

# SERVICE PERCEIVED CONSUMER EQUITY: THEORETICAL AND OPERATIONAL ISSUES

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*Abstract: The perceived fairness of the consumer is an antecedent of satisfaction less investigated in the literature. The article examines the dimensions of fairness and issues arising in its implementation as an antecedent of satisfaction.*

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## Introduction

The consumer's feeling of injustice (infairness) results from inaccuracies related to the charging of a certain size of purchase or consumption. Due to the fact that standards of comparison used in judgments of fairness are individual and less universal than expectations, in the literature has been given relatively little attention to equitable treatment for consumption (Oliver, 2010, p. 211).

The research undertaken on the origins of their fairness found in social psychology, sociology and the theory of organizations; in marketing, studies undertaken on this subject are relatively rare (Vanhamme, 2002, p. 70).

## 1. Concept of fairness and its dimensions

Fairness is a judgment of fairness, justice, that consumers do in relation to what others get (Oliver,1997). The calculation made by the consumer to quantify through a comparison between two reports: ( $O_c/I_c$  and  $O_r/I_r$ ), where:

O-means the results

I entries,

c-consumer

r-reference person or group.

Early research in the field have applied this equation in social situations, by a strictly mathematical approach of recording modest results. The difficulties of this equation implementation come from the multidimensionality of factors involved in most comparisons of consumers (Oliver,1997).

In considering fairness as the antecedent of consumer satisfaction, we rely on the following theories:

- *theory of distributive fairness*, according to which individuals expect to get what they deserve on the basis of their efforts;
- *theory of procedural fairness*, i.e. the relative modality through which results are delivered;
- *theory of fairness of interaction*, i.e. the relative manner in which the consumer is treated in terms of respect, courtesy and dignity

Tax et. al. (1998) have stressed the importance of taking into account the interaction between three constructs upon consumer satisfaction.

**Distributive fairness** is perceived fairness of the transaction tangible outcome. To define these terms have been used terms like fairness (Goodwin and Ross, 1992; Oliver and DeSarbo, 1988; Oliver and Swan, 1989), equality (Greenberg, 1990) and need (Deutsch, 1985).

Researchers prefer using distributive fairness model when the entries and results can be easily measured. Empirical research regarding this dimension of fairness have highlighted the role of distributive fairness in service recovery (Blodgett et al., 1995; Goodwin and Ross, 1989, 1992; Spreng et. Al., 1995). For this reason, for the measurement of the distributive fairness we noted the proposed variant of Severt (2002) and resumed in Severt and Rompf (2006). These studies have left from the scale proposed by Smith (1998), removing references to a consumer problem that would have led to the need to improve the service and there are multiple outcomes in such a scale at all consumers' satisfaction.

**Procedural fairness** is correctness of serving process and explores the manner in which its results are provided. Literature devoted to recovery services defined procedural fairness through actions carried out by the Organization as a whole to resolve the problems. We consider useful in measuring the procedural fairness scale proposed by Severt (2002).

**Fairness of interaction** comes from the interpersonal side of a transaction. It is the intangible experience of serving and includes judgments concerning correctness-related attributes such as honesty (Goodwin and Ross, 1989), civility (Goodwin and Ross, 1989), effort (Folkes, 1984, Mohr and Bitner, 1995), empathy (Parasuraman et. Al., 1988) and virtue (Bies and Shapiro, 1987; Bitner et. Al., 1990). Fairness of interaction was studied initially (in the context of consumer satisfaction studies) when an injustice or a failure of the service were made. Bitner et. Al. (1990) have found that 43% of the adverse results of the transactions in the field of services are inadequate reaction of the employees in "front-line" (front line) at the failure of rendering of the service. Marketing studies that have used this dimension in research dedicated to the consumer's satisfaction (Blodgett, Wakefield and Barnes, 1995; Goodwin and Ross, 1989; 1992; Oliver and Swan, 1989; Smith and Bolton, 1998; Smith et al. Al., 1999; Spreng et. Al., 1995; Tax et. Al., 1998) argue that the fairness of the interaction is a significant predictor of satisfaction towards the efforts to improve the service.

Taking into account all these theories, consumers are presented as being satisfied (positive infairness) when the ratio of fairness is proportionally greater than the report obtained by the person or the reference group (Goodwin and Ross, 1992; Oliver, 1997). Consumers can compare with their partner in the interaction occasioned by the Act of sale, with other people who interact with their partner at the same level (other buyers) or with organizations such as commercial enterprises. We can see that fairness/infairness is the only variable (of the ones considered in the models of formation of consumer satisfaction) **that considers explicitly both sides of the Exchange** (by comparing inputs/outputs reports of each party) and not just a consumer. Evaluation of fairness/infairness resulting from a more complex process, carried out in two stages, while assessing the refutation is done in a single step. Results of Oliver and Swan (1989) state that what the consumer perceives as "fair exchange" can be considered "an unfair exchange" from the perspective of the seller (Swan and Oliver, 1991). Fairness analysis allows to study interpersonal satisfaction towards marketing staff, a relatively neglected dimension in research regarding consumer behavior.

