloom, Boldizar and Samuelson (1985). They found that when individuals were asked to describe fair and unfair things that they and others had done, they tended to describe events that involved treating others in a manner that conveyed disrespect (e.g. rudeness, talking behind others’ backs, being late for appointments, stealing, etc.)

It should be noted that all of these studies that involved classifying open-ended responses to the question of what is unfair have a number of issues that need to be considered. For example, recollected reports are susceptible to memory biases (Ross and Sicoly 1979) and the interpersonal component of events may be more salient than specific outcomes or procedures. In at least one of the studies, the nature of the question itself may have cued interpersonal interactions rather than specific outcomes or procedures (e.g. Messick et al. (1985) asked participants to describe unfair things others have done rather than unfair situations). Finally, the interpersonal implications of assigning an unfair outcome or executing an unfair procedure may be more prominent than the outcome or procedure per se. This final point is entirely consistent with the notion that interpersonal interactions are a key ingredient of unfair experiences.

However, this suggests that interpersonal interactions may be more broadly related to fairness: the interpersonal component of justice might be inferred from both outcomes (distributive justice) and procedures (procedural justice), but may also be directly observed (interactional justice). Whatever the relationship, disrespect appears to be an important element of injustice.

Miller (2001) went on to argue that different aspects of procedural justice represent different components of respectful treatment. For example, he contended that voice, which represented the bulk of early research on procedural justice, is one manifestation of an individual’s entitlement to respect. When individuals are denied
voice, they are denied their fundamental entitlement to respect, which is (procedurally) unfair. In fact, voice appears to be such an important entitlement that individuals perceive an injustice when they are denied voice despite the knowledge that it could not possibly affect their outcome (such as when voice follows an outcome decision; Lind, Kanfer and Early 1990).

Respect requisitions other entitlements also. For example, individuals appear to believe they are entitled to explanations for actions that have personal consequences (Bies and Shapiro 1987; Greenberg 1993; Shapiro, Buttner and Barry 1994). If individuals feel as strongly about explanations as they appear to about voice, then it seems likely that explanations may be required even when the explanation has no bearing on the outcome or the complainant is already aware of the reason for the allocation. Other aspects of procedural justice that have been discussed in the literature could also be understood in terms of entitlements. For example, Leventhal's (1980) consistency criteria could be understood as an entitlement to be treated in the same fashion as a comparable other. A violation of this entitlement could be considered disrespectful and consequently procedurally unjust. Similarly, Greenberg's (1993) conception of interpersonal justice and Bies and Moag's (1986) interactional justice could be seen as entitlements to be treated politely. Violations of the norms of politeness might be seen as disrespectful and consequently procedurally unjust.

Although Miller's (2001) framework provides a basis for understanding the seemingly diverse entitlements that constitute procedural justice, there are a couple of points that need to be raised. Firstly, it should be noted that outcomes might also convey disrespect. For example, the injustice of a friend cheating you out of a dollar probably stems from the contempt this conveys rather than the loss of the dollar per se. In fact, this was a possibility that Homans (1961, 1976) alluded to in his early discussions of distributive justice. Miller (2001) also acknowledged that respect might play an important
role in perceptions of distributive justice. However, to date, the symbolic aspects of distributive justice have remained largely unexplored. Miller argued this is one reason why it has proven so hard to draw a clean distinction between procedural and distributive justice (Folger and Cropanzano 1998). If respect is equally important to distributive justice as it is to procedural justice, this would imply that the defining characteristics of these two classes of justice need rethinking.

Secondly, it is not clear that a violation of the entitlement to respect, in whatever guise that entitlement might take, is the psychological process responsible for judgments of procedural justice. As an example, consider a situation where an individual has been treated impolitely by another. Fairness might permit this individual to respond in an equally impolite manner. That is, the individual who first violated the entitlement to be treated politely now deserves to be treated impolitely themselves. Somehow, their violation justifies a reciprocal violation. What has happened to their entitlement to be treated politely? One possibility is that fairness dictates that they may be treated impolitely because they committed the initial violation: in other words, "an eye for an eye". In this case, the fairness of violating someone's entitlement to respect depends on that person's prior actions. Thus, the entitlement to respect might not always be an absolute.

This raises the possibility that perceptions of procedural justice might not stem just from the violation of individuals' entitlement to respect, but that respect could also be considered an outcome that should be allocated according to distributive rules. This means that although the concepts of fairness may be applied to respect entitlements, entitlements to respect might not define procedural fairness as Miller has argued. This point is consistent with a number of issues surrounding interpersonal interactions that are raised throughout the current paper. Interpersonal interactions are clearly an important element of fairness. However, it is not clear just how they relate to justice. Are
interpersonal interactions a component of fairness? Is interpersonal treatment inferred from outcomes as well as procedures? If it is, how do individuals make these inferences? And finally, is interpersonal treatment subject to the same “rules” of fairness as other outcomes?

Justice: A Monistic Perspective

One perspective that potentially solves some of these conflicting issues is Cropanzano and Ambrose’s monistic perspective (2001). They argue that the traditional categorization of justice into procedural and distributive components does not reflect the psychological differences that underlie fairness judgments. In particular, they claim that justice is driven by outcomes, but that there are two distinct classes of outcomes that need to be considered: economic and socioemotional. Economic outcomes are tangible items of exchange, such as money and goods, traditionally emphasized by distributive justice. Socioemotional outcomes are those that are entirely psychologically constructed, such as love, status and respect. This is a distinction that was in fact first emphasized by Foa and Foa (1974) and reiterated by Deutsch (1985). However, Deutsch was primarily concerned with distributions of these outcomes that were considered fair rather than the psychological processes that caused those distributions to be considered fair.

Cropanzano and Ambrose (2001) argue that it is not the procedures/outcome dichotomy that is important to justice judgments – after all, procedures can be important because of the resulting outcomes and outcomes can be important because of their interpersonal implications. Instead, they argue that the psychologically distinct aspects of justice judgments are economic and socioemotional outcomes. Traditionally, research on distributive justice has focused on economic outcomes, while research on procedures has often focused on interpersonal outcomes (or socioemotional outcomes such as respect in Cropanzano and Ambrose’s language). However, the definitions of distributive justice and procedural justice do not limit notions of distributive justice to economic
outcomes or procedural justice to socioemotional outcomes and, more importantly, do not emphasize the psychologically distinct aspects of justice judgments, but rather represent the structural aspects of exchange situations.

Consider the case of a seller who overcharges a customer. Under the traditional framework of distributive justice, distributive justice is a function of the customer's outcome relative to some referent standard (perhaps the seller's outcome, perhaps another customer's). This judgment is considered important because of the economic ramifications of the unfair outcome (this is different from a rational perspective which would require that the customer evaluate their outcome strictly in terms of their willingness to pay, which should be based on the intrinsic value of the product). However, the fact that the seller overcharged the customer may well have symbolic meaning. The customer may feel that they were taken advantage of because the seller thought they were naïve or foolish or they may have felt disrespected.

Under the traditional framework of procedural justice, procedural justice refers to the fairness of the procedures that are used to arrive at the outcome. In this case, the seller may have had no particular procedure, or the seller may have used some yield management method for determining the price such as a discounting scheme for book club members – which actually price discriminates against less experienced buyers (for a similar real life example see Amazon's supposed price discrimination over the web; Streitfeld 2000). Judgments of the fairness of such procedures could be important because procedures are apt at conveying the extent to which individuals are valued or respected (Lind and Tyler 1988). However, the procedure could also be important because it leads to a particular outcome (e.g. Conlon 1993; Shapiro and Brett 1993). As is evident, distributive and procedural judgments might both reflect economic and social concerns.
Cropanzano and Ambrose (2001) argue that justice should be defined based on the nature of the outcome rather than the object of the judgment (i.e. a specific procedure or economic outcome). Individuals may judge procedures or outcomes as fair or unfair, but the way in which they make the judgment is determined by whether the outcome is economic or socioemotional. According to this framework, procedures that are important because they influence economic outcomes (instrumental perspective) and economic outcomes themselves are evaluated within a single process. Economic outcomes that have symbolic meaning, procedures that are important because they convey status and respect (relational perspective), and the socioemotional outcomes of direct interpersonal encounters (interactional justice) are evaluated according to a different process.

One way of viewing this perspective is to redefine distributive justice to refer exclusively to economic outcomes and procedural justice to refer exclusively to socioemotional outcomes. This acknowledges that a distinction is important and recognizes that researchers have often considered distributive justice and procedural justice important for different reasons – reasons that are based on a psychological distinction rather than a structural distinction. However, it does not fall foul to some of the specification problems associated with the traditional definitions. It should be noted that this framework is somewhat analogous to the framework outlined in transaction utility theory. Acquisition utility could be considered analogous to the economic outcome of an exchange. Transaction utility could capture the socioemotional components of an exchange, including the social implications of being “ripped-off”.

In some ways, such a perspective simplifies the justice dichotomy. However, relatively little is known about how economic and socioemotional outcomes are evaluated within this perspective. Cropanzano and Ambrose (2001) contend that economic and socioemotional outcomes will be treated in a similar fashion. In particular,
they argue that both types of outcomes will be evaluated according to established rules of distributive justice. This perspective goes almost full circle to Deutsch's (1985) application of distributive justice concepts to a broad range of outcomes. However, even Deutsch stated that there was, "no reason to believe that the canons of distributive justice are the same for different types of goods or harms" (p.32, 1985).

Distributive justice is founded on the principle of a comparison to some referent standard. That is most commonly taken to mean the outcomes and inputs of a comparable other (see section on distributive justice for a more complete discussion). However, there is no clear concept as to what constitutes a relevant standard for comparisons of socioemotional outcomes. If socioemotional outcomes were evaluated in a similar way to economic outcomes then a "monistic" perspective implies that the ratio of one set of socioemotional outcomes and inputs might well be compared to the ratio of another set. However, there is good reason to believe that different types of outcomes will be subject to very different types of comparison (as well as some similar types of comparisons).

Referent Standards

When it comes to economic outcomes, judgments of distributive justice involve a comparison to some psychologically relevant standard. One of the most well known frameworks for evaluating the fairness of outcomes under the rubric of distributive justice is equity theory. Equity theory states that judgments of fairness involve a comparison of the ratio of one set of outcomes and inputs to the ratio of another set of outcomes and inputs. That comparison is frequently across individuals: one individual judges the fairness of their outcome by comparing their outcome and inputs to another's. That notwithstanding, equity theory states that comparisons can be made against any ratio that is deemed relevant (including expected future ratios and past ratios). Thus, distributive justice is a relative concept; one that often involves social comparison.
But how would such comparisons be calculated when the outcomes and inputs in question are socioemotional in nature? If procedural justice really does encompass outcomes of a socioemotional nature, then it is crucial to understand how those outcomes are evaluated. One possibility is that they are evaluated in a similar fashion to economic outcomes (Cropanzano and Ambrose 2001). This would mean that socioemotional outcomes might be compared to the socioemotional outcomes that comparable others experience, or that have been experienced in the past, etc. Another possibility is that socioemotional outcomes have absolute standards; standards that are established by guiding moral and ethical principles. In this case, procedural injustices occur when those moral principles are violated and individuals' socioemotional outcomes are lower (or higher) than the prescribed standard.

Consider the case of an insult. To evaluate an insult in the same way as an economic outcome would require that the insulted person compare the ratio of their socioemotional outcomes (i.e. the insult received) and inputs (i.e. whatever they did to deserve the insult) to a comparison ratio. In a situation where the insulter is a third person who insults one person but not another, the insulted person could compare their ratio to the ratio of the person who was not insulted. Assuming that the insulted person believed that both people deserved to be insulted, the ratio of the insulted person's outcomes to inputs will be higher than the ratio of the person who was not insulted. Consequently, the situation would be considered unjust. Thus, a simple insult could be analyzed under the framework of distributive justice. However, there are a couple of problems with such an analysis.

The first is that it is undoubtedly more difficult to compare outcomes that are socioemotional in nature than economic, yet alone evaluate the socioemotional outcome of another. This implies that such a comparison may not be psychologically feasible. The second problem lies in the fact that the comparison is the heart of the injustice under this
framework: allocations are only considered unfair relative to someone else's allocation (or another instance of your own allocation). It seems unlikely that such a comparison is the only process that underlies the injustice of an insult. The insult is not just unfair because the condition of the insulted person differs from that of the other person, but also because the insult violates a basic tenet of the way individuals should be treated. That tenet might state that individuals should be respected (Miller 2001). Consequently, it seems reasonable to suggest that evaluations of socioemotional outcomes can involve both relative and absolute standards.

Cropanzano and Ambrose (2001) argued that socioemotional outcomes are evaluated according to distributive rules, meaning they are judged relatively rather than absolutely – consistent with Greenberg's (1993) conceptualization of interpersonal justice. They cited two sets of studies (Greenberg, Eskew and Miles 1991; van den Bos, Vermunt and Wilke 1996) to support their position. The studies showed that individuals experienced less procedural injustice from lack of voice when they were initially led to believe that they would have limited opportunity to express their opinion than when they expected to be able to participate. The study by Van den Bos et al. (1996) showed that individuals reported greater procedural injustice when they were granted voice after they had been told voice would not be permitted than when they were not granted voice at all. Cropanzano and Ambrose (2001) argued that these studies demonstrated procedural justice was judged relative to expectations rather than against a basic entitlement to voice. If voice was a basic entitlement then it should have yielded judgments of procedural justice (and not injustice) regardless of expectations.

However, it is possible that two procedural principles were relevant to these situations. The first is that individuals expect to have the opportunity for voice. The second is that individuals expect others to adhere to their commitments. Thus, while individuals may have received voice positively, the fact it was granted after they had
been told it would not, constituted a violation of a previous commitment. In this case, the
valence of procedural justice judgments could presumably reflect whichever aspect of
procedural justice held most sway. On the one hand, individuals were granted voice – a
principle they probably expected to be adhered to in the first place. On the other hand,
they were lied to – they were told they would not be permitted voice, but they
subsequently were. Thus, the apparent injustice felt at being granted voice could reflect
the fact that individuals were lied to rather than the fact that they were comparing their
outcome to a relative standard.

Further evidence that procedures are sometimes evaluated against absolute
standards comes from a study by Ambrose, Harland and Kulik (1991). They set out to
demonstrate that individuals who had no choice in a task would feel more procedural
injustice when they were able to compare themselves to others who had choice.
Contrary to the expectations of the authors, participants appeared to feel no more
injustice when they were aware of others who had choice. Although this could simply be
viewed as a null effect (or a floor effect), it would seem to support the notion that there
are some standards individuals do not expect to be violated. In this case, it might have
been participants’ freedom of choice.

Of course, that is not to say that all procedures are evaluated against absolute
standards. It is probable that procedures are judged against absolute and relative
standards depending on the context. For example, in the case of the insult examined
earlier, it is possible that the injustice of an insult would be lessened were it known that
the insulter routinely insults everyone. In this case, the insult might violate a fundamental
entitlement to respect, but receiving an insult that everyone else receives provides a
socially comparable benchmark that has not been violated. The relative contributions of
each comparison (to the absolute standard and the socially constructed standard) might
vary as a function of the salience of each comparison dictated by the context. For
example, if the insulter had just insulted a number of other individuals, the social comparison is likely to be more compelling than if one was insulted in isolation.

Rethinking the Procedural/Distributive Distinction

The perspective adopted in this paper is that judgments of procedural and distributive fairness are both fundamentally comparative processes (Adams 1965; Cropanzano and Ambrose 2001; Crosby 1976; Deutsch 1985). When it comes to economic outcomes, judgments of distributive justice involve a comparison between actual outcomes and a relevant standard established by the context. These referent standards are relative standards because absolute standards do not exist (how can a fair wage be determined without referencing others' wages or one's prior wage?). Often, these comparisons are social in nature (Martin 1981), although they may be based on past or expected future outcomes, etc. (Adams 1965). This is consistent with the traditional perspective of distributive justice (especially Adams 1965).

Procedural justice, on the other hand, is viewed quite differently to the traditional model (Leventhal 1976; Thibaut and Walker 1975). The traditional model is based on the structural qualities of allocation situations. Procedures are viewed as the sequence of steps necessary to arrive at an outcome allocation and are therefore dependent on the structure of the system responsible for allocating outcomes. However, the sequence of steps leading to outcomes typically varies by situation. Procedural justice was developed in a legal context where there are clearly defined procedures prior to the allocation of outcomes. This structure transferred quite readily to organizational settings where outcomes such as wage often have clearly defined procedural antecedents (e.g. qualifications, seniority, hours, ability, etc.). However, exchange contexts do not always have clearly defined and separable procedures and outcomes. Furthermore, procedures (defined as the steps that lead to an outcome) can often reflect the importance of the
outcome (Conlon 1993). This means that there is little to distinguish the psychological import of procedures from outcomes under the traditional model.

Researchers in organizational psychology began to recognize that procedures might reflect a psychologically distinct aspect of justice (e.g. the relational perspective; Lind and Tyler 1988). However, the framework of procedural and distributive justice was not updated to reflect this change. Rather, it was believed that procedures tended to convey social value (respect, dignity and status) better than outcomes (Tyler and Lind 1992). This allowed for the integration of structural and psychological frameworks of justice: procedures lead to outcomes and they convey social value better than outcomes. However, it has been acknowledged that outcomes can convey social value (Homans 1961; Cropanzano and Ambrose 2001; Miller 2001; Greenberg 1993).

Unfortunately, we do not know the full extent of their ability to convey social value as this has been rather understudied (Cropanzano and Ambrose 2001; Miller 2001) – perhaps because there was no place for it in an integrative model of justice. Thus, the traditional model of procedural and distributive justice reflects structurally separable aspects of exchange situations rather than psychologically distinct aspects. Procedural justice came to be associated with the social component of justice (as compared to the economic component). However, the procedural-distributive distinction needs to be redefined if we are to approach a psychological theory of justice. Consequently, this paper adopts a perspective similar to Cropanzano and Ambrose (2001) that defines procedural justice relative to psycho-social outcomes (socioemotional outcomes in their lexicon) rather than the methods used to determine outcomes.

A Procedural Alternative

The concept of procedural justice is equated with fairness judgments of socioemotional outcomes (Cropanzano and Ambrose 2001). It is assumed that socioemotional outcomes are the result of the way an individual is treated by another
individual or organization. Consequently, procedural justice is an evaluation of the way an individual is treated compared to some referent standard. This is quite different from the traditional definition of procedural justice, which emphasizes the methods that are used to determine allocations (Levanthal 1980; Thibaut and Walker 1975; Tyler 1989). However, it bears much in common with the relational model of procedural justice (Lind and Tyler 1988), among others (in particular, Miller 2001). This explanation states that procedures are psychologically important because they convey respect, status and dignity (Cropanzano and Ambrose 2001; Greenberg 1993; Lind and Tyler 1988; Tyler 1989). Implicit in this definition is the notion that individuals should be treated with respect. The framework adopted in this paper contends that there are established standards for behaviour that convey respect. Consequently, judgments of procedural justice are considered to involve a comparison between the way in which an individual is treated and an established, relevant standard that would convey respect. This perspective attempts to emphasize the comparative nature of justice and the reasons it is socially meaningful.

Although this definition emphasizes socioemotional outcomes, it is important to note that they are not treated in exactly the same fashion as economic outcomes. Socioemotional outcomes can be judged in a manner similar to economic outcomes (e.g. relative to the outcome of another individual), but they are also judged relative to established, absolute standards (e.g. Leventhal 1980). To illustrate, socioemotional outcomes may be judged as procedurally unfair because they are deemed to be unfavorable relative to the outcome of comparable others (as economic outcomes may be evaluated; Cropanzano and Ambrose 2001). However, they may also be judged as procedurally unfair because they violate a basic tenet of humanity (such as being treated with respect; Miller 2001). One important goal of the current research is to identify established, absolute standards (i.e. social norms) that exist in exchange. It is
hypothesized that violations of these norms lead to perceptions of procedural injustice and that this can influence consumers' reactions even when their outcomes are unaffected.

