서비스 회복시 소비자의 공정성 인식에 대한 비교문화 연구: 
미국과 한국 소비자의 비교

Cross-Cultural Differences in Justice Perceptions for Service Recovery

김나민∙Kim, Namin, 임건신∙Im, Kun Shin, Francis Ulgado

본 연구는 기업이 서비스 실패에 대한 회복을 할 때 소비자들이 느끼는 공정성에 나라간 차이가 있는지에 대해 알아보고자 한다. 서로 다른 문화를 가진 한국과 미국 소비자는 서비스 회복에 대해 만족을 결정할 때 중요하게 고려하는 공정성이 서로 다른 것이라고 기대되고, 더욱이 각각의 공정성·분배적, 절차적, 상호 작용적·을 형성하는 과정이나 기준에 있어서도 문화 간 차이가 있을 것이라 여겨진다. 연구 결과, 미국 소비자들은 만족도 형성시 상호작용적 공정성을 매우 중요하게 고려하는 반면 한국 소비자들은 분배적 공정성을 중심으로 만족도를 형성하였다. 한편 절차적 공정성에서는 두 국가 간의 유의미한 차이를 찾지 못하였다. 또한 소비자들이 각각의 공정성을 지각할 때 각 공정성을 구성하고 있는 차원들 중에서 어떤 차원을 중심으로 공정성지각이 이루어지는지를 살펴보았는데, 결과는 다음과 같다. 미국 소비자들이 절차적 공정성을 지각할 때에는 회복 속도가 매우 중요하였고 한국 소비자들은 융통성있는 절차를 중요하게 고려하였 다. 상호작용적 공정성의 경우 미국 소비자들은 서비스 실패의 원인에 대한 설명을 중요하게 고려하였다. 분배적 공정성의 형성에는 한국 소비자들과 미국 소비자들 사이에 차이를 발견할 수 없었다.

핵심주제어: 서비스 회복, 분배적 공정성, 절차적 공정성, 상호작용적 공정성, 비교문화

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ABSTRACT

The present study tries to reveal any cultural differences on consumers’ justice perceptions from service recovery of firms. Consumers from different culture, Korea and the USA are expected to weigh certain types of justice more heavily when they decide if they are satisfied with the service recovery, and they are also expected to form each justice with different standards or dimensions. The memory-based survey reveals that American consumers weigh interactional justice more heavily whereas Korean customers value distributive justice more than its American counterpart. Meanwhile, both Korean and American customers show similarity in considering procedural justice. The study also investigates the dimensions of each justice to see how consumers from two countries form justice perceptions. The result shows that American consumers weigh speedy recovery as an important dimension for procedural justice while Korean customers weigh flexible recovery process more importantly than American customers. American customers weigh causal explanation more heavily than Korean in the formation of interactional justice.

Key words: service recovery, distributive justice, procedural justice, interactional justice, cultural differences
Ⅰ. Introduction

Research on service failures and recovery is abundant, but cross-cultural approach on the issue is limited (Javalgi, Griffith, and White, 2003; Wong, 2004). After all, service industries are less internationalized than manufacturing industries, and the characteristics of services such as intangibility and human interactions make cross-cultural approaches difficult to handle. In this sense, the present study tries to focus its attention on how cultural differences moderate the influence of the recovery efforts of firms. In doing so, the study differentiate itself from the existing cross cultural studies on service failures and recovery (e.g., Hui and Au 2001; Mattila and Patterson 2004; Wong 2004) by incorporating the following two issues.

