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Dealing with Conflicts in Consumer-Brand Relationships:

A Focus on Emotional Intelligence

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Dealing with Conflicts in Consumer-Brand Relationships:

A Focus on Emotional Intelligence

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Dedication

To my dearest mom – You are all my reasons.

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My four-year-long academic journey as a doctoral student was full of unexpected things. Much like an adventurous sailing, I often found myself lost at sea due to an unexpected gust of wind or a broken compass. Fortunately, there has always been a lighthouse shining for me whenever I was lost at sea. Now, I would like to express the deepest appreciation to all of the people who were willing to become the lighthouse and helped me navigate this rough journey.

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Dealing with Conflicts in Consumer-Brand Relationships:

A Focus on Emotional Intelligence

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Conflicts can occur in a variety of brand-relationship contexts, whether pertaining to poor service or product failure or to companies' violations in regard to moral or legal issues. Though addressing relationship conflicts has become a pervasive issue in brand-relationship research, little is known about factors influencing consumer responses to conflicts. The goal of this research was to address this issue by exploring how consumers utilize their emotional intelligence in coping with problems when conflicts arise. For this purpose, two experiments were performed in this study. The first experiment showed that consumer emotional intelligence (CEI) was critical in predicting coping responses. When encountering conflicts in relationships, consumers who were highly capable in CEI were more likely to direct their emotions positively and productively, and they were less likely to exit the relationships than were those low in CEI. The second experiment further investigated a moderator and mediator of the association identified in the first study. The study demonstrated that the type of conflict moderated the effect of CEI on coping behaviors; the CEI effect on intention to exit the relationship was more pronounced when

a conflict had directly caused problems for individual consumers (vs. to society as a whole). The results further demonstrated that consumers' appraisals of a company's intention in regard to conflicts mediated the association between CEI and coping responses. Specifically, low-CEI consumers were more likely to attribute negative intentions to the company; therefore, they were more likely to exit the relationship than were high-CEI consumers. This research demonstrated that CEI is an important construct in explaining why some consumers react destructively to relationship conflicts whereas others do not. Findings of this research provide a greater understanding of the role of individual differences in the maintenance and dissolution of brand relationships.

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Chapter 1. Introduction

> Whenever you are in conflict with someone, there is one factor that can make the difference between damaging your relationship and deepening it. That factor is attitude.
>
> –William James, American philosopher

Dealing with conflicts in relationships is one of the most challenging tasks in people's lives. The ability to deal with conflict is important in many kinds of relationships, such as those with spouses, children, parents, co-workers, and friends (Beach, Fincham, and Katz 1998; Hoyt et al. 2005; Kiecolt-Glaser et al. 1993). Conflicts can also occur in a variety of consumer–brand relationship contexts. Whether the issues relate to poor service, product failure, or companies' violations in regard to moral or legal issues (Huber et al. 2010), outcomes associated with these conflicts often lead to negative financial and psychological consequences (Duhachek 2005). Dealing with consumption-related conflicts has, therefore, become part and parcel of people's daily lives.

Much like other relationships, consumer–brand relationships can be destroyed by conflicts. If a conflict is unresolved, the relationship can have unfortunate consequences, including brand switching, vandalism, negative word-of-mouth, and even physical abuse of service personnel (Andreassen 2001). However, if a conflict is successfully resolved, the negative event can strengthen the relationship. Thus, conflicts in brand relationships often reflect "the critical moment of truth" (Paulssen and Bagozzi 2009, p. 358; Smith and Bolton 2002, p. 5) or "the hallmark of relationships" (Aaker, Fournier, and Brasel 2004, p. 3).

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Although conflicts and how they are managed are often seen as central to positive consumer–brand relationships, resolution processes that illuminate troubled brand relationships are largely unexplored in the brand-relationship literature (Paulssen and Bagozzi 2009). While a growing number of academic articles on brand relationships have greatly expanded the scope of brand relationship literature, little attention has been paid to investigating how consumers cope with conflicts in consumption episodes (Fournier 2009). As a result, a critical set of inquiries into brand relationships remains unanswered. For example, there is lack information in regard to when and how consumers decide to terminate their relationships with brands.

Given the critical void in the brand-relationship research, the primary goal of the present study was to investigate the psychological mechanism underlying consumer responses to conflicts in brand relationships. For this purpose, the current research had the following specific goals. First, this study aimed to investigate individual factors that affect conflict-resolution processes. Individual differences in coping with the impending stressor are a primary component in explaining psychological mechanisms related to conflict resolution (Duhachek and Iacobucci 2005); however, previous studies in brand relationships have tended to focus on relationship characteristics or brand characteristics. Aggarwal (2004), for example, suggested that consumers form different attitudes toward a brand's wrongdoing depending on the norms of brand relationships (i.e., relationship characteristics). Furthermore, Aaker et al. (2004) demonstrated that consumers' perceptions of a brand's personality (i.e., brand characteristics) significantly influence

conflict-resolution processes.   Exploring consumer characteristics that affect coping responses is thus warranted to extend our understanding of conflict-resolution processes.

A logical question then arises, "Which individual characteristics are most likely to influence consumers' coping strategies?" Numerous studies have indicated that the ways in which people deal with negative emotions, such as anger or frustration, evoked by conflicts significantly influences their subsequent decisions regarding whether or not to continue a relationship (Andreassen 1999; Smith and Bolton 2002; Taylor 1994). Although most people have a general ability to manage these negative emotions, they vary in their ability to choose appropriate strategies for coping with their emotions. Various scales have been developed to measure individual differences in controlling negative emotions; however, emotional intelligence (hereafter EI) has proven to be most systematically related to this ability to date (Kidwell, Hardesty, and Childers 2008b).

EI is defined as "an ability to recognize the meanings of emotions and their relationships, and to reason and problem-solve on the basis of them" (Mayer, Caruso, and Salovey 1999, p. 267). A popular concept in social psychology, EI has shown substantial ability to sustain optimal social functioning in a variety of social contexts (Moss, Ritossa, and Ngu 2006). It has been found that people high in EI are more adept at perceiving, utilizing, understanding, and managing their own and others' emotions than are people low in EI; therefore, the former are more likely to overcome conflicts in interpersonal relationships compared to the latter (Brackett et al. 2006).

Given the important role of EI in social functioning, this research suggested that EI would play a critical role in resolving conflicts in brand relationships as it does in

interpersonal relationships. In order to investigate whether consumers whose EI capacity is highly developed inhibit impulses to react destructively seeking instead to manage conflicts constructively, this research put forward a set of predictions about the effects of EI on consumer responses in two experiments.

The second goal of this study was to construct a systematic framework within which to understand consumer responses. The scope of potential consumer responses investigated in previous studies is limited to dichotomous coping responses, such as either staying in or leaving a relationship. To address the limitations of the existing literature, the present study incorporated the exit, neglect, voice, and loyalty constructs that the social psychology literature has drawn upon. Ever since Hirschman's (1970) seminal work on the exit–voice framework, which provided a theoretical foundation for understanding of the relationship maintenance, marketing scholars have used his work in various marketing domains, particularly in the areas of consumers' complaint behavior (Singh 1988; Singh and Wilkes 1996) and marketing channel relationships (Ping 1993, 1995, 1997). Despite its usefulness to brand-relationship studies, the exit–voice framework has been used to understand the phenomenon of consumer–brand relationships in relatively few studies (See Sung and Choi 2010 for a notable exception). Hence, to provide the broader and systematic taxonomies of coping responses in brand-relationship contexts, this study adopted all the exit–voice framework's elements as its own main dependent variables.

To summarize, the current study will contribute to a greater understanding of the dynamics of conflict-resolution processes and enable more accurate predictions regarding

the effects of consumers' individual differences on their responses to conflicts. In particular, as one of the first to examine the role of EI in the consumption context, this study has the potential to guide marketing practitioners in effectively responding to consumers' negative emotions caused by conflicts between consumers and brands.

The following section begins with a review of the relevant literature and describes the theoretical background for the study. Then, it presents the first study's hypotheses followed by the corresponding research method, results, and discussion. The subsequent section describes the second study, its hypotheses, method, results, and discussion. The last section discusses the overarching theoretical and managerial contributions of both studies. It also outlines the limitations of the present research and considers directions for future study.

Chapter 2. Theoretical Background

The present chapter aims to provide the theoretical foundation for the main thesis of the dissertation. It initially outlines the intellectual and pragmatic roots of brand relationships as well as how they develop. It then offers a discussion of the importance of conflicts in consumer–brand relationships. Finally, it discusses the concept of emotional intelligence as it applies to consumers' coping strategies in regard to dealing with conflicts in consumer–brand relationships.

RELATIONSHIP APPROACH TO MARKETING

One major movement in the history of marketing research is a shift from "a transactional" to "a relational" approach to the concept and practice of marketing (Morgan and Hunt 1994). The hegemony of the transactional view of market exchanges, whose historical roots emerged around the 1910s, emphasizes that all transactions in marketing are independent and one-time exchanges of value between two parties without prior or subsequent interactions (Dwyer, Schurr, and Oh 1987; Webster 1992). This early approach draws heavily from the microeconomic profit-maximization paradigm, which argues that market exchanges are determined solely by the price mechanism (Anderson 1982). Within this framework, price comprises all necessary information for both parties to agree to exchanges; accordingly, marketing activities are simply seen as pure economic processes to maximize profits rather than meaningful managerial interactions between parties (Webster 1992).

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A concrete alternative in the notion of market exchanges emerged in the 1960s (Gundlach and Murphy 1993). Turning away from short-term, transaction-based marketing, Adler (1966) first suggested that most market exchanges in fact occur in the context of ongoing relationships and that transactions are critically intertwined to transpire over time. Later, as evidenced by repeated purchasing behavior among consumers as well as the profitability of strategic partnering and joint ventures among marketing organizations, a considerable body of marketing literature in the 1970s and 1980s began to highlight that marketing activities must be considered in terms of long-term, repetitive interactions (Dwyer et al. 1987; Goodman 1971; Webster 1992).

The perspective shift in market exchanges has provided many new directions by reshaping our understanding of marketing. One of the most profound influences on marketing thought is the birth of relationship marketing (RM) as a distinct area of study. With a logical extension of the relational approach to market exchanges, the RM research school, which focuses on the maintenance of long-term marketing relationships, was established in the 1980s (Berry 2002). Since the term "relationship marketing" was first introduced by Berry (1983), RM research has experienced explosive growth over the past two decades (Palmatier et al. 2006). Numerous studies have offered a wide range of antecedents for RM, including relationship investment (De Wulf, Odekerken-Schröder, and Iacobucci 2001), similarity (Crosby, Evans, and Cowles 1990), interaction duration and frequency (Anderson and Weitz 1989; Crosby et al. 1990), dependence on sellers (Hibbard, Kumar, and Stern 2001), and seller expertise (Lagace, Dahlstrom, and Gassenheimer 1991). In addition to antecedents, key meditating variables for predicting

relationship performance have also been identified, such as trust and commitment (Morgan and Hunt 1994), relationship satisfaction (Crosby et al. 1990; Reynolds and Beatty 1999), and perceived relationship quality (De Wulf et al. 2001). Although such diverse relational antecedents and mediators for outcomes indicate that the effects of RM may vary depending on the specific contexts, researchers have agreed that marketing does not consist of "simple market-based transactions," but rather encompasses "a holistic, a sum of integrated parts that drive a firm's marketing competencies" (Berry 2002, p. 73).

The development of RM research has inspired numerous relationship-oriented studies in diverse areas of marketing research, including manufacturer-supplier partnerships in retail marketing, internal partnerships among employees, and service-provider relationships in channel marketing (Palmatier et al. 2006). One notable research stream that adapted a new relational construct is the research on brand relationships. Although the scope of RM generally encompasses a plethora of all relational exchanges occurring in the marketplace, such as those between a company and its buyers, suppliers, employees, and regulators (Morgan and Hunt 1994), the research tradition of brand relationship only concerns a consumer-brand dyad.

Since Fournier (1998) suggested the theoretical legitimacy of brand relationships, the notion of brand relationships has attracted much attention among researchers as well as marketing practitioners. The proliferation of brand relationship studies has been fueled by a changed perspective of branding, in which brands are re-conceptualized from a simplifying information cue to a meaning-rich tool identifying self-concepts and cultures

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(Fournier 2009). For a better and richer understanding of the nature and characteristics of consumer-brand relationships, academic literature and anecdotal evidence pertinent to the conceptualization of brand relationships are presented in the following section.

CONSUMER-BRAND RELATIONSHIP

Grounded in the notion of consumers as active meaning makers (Holbrook and Hirschman 1982; McCracken 1986), brand relationship theorists argue that people frequently build relationships with brands in much the same way as with other individuals in a social context (Aggarwal 2002; Evrard and Aurier 1996; Fournier 1994, 1998). A basic assumption in the theory of brand relationships is that consumer interactions with brands are akin to two-way interactions between people. From this perspective, a brand is not a passive, simple object of buying and consuming, but rather an active, humanized partner that lives in people's minds (Aggarwal 2009). For example, Fournier (1988) argued that brands as relationship partners can emerge in a wide range of spectrums that are similar to interpersonal relationships, including "arranged marriages," "casual friends," "committed partnerships," "best friendships," "kinships," "childhood friendships," "courtships," "flings," "secret affairs," and "enslavements" (Fournier 2009).

The theory of animism, which posits that human beings have a consistent desire to anthropomorphize inanimate objects to interact with the nonmaterial world (Gilmore 1919; McDougall 1911; Nida and Smalley 1959), offers strong theoretical support for Fournier's arguments. The core tenet of the theory of animism is based on people's naïve belief that animals, plants, mountains, rivers, and even natural phenomena have human

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souls (Guthrie 1993). Such a tendency to anthropomorphize inanimate objects has continuously appeared in human history, pervading human judgment since ancient times (Guthrie 1993; Nida and Smalley 1959).

Because consumers often have intimate experiences with brands, brands are ideally suited to this anthropomorphizing process. Significant anecdotal evidence indicates that brands are believed to be humanized objects with selective animistic properties, despite their inanimate nature. For instance, some people are very passionate about their Harley-Davidson motorcycles, seeing their Harleys as their marriage partners and even going so far as to name them, talking to them with affection, and scolding them when experiencing dissatisfaction (Aggarwal and McGill 2007; Fournier 2009). Viable explanation for the tendency of animating brands is that consumers want to feel comfort by creating companionships with brands because it helps them fulfill their social desire to belong to society by establishing a relationship with an object they encounter on a daily basis (Aggarwal and McGill 2007).

Numerous studies on branding have shown the legitimacy of brands to be possible relationship partners. Qualitative research on the existence of a brand relationship began to lend credibility to the thought that the human relationship metaphor is applicable to the brand domain. For example, the existence of a brand relationship within various consumer profiles, including among adult consumers (Fournier 1998), children (Chaplin and John 2005; Ji 2002), and gay communities (Kates 2000), has been empirically found. Later, a substantial amount of quantitative research has ascertained that consumers can

build a relationship with an inanimate brand (Aggarwal 2004, 2009; Aggarwal and Law 2005; Aggarwal and McGill 2007).

In the marketplace, the brand-as-person metaphor has been reinforced by marketers and advertisers who frequently employ anthropomorphizing techniques to promote their brands. Indeed, using celebrities to endorse brands is one of the most popular advertising strategies (Choi, Lee, and Kim 2005; Louie and Obermiller 2002), and employing animated spokes-characters in advertising to young children has long been favored by marketing professionals (Neeley and Schumann 2004). For instance, imbued with quasi-human attributes, such as the capacity to laugh, joke, and play, M&Ms spokes-candies in advertising enable consumers to think that M&Ms chocolate candies may think and feel like they do. It is notable that exposure to animated brands begins from the time when children can start to identify frequently seen characters and demonstrate a desire to relate with them (Chaplin and John 2005). Since the marketing environment in which consumers live and grow provides a suitable situation to form a relationship with a brand, consumers can relate with brands throughout their life spans beginning in childhood (Inman and Zeelenberg 2002; Ji 2002); some relationships even transpire over generations (Braun-LaTour, LaTour, and Zinkhan 2007; Ji 2002).