Origins and Content of Procedural Standards

Research in organizational psychology has generally contended that fair procedures are those that convey sufficient respect, status and dignity. Under the framework adopted in this research, procedural justice involves a comparison between the way in which an individual is treated and the way in which an individual should be treated to convey sufficient respect. The referent standard in these judgments is the treatment or behaviour that would convey sufficient respect. However, there are numerous types of behaviour that could convey respect and they are likely to be considered more or less appropriate in different contexts (culture, situation, etc.). For example, in Japan it is considered inappropriate for marketers to engage in comparative advertising (Dunfee, Smith and Ross 1999), presumably because such comparisons are considered disrespectful. Consequently, firms that violate this norm will likely be considered procedurally unjust and will incur the wrath of morally outraged consumers. In contrast, there is no such norm in North America and comparative advertising is regarded as par for the course.

The difficulty in arguing that judgments of procedural justice involve a comparison to established, absolute standards is that it is not clear what the content of those standards might be. When it comes to judgments of distributive justice, this problem is abated by specifying that individuals' outcomes and inputs are compared to other sets of outcomes and inputs. The theoretical standard is clear even if the set of outcomes and inputs that will be used as a reference is not. In contrast, procedural standards are abstracted from societal values about how individuals should treat one another – and there are no coherent views on the content of those values within the
procedural justice literature. Fortunately, there is other research that is relevant. In particular, research on social norms (Cialdini and Trost 1998; Miller and Prentice 1996; Sherif 1936; Triandis 1994), religious values (Stone-Romero and Stone 1998), ethics (Dunfee, Smith and Ross 1999; Tsalikis and Fritzsch 1989), moral norms and obligations (Cropanzano, Byrne, Bobocel, and Rupp 2001; Cropanzano, Goldman, and Folger 2003; Folger and Cropanzano 1998) and research on the nature of procedural injustices sheds some light on the societal values that may inform the standards against which individuals compare their treatment.

Research on social norms suggests that individuals hold common beliefs and values that provide guidelines and, in some cases, standards for behaviour (Cialdini and Trost 1998). Pressure to adhere to these norms can come from a number of sources: including valued others (Fishbein and Ajzen’s (1975) subjective norms), the self (Schwartz 1977), observation of others (Cialdini, Reno and Kallgren 1991) and general societal expectations (Blake and Davis 1964).

Cialdini and Trost (1998) argued that social norms can be divided into two broad categories: descriptive norms and prescriptive or injunctive norms. Descriptive norms are derived from the way individuals or groups generally act in particular situations and can act as a guide for appropriate behaviour in these situations. Descriptive norms are often important in novel situations where “appropriate” behaviour is unknown (Gilbert 1995) and they may work as a social heuristic by providing important social information relatively efficiently (Cialdini 1993; Deutsch and Gerard 1955). However, some norms go beyond simply describing consensual behaviours and dictate ways in which individuals should act. These injunctive or prescriptive norms form the “moral rules of the group” (Cialdini and Trost 1998) and consist of the behaviours and attitudes that group members approve or disapprove of (Cialdini, Kallgren and Reno 1991). Adhering to
these norms is likely to enhance acceptance and liking by others (Baumeister and Leary 1995) – at least, others who subscribe to the norms.

One of the problems with categorizing norms as descriptive or injunctive is that it implies such distinctions can be readily made. In reality, norms are probably often characterized by aspects of each category and it would be difficult to specify whether they simply describe what people do or specify what people should do. In many cases, these are probably one and the same. In fact, Dunfee, Smith and Ross (1999) claim that the “is” becomes the “ought”, meaning that the way people act provides standards for the way people should act. Miller and Prentice (1996) do not even make the distinction between descriptive and injunctive norms, but rather describe social norms as attributes of groups that are both descriptive and prescriptive. In other words, norms indicate how members of a group act and how they should act.

That is not to say that a descriptive/injunctive distinction is not useful though, but simply that it is a matter of degree. In certain cases the distinction between prescriptive and injunctive norms can prove quite useful – for example, when the “is” violates the “should”. Dunfee, Smith and Ross (1999) cited such a case involving Canadian market researchers: despite the fact that the Professional Marketing Research Society of Canada (1984) provides guidelines that Canadian market researchers should provide respondents with a reasonably accurate estimate of the amount of time that a telephone survey will take prior to commencing the survey, the majority of Canadian market researchers surveyed admitted to intentionally misleading consumers. In this case, standard market research practice of misleading consumers in telephone interviews (the descriptive norm) violates a recognized injunctive norm based on honesty.

Dunfee, Smith and Ross (1999) describe the situation in terms of authentic norms and hypernorms. Their dichotomy is similar to the descriptive/injunctive categorization. However, their definitions provide a clearer distinction between
descriptive norms and those that are based on moral principles. They argue that a norm is authentic if it represents the attitudes and behaviour of a certain group and provides members with the opportunity of voice and exit. In other words, they define an authentic norm as a descriptive social norm with voice and exit (these last two stipulations are included as an aid to ethical decision making).

Hypernorms are defined (using Donaldson and Dunfee's (1994) definition) as, "principles so fundamental to human existence that ... we would expect them to be reflected in a convergence of religious, philosophical, and cultural beliefs." They outline a number of (non-exhaustive) standards for hypernorms, including: respect for life and health, honoring obligations, treating people with dignity and respect, prohibiting deception without substantial justification, respecting property rights, and prohibiting bribery. There may, of course, be others, including love of family, openness, not taking advantage of people, respect for the environment, respect for culture, etc. Hypernorms represent the highest level of moral and ethical standards established by religion, culture and philosophy and are a good candidate for the basis of injunctive norms and norms that provide the referent standards for procedural justice. That is, hypernorms provide a set of general moral and ethical principles that form the basis of more specific injunctive norms and provide a standard against which individuals might compare the manner in which they are treated. One goal of the current paper is to demonstrate that treatment that violates these principles forms the basis of procedural injustice.

These standards bear more than a passing semblance to other standards established by researchers concerned with the nature of moral and ethical standards. For example, they are similar to the moral obligations outlined by Folger and Cropanzano (1998), the six standards of procedural justice outlined by Leventhal (1980), the religious codes of conduct described by Stone and Stone-Romero (2001), the principles of Kantian ethics (Bowie and Duska 1990), and even the moral codes that
seem to operate within various primate species (De Waal 1996; Kalma 2002). There seems to be similar methods of moral reasoning that employ such principles across cultures (Kohlberg 1968) and broad agreement with these principles across large samples of managers (Kanter 1991). In short, it seems that there are at least a small set of moral and ethical principles that have universal acceptance.

That is not to say that the specific norms that represent those principles in practice will be the same across cultures, contexts, time, etc. In fact, there is likely to be considerable variance across such norms. For example, in mainland Europe respect towards friends is typically demonstrated by kissing, in North America it is a handshake. Direct inheritance is consistent with love of family in most of the western world (i.e. inheritance of property by children or grandchildren). However, in a number of matrilineal cultures (Kalma 2002), men’s sister’s sons inherit their wealth. In North America, it would be quite unfair for a man to pass on his wealth to his sister’s sons rather than his own. Respect for life in the nomadic Akuryo Indians of South-East Suriname demands that old members of the group who can no longer keep up be left to die (Kalma 2002). This is contrary to almost any moral norm that would represent respect for life in western cultures. To take an example closer to home, it is probably quite acceptable for an individual’s spouse to borrow money from their wallet, but were a friend to do this it would constitute a serious violation of respect. Thus, treatment that violates procedural standards in one culture or context may not violate and may even be consistent with procedural standards in different cultures and contexts – specific injunctive norms may vary even if the underlying principles (hypernorms) are similar.
Norms in Marketing

Marketing, like most other areas of human interaction, is probably subject to the basic set of principles described earlier as hypernorms\(^1\) and their context-specific manifestation as injunctive norms. The nature of injunctive norms in marketing contexts may even be more restrictive on marketers (Rust and Oliver 2000) than the norms that govern typical interpersonal situations, given the implicit understanding that marketers' activities are designed to further their own interests. For instance, in a typical sales situation there appears to be some expectation that the salesperson will be particularly friendly (Ford 2001; Speer 1995) and should perhaps acquiesce to customers' opinions ("the customer is always right" phenomenon) – perhaps more so than in other interpersonal interactions. Perhaps part of the reason for this stems from customer perceptions that they are doing the salesperson (or firm) a favor by purchasing from them as opposed to a competitor; and the salesperson might be expected to acknowledge this "favor" through somewhat deferential behaviour.

However, despite the possibility that these norms are even more stringent than those that typically govern interpersonal interactions, marketers violate these standards all the time: telemarketers call at home (violating the privacy of the home; Andrews 1999), but they also call at dinner time (violating a norm even friends might be expected to observe); salespeople are not forthcoming with important information about the products they sell (Strout 2002); banks, cell phone companies and lawyers (to name a few) often charge retrospectively by not informing customers prior to using a service that they will be charged for that service (e.g. Sullivan 1992); the same cars are sold at different prices to different customers (Day 1996; Edgerton 1994), as are airline tickets (Sager and Black 2003); clothing salespeople violate one's personal space (McElroy, 1997).\(^{39}\)

\(^1\) There are probably only a handful of instances where hypernorms cease to be relevant and these probably involve extreme survival circumstances such as war, famine, drought, etc.
Morrow and Eroglu (1990) in an attempt to get commission; companies routinely offer no explanation when their products and services fail (Folkes and Kotsos 1986) and typically offer no recompense; and a large number of firms subject customers to outrageously long waiting times (Antonides, Verhoef and van Aalst 2002) and impersonal computerized systems (Booth 1999) when customers attempt to contact them with even the simplest inquiries. These represent just a few of the norms that marketers violate and that have their origin in the moral and ethical principles found in everyday social interactions across much of North America and Europe. In this research, the impact of the violation of two specific norms will be examined: norms of consistency and of openness.

Consistency

The principle of consistency is a principle that is central to both distributive and procedural justice. Adam’s equity theory (1965) states that distributive fairness requires that the outcome/input ratio is equal across individuals. That means that the outcomes associated with unit inputs must be consistent across comparison standards (Messick 1993). Leventhal (1980) specified that consistency was also a necessary (but not sufficient) requirement of fair procedures. The idea was that for procedures to be fair they must be applied consistently across individuals, time, etc. When viewed from the instrumental perspective, consistency is important for procedures for much the same reason that it is important for distributive fairness. In both cases, consistency means that the allocation of outcomes will be the same across relevant comparisons.

However, it is possible that consistency is important in and of itself, perhaps as an acknowledgement of the inherent equality of individuals. In this case, consistency should be important whether or not it has an effect on outcomes because it communicates that each individual is respected and valued. According to the framework of this paper, Leventhal’s consistency principle can be considered an injunctive norm
that indicates individuals should be treated consistently. This norm is one manifestation of the hypernorm of respect. While this norm is clearly relevant to outcomes, consistency is also relevant to treatment. Consequently, violation of the norm can have both distributive and procedural consequences. Consistency might help prevent inequitable outcomes, but it might also serve to acknowledge that individuals are equally respected. Study 1 will attempt to separate the distributive and procedural effects of consistency.

H1: Violation of a consistency norm will lower perceptions of unfairness, satisfaction, and procedural justice.

H2: The effect of the violation of consistency on unfairness and satisfaction will be mediated by perceptions of procedural justice.

Openness

When Greenberg (1993) described justice along two axes: a procedural/distributive dimension and a structural/social dimension, he titled the procedural/social quadrant "informational justice". Informational justice is achieved when individuals are given sufficient explanations concerning the procedures that are relevant to them and their associated outcomes. Such explanations are assumed to be important because they imply that individuals are worthy of receiving an explanation, and are therefore respected and valued (consistent with the relational perspective on procedural justice). Colquitt et al. (2001) provided additional support for this model by showing that a confirmatory factor analysis supported four dimensions, one of which was informational justice, and that structural equation modeling demonstrated the predictive validity of these dimensions.

According to the framework described in this paper, explanations are another manifestation of a hypernorm of respect. Specifically, the injunctive norm dictates that individuals should be provided with information that is relevant to their outcomes whether or not it would actually affect their outcomes. Violation of this norm is a violation of the
underlying hypernorm and consequently should result in perceptions of procedural injustice. This norm will be referred to as a norm of openness. In a marketing context, such a norm would dictate that marketers (salespeople, advertisers, managers, etc.) provide information that is relevant to consumers’ purchases. When marketers do not provide that information, a procedural injustice exists. The existence of this norm and the consequences of its violation will be examined in study 2.

H3: Violation of an openness norm will lower perceptions of fairness, satisfaction, and procedural justice.

H4: The effect of the violation of openness on fairness and satisfaction will be mediated by perceptions of procedural justice.

Together, these studies attempt to demonstrate that procedural justice is an important determinant of consumers’ perceptions of fairness in a pricing context. Furthermore, they attempt to delineate the psychological processes underlying judgments of procedural justice. Studies 1 and 2 demonstrate that procedural justice has an important impact on fairness. Moreover, procedural justice appears to influence perceptions of fairness even when there is no corresponding effect on material outcomes. These studies further demonstrate that procedural justice stems from the violation of underlying prescriptive norms. A third study explores the reasons why consumers react to norm violation in the absence of material consequences. Specifically, it is predicted that the reason norm violation affects perceptions of procedural justice is because it lowers consumers’ self-evaluations.

H5: Violation of a normative principle with lower perceptions of procedural justice (H3) and consumers' state self-esteem.

H6: The effect of the violation of a normative principle on perceptions of procedural justice will be mediated by consumers' state self-esteem.

Study 1 first replicates findings that consumers find it unfair to pay more for a product than other consumers (Darke and Dahl 2003). In this case, the consistency
violation entails both procedural (respect) and distributive (material outcome) consequences. Consistent with the hypotheses, it is subsequently demonstrated that perceptions of unfairness were reduced when the consistency norm was observed even though this did not change consumers' material outcomes (i.e. they still paid a higher price than the other consumer). This effect was shown to be mediated by perceptions of procedural justice, indicating that violation of the consistency norm led to perceptions of procedural injustice. Study 2 demonstrated that violation of the openness norm was also considered unfair. As in study 1, this was caused by the effect of the violation on perceptions of procedural justice. Importantly, this occurred even when consumers were aware that the violation would not have affected their material outcome. The final study demonstrated that one of the reasons consumers reacted negatively to norm violation was because such treatment reduced their self-esteem.
Study 1

The purpose of study 1 is to demonstrate that the violation of consumers' normative beliefs (i.e. underlying principles) contributes to perceptions of unfairness. This is shown to be the case both when a transaction is considered distributively fair and distributively unfair, meaning that consumers seem to care about the principle in isolation of the fairness of their outcome. It is further demonstrated that the effect of the violation of a normative principle on fairness is mediated by perceptions of procedural justice. Together, these findings suggest that procedural justice is distinct from distributive justice and that it has a unique impact on perceptions of fairness.

In this study, fairness is examined in a setting where consumers have information concerning another consumer's purchase. According to equity theory, individuals will compare their outcome to the outcome of a comparable other relative to each of their inputs. Consistent with this, Darke and Dahl (2003) showed that consumers considered it unfair when they paid a higher price than another customer. Moreover, this difference was considered less unfair when the other customer's inputs were greater (in that the consumer who paid the lower price was known to be a loyal customer). Consequently, it is expected that consumers will use information about another customer's purchase to judge the fairness of their own material outcome.

However, it is also expected that consumers will react not just to the material differences associated with a price discrepancy, but also to the violation of the principle of consistency. Although this principle is often likely to be confounded with consumers' material outcomes, there are circumstances where the principle will have no affect on material outcomes. For example, consistency can refer to the application of a particular policy, rather than the consistency of the material outcomes that stem from the policy. In this case, it should be possible to examine the effect of the violation of consistency independent of differences in material outcomes.
To illustrate, consider the case of a store that has a student discount policy. The inconsistent application of the policy would involve asking certain customers whether they are students while not asking other customers. If a student was not asked, they would presumably pay a higher price than they should – meaning they might react to both the distributive injustice and the fact they were not asked. However, if a non-student was not asked, their outcome is no different than it would have been otherwise. Consequently, any perceived unfairness presumably results from the inconsistent application of the policy rather than material differences in their outcome.

This study attempts to isolate the effect of the violation of the principle of consistency by examining consistent and inconsistent applications of two policies. The policies were chosen so they did not affect consumers' outcomes whether or not they were applied. The study further addresses the question of whether outcome fairness can compound consumers' reactions. In one case the policy was chosen to reward customers according to an input that was not related to merit. In particular, the policy granted students from one university a discount, while students of other universities received no such discount. According to equity theory, outcomes based on inputs that should not be relevant will be considered distributively unfair (Adams 1965). In the other case, the policy was chosen to reward customers according to their merit. In particular, loyal customers received a discount. To the extent that loyalty is considered a relevant input, such a discount should be considered distributively fair (Darke and Dahl 2003; Huppertz, Arenson, and Evans 1978). Consequently, the consistent and inconsistent application of a policy can be examined across two levels of distributive fairness.

\[ H_{2b} \text{: Perceptions of fairness and distributive justice will be lower when consumers' material outcome is based on a less relevant input (university), than when it is based on a more relevant input (loyalty).} \]
The effect of the relevance of consumers' input on fairness will be mediated by perceptions of distributive justice.

Method

One hundred and forty-two subjects (46 males and 96 females) from a large northwestern university participated in a scenario study in return for credit towards their course. Each participant read a scenario that described the purchase of a portable stereo from a local retailer. Participants later discovered that another student had bought the same stereo but had received a discount. The reason for the discount varied by experimental condition. In one case, the other student received the discount because they were a loyal customer. In the other case, they received the discount because they attended a competing university. This constituted the Input-Relevance manipulation.

In addition, half of the participants were asked by the salesperson whether they qualified for the discount. The remaining participants were not asked. This constituted the Norm-Violation manipulation. In all cases, the other student described in the scenario qualified for and received the discount. Consequently, the norm of consistency was observed for those participants who had been asked if they qualified and violated for those participants who had not been asked. Importantly, none of the participants qualified for the discount whether or not they were asked, meaning that the other student always paid a lower price. The Input-Relevance and Norm-Violation manipulations were fully crossed resulting in a 2 x 2 between-subjects factorial design. Two additional conditions were included that were designed to anchor the fair and unfair control situations. In the fair control condition both customers paid the same price. In the unfair control condition the other customer received a discount, but there was no reason cited at all. Further rationale for the manipulations is provided below.

Participants were run in groups of 4 – 8, but were seated at individual desks, separated by dividers. They were randomly assigned a version of the scenario which
varied according to experimental condition. After participants had read the scenario they were asked to complete the attached questionnaire (appendix 1).

Scenario

In the scenario, participants were told that they were interested in purchasing a new, portable stereo. After talking to several friends and consulting various magazine and catalogues they had decided on a particular model, the SONY-3500S, which cost approximately $200. They visited a local, family owned store called Stereo-Stereo that they knew had reasonable prices. After testing the stereo they decided that it was definitely the right one for them. The stereo cost $199, which was consistent with their expectations, so they decided to purchase the stereo and take it home with them. Participants in all conditions paid the full price of $199. The next day they were in class waiting for the lecture to begin when they overheard another student talking to a friend. Coincidentally, the student was also at Stereo-Stereo the day before and purchased the same stereo. However, this student received a discount and paid only $159 (except in the fair control condition).

Input-Relevance Manipulation

Half of the participants read that the other student received a discount because they were a loyal customer. The other half of the students read that the other student received a discount because they were from a competing university. According to equity theory, one way individuals judge the (distributive) fairness of their outcome is by comparing the ratio of their outcome and inputs to the ratio of another person’s outcome and inputs. Equity requires that the outcomes of each person are in proportion to their inputs. Therefore, one reason inequity can exist is because an individual’s outcome is based upon inputs that are not considered relevant to their outcome (Adams 1965).

In the context of this study, it was expected that loyalty would be considered at least somewhat relevant to outcomes (in particular, a discounted price; Darke and Dahl
2003; Huppertz, Arenson and Evans 1978), whereas the university that a customer attended should be considered less relevant. Consequently, it was expected that participants would consider their outcome more distributively fair when the other student received the discount because they were loyal than when the other student received the discount based on the university they attended.