First, existing studies only deal with individual recovery strategies such as compensation and apologies. Hui and Au (2001), for instance, deals with the influences of culture on compensation, voice, and apologies; Mattila and Patterson (2004) explores causal explanation and compensation; and Moon and Kim (2008) concerns compensation, explanation, and apologies. However, service researchers argue that recovery strategies do not directly influence customers’ post-consumption behaviors. Rather, strategies influence consumers’ justice perceptions, which act as a mediator between them and customer outcomes such as satisfaction (e.g., Hoffman and Kelley, 2000; Hui and Au, 2001; Smith, Bolton, and Wagner, 1999; Sparks and McColl-Kennedy, 2001). More specifically, all recovery strategies affect consumers’ perceptions of at least one type of justice among distributive, procedural, and interactional justice, and this perceived justice leads to customer satisfaction. For example, compensation is strongly related to customers’ perceptions of distributive justice (Tax, Brown, and Chandrashekan, 1998), and the speed of handling a failure contributes to the perceptions of procedural justice (Blodgett, Hill, and Tax, 1997). Blodgett, Hill, and Tax (1997) and Smith, Bolton, and Wagner (1999) find out that apologies enhance the perceptions of interactional justice.

In this sense, the present study focuses on perceived justice rather than individual strategies. This change in focus to perceived justice enables more comprehensive understanding of the service recovery processes. Furthermore, researchers point out that individual recovery strategies influence more than one type of justice. For instance, compensation mostly influences distributive justice (Smith, Bolton, and Wagner, 1999), but it also influences procedural justice (Hui and Au, 2001). In this sense, revealing the different effects of justice on satisfaction might provide more useful insights to practitioners.

The second issue involves how each type of justice is formed. Researchers on justice argue that each of the three types of justice have several dimensions. For instance, consumers perceive distributive justice based on the standards such as equity, equality, and needs; and procedural justice consists of process control, decision control, accessibility, timing/speed, and flexibility (Tax, Brown, and Chandrashekan, 1998). Some studies investigate the cultural differences in the preferences of standards for distributive justice perception. Leung and Bond (1982), for instance, argue that Chinese employees prefer equal distribution of rewards among colleagues whereas American employees prefer equitable distribution, in which rewards are distributed according to the
individual contribution. However, no study investigated this difference in the service context, or any other type of justice (i.e., procedural and interactional).

Therefore, the primary objective of this article is to investigate how cultural differences influence the formation of the perception of justice and their effect on recovery satisfaction. Specifically, this study examines how the importance of the three types of justice (distributive, procedural, and interactional), is different between American and Korean customers and the impact of the dimensions of each type of justice varies across the two cultures. The USA is chosen because The USA is one of the most important and the biggest market for Korean firms.

II. Research Background and Hypothesis Development

The construct “justice” originated from social psychology to explain individual differences in reactions towards a conflict situation (Blodgett, Hill, and Tax 1997) and has been applied to diverse contexts in which human interactions occur, from human resource management and legal issues to buyer-seller transactions (Blodgett, Hill, and Tax 1997). Literature on service failure/recovery also adopts the construct in the sense that a failure to deliver the promised service is one type of conflict between a firm and a customer. According to the extant research, perceived justice acts as a mediator between a firm’s recovery efforts and consumers’ reactions. Indeed, consumers perceive justice from individual recovery strategies of firms, and this perception then contributes to outcomes such as satisfaction, loyalty, perceived service quality, and repurchase intentions (Fisk and Coney 1982; Huppertz, Arenson, and Evans 1978; Oliver and DeSarbo 1988; Oliver and Swan 1989). This critical mediating variable can be divided into three categories: distributive, procedural, and interactional (Blodgett, Hill, and Tax 1997; Clemmer and Schneider 1993; Smith, Bolton, and Wagner 1999; Tax, Brown, and Chandrashekaran 1998). The next section will explore each dimension in more detail and identify cultural differences related to customers’ perceptions of justice.

1. Distributive Justice

Generally speaking, distributive justice is defined as “perceived fairness on an outcome or result” (Adams 1965), and is mainly relevant to a decision outcome (Tax, Brown, and Chandrashekaran 1998). Likewise, distributive justice in a service failure/recovery context concerns how fair customers consider the redress a company provides for the failure they experience is (Blodgett, Hill, and Tax 1997). The most commonly used strategies to recover customers’ distributive justice include refunds, exchanges, repairs, and discounts, which are more or less monetary or tangible forms of compensation.