As the brand relationship research has gained useful insights into brand management, the significance of brand relationships has carried over to the practice of brand management in the marketplace where the co-created experience of brands by the consumer and the marketer has become the norm. Thanks to the advances in technology and the Internet, which have made it possible to establish spontaneous, non-

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geographically bounded online places for creating marketing opportunities never before imagined, marketers have begun to utilize a vast array of online venues to enhance consumer-brand relationships. For example, the CEO of General Motors has created a blog to bring their suppliers and consumers together in one place to exchange valuable information and knowledge about the products. With the increasing recognition of the communication value of social network websites, Starbucks and Coca-Cola have built their fan sites on Facebook, allowing consumers to enjoy intimate interactions with the brands. Marketers increasingly engage in creative and relentless efforts to boost the long-term relationships by enhancing meaningful emotional bonding with consumers.

Brand Relationship Norms

Based on the notion that people can build relationships with brands, brand-relationship scholars have expanded this stream of research by investigating a specific dimension of consumer–brand relationships. Aggarwal and colleagues have developed conceptual tools, namely the norms of behavior, in order to understand the complex nature of consumer–brand relationships (Aggarwal 2002; Aggarwal and Law 2005; Aggarwal and Zhang 2006). They argued that just as people have norms that guide human relationships, they also have norms that govern brand relationships. Specifically, brand-relationship norms guide brand interactions in two ways, as (1) "a lens to evaluate the actions of the brand," and (2) "a tool to guide their own behavior" (Aggarwal 2009).

Based on social psychology literature, which emphasizes a distinction between the economic factors and the social factors of relationships, Aggarwal and colleagues

adopted Clark and Mills's typology (1993) of communal and exchange norms to explain

brand relationship norms. In communal relationship norms, people provide their partners

with benefits in order to demonstrate mutual support with no expectation of receiving a

monetary payment in return (Clark and Mill 1993). Hence, individuals in communal

relationships are less likely to keep track of each individual's costs and benefits.

Relationships between family members and friends are expected to adhere to these

relationship norms.

On the other hand, exchange relationship norms are viewed from a transactional

perspective of relationships. In exchange relationships, people provide benefits to

partners with an expectation of receiving benefits in return. Hence, people in such

relationships often track individual inputs and outcomes (i.e., how much they give and

how much they take). They also tend to be less responsive to the emotional state of their

partners. Business relationships usually fall into the exchange category. Table 1

summarizes the main tenets of communal vs. exchange norms in order to better define the

distinctive natures of the respective relationship norms.

Based on this framework, Aggarwal (2004) suggested that (1) consumers in

exchange relationships with brands in comparison with those in communal relationships

are more sensitive both to whether they receive monetary repayment for their loss and to

whether such repayment is immediate (vs. delayed), and (2) consumers in communal

relationships are more sensitive to how they are treated than are consumers in exchange

relationships.   Theoretically speaking, consumers in communal relationships are

primarily concerned with issues of procedural fairness whereas those in exchange

relationships care more about issues of distributive justice (Aggarwal 2004).

Table 1:   Communal vs. Exchange Norms

Communal	Exchange
More likely to keep track of others' needs	Less likely to keep track of other's needs
Helping others/ requesting help form others are more likely	Helping others/ requesting help form others are less likely
More responsive to emotional states of others	Less responsive to emotional states of others
Prompt repayment for specific benefits received is not expected	Prompt repayment for specific benefits received is expected
Less likely to ask to for repayments for benefits rendered	More likely to ask for repayments for benefits rendered
Less desirable to give comparable benefits in return for benefits received	Desirable to give comparable benefits in return for benefits received
Accepting help with no monetary payment is preferred	Accepting help with money is preferred to no payment

Source: Aggarwal (2009)

To advance the underlying mechanism through which this phenomenon occurs,

Aggarwal and Law further investigated differences in information processing among

consumers in two relationship norms (2005). Given the notion that consumers in

exchange relationships are more likely to keep track of a brand's input and outcome,

thereby paying attention to details about the brand, Aggarwal and Law (2005) suggested

that consumers in an exchange rather than a communal relationship tend to process

information about brand at a concrete level. On the other hand, consumers in a communal

relationship are more likely than those in an exchange relationship to evaluate brand

information holistically and attend to it at a higher level of abstraction (Aggarwal and Law 2005).

Another study conducted by Aggarwal and Zhang (2006) has contributed to the field's understanding of the salience of relationship norms for consumers' information processing. Aggarwal and Zhang (2006) argued that consumers in communal relationships are more loss-averse than are those in exchange relationships. They provided two accounts in support of this assertion. First, according to Aggarwal and Zhang, unlike communal relationships, exchange relationships cause people to aggregate net gains and losses because people in an exchange relationship are mainly concerned with the net balance of inputs and outputs. Communal relationships, however, lead people to assess net gains and net losses separately because any attempt to match inputs and outputs violates communal relationship norms. The second account offered in support of this assertion is that communal norms are more likely to inflate the level of perceived loss than are exchange norms. People who believe in communal norms tend to emphasize emotional bonding and a high level of commitment to the partner, as losing a partner demonstrates a relatively strong degree of loss aversion.

Consequently, this stream of research in brand-relationship norms provides useful evidence of the appropriateness of a brand-as-person metaphor in a consumer–brand relationship by illustrating how consumers build unique norms that govern the nature of brand relationships, just as they adhere to norms to varying degrees in their interpersonal relationships. A series of studies by Aggarwal and his colleagues has offered abundant

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evidence in support of the position that norms guide consumers' actual behavior as well as their evaluations of brand interactions.

Evolving Nature of Brand Relationship

"Relationships are process phenomena: they evolve and change over a series of interactions and in response to contextual change" (Fournier 2009, p. 15). As Fournier noted, relationships are properly understood as phenomena that evolving through a series of interactions. The nature of close long-term relationships is that the likelihood of dissatisfaction increases as the expectations for partners increase over time (Grayson and Ambler 1999). As relationships endure over the long term, as the number of interactions increases, so the likelihood of conflict grows (Paulssen and Bagozzi 2009). As such, consumers occasionally confront conflicting moments that entail feelings of injury and resentment in their relationships with brands, and such conflicts often lead to the end of relationships (Huber et al. 2010).

On the basis of growing evidence that not all consumer–brand relationships are successfully maintained over time and that the stability of brand relationships is highly susceptible to disruptions caused by negative events (Bougie, Pieters, and Zeelenberg 2003; Grégoire and Fisher 2008; Grégoire, Tripp, and Legoux 2009), researchers have begun to investigate factors that may dampen the effects of conflicts on brand relationships. For example, Aaker et al. (2004) contended that the characteristics of brands, the brand personality in particular, determine the consequences of conflicts in consumer–brand relationships. According to the results of their longitudinal study,

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conflicts significantly damaged the relationships with sincere brands, whereas relationships with exciting brands rarely suffered from such negative incidents. Aaker et al. (2004) provided an interesting account of these results according to which consumers tended to form profound bonds with sincere brands that increased their expectations of satisfaction, whereas consumers tended to excuse exciting brands for wrong-doing due to the invigorating and unexpected nature of the latter's characteristics. Such findings resonated with Grayson and Ambler's (1999) results showing that mutual trust plays a pivotal role in customers' perceptions of the severity of transgressions.

Paulssen and Bagozzi (2009) later pointed to the nature of relationships as a potential moderator mitigating the effects of conflicts in consumer–brand relationships. They posited that a general attachment orientation manifested within relationships with brands (i.e., either secure or insecure attachment styles) could define the nature of relationships. Their results suggested that secure consumers were less likely to exit their relationships with brands than were insecure consumers.

Recently, Huber et al. (2010) indicated that the extent of both the ideal and actual self-congruence with brands positively influenced the effects of brand mishaps in relationship stability. They showed that participants who had strong self–brand connections were less likely to engage in destructive responses to a brand's wrongdoing than were those who had weak connections with the brand. This result suggested that the extent to which a consumer identified with a brand is a fundamental factor in diminishing the impact of transgressions on the sustainability of relationships.

Existing research has shed light on how consumers respond to threats in consumer–brand relationships. However, the domain of brand relationships still suffers from incomplete knowledge about factors that are likely to influence various threats in consumer–brand relationships, particularly because previous studies tend to ignore one important moderating context: the nature of conflict. A wide range of research in social psychology has suggested that the coping strategies used to deal with relationship conflicts largely depend on the nature of conflict itself (Hoyt et al. 2005; McCullough et al. 1998). Hence, without considering the nature of conflicts to relationships, it is difficult to understand the coping mechanisms that consumers use to deal with them.

Given the importance of conceptualizing the nature of conflicts in understanding the brand–relationship phenomenon, the following section focuses on identifying the most frequent conflicts expressed over the course of consumer–brand relationships. Further, it classifies examples into meaningful categories in to more fully delineate contextual factors that influence consumer responses to conflicts in brand relationships.

TRANSGRESSIONS IN CONSUMER-BRAND RELATIONSHIPS

The foremost conflict in any type of social relationship is the partner's wrongdoing, often called a transgression. Aaker et al. (2004) defines a transgression as "a violation of the implicit or explicit rules guiding relationship performance and evaluation." (p. 4) A partner's transgressions are seemingly inevitable in long-term relationships. In particular, the likelihood of dissatisfaction may increase as long-term relationships often experience the loss of objectivity and rising expectations from

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partners (Grayson and Ambler 1999). Although a partner's transgressions can range from a simple mishap (e.g., being late for the appointment) to outright inconsiderate acts of betrayal (e.g., severe physical abuse) (Hoyt et al. 2005), there is near-universal agreement among social psychologists that such transgressions adversely affect the stability of relationships, including divorce (Murphy and O'Leary 1989) and domestic violence (Hoyt et al. 2005; Livingston and Judge 2008; McCullough et al. 1998).

Using the framework from social psychology, the current study proposes that a transgression by a consumer's relationship partner (the brand) is one of the major conflicts in consumer-brand relationships. That is, as a partner's wrongdoing is common in interpersonal relationships, a brand's misbehavior is the most frequent negative encounter during consumers' interactions with the brand. This may particularly be the case since many brands position themselves as sincere relationship partners (Smith and Bolton 2002); therefore, a brand's wrong-doing inherently damages the strength of the relationship (Aaker et al. 2004; Huber et al. 2010; Paulssen and Bagozzi 2009).

Previous marketing research has captured the significance of transgressions in marketing relationship contexts across various domains, including retail (Hibbard et al. 2001; Ping 1993), the service sector (Maxham Iii and Netemeyer 2002; Smith and Bolton 2002), and public relations (Vlad, Sallot, and Reber 2006). However, brand relationship literature that has explicitly investigated consumer-brand relationship contexts is scarce (See Aaker et al. 2004 and Paulssen and Baggozi 2009 for notable exceptions). The lack of interest has resulted in limited applicability of research findings in the marketplace because even the few notable exceptions that focus on the effects of transgressions in

brand-relationships tend to employ only single examples of transgressions. However, as the type of transgressions vary, further distinctions are necessary to improve our understanding of the effects of such transgressions in consumer-brand dyads, which are identified in the following section.

Transgressions to Self vs. Society

The existing research indicates that transgressions provoked by brands can vary in terms of the locus of damage; that is, who the transgression damages the most (Huber et al. 2010). More specifically, transgressions provoked by the brand constitute two broad types; (1) product- and service-related mishaps, which directly influence each individual consumer's interests and (2) breaches that violate social, moral, or legal codes, which do not cause direct harm to individuals but seriously damage our society. This research refers to the former as "self-threatening transgressions" and the later as "society-threatening transgressions."

Self-threatening transgressions include product and service failures, which occur on an ongoing basis in the consumer-brand dyad. These encompass both poor functional performance (e.g., an occasional product defect or having insufficient components in a product) and poor customer service (e.g., overcharging or mischarging, billing error, sending the order to the wrong place, or exposing a consumer's private information). Although the spectrum of this type of transgression varies, all directly influence the consumer's own interests.

On the other hand, society-threatening transgressions do not damage an individual consumer's own interest; rather they damage organizations or other parties. This type of transgression includes brand misbehaviors that violate social, moral, and legal codes, such as behaviors that damage the environment (e.g., BP's oil spill in the Gulf of Mexico), involve illegal hiring practices (e.g., Nike's use of child labor in Pakistan), or violate account or trading regulations (e.g., Martha Steward's illegal stock trading).

Then, how do society-threatening transgressions threaten on-going brand relationships? This transgression can be explained by consumers' concern about the spillover effects of stigma. For example, when consumers relate to brands, they engage in a cognitive process to identify brands that are congruent with their self-image (Chaplin and John 2005; Richins 1994). As consumers relate their self-images to the brand, they may perceive that a brand's wrongdoings might reflect on their behaviors even though they are not directly involved in the misbehavior. Because consumers are afraid of being stigmatized by association, they may ask for prompt resolution of the problems or they may be willing to leave the relationship to restore their tainted self-image.

The likelihood that consumers may experience fear of being stigmatized by association is well documented in Sutton and Callahan's (1987) article. Sutton and Callahan (1987) demonstrated that people avoided using a bank that involved in illegal trade not only because they were afraid of the quality of the service but because they feared experiencing spillover effects from the negative images of the bank.

Although both self and society-threatening transgressions can damage the stability of consumer-brand relationships, the extent that consumers judge a transgression as

threatening may vary according to the locus of the impact. That is, consumers may be actively and highly motivated to resolve conflicts in order to avoid further damage when the transgressions directly influence their own interests. Conversely, consumers may be passive about resolving such problems and rely on the company's ability to resolve the problems when the transgression brings the damage to other parties or organizations (Grégoire et al. 2009). Therefore, the desire for revenge or retaliation against transgressing brands may be difficult to sustain when consumers are faced with society-threatening transgressions versus when they are faced with self-threatening transgressions. Given these differences, consumer coping processes to self-threatening versus society- threatening transgressions may involve different patterns.

When the Brand Transgression Threatens the Relationships

Research on conflict management in interpersonal relationships has consistently suggested that a partner's wrongdoing typically evokes another party's negative, action-driven emotions (Grégoire and Fisher 2008), and how the other party deals with such intensive emotions is identified as the key to recovery from the transgression (Bougie et al. 2003; Grégoire and Fisher 2008). Particularly, among a vast array of negative emotions that people may experience during conflicts, anger is perceived as the most powerful emotion that is highly correlated with a desire to terminate the relationship (Berkowitz 1990; Lazarus 1991).

Acknowledging anger as a potential antecedent to negative behavioral tendencies in a relationship, marketing researchers have also investigated the effects of

anger on consumer responses to failed products or unsatisfactory service encounters. For example, Folkes, Koletsky, and Graham (1987) investigated how the degree of anger consumers feel directly and indirectly influences their intentions to repurchase after service failure (i.e., to continue the relationships with the brands). Their field study at the airport demonstrated that consumers' attributions for service failure, which determined their desire to fly the same airline again, differed by the degree of anger provoked by the brand's mishap. That is, highly angered consumers tended to attribute the fault of the failure to the brand, and accordingly were less likely to want to repurchase it than consumers who were less angry.

Bougie et al. (2003) also found empirical evidence that anger mediates the relationship between service encounter dissatisfaction and consumers' responses. Their findings suggested a direct relationship between the degree of anger participants experienced and a wide range of outcome variables, including negative word-of-mouth, complaint behavior, and brand switching intention. Similar to Folkes et al.'s results (1987), the results of Bougie et al. (2003) showed that angry consumers were more likely to engage in destructive coping styles than non-angry consumers.

Another pervasive negative emotion occurring as a consequence of product or service failure is frustration. Experiencing transgressions is often described as a frustrating situation because it often involves factors beyond consumers' control (Gelbrich 2010). Frustration differs from anger in terms of its blaming and complaining patterns. While anger is triggered by blaming an external source (i.e., a provoker of the threat), frustration is triggered by blaming situational sources (Smith and Ellsworth

1985). Accordingly, reducing anger and frustration involve different coping strategies.

Angry consumers tend to engage in an indirect way to release their negative emotions

(e.g., vindictive negative word-of-mouth that involves unfavorable communication with

other consumers rather than with the company). On the other hand, frustrated consumers

often engage in a direct way to complain (e.g., vindictive complaining that directly

involves unfavorable communication with the company) (Bougie et al. 2003; Gelbrich

2010; Grégoire and Fisher 2008). Although anger and frustration are identified as distinct

emotions that trigger idiosyncratic responses to transgressions, marketing research has

consistently shown that both anger and frustration are primary emotions that consumers

experience during a brand's transgression, and a consumer's propensity to cope with

those negative emotions is an important antecedent to behavioral outcomes (Gelbrich

2010).