**Norm-Violation Manipulation**

Participants' interaction with the salesperson was manipulated in such a way that the consistent or inconsistent application of the policy was independent of the Input-Relevance manipulation. Half the participants read that the salesperson had asked them whether they qualified for a discount based on their loyalty or the university they attended (depending on the Input-Relevance manipulation). In these conditions the salesperson applied the policy to both the participant and the other student, thereby observing the consistency norm. The remaining participants were not asked whether they qualified for a discount even though the other student had been asked. Consequently, this represented a violation of the consistency norm. In all cases, it was apparent that participants themselves would not qualify for the discount – it was their first time at the store and they did not attend the university that was being offered the discount. Therefore, the Norm-Violation manipulation had no effect on participants' outcome – they paid a higher price than the other student regardless of whether the consistency norm was observed or violated. Consequently, there should be no effect on perceptions of distributive justice. Appendix 2 summarizes the experimental conditions.

**Control Conditions**

The two control conditions were designed to anchor the maximally fair and maximally unfair possibilities within the context described in the scenario. In the fair control condition, participants read that the other student had paid the same price as them (both paid the full price of $199). In this case there should be no distributive
injustice (participants’ outcome was the same as the other student), and there should be no procedural injustice (participants’ were treated in the same way as the other student). In the unfair control condition, participants read that the other student had received a discounted price but no reason was given. In this case not only were participants’ comparative outcomes less than the other student’s outcome, but they had also been treated inconsistently.

To summarize, it is predicted that consumers’ perceptions of fairness are related to both their material outcome (distributive concerns) and underlying principles (procedural concerns). The Input-Relevance manipulation was chosen to affect the fairness of consumers’ material outcomes. The Norm-Violation manipulation was chosen to represent one way in which a principle of consistency might be violated, while leaving consumers’ material outcomes unaffected. Consequently, it should be possible to test whether the violation of an underlying principle affects perceptions of fairness, whether the effects of such a violation are affected by the fairness of material outcomes, whether distributive and procedural justice have distinct antecedents that can be manipulated independently, and finally, whether the principle can be an important determinant of fairness even when material outcomes are equitable.

Measures

After participants had read the scenario, they were immediately asked to list any thoughts they would have in such a situation. These listings were coded to determine the number of thoughts that related to fairness concerns. One of the problems with measuring fairness is that it is difficult to ascertain the validity of fairness measures. For example, consumers seem likely to agree that low prices or generally favorable outcomes are fair, even when fairness is not specifically what they mean. Darke and Dahl (2003) attempted to address this issue by showing that perceptions of price fairness varied according to the principles of equity theory. However, even such efforts
are susceptible to demand resulting from priming participants with fairness measures. One way of addressing the validity of fairness measures is to examine whether participants spontaneously consider fairness before they have completed any fairness protocols. Consequently, participants in the present study were first asked to list any thoughts they had about the situation. The number of thoughts that specifically related to fairness was coded. This included all thoughts that mentioned fairness, unfairness or justice. Furthermore, thoughts that mentioned being taken advantage off or being “ripped-off” were also included.

Next, participants were asked to complete a questionnaire (appendix 1) that consisted (in the following order) of measures of satisfaction, overall perceptions of fairness (global fairness), perceptions of distributive justice, perceptions of procedural justice and the reference price of the stereo. The primary dependent measures were the measures of global fairness and satisfaction. It was hypothesized that the measures of procedural justice and distributive justice would mediate the effect of the experimental manipulations on these measures. Consequently, measures of satisfaction were completed first, followed by global fairness and then the measures of distributive and procedural justice.

Purchase Satisfaction Index

The satisfaction index consisted of five items (taken from Darke and Dahl 2003). Participants were asked to rate the extent to which they were satisfied/dissatisfied, happy/unhappy, delighted/disappointed, excited/indifferent, and pleased/displeased with their purchase (α = .91). All items were rated on 7-point scales, ranging from -3 to +3.

Global Fairness Index

Global fairness was measured using the mean of four items (α = .88, also taken from Darke and Dahl 2003). This measure asked participants about the perceived fairness of their purchase as a whole. Participants rated the extent to which they agreed
or disagreed that their purchase was fair, honest, justified, and unfair. All items were rated on 6-point scales, anchored by strongly disagree (-3) and strongly agree (+3). Scales were recoded from 1 to 6 to account for the absence of a 0 center point.

**Distributive and Procedural Justice Indices**

All measures of distributive and procedural justice were rated on 5-point scales, ranging from 0 to 4. Distributive fairness was measured using the mean of three items ($\alpha = .89$). This measure specifically asked participants about their perceptions of the reason for the discount. This was designed to capture the extent to which participants thought the other student's input (i.e. loyalty and university attended) was a legitimate basis for the discount. Participants rated the extent to which they agreed that the reason the other student received the discount was legitimate, justified, and reasonable.

The procedural scale consisted of four items ($\alpha = .85$) that related to the way participants were treated (adapted from Colquitt et al. 2001). Specifically, the items asked participants the extent to which they agreed or disagreed with the following statements: “do you feel that the store treated you with respect?”; “did the store show you sufficient customer appreciation?”; “did the company treat you and other customers appropriately?”; and “did the store act ethically?” Participants were also asked what they thought would be a fair price (in dollars) for the stereo. This provided a reference price against which participants might compare the price they paid (Thaler 1985). Consequently, the effect of the reference price on perceptions of fairness could be examined.

**Factor Analysis of Satisfaction, Global Fairness and Justice Indices**

The overall fairness, satisfaction, distributive justice and procedural justice measures were factor analyzed to provide evidence of their discriminant validity. A canonical decomposition of the correlation matrix and examination of the eigenvalues pointed to three or four underlying factors (the Kaiser-Guttman rule suggested three
factors; examination of the scree plot suggested three or four factors. Maximum-likelihood factor analyses showed that the null hypothesis associated with the $\chi^2$ goodness of fit statistic could be rejected with four factors ($\chi^2(68) = 76.68, p = .099$). Consequently, a four factor, unweighted least squares solution was rotated using the direct oblimin method ($\delta = 0$). The rotated pattern matrix (table 1) showed that items loaded reasonably clearly on the appropriate factors. There were no complex items (i.e. items with more than one salient loading – where loadings were considered to be salient above $|.40|$), all loadings were salient on the appropriate items and the hyperplane count was high (33 out of a possible 48 – where items with loadings < $|.10|$ were considered to be in the factor hyperplane). Thus, there was reasonable evidence that the measures adequately and distinctly captured the four constructs of interest. Correlations between the scales are shown in table 2.

**Manipulations Checks**

Manipulation checks were included to ensure that subjects had been aware of the price they paid, the price the other student paid, and the reason for the difference in these prices. Ninety-eight percent of subjects correctly recalled that the other student had paid less for the same stereo (or the same in the one control condition) and 93% correctly recalled the reason for the discount, indicating the experimental manipulations were effective.

**Results**

All means and ANOVA results can be seen in table 3.

**Purchase Satisfaction Index**

A $2 \times 2$ (Norm-Violation: consistency observed vs. consistency violated) x 2 (Input-Relevance: input of other student relevant vs. not relevant) between-subjects ANOVA showed a significant main effect of the Norm-Violation manipulation ($F(1, 156) = 8.51, p < .01$). Consistent with $H_1$, consumers were less satisfied with their purchase when they
had not been told about the store’s discount policy than when they were told (Ms = -.92 vs. -.35). Violation of the normative principle of consistency appeared to negatively impact satisfaction, despite the fact this had no effect on consumers’ material outcome. There was no effect of the Input-Relevance manipulation (F < 1) and there was no interaction (F < 1).

A comparison to the fair control condition indicated that even when a differential pricing policy was based on loyalty and applied consistently, consumers were less satisfied than when all customers paid the same price (Ms = -.34 vs. 1.39; F(1, 65) = 36.60, p < .001). Surprisingly, a comparison to the unfair control condition indicated that consumers were somewhat more satisfied with inconsistent pricing when there appeared to be a reason than when there was no reason at all (even though the reason was chosen to be irrelevant to outcomes; Ms = -1.03 vs. -1.51; F(1, 69) = 3.63, p = .061). Overall, these findings suggest that consumers were generally dissatisfied with differential pricing (at least when they were paying the higher price). Even the consistent application of a legitimate pricing policy did not provide a level of satisfaction comparable to that of a single price. Finally, even an illegitimate basis for the different prices appeared to be better than providing no reason at all.

Global Fairness Index

An ANOVA on perceptions of global fairness showed significant main effects of both experimental manipulations (Input-Relevance manipulation: F(1, 156) = 8.00, p < .01; Norm-Violation manipulation: F(1, 156) = 25.01, p < .001). Consistent with H2b, individuals found the other student’s discount less fair when it was based on the university they attended than when it was based on loyalty (Ms = 3.04 vs. 3.52). Furthermore, individuals felt it was less fair when they had not been told about the discount policy (Ms = 2.86 vs. 3.71), despite the fact the policy would not have changed their outcome (H1). The interaction was not significant (F < 1).
Consistent with the satisfaction results, even when different prices were based on loyalty and the policy was applied consistently this was considered less fair than when all customers paid the same price ($M'$s = 4.02 vs. 4.95; $F(1, 65) = 17.17, p < .001). The university-based, inconsistently applied policy appeared to be considered as unfair as different prices for no reason ($M'$s = 2.68 vs. 2.36; $F(1, 69) = 2.26, p = .14). Overall, differential pricing was never considered as fair as paying the same price. However, the consistent application of a pricing policy based on legitimate inputs helped mitigate this negative effect.

**Procedural Justice**

An ANOVA on perceptions of procedural justice showed significant main effects of both experimental manipulations (Norm-Violation manipulation: $F(1, 156) = 13.48, p < .001$; Input-Relevance manipulation: $F(1, 156) = 4.79, p = .030$). Consistent with $H^1$, individuals felt it was less procedurally fair when a store policy was applied to someone else and not themselves ($M'$s = 1.67 vs. 2.21), constituting a violation of the normative principle of consistency. Individuals also appeared to find the university-based discount less procedurally fair than the loyalty-based discount ($M'$s = 1.78 vs. 2.10). It is possible that individuals felt that a university-based discount policy communicated a lack of respect for students of other universities. However, this effect was notably smaller than that produced by the inconsistent application of the policy. Furthermore, the subsequent mediation analysis demonstrated that the Input-Relevance manipulation had no effect on procedural justice when distributive justice was simultaneously accounted for.

**Distributive Justice**

An ANOVA on the measure of distributive justice showed a significant main effect the Input-Relevance manipulation ($F(1, 156) = 19.55, p < .001$). Consistent with $H_2b$, individuals appeared to believe that loyalty was a more distributively fair basis for a discount than the university a customer attends ($M'$s = 2.58 and 1.89). There was no
effect of the Norm-Violation manipulation \((F < 1)\) and no interaction \((F < 1)\), lending support to the notion that perceptions of distributive justice were not responsible for the difference in perceptions of global fairness across the Norm-Violation manipulation. This will be further examined in the mediation analysis.

*Fair Reference Price*

An ANOVA on the reference price showed no effects of the experimental manipulations \((F's(1, 156) = 1.02 & 1.82, p's = .31 & .18)\) and no interaction \((F < 1)\). This meant that changes in perceptions of the reference price were unlikely to explain the effect of the Norm-Violation or Input-Relevance manipulation on the main dependent variables.

*Mediation Analysis*

Path analyses were conducted primarily to determine whether procedural justice mediated the effect of the Norm-Violation manipulation on perceptions of global fairness and satisfaction (figure 1). Path coefficients were calculated using partial regression coefficients (Cohen and Cohen 1983). Regression equations were calculated for each dependent variable (procedural justice, distributive justice, global fairness and satisfaction) predicted from all prior variables as specified in the predicted causal model. The first set of regression equations involved predicting procedural justice and distributive justice from the two experimental manipulations and their interaction. The equations were the same for both the global fairness and satisfaction mediation analyses. Consequently, the path coefficients for the first stage of the models were identical. The final regression equations involved predicting global fairness and satisfaction from all prior variables (the experimental factors, their interaction, procedural justice, and distributive justice). The resulting analyses provided correlational support for the hypothesized mediations.
The significant Norm-Violation—Procedural-Justice—Global-Fairness path ($\beta$'s = .26 and .52, $p$'s < .01) indicated that the effect of violation of consistency on global fairness was mediated by perceptions of procedural justice, consistent with $H_2$ (Baron and Kenny 1986). Although the Norm-Violation—Global-Fairness path remained significant ($\beta$ = .21, $p < .01$), it was significantly reduced by the inclusion of procedural justice (Sobel statistic = 2.87, $p < .001$), suggesting that norm violation also had a direct effect on global fairness. The significant Input-Relevance—Distributive-Justice—Global-Fairness path ($\beta$'s = .27 and .15, $p$'s < .01 and .05) indicated that the effect of the Input-Relevance manipulation on global fairness was mediated by perceptions of distributive justice ($H_{2c}$). Similar results were obtained for purchase satisfaction (figure 1).

Discussion

This study provided evidence that consumers' perceptions of fairness were related to more than just the fairness of their outcome. Specifically, consumers appeared to react to the violation of an underlying principle of consistency. This was demonstrated by showing that consumers reacted to a violation of the principle when it did not affect their material outcomes. Moreover, consumers appeared to react to the violation regardless of their perceptions of distributive justice, suggesting that the principle was important for reasons other than its influence on material outcomes. In particular, the effect of the violation of the consistency norm appeared to be mediated by perceptions of procedural justice, suggesting that consumers reacted to the violation because it communicated a lack of respect and value.

This research was conducted in the context of differential pricing. Consistent with previous research (e.g. Darke and Dahl 2003), consumers' perceptions of fairness appeared to be affected by the price other consumers paid. Specifically, different prices were considered more fair when prices were based on relevant inputs and less fair when
prices were based on irrelevant inputs. Furthermore, reactions of this kind were shown primarily to relate to perceptions of distributive justice.

In contrast, consumers’ reactions to violations of the underlying principle were primarily related to perceptions of procedural justice. In this context, the principle related to consistent treatment – in particular, the consistent application of a differential pricing policy. It was important to distinguish between the consistency of prices and the consistency of the application of a pricing policy. In this study, prices were always inconsistent (with the exception of one control condition), while consistency of the application of the policy was manipulated. This meant that violation of the principle could be manipulated independently of material outcomes so that the effect of procedural justice on perceptions of fairness could be separated from the effect of distributive justice.

The results indicated that there were somewhat distinct antecedents of distributive and procedural justice. Consistent with predictions from equity theory, distributive justice was affected by the inputs of a comparable other person. When that person’s inputs were perceived to be irrelevant to the material outcome they received, consumers judged their own material outcome to be distributively unfair. In contrast, procedural justice was primarily affected by the violation of the underlying consistency norm. There did appear to be some effect of the Input-Relevance manipulation on procedural justice. However, this disappeared when perceptions of procedural and distributive justice were simultaneously accounted for. This meant that the effect of the Input-Relevance manipulation on procedural justice probably reflected the correlation between distributive and procedural justice rather than the influence of the manipulation per se. It should be pointed out that this is consistent with the notion that a perceived distributive injustice can also convey disrespect.
Furthermore, the effects of violation of the consistency principle were similar across distributively fair and distributively unfair material outcomes. This suggests that procedural justice might be important regardless of consumers' material outcome. This finding was somewhat different than findings from previous research, which has suggested that procedures are more important when outcomes are unfair (Brockner and Wiesenfeld 1996). The current results seemed to indicate that procedures are important whether material outcomes are considered distributively fair or unfair. In the context of exchange, this means that marketers need to be particularly wary of violating underlying principles as this can result in perceptions of unfairness even when the violation has no effect on consumers' material outcomes.

It was interesting to note that differential pricing was never perceived as fair as charging all customers the same price, even when the inputs that prices were based on were considered legitimate (e.g. loyal customers received a discount) and when the policy was applied consistently. The consistent application of a differential pricing policy did help mitigate perceptions of unfairness as compared to inconsistent application, but it was never viewed as favourably as offering all customers the same price. According to equity theory, charging customers different prices should be acceptable when the price difference is commensurate with the difference in customer inputs. In the current study, it is possible that the discount was perceived to be disproportionately large relative to the customers' loyalty. Alternatively, loyalty may not be regarded as relevant an input as initially assumed. Either way, marketers should be aware that consumers could react negatively to differential pricing, even when there are procedural and distributive mitigating factors. If consumers' reactions are sufficiently strong that they avoid purchases or engage in negative word of mouth, differential pricing may indeed be less profitable than charging everyone the same price.
This study provided evidence that consumers react to the violation of an underlying principle in the context of differential pricing. However, consumers are not always aware of the details of other consumers' purchases. Consequently, the consistency of pricing is not always known. However, consumers are often aware that prices change over time due to temporary discounts. This forms the context for the next study. In particular, we examine what happens when consumers discover that the price of a product they bought is subsequently reduced. We examine whether consumers expect to be informed of upcoming price reductions (a principle of openness), and whether violation of this principle is important even when consumers are physically unable to purchase the product at the reduced price. This allowed us to extend the initial findings to another context in which there are variations in the material outcomes relating to price, and more importantly, to a different procedural norm relating to the marketer's openness with pricing information.
Study 2

Study 2 examined the consequences of norm violation in the context of an upcoming price reduction. It was hypothesized that consumers expect to be informed of an upcoming sale in keeping with a principle of openness. It is shown that violation of this principle was considered unfair, even when consumers were unable to wait for the sale. As in the first study, perceptions of unfairness resulting from the violation appeared to be mediated by perceptions of procedural justice. This suggested that consumers cared about the violation, not just because of the effect it could have had on their outcome, but because it communicated a lack of personal respect and value.

There are a number of reasons to suspect that a principle of openness exists. In particular, Greenberg (1993) and Colquitt (2001) showed that explanations are an important aspect of justice. Outcomes that are accompanied with an explanation tend to be perceived as fairer than outcomes with no explanation. Consistent with this, it is argued that individuals expect others to be open with relevant information. In the context of exchange, this means that consumers might expect sellers to provide information that is relevant to their purchase. We hypothesized that a violation of this principle will result in perceptions of unfairness even when the information could not have affected the material outcome of the transaction.

In this study, participants were faced with the prospect of buying a product that went on sale a couple of days later. The salesperson told some of the participants about the sale, while others were told nothing. We manipulated the situation so that some participants were able to wait for the sale, while other participants were not able to wait. This allowed us to examine the consequences of the violation of the principle both when it affected consumers' material outcome and when it did not. Consequently, the impact of procedural justice could be examined in isolation and when it led to a distributive injustice.
H4a: Perceptions of fairness and distributive justice will be lower when there are material consequences associated with a normative violation.

H4b: The effect of material consequences on fairness will be mediated by perceptions of distributive justice.

Method

One hundred and fifteen subjects (45 males and 70 females) from a large northwestern university participated in a scenario study in return for course credit. Each participant read a scenario that described the purchase of a pair of shoes. Some of the participants were told by the store manager that the shoes were going on sale in two day's time, while other participants were not told (Openness manipulation). In addition, half of the participants read that they were unable to wait for the sale (Material-Consequences manipulation). These factors were fully crossed, resulting in a 2 x 2 between-subjects factorial design.

Scenario

In the scenario (appendix 3), participants read that they were interested in purchasing a new, good pair of long lasting shoes. Based on what they had seen in the past and other shoes they had bought, they expected to spend around $200 to get a pair of shoes that were going to have these features. After looking around a few stores, they eventually decided on a store that had been recommended and had good quality shoes at reasonable prices. They spent some time looking around the store before the store manager came over to help them. After interacting with the store manager and trying on a few pairs of shoes with the store manager’s assistance, participants read that they eventually decided on a particular pair that cost $199.

Openness Manipulation

The store manager told half of the participants that the shoes they chose would be reduced to $159 in two days time. The remaining participants were not told about the
upcoming sale, thereby constituting a violation of the openness norm. Participants later found out about the sale when they walked past the store or after talking to a friend, depending on the Material-Consequences manipulation.

**Material-Consequences Manipulation**

Participants in the no material consequences conditions read that they were a long way from home on a short trip visiting a friend and were returning home the following day. Consequently, these participants would have been unable to wait for the upcoming sale regardless of whether or not they were informed of it. Therefore, all of these participants paid full price for the shoes. Those who had been told about the sale were aware ex ante that the shoes were to be reduced in a couple of day's time. However, they decided to buy the shoes at the full price anyway. Those who had not been told about the sale later found out that the shoes had been subsequently reduced (while speaking on the phone to their friend, who had noticed that the shoes were on sale as they walked by the store a couple of days later).