**Table 1.** Conceptual differences between fairness and disconfirmation

Comparison dimension	Fairness	Disconfirmation
Standard of comparison	Others' inputs and outcomes	Expectations, desires, norms
Nature of comparison standard	Passive, interpersonal social norms	Generally actively processed performance predictions
Attributes and dimensions	Only those having fairness or preference implications (e.g. price paid)	Potentially all attributes or dimensions of the product or service
Stages in process	Two: inputs and outcomes of each party compared first; the two input/outcome ratios compared next	One comparison of performance to expectations, desires, norms only
Emotional response	Negative: anger, distress, resentment, vindication Zero (fairness): fairness, justice Positive: guilt, glee (a sense of egocentric „justice”)	Negative: anger, dissatisfaction Zero (confirmation): contentment Positive: delight

Source::Oliver (2010, p.227)

A study by Severt (2002) on the topic of equality took items from the scale used by Smith (1998) to a dedicated research recovery services. References to a particular problem have been removed from the scale items to allow a wider range of results. For example, "company staff was helpful in getting me to solve the problem" was changed to "company staff was friendly and helpful." Regarding the issues of involvement in provision of the service (speed of serving employees, sense of urgency), previous research had measured procedural fairness and interaction using the same questions. Some studies (Tax, 1998 et. al.) have included the time only in procedural fairness scale.

## 2. Implementation problems of perceived fairness in services

Carr (2007) has developed FAIRSERV model which combines theoretical insights in the field of organizational fairness marketing literature. The author, through the FAIRSERV model, submits that a number of important assessments to be drawn from the comparison of services with the rules of fairness and the treatment afforded to consumers. Consumers of services compare how the resources related to that service (time, effort, expertise, material resources) are distributed to the other consumers, they feeling deceived if they receive fewer resources than others (Carr, 2007, p. 108). Consumers of services are also interested in the procedures used by the service provider for the distribution of resources, wanting them to be applied consistently and fair-minded, without favoring a person or a group. Also, they want to be treated with civility and politeness, to provide information about the services offered to them.

FAIRSERV model identifies five distinct constructs pertaining to fairness: distributive, procedural, interpersonal, informational and systemic (global) fairness. Other studies have sought to propose or to adapt the measurement scale for each dimension of the perceived fairness (distributive, procedural, interaction).

Next, we present the synthesis of relevant studies identified related to the perceived fairness of the consumer.

**Table 2.** Synthesis of studies regarding the perceived fairness of consumer service

Study	Type of research	Items related to perceived/resulted fairness
Carr (2007)	Quantitative research based on questionnaire distributed by post, FAIRSERV model, Likert-type scales with seven steps	<p>Interpersonal fairness</p> <ol style="list-style-type: none"> <li>1. IT staff is polite</li> <li>2. IT staff is respectful</li> <li>3. IT staff treats people with dignity</li> <li>4. IT staff is friendly</li> </ol> <p>Informational fairness</p> <ol style="list-style-type: none"> <li>5. IT staff offers appropriate and specific explanations</li> <li>6. IT staff provides detailed explanations.</li> <li>7. The IT staff offers reasonable explanations</li> <li>8. IT Staff adapts explanations to the user's needs.</li> </ol> <p>Procedural fairness</p> <ol style="list-style-type: none"> <li>9. The process of collaboration with the IT staff is generally correct.</li> <li>10. The activities of IT staff are made fair</li> <li>11. Processes using IT staff try to satisfy all the needs of the user.</li> <li>12. The procedures used by IT staff are consistent for all customers.</li> </ol> <p>Distributive fairness</p> <ol style="list-style-type: none"> <li>13. IT Staff helps all users to reach the desired result without favoring any group</li> <li>14. The IT staff produces desired outcomes for everyone without favoring anyone.</li> <li>15. The IT staff offers good results to all users regardless of who they are</li> <li>16. In general, the IT staff offers reasonable results for all users.</li> </ol> <p>Systemic fairness</p> <ol style="list-style-type: none"> <li>17. In general, IT staff is consistent with all users.</li> <li>18. In general, IT staff treats all users in a fair and balanced manner.</li> <li>19. Assistance to staff IT is unbiased.</li> <li>20. In general, IT staff tries to satisfy the fair user's needs.</li> </ol>
Lee, K., Joshi, K., Kim, Y. K, 2011	Quantitative survey consisting of SME's in Commerce and their customers in Korea, undertaken in 2009.	<p>Procedural fairness (Colquitt)</p> <ol style="list-style-type: none"> <li>1. Transaction procedures offered by (name of company) to the store have been applied consistently</li> <li>2. We have had an influence on the results of the</li> </ol>