EMOTIONAL INTELLIGENCE AND ITS EFFECTS ON COPING RESPONSES

The concept of emotional intelligence (EI) offers great promise for

conceptualizing a consumer's propensity to manage emotions because EI is involved in

the ability to suppress reactive aggressions, frustration, and regret (Zeidner, Matthews,

and Roberts 2009). EI is defined as "an ability to recognize the meanings of emotions and

their relationships, and to reason and problem-solve on the basis of them" (Mayer,

Caruso, and Salovey 1999, p. 267). To date, the concept of EI has proven to be most

systematically related to the ability to regulate negative emotions (Kidwell et al. 2008b)

Thus, the present study proposed EI as a powerful antecedent to the coping strategies that

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consumers use in addressing conflicts in consumer–brand relationships. A better understanding of EI is warranted in order to explore its role further. For this purpose, the following section discusses the ways in which the concept of EI evolved, the centrality of EI to the ability to cope with conflicts in relationships, and the factors that constitute the concept's core tenets.

Historical and Sociocultural Backdrop for the Emergence of EI

Until recently, emotions have been considered distractions and interruptions in cognitive processes rather than a vital informational source to solve daily problems (Landa, Martos, and López-Zafra 2010; Raghunathan and Trope 2002). Having historical roots in the Stoicism of ancient Greece (approximately in the early 300 B.C.), the view that emotions are too illogical to be a part of a rational decision has been long lasting in Western thought (Mayer, Salovey, and Caruso 2000). As Stoicism, which considered emotions the results of errors of judgment, became the dominant philosophy over the centuries, the notion that cognition is always superior to emotion has become deeply embedded in the inmost social structure of religions, politics, and literature (Mayer et al. 2000; Payne 1986). However, in the eighteenth century, this anti-emotional trend was challenged by the European Sentimentalist movement, which asserted the salience of pure and emotional knowledge in decision making (Reddy 2001). Furthermore, the romantic movement in the late eighteenth century, which argued that useful insights often could not be obtained by logic but by empathetic thoughts, contributed to a change in the basic assumption of emotions (Mayer, Salovey, and Caruso 2004).

Two centuries later, the political changes of the 1960s in Europe and North America evoked a century-long debate over the balance between feelings and thoughts (Mayer et al. 2004). Several political activities elicited enormous discussions on emotionalism among public, including social movements (e.g., hippies and yuppies), the rise of women's movement, the civil rights movement, and opposition to the U.S. involvement in the Vietnam War (Gitlin 1993; Mayer et al. 2000). The recent advances in neurology providing scientific evidence that the emotional and cognitive systems in the brain are far more intertwined than originally assumed (Damasio 1994) also have fueled the movement emphasizing the importance of emotions in thinking processes. Consequently, psychologists have argued that emotionality should be interpreted as a core factor in making "rational" decisions, motivated by the zeitgeist, which emphasizes emotions in the modern society, as well as scientific results, which emphasize the role of emotions in thinking processes of the brain (Mayer et al. 2000).

The Birth of Emotional Intelligence

Following this new perspective, scholars in the field of intelligence began to include *emotional intelligence* (EI) as a crucial subset of mental intelligence, which had been traditionally viewed only in terms of cognitive abilities typically measured by IQ-type tests (Hedlund and Sternberg 2000). EI theorists argued that another type of intelligence beyond the cognitive ability influences one's ability to successfully cope with environments and solve problems, as traditional IQ-tests do not always predict one's progress and success in work and school (Bar-On 1997).

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In an attempt to distinguish this alternative intelligence from cognitive intelligence, scholars have suggested several terms, including social intelligence (Barnes and Sternberg 1989), practical intelligence (Wagner and Sternberg 1985), and interpersonal and intrapersonal intelligence (Gardner 1993). Compared to "cold academic" cognitive intelligence, such intelligences are referred to as "hot" (Mayer, Caruso, and Salovey 1999), "non-academic" (Sternberg 1997), and "non-cognitive" (Bar-On 1997) intelligence. Among several terms emerging over the past years, emotional intelligence, rather than social, practical, or personal intelligence, is widely accepted because it is clearly distinguishable from cognitive intelligence (Mayer et al. 1999). It has become a popular word in the1990s due to the popularity of several best-selling books by Goleman (Goleman 1995, 1998), who is one of the most prominent spokes persons for EI (Hedlund and Sternberg 2000).

The concept of EI has continuously appeared in literature over the past century, dating back to as early as the nineteenth century when Charles Darwin published the first known work on the broad area of emotional-social intelligence in 1872 (Bar-On 2005). Although emotional intelligence has historical roots, scientifically legitimate conceptualization and data on EI emerged in the psychological literature only in the late 1980s (Fitness 2001). However, despite this considerably short period, work on the topic has been proliferating during the 1990s and 2000s, and EI has become a major topic of interest in various social sciences, such as psychology, education, and sociology. A number of commercially successful books has contributed to the sustained interest in EI (e.g., Goleman 1995, 1998). Due to its commercial success, EI has been criticized by

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some scholars for benefiting from sensationalism and failing to meet scientific standards (Davies, Stankov, and Roberts 1998). Nevertheless, the gap in literature has narrowed thanks to the efforts of several social scientists during the past years, particularly a series of research studies done by Salovey and Mayer and their colleagues (Caruso, Mayer, and Salovey 2002; Fitness 2001; Mayer et al. 1999; Mayer, DiPaolo, and Salovey 1990; Mayer and Salovey 1993; Mayer et al. 2004).

What is Emotional Intelligence?

Goleman (1995, p.14) defined EI as "abilities such as being able to motivate oneself and persist in the face of frustrations; to control impulses and delay gratification; to regulate one's moods and keep distances from swamping the ability to think; to empathize and to hope" (Goleman 1995). Meyer and his colleges (1999), however, criticized Goleman's definition of EI for encompassing too many concepts. Other researchers also agreed with Mayer and his colleagues' criticism by pointing out that Goleman's conceptualization attempted to capture "almost anything but IQ" (Hedlund and Sternberg 2000), which stretched the concept of EI beyond acceptable limits (Gardner 1999). Moreover, Goleman's model was built primarily upon anecdotal evidence without sustainable empirical validity (Hedlund and Sternberg 2000).

Unlike Goleman's definition, Bar-On's definition of EI (1997) has proven valid through extensive scientific studies conducted over the past twelve years with more than 6,300 respondents. He first coined the abbreviation *EQ* (Emotional Quotient) and developed the *EQ-i* (Emotional Quotient Inventory) to access non-cognitive skills among

people, showing a rather high internal consistency across the sample. The Bar-On model incorporates five areas of skills, competences, and facilitators, including intrapersonal skills, interpersonal skills, adaptability, stress management, and general mood (Bar-On 1997). Although Bar-On's work has provided some empirical validity (Bar-On 1997), the broad conceptualization of Bar-On's model still arguably lacks parsimoniousness. Particularly, some scholars doubt its discriminant validity because the core constructs of his framework largely overlap with previous well-known personality traits constructs (e.g., empathy, independence). Therefore, some scholars (Davies et al. 1998) labeled EQ and EQ-I "elusive constructs."

To overcome such limitations, Mayer et al. (1999) attempted to define EI within the confines of the standard criteria for a new intelligence. Emphasizing EI as an "ability" rather than a trait, motivation, or social functioning (e.g., (Bar-On 1997; Goleman 1995), Mayer and Salovey defined it as "the capacity to reason about emotions, and of emotions to enhance thinking. It includes the abilities to accurately perceive emotions, to access and generate emotions to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth." (1997, p. 433). This ability-based conceptualization of EI has been largely adopted in the field of psychology because it is the most restrictive framework of EI, capturing the concept of emotional intelligence most appropriately (Kidwell, Hardesty, and Chiders 2008a).

Components of Emotional Intelligence

According to Mayer and colleagues, EI comprises four primary mental abilities: (1) perceiving emotions (2) facilitating emotions, (3) understanding emotions, and (4) managing emotions (Mayer et al. 1999). First, the most basic emotional ability involves the ability to perceive and recognize emotions accurately. This ability involves both nonverbal (facial and postural expressions) and verbal perceptions of emotions (Mayer et al. 2000). For example, people who are adept at perceiving emotions know how to express their own emotions adequately and accurately differentiate among various emotional states such as anger, fear, guilt, and love (Fitness 2001). Although it might be expected that most people encounter little difficulty in identifying their own feelings, this is not necessarily the case. As Fitness noted, "One person might interpret his fluttering heart, sweaty palms, and feelings of giddiness as symptoms of a panic attack, whereas another might conclude she has fallen in love" (2001, p. 99). Particularly when the emotions are mixed, accurately identifying emotions associated with the event might be a difficult task even for people who are highly emotionally intelligent.

The second component of EI is the ability to facilitate emotions for the purpose of cognition (Mayer et al. 1999). This ability involves harnessing emotions to facilitate cognitive tasks, such as problem solving. It includes the ability to weight emotions against one another and to assimilate emotions into cognitive mental processes. For example, the emotionally intelligent person is able to change mood in order to best fit the task at hand (Kidwell et al. 2008b).

The third component is the ability to understand emotions. This ability plays a crucial role in behaviors even when people experience affective states of the same strength (e.g., anxiety and guilt as negative emotions), as distinct emotions elicit different goals, which in turn lead to different psychological mechanisms to make a decision. Some evidence shows that negative moods do not all influence behavior to the same extent.   Raghunathan and Pham (1999), for example, showed that anxious people tended to be cautious in gambling decisions due to their preoccupation with risk and uncertainty, whereas sad people were likely to take risks in gambling decisions because they were motivated to offset a negative mood by seeking rewards. As such, knowing which emotions are similar and the relationships in which they are important is central to understanding emotional problems (Kidwell et al. 2008b).

Finally, managing and regulating emotions are the most sophisticated and advanced abilities pertinent to achieving desired behavioral outcomes. This dimension involves knowing how to relax after a stressful encounter and knowing how to alleviate the stress and to ameliorate negative emotions evoked by others. This dimension also involves the ability to control impulsiveness (Roberts et al. 2001). More importantly, it is associated with the quality of social functioning, as it means that a person is equipped to select an appropriate emotional tone for social encounters and has the social competence to communicate with strangers (Lopes et al. 2005).

Consumer Emotional Intelligence: Consumption- Specific EI

With the recent development of a comprehensive conceptualization and measurement of EI, Kidwell et al. (2008b) have further developed the concept of Consumer Emotional Intelligence (CEI), which is specifically applicable within a consumer context. Kidwell et al. (2008b) defined CEI as "a person's ability to skillfully use emotional information to achieve desired consumer outcomes" (p. 154). Based on this definition, they developed measurement scales to assess CEI. Unlike general EI, which allows a person to perceive and manage emotions, CEI provides a unique lens thorough which to measure individual differences in the ability of consumers to manage their emotions in consumption-related activity. Kidwell and colleagues successfully supported the reliability as well as the discriminant and nomological validity of the CEI scale (Kidwell et al. 2008a; Kidwell et al. 2008b), suggesting that it has great promise for quantifying consumer emotionality.

Furthermore, this stream of research showed that emotionally intelligent consumers were likely to make high-quality food choices as well as good brand choices, and the effects of CEI on quality decisions were much stronger than were the effects of cognitive abilities (Kidwell et al. 2008b). Kidwell et al.'s findings support the notion that emotion is a "mental state of readiness that arises from cognitive appraisals of events or thoughts" (Bagozzi, Gopinath, and Nyer 1999), thus highlighting emotion as a key factor for retrieving, encoding, and processing cognitive information.

In summary, it is important to note that EI, the ability to accurately perceive, facilitate, understand, and manage emotions, may significantly influence how consumers

deal with relationship conflicts, and consumers' responses to conflicts are likely to vary according to the type and the nature of any given conflict. The literature reviewed above provides the basis for understanding how the ability of a consumer to utilize EI affects the stability of relationships, particularly as brands can give rise to conflicts over the course of a relationship. A set of predictions regarding consumers' coping responses to transgressions will be discussed in the following section.

Chapter 3. Study One: The Effect of CEI and Relationship Norms

Based on the aforementioned theoretical underpinnings and conceptualization, the current study proposed that CEI will play an important role in consumers' responses to transgressions in consumer–brand relationships. This proposition was further theorized in two hypotheses and articulated in two research questions. As previous studies in brand relationships have presented relationship norms as a critical factor in explaining consumers' responses to transgressions, this study considered the role of relationship norms on coping responses in conjunction with a theorized connection between CEI and coping responses.

HYPOTHESIS DEVELOPMENT

When a person encounters a relationship conflict caused by a partner's wrongdoing, he or she may experience a wide range of negative feelings toward that partner. In response to dealing with an unsupportive partner, or handling a partner's unreliable behaviors, it is typical for people to undergo immense emotional turmoil in which negative emotions such as anger, rage, dissatisfaction, and frustration are evident (Grégoire and Fisher 2008; Smith and Ellsworth 1985). Although most people have a general ability to perceive, use, understand, and manage such negative emotions, they vary in terms of the ability to choose appropriate strategies to cope effectively with their emotions in a social context.

For example, when people feel that their partners are shouting at them for no specific reason, some may become angry and begin shouting in return; however, others

may speak calmly with a view to pacifying their partners. The latter type possesses a refined ability to accurately perceive their own emotions and those of their partner (e.g., "My partner is very angry now"), facilitate thoughts about the results of their subsequent actions (e.g., "If I shout back at my partner, she will be more upset and the situation will become worse"), manage their own emotions, and find an optimal subsequent behavior (e.g., "In order to reconcile this situation smoothly, I should try to pacify her first while holding back my own anger").

Social psychologists systematically conceptualize such individual differences in the ability to perceive, facilitate, understand, and manage one's own emotions and those of others as emotional intelligence (EI) (Caruso et al. 2002; Mayer et al. 1999; Mayer, et al.1990; Mayer and Salovey 1993). To date, a great deal of research in interpersonal relationships has suggested that EI is an important antecedent to dealing with interpersonal conflict.

For example, Lopez et al. (2005) showed that college students with high EI tended to experience less conflict in their relationships with close friends because they had a greater ability to accommodate transgressing friends and so tended not to antagonize or retaliate against them. Additionally, Moss, Ritossa, and Ngu (2006) suggested that EI enhanced the capacity of managers to develop coping styles appropriate to dealing with relationship conflicts in the workplace. Recently, Brackett et al. (2006) suggested that EI was positively associated with interpersonal competence for male adults and indicated that EI was related to the characteristics of social interaction. Further, the effects of EI on interpersonal conflicts have also been found among young

children. Eisenberg et al. (2000) showed that children with a high ability to regulate emotions (EI) were more likely to have prosocial motivations and to have developed strong coping skills than were those with low EI. Their results indicated that individual differences in regulating emotions played a fundamental role in developing appropriate social skills to resolve interpersonal conflicts from an early age.

As with human relationships, high-CEI consumers may possess the ability to choose appropriate strategies for coping with conflicts when a brand transgression threatens a relationship (Kidwell et al. 2008b). As such, Beverland, Chung, and Kates's (2009) qualitative study provided useful insights into the relationship between CEI and coping responses. According to their study, some respondents attempted to participate in constructive discussions in an effort to resolve conflicts with brands, while others held a grudge against the transgressing brands and punished them by terminating the relationship. In their study, the respondents who attempted to reconcile stressful situations also described themselves as "very patient" or "too forgiving" (p. 439), whereas informants who responded destructively to transgressing brands indicated their general characteristics as "quick to anger" or "not very forgiving" (p. 441). Informants' self-descriptions imply a close relationship between CEI and consumer-response patterns in a consumption context. That is, people who exhibit high levels of understanding and ability to control negative emotions in conflict situations may seek constructive rather than destructive ways to resolve conflicts because they are driven to a significant extent by prosocial motivations (Brackett et al. 2006).

Results from numerous studies in social psychology and marketing literature suggest that high-CEI consumers, compared with low-CEI consumers, are more likely to inhibit their impulses to react destructively. Likewise, they are more apt to seek constructive ways to address a conflict in order to maintain a committed relationship with a brand. The thesis that greater CEI should discourage destructive behavior and encourage constructive behavior has been further developed in more systemized behavior patterns of exit–voice typology.