Participants in the material consequences conditions read that the store was near to their home. Consequently, these participants would have been able to wait for the sale. Those who were told about the sale therefore waited, and purchased the shoes at the reduced price. Those who had not been told about the sale purchased the shoes at the full price. They found out that the price of the shoes had been subsequently reduced as they walked by the store a couple of days later. Appendix 4 summarizes the conditions of the experiment.

The experimental design meant that the effect of the Openness manipulation could be examined both when it affected consumers' material outcome and when it did not. It was expected that violation of the openness norm would effect perceptions of procedural justice in both cases (i.e. regardless of whether there were any material consequences). In contrast, it was expected that perceptions of distributive justice would
primarily be affected by consumers' actual material outcome. Consequently, perceptions of distributive justice should be highest in the one condition where they were able to purchase the shoes at the reduced price. Overall, the experiment was designed to demonstrate that procedural injustice stems from the violation of a normative principle and that such violations can affect perceptions of fairness regardless of the material consequences.

Measures

The measures taken in the second study closely corresponded to the measures taken in the first study. In particular, participants completed measures (in the following order) of satisfaction, perceptions of global fairness, and perceptions of distributive and procedural justice. In addition, they completed measures of agreement with the relevant procedural principles. The primary dependent measures were global fairness and satisfaction. It was hypothesized that the effects of material consequences and openness on satisfaction and global fairness would be mediated by perceptions of distributive and procedural justice.

All measures were identical to the first study except the measures of distributive justice. In study one, distributive justice was related to the relevance of the inputs of the consumers pertinent to the equity judgment (i.e. the participant and the other student). In this study, distributive justice was related to participants' actual material outcome. Consequently, distributive justice could not be measured by asking participants about the relevance of their inputs. Instead, it was measured by asking participants to rate the fairness of the price they paid. Participants completed two measures adapted from Colquitt et al. (2001) that asked them to rate the extent to which the price they paid was appropriate and justified (on five-point scales from 0 to 4, anchored by “not at all” and “very much so”). The mean of these measures was used as an index of distributive justice ($r = .65$, $p < .001$).
After completing all other dependent measures, participants were asked to rate the extent to which they agreed or disagreed with a series of normative statements. Thirty-one statements were chosen to represent a range of norms that might exist in exchange contexts. Two of which were relevant to the openness norm. One stated that, "firms should give advanced notice when products will be going on sale". The other that, "firms should let customers know if products are going to go on sale soon". Participants rated the extent to which they agreed or disagreed with each statement on six-point scales ranging from -3 to +3 (with no zero centre-point), anchored by strongly disagree and strongly agree. The scales were recoded from 1 to 6 to account for the fact that there was no centre-point and the mean was used as an index of agreement with the normative principle of openness ($r = .69$).

Results

All means and ANOVA results can be seen in table 4.

Purchase Satisfaction Index

A 2 (Openness) x 2 (Material-Consequences) between-subjects ANOVA showed significant main effects of both experimental manipulations (Openness manipulation: $F(1, 111) = 107.04, p < .001$; Material-Consequences manipulation: $F(1, 111) = 14.34, p < .001$). Individuals were less satisfied when the store manager did not tell them about the sale compared to when they were told ($M's = -.89$ vs. $1.25$). They were also less satisfied when there were no distributive consequences ($M's = -.21$ vs. $0.57$). However, this was qualified by a significant interaction ($F(1, 111) = 30.84, p < .001$), which indicated the Openness manipulation had a larger effect on satisfaction when it affected outcomes ($M's = -1.07$ vs. $2.22$) than when it did not ($M's = -.71$ vs. $.29$). Importantly, the difference in satisfaction in the no-consequences conditions was significant ($M's = -.71$ vs. $.29$; $F(1, 111) = 11.19, p < .01$). Consistent with $H_3$, individuals appeared to be less satisfied when the seller violated the openness norm, even when this information could
not have affected their outcome. The effects of openness were somewhat stronger when material consequences were involved.

*Global Fairness Index*

An ANOVA on perceptions of global fairness showed a similar pattern of results. A significant main effect of the Openness manipulation \((F(1, 111) = 97.37, p < .001)\) indicated that individuals felt it was less fair when openness was violated than when the norm was observed \((M's = 3.03 \text{ vs. } 4.76)\). There was also a marginally significant effect of the Material-Consequences manipulation \((F(1, 111) = 3.78, p = .054)\). However, this was qualified by the significant interaction \((F(1, 111) = 9.31, p < .01)\) that indicated the violation of openness had a larger effect on fairness when it affected participants' outcomes \((M's = 2.93 \text{ vs. } 5.20)\) than when it did not \((M's = 3.13 \text{ vs. } 4.32)\) – consistent with \(H_{4b}\). Importantly, openness affected perceptions of fairness even when participants' outcomes were unaffected \((M's = 3.13 \text{ vs. } 4.32; F(1, 111) = 22.64, p < .001)\). Consistent with \(H_3\), violation of the openness norm appeared to be considered unfair, whether or not it affected outcomes. Moreover, the effect of the violation was exacerbated when it led to distributively unfair outcomes.

*Procedural Justice*

There was a significant main effect of the Openness manipulation on perceptions of procedural justice \((F(1, 111) = 62.37, p < .001)\). Consistent with \(H_3\), perceptions of procedural justice were lower when openness was violated compared to when the norm was adhered to \((M's = 1.85 \text{ vs. } 3.05)\). There were no significant effects of either the Material-Consequences manipulation or the interaction \((F's < 1)\).

*Distributive Justice*

An ANOVA revealed a significant main effect of the Openness manipulation \((\text{Openness Manipulation: } F(1, 111) = 24.89, p < .001)\). However, this was qualified by a significant interaction \((F(1, 111) = 10.45, p < .01)\). Consistent with \(H_{4b}\), follow-up
analyses revealed that perceptions of distributive justice only differed across the material consequences conditions (i.e. when participants were able to wait for the sale).

Distributive justice was higher when these participants were told about the sale (and consequently received the discount) compared to when they were not told about the sale ($M_s = 3.12 \text{ vs. } 1.70; F(1, 111) = 34.69, p < .001$). Distributive justice was unaffected by violation of the openness norm when there were no material consequences (i.e. when participants were not able to wait for the sale; $M_s = 2.23 \text{ vs. } 1.93; F(1, 111) = 1.50, p = .22$). Overall, violation of the openness norm affected perceptions of both procedural and distributive justice when the violation led to material consequences. However, the violation only affected perceptions of procedural justice when there was no corresponding effect on participants’ material outcome.

**Mediation Analyses**

Path analyses were conducted to determine the mediation of global fairness and satisfaction (figures 2 and 3). As expected, the Openness—Procedural-Justice—Global-Fairness path ($\beta's = .47 \text{ and } .31, p's < .01$) was significant (figure 2). This indicated that procedural justice mediated the relationship between openness and global fairness whether or not there were material consequences ($H_4$). The Openness—Distributive-Justice—Global-Fairness path was also significant ($\beta's = .43 \text{ and } .41, p's < .01$).

However, this was qualified by the significant Openness-by-Outcome-Consequences-Interaction—Distributive-Justice—Global-Fairness path ($\beta's = -.41 \text{ and } .41, p's < .01$). As expected, this indicated that distributive justice mediated the effect of openness on global fairness only when there were outcome consequences ($H_{4c}$). Similar results were obtained for the satisfaction measure (figure 3).

**Agreement with Normative Principle**

The mean indicated that there was widespread agreement with a normative principle of openness ($M = 4.48$). Overall, 78% of participants expressed agreement with
the norm, 14% disagreed, and 8% neither agreed nor disagreed. This measure provided the most direct evidence that consumers expect firms to adhere to a normative principle of openness. Furthermore, those participants who agreed with the openness norm felt that violation of the norm was less procedurally just than those who disagreed with the norm ($M's = 1.67$ vs. $2.70; F = 10.82, p < .01$). The difference in perceptions of distributive justice was not significant ($M's = 1.58$ vs. $2.03; F = 2.36, p = .131$). This provided further evidence that the violation of the normative principle of openness was involved in perceptions of procedural injustice.

Discussion

Study 2 provided evidence that the violation of the normative principle of openness led to perceptions of unfairness and dissatisfaction. This was true even when the violation had no effect on consumers' outcomes, suggesting that they were reacting to something other than the price they paid. In particular, consumers appeared to be concerned with the principle of openness as well as its consequences. Furthermore, the effect of violation of the openness norm on perceptions of fairness appeared to be mediated by perceptions of procedural justice. This suggested that consumers cared about the violation because it communicated a lack of respect.

The nature of the experimental design meant that the violation of openness sometimes affected consumers' material outcomes while at other times did not. When the violation led to material consequences it was predicted there would be an effect on both distributive and procedural justice. When there were no material consequences it was predicted that the violation would only affect procedural justice. As expected, perceptions of distributive justice differed only when material outcomes differed. In contrast, perceptions of procedural justice differed whenever the norm of openness was violated (regardless of the effect on material outcomes), reflecting the lack of respect that the violation communicated. In turn, global fairness was mediated by both
distributive and procedural justice when there were material consequences and only procedural justice when there were no material consequences. Satisfaction only appeared to be mediated by procedural justice. Together, these findings provided direct evidence that violation of the openness norm affected perceptions of procedural justice and that these perceptions were an important determinant of global fairness and satisfaction in a consumer context.

The most direct implication of these findings is that marketers need to be aware of the normative principles their customers value. Studies 1 and 2 demonstrated that norms of consistency and openness both appeared to be relevant to exchange. A failure to adhere to these norms negatively affected fairness and satisfaction even when there were no material consequences. Although not explored in this study, it is also possible that by adhering to these norms firms could positively influence fairness and satisfaction. Thus, at the very least firms should attempt to understand the norms that their customers expect them to observe. If they cannot explicitly observe those norms all of the time, they should avoid violating them if they wish to avoid the demonstrated negative effects.

Although it is apparent that norm violation affects perceptions of procedural justice, it is not entirely clear why consumers react so negatively to norm violation in the absence of material consequences. One possibility is that there are psychological costs associated with norm violation. In particular, if norm violation really does convey a lack of respect and value then it could negatively impact consumers' self-esteem. Furthermore, this might motivate consumers to take some sort of action. They may attempt to warn other consumers of the firm's violation or they might attempt to redress the violation, by demanding adherence to the norm or seeking compensation. They may even try and punish the firm through boycotts. These questions are addressed in study 3.
Study 3

Studies 1 and 2 demonstrated that the violation of consistency and openness led to perceptions of unfairness and dissatisfaction. This occurred whether or not the violation had material consequences (study 2) and even when the distributive basis of consumers' material outcomes was considered justified (study 1). This study examines the possibility that consumers reacted this way because of the psychological costs associated with norm violation. In particular, we investigate the hypothesis that the disrespect conveyed by norm violation negatively impacts consumers' self-esteem. It is subsequently demonstrated that the violation of openness reduced consumers' self-esteem, especially those consumers' with high levels of trait self-esteem. Furthermore, this mediated the effect of the violation on procedural justice, indicating that the reason norm violation was considered unfair is because it lowered consumers' feelings of self-worth.

This study also investigated consumers' behavioural reactions to marketers' violation of a procedural norm. A fair amount of research has demonstrated that consumers' intentions to repurchase and complain are related to perceptions of fairness (e.g. Blodgett, Granbois, and Walters 1993; Campbell 1999). However, most of this research has examined these intentions in relation to reference prices and service failures (e.g. Bolton, Warlop, and Alba 2003; Smith, Bolton, and Wagner 1999). In the present study, we examined the kinds of actions consumers were likely to take and the extent to which these actions were in response to perceptions of procedural and distributive justice. Reactions to distributive justice presumably reflect a desire to avoid unfavourable material outcomes or improve the allocations of such outcomes. In contrast, reactions to procedural justice seem less likely to be influenced by material concerns and more likely to reflect a desire to maintain one's self-esteem. Consequently,
it would be useful to examine the type and extent to which behavioural responses are influenced by perceptions of procedural and distributive justice.

H0b: Violation of an openness norm will lead to a variety of behavioural intentions, including complaining, negative word of mouth, and avoiding the store in the future.

The involvement of self-esteem in judgments of procedural justice is predicated on the relational or group-value model of procedural justice (Lind and Tyler 1988). This model asserts that procedures are important because they indicate the extent to which individuals are valued by and belong to a group (Miller 2001; Tyler and Lind 1992). The previous studies demonstrated that the violation of normative principles led to perceptions of procedural injustice, meaning these principles might communicate the extent to which individuals belong or are valued. Furthermore, there is evidence that individuals who do not belong or are rejected from a group often suffer reduced self-esteem (Baumeister and Leary 1995). In fact, it has been argued that that one function of self-esteem is to monitor the extent to which individuals belong or are valued by others (Leary, Tambor, Terdal, and Downs 1995). Consequently, there is good reason to believe that the violation of normative principles will present a threat to self-esteem by potentially lowering feelings of self-worth. It is further hypothesized that it is consumers' self-esteem that subsequently affects perceptions of procedural justice.

It is also possible that individual differences in self-esteem will affect the way that consumers interpret and respond to normative violations (Vermunt, van Knippenberg, van Knippenberg and Blaauw 2001). In particular, it has been argued that low self-esteem individuals are more likely to be concerned with the way they are socially evaluated than individuals with high self-esteem (Heatherton and Polivy 1991). Consequently, individuals with low self-esteem might be more sensitive to the violation of a normative principle than individuals with high self-esteem. In such cases, high self-esteem might operate as a buffer against experiences that could otherwise lower self-
esteem (Spencer, Josephs, and Steele 1993; Steele 1988). However, self-esteem does not always operate in this way. It is also possible that individuals expect to be treated in a manner that is consistent with their self-esteem (Baumeister, Smart, and Boden 1996). High self-esteem individuals might demand to be treated with the respect they feel they deserve, while low self-esteem individuals might simply expect to be treated in a manner that reflects their own, low self-esteem.

Consequently, it is not clear whether high self-esteem or low self-esteem individuals will be more sensitive to the violation of a normative principle. In order to test these possibilities, we measured both state self-esteem (Heatherton and Polivy; Leary, Tambor, Terdal, and Downs 1995) and trait self-esteem (Rosenberg 1964). State self-esteem is predicted to vary in response to the violation of a normative principle and mediate perceptions of procedural justice. Trait self-esteem is assumed to moderate consumers' responses to the norm violation (including changes in their state self-esteem).

Hc6: Consumers with high trait self-esteem will be more sensitive to normative violations than consumers with low trait self-esteem.

These predictions are examined in the context of a violation of the principle of openness. Consumers purchased a product at full price, which went on sale shortly thereafter. Some consumers discovered this fact and therefore realized they had not been told about the sale. Others were never made aware of the sale. Consequently, consumers’ reactions to the violation of openness could be examined, including the effect on their state self-esteem.

Method

Ninety-eight subjects (41 males and 56 females – one participant did not specify their gender) from a large northwestern university participated in a scenario study in return for course credit. Several weeks prior to the experiment participants completed
Rosenberg's (1965) scale of trait self-esteem. A median-split was conducted and participants were categorized as having low or high trait self-esteem (Trait Self-Esteem factor). On the day of the experiment, each participant read a scenario that described the purchase of a stereo. All participants paid the full price for the stereo. However, half of the participants later found out that the stereo was subsequently reduced (Openness manipulation). This resulted in a 2 x 2 between-subjects factorial design.

Scenario

The first part of the scenario was similar to study 1. Participants read that they were interested in purchasing a portable stereo and eventually purchased one with the help of the store manager. The stereo cost $199, which was approximately what they had expected to spend.

Openness Manipulation

The store manager did not mention an upcoming sale to any of the participants. However, half of them read that the stereo was reduced to $159 two days later. This represented a violation of openness as they were now aware they had not been told about the sale. The remaining participants never found out about the sale and consequently openness was not violated.

It should be noted that the openness manipulation was somewhat different than that of study 2. In study 2, openness was either observed or violated (participants were either told about the sale or not). In this study participants either found out about the sale or did not find out. This provided an ecologically valid manipulation of openness that allowed us to compare norm violation to a condition in which no norm was violated rather than a condition in which the norm was observed. This meant all participants paid the same price. However, it also meant that participants who were aware of the sale were aware that the price of the stereo was subsequently reduced. This was expected to affect perceptions of the reference price. Consequently, in this study violation of the
openness norm would likely affect perceptions of both distributive and procedural justice. It is predicted that distributive justice would be mediated by the reference price, while procedural justice would be mediated by the effect of the norm violation on consumers' self-esteem.

Measures

Several weeks prior to completion of the actual study, participants completed Rosenberg's (1965) trait self-esteem scale (appendix 7) along with a number of unrelated items in a general questionnaire. The scale consists of ten statements that relate to individuals' evaluation of themselves, especially feelings of worth, ability and usefulness. Participants rated the extent to which they agreed or disagreed with each statement (rated from 1 – 4). After the negatively worded questions were reverse-scored the mean was computed and used as a summary measure of trait self-esteem ($M = 3.18; \alpha = .88$). Participants were then categorized as "high" or "low" trait self-esteem according to a median split ($Median = 3.10$). There were no significant gender differences.

After participants read the scenario they completed measures of global fairness, procedural justice, distributive justice and the reference price. These measures were identical to the measures taken in study 2, with the exception of the procedural and distributive justice measures. Each of these included an additional item that asked participants to directly rate the fairness of their treatment or outcome respectively. The procedural justice measure asked participants, "were you treated fairly?" (scale $\alpha = .92$). The distributive measure asked participants, "was the price of the stereo fair?" (scale $\alpha = .85$). Additional measures of state self-esteem and behavioural response were also included. State self-esteem was measured using a number of items adapted from Leary (1990) and Leary et al. (1995). Specifically, participants rated how they felt along three seven-point scales (ranging from -3 to +3) anchored by rejected/accepted,
excluded/included, and avoided/welcomed. The mean of these measures was used as a summary measure of state self-esteem (α = .92). These items were designed to capture the sense of belonging that Leary argues is inherent to self-esteem (Leary et al. 1995).

Participants completed measures of four categories of behavioural response (appendix 5): complaining, negative and positive word of mouth, demanding a refund or some money back, and repurchase/revisit intentions. Participants rated the extent to which they agreed or disagreed with various statements relating to each behavioural category (on seven-point scales ranging from -3 to +3, anchored by strongly disagree and strongly agree). A canonical decomposition of the correlation matrix and examination of the eigenvalues revealed two underlying factors (confirmed by both the Kaiser-Guttman method and examination of the scree plot). An unweighted least squares factor analysis and oblique rotation showed that the items loaded on the two factors such that they could be interpreted as direct and indirect customer responses. Direct responses included complaining to the store and demanding monetary remuneration (such as a refund or partial refund). Indirect responses included negative word of mouth and intentions to avoid the store. The mean of direct (α = .84) and indirect responses (α = .95) was calculated and used as a summary measure of each.

Results

All means and ANOVA results can be seen in table 5.

Global Fairness

Consistent with H3, a main effect of the Openness manipulation (F(1, 83) = 92.53, p < .001) indicated that consumers found it more unfair when openness was violated than when it was not (Ms = 2.85 vs. 4.81). A significant interaction (F(1, 83) = 4.42, p = .038) further indicated that this effect was more pronounced for consumers with high trait self-esteem compared to those with low trait self-esteem (H6c). Importantly, the effect of the Openness manipulation was significant for both consumers with high (Ms =
2.67 vs. 5.05; $F(1, 83) = 74.62, p < .001$) and low trait self-esteem ($M's = 3.04$ vs. $4.56; F(1, 83) = 26.15, p < .001$).

**Procedural Justice**

As expected, the effect of violation of the openness norm had a significant impact on perceptions of procedural justice ($F(1, 83) = 50.40, p < .001$). Perceptions of procedural justice were lower when openness was violated than when it was not ($H_3$: $M's = 1.96$ vs. $3.08$). Again, a significant interaction ($F(1, 83) = 4.56, p = .036$) indicated that this effect was more pronounced for individuals with high trait self-esteem compared to those with low trait self-esteem ($H_{6c}$). Importantly, the effect of the Openness manipulation was significant for both consumers with high ($M's = 1.74$ vs. $3.18; F(1, 83) = 46.36, p < .001$) and low trait self-esteem ($M's = 2.19$ vs. $2.97; F(1, 83) = 11.41, p < .01$).