		<p>transaction with the company store</p> <p>3.the company has policies and procedures for my transactions at the shop</p> <p>4. In relation to its policies and procedures, (company name) to manage my transaction in a manner proper to the store</p> <p>Informational Fairness (Carr)</p> <p>1. (company) to the store has provided timely and specific explanations for my transaction.</p> <p>2. (Company) to the store has provided reasonable explanations for my transaction</p> <p>3. (Company) store gave thorough explanations for my transaction</p> <p>4. (Company) to store my needs according to the explanations for my transaction</p> <p>Distributive fairness (Leventhal)</p> <p>1. The result of the transaction the company store was properly spent money and time consumed</p> <p>2. The final outcome of the transaction concluded at the store was fairly, taking into account the time consumed and the money spent</p> <p>3. I think that the result of the transactional (company) to the store reflects the time and the money allocated.</p> <p>4. Taking into account the time and money spent, I got what I deserved at the shop.</p> <p>Interpersonal fairness (Bies and Moag)</p> <p>1. the company has treated you politely to the store</p> <p>2. (Company) has treated you with dignity to the shop</p> <p>3. (Company) has treated you with respect to the store</p> <p>4. (Company) has treated you kindly to shop.</p>
Severt and Rompf (2006)	Quantitative research-based questionnaire, 350 people surveyed, 302 valid questionnaires, used his scale Likert seven steps.	Research has traced the influence of interactional, distributive, procedural, and global fairness over consumer satisfaction. The study revealed a positive influence to all four types of fairness upon consumer satisfaction.
Dayan, AlTamini and Lo Elhadji (2008)	Quantitative study on clients of banks in the United Arab Emirates. There were 500 questionnaires distributed and 300 collected. The	The perceived fairness (the independent variable in this study) was measured on a scale developed by Tax et. Al. (1998). <p>Procedural fairness</p> <p>They responded quickly to my complaint I was pleased with the amount of time necessary for</p>

	response rate was 60%.	<p>me to solve the problem</p> <p>Distributive fairness The outcome of my complaint has not been proper I got what I deserved The result received to my complaint was fair</p> <p>Fairness of interaction They communicated honestly with me They were friendly to me It was quite pleasant to deal with them</p>
Olsen and Johnson (2003)	Quantitative study into the form of a quasi-experiment using the annual study of Norwegian banks	<p>Fairness related to transaction (1998) During the last experiences with Bank X, I got the result I needed to my request: scale from 1 to 10 I was treated correctly the last time I was in contact with the Bank: scale 1-10 (strong disagreement, total agreement)</p> <p>Aggregate fairness (1999) To what extent is greater than the result towards the effort when using Bank services? 1: very low, 10: very high To what extent do you think that the Bank treats you fairly (1: very low, 10: very high)</p>
Teo și Lim (2001)	A quantitative study using the method of survey-based questionnaire distributed to students of a university from Singapore. 250 questionnaires were distributed, 215 of them being valid (response rate was 86%)	<p>The influence of the distributive, procedural and interactional fairness on the satisfaction regarding retail.</p> <p>The scales used for the three types of fairness have been adapted from Clemmer and Schneider (1996): 12 items for distributive fairness, 19 items for procedural fairness, 18 items for interaction fairness.</p>

**Source:** synthesis made by the author

## Conclusions

As the importance of the consumption in the life of individuals grows, issues of fairness or unfairness will take a growing share in decisions related to satisfaction. Processes of fairness will be increasingly under the control of marketing people.

***The positive relationship between fairness and satisfaction is typically supported in the literature*** (Oliver, 1993; Oliver and Swan, 1989; Swan and Oliver, 1991). The meta-analysis led by Szymanski and Henard, the strongest correlation was identified between fairness and satisfaction, average correlation being 0,50 (2001, p.23). There are also studies which present the relationship between fairness, intention of rebuying and decisions of informal verbal communication from one person to another (Blodgett et. al, 1997), as well as between fairness and loyalty

Anton, Camarero and Carrero, 2007; McColl-Kennedy and Sparks, 2003). Works dedicated to recovery services have established a relationship between perceptions of fairness of reviews and evaluations of satisfaction after the recovery service (Collie, Bradley and Sparks, 2002; Smith and Bolton, 2002; Smith et al. Al., 1999; Sparks and McColl-Kennedy, 2001).

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