Hirschman (1970) first articulated the typology of exit–voice responses to conflicts in relationships, suggesting three patterns of coping patterns: (1) exit (i.e., the termination of the relationship), (2) voice (i.e., actively working with the partner to resolve problems), and (3) loyalty (i.e., suffering in silence until the problem works itself out). Rusbult and Zembrodt (1983) subsequently added a fourth logical response to conflict— namely, neglect (i.e., passively allowing a relationship to deteriorate). Theoretically, the four responses differ in terms of constructiveness and destructiveness. Exit and neglect are intended to be destructive as the intention driving these behaviors is to threaten and damage the relationship. On the other hand, voice and loyalty are constructive behaviors, as the intention driving them is that of reviving or continuing a relationship (Paulssen and Bagozzi 2009).

Based on the findings throughout the social psychology and marketing literature, combined with the aforementioned destructive versus constructive coping typology, the present study predicted that CEI would be negatively associated with two destructive coping responses (i.e., exit and neglect) and positively associated with two constructive

coping responses (i.e., voice and loyalty). Thus, the following sets of hypotheses were formulated.

H1. When consumers are experiencing a brand transgression, high-CEI consumers will be less likely to seek destructive ways to resolve problems than will low-CEI consumers.

H1a. High-CEI consumers will be less likely to respond with exit coping responses than will low-CEI consumers.

H1b. High-CEI consumers will be less likely to respond with neglect coping responses than will low-CEI consumers.

H2. When consumers are experiencing a brand transgression, high-CEI consumers will be more likely to seek constructive ways to resolve problems with the brand than will low-CEI consumers.

H2a. High-CEI consumers will be more likely to respond with voice coping responses than will low-CEI consumers.

H2b. High-CEI consumers will be more likely to respond with loyalty coping responses than will low-CEI consumers.

To better understand the effects of CEI on coping responses, it is worth examining whether the hypothesized association between CEI and consumer responses varies according to the characteristics of consumer–brand relationships. Relationship norms

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have been perceived as one of the important criteria explaining characteristics of brand relationships that significantly influence consumer evaluations of brand actions (Aggarwal 2004; Fournier 2009). Based on a series of studies, Aggarwal and colleagues have consistently suggested that relationship norms guide consumers in their assessments of violations (Aggarwal 2002; Aggarwal and Law 2005). This stream of research identifies two norms—communal relationship norms and exchange relationship norms— as useful distinctive constructs describing the distinctive characteristics of two kinds of relationships. Communal norms are built on mutual support and concern between partners, whereas exchange relationships are developed based on the weighing of specific gains and losses for market exchanges (Clark and Mills 1993). However, these two relationship types are not necessarily different in terms of the perceived quality of the relationships.

The importance of norms in the consumer evaluation of brand actions raises the question of whether the relationship between CEI and consumer responses to a transgression, if any, varies according to whether the norms pertain to communal or exchange relationships. Previous research offers little information on the potential interaction between relationship norms and CEI. The lack of research on this point makes it challenging to predict how the effects of CEI differ according to relationship type. Therefore, potential differences were investigated through the following research questions:

RQ1. Will the relationship between CEI and destructive coping responses differ according to relationship norms?

RQ2. Will the relationship between CEI and constructive coping responses differ according to relationship norms?

The CEI construct consists of four dimensions: perceiving, facilitating, understanding, and managing. Perceiving emotions, which is a highly abstract ability among the four dimensions, refers to the ability to perceive and appraise emotions accurately. The facilitating dimension involves using such perceived emotions to facilitate thought (Kidwell et al. 2008b). The understanding dimension is utilized to analyze and reason about problems in order to create emotional knowledge. Finally, managing emotions—the least abstract dimension—refers to the ability to regulate emotions in order to obtain a desired outcome. The first two dimensions involve assessing and interpreting emotions; the latter two involve comprehending and regulating emotions.

Each dimension has distinct reasoning abilities that enable consumers to process emotion-relevant information (Kidwell et al. 2008b); therefore, the effects of individual dimensions on coping responses may result in differences. Certain contexts may elicit unique needs for drawing on a given dimension of CEI. Thus, if CEI is associated with consumers' coping responses to a transgression, it is useful to investigate how each dimension of CEI differently influences coping outcomes. However, given that CEI research emerged only recently, the available information about each dimension is too

limited to offer a basis for predicting with any confidence which dimension works best under which circumstances. Thus, the following research question was raised in order to expand the predictive ability of specific dimensions of CEI.

RQ3. Which CEI dimension most influences consumers' coping responses to a transgression?

METHOD

Research Design

In order to examine whether and how CEI and relationship norms influence consumer responses to a brand transgression, a 2 (CEI: high vs. low) × 2 (Relationship norms: communal vs. exchange) between subjects design was employed. The degree of CEI was measured and relationship norms were manipulated through scenarios. A wide range of brand relationship studies has shown that the nature of a long-term relationship can be primed and successfully manipulated through scenarios (Aggarwal 2004; Aggarwal and Law 2005; Aggarwal and McGill 2007; Clark and Mills 1993; Huber et al. 2010). The use of scenarios also avoids any ethical issues associated with observing actual transgressions in the field, and it reduces the response bias caused by memory lapses that undermine the validity of recall-based surveys (McCollough, Berry, and Yadav 2000). The current study followed such an experimental psychology paradigm, which suggests that it is possible to manipulate a long-term relationship over the course of an experiment without an actual interaction. Hence, participants in the current study

were asked to thoroughly read scenarios and project themselves into the role of the consumer in the given description.

Sampling and Data Collection

Participants were recruited from introductory and advanced advertising classes at the University of Texas-Austin where instructors agreed for their students to participate in the study in exchange for course credit. Participants filled out paper-pencil questionnaires individually in a classroom setting. Upon completion of the questionnaires, the participants were asked to put their completed questionnaires in a drop box placed at the back of the classroom. Overall, 193 undergraduates participated in Study One, including a pre-test, a preliminary check, and a main experiment. The entire data collection period of Study One was about three weeks, from February 28 to March 17.

Stimuli Development

Relationship Norm Scenario

The bank was chosen for the base product for experiment because (1) it was relevant to the student sample of the study, (2) it was suitable to develop a long-term relationship with consumers, and (3) it was not a gender-specific product. The scenario for relationship norms (communal vs. exchange) were developed based upon Aggarwal (2002)'s study. The communal relationship scenario described that the relationship involved mutual supports while the exchange relationship scenario highlighted that the

relationship involved a cost-benefit evaluation (Appendix 1). Extra care was taken in an

effort to ensure that two distinct conditions primed only the characteristics of

relationships but did not manipulate perceptions of service quality.

Transgression Scenario

To provide a meaningful examination of the hypotheses and research questions,

the scenarios of transgressions needed to involve realistic interactions that would be

relevant to bank customers and would plausibly result in changes in customers'

behaviors. The scenarios should also not result in overly extreme unfavorable outcomes,

which may reduce the effects of individual differences. Given these considerable

specifications, the task of developing a transgression scenario involved multiple steps.

First, the five most common transgressions that actually happened in the field were

identified from consumer complaint websites, where consumers shared their unpleasant

experiences with others (e.g., consumerreport.org, pissedconsumer.com, and

complaints.com). After identifying five specific transgressions, professional writers were

employed to write short descriptions of each transgression. A pre-test with 30

undergraduate students (9 males and 21 females, average age $= 21.9$ years) was further

conducted to identify the most moderate level of transgression. On a five-point scale,

participants were asked to rate their behavioral intention to keep using the bank after the

transgression happened. The findings indicated that the episode of delay in sending a new

credit card ($M = 2.54$) was the most moderate level of transgression among the five

episodes. As a result, the card delivery mistake episode for the current study was chosen to manipulate the transgression experimentally.

Procedure

Preliminary Check

Prior to a main experiment, participants were asked to complete an 18-item CEI questionnaire adopted from Kidwell et al. (2008b) (Appendix 2). They were told that the study examined consumer behavior. Participants were asked to complete consent forms, were given verbal instructions, and then were handed questionnaire packages to complete. The CEI questionnaire took approximately 15 minutes to complete. Based on their responses to the CEI measures, participants were divided into two groups (high vs. low CEI) by a median-split on their total scores of CEI.

Main Experiment

A week later, the main experiment was conducted among participants who completed the CEI questionnaire. Participants in both high and low CEI groups were randomly assigned to two different conditions of relationship norms. Participants were given a brief hypothetical description of their relationship with a fictitious bank (Appendix 1). The main experiment took approximately 15 minutes to complete. To ensure successful manipulation of relationship norms, participants were requested to assume the role of the person described in the scenario and asked to evaluated priming effects.

After reading and evaluating the relationship description, the hypothetical situations about the brand transgression were given (Appendix 1). Participants were then asked to answer questions pertaining to the main dependent variables. Once participants answered all questions, they were thanked and debriefed.

Measures

Several measures were used to assess CEI, the effectiveness of manipulation, and coping responses to a transgression. Order effects were controlled as the questionnaires varied the presentation order of the measures with the demographic questionnaire always presented last.

CEI

The CEI measure was adopted from Kidwell et al. (2008b) (Appendix 2). The CEI scale is designed to capture each of four dimensions of CEI, as it consists of five items of perceiving, four for facilitating, and five for understanding, and four for managing. Each dimension includes items representing both positive and negative emotions as well as both individual and interpersonal emotional interactions. For example, the perceiving dimension includes items asking respondents to describe the emotions that are expressed by faces and products presented in various pictures. The facilitating dimension has questions that require respondents to list the most effective emotions in several consumer-related situations that evoke both negative and positive emotions. The understanding dimension includes items asking respondents to describe

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how they feel in certain emotion-charged situation and further how these emotions

change over-time. For the managing dimension, items include questions asking how

participants react and deal with certain emotion evoked by several market transactions.

The CEI scale has been found to be a valid and reliable measure of CEI (Kidwell et al.

2008b)

Unlike self-report measures, CEI is an ability-based scale that uses a response

scoring method capturing the degree of correct responses . That is, a participant obtains a

score indicating the correctness of each response based on experts' judgments. This

scoring method is used to overcome the shortcomings of a self-report measure of EI,

which may evoke   socially desirable responses (Mayer and Caruso 2000). Indeed,

several studies showed that self-reported EI inadequately assesses emotional skills

(Brackett et al. 2006). In this regard, the current study used an ability-based measure and

followed an expert scoring procedure for assessing individual scores of CEI. The expert

scores of CEI are provided by Kidwell et al.'s research website (http://www.ceis-

research.com).

The Effectiveness of Manipulation

Questions to measure the effectiveness of manipulations included (1) perceived

communality and (2) perceived role in a consumer-brand relationship, which were

adopted from Aggarwal (2002). The communality measure consisted of two questions

aimed at capturing the extent of communal bondings with a brand (a warm feeling toward

a brand and a special bond with a brand). The perceived role in a relationship asked

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participants to imagine the brand coming alive and becoming person, and requested them

to rate the extent to which the bank was like a close friend and a merchant on 7-point

scales. The scales of attitudes toward the bank asked participants to rate their overall

attitudes towards the bank on three, 7-point bipolar adjective scales anchored by: (1)

negative/positive, (2) unfavorable/favorable, (3) bad/good (Burnkrant and Unnava 1995;

Osgood, George J Suci, and Tannenbaum 1957).

Coping Responses to a Transgression

The main dependent variable of the study measured participant specific coping

responses to a transgression. Coping responses were operationalized using scales

developed by Rusbult et al.'s (1982) seminal work and later exit-voice studies (Hibbard

et al. 2001; Paulssen and Bagozzi 2009; Ping 1993). Exit-voice measures assessed the

responses to negative events in social relationship based on four reactions to conflicts in

relationships: (1) exit: a propensity to terminate the relationship, (2) neglect: a

willingness to reduce relationship contacts while allowing the relationships to deteriorate,

(3) voice: actively participating in constructive discussion to resolve problems, and (4)

loyalty: passively but optimistically waiting until the problem works itself out.

One emerging criticism in marketing relationship studies is that researchers tend

to use atheoretical outcome variables rather than theoretical constructs (Paulssen and

Bagozzi 2009). Rusbult et al.'s (1982) typology of responses to dissatisfaction in

relationship, however, has developed based on theoretical calibrations of consequences of

interrupting events, and has been empirically examined in several contexts, including

employee-employer relationships (Rusbult et al. 1988), romantic relationships (Rusbult and Zembrodt 1983), and business-to-business relationships (Ping 1993, 1995, 1997), showing the validity across various relationship contexts. In this study, the exit-voice measurement items were modified in order to reflect the unique nature of brand relationships and to increase the clarity (Appendix 3).

The exit subscale contained three items, including a statement "I would stop the relationship with the bank in the near future." The neglect measure included two items, such as " I would not plan to do anything to improve the relationship with the bank and will expect things will become worse." The measure of the voice construct had three items, including a statement such as "I would try to cooperatively discuss the problem with the bank to improve the situation." Finally, loyalty had two items, including a statement "I would not say anything to the bank about the problem because it seems to go away by itself." All items were measured on a seven-point scale ranging from "1 = strongly disagree" to "7 = strongly agree". These items were reliable for measuring subjects' exit ($\alpha = .90$), neglect ($\alpha = .75$), voice ($\alpha = .86$), and loyalty responses ($\alpha = .77$).

Covariates

The present study also controlled for a variable that might potentially bias the result of the study. As a higher level of product involvement is often associated with higher levels of brand loyalty, which in turn influence the perceived severity of transgressions (Mittal 1995), product involvement was considered as a covariate of the

study. Product involvement scale was adapted from Laurent and Kapferer (1985). Their

subscale contained three items; including statements such as "which bank brand I choose

is an important decision for me." Responses were assessed using a 7-point scale that

ranged from strongly disagree to strongly agree (Appendix 3). Three items were reliable

for measuring subjects' product involvement ($\alpha = .96$).

RESULTS

Sample Description

Out of 163 voluntary participants, the final sample of 139 respondents was used

for data analysis after eliminating respondents who participated in the preliminary check

but not in the main experiment. The final sample consisted of 41% of males (N = 57) and

59% of females (N = 82). Participants ranged in age from 18 to 56 with a mean age of

19.93 (SD = 3.75). The racial/ethnic composition of the sample was 54.0% White, 23.7%

Hispanic, 7.9% Asian American/Pacific Islander, and 6.5% African American. Of the

remaining sample, 7.9% indicated they were either multiracial or chose "other."

CEI

Prior to testing the effects of manipulation and hypotheses of the study,

descriptive statistics of CEI were run to divide participants into two groups. The median

score of CEI was 102.12, ranging from 58.27 to 122.00. Thus, participants were grouped

into high vs. low groups based upon sample's median score of 102.12. Additionally, an

independent sample t-test was conducted to investigate any gender difference in CEI.

There was a significant gender difference in the scores of male (M = 96.95, SD = 15.36) and female participants (M = 103.37, SD = 13.36); (t(137) = 2.62, p < .05).

Manipulation Check

The results of ANOVA indicated that the scenarios successfully manipulated different relationship norms. There was a significant main effect of norms on communality (F(1, 137) = 11.59, p < .01, η_p^2 = .078). Participants in the communal relationship showed higher levels of communality (M = 6.22) than those in the exchange relationship (M = 5.60).

When asked to imagine a bank coming alive and becoming person, participants in the communal relationship were also more likely to see the bank as their friend than those in the exchange relationship (M_{COM} = 5.58 vs. M_{EXC} = 4. 59; F(1, 137) = 18.83, p < .001, η_p^2 = .121). However, participants in the exchange relationship were more likely to see the brand as their merchant than those in the communal relationship (M_{EXC} = 5.20 vs. M_{COM} = 4.51; F(1, 137) = 9.75, p < .01, η_p^2 = .066).

Attitudes toward the bank, however, showed no difference across two relationship conditions (M_{COM} = 6.78 vs. M_{EXC} = 6.62; F(1,137) = 1.86, p = .174, η_p^2 = .013), indicating that scenarios primed only different relationship norms and did not affect favorability of the bank. Table 2 summarizes the results of manipulation.