**Distributive Justice and Reference Price**

Distributive justice was also lower when openness was violated ($M's = 2.09$ vs. 2.66; $F(1, 83) = 11.83, p < .01$). However, this did not interact with participants' trait self-esteem ($F < 1$). Furthermore, participants' perceptions of the reference price were lower when openness was violated ($M's = $191.19 vs. $179.94; F(1, 82) = 4.02, p = .048$). These findings were consistent with the fact that consumers in the openness-violated condition were aware that the price of the stereo had been reduced. Overall, these findings demonstrated that perceptions of both procedural and distributive justice were affected by the Openness manipulation. However, only procedural justice interacted with consumers' trait self-esteem, suggesting that procedural justice is more likely to relate to consumers' self-esteem than distributive justice. Subsequent analyses shed further light on this distinction.
*State Self-Esteem*

As expected, a main effect of the Openness manipulation \((F(1, 83) = 80.00, p < .001)\) showed that consumers’ state self-esteem was significantly reduced when openness was violated \((H_5: M's = -0.35 vs. 1.61)\). There was no effect of consumers’ trait self-esteem on their state self-esteem \((F < 1)\). A significant trait self-esteem by openness interaction \((F(1, 83) = 12.34, p < .001)\) indicated that consumers with high trait self-esteem appeared to be more affected by the violation than consumers with low trait self-esteem \((H_{6c})\). Importantly, both consumers with high and low trait self-esteem were affected by the violation \((low \ trait \ self-esteem: M's = .13 \ vs. \ 1.32; \(F(1, 83) = 13.66, p < .001); \ high \ trait \ self-esteem: M's = -0.83 \ vs. \ 1.89; \(F(1, 83) = 84.30, p < .001)\).

*Mediation Analysis*

A path analysis was conducted to examine the mediation of procedural and distributive justice (figure 4). As expected, the Openness—State-Self-Esteem—Procedural-Justice path was significant \((\beta's = -.41 \ and \ .39, p's < .01)\). The Openness-by-Trait-Self-Esteem-Interaction—State-Self-Esteem—Procedural-Justice path was also significant \((\beta's = -.46 \ and \ .41, p's < .01)\). Together, these paths indicated that state-self esteem mediated the effect of the Openness manipulation on perceptions of procedural justice \((H_6)\) and that this effect was larger for consumers with high trait self-esteem \((H_{6c})\).

There were marginally significant Trait-Self-Esteem—Reference-Price—Distributive-Justice \((\beta's = -.27 \ and \ .34, p = .080 \ and \ p < .01)\) and Openness-by-Trait-Self-Esteem-Interaction—Reference-Price—Distributive-Justice paths \((\beta's = -.32 \ and \ .34, p = .086 \ and \ p < .01)\). Together, these paths indicated that perceptions of the reference price tended to mediate distributive justice for consumers with high trait self-esteem. There was also a marginally significant Openness—State-Self-Esteem—Distributive-Justice path \((\beta's = -.41 \ and \ .21, p < .01 \ and \ p = .095)\). This indicated that distributive justice was also somewhat mediated by state self-esteem. Overall, violation
of the openness norm reduced consumers' state self-esteem, which lowered perceptions of procedural justice (and marginally lowered perceptions of distributive justice). Distributive justice was (marginally) mediated by reference price, but only for consumers with high trait self-esteem.

An alternative model of the relationship between openness, state self-esteem and procedural justice was also tested. In particular, it was examined whether perceptions of procedural justice might be responsible for the effect on state self-esteem (in contrast to the hypothesized effect of state self-esteem on procedural justice). Under this assumption, the Openness—Procedural-Justice—State-Self-Esteem path did not reach significance ($\beta$'s = -.22 and .35, $\rho$'s = .066 and $p < .01$). While these models could not be directly compared, the results lend support to the conclusion that state self-esteem mediates the effect of norm violation on perceptions of procedural justice (and not vice-versa).

**Behavioural Intentions**

ANOVA$s$ on direct and indirect behavioural responses showed that consumers were more likely to engage in negative responses when openness was violated ($H_{6h}$: direct responses: $M$s = 4.06 vs. 2.20; $F(1, 83) = 63.27, p < .001$; indirect responses: $M$s = 3.74 vs. 2.33; $F(1, 83) = 60.52, p < .001$). There were no other significant effects on indirect responses. However, there was a significant openness by trait self-esteem interaction on direct responses ($F(1, 83) = 3.94, p = .0505$). Consistent with previous data, consumers with high trait self-esteem appeared to be more likely to directly respond to the violation than consumers with low trait self-esteem. However, follow-up analyses indicated that both high and low trait self-esteem consumers were likely to directly respond to the violation (high trait self-esteem: $M$s = 4.42 vs. 2.29; $F(1, 83) = 53.65, p < .001$; low trait self-esteem: $M$s = 3.70 vs. 2.30, $F(1, 83) = 16.50, p < .001$).
Discussion

Study 3 provided evidence that the effect of the violation of openness on perceptions of procedural justice was mediated by consumers' state self-esteem and moderated by their trait self-esteem. This is consistent with the notion that there is a psychological cost associated with norm violation. Consumers' state self-esteem fell when they had been treated in a manner that violated a procedural norm. Furthermore, consumers with high trait self-esteem appeared to be particularly sensitive to the violation, suggesting their expectations for the way they should be treated were higher than those consumers with low trait self-esteem. It appeared that by violating a normative principle, firms conveyed a lack of respect and value for their customers, which directly affected consumers' self-evaluation. In addition, consumers intended to respond to the violation. They planned on engaging in a variety of behaviours, including complaining, demanding a refund or some money back, negative word of mouth, and intentions to avoid the store in the future. Moreover, consumers with high trait self-esteem appeared to be more likely than consumers with low trait self-esteem to engage in those behaviours that involved directly confronting the firm.

One explanation for the difference in the reactions of consumers with high and low trait self-esteem is that their trait self-esteem was related to the way they expected to be treated. This is consistent with research that has demonstrated individuals with high self-esteem are more likely to react to threats to egotism (e.g. Baumeister, Smart, and Boden 1996). Consumers with high trait self-esteem may be particularly likely to believe they are valuable members of society and should therefore be treated with respect. In contrast, consumers with low trait self-esteem may be less likely to believe they are respected and valued. Consequently, behaviour that violates a normative principle may constitute a more serious violation to consumers with high trait self-esteem as the standards against which it is compared are higher. Consistent with this,
consumers with high trait self-esteem suffered a greater reduction in their state self-esteem when they were treated in a manner that violated a normative standard. In turn, this had a larger impact on their perceptions of procedural justice and global fairness.

Consumers also indicated that they would be likely to respond to a violation of openness. These responses could be categorized into behaviours that involved a direct confrontation with the firm or behaviours that affected the firm indirectly, such as word of mouth and intentions to repurchase. Consumers were more likely to engage in both types of behaviour following a normative violation. However, consumers with high trait self-esteem appeared to be especially likely to engage in direct behaviours following the norm violation. This is consistent with research that has shown high self-esteem individuals tend to react more aggressively to threatened egotism (Baumeister, Bushman, and Campbell 2000). In this case, not only were consumers with high trait self-esteem particularly upset by the norm violation, they were more likely to directly confront the firm about the violation. It is possible that such behaviour represents an attempt to bolster self-esteem by demanding to be treated in a respectful manner.

Thus, direct behaviours might have represented attempts to redress both the psychological and material consequences of a normative violation. In contrast, indirect behaviours appeared not to have an immediate influence on the consequences of norm violation. It is possible that they were motivated by different goals. In particular, indirect behaviours such as avoiding the store and negative word of mouth may have been motivated by a desire to avoid perceived unfairness and help others do the same. This is consistent with predictions from equity theory that individuals may attempt to leave the field when faced with a situation they perceive to be unfair (Huppertz, Arenson, and Evans 1978). However, it is also possible that indirect behaviours were motivated by a desire to punish the firm for its transgression. In particular, consumers may have been attempting to lower the firm's outcome in order to restore equity or they may simply have
been attempting to punish the violation of the social norm. Further research is needed to distinguish between these different motivations.

In contrast to the previous studies, the norm violation in this study was associated with both procedural and distributive consequences. The procedural consequences referred to the lack of respect and value conveyed by norm violation. The distributive consequences related to consumers’ perceptions of their outcome. Although actual material outcomes were unaffected by the norm violation, the violation meant that consumers knew the product was subsequently sold for a lower price than they paid. This was expected to affect their perceptions of the reference price for the product. Consequently, it was expected that perceptions of both procedural and distributive justice would be influenced by the violation. This prediction was borne out. Furthermore, perceptions of procedural justice appeared to be mediated by consumers state self-esteem, while distributive justice was somewhat mediated by perceptions of the reference price. Unexpectedly, distributive justice appeared also to be somewhat mediated by consumers’ state self-esteem. This raises the possibility that self-esteem may have a broader influence on perceptions of justice than originally thought. In particular, it is possible that both allocative and interpersonal behaviours in exchange influence consumers’ self-evaluation. In other words, behaviour that relates to the allocation of material outcomes may also convey respect and belonging in a similar fashion to behaviour that is consistent or inconsistent with procedural norms. This requires further investigation.

Overall, norm violation appeared to reduce consumers’ self-esteem which led primarily to perceptions of procedural injustice. There did indeed appear to be a psychological cost in addition to the material costs traditionally associated with fairness judgments. This finding is consistent with the notion that there are normative principles relevant to exchange that consumers expect to be observed. These principles dictate the
kind of behaviours that communicate respect and belonging. Violations of these norms
convey a lack of respect which hurts consumers' self-evaluation and leads to
perceptions of unfairness. Furthermore, consumers react to such violations. At best, they
may complain. At worst, they may boycott and encourage others to boycott the firm.
General Discussion

The central purpose of this paper was to demonstrate that consumers' perceptions of fairness are related to more than just the material outcomes of exchange. It was argued that consumers are concerned with the underlying principles of fairness, whether or not those principles have material consequences. These principles were hypothesized to form the basis of procedural justice (in contrast to distributive justice, which is based on individuals' share of outcomes). The normative principles of procedural justice were conceptualized as norms that dictate the kinds of behaviour that are considered respectful. Two different normative principles were examined: consistency and openness. It was demonstrated that the violation of each of these principles led to perceptions of unfairness and this was mediated by perceptions of procedural justice. Furthermore, it appeared that the effect of norm violation on perceptions of procedural justice was mediated by consumers' self-esteem. This meant that perceptions of procedural justice primarily reflected the fact that norm violations conveyed a lack of respect and belonging which hurt consumers' self-evaluation. In contrast, consumers' perceptions of distributive justice appeared to reflect the relationship of their material outcome (and inputs) relative to other outcome standards.

There were a number of sources of evidence that helped establish the construct validity of procedural justice. This evidence demonstrated that procedural justice was an important source of fairness that was distinct from distributive justice. Studies 1 and 2 showed that violations of consistency and openness were an important basis of fairness even when consumers' outcomes were unaffected. In both cases, these effects were mediated by perceptions of procedural justice. This indicated that procedural injustice was one consequence of norm violation which in turn reduced perceptions of global fairness, consistent with the theoretical framework developed in the current paper. In study 1, perceptions of distributive justice were unaffected by the norm violation,
providing some evidence for the discriminant validity of distributive and procedural justice. As expected, distributive justice was related to the relationship of consumers' outcome and inputs relative to another customer, consistent with the framework of equity theory. In study 2, the norm violation was examined both when it affected outcomes and when it did not. Procedural justice was affected by the norm violation in both instances. In contrast, distributive justice varied only when consumers' outcomes were actually affected. Specifically, consumers appeared to judge the distributive fairness of their outcome by comparing it to the best known alternative. Distributive justice was therefore highest when there were no better alternative outcomes. Again, procedural justice conformed to the theoretical framework developed in the current paper and distributive justice conformed to the framework of equity theory. Together, these studies demonstrated reliable effects of the norm violation on perceptions of procedural justice. Furthermore, they demonstrated that distributive justice appeared not to be related to norm violation, but did vary in a manner consistent with equity theory. Finally, they showed that both procedural and distributive justice were important sources of global fairness. Overall, these findings suggested that procedural justice was a valid construct.

The final study was designed to extend these findings by examining why consumers cared about normative principles. The first two studies had demonstrated that consumers' concern with the principle appeared to be unrelated to material outcomes. As such, it was not entirely clear why consumers should react to the violation of an underlying principle. One possibility was that there was some additional psychological cost associated with norm violations. Prior research has suggested that one of the reasons consumers care about procedural justice is because it reflects the extent to which individuals are valued and respected (Lind and Tyler 1988). In addition, other researchers have suggested that one of the primary functions of self-esteem might be to evaluate the degree to which individuals are accepted and belong to a group
(Baumeister and Leary 1995; Leary et al. 1995). Thus, behaviour that conveys disregard towards an individual seems likely to have a negative impact on self-esteem, which in turn could influence perceptions of procedural justice.

Some research has demonstrated that procedural justice is related to self-esteem (Brockner, Heuer, Magner, Folger, Umphress, van den Bos, Vermunt, Magner, and Siegel 2003; Schroth and Shah 2000). However, this research focused on self-esteem as a consequence of self-attributions. Specifically, fair procedures that led to unfavourable outcomes were most likely to affect individuals' self-esteem because they suggested that the individual was deserving of an unfavourable outcome. This is different than the role of self-esteem predicated on the group-value model of procedural justice. Consequently, study 3 was designed to investigate the role of self-esteem in this context. In particular, study 3 examined the hypothesis that self-esteem mediates the effect of norm violation on perceptions of procedural justice. Furthermore, it was predicted that this relationship is likely to be moderated by consumers' trait self-esteem.

These hypotheses were examined in the context of a somewhat more ecologically valid scenario. In everyday situations, it seems unlikely that normative violations are entirely devoid of material consequences. Such situations were developed for studies 1 and 2 in order to separate the effects of the norm violation from material outcomes. In contrast, the norm violation in study 3 was associated with both procedural and distributive consequences. This meant that consumers' self-evaluation could be examined under circumstances that we believed to be fairly realistic. As expected the norm violation reduced consumers' state self-esteem and this led to perceptions of procedural injustice. There appeared to be a smaller effect of the norm violation on perceptions of distributive justice. This was possibly because the violation had a relatively small impact on consumers' perceptions of the reference price. Interestingly, perceptions of distributive justice also appeared to be somewhat affected by consumers'
state self-esteem. This suggested that self-esteem may be more broadly related to fairness than originally thought.

One possible explanation is that consumers might surmise interpersonal implications from allocative behaviour, just as they could infer possible allocations from interpersonal behaviour. This would mean that both norm violations and behaviour that is traditionally thought to relate to distributive justice could relate to consumers' state self-esteem. Norm violation would be mediated by state self-esteem in a manner consistent with the findings in study 3. However, consumers could also infer the extent to which they are valued from the outcomes they receive. Such inferences would be expected to influence state self-esteem rather than being mediated by state self-esteem. Although study 3 cannot address this point directly, figure 3 showed that the norm violation tended to maintain a direct influence on perceptions of distributive justice. This is consistent with the possibility that distributive justice affected state self-esteem rather than state self-esteem mediating the effect of the norm violation on distributive justice. It should be noted that this effect is somewhat different than findings that indicate procedurally fair, unfavourable outcomes negatively impact self-esteem (Brockner et al. 2003; Schroth and Shah 2000). In this case, such outcomes are supposedly indicative of individuals' deservingness. In contrast, the current work suggests that consumers may infer the extent to which they are respected from the distributive fairness of outcome allocations. Further research is needed to determine whether consumers might draw interpersonal inferences from their outcome allocation. If they do, we would expect an additional influence on consumers' state self-esteem.

Overall, it appeared that there were certain psychological costs associated with norm violation. In particular, when a seller violated a normative principle this negatively impacted consumers' state self-esteem which primarily affected consumers' perceptions of procedural justice. This suggested that norm violation conveyed a lack of respect
which consumers appeared to take to heart. These findings were consistent with Baumeister and Leary’s (1995) suggestion that individuals’ self-esteem is closely tied to the extent to which they are valued and accepted.

Additional findings demonstrated that consumers’ trait self-esteem affected the way in which consumers reacted to the violation. In particular, consumers with high trait self-esteem appeared to suffer a greater reduction in their state self-esteem than consumers with low trait self-esteem. This was consistent with prior research that has demonstrated individuals with high self-esteem react more negatively to threatened egotism (Baumeister, Smart, and Boden 1996). One explanation for the findings is that consumers’ with high trait self-esteem hold higher expectations for the way they should be treated. This means they might be more likely to believe normative principles should be observed (at least in relation to their own treatment). Consequently, a normative violation is likely to be perceived as more severe, which would have a larger impact on their state self-esteem.

The moderating effects of trait self-esteem appeared also to apply to consumers’ behavioural reactions to the violation. Overall, both high and low trait self-esteem consumers intended to engage in direct and indirect behaviours following the normative violation. However, high trait self-esteem consumers were particularly likely to engage in direct behaviours. This raises the possibility that one of the goals of such behaviour was to bolster their state self-esteem, perhaps by demanding to be treated respectfully. In contrast, indirect behaviours did not involve a confrontation with the firm and therefore seemed less likely to be motivated by an attempt to demand respectful treatment. As such, both high and low trait self-esteem consumers were equally likely to engage in such behaviours. Overall, norm violation led to a variety of behaviours that may have been motivated by a desire to restore both equity and self-esteem and perhaps to punish norm violation.
Transaction Utility Theory and the Current Research

Marketers have traditionally assumed that fairness judgments are most relevant to consumers' economic outcomes. Consequently, the majority of research on this subject has centered on the fairness of prices. The dominant paradigm has involved reference prices. Consumers are assumed to compare the price they are offered to some reference price, which represents a fair price for the good. Transaction utility theory (Thaler 1985) argues that the reference prices are primarily determined by the cost of the good to the seller. Subsequent research has demonstrated that reference prices can actually be determined by a variety of prices, including past prices, expected future prices, prices at other stores, etc. (e.g. Bolton, Warlop and Alba 2003; Campbell 1999; Kahneman, Knetsch and Thaler 1986a). However the reference price is determined, the underlying mechanism is assumed to be same: consumers compare their price to the reference price. Prices above the reference price are assumed to be unfair, while prices below the reference price are assumed to be fair. This judgment is further assumed to be independent of consumers' valuation of the actual good. Thus, consumers may value a good above a particular price, but might refuse to pay that price to the extent they perceive it to be unfair.

While transaction utility theory does not explicitly delineate the motivation underlying fairness judgments, the focus on material outcomes implies fairness reflects consumers' concern for their material well-being. In contrast, the present research demonstrated that fairness judgments go beyond simple price concerns and reflect consumers' concern for the way in which they are treated. This logic extends to transaction utility theory: judgments of price fairness that appear to involve a comparison to a reference price might not just reflect consumers' concern for their material well-being. In particular, it is possible that such judgments also reflect consumers' desire to be treated in a respectful manner.
In one demonstration of transaction utility, Thaler (1985) showed that consumers were more likely to sell a ticket to a friend at cost, whereas they would sell the same ticket to a stranger at the higher market price. Thaler's logic was that the price one would sell to a friend would be a good proxy of the fair price and that this was closely related to the cost (implying that sellers would be happy to sell the ticket at an unfair price to a stranger). However, there is an alternative interpretation. It is possible that both prices would be considered fair. The difference lies in the normative expectations that are relevant to friends and strangers. It might be unfair to sell to a friend above cost because of a normative expectation that one should not profit from one's friends. In contrast, this norm is not relevant to strangers, in which case the market price is probably the fair price. This suggests that the consequences of charging an unfair price could stem from the violation of the underlying norm. Thus, charging a friend a price above cost violates the norm of not profiting from one's friends. This could signal that the buyer is not considered a friend, or simply that the seller is attempting to take advantage of their friend. Either way, the violation is likely to convey disrespect and a lack of value consistent with the framework developed in the current paper. In short, it is possible that one of the reasons transaction utility is an important source of utility is because of the interpersonal implications that can be inferred from the act of charging a consumer a price above or below the relevant reference price.