Several cross-cultural studies on organizational behavior indicate that materialism is a key influencer on how people weigh the importance of distributive justice. Materialism, defined as “the importance a consumer attaches to worldly possessions” (Belk 1984, 1985), is known to impact various consumer behaviors. Individuals with high materialism consider material possessions as the evidence of success and try to obtain material objects (Richins and Dawson 1992). They also put greater
importance on acquisitions over personal relationship, experience, and achievement (Karabati and Cemalci 2010). Therefore, employees with a high materialistic attitude are more sensitive to material outcomes such as pay and promotion and the justice of such outcomes (Kim and Leung 2007). Likewise, countries with higher materialism weigh distributive justice more heavily when forming overall justice perceptions (Kim and Leung 2007).

In this sense, similar results are expected for justice perceptions for service recovery efforts of firms. Facing a service failure, high materialists will put more importance on materialistic recovery methods, which are closely related to distributive justice. They will also use outcome-related information (highly materialistic) considerably when they decide if they are satisfied or not with a firm’s recovery. Therefore, they will base their satisfaction more heavily on distributive justice. However, low materialists will consider materialistic compensation less importantly, and therefore, their judgment of satisfaction will depend less on distributive justice.

Meanwhile, materialism is closely related to the level of the per capita Gross National Income (GNI) of the country (Abramson and Inglehart 1995; Inglehart 2006). Countries with a high GNI tend to be less materialistic than countries with a lower GNI. According to the World Bank, the GNI of the USA was 47, 580 US dollars (14th in the ranking) where as that of Korea was 21,530 US dollars (49th in the ranking) in 2008. In this sense, Korean customers would be more materialistic than American counterpart. As a matter of fact, Kim and Leung (2007) measure the materialism in these two countries and find that Koreans score higher on Richins and Dawson’s (1992) materialism measures (M=4.22) than Americans (M=3.17, p<.01). Consequently, Korean customers who value materialistic outcomes will weigh distributive justice more heavily than American customers.

H1: Distributive justice influences Korean customers’ satisfaction more than American customers’ satisfaction.

Research on distributive justice suggests that people achieve justice through numerous standards. The most frequently used among them are equity and equality (Tax, Brown, and Chandrashekaran 1998). Equity is a concept based on social exchange theory and compares output to input (Maxham and Netemeyer 2002). Inequity-based justice perceptions, people consider the exchange to be “just” or fair when they receive an outcome commensurate with their contribution. In contrast, equality involves an equal outcome regardless of the contributions to an exchange (Tax, Brown, and Chandrashekaran 1998). With an equality principle, customers evaluate the exchange to achieve distributive justice depending on whether they receive the same treatment as other customers. Which rule or standard customers use will be affected by cultural differences. Asian culture is collectivistic, and Korea is no exception with a Hofstede (2008) individualism score of 18. However, American society is notably individualistic (score=91). In a collectivist society, social position is deemed important (Bond and Hwang 1986), and therefore, keeping “face” is important (Hwang, 1987). “Face,” a social value that people perceive that they deserve (Goffman 1959), is closely related to how people are treated compared to others around them. In a society with a high collectivistic culture, consumers will be
conscious of their “face” during the recovery and will compare it with others. In this sense, Koreans will use equality as their standard for judging distributive justice more than Americans. On the other hand, the more individualistic Americans customers are expected to establish their justice judgment on the perception of equity more than Korean counterpart because they will likely make a decision or evaluation based on the individual “self.” Therefore,

**H1-1:** Korean customers are more likely to identify distributive justice based on equality than American customers.

**H1-2:** American customers are more likely to identify distributive justice based on equity than Korean customers.

2. Procedural Justice

Procedural justice, or “perceived fairness of the means by which the ends are accomplished” (Lind and Tyler 1988), is a term related to the process of gaining an output or solving a conflict (Leventhal 1980). Similarly, procedural justice in a service/recovery context is defined as the fairness of a recovery process. Policies, procedures, and criteria involved in making a decision are important to enhance justice as this type of justice is closely linked to the process (Lind and Tyler 1988).