Table 2:   The Effectiveness of Manipulation-Study One

	Communal		Exchange		
	Mean	S.D.	Mean	S.D.	p-Value
Communality Score	6.22	1.03	5.60	1.10	.001
Friend	5.58	1.33	4.59	1.37	< .001
Merchant	4.51	1.21	5.20	1.40	.002
Attitudes toward the Bank	6.78	.60	6.62	.76	.174

Coping Responses to a Transgression

To test H1a and H1b, a 2 (CEI: high vs. low) × 2 (Relationship norms: communal vs. exchange) analysis of covariance on negative coping responses was conducted with product involvement as a covariate. H1a proposed that CEI had negative effects on exit responses. Consistent with expectations, the negative relationship was confirmed at .10 level ($F(1,134) = 2.93$, $p = .089$, $\eta_p^2 = .021$). Consumers in high CEI were less likely to exit the relationship in response to the transgression ($M = 3.09$) than those in low CEI ($M = 3.49$). However, there was no main effect of relationship norm on exit responses ($F(1,134) = .00$, $p = .970$, $\eta_p^2 = .000$), indicating that CEI rather than relationship norms influences how consumers use exit behaviors after experiencing brand wrongdoings. The effect of product involvement on exit responses as a covariate was not significant ($F(1,134) = .059$, $p = .809$, $\eta_p^2 = .000$). Table 3 presents descriptive statistics of exit responses.

Table 3:   Exit by CEI and Relationship Norms

					(N=139)
Norm	CEI	Mean	S.D.	N	p-Value
Communal	Low	3.43	1.20	34	
	High	3.16	1.30	35	
	Total	3.29	1.25	69	
Exchange	Low	3.55	1.32	35	
	High	3.02	1.55	35	
	Total	3.29	1.46	70	
CEI Total	Low	**3.49**	1.25	69	.089
	High	**3.09**	1.43	70	

H1b anticipated that consumer differences in CEI also affect their neglect responses to a transgression. As expected, an ANCOVA revealed a significant main effect of CEI on neglect responses ($F(1,134) = 7.29$, $p < .01$, $\eta_p^2 = .052$). Consumers high in CEI were less likely to neglect the relationship in response to the transgression ($M = 3.14$) than those who were low in CEI ($M = 3.64$). H1b was thus fully supported. Interestingly, the main effect of relationship norms on neglect responses was also significant ($F(1,134) = 6.71$, $p < .05$, $\eta_p^2 = .048$). Consumers in communal relationships were more inclined to respond with neglect ($M = 3.62$) than those in exchange relationships ($M = 3.16$). Regarding neglect responses, both CEI and relationship norms influenced consumer coping responses. An ANCOVA revealed no effect of product involvement on neglect responses as a covariate ($F(1,134) = .458$, $p = .500$, $\eta_p^2 = .003$). The descriptive statistics of neglect behaviors by CEI and relationship norms were presented Table 4.

Table 4:   Neglect by CEI and Relationship Norms

| | | | | | (N=139) |
Norm	CEI	Mean	S.D.	N	p-Value
Communal	Low	3.93	1.12	34	
	High	3.33	1.08	35	
	Total	3.62	1.13	69	
Exchange	Low	3.36	.96	35	
	High	2.96	1.07	35	
	Total	3.16	1.03	70	
CEI Total	Low	**3.64**	1.07	69	.008
	High	**3.14**	1.08	70	

H2 anticipated the positive effects of CEI on constructive coping responses. Regarding H2a, there was a significant main effect of CEI on voice coping responses ($F(1,134) = 8.80$, $p < .01$, $\eta_p^2 = .062$). Consumers high in CEI were more likely to respond with voice behaviors ($M = 5.69$) than those who were low in CEI ($M = 5.07$), confirming H2a. The relationship norms, however, did not have a main effect on voice responses ($F(1,134) = .20$, $p = .657$, $\eta_p^2 = .001$). The results indicate that CEI rather than a relationship norm was a main factor to influence voice responses. There was no effect of product involvement on voice responses as a covariate ($F(1,134) = .375$, $p = .541$, $\eta_p^2 = .003$). Table 5 presents descriptive statistics of voice responses.

Table 5:   Voice by CEI and Relationship Norms

					(N=139)
Norm	CEI	Mean	S.D.	N	p-Value
Communal	Low	4.95	1.57	34	
	High	5.71	.92	35	
	Total	5.34	1.33	69	
Exchange	Low	5.18	1.24	35	
	High	5.67	1.20	35	
	Total	5.42	1.24	70	
CEI Total	Low	**5.07**	1.40	69	.004
	High	**5.69**	1.06	70	

H2b proposed that consumer high in CEI were more inclined to loyalty behaviors than those low in CEI. As seen Table 6, CEI did not show a main effect on loyalty responses ($F(1,134) = 2.27, p = .134, \eta_p^2 = .017$). H2b was not supported. There was also no main effect of relationship norms on loyalty responses ($F(1,134) = .03, p = .862, \eta_p^2 = .000$). Neither CEI nor relationship norms influenced loyalty behaviors in response to a transgression. An ANCOVA revealed a significant effect of product involvement on loyalty coping responses as a covariate ($F(1,134) = 6.292, p < .05, \eta_p^2 = .045$).

Table 6:   Loyalty by CEI and Relationship Norms

					(N=139)
Norm	CEI	Mean	S.D.	N	p-Value
Communal	Low	2.44	1.28	34	
	High	2.39	1.36	35	
	Total	2.41	1.31	69	
Exchange	Low	2.73	1.30	35	
	High	2.21	1.40	35	
	Total	2.47	1.36	70	
CEI Total	Low	**2.59**	1.29	69	.134
	High	**2.30**	1.37	70	

Next, RQ1 asked whether the relationship between CEI and destructive coping responses differ by relationship norms. The results of ANCOVA indicated that there was no interaction between CEI and relationship norms on exit ($F(1,134) = .31$, $p = .580$, $\eta_p^2 = .002$) or on neglect ($F(1,134) = .35$, $p = .553$, $\eta_p^2 = .003$). The results indicated that negative relationships between CEI and destructive coping responses did not vary by relationship norms.

Likewise, RQ2 asked whether the link between CEI and constructive coping responses differ by relationship norms. There was no CEI ×relationship norms interaction on voice ($F(1,134) = .38$, $p = .537$, $\eta_p^2 = .003$) or on loyalty ($F(1,134) = 1.41$, $p = .237$, $\eta_p^2 = .010$). Taken together, relationship norms did not affect the association between CEI and consumer coping responses to a transgression, neither destructive nor constructive responses.

Finally, RQ3 discussed the individual effects of dimensions of CEI on coping responses. In order to answer RQ3, a series of multiple regression analyses on exit, neglect, voice, and loyalty coping responses was conducted. First, the multiple regression model with all four dimensions on exit coping produced $R^2 = .098$, $F(4, 137) = 3.72$, $p < .01$. As seen in Table 7, the facilitating dimension, which involves using perceived emotions to facilitate thought, had a significant negative effect on exit ($\beta = -.21$, $p = .012$). In terms of neglect coping responses, the multiple regression model with four dimensions on neglect coping produced $R^2 = .041$, $F(4, 137) = 1.46$, $p = .218$. Among four dimensions, the facilitating dimension had significant negative regression weights ($\beta = -.19$, $p < .05$).

For voice coping, the multiple regression model produced $R^2 = .119$, $F(4, 137) = 4.62$, $p < .01$. As seen in Table 7, the facilitating dimension showed significant positive effects on voice coping ($\beta = .24$, $p = .004$). The understanding dimension also showed significant positive effects on voice coping ($\beta = .17$, $p = .048$). Finally, for loyalty coping, no dimension showed significant regression weights. Table 7 summarizes the results of multiple regression analyses of the four dimensions of CEI on coping responses.

Table 7:   Regression Analysis on Exit, Neglect, Voice, and Loyalty

Dimension	Beta	t	p-value
Exit			
Perceiving	-.13	-1.54	.126
Facilitating	-.21	-2.54	**.012**
Understanding	-.13	-1.57	.119
Managing	-.01	-.10	.925
Neglect			
Perceiving	-.02	-.26	.794
Facilitating	-.19	-2.15	**.033**
Understanding	-.03	-.33	.744
Managing	-.04	-.45	.657
Voice			
Perceiving	-.05	-.55	.584
Facilitating	.24	2.92	**.004**
Understanding	.17	2.00	**.048**
Managing	.09	1.01	.326
Loyalty			
Perceiving	.01	.16	.871
Facilitating	-.02	-.20	.842
Understanding	-.09	-1.00	.322
Managing	-.07	-.79	.429

The purpose of Study One was to test the CEI construct as an important individual difference in predicting consumers' responses to a transgression. Overall, the results of Study One suggested that CEI acts as a buffer to protect the consumer–brand relationship by mitigating negative reactions and fostering positive ones when conflict arises.

In particular, the hypothesized negative association between CEI and destructive coping appeared significant, as each of the two destructive coping constructs (i.e., exit and neglect) was negatively associated with CEI. The results revealed that high-CEI consumers were less likely to exit the relationship with the brand than low-CEI consumers. This result is noteworthy, as exit behaviors often lead to the most critical relationship consequence for companies. When a company loses customers, it will incur substantial costs in finding new customers and developing and maintaining relationships with them. Study One also demonstrated that CEI was negatively associated with neglect coping behaviors; high-CEI consumers were less likely to neglect the problem when encountering brand wrongdoing than were low-CEI consumers. It indicated that EI allows consumers to engage in problem-solving activities instead of avoiding problems.

Taken together, the negative effect of CEI on destructive coping implied that high-CEI consumers may be able to suppress impulses to exacerbate a situation, such that they alleviate frustration and anxiety or alter their mood through positive emotion instead. Therefore, they retain the possibility of continuing the relationship. On the other hand, low-CEI consumers may hold a grudge against the brand and be more willing to fight fire with fire, which could result in terminating the relationship.

The hypothesis that CEI acts as a buffer that protects consumer–brand relationships was further supported by the results showing a positive association between CEI and the voice construct. According to Study One, emotionally intelligent consumers tended to actively and constructively express their dissatisfaction with the brand. This finding might stem from the fact that consumers can alleviate emotional stress by venting their emotions and engaging in expressive coping strategies such as vocally discussing the problems with the company. High-CEI consumers may intend to address the problems and know how to use CEI effectively in such an endeavor.

However, the relationship between CEI and loyalty was not significant. Rusbult and Zembrodt's (1983) theoretical categorization of constructive coping responses may provide some insights into the result that the role of CEI was confirmed only in terms of the voice construct and not in regard to loyalty. According to Rusbult and Zembrodt (1983), constructive coping can be further dimensionalized with active versus passive aspects of actions. Voice refers to an active behavior used to attempt to deal with problematic incidents and to actually do something about the relationship, whereas loyalty involves more passive and diffuse behaviors. The result implied that CEI might be more effective for active rather than passive constructive behaviors; thus, in the face of problems, the activity of constructive coping might play an important role in consumers' ability to draw on CEI.

Another possible explanation for this finding is that —unlike loyalty behaviors that refer to patiently waiting until the problem fixes itself —voice coping often involves a two-way interaction between two parties through dialogue; therefore, the voice

construct may require that parties have better ability to understand each other's emotions than does the loyalty construct. Given that the basic premise of CEI relies on the ability to perceive and understand the emotions of others, the effects of CEI may be pronounced when a person becomes involved in interactive behaviors such as voice variables in this study (vs. loyalty variables). The finding at the dimensional level of analysis that the understanding dimension of CEI was most useful for voice coping lends some support to this assertion. Understanding one's own emotions as well as those of others is critical to successfully voicing problems and finding solutions to resolve them. The voicing context often involves accurately monitoring the emotional expressions of others in an effort to negotiate a stressful situation. The ability to understand others' emotions thus enables consumers to identify when and how to resolve points of difference with another party (Chapman and Hayslip 2006).

Next, the dimensional level of analysis in Study One showed that the facilitating dimension had the most significant effect on consumer responses among four dimensions. This finding indicated that the ability to translate emotions into thoughts was central to resolving conflicts in brand-relationship contexts. This result is likely to stem from the fact that dealing with stressful transgressions in brand relationships often motivates consumers to take action immediately; otherwise consumers may suffer serious financial damage. If an action is to be fostered, it is necessary that emotions be translated into cognition— the foundation of the facilitating dimension.

Perhaps one of most interesting findings in Study One was the limited effect of relationship norms on coping responses. One stream of brand-relationship research has

consistently suggested that relationship norms significantly influence consumer evaluations of brand performance (Aggarwal 2002, 2004; Aggarwal and Law 2005). However, the current study's results indicated that in certain contexts, at least, relationship norms may have a more limited effect than originally assumed. Hence, individual differences (i.e., CEI) might have been stronger than the nature of a relationship (i.e., relationship norms) when the maintenance of brand relationship was challenged by transgressions.

However, the nature of stimuli used in Study One might have been a determining factor in these unexpected results. Thus, special caution is required in interpreting this result. Although some consumers develop strong communal bonding with a bank, the inherent nature of a bank is relatively transactional compared to other products or services because interactions between a consumer and a bank largely depend on assessments of costs and benefits. Perhaps the majority of consumers have transactional perceptions of relationship norms with the bank, which hinders them from perceiving a bank as a communal relationship partner.

In summary, Study One suggested that CEI plays an important role in conflict resolution and relationship maintenance in consumer–brand relationships. When encountering a brand engaged in misbehavior, high-CEI consumers were more likely to remain in the relationship with the brand and be supportive of improving things than were low-CEI consumers. Furthermore, the results showed that the ability to facilitate emotions rather than the ability to understand and manage emotions was critical in utilizing CEI.

Chapter 4. Study Two: The Effect of CEI and Transgression Types

Study One proposed and confirmed the relationships between CEI and coping responses. It suggested that CEI enabled consumers to mitigate destructive action and engage in constructive action in response to a transgression. However, from a managerial standpoint, it is helpful to know whether such effects differ by the type of transgression. Some transgressions, such as product and service failures, directly influence individual consumers. Other transgressions, such as a company's violation of social, moral, or legal codes, may not cause direct harm to individual consumers; however, they do serious damage to society as a whole. Both types of transgressions are typical problems that consumers could encounter.

Furthermore, from a theoretical standpoint, it is important to investigate any possible mediating and moderating effects to clarify the nature of the linear relationship between CEI and coping responses, given that any effort to deal with a relationship conflict involves a highly complex configuration of cognitions and emotions. Given the aforementioned managerial and theoretical standpoints, Study Two was designed to examine the boundary conditions and underlying mechanisms under which CEI operates.

HYPOTHESIS DEVELOPMENT

The objective of Study Two was to explore a meaningful moderating factor influencing the relationship between CEI and consumers' coping strategies. The present study proposed that the types of transgressions might influence the dynamics of responses

to transgressions. As previously discussed, transgression encounters in consumer–brand relationships vary depending on whether the transgression directly influences a consumer's own concerns (self-threatening transgression) or society's concerns (society-threatening transgression). Such a distinction in regard to types of transgression is critical because the locus of transgression impact can have a profound impact on a consumer's response behaviors.

According to a self-perspective on social cognition theory, which views individuals as hypersensitive to threats to self rather than to others (Miller, Maner, and Becker 2010; Sedikides and Green 2000), people will be highly motivated to resolve conflicts with brands when those conflicts directly damage their own interests compared to society's interests. Therefore, when faced with the potential for damage from self-threatening transgressions, people may take action in order to recover from any immediate damage. On the other hand, people may take a passive role in resolving a relationship conflict if the conflict does not directly harm their own concerns, even though the transgression may cause considerable damage to society.

For example, assume that Peter sent his MacBook to Apple for repair only to receive it back in the same condition as he had sent it in. He may be very upset with Apple and may even have a desire to retaliate against Apple by switching to a different brand. However, if he has the ability to manage his emotions, he may remind himself that becoming angry does not solve anything and will try to release the grudge against Apple. Instead of getting angry, he may seek the best way to fix the problem; otherwise, it could cause many difficulties in his daily life. In this emotional processing, he may optimize his

CEI in order to facilitate the best solution.

Now, assume that Peter is reading a news article that reports that Apple has been involved in illegal stock trading. He may be somewhat disappointed with or even angry about Apple's unethical behavior; however, he may not try to optimize his EI in order to manage negative emotions because his negative emotions will be short-lived and he will soon forget the incident due to a lack of relevance to his life and low salience. Rather than actively engaging in emotional processing and taking immediate actions to deal with this conflict, he may wait until the negative emotions subside and rely on Apple's ability to resolve the problem. Likewise, the desire to retaliate against transgressing brands is difficult to sustain in the latter situation because, in this example, Apple's illegal stock trading does not cause any immediate or direct problem in Peter's daily life.