One way of understanding transaction utility theory in relation to the framework of the current paper is in recognizing that norm violation might underlie both perspectives. When it comes to procedural justice, it was argued that consumers hold expectations for the way they should be treated. These expectations reflect prescriptive norms that govern respectful behaviour. Reference prices could also be considered prescriptive norms in that they dictate the price that consumers should pay. On the face of it, the prescriptive norms that are relevant to procedural justice relate to respectful treatment,
while prescriptive reference price norms relate to consumers' economic well-being. However, that does not mean that each of these relationships is exclusive. In particular, reference price norms could also be influenced by procedural norms that affect outcomes (for example, not profiting from one's friends); just as procedural norms can sometimes affect outcomes and presumably reference prices.

Ultimately, transaction utility theory and the norm violation perspective of procedural justice outlined in the current paper, both emphasize the consequences of norm violation. In transaction utility theory, the prescriptive norm relates to an outcome. However, as described, it is possible that this reference price norm actually reflects an underlying procedural norm that has implications for outcomes. When it comes to judgments of procedural justice, the prescriptive norm relates to treatment. In both cases, it is possible that violations of the norms communicate the extent to which consumers are valued and respected, in addition to any effect on consumers' material outcomes. Future research should address the extent to which transaction utility reflects consumers' concern for their outcomes versus the way in which they are treated. One possibility is that the effect of violations of reference prices on perceptions of fairness is mediated by consumers' self-worth in much the same way that perceptions of procedural justice were in the current research.

Implications of the Current Research for Procedural Justice

The current investigation also has implications for research on procedural justice. Traditionally, procedural justice has been defined as the fairness of the methods used to allocate outcomes. While this definition provides a structural distinction between the distribution of outcomes and the procedures used to allocate those outcomes, it is not clear that consumers make the same distinction. In fact, under this definition it is a logical possibility that procedures are important for the same reason as outcomes—namely, because of the effect on consumers' material well-being.
This has led a number of researchers to refine the distinction between distributive and procedural justice. For instance, Tyler and Lind (1992) proposed the relational model of procedural justice, which argues that procedures are more likely to convey respect and belonging than outcomes (Miller 2001; Tyler 1994). In contrast, Cropanzano and Ambrose (2001) argued that fairness judgments reflect a single process that can be applied to different categories of outcome. Individuals may judge the fairness of material outcomes or they may judge the fairness of socioemotional outcomes. Others (e.g. Bies and Moag 1986) have argued for a third form of justice that relates to the quality of interpersonal treatment. This form of justice has been labeled interactional justice. What these approaches have in common is that they attempt to capture fairness concerns that are not related to material outcomes.

The present findings indicate that one of the reasons consumers care about fairness, in addition to the material outcomes they receive, is because they are concerned with underlying normative principles. These principles are important because they communicate respect and belonging. When such principles are violated, consumers' self-worth is directly affected. This suggests that procedural justice should not be defined as the fairness of allocation methods per se, but rather as the degree to which others have observed the normative principles that prescribe socially respectful behaviour. In exchange contexts, these principles may also affect material outcomes. Under such circumstances, we would expect consumers to react to both their material outcome and the disrespectful behaviour (as they did in study 3). However, the violation of these principles need not affect outcomes. When this is the case, we would still expect consumers to react to the implications of the disrespectful behaviour.

Overall, the findings in the current paper point to a simpler categorization of the components of justice. Rather than categorizing justice based on the structural components of the context, justice could be categorized according to the reasons
individuals care about fairness. This means that the traditional components of justice, which include distributive, procedural, interactional, interpersonal, and informational justice, could be reclassified into material and interpersonal components. The current research suggests that the interpersonal component of justice is related to the violation of prescriptive norms. It may even be the case that material outcomes sometimes violate underlying prescriptive norms and therefore communicate important interpersonal information also. However, there might also be circumstances where consumers are not so worried about the way they are treated, but may be more concerned about the possible impact of their treatment on their future material outcomes. Thus, the elements that consumers seemingly react to (i.e. their material outcome or the way in which they are treated) may not always correspond to their reason for finding the situation unfair. Future research should therefore attempt to distinguish between interpersonal and material concerns rather than simply measuring the fairness of procedures or material outcomes.

Marketing Implications: Norm Violation and the Content of Such Norms

Consistent with previous research (Bolton, Warlop and Alba 2003; Campbell 1999; Oliver and Swan 1989), the present investigation demonstrated that consumers’ perceptions of fairness are important to purchase satisfaction and behavioural intentions. However, previous research has predominantly focused on the effect of reference prices (e.g. Bolton, Warlop and Alba 2003) and equity (e.g. Darke and Dahl 2003; Huppertz, Arenson and Evans 1978; Oliver and Swan 1989) on perceptions of fairness. The current work extended these findings by demonstrating that perceptions of procedural justice also have an important influence on fairness, purchase satisfaction and behavioural intentions. Moreover, procedural justice appeared not to be related to consumers’ material outcomes, but rather to the way in which they had been treated. Consumers appeared to compare their treatment to the treatment dictated by
prescriptive norms. Violations of these norms led to perceptions of unfairness and dissatisfaction even when consumers were aware their material outcomes were unaffected. Thus, marketers need to be especially careful not to focus exclusively on consumers’ material outcomes. They should be aware that violations of prescriptive norms can also affect perceptions of fairness which can lead to the same kind of behavioural responses they might expect from material injustices.

This means that marketers need to be aware of the content of the normative principles that govern exchange. The current paper identified two normative principles: norms of consistency and openness. Specifically, the norms involved consistency in the application of a pricing policy and openness of information regarding an upcoming sale. The violation of both of these normative principles was shown to have a negative impact on consumers’ perceptions of fairness, whether or not they affected consumers’ material outcomes. Future research is needed to identify the content of other normative principles. At the very least, it seems likely that there are wide variety of behaviours that might constitute violations of consistency and openness. In studies 2 and 3, openness was violated when the salesperson did not inform customers of an upcoming sale. However, openness could be violated in other ways. For example, customers might expect to be told of the costs of a purchase before they commit to the purchase. Contrary to this, firms often reveal additional costs subsequent to a customer’s purchase decision. According to the framework developed in the current paper, this is likely to lead to perceptions of procedural justice, even if such knowledge would not have affected the customer’s decision. Thus, marketers should ask themselves if their actions might violate underlying norms of openness and consistency if they wish to avoid negative consumer reactions.

It seems likely that there are other normative principles that are also relevant to exchange. According to the framework of the current paper, these norms dictate the
kinds of behaviour that convey respect and value towards other individuals. Generally speaking, these types of norms are known as prescriptive norms (Cialdini and Trost 1998) and may have their origin in principles described as “hypernorms” (Donaldson and Dunfee 1994). Hypernorms are defined as a set of values so fundamental to human existence they can be found across a variety of cultures and religions. A number of hypernorms have been suggested, including respect for life and health, honoring obligations, treating people with dignity and respect, prohibiting deception without substantial justification, respecting property rights, and prohibiting bribery (Donaldson and Dunfee 1994). Although this list is unlikely to be exhaustive, these principles might well form the basis of other prescriptive norms that consumers expect marketers to adhere to. For example, consumers may react negatively when they discover firms sometimes place an economic value on life in order to estimate certain costs. Or consumers may find it unfair that firms sometimes derogate their competitors, whether or not their claims are true. Both of these examples can be interpreted as violations of underlying hypernorms. Further research is needed to reveal those norms that consumers find most important in the context of exchange.

Marketing Implications: Fairness and Choice

In all of the situations examined in the current work, consumers first made their purchase and then received additional information that indicated certain elements of the exchange were unfair. In particular, consumers discovered they had been treated in a manner which violated the norms in question. Such norm violations affected perceptions of fairness and ultimately led to behavioural responses such as avoiding the store in the future, engaging in negative word of mouth, demanding a refund, etc., all of which had negative connotations for the firm. However, consumers might sometimes have concerns about the fairness of an exchange prior to completing the transaction. This
raises the question of whether fairness can actually alter consumers' decision to engage in or avoid an exchange.

Researchers have often discussed fairness as though it exerts sufficient influence to affect consumers' decisions from the outset. Such research has shown that fairness is related to purchase intentions (e.g. Campbell 1999; Kahneman, Knetsch and Thaler 1986a). However, it is crucial to demonstrate that it is fairness concerns per se that actually cause consumers to engage in or avoid such purchases. Such decisions would likely involve a direct conflict between the rational basis of the decision (i.e. the personal value of the good relative to the monetary outlay) and the emotional basis of the decision (i.e. fairness concerns). This distinction mirrors Thaler's (1985) distinction between acquisition and transaction utility. It would be useful to examine how consumers reconcile this conflict and how it could ultimately affect their purchase decision. This would help delineate different effects of fairness on choice behaviour. In some instances, fairness might encourage consumers to pursue or avoid an exchange. In other instances, completed exchanges that are perceived to be fair or unfair might affect consumers' subsequent choice behaviour. Additional research would help determine the importance of the influence of fairness in each of these situations.

It is also possible that fairness concerns encompass a rather wider ranging influence on choice behaviour. In particular, the possibility that fairness can sway consumers' decisions suggests that a desire to be treated fairly or a desire to avoid unfair treatment might motivate other forms of consumer behaviour. For instance, consumers may be motivated to engage in external product search for fear of being treated unfairly. The results from the final study further suggest that this is likely when unfair treatment is particularly ego-threatening. By extension, fear of unfairness could also motivate bargaining behaviour or the avoidance of related purchase situations (such as purchasing a car directly from a salesperson). In contrast, the desire for fair treatment
may motivate behaviours such as bargain hunting. Research has indicated bargains hold some psychological value (Chandon, Wansink and Laurent 2000), and that this value is related to fairness (Darke and Dahl 2003). One implication of study 3 is that maybe bargains bolster consumers' self-esteem, not just because the consumer can infer they are a smart shopper (Schindler 1998), but perhaps because the bargain communicates consumers are valued and respected. Again, further research could help identify some of the broader implications of fairness concerns on consumer behaviour.

Marketing Implications: Differential Pricing

Another implication of the current research relates to differential pricing. Generally speaking, price discrimination is economically superior than charging all customers the same price (Gerstner and Holthausen 1986) and is seen as a desirable strategy for firms when market conditions permit. However, it is not entirely clear how consumers react to price discrimination. Study 1 shed some light on this question. In this study, consumers discovered that another customer had paid a lower price for the same good. Relative to a situation where both customers paid the same price, the consumer who paid the higher price reacted quite negatively. They found the situation unfair, they were dissatisfied with their purchase and they planned on avoiding the store in the future along with a number of other negative behaviours. Pure price discrimination (i.e. when there was no information relating to the different prices) inspired negative consumer reactions that marketers should take into account before exercising such strategies.

The reason consumers reacted to price discrimination appeared to consist of both procedural and distributive elements. That is, they seemed to react to both the material difference and fact that consistency was violated. This implies there are a number of ways in which marketers could lessen the impact of differential pricing. First, marketers could attempt to alleviate perceptions of unfairness that are based on the material discrepancy. Study 1 showed that when consumers perceived the basis of the
price difference to be legitimate they perceived the price discrepancy to be more distributively just and therefore fairer.

From a marketing perspective, the basis of the discount can be understood as the segmentation variable. Segmentation variables should be chosen to distinguish between groups of consumers with different price sensitivities. To the extent that these groups can be separated and kept separate, higher prices will generally be charged to groups with lower price sensitivity. Thus, the only criteria for the segmentation variables are that they should capture non-overlapping groups with different price sensitivities. However, study 1 showed that segmentation variables can also affect perceptions of distributive justice because certain segmentation variables are more likely to be considered a legitimate basis for charging different prices. For example, study 1 showed that loyalty was considered a more legitimate basis for charging customers different prices than the university they attended. Consequently, consumers who paid a higher price than another customer perceived the difference to be more distributively fair when prices were determined by loyalty than university attended. This suggests that in addition to the price sensitivity and separability of customers, marketers also need to factor in the extent to which consumers are likely to perceive the segmentation variable to be a legitimate basis for price if they wish to avoid negative reactions to price discrimination.

Second, marketers could attempt to alleviate procedural concerns relating to price discrimination. These concerns reflect the fact that consumers expect to be treated in the same manner regardless of the effect of this treatment on their material outcomes. This was operationalized as consistency in the application of the pricing policy. Consistency was violated when the firm did not apply the pricing policy to the consumer and observed when the pricing policy was applied to the consumer. In both cases, the consumer would not qualify for a lower price. Thus, we could examine the influence of consistency independent of consumers’ outcome. This manipulation demonstrated that
consumers found the price discrepancy between their own outcome and the other customer's less unfair when they had been treated consistently. The hypothesized reason was that consistent treatment at least indicated the consumer was respected even if they were paying a higher price. This suggests that if marketers are to engage in price discrimination they may want to ensure that their policy is applied consistently. Of course, in truly separable markets consumers would presumably be unaware of the fact they are being charged different prices. Under these circumstances it probably makes little sense to deliberately inform the consumer of the policy.

These findings have broader implications for price discrimination as well. While study 1 demonstrated that adhering to an underlying prescriptive norm can lessen the impact of differential pricing, it suggests there may be alternative ways to achieve the same effect. Adhering to the norm affected perceptions of procedural justice, which suggested that consumers responded positively to the implication that they were respected and valued. Marketers could therefore mitigate perceptions of unfairness by demonstrating that they respect their customers in other ways, for example, with outstanding customer service. In contrast to this suggestion, the results of study 1 also indicated that even when price discrimination was based on a legitimate segmentation variable (loyalty) and when the policy was applied consistently it was still not perceived as fair as when both customers were charged the same price. This could have been a calibration issue. Maybe the price discrepancy was seen as too large relative to the degree of customer loyalty or maybe there were other important underlying norms that were also violated (such as not providing customers with a detailed explanation). Whatever the case, the results indicate that marketers need to be extremely cautious before practicing any form of price discrimination.
Marketing Implications: Recovery Attempts

The central finding in the current work was that procedural justice was an important source of fairness that was closely related to the violation of underlying prescriptive norms. Violations of this kind appear to convey a lack of respect and value which negatively impacts consumers’ self-esteem. To the extent that marketers inadvertently violate such norms, the current research suggests that one element of recovery might involve an attempt to bolster consumers’ self-esteem. Prior research has demonstrated that successful recovery attempts should either match the nature of the failure to the nature of the response (Smith, Bolton, and Wagner 1999) or at least employ elements of procedural, distributive and interactional justice (Tax, Brown, and Chandrashekaran 1998). However, it is not entirely clear exactly why these recovery attempts are more successful. The current work suggests that any injustice might communicate a lack of respect and value, which could subsequently lower consumers’ self-esteem. Thus, marketers may want to focus on ways in which they can broadly communicate respect for their customers, rather than attempting to match the specifics of the recovery to the initial failure.

Summary

The current work introduced procedural justice to consumers’ perceptions of fairness in the context of exchange. Marketers have traditional focused on the fairness of prices, but have ignored the interpersonal elements of exchange that are relevant to fairness. This work demonstrated that procedural justice was an important source of fairness that primarily related to the violation of prescriptive norms that are relevant to exchange. Such violations communicated a lack of value and respect which lowered consumers’ self-esteem and in turn affected perceptions of procedural justice. In short, fairness matters to consumers and one important reason is because it reflects their desire to be treated in a respectful manner that they feel they deserve.
References


Brockner, Joel, M. Konovsky, R. Cooper-Schneider, Robert Folger, C. L. Martin and R. J. Bies (1994), "The Interactive Effects of Procedural Justice and Outcome


Lind, Allan E. (1994), "


Streitfeld, David (2000), "He Knows Where You Live: Dynamic Pricing Means that Online Companies such as Amazon.com Can Charge Different Prices to Customers"
According to their Economic Status, Where They Live or What They've Bought Before," *The Vancouver Sun*, (Oct. 5), E.1.


### Table 1: Oblique Factor Pattern Matrix of Dependent Variables in Study 1 (Satisfaction, Global Fairness, Distributive and Procedural Justice) Using Harris-Kaiser Transformation ($\delta = 0$)

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*Salient loadings (>|.40|) are in bold
Table 2: Correlations between Dependent Variables in Study 1

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** $p < .01$
Table 3: Means of Dependent Variables in Study 1 by Condition and corresponding ANOVA Tests

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Table 4: Means of Dependent Variables in Study 2 by Condition and corresponding ANOVA Tests

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Distributive Justice

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Note: Where the interaction was significant, simple effects analyses revealed that means labeled a, b and means labeled c, d were significantly different at $p < .01$.
Table 5: Means of Dependent Variables in Study 3 by Condition and corresponding
ANOVA Tests

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<th>Trait Self-Esteem</th>
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<th>Violated</th>
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<th>Effect</th>
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<td>Behavioural Intentions: Indirect</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.26</td>
<td>2.41</td>
<td>2.33</td>
<td>3.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.85</td>
<td>3.63</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.05</td>
<td>3.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Openness Norm</td>
<td>Trait Self-Esteem</td>
<td>Interaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>60.52</td>
<td>0.04</td>
<td>1.10</td>
<td>0.296</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td>.838</td>
<td>.296</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Where the interaction was significant, simple effects analyses revealed that means labeled a, b and means labeled c, d were significantly different at p < .01
Figures

Figure 1: Procedural and Distributive Justice Mediation of Norm-Violation and Input-Relevance on Global Fairness (and Satisfaction) in Study 1

**p < .01, *p < .05, ”p < .10, non-significant paths are not labeled.

Note: Paths to Satisfaction are shown in brackets. Where paths are identical to Global Fairness, a single coefficient is displayed.
Figure 2: Procedural and Distributive Justice Mediation of Openness and Outcome Consequences on Global Fairness in Study 2

**p < .01, *p < .05, m p < .10, non-significant paths are not labeled.
Figure 3: Procedural and Distributive Justice Mediation of Openness and Outcome Consequences on Satisfaction in Study 2

**p < .01, *p < .05, "p < .10, non-significant paths are not labeled.
Figure 4: State Self-Esteem and Reference Price Mediation of Openness and Trait Self-Esteem on Procedural and Distributive Justice in Study 3

**p < .01, *p < .05, ^p < .10, non-significant paths are not labeled.

Note: For ease of exposition, paths from the experimental manipulations to procedural and distributive justice have been excluded. None of these paths reached significance.
Appendices

Appendix 1: Scenario and Questionnaire used in Study 1

General Instructions

You may have had an experience similar to the one you are about to read, or perhaps you’ll have a similar experience in the near future. When you read the scenario, try hard to imagine yourself in the situation described. Really try and get into the way you might feel, and what you would think, if the events described actually happened to you. There are no right or wrong answers. We simply want to know how you would really feel if you had the following experience:

Scenario:
Imagine that you’re interested in buying a portable stereo. You want one that has a 3 disc CD player, AM/FM radio, dual tape cassettes, and 3-way speakers. After looking through a few catalogues and magazines, as well as asking some friends who have bought similar stereos, you decide that what you really want to buy is a model called the SONY-3500S. Based on what you’ve already seen in the catalogues you’ve looked through, you expect this model to cost about $200.

Considering what you already know about the local electronics stores, you think that a small, family owned business called Stereo-Stereo generally has reasonable prices on portable stereos. So you decide to go there to make your purchase. When you arrive you quickly locate the portable stereo section and find the SONY-3500S model. You test out the sound and features of this model and compare it to similar stereos that are also available in the store. After doing this, you feel certain that you have found the best stereo for you. You ask the salesperson how much the stereo costs and he shows you their price list, which shows it costs $199 (pretty much what you had expected).

Consistency Observed/Loyalty Discount Condition Only:
The salesperson asks if you have been to the store before because they have a loyalty policy and that you could qualify for a discount. You explain that it is your first time there. The salesperson tells you that you won’t qualify for a discount then, but after you have spent a certain amount of money at the store, you will qualify for discounts on future purchases.

Consistency Observed/University Discount Condition Only:
The salesperson also asks if you are a student at Simon Fraser University. He explains that they are having a promotion for SFU students and that they are receiving 20% off (when they show their SFU student card). Unfortunately, you don’t qualify for the discount as you attend UBC.