Indeed, research suggests that companies frequently recover without experiencing serious damage, particularly when people believe that a brand's ethical misbehavior does not directly harm their own existence (Reuber and Fischer 2010). For example, when Walmart was publicly accused of hiring illegal immigrants, discriminating against certain employees, and failing to pay overtime, the company suffered little damage to its reputation (Akst 2003; Reuber and Fischer 2010). Although the company received negative publicity and criticism from stakeholders, any negative effects on sales were short-lived (Markoff 2002).

It was thus argued that high-CEI consumers will be more likely to optimize their ability to use emotions in facilitating problem-solving when they encounter self-threatening transgressions vs. society-threatening transgressions. Thus, it was anticipated

that the effect of CEI on coping strategies would be more robust under conditions of self-threatening transgression. In light of these considerations, the following hypotheses were formulated:

H3. The effect of CEI on consumer responses to transgressions will be stronger when a brand transgression threatens the consumer's self-interest rather than society's interests.

H3a. The effect of CEI on destructive coping responses will be stronger when a brand transgression threatens the consumer's self-interest rather than society's interests.

H3b. The effect of CEI on constructive coping responses will be stronger when a brand transgression threatens the consumer's self-interest rather than society's interests.

While CEI has a direct impact on coping strategies, as seen in Study One, it may also indirectly affect coping via cognitive appraisals of stressful situations. According to Lazarus and Folkman (1984), cognitive appraisal—attributing meanings to a situation—plays a central role in the coping process. That is, depending on an individual's assessment of situations, certain events are perceived as stressful whereas others are perceived as less stressful; the respective perception in turn motivates or predisposes a person to engage in specific behaviors (Gowan, Riordan, and Gatewood 1999).

The importance of cognitive appraisal in a coping process has been considered

and confirmed in literature of several domains of psychology. In the health domain, for example, scholars have found that an individual's appraisal of a symptom or disease plays a critical role in the way that individual copes with health threats (Croyle and Hunt 1991). Organizational behavior studies have also demonstrated that an individual's appraisal of a stressful situation in the workplace significantly influences how that individual copes with it. For example, the way an individual copes with a job loss after downsizing is significantly affected by his or her evaluation of the possibility of re-employment (Gowan et al. 1999).

By the same token, studies in the interpersonal relationship literature have examined the effects of cognitive appraisals on coping behaviors in response to a partner's wrongdoing. Several factors have been identified as components of cognitive appraisals in a relationship-conflict context, including the perceived severity of the transgression (Boon and Sulsky 1997), the perceived offender's responsibility (Darby and Schlenker 1982), and the perceived offender's intention (Girard and Mullet 1997). Among them, the attribution of a transgressor's intention in committing an offense has been found to be the most critical component in the cognitive appraisal of a transgression. Girard and Mullet (1997), for example, suggested that perceived intentionality was a more important factor than the severity of the transgression in people's propensity to forgive their relationship partners' wrongdoing.

The importance of perceived intention was also found among children. Darby and Schlenker (1982) suggested that children were less likely to forgive adults' wrongdoings when they believed the adults intended to act badly. Recently, Struthers et al. (2008)

demonstrated that perceived intention is an important factor in accepting an apology. That is, if people believed the transgressor's intention was bad, they were less likely to accept the transgressor's apology.

The seemingly straightforward hypothesis outlined is that perceived intention should significantly influence consumer responses. Hence, in the consumer–brand relationship context, consumers who attribute negative intentions to a transgressing brand can be expected that to be less likely to forgive, and consequently respond with destructive coping strategies (i.e., exit or neglect). On the other hand, consumers who do not attribute negative intentions to a transgressing brand will be more likely to cope in constructive ways than will those who attributed negative intentions. Study One proposed and confirmed the hypothesis that CEI is negatively associated with destructive coping responses. When combined, these two hypotheses suggested a mediated causal sequence among these variables, in which consumers' perceptions of the company's intentions could mediate the effect of CEI on coping responses. That is, when consumers encounter a brand transgression, CEI first shapes their cognitive appraisals in attributing a company's intention in regard to the offense. Based on their assessment of intention, consumers then develop coping strategies in response to a brand transgression.

The causal link between CEI and cognitive appraisals of perceived intentions is supported by the notion that CEI promotes a cognitive process associated with information processing and problem solving (Kidwell et al. 2008b). In fact, the ability to better understand situations and to regulate one's moods and emotions in order to facilitate thought are central to EI (Mayer and Caruso 2000). EI thus involves skills that

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effectively use emotions to help a person accurately judge a situation, including identifying the source of any distress (Amitay and Mongrain 2007). Scholars have provided evidence that high-EI individuals were more successful in cognition related to problem-solving than were low-EI individuals (Matthews and Ziedner 2000). Given that perceived intention is a critical component of cognitive appraisals of situations, CEI should affect coping responses via the consumers' perceptions of the brand's intention. Thus, the following mediation hypotheses were proposed:

> **H4**. The effect of CEI on coping responses will be mediated by consumers' perceptions of the company's intention.

>> **H4a**. The effect of CEI on destructive coping responses will be mediated by consumers' perceptions of the company's intention.

>> **H4b**. The effect of CEI on constructive coping responses will be mediated by4consumers' perceptions of the company's intention.

METHOD

Research Design

Study Two was designed to empirically test a mediating effect of perceived intention as well as a moderating effect of the types of transgressions. A 2 (CEI: high vs. low) × 2 (Types of transgressions: self-threatening vs. society-threatening) between subjects design was performed to test these effects. The degree of CEI was measured and

the type of transgression was manipulated through scenarios. Perceived intention was measured and incorporated when analyzing the data.

Sampling and Data Collection

Participants were recruited from introductory and advanced advertising classes at the University of Texas-Austin where instructors agreed for their students to participate in the study in exchange for course credit. Overall, 145 undergraduates at the University of Texas at Austin participated in Study Two including the preliminary check and the main experiment. The entire data collection period of the study was about three weeks, from April 18 to May 6.

Stimuli Development

As in Study One, the base product for the study was the bank brand. The descriptions of relationships with a bank as well as the description of the self-threatening transgression were adopted from scenarios used in Study One. The description of a scenario with society-threatening transgressions was newly developed for Study Two. Specifically, an actual fraud episode that occurred in the real world was adapted in an effort to increase the reality of a transgression threatening society. Research on recent transgressions of banks in the U.S. revealed that the Bank of America had recently been involved in a fraud that occurred during its acquisition of another bank. The CEO of the bank hid $16.2 billion from shareholders and then lied to the Federal Reserve and the

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Treasury to get a $20 billion bailout. A professional writer was asked to write a scenario based upon this incident.

Procedure

Preliminary Check

Consistent with Study One, the data collection involved first administering a preliminary check to identify participants' levels of CEI and then administering the main experiment. In the preliminary check, participants were asked to complete an 18-item CEI questionnaire. Participants were divided into high and low CEI groups by a median-split of their overall CEI scores.

Main Experiment

A week later, participants were randomly assigned to two different conditions of transgression types. Participants were given a brief hypothetical description of their relationship with a fictitious bank brand (Appendix 4). To ensure successful manipulation of relationships, participants were requested to assume the role of the person described in the scenario. After reading the vignette, the hypothetical situations about the bank transgressions were given (Appendix 4). Participants were then asked to answer questions pertaining to several dependent variables. Once participants answer all questions, they were thanked and debriefed.

Dependent Variables

The Effectiveness of Manipulation

In order to assure the manipulation, participants were requested to assume the role of the person described in the scenario and to indicate the degree that the transgression would affect their own interests or the interests of society. Manipulation checks included four questions asking participants to what extent the incident would cause problems in their lives or in society as well as to what extent the outcomes of the incident would be associated with their own interests or society's interests. All items had seven-point scales.

Perceived Intention

Perceived intention was operationalized using a scale developed by Gregorie et al. (2010). The scale consisted of three items, and responses were assessed using a seven-point scale that ranged from strongly disagree to strongly agree (Appendix5). Sample items included a statement such as "The bank had bad intentions." The scale was found to be reliable in the current study ($\alpha = .92$).

Coping Responses

Finally, the exit-voice measure used in the Study 1 was employed to capture specific responses to a transgression (Appendix 3). All items were measured on a seven-point scale ranging from "1 = strongly disagree" to "7 = strongly agree". The scale demonstrated reliability across all four coping responses ($\alpha = .92$ for exit; $\alpha = .79$ for neglect; $\alpha = .85$ for voice; and $\alpha = .75$ for loyalty).

RESULTS

Sample Description

Out of 145 participants, a final sample of 122 respondents was used for data analysis after eliminating respondents who participated in the preliminary check but not in the main experiment. The final sample consisted of 41% of males ($N = 50$) and 59% of females ($N = 72$). Participants ranged in age from 18 to 28 with a mean age of 20.97 (*S.D.* = 1.85). The racial/ethnic composition of the sample was 50.8% White, 27.9% Asian American/Pacific Islander, 12.3% Hispanic, and 3.3% African American. Of the remaining sample, 5.7% indicated they were either multiracial or chose "other".

Manipulation Check

Results indicated that the different types of transgressions were successfully manipulated. Participants in the condition with the self-threatening transgression evaluated the transgression as causing significantly more problems to themselves (M_{SELF} = 5.68 vs. $M_{SOCIETY}$ = 4.84) and fewer problems to the society (M_{SELF} = 4.63 vs. $M_{SOCIETY}$ = 5.98) than those in the condition with the society-threatening transgression ($F(1, 120)$ = 10.27, $p < .01$, $\eta_p^2 = .079$; $F(1, 12)$ = 38.52, $p < .001$, $\eta_p^2 =. 243$, respectively). In a second, similar measure, participants in condition with the self-threatening transgression also rated that the outcomes of the self-threatening transgression as significantly more associated with themselves (M_{SELF} = 5.68 vs. $M_{SOCIETY}$ = 4.78) and less associated with the society (M_{SELF} = 4.31 vs. $M_{SOCIETY}$ = 5.86) than those in condition with the society-

threatening transgression ($F(1,120) = 13.36$, $p < .001$, $\eta_p^2 = .100$; $F(1, 120) = 36.66$, $p < .001$, $\eta_p^2 = .234$, respectively). Table 8 summarizes the results of manipulation.

Table 8:   The Effectiveness of Manipulation-Study Two

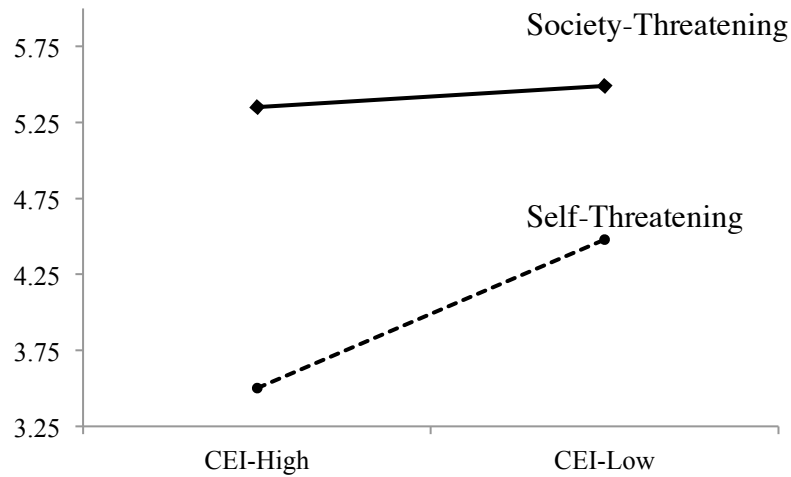|	Self-Threatening		Society-Threatening		(N=122)
	Mean	S.D.	Mean	S.D.	p-Value
Problems to self	5.68	1.20	4.84	1.64	.002
Problems to the society	4.63	1.31	5.98	1.10	< .001
Associated with self	5.68	1.15	4.78	1.53	< .001
Associated with the society	4.31	1.52	5.86	1.31	< .001

Moderating Effects of Transgression Types

H3a stated that the effects of CEI on destructive coping differ by the degree to threatening self-interests. A 2 (CEI: high vs. low) × 2(Transgression types: self vs. society-threatening) analysis of variance on exit and neglect was conducted to test H3a.[1] There was a significant main effect of CEI ($F(1, 118) = 6.85$, $p < .05$, $\eta_p^2 = .055$) and the type of transgression   ($F(1, 118)= 44.67$, $p < .001$, $\eta_p^2 = .055$) on exit coping responses. As expected in H3a, there was an interaction between CEI and type of transgressions on exit ($F(1, 118) = 3.94$, $p = .050$, $\eta_p^2 = .032$). As seen in Figure 1, the effect of CEI was strong when the transgression was threatening self-interest, while this effect was not strong when the transgression was threatening society's interests.

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[1]Since product involvement had no effect on all of four coping responses as a covariate, an ANOVA rather than an ANCOVA was conducted for Study Two hypothesis testing.

Regarding neglect responses, there was a significant main effect of CEI ($F(1, 118)$ = 7.16, $p < .01$, $\eta_p^2 = .057$) and the type of transgression ($F(1, 118) = 22.66$, $p < .001$, η_p^2 = .161). However, there was no interaction of CEI × types of transgression ($F(1, 118)$ = .00, $p = .993$, $\eta_p^2 = .000$) on neglect responses. Thus, H3a was confirmed only on exit coping.

Figure 1: Exit by CEI and Transgression Types

H3b expected that the effects of CEI on constructive coping differ by the degree to threatening self-interests. The result of a 2 (CEI: high vs. low) × 2 (Transgression types: self vs. society-threatening) analysis of variance on voice showed no effect of CEI on voice coping ($F(1,118) = 1.22$, $p = .272$, $\eta_p^2 = .010$), while the type of transgression showed a significant main effect on voice coping ($F(1,118) = 47.42$, $p < .001$, $\eta_p^2 = .287$). Most important, no interaction effect of CEI × Types of transgression ($F(1, 118) = .46$, p

= .498, η_p^2 = .004) was found.

Regarding loyalty responses, neither CEI ($F(1, 118)$ = .09, p = .763, η_p^2 = .001) nor the type of transgression ($F(1, 118)$ = .06, p = .814, η_p^2 = .000) showed main effects on loyalty coping responses. ANOVA results also showed no interactions effect of CEI × Types of transgression on loyalty ($F(1, 118)$ = .34 , p = .563, η_p^2 = .003). Given no interaction effect of CEI × Types of transgression on voice and loyalty responses, H4b was not supported.

Mediating Effects of Perceived Intention

Hypothesis 4a stated that perceived intention mediated the relationship between CEI and constructive responses. To test this hypothesis, a step-down analysis was conducted. By examining dependent variables in a predetermined order, the step-down analysis investigates the unique contribution of each dependent variables to the between-group variance (Yi 1990). Table 9 presents the results of the step-down analyses on exit and neglect. This method satisfies Baron and Kenny's approach to the mediation effect, which is the most well-known theoretical approach to test a mediating effect (Baron and Kenny 1986).

According to their approach, mediation effect is confirmed when the following conditions are satisfied: (1) the independent variable is significantly related to the mediator, (2) the independent variable is significantly related to the dependent variable, (3) the mediator is significantly related to the dependent variable, (4) the predictive value

of the independent variable on the dependent variable drops significantly when the mediator is also considered.

As seen in Table 9, the first step-down F was the same as the univariate F value from ANOVA on perceived intention. First, the result showed that CEI had a significant main effect on perceived intention ($F(1,118) = 7.98$, $p < .01$, $\eta_p^2 = .063$). The second step was to assess the effect of CEI on exit. The results indicated that CEI had a main effect on exit ($F(1,118) = 6.85$, $p < .05$, $\eta_p^2 = .055$). The third step was to test the effect of intention on exit. As seen in column 5 and 6 in Table 9, there was a main effect of intention on exit ($F(1,117) = 19.42$, $p < .001$, $\eta_p^2 = .142$). The final step assessed the effects of CEI on exit with the effect of intention covaried. When intention was covaried, the effects of CEI became non-significant, dropping from a p-value of .010 to .109. The results suggest that the effects of CEI on exit did not hold unless intention is considered as a mediating variable.

Likewise, the step-down F analysis on neglect showed that CEI had a main effect on intention ($F(1,118) = 7.98$, $p < .01$, $\eta_p^2 = .063$), and on neglect ($F(1,118) = 7.16$, $p < .01$, $\eta_p^2 = .057$). Then, intention had a significant main effect on neglect ($F(1,117) = 34.11$, $p < .001$, $\eta_p^2 = .226$). Finally, when intention was covaried, the effects of CEI on neglect became non-significant, dropping the significance value from .009 to .147. Taken together, it was revealed that the effects of CEI on destructive coping worked through perceived intention. Thus, H4a arguing the mediating effect of intention on the effect of CEI on destructive coping responses was fully supported.

Table 9:   Univariate and Step-Down F Test on Exit and Neglect

Variables	Sources of variation	Univariate		Step-Down	
		F	P	F	P
Intention	CEI	7.98	.006		
	Transgression	29.07	.000		
	CEI×Transgression	.04	.845		
Exit	Intention			19.42	.000
	CEI	6.85	**.010**	2.61	**.109**
	Transgression	44.67	.000	20.05	.000
	CEI×Transgression	3.94	.050	4.89	.029
Neglect	Intention			34.11	.000
	CEI	7.16	**.009**	2.14	**.147**
	Transgression	22.66	.000	4.96	.028
	CEI×Transgression	.00	.993	.01	.908

H4b predicted the mediating effect of intention between CEI and constructive coping responses. Although CEI had a main effect on intention ($F(1,118) = 7.98$, $p = .006$, $\eta_p^2 = .063$), there was no significant effect of CEI on voice ($F(1,118) = 1.22$, $p = .272$, $\eta_p^2 = .010$) or loyalty ($F(1,118) = .09$, $p = .763$, $\eta_p^2 = .001$) coping. Thus, H4b was not confirmed.

DISCUSSION

The major objectives of Study Two were (1) to examine whether the association between CEI and coping responses differs by the type of transgression, and (2) to investigate the mediating role of consumers' perceptions of the company's intentions on the relationship between CEI and coping responses. The results provided mixed support for the initial hypotheses on mediating and moderating effects.

First, Study Two showed that the effects of CEI on coping responses could be moderated by the type of transgression. As hypothesized, the effects of CEI on exit were

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stronger when the transgression influenced consumers' self concerns rather than society's interests. The moderating effect, however, was confirmed only with exit behavior, but not with neglect, voice, or loyalty behaviors. Although the hypothesized moderating effect was limited to exit behavior, the finding seems worthwhile given that an exit behavior (i.e., leaving the relationship) is the most devastating consequence in consumer–brand relationships. Understanding the phenomenon of consumer exit is thus valuable, especially in light of the increasing priority and attention being given to consumer retention.

In addition to the moderating effects of the type of transgression, Study Two showed the mediating effects of perceived intention. Specifically, in terms of destructive coping responses, consumers' perceptions of the company's intention were well suited to act as a mediating mechanism in explaining the effects of CEI on consumer responses to a transgression. More specifically, compared to high-CEI consumers, low-CEI consumers were more inclined to respond to the transgression destructively by concluding that the company had actually intended to cause the problem. In contrast, high-CEI consumers were less likely to attribute negative intentions to the company and were consequently less likely to exit the relationship or to avoid contact with the brand than were low-CEI consumers. The finding that low-CEI consumers tended to attribute negative intentions to the offender was of particular interest because it provided intriguing empirical evidence in support of the notion that EI involves not only emotional status but also the cognitive side of the configuration. There has been a call for additional research in regard to the role of EI in cognitions (Mayer et al. 2004). Considering a cognitive appraisal as a

possible mediator, the second study expanded our understanding of the association between cognition and emotions as a function of CEI.

Consumers' perceptions of the company's intention did not mediate the effects of CEI on constructive coping responses. Specifically, CEI had no effect on either voice or loyalty responses. This finding somewhat contradicted the findings of the first study in which CEI was positively associated with voice coping. To understand this result, further investigation into the patterns of significant and non-significant results across the two transgressions types was performed. The results showed that, regardless of their level of CEI, consumers were more likely to engage in voice coping when they encountered a self-threatening transgression (vs. a society-threatening transgression). Presumably, when consumers experienced brand transgressions that caused societal problems, they may have been less motivated to discuss organizational wrongdoing because it was hard to find adequate complaint channels through which to express their opinions. Hirschman also argued that people's intentions to engage vocally in order to cope are significantly affected by the advantage to be achieved by using the voice (1970). That is, consumers may not perceive that they personally would benefit from complaining about a transgression that does not damage their own lives. Therefore, they were less likely to vocalize their opinions about society-threatening transgression to the company (vs. self-threatening transgression).

Another possible explanation can be drawn by referring to tangible vs. abstract bias (Prentice 2004); that is, people's decisions are driven more by vivid and tangible factors than by abstract and vague factors (Prentice 2004). Because something that

happens to consumers is more tangible and salient than is something that happens to someone else, consumers may be more motivated to take action when something bad happens to them rather than to others. Although consumers may have perceived the transgression as severe in regard to society as a whole, they were more motivated to discuss the problems with the bank when the transgression brought damage to their own lives (vs. to society as a whole).

Following this logic, the effects of transgression type on voice coping behavior may have been so strong in Study Two that they overrode the effects of CEI, making it impossible to identify any mediating effects of perceived intention on the association between CEI and coping behaviors. Due to the strong effect of type of transgression on voice, the design of Study Two may have been less appropriate for investigating an underlying mechanism in constructive coping. Future study is thus warranted in order to confirm the mediating effects of cognitive appraisal on constructive responses.

In fact, scholars face a challenge in regard to identifying the moments at which people are most likely to optimize EI. The findings of Study Two offered useful insight into important circumstances in which consumers optimize their emotional intelligence: (1) when consumers are about to cease their relationship with a brand, and (2) when brand misconduct directly influences their lives. A next step to building on this research would be to identify other variables that result in different pathways of CEI in terms of constructive and destructive coping. It would be useful to examine questions such as, "Why are the effects of CEI more salient in destructive coping (vs. constructive coping)?" or "Why are consumers more inclined to use their emotional ability when they

come up with negative decisions (vs. positive decisions) in relationships?" Answering

these questions would help clarify how consumers utilize their emotional ability during

conflicts in consumer–brand relationships.

Chapter 5. General Discussion

Dealing with conflicts is central to positive consumer–brand relationships. Despite its significance, the psychological mechanism through which consumers deal with troubled brand relationships is largely unexplored in the brand-relationship literature. This research focused on addressing this gap by exploring the concept of EI as a novel explanatory construct for illuminating consumers' coping processes.

A number of important findings emerged from the two experiments. First, the results showed that CEI significantly influenced consumers' coping responses. When encountering a transgression, high-CEI consumers were less likely to respond with destructive behaviors and more likely to respond with constructive behaviors compared to low-CEI consumers. The results indicated that CEI acts as a buffer that protects consumer–brand relationships by mitigating negative reactions and fostering positive ones when conflict arises.

Another important finding is that, unlike the significant effects of CEI, relationship norms had little effect on consumer responses. This finding is particularly interesting given the consensus of relationship norm studies that have persistently argued for a significant effect of relationship norms on consumers' evaluations of brand performance. By comparing the effect of an individual factor (i.e., CEI) with that of relationship contexts (i.e., relationship norms), the findings of this study suggested that under certain conditions, individual differences rather than the characteristics of relationships are better predictors of consumer responses. This finding emphasized the

need for future research on individual differences when investigating consumer responses to a brand interaction.

In an effort to expand our knowledge about the association between CEI and consumers' coping patterns, Study Two further examined the significance of various types of transgressions in consumer coping. More specifically, Study Two showed that the effect of CEI on exit behavior was stronger when the transgression threatened the individual consumer rather than society as a whole. The results indicated a moderating effect of transgression type on the role of CEI in coping behaviors. That is, depending on the locus of the transgression effect (i.e., whether the transgression affected the consumers themselves), consumers varied in terms of how they adapted their efforts by drawing on CEI. It indicated that future research should move beyond the existing focus on the service or product failure as a typical type of transgression in brand relationships. The findings of the second study also suggested that consumers' perceptions of the transgressor's intention, particularly in destructive coping, mediated the effect of CEI on coping responses. A relevant appraisal of stressful events seems to be a critical underlying mechanism through which CEI affects coping behaviors.

In summary, this study proved that CEI is critical to predict consumer responses to conflicts in brand relationships. The study further demonstrated that the type of conflict moderated the effect of CEI on exit behaviors, and that consumers' appraisals of a company's intention in regard to conflicts mediated the association between CEI and destructive coping responses. A summary of findings and hypothesis testing in Study One and Two is presented in Table 10.

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Table 10:   Summary of Hypothesis Testing

Hypothesis	Independent Variable	Dependent Variable	Moderator	Mediator	Results
H1a	CEI	Exit			Supported
H1b	CEI	Neglect			Supported
H2a	CEI	Voice			Supported
H2b	CEI	Loyalty			Not supported
H3a	CEI	Destructive responses	Type of transgression		Supported for exit
H3b	CEI	Constructive Responses	Type of transgression		Not supported
H4a	CEI	Destructive responses		Perceived Intention	Supported
H4b	CEI	Constructive responses		Perceived Intention	Not supported

The findings of the present study also raised several additional questions regarding CEI's distinctive effects on constructive versus destructive consumer responses. Future research should focus on uncovering psychological processes that are likely to play a role in determining such differences in consumer responses. Given the aforementioned findings and questions, the next section discusses in detail the theoretical contributions and managerial implications of the study. In addition, limitations and directions for the future research are presented.

THEORETICAL CONTRIBUTIONS

As one of the first studies to examine the role of EI in the consumption context, this research made several new theoretical contributions to the field. Although the

significance of EI has been proven in various applied psychological settings, including educational, occupational, and clinical domains, little attention has been paid to the concept as it applies to consumer behavior. The realm of consumer behavior, however, involves numerous important decisions that profoundly influence our daily lives. Thus, applying EI to the consumer context is critical to understanding EI as an element in decision-making processes.

In this vein, the findings of the current research provided new insights in regard to questions concerning how consumers use emotional intelligence in stressful consumption situations. The results of the study indicated that when confronted with potentially emotionally charged conflicts, consumers access their feelings and utilize them in making decisions about taking or not taking action. In other words, the ability to perceive and draw on emotions can be powerful in processes relating to the formation of both pro-relational motivations leading to continuing, long-lasting relationships with brands and the opposite. Hence, CEI was proven to be a critical factor in the health of consumer–brand relationships. It was also shown to vary greatly across individuals. Nevertheless, this critical role of individual differences has generally been lost in the brand-relationship literature, which has concentrated on relationship characteristics (Aggarwal 2004) or brand characteristics (Aaker et al. 2004) in explaining consumers' responses to transgressions. The approach of this study thus complemented the brand-relationship literature by identifying promising predictors of individual differences in situations defined by transgression.

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Employing the ability-based measures of EI in the current study rather than self-reported measures also helped to advance the theoretical foundations of consumer behavior. Previous studies of individual differences relied predominantly on self-reported measures to capture the predispositional characteristics of subjects. This approach, however, often yielded mixed results and has been proven ineffective for measuring individual traits because self-reported measures are susceptible to social desirability bias (Kidwell et al. 2011). In an effort to overcome this shortcoming of self-report measures, the present study adopted the ability-based measure of EI, which may provide more accurate and pertinent knowledge about individual differences.

In analyzing the effects of CEI on consumers' coping responses, the study further examined the unique influence of CEI's four dimensions. Of the four dimensions, the facilitating dimension, which involves translating emotion into thought, was found to be a pivotal factor in consumers' coping processes. This result provided additional knowledge about the role of CEI in a specific context at the dimensional level. Given that the research stream of CEI has just emerged and that only a few studies on predicting the role of individual CEI dimensions are available, the findings of the study offered useful insights into the dimensional level of EI analysis.

The findings of the study also speak to the growing literature on the balance between emotion and cognition by offering a detailed picture of the interplay between emotional ability and cognitive appraisal. Empirical evidence was provided in support of the notion that consumers' perceptions of the brand's intention (i.e., cognitive appraisal) were an important mediator in the relationship between CEI and consumers' responses.

As seen in Study Two, low-CEI consumers were more likely to attribute negative intentions to the company, and were, thereby, more likely to exit the relationships with the brand compared to high CEI consumers. This finding supported the basic premise of EI in that it involves not only accurate perception and recognition of emotions but also accurate cognitive appraisals of the situation and causal attribution of events (Mayer and Caruso 2000). Findings related to the dynamic interplay between cognition and emotion in the current study are in sync with and help to drive the shift from the long-held view that emotion and cognition are in *conflict* with each other to the emerging view that they are *integrated*.

Another important contribution of the current study is that it used broader, systematic taxonomies of coping behaviors that encompass divergent relationship consequences. By adopting destructive (exit and neglect) vs. constructive (voice and loyalty) coping responses in the consumer–brand relationship context, this study provided a more comprehensive understanding of consumers' responses. The adopted taxonomies were used to generate and test more accurate hypotheses on the association between CEI and coping outcomes.

Finally, although this research tested the hypotheses in consumer-related situations, useful insights from the study could also be applied to the broader fields of interpersonal relationships and social psychology. Conflicting events can occur in any type of interpersonal relationship and typically involve negative emotional responses. As such, the current study provided some promising data for predicting adaptive social outcomes in emotion-rich as well as high-conflict social contexts, such as marital and

romantic relationships. Specifically, it would be interesting to see if the facilitating dimension, which involves translating emotion into thought, plays a role in interpersonal relationships that is similar to its role in brand relationships.

MANAGERIAL IMPLICATIONS

From a managerial perspective, this study presented results with several important practical implications. The finding that consumers' ability to use and manage emotions can moderate their coping responses to conflicts indicated that companies could benefit from understanding the CEI levels of their target segments and using that information in making decisions regarding the marketing mix. This is likely to be especially important in the context of recovery encounters, when the company interacts with customers after problems have occurred. Market researchers could assess the CEI of their target segments and predict their likely responses and preferences for company responses. In each recovery instance, marketing practitioners could adjust their recovery strategies accordingly. For example, if the majority of consumers are likely to be high in CEI, the company should provide various opportunities for consumers to voice complaints, facilitating communication between the company and consumers. As seen in Study One, high-CEI consumers were more likely to discuss the problem with the bank with a view to improving the situation than were low-CEI consumers. By providing accessible communication channels to their high-CEI consumers, a company could successfully resolve problems with consumers.

The finding of Study Two that low-CEI consumers were likely to attribute negative intentions to a company also provided useful insight into recovery marketing. If the CEI of the target consumers is low, companies should be aware of their tendency to attribute negative intentions to the company. Companies should implement crisis-management plans to address their intentions and demonstrate their social responsibility in a way that is clear to consumers. For example, service providers could state that the company takes responsibility for the transgression, asks forgiveness for it, and plans to rectify the situation. This study implied that, for low-CEI consumers, such a full-apology approach will be more effective than a defensive approach, which focuses on that minimizing the company's responsibility for the transgression.

One could argue that it might be difficult to measure the CEI of a company's target segment because it can take a long time to collect and analyze large amounts of consumer data. One way of resolving this problem would be to assess the CEI of high profit margin consumers using a simplified measure, such as a measure that captures the facilitating dimension. Given the finding in Study One that facilitating is critical to utilizing CEI in conflict situations, measuring a target segment's facilitating ability would provide useful insights into developing customized conflict management strategies.

Alternatively, it also might be possible to allot resources to educating high profit margin consumers in a manner that would assess and increase their CEI. Since EI is not an inborn trait and can be developed through education and learning experiences (Kidwell et al. 2008), marketing communicators should develop marketing plans to teach consumers about EI and ways to develop it. For example, marketers could incorporate EI-

intervention programs in their consumer-loyalty programs. Although the techniques used to develop EI in consumer–brand relationship settings need to be clinically evaluated, the idea of establishing consumer educational programs on EI deserves further attention in marketing.

In this regard, findings of the current research provided implications for advertising practitioners. Advertisers might create ad messages to educate people and teach them how to use feelings effectively to help make decisions, to set and achieve goals, and to resolve social conflicts. For example, recently Kraft's mayonnaise brand, Miracle Whip, launched its "Not for Every Relationship" campaign. This campaign depicts marital conflicts and how they are managed in our daily lives. Advertisers might frame such a campaign by emphasizing alternative responses or emotional management techniques to deal with relationship conflicts so that consumers could develop their emotional intelligence while watching the commercial.