All conditions: You decide to buy the stereo and take it home.
The next day, you’re sitting quietly in a classroom waiting for the lecture to begin, when you happen to overhear another student in class talking to a friend. Coincidentally, this student mentions that she was at Stereo-Stereo the day before (i.e., the same day you were there), and that she had also purchased a SONY-3500S.

**Endings for experimental conditions:**

<table>
<thead>
<tr>
<th>Norm-Violation Manipulation</th>
<th>Input-Relevance Manipulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistency Observed</td>
<td>From what you overheard, the salesperson working that day gave her a discount on the stereo because she qualified for the store’s loyalty policy. Specifically, the other student paid $159 (approximately 20% off).</td>
</tr>
<tr>
<td>From what you overheard, the salesperson working that day gave her a discount because she is a student at SFU (she is taking a course at UBC). Specifically, the other student paid $159 (approximately 20% off).</td>
<td></td>
</tr>
</tbody>
</table>

| Consistency Violated        | From what you overheard, the salesperson working that day decided to give her a special discount on the stereo simply because the salesperson recognized her as a regular customer; she had been to the store quite a few times previously. Specifically, the other student paid $159 (approximately 20% off). |
| From what you overheard, the salesperson working that day gave her a discount because she is a student at SFU (she is taking a course at UBC). Specifically, the other student paid $159 (approximately 20% off). |

*Fair control condition: ...for $199.*

*Unfair control condition: From what you overheard, the salesperson working that day gave her a discount on the stereo for no particular reason. Specifically, the other student paid $159 (approximately 20% off).*
Instructions

Now that you have read the scenario, we want to ask you some questions about the kind of thoughts and feelings you might have had. Try hard to imagine how you would really feel if the events just described had actually happened to you, and then answer the following questions:

Part 1

1) In your own words, briefly describe the kinds of thoughts and feelings you would have if you had been in the situation described. For example, you might want to mention any thoughts and feelings you have about the stereo, the salesperson, the store, or other customer. Use the lines provided below to give your answer. List only as few or as many thoughts and feelings as you actually had:

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

2) Is there anything you think you would do about the situation you are in? There may be nothing in particular you would do, in which case just write “nothing” in the space below. Otherwise, briefly describe what kind of action you might take and how you would go about doing it. Only describe things you think you really would do:

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
Part 2

Please read the questions carefully, and then indicate your response using each of the rating scales.

1) How would you **feel about your purchase** if you actually experienced the events described in the scenario? Rate your **overall feelings about your purchase** along the dimensions below. Circle one number for each dimension:

- **Dissatisfied*** (-3) (-2) (-1) (0) (+1) (+2) (+3) Satisfied
- **Unhappy*** (-3) (-2) (-1) (0) (+1) (+2) (+3) Happy
- **Disappointed*** (-3) (-2) (-1) (0) (+1) (+2) (+3) Delighted
- **Indifferent*** (-3) (-2) (-1) (0) (+1) (+2) (+3) Excited
- **Displeased*** (-3) (-2) (-1) (0) (+1) (+2) (+3) Pleased

2) Now rate the extent to which you agree or disagree that your purchase was...

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Slightly Disagree</th>
<th>Slightly Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair***</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Questionable</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Justified***</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Bad</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Honest***</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Unfair*</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
</tbody>
</table>

* items used in their respective indices
Part 2 con...

The following questions refer to your purchase. To what extent...

<table>
<thead>
<tr>
<th>Question</th>
<th>Not At All</th>
<th>Very Much So</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Does your purchase reflect what you deserved?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>2) Was the price you paid appropriate?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>3) Was the price you paid justified?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>4) Does the price you paid reflect the value of the stereo?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>5) Is the stereo worth what you paid?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>6) Given the stereo you received, was the price you paid reasonable?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>7) Should you have paid less for a stereo with these features?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>8) Is the price the other student paid relevant to the price you paid?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>9) Is it meaningful to compare the price you paid to the price the other student paid?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>10) Is the price you paid justified relative to the price the other student paid?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>11) Should you have paid the same price as the other student?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
</tbody>
</table>
The following questions concern the way the store treated you. To what extent...

<table>
<thead>
<tr>
<th>Question</th>
<th>Not At All</th>
<th>Very Much So</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Do you feel that the store treated you with respect?*</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>2) Did the store show you sufficient customer appreciation?*</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>3) Did the store treat you consistently with other customers?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>4) Did the company treat you and other customers appropriately?*</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>5) Were the store's pricing procedures fair?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>6) Did the store show any bias in the way they treated you?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>7) Do you feel like there is anything you could have done about the way the company treated you?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>8) Did the store act ethically?*</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>9) Do you think the store should have provided an explanation for the way they treated you?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>10) Was there a reasonable explanation for the way the store treated you?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
</tbody>
</table>
Part 3

This section concerns the kind of things you think you would do and say given the situation described. Rate the extent to which you agree or disagree with each of the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) I would go back to the store to complain to the manager</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>2) There is nothing in particular I would want to do?</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>3) If someone asked me where to get a stereo I would recommend the store</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>4) I would write a letter of complaint to the store</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>5) I would complain to the “Better Business Bureau” or some other</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>consumer group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6) I would take the stereo back and ask for a refund</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>7) I would ask the store to give me some money back on the price of the</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>stereo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8) I would go out of my way to tell my friends not to visit the store</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>9) I would go out of my way to recommend the store to a friend</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>10) If someone asked me where to get a stereo I would recommend the store</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>11) If someone asked me where to get a stereo, I would tell them not to</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>visit the store</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12) If I ever needed another stereo or related product I would visit the</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>store again</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13) I would probably buy from the store in the future</td>
<td>-3</td>
<td>+3</td>
</tr>
<tr>
<td>14) I definitely would not go back to the store again</td>
<td>-3</td>
<td>+3</td>
</tr>
</tbody>
</table>
Part 4

Please do not look back in the questionnaire when answering these questions:

1) Did the other student pay a higher price, a lower price or the same price you paid?
   a) Higher    b) Lower    c) Same

2) How much did you pay for the stereo? $________

3) How much did the other person pay for the stereo? $________

4) Did you get a discount on the stereo?
   a) NO
   b) YES - if so, how big was your discount: _______ ($s off or % off)

5) Did the other person get a discount on the stereo?
   a) NO
   b) YES - if so...
      i) How big was their discount: _______ ($s off or % off)
      ii) And what was the reason for their discount: (check one)
           □ They won a discount on a scratch and win card
           □ They received a discount for being a loyal customer
           □ The stereo was on sale
           □ They received a discount because there was a one-day sale
           □ Other reason: ______________________ (please specify)

6) Do you think the reason the other person paid the price they did was...

<table>
<thead>
<tr>
<th>Not At All</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legitimate*</td>
<td>(0)  (1) (2) (3) (4)</td>
</tr>
<tr>
<td>Justified*</td>
<td>(0)  (1) (2) (3) (4)</td>
</tr>
<tr>
<td>Reasonable*</td>
<td>(0)  (1) (2) (3) (4)</td>
</tr>
</tbody>
</table>

7) Do you feel as though there is anything you could do to receive a discount in the future?

   Nothing I Could Do 0 1 2 3 4 I Could Definitely Do Something

8) Are you likely to receive discount from the store in the future?

   Definitely Will Not 0 1 2 3 4 Definitely Will
Part 4 con...

9) To what extent do you think the store is responsible for the price the other student received?

Not At All 0 1 2 3 4 Very Much So

10) To what extent do you think the other student is personally responsible for price she received?

Not At All 0 1 2 3 4 Very Much So

11) To what extent do you think the store is responsible for the price that you paid?

Not At All 0 1 2 3 4 Very Much So

12) To what extent do you think you are personally responsible for the price you paid?

Not At All 0 1 2 3 4 Very Much So

13) How much control do you have over the price you paid for the stereo?

No Control 0 1 2 3 4 Total Control

14) How much control would you have over the price you pay if you visit that store again?

No Control 0 1 2 3 4 Total Control
Part 5
The following questions concern your perceptions of the price of the stereo...

1) What would you say is the **average price** this stereo costs elsewhere?
   $______

2) What would you say is the **highest price** this stereo costs elsewhere?
   $______

3) What would you say is the **lowest price** this stereo costs elsewhere
   $______

4) What would you say is a **fair price** for this stereo?*
   $______

5) What would you say is a **reasonable range** for the price of the stereo?
   Reasonable low price: $______  Reasonable high price: $______

6) What would you say is the **lowest price a retailer could offer** this stereo for
   without losing money?
   $______

140
Part 6

In this section we are interested to know the extent to which you agree or disagree with each of the following general statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) People should be treated equally</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>2) Firms should charge all customers the same price</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>3) It is reasonable for firms to change their prices without notice</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>4) Firms have the right to raise their prices if they want to</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>5) What people receive should be based on what they deserve</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>6) Firms have the right to charge different customers different prices</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>7) Firms should generally treat all customers the same</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>8) Firms have the right to charge customers whatever price they can get</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>9) Firms have the right to lower their prices if they want to</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>10) People who are more needy should receive more</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>11) Firms should offer price reductions to elderly people</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>12) Firms should reward loyal customers</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>13) Firms should offer price reductions to poor members of society</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>14) People should receive based on their neediness rather than their contribution</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>15) Firms should offer price reductions to students</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>16) Needy people deserve to receive more than people who are less needy</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>17) Firms should offer price reductions to the homeless</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
</tbody>
</table>
Part 7

This section concerns perceptions that you may or may not have about yourself. Please indicate whether you agree or disagree with each of the statements below.

1) It annoys me when other people perform better than I do

<table>
<thead>
<tr>
<th>Strongly Disagree (-3)</th>
<th>(-2)</th>
<th>(-1)</th>
<th>(+1)</th>
<th>(+2)</th>
<th>(+3)</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

2) I try harder when I'm in competition with other people

<table>
<thead>
<tr>
<th>Strongly Disagree (-3)</th>
<th>(-2)</th>
<th>(-1)</th>
<th>(+1)</th>
<th>(+2)</th>
<th>(+3)</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

3) I feel that winning is important in both work and games

<table>
<thead>
<tr>
<th>Strongly Disagree (-3)</th>
<th>(-2)</th>
<th>(-1)</th>
<th>(+1)</th>
<th>(+2)</th>
<th>(+3)</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

4) It is important for me to perform better than others on a task

<table>
<thead>
<tr>
<th>Strongly Disagree (-3)</th>
<th>(-2)</th>
<th>(-1)</th>
<th>(+1)</th>
<th>(+2)</th>
<th>(+3)</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>

5) I enjoy working in situations involving competition with others

<table>
<thead>
<tr>
<th>Strongly Disagree (-3)</th>
<th>(-2)</th>
<th>(-1)</th>
<th>(+1)</th>
<th>(+2)</th>
<th>(+3)</th>
<th>Strongly Agree</th>
</tr>
</thead>
</table>
Part 8

_in your own words_, please describe the general goal of this study. Please _do not_ look back in the questionnaire when answering this question:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Part 8

Please indicate your:

Age: _____

Gender: M or F

Year in university: 1 2 3 4 5+

Major area of study (e.g. psychology, commerce, etc.): ______________

Language most commonly spoken at home with your family: ______________
Appendix 2: Summary of Experimental Conditions in Study 1

<table>
<thead>
<tr>
<th>Norm-Violation Manipulation</th>
<th>Input-Relevance Manipulation</th>
<th>Loyalty Discount</th>
<th>University Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistency Observed</td>
<td>Loyalty policy</td>
<td>Other student qualifies for loyalty discount. Participant does not qualify for discount</td>
<td>University Discount Policy</td>
</tr>
<tr>
<td>Consistency Violated</td>
<td>No Loyalty Policy</td>
<td>Other student receives a discount because they are loyal, but there is no specific policy</td>
<td>No University Discount Policy</td>
</tr>
</tbody>
</table>
Appendix 3: Scenario and Questionnaire used in Study 2

General Instructions

You may have had an experience similar to the one you are about to read, or perhaps you'll have a similar experience in the near future. When you read the scenario, try hard to imagine yourself in the situation described. Really try and get into the way you might feel, and what you would think, if the events described actually happened to you. There are no right or wrong answers. We simply want to know how you would really feel if you had the following experience:

Scenario:
Imagine that you're interested in buying a good pair of shoes. You want some that look stylish, feel really comfortable, provide lots of support and are likely to last for a long time. Based on what you've seen in the past and other shoes that you have bought you expect to spend around $200 to get a pair of shoes that are going to have these features.

Able to wait for sale conditions:
You have heard from a few friends that a shoe store near your house sells good quality shoes at reasonable prices.

Unable to wait for sale conditions:
That weekend you go to visit a close friend of yours in Toronto. While you are there you have a bit of free time when your friend is at work and you decide to look for a pair of shoes. Your friend tells you that a shoe store near the house sells good quality shoes at reasonable prices.

You look around a few different stores anyway, but decide that the store near you is probably the best, as they have lots of selection and the staff seems quite knowledgeable. So you decide to go there to make your purchase. When you arrive, you start looking at the shoes. A few minutes later the store manager comes over and asks you if you would like any help. You have a few different shoes in mind and ask if you can try them on. You walk around in each of the shoes and eventually decide on a particular pair that you really like the look of and that feel really comfortable. You ask the store manager how much the shoes cost and she tells you that they are $199 (pretty much what you had expected to pay).
Not told about sale conditions:
So you decide to buy the shoes and take them with you.

Able to wait for sale:
A couple of days later, you are walking by the store when you see a “SALE” sign in the window. You go inside and see that the shoes you just bought are now on sale for $159 (approximately 20% off). When you bought the shoes the store manager told you nothing about the upcoming sale.

Unable to wait for sale:
A couple of days later, after you are back at home in Vancouver, you are talking to your friend on the phone. Your friend happens to mention that they saw a “SALE” sign in the window of the shoe store and that when they went to look they saw that the shoes you just bought are now on sale for $159 (approximately 20% off). Of course, you were going back to Vancouver and so there was nothing you could have done anyway (and it would have been too expensive for your friend to ship the shoes back for you). However, when you bought the shoes the store manager told you nothing about the upcoming sale.

Told about sale conditions:
However, she also tells you that the store will be having a sale in a couple of days time and that the shoes will be reduced.

Able to wait for sale:
You decide to wait and go back to the store in two days. When you go to the store two days later, you see a “SALE” sign in the window. You go inside and see that the shoes you were looking at are now on sale for $159 (approximately 20% off). You buy the shoes and take them with you.

Unable to wait for sale:
Of course, you will be going back to Vancouver and so you cannot wait for the sale (and it would be too expensive for your friend to ship the shoes back for you). So you decide to buy the shoes and take them with you.
A couple of days later, after you are back at home in Vancouver, you are talking to your friend on the phone. Your friend happens to mention that they saw a “SALE” sign in the window of the shoe store and that when they went to look they saw that the shoes you just bought are now on sale for $159 (approximately 20% off). You tell your friend that you knew about the sale but couldn’t do anything about it.
Instructions

Now that you have read the scenario, we want to ask you some questions about the kind of thoughts and feelings you might have had. Try hard to imagine how you would really feel if the events just described had actually happened to you, and then answer the following questions:

Part 1

3) In your own words, briefly describe the kinds of thoughts and feelings you would have if you had been in the situation described. For example, you might want to mention any thoughts and feelings you have about the shoes, the store manager or the store itself. Use the lines provided below to give your answer. List only as few or as many thoughts and feelings as you actually had:

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________

4) Is there anything you think you would do about the situation you are in? There may be nothing in particular you would do, in which case just write "nothing" in the space below.

Otherwise, briefly describe what kind of action you might take and how you would go about doing it. Only describe things you think you really would do:

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________
Part 2

Please read the questions carefully, and then indicate your response using each of the rating scales

3) How would you feel about your purchase if you actually experienced the events described in the scenario? Rate your overall feelings about your purchase along the dimensions below. Circle one number for each dimension:

- Dissatisfied* (-3) (-2) (-1) (0) (+1) (+2) (+3) Satisfied
- Unhappy* (-3) (-2) (-1) (0) (+1) (+2) (+3) Happy
- Disappointed* (-3) (-2) (-1) (0) (+1) (+2) (+3) Delighted
- Indifferent* (-3) (-2) (-1) (0) (+1) (+2) (+3) Excited
- Displeased* (-3) (-2) (-1) (0) (+1) (+2) (+3) Pleased

4) Now rate the extent to which you agree or disagree that your purchase was...

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Slightly Disagree</th>
<th>Slightly Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair*</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Questionable</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Justified*</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Bad</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Honest*</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Unfair*</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
</tbody>
</table>
Part 2 con...

The following questions refer to your purchase. To what extent...

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not At All</td>
<td>Very Much So</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Does your purchase reflect what you deserved?</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2) Was the price you paid appropriate?*</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>3) Was the price you paid justified?*</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>4) Does the price you paid reflect the value of the shoes?</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>5) Are the shoes worth what you paid?</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>6) Given the shoes you received, was the price you paid for them reasonable?</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>7) Should you have paid less for shoes with those features?*</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8) Overall should you have paid a lower price?*</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
Part 2 con...

The following questions concern the way *the store treated you*. To what extent...

<table>
<thead>
<tr>
<th>Question</th>
<th>Not At All</th>
<th>Very Much So</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Were you treated with respect?*</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>2) Were you shown sufficient customer appreciation?*</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>3) Were you treated consistently with other customers?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>4) Were you treated appropriately?*</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>5) Were the store’s pricing procedures fair?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>6) Was the store manager open with you?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>7) Were the store manager’s actions moral?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>8) Did the store manager show any bias in the way you were treated?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>9) Did the store manager give you sufficient relevant information?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>10) Do you feel like there is anything you could have done about the way you were treated?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>11) Did the store manager keep information from you?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>12) Did the store manager act ethically?*</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>13) Was the store manager honest?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>14) Should the store manager have told you about the sale?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>15) Was there a reasonable explanation for the way the store manager treated you?</td>
<td>0 1 2 3 4</td>
<td></td>
</tr>
</tbody>
</table>
Part 3

This section concerns the kind of things you think you would do and say given the situation described. Rate the extent to which you agree or disagree with each of the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>15) I would phone to complain to the store</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>16) There is nothing in particular I would want to do</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>17) If someone asked me where to get a pair of shoes I would recommend the store</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>18) I would write a letter of complaint to the store</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>19) I would complain to the &quot;Better Business Bureau&quot; or some other consumer group</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>20) If I could I would take the shoes back and ask for a refund</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>21) I would ask the store to give me some money back on the price of the shoes</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>22) I would go out of my way to tell my friends NOT to visit the store</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>23) I would go out of my way to recommend the store to a friend</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>24) If someone asked me where to get a pair of shoes, I would tell them NOT to visit the store</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>25) If I needed another pair of shoes I would visit the store if I could</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>26) I would probably buy from the store in the future if I had the opportunity</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>27) I definitely would not go back to the store again</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
</tbody>
</table>
Part 4

Please **do not** look back in the questionnaire when answering these questions:

1) How much did you pay for the shoes? $\

2) Did you get a discount on the shoes?
   a) NO
   b) YES - if so, how big was your discount: _____ ($s off or % off)

3) Do you feel as though there is anything you could do to receive a discount in the future?
   Nothing I Could Do 0 1 2 3 4 I Could Definitely Do Something

4) Are you likely to receive a discount from the store in the future?
   Definitely Will Not 0 1 2 3 4 Definitely Will

5) To what extent do you think the store is responsible for the price the other student received?
   Not At All 0 1 2 3 4 Very Much So

6) To what extent do you think the other student is personally responsible for the price she received?
   Not At All 0 1 2 3 4 Very Much So

7) To what extent do you think the store is responsible for the price you paid?
   Not At All 0 1 2 3 4 Very Much So

8) To what extent do you think you are personally responsible for the price you paid?
   Not At All 0 1 2 3 4 Very Much So

9) How much control do you have over the price you paid for the shoes?
   No Control 0 1 2 3 4 Total Control

10) How much control would you have over the price you pay if you visit that store again?
   No Control 0 1 2 3 4 Total Control
Part 5

The following questions concern your perceptions of the price of the shoes...