This study also provided insights into how companies might best train their frontline employees. Because frontline employees often perform dual roles as sales and service personnel, training protocols should focus on developing the ability to assess and manage consumers' emotions. For example, service personnel might be well advised to motivate consumers to manage negative emotions after a product or service failure. The first step would be to hire and train salespeople or brand managers who possess the ability to recognize and interpret emotional cues. As Dube and Menon (1998) argued, in reacting to conflicting situations, consumers use diverse patterns of facial, vocal, and verbal expressions that are frequently difficult to decode.

The next step would be to educate salespersons or brand managers such that they become proficient in customizing recovery efforts to specific types of conflicts (e.g., whether the product or service failure caused direct harm to consumer) and the specific characteristics of consumers (e.g., whether their consumers are assessed as generally having high or low EI). In particular, the findings are relevant to the industries that are prone to conflict, such as service industries (e.g., financial services, restaurants, tourism, and hospitality). The use of such service is inherently subjective, suggesting that interpretations of conflicts would also be subjective. In this subjective environment, consumers' tendency to attribute negative intentions to the company in regard to any given transgression is likely to be pronounced. Assessing and implementing the CEI of target segments is thus warranted in service industries.

LIMITATIONS

This study advanced the brand relationship literature by offering both theoretical and managerial contributions. However, some limitations should be considered when interpreting and applying the results. For example, the present study employed a fictitious brand with hypothetical situations in a laboratory setting. Though this laboratory approach controlled for the confounding effects of real brands on the subjects' responses to a transgression, questions have been raised about the validity of such results because they do not capture actual behaviors in real-world settings. It would be of great benefit, therefore, to determine whether the pattern observed in this study recurs in field studies of some existing brands.

In addition to these experimental approaches, other research methods, such as the critical incident technique (CIT), might offer sound ways to supplement the findings of this study. This technique is often used in transgression literature, and it assumes that collecting the details of incidents from subjects provides useful knowledge about the way individuals respond to real transgressions in existing and ongoing relationships (Paulssen and Bagozzi 2009). Responses obtained using this method may provide in-depth data about the role of EI in specific social interactions (Bitner, Booms, and Tetreault 1990).

Another limitation of the study is that the nature of the stimuli used (i.e., the bank) may have limited the generalizability of its findings. The relationship with a bank may be inherently transactional by definition. Future research with a larger set of product/service categories that offer relationships that are deeper, richer, and enduring in nature is needed if the initial findings of this study are to be disproved or confirmed and extended. In the same vein, the relationship norms and transgressions examined in this study were limited to specific situations. Although Study One showed relationship characteristics had very little effect on consumers' responses, other approaches used to identify relationship characteristics could be used as another promising theoretical tool for investigating the effects of relationship characteristics.

In terms of the sample, the lack of diversity may also cause concern about the generalizability of the results. Although samples used in two experiments were relatively diverse in terms of ethnicity and gender, they were collected from a student population. As a student sample may not accurately represent the general population, future research should draw on samples that are more diverse in their composition. In particular, Mayer

et al. (2000) suggested that EI is age-related, as the EI of adults is generally higher compared to that of adolescents. Thus, it would be interesting to assess whether CEI differs by age and how such differences influence consumers' coping patterns (e.g., the cross-sectional sampling method).

Finally, the ability-based measure of CEI has some limitations. Despite its advantage over self-reported measures, the scoring system of CEI has a potential limitation. Expert judges who might vary in their knowledge of emotional information built the scoring system. Although the scoring system was the work of multiple experts, a point that may alleviate this concern, studies in other contexts should further confirm the system's reliability.

DIRECTIONS FOR FUTURE RESEARCH

The findings of the current study provided worthwhile directions for future research. First, it is necessary to identify several other cognitive, affective, and relational moderators that appear likely to affect consumers' responses to transgressions. For example, the effects of exit barriers, such as switching costs, might moderate the relationship between CEI and coping responses. Stewart (1998) argued that exit behavior was evoked not only by the decline of service quality, but also by the extent to which viable alternatives were available. Investigating the dynamics of alternative availability can expand the scope of exit behavior.

A cultural-driven concern with EI should also be explored to expand the results of the current study. The construct of EI should be understood as embedded in a socio-

cultural context (Zeidner et al. 2009), as some cultures emphasize suppressing emotions whereas others encourage the expression of them. Indeed, a recent study found a significant difference between Western and Eastern cultures in terms of facilitating CEI. Jewell et al. (2009) suggested the existence of a structural difference in the dimension of understanding between Chinese and the U.S. samples. The different patterns might be because the emotional skills necessary to function in a collectivistic society (i.e., China) are different from the skills necessary to function in an individualistic society (i.e., U.S.) It has long been believed that consumers in collectivistic societies tend to pay more attention to contextual cues when understanding information than do U.S. consumers (Choi et al. 2005). Future study on the effects of cultural norms on EI would provide a deeper understanding of the role of EI in consumers' decision making.

It is also important to acknowledge that voice coping could be investigated as not only a constructive coping behavior but also as a destructive coping behavior. This seems especially relevant when consumers can use negative "voice" very effectively via the Internet. Indeed, Hibbard et al. (2001) explored voice as two distinct constructs in channel marketing relationships by differentiating the more positive voice, namely "constructive discussion," from the more negative voice, namely "venting." Future study may incorporate this distinctive concept to provide a better picture of voice coping.

Another promising avenue relates to investigating a multidimensional approach to coping behaviors. The current study used the exit–voice framework to investigate coping strategies. Although this framework has been used widely and proven valid in various domains (Ping 1993; Singh and Wilkes 1996), a single framework cannot adequately

explain all elements of the coping mechanism. The integration of multiple coping frameworks combined with psychometrically sound scales should be considered in the future to better describe a coping mechanism. For example, the problem- vs. emotion-focused coping framework by Lazarus and Folkman (1984), the approach vs. avoidance coping by Krohne (1993), the behavioral vs. cognitive framework by Holohan and Moos (1987), and Duhachek's hierarchical framework (2005) would be among the most useful frameworks that future research could consider.

This study also provided an important insight into the importance of looking at individual characteristics. As seen in the results of Study One, CEI was more important than the type of relationship in predicting consumers' responses to relationship conflicts. This finding is noteworthy given that previous research in brand-relationship marketing emphasized the role of relationship characteristics in consumers' evaluations of brand performance. By demonstrating the ability of the individual consumer to utilize his/her emotions as a crucial predictor in the coping process, this research suggested that future research should consider individual differences in investigating a brand-relationship resolution mechanism.

In the current study, the dimensional level of CEI analysis revealed that only the facilitating dimension was relevant to predicting consumers' coping responses among four dimensions of CEI. Although it is logical to conclude that the ability to facilitate emotions plays a pivotal role in forming coping strategies, other dimensions such as managing emotions are also likely to be relevant to dealing with conflicts. It is possible that the CEI measures used in the current study may not adequately capture these

abilities. Therefore, the development of diverse measures of CEI warrants future investigation in order to confirm the results of the dimensional level of analysis. Particularly, the facilitating dimension could be investigated more, and the scale could be refined in a manner that would be practical for use in marketing research.

Finally, the current study found that there was a significant gender difference in CEI. One possible explanation for this finding may stem from the gender difference in perceiving non-verbal emotional cues (Joseph and Merman 2010). In fact, there is a consensus in EI studies that women score higher than men on EI measures (Joseph and Newman 2010). However, Kidwell et al.'s seminal work on CEI (2008) did not find a gender difference. Given the contradictory results, future work on the effects of gender difference on CEI is necessary for the advancement of CEI as a viable construct.

In summary, the findings of this dissertation clearly presented a need for greater attention to consumers' coping processes and emotional ability in order to revive consumer–brand relationships. As with conflicts in any interpersonal relationship, dealing with conflicts in brand relationships involves a highly complex configuration of cognitions and emotions. Although one study cannot completely articulate such complex phenomena, the findings of the study offered a useful theoretical foundation for building theory in the brand-relationship literature and set a foundation for additional research.

Appendix 1. Study One Scenarios

A. COMMUNAL RELATIONSHIP NORM

You have, for the past several years, been a loyal customer of SM bank. Their good service has long been a source of satisfaction for you. You have enjoyed going to this bank because tellers always give you a heartwarming greeting when you walk in. In addition to seeing all the kind friendly faces of the bankers, the candy dishes kept at each teller window reminds you of your pleasant trip to the bank with your parent. You still grab a piece, as you did as a child, of your favorite sweet. When you were open a first account of with them as a college student, you were impressed by their warmth and consideration. The banker you dealt with took extra time to resolve your personal financial concerns. While offering to get you a cup of coffee, she gladly shared with you her experiences, as a college student, of managing checking accounts. You tend to think that this bank treats you as if you are a valuable member of the family. They send you a handwritten birthday card each year. Several of the tellers at your branch are on a first name basis with you. Mostly, your experience with the bank has been outstanding and you want to encourage your younger sister to bank at SM Bank.

B. EXCHANGE RELATIONSHIP NORM

You have, for the past several years, been a loyal customer of SM bank. Their good service has been a source of satisfaction for you. They offer the lowest interest rates for loans and credit cards among banks in the town. The bank's clean and tidy lobby gives you impression that the bank is well organized and effectively managed. Opening your first account with them was a breeze. You were impressed by their proficient handling of the paperwork and the simplicity with which they set you up with your first ATM card. With patience and clarity, the banker explained and then demonstrated the convenient features of Internet banking. Today these are features that save you a great deal of time. The banker also offered a free box of checks, a small but not insignificant

value to you. In addition to their efficient handling, you were very pleased with their thousands of nation-wide secure ATM locations. You tend to think that the bank treats you as a valuable business partner. They occasionally inform you of offers on new banking features that appear to be of good value. Mostly, your experience with the bank has been great and you want to encourage your coworker to choose SM Bank.

C. TRANSGRESSION

Although you were very satisfied with SM bank, you recently had an unpleasant experience at SM bank. You had had tried renewing your credit card online. After three weeks, however, your credit card had still not been delivered. You became angry when, while waiting for the new card to arrive, your old card's expiration date came and went. Due to the bank's delay in sending you a new card, you could not pay bills and your creditors charged you late fees.

Appendix 2. Consumer Emotional Intelligence Measures

Perceiving
(1= "not at all present" and
5= "extremely present")
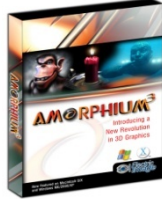
1. "Indicate the amount of <u>sadness</u> expressed by the product in this picture."

2. Indicate the amount of <u>excitement</u> expressed by the product in this picture."

3. Indicate the amount of <u>relaxation</u> expressed by the product in this picture."

4. "Indicate the amount of <u>guilt</u> expressed by the product in this picture."

5. "Indicate the amount of <u>surprise</u> expressed by the product in this picture."

Facilitating
(1= "useless" and
5= "quite useful")

How useful might it be feel certain emotions in the following situation?

1. How useful might it be to feel **tension** when interacting with an aggressive/pushy salesperson when making a purchase?
2. How useful might it be to feel **hostility** when interacting with an aggressive/pushy salesperson at an auto dealership?
3. How useful might it be to feel **joy** when consuming unhealthy food when maintaining a healthy diet?
4. How useful might it be to feel **frustration** when purchasing

something expensive and interacting with an incompetent salesperson?

Understanding

1. Joe felt anxious and became stressed when he thought about having to negotiate a price with a car dealer when buying a new car.   When the dealer became pushy and began aggressively negotiating the price, Joe then felt ____.
   a) Self-conscious
   b) Depressed
   c) Ashamed
   d) Overwhelmed
   e) Happy

2. John was in a hurry to eat lunch before an afternoon meeting. When John stopped at a fast food restaurant, he was happy to see that there were healthy food choices on the menu. After reading the nutritional information he was even more pleased about the choice he made, he felt ____.
   a) Depressed
   b) Content
   c) Unsure
   d) Fatigued
   e) Active

3. A young woman went into a grocery store happy and left the store feeling sad. What happened in between?
   a) she noticed an elderly lady passing out free samples of food
   b) she went to buy her favorite product and it wasn't there
   c) she was buying products that made her feel uncomfortable taking to the cashier
   d) she realized she had a lot of things to do in the afternoon she was treated rudely by the cashier

4. A man watched a TV commercial. He felt sad and then he felt guilty. What happened in between?
   a) the commercial was offensive and made him not want to watch anymore
   b) the commercial was inspiring and made him think about an old relationship
   c) the commercial was thoughtful and made him think about losing touch with an old friend
   d) the commercial was strange and made him think about his years growing up
   e) the commercial was interesting and made him think about an new career path

Managing
(1= "very ineffective" and
5= "very effective")

1. Debbie just came back from a day of clothes shopping. She was feeling peaceful and content. How well would the following behavior preserve Debbie's emotions?

   Behavior: She decides it is best to ignore the feeling since it wouldn't last.

2. John went to his favorite clothing store where he saw a shirt that he wanted to buy last week. He felt stressed and frustrated because the shirt that he wanted was no longer there. How well would the following behavior help John reduce his frustration?

   Behavior: He should discontinue future shopping at that store.

3. Becky and Steve want to buy a new car. They will share the car and both have specific preferences in the type of car to be purchased. They have a good relationship but are stubborn about the car that they each want. How effective would Becky be in maintaining a good relationship with Steve if she performed the following behavior?

   Behavior: She should be sarcastic so that Steve will back down and they buy the car she really wants.

4. Sarah has a job in which she interacts with many of her clients. These clients are very important to her and her company since they represent large accounts. She has a great relationship with her clients, although today, one of her clients is very rude and made an offensive comment to her. How effective would Sarah be in maintaining a good relationship with this client if performing the following behavior?

   Behavior: She should become rude and offensive back to the client.

Appendix 3. Dependent and Covariate Measures: Study One

Exit, Neglect, Voice, and Loyalty	
Exit (1= "strongly disagree" and 7= "strongly agree")	1. I would stop the relationship with the bank in the near future. 2. I would start making plans about working with another bank in the near future. 3. I would not likely to continue the relationship with the bank.
Neglect (1= "strongly disagree" and 7= "strongly agree")	1. I would not plan to do anything to improve the relationship with the bank and will expect things will become worse. 2. I would passively let the relationship with the bank slowly deteriorate.
Voice (1= "strongly disagree" and 7= "strongly agree")	1. I would try to cooperatively discuss the problem with the bank to improve the situation. 2. I would talk constructively to the bank about how I feel about the situation. 3. I would jointly work them to help improve the situation.
Loyalty (1= "strongly disagree" and 7= "strongly agree")	1. I would patiently wait until the problem fixes itself. 2. I would not say anything to the bank about the problem because it seems to go away by itself.
Product Involvement	
(1= "strongly disagree" and 7= "strongly agree")	1. I choose a bank brand very carefully. 2. Which bank I use is an important decision for me. 3. Choosing a bank brand is an important decision for me.

Appendix 4. Study Two Scenarios

A. SELF-THREATENING TRANSGRESSION

You have, for the past several years, been a loyal customer of SM bank. Their good service has long been a source of satisfaction for you. You were impressed by their proficient handling of the paperwork and their kind customer service. You tend to think that the bank treats you as a valuable business partner because they occasionally inform you of offers on new banking features that appear to be of good value. Mostly, your experience with the bank has been good.

You had renewed your credit card online a month ago because your credit card was about to expire. After three weeks, however, your credit card had still not been delivered. Your old card finally expired, while waiting for the new card to arrive. Due to the bank's delay in sending you a new credit card, you could not pay bills by your credit card and your several creditors charged you late fees. It is obviously the bank's mistake not sending you a credit card on time.

B. SOCIETY-THREATENING TRANSGRESSION

You have, for the past several years, been a loyal customer of SM bank. Their good service has long been a source of satisfaction for you. You were impressed by their proficient handling of the paperwork and their kind customer service. You tend to think that the bank treats you as a valuable business partner because they occasionally inform you of offers on new banking features that appear to be of good value. Mostly, your experience with the bank has been good.

You discovered a magazine article stating that SM bank was accused of an enormous fraud on shareholders that occurred during its acquisition of FP bank. According to the

article, the CEO of the bank hid a $16.2 billion from shareholders and then lied to the Federal Reserve and the Treasury to get a $20 billion bailout. The article also said that the government would increase taxes next year to compensate for this bailout debt.

Appendix 5. Mediator Measures: Study Two

Perceived Intention

(1= "strongly disagree" and 7= "strongly agree")

1. The bank intended to take advantage of me.
2. The bank had bad intentions.
3. The bank tried to abuse me.

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