1) What would you say is the average price these shoes cost elsewhere?
   $_____

2) What would you say is the highest price these shoes cost elsewhere?
   $_____

3) What would you say is the lowest price these shoes cost elsewhere?
   $_____

4) What would you say is a fair price for these shoes?
   $_____

5) What would you say is a reasonable range for the price of these shoes?
   Reasonable low price: $_____
   Reasonable high price: $_____

6) What would you say is the lowest price a retailer could offer these shoes for without losing money?
   $_____

153
In this section we are interested to know the extent to which you agree or disagree with each of the following general statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) People should be treated equally</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>2) Firms should charge all customers the same price</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>3) It is reasonable for firms to change their prices without notice</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>4) Firms should provide customers with information that is relevant to the product they are purchasing</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>5) Firms have the right to raise their prices if they want to</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>6) What people receive should be based on what they deserve</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>7) Firms have the right to charge different customers different prices</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>8) Firms should generally treat all customers the same</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>9) Firms have the right to charge customers whatever price they can get</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>10) Firms should give advanced notice when products will be going on sale</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>11) Firms have the right to lower their prices if they want to</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>12) People who are more needy should receive more</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>13) Customers should be responsible for finding out relevant information about the product they wish to purchase</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>14) Firms should let customers know if products are going to go on sale soon</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>15) All good people are deserving of equal respect</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>16) Firms should offer price reductions to elderly people</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
</tbody>
</table>
Part 6 con...

17) Firms should reward loyal customers
   -3 -2 -1 +1 +2 +3

18) People are born equal
   -3 -2 -1 +1 +2 +3

19) Firms should offer price reductions to poor members of society
   -3 -2 -1 +1 +2 +3

20) People should not profit from their friends
    -3 -2 -1 +1 +2 +3

21) People should receive based on their neediness rather than their contribution
    -3 -2 -1 +1 +2 +3

22) Firms should offer price reductions to students
    -3 -2 -1 +1 +2 +3

23) Unless there is a good reason, all people should be treated equally
    -3 -2 -1 +1 +2 +3

24) Firms are entitled to profit when they sell their products
    -3 -2 -1 +1 +2 +3

25) Firms should let customers know if the same product is cheaper at another store
    -3 -2 -1 +1 +2 +3

26) All human beings are equal
    -3 -2 -1 +1 +2 +3

27) Firms should charge approximately the same price for the same product that other stores do
    -3 -2 -1 +1 +2 +3

28) People should not profit from their family
    -3 -2 -1 +1 +2 +3

29) Needy people deserve to receive more than people who are less needy
    -3 -2 -1 +1 +2 +3

30) In an ideal world, all people should be treated equally
    -3 -2 -1 +1 +2 +3

31) Firms should offer price reductions to the homeless
    -3 -2 -1 +1 +2 +3
Part 7

This section concerns perceptions that you may or may not have about yourself. Please indicate whether you agree or disagree with each of the statements below.

1) It annoys me when other people perform better than I do

   Strongly Disagree (-3) (-2) (-1) (+1) (+2) (+3) Strongly Agree

2) I try harder when I’m in competition with other people

   Strongly Disagree (-3) (-2) (-1) (+1) (+2) (+3) Strongly Agree

3) I feel that winning is important in both work and games

   Strongly Disagree (-3) (-2) (-1) (+1) (+2) (+3) Strongly Agree

4) It is important for me to perform better than others on a task

   Strongly Disagree (-3) (-2) (-1) (+1) (+2) (+3) Strongly Agree

5) I enjoy working in situations involving competition with others

   Strongly Disagree (-3) (-2) (-1) (+1) (+2) (+3) Strongly Agree
Part 8

In your own words, please describe the general goal of this study. Please do not look back in the questionnaire when answering this question:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Part 8

Please indicate your:

Age: ____

Gender: M or F

Year in university:  1  2  3  4  5+

Major area of study (e.g. psychology, commerce, etc.): ________________

Language most commonly spoken at home with your family: ________________
Appendix 4: Summary of Experimental Conditions in Study 2

<table>
<thead>
<tr>
<th>Procedural Manipulation: Observation/Violation of the Openness Norm</th>
<th>Distributive Consequences Manipulation: Outcome Affected vs. Outcome Not Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Outcome Affected</td>
</tr>
<tr>
<td>Norm Observed</td>
<td>Store manager informs participant of upcoming sale — participant waits for sale and pays $159 for shoes</td>
</tr>
<tr>
<td></td>
<td>Store manager informs participant of upcoming sale — participant pays $199 but could not have paid $159</td>
</tr>
<tr>
<td>Norm Violated</td>
<td>Store manager does not inform participant of upcoming sale — participant pays $199 but could have paid $159</td>
</tr>
<tr>
<td></td>
<td>Store manager does not inform participant of upcoming sale — participant pays $199 and could not have paid $159</td>
</tr>
</tbody>
</table>
Appendix 5: Scenario and Questionnaire used in Study 3

General Instructions

You may have had an experience similar to the one you are about to read, or perhaps you’ll have a similar experience in the near future. When you read the scenario, try hard to imagine yourself in the situation described. Really try and get into the way you might feel, and what you would think, if the events described actually happened to you. There are no right or wrong answers. We simply want to know how you would really feel if you had the following experience:

Scenario:
Imagine that you’re interested in buying a portable stereo. You want one that has a 3 disc CD player, AM/FM radio, dual tape cassettes, and 3-way speakers. After looking through a few catalogues and magazines, as well as asking some friends who have bought similar stereos, you decide that what you really want to buy is a model called the SONY-3500S. Based on what you’ve already seen in the catalogues you’ve looked through, you expect this model to cost about $200.

Considering what you already know about the local electronics stores, you decide to go to a nearby store called Stereo-Stereo. You know the store has reasonable prices and that the staff is knowledgeable about stereo equipment so you decide to go there to make your purchase. When you arrive, you tell the store manager that you are interested in buying the SONY-3500S. The store manager tells you that that is a very good stereo – one he would recommend. He says there are 5 left in stock and shows you where they are located in the store. With the store manager’s help, you test out the sound and features of this model and compare it to similar stereos that are also available in the store. After doing this, you feel certain that you have found the best stereo for you. The store manager tells you that the stereo costs $199 (pretty much what you had expected). So you decide to buy the stereo and take it home.

Openness norm violated condition:
Two days later, you are walking by the same store, Stereo-Stereo, when you see a “SALE” sign in the window. You go inside and see that the stereo you just bought is now on sale for $159 (approximately 20% off). When you bought the stereo, the store manager told you nothing about the upcoming sale.
Instructions

Now that you have read the scenario, we want to ask you some questions about the kind of thoughts and feelings you might have had. Try hard to imagine how you would really feel if the events just described had actually happened to you, and then answer the following questions:

Part 1

1) In your own words, briefly describe the kinds of thoughts and feelings you would have if you had been in the situation described. For example, you might want to mention any thoughts and feelings you have about the stereo, the store manager or the store itself. Use the lines provided below to give your answer. List only as few or as many thoughts and feelings as you actually had:

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

2) Is there anything you think you would do about the situation you are in? There may be nothing in particular you would do, in which case just write “nothing” in the space below. Otherwise, briefly describe what kind of action you might take. Only describe things you think you really would do:

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
Part 2

Please read the questions carefully, and then indicate your response using each of the rating scales.

1) How would you feel about your purchase if you actually experienced the events described in the scenario? Rate your overall feelings about your purchase along the dimensions below. Circle one number for each dimension:

- Dissatisfied (-3) (-2) (-1) (0) (+1) (+2) (+3) Satisfied
- Unhappy (-3) (-2) (-1) (0) (+1) (+2) (+3) Happy
- Disappointed (-3) (-2) (-1) (0) (+1) (+2) (+3) Delighted
- Indifferent (-3) (-2) (-1) (0) (+1) (+2) (+3) Excited
- Displeased (-3) (-2) (-1) (0) (+1) (+2) (+3) Pleased

2) Now rate the extent to which you agree or disagree that your purchase was...

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Slightly Disagree</th>
<th>Slightly Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair*</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Questionable</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Justified*</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Bad</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Honest*</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
<tr>
<td>Unfair*</td>
<td>(-3)</td>
<td>(-2)</td>
<td>(-1)</td>
<td>(+1)</td>
<td>(+2)</td>
<td>(+3)</td>
</tr>
</tbody>
</table>
Part 2 con...

The following questions refer to your purchase. To what extent...

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Not At All</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Does your purchase reflect what you deserved?</td>
<td>0 1 2 3 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Was the price you paid appropriate?*</td>
<td>0 1 2 3 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Was the price you paid justified?*</td>
<td>0 1 2 3 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Was the price of the stereo fair?*</td>
<td>0 1 2 3 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Does the price you paid reflect the value of the stereo?</td>
<td>0 1 2 3 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Is the stereo worth what you paid?</td>
<td>0 1 2 3 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Given the stereo you received, was the price you paid for it reasonable?</td>
<td>0 1 2 3 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Should you have paid less for a stereo with those features?</td>
<td>0 1 2 3 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Overall, should you have paid a lower price?</td>
<td>0 1 2 3 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part 2 con...

The following questions concern the way you were treated. To what extent...

<table>
<thead>
<tr>
<th>Question</th>
<th>Not At All</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Were you treated with respect?*</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2) Were you shown sufficient customer appreciation?*</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>3) Were you treated consistently with other customers?</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>4) Were you treated fairly?*</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>5) Were you treated appropriately?*</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>6) Were the store’s pricing procedures fair?</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>7) Was the store manager open with you?</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8) Were the store manager’s actions moral?</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>9) Did the store manager show any bias in the way you were treated?</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>10) Did the store manager give you sufficient relevant information?</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>11) Do you feel like there is anything you could have done about the way you were treated?</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>12) Did the store manager keep information from you?</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>13) Did the store manager act ethically?*</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>14) Was the store manager honest?</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>15) Was there a reasonable explanation for the way the store manager treated you?</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
Part 3

1) How do you think this situation would make you feel about yourself, as a customer?

<table>
<thead>
<tr>
<th></th>
<th>Bad</th>
<th>-3</th>
<th>-2</th>
<th>-1</th>
<th>0</th>
<th>+1</th>
<th>+2</th>
<th>+3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worthless</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Rejected</em></td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
<td>0</td>
<td></td>
<td>+1</td>
<td>+2</td>
<td>+3</td>
</tr>
<tr>
<td><em>Excluded</em></td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
<td>0</td>
<td></td>
<td>+1</td>
<td>+2</td>
<td>+3</td>
</tr>
<tr>
<td><em>Avoided</em></td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
<td>0</td>
<td></td>
<td>+1</td>
<td>+2</td>
<td>+3</td>
</tr>
</tbody>
</table>

2) Please rate the extent to which you agree or disagree with the following statements, where:

<table>
<thead>
<tr>
<th>Strongly Disagree (-3)</th>
<th>Disagree (-2)</th>
<th>Slightly Disagree (-1)</th>
<th>Slightly Agree (+1)</th>
<th>Agree (+2)</th>
<th>Strongly Agree (+3)</th>
</tr>
</thead>
</table>

1) The store manager treated me as though I am a worthwhile customer

2) The store manager treated me as though I am superior to other customers

3) The store manager acted as though he thought badly of me

4) I feel as though the store manager cared about me

5) I feel like the store manager does not value me

6) The store manager treated me as though I am inferior to other customers

7) It was as though the store manager had something against me

8) The store manager treated me as though I was foolish

9) The store manager treated me as though I am worthless

10) The store manager acted as though he didn't care about me

11) The store manager treated me as though I am no good at all

12) The store manager treated me as though I am a customer of worth, at least on an equal plane with others

13) The store manager did not make me feel good about myself as a customer
Part 4

1) To what extent would you say the situation described would make you feel each of the following:

<table>
<thead>
<tr>
<th></th>
<th>Not At All</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angry</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Irritated</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Happy</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Annoyed</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Positive</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Disappointed</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Agitated</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Calm</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Sad</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Delighted</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Anxious</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

2) My overall attitude towards Stereo-Stereo is:

<table>
<thead>
<tr>
<th></th>
<th>Negative</th>
<th>Unfavorable</th>
<th>Positive</th>
<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-3 -2 -1 0 +1 +2 +3</td>
<td>-3 -2 -1 0 +1 +2 +3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3) My overall attitude towards the store manager is:

<table>
<thead>
<tr>
<th></th>
<th>Negative</th>
<th>Unfavorable</th>
<th>Positive</th>
<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-3 -2 -1 0 +1 +2 +3</td>
<td>-3 -2 -1 0 +1 +2 +3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part 5

This section concerns the kind of actions that you might or might not take. We are interested to know the extent to which you would be likely to do each of the following:

<table>
<thead>
<tr>
<th></th>
<th>Very Unlikely</th>
<th>Very Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Visit the store in the future*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>2) Recommend the store to friends*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>3) Complain to the store about some aspect of my purchase experience*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>4) Ask for a refund*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>5) I would tell my friends NOT to visit the store*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>6) Buy from the store in the future*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>7) Not do anything</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>8) If someone asked me where to get a stereo I would recommend the store*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>9) I would ask the store manager to give me some money back on the price of the stereo*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>10) If someone asked me where to get a stereo, I would tell them NOT to visit the store*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>11) If I needed another stereo I would visit the store again*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>12) I would buy from the store in the future if I had the opportunity*</td>
<td>-3 -2 -1 +1 +2 +3</td>
<td></td>
</tr>
</tbody>
</table>
Part 6

1) How bad do you think it is that the store manager did not tell you about the upcoming sale?

<table>
<thead>
<tr>
<th>Not At All Bad</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Very Bad</th>
</tr>
</thead>
</table>

2) How wrong was it that the store manager did not tell you about the upcoming sale?

<table>
<thead>
<tr>
<th>Not At All Wrong</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Very Wrong</th>
</tr>
</thead>
</table>

The following questions refer to the reasons why the store manager did not tell you about the upcoming sale, where:

-3 Very Strongly Disagree
-2 Strongly Disagree
-1 Slightly Disagree
+1 Slightly Agree
+2 Agree
+3 Very Strongly Agree

1) The store manager deliberately did not tell me about the sale
-3 -2 -1 +1 +2 +3

2) The store manager was not allowed to tell me about the sale
-3 -2 -1 +1 +2 +3

3) The store manager must have forgotten to tell me about the sale
-3 -2 -1 +1 +2 +3

4) The store manager should have remembered to tell me about the sale
-3 -2 -1 +1 +2 +3

5) It was an oversight that the store manager did not tell me about the sale
-3 -2 -1 +1 +2 +3

6) The store manager did not know about the upcoming sale
-3 -2 -1 +1 +2 +3

7) The store manager did not want to tell me about the sale
-3 -2 -1 +1 +2 +3

8) The store manager has no excuse why he did not tell me about the sale
-3 -2 -1 +1 +2 +3

9) The store manager was not permitted to reveal there was an upcoming sale
-3 -2 -1 +1 +2 +3

10) The store manager was unaware of the upcoming sale
-3 -2 -1 +1 +2 +3

11) There is no good reason why the store manager did not tell me about the upcoming sale
-3 -2 -1 +1 +2 +3

12) The store manager should have told me about the sale
-3 -2 -1 +1 +2 +3

13) It is fair that the store manager did not tell me about the sale
-3 -2 -1 +1 +2 +3
Part 7

1) How likely would you say you are to receive a discount from the store in the future?
   Very Unlikely (0) (1) (2) (3) (4) Very Likely

2) Is the store manager likely to let you know about discounts in the future?
   Very Unlikely (0) (1) (2) (3) (4) Very Likely

3) To what extent do you think the store manager is responsible for the price that you paid?
   Not At All (0) (1) (2) (3) (4) Very Much So

4) To what extent do you think you are personally responsible for the price you paid?
   Not At All (0) (1) (2) (3) (4) Very Much So

5) How much control did you have over the price you paid for the stereo?
   None (0) (1) (2) (3) (4) A Lot

6) How much control would you have over the price you pay if you were to visit that store again?
   None (0) (1) (2) (3) (4) A Lot

Please do not look back in the questionnaire when answering these questions:

7) How much did you pay for the stereo? $________

8) Did you receive a discount on the stereo? NO YES
Part 8

The following questions concern your perceptions of the price of the stereo...

1) What would you say is the average price the stereo cost elsewhere?
   $_____

2) What would you say is the highest price the stereo cost elsewhere?
   $_____

3) What would you say is the lowest price the stereo cost elsewhere?
   $_____

4) What would you say is a fair price for the stereo?
   $_____

5) What would you say is a reasonable range for the price of the stereo?
   Reasonable low price: $_____
   Reasonable high price: $_____

6) What would you say is the lowest price a retailer could offer the stereo for without losing money?
   $_____

169
Part 9

In this section we are interested to know the extent to which you agree or disagree with each of the following general statements:

<table>
<thead>
<tr>
<th>Number</th>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>People should be treated equally</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>2)</td>
<td>Firms should charge all customers the same price</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>3)</td>
<td>It is reasonable for firms to change their prices without notice</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>4)</td>
<td>Firms should provide customers with information that is relevant to the product they are purchasing</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>5)</td>
<td>Firms have the right to raise their prices if they want to</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>6)</td>
<td>What people receive should be based on what they deserve</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>7)</td>
<td>Firms have the right to charge different customers different prices</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>8)</td>
<td>Firms should generally treat all customers the same</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>9)</td>
<td>Firms have the right to charge customers whatever price they can get</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>10)</td>
<td>Firms should give advanced notice when products will be going on sale</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>11)</td>
<td>Firms have the right to lower their prices if they want to</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>12)</td>
<td>People who are more needy should receive more</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>13)</td>
<td>Customers should be responsible for finding out relevant information about the product they wish to purchase</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>14)</td>
<td>Firms should let customers know if products are going to go on sale soon</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>15)</td>
<td>All good people are deserving of equal respect</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>16)</td>
<td>Firms should offer price reductions to elderly people</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td>17)</td>
<td>Firms should reward loyal customers</td>
<td>-3    -2 -1 +1 +2 +3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>18) People are born equal</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>19) Firms should offer price reductions to poor members of society</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>20) People should not profit from their friends</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>21) People should receive based on their neediness rather than their contribution</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>22) Firms should offer price reductions to students</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>23) Unless there is a good reason, all people should be treated equally</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>24) Firms are entitled to profit when they sell their products</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>25) Firms should let customers know if the same product is cheaper at another store</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>26) All human beings are equal</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>27) Firms should charge approximately the same price for the same product that other stores do</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>28) People should not profit from their family</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>29) Needy people deserve to receive more than people who are less needy</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>30) In an ideal world, all people should be treated equally</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>31) Firms should offer price reductions to the homeless</td>
<td>-3</td>
<td>-2</td>
<td>-1</td>
</tr>
</tbody>
</table>
Part 10

In your own words, please describe the general goal of this study. Please do not look back in the questionnaire when answering this question:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Part 10

Please indicate your:

Age: _____

Gender: M or F

Year in university: 1 2 3 4 5+

Major area of study (e.g. psychology, commerce, etc.): ________________

Language most commonly spoken at home with your family: ________________
Appendix 6: Summary of Experimental Conditions in Study 3

<table>
<thead>
<tr>
<th>Openness Manipulation</th>
<th>Violated</th>
<th>Not Violated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Violated</td>
<td>Store manager does not tell participant about the sale.</td>
<td>Store manager does not tell participant about the sale.</td>
</tr>
<tr>
<td>Participant finds out about the sale</td>
<td>Participant never finds out about the sale.</td>
<td></td>
</tr>
<tr>
<td>after purchase.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Violated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store manager does not tell</td>
<td></td>
<td></td>
</tr>
<tr>
<td>participant about the sale.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participant finds out about the sale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>after purchase.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

173
Appendix 7: Rosenberg's Trait Self-Esteem Scale

Please indicate the extent to which you agree or disagree with each of the following statements by circling an appropriate number (1 – 4). Where:

1 = Strongly Disagree
2 = Disagree
3 = Agree
4 = Strongly Agree

1) On the whole, I am satisfied with myself
2) At times I think that I am no good at all
3) I certainly feel useless at times
4) I feel that I have a number of good qualities
5) I feel that I am a person of worth, at least on an equal plane with others
6) All in all, I am inclined to feel that I am a failure
7) I am able to do things as well as most people
8) I feel I do not have much to be proud of
9) I wish I could have more respect for myself
10) I take a positive attitude toward myself