Both Korean and American customers are expected to consider procedural justice to be an important determinant of satisfaction and not to show differences in weighing the importance of the justice. Korean customers will care about procedural justice because they have a tendency to avoid uncertainty (score=85, US=46 for comparison). Uncertainty avoidance is defined as “the extent to which the members of a culture feel threatened by uncertain or unknown situations” (Hofstede 1991, p. 113). People with high uncertainty avoidance like to have stated rules, procedures and structure to make events more interpretable and predictable (Hofstede 1983; Lee, Garbarino, and Lerman 2007). Korean customers, who want to avoid uncertainty, therefore, will consider procedural justice importantly. By contrast, American customers will value this justice but with different motive. They will take procedural justice importantly because they have a low-context culture. In a low-context culture, a typical example being the United States, people prefer visible and concrete communication methods, and therefore, all information should be explicitly stated. Meanwhile, customers in a high-context culture value implicit, non verbal ways of communication, and therefore, the context in which the communication occurs can carry more accurate and valuable meanings than the information itself (Kim, Pan, and Park 1998; Ko, Roberts, and Cho 2006). Thus, American customers from a low-context culture will feel more comfortable and satisfied if policies, rules, and regulations on a recovery process are explicitly stated to minimize any confusion in a recovery process. To sum up, it is expected that Korean and American customers are not different in weighing procedural justice even the reason comes from different cultural characteristics: Koreans will weigh procedural justice more if uncertainty avoidance is considered and Americans are expected to weigh procedural justice more if context culture is considered. Therefore, both people will not show any differences in weighing procedural justice when they decide satisfaction.

**H2:** American and Korean customers do not show
differences in weighing procedural justice to decide satisfaction.

Procedural justice consists of various elements: flexibility, time/speed, process control, decision control, and accessibility (Clemmer 1993; Tax, Brown, and Chandrashekaran 1998). These elements can be divided into three basic dimensions: control/accessibility, time/speed, and flexibility. Control/accessibility concerns how customers can “voice” in a recovery process. Voice,“ the extent to which people provide input into the decision process” (Brockner et al. 2001), is one of the central influencers of procedural justice (refer to Brockner et al. 2001; Greenberg and Folger 1983; Lind and Tyler 1988). Elements such as process control (“the freedom to communicate views in a decision process”: Tax, Brown, and Chandrashekaran 1998), decision control (“the extent to which a person is free to accept or reject a decision outcome”: Tax, Brown, and Chandrashekaran 1998) and accessibility (“the ease of engaging in a process”: Tax, Brown, and Chandrashekaran 1998) are in this dimension in the sense that voice during the recovery process can satisfy these elements. The power distance dimension of Hofstede (1983) explains the difference between American and Korean customers on the importance of control and accessibility. Power distance refers to “how inequality among people in different positions of formal power is viewed” (Brockner et al. 2001). In a society with high power distance, people consider inequality to be natural, so they accept decisions from other people with decision-making power (usually in a higher position). By contrast, people in a low power-distance culture want a voice in the decision process even if they do not have legitimate power to do it. In this sense, American customers, who have lower power distance (score=40) than Korean customers (score=60), will put a greater value on control/accessibility when deciding on whether the process is fair or not. Therefore,

H2-1: American customers are more likely to identify procedural justice based on control and accessibility than Korean customers.

Another dimension of procedural justice is time/speed. This dimension is different from consumer waiting in the sense that consumer waiting is a loss while a timely response is a gain from consumers’ perspective. Many researchers have pointed out that westerners and easterners have different perceptions on time. For instance, Chen, NG, and Rao (2005) and Graham (1981) assert that western people (typically Europeans and Americans) have a more “linear-separable” perspective toward time, which means that time passes from past to future. Therefore, they consider time as money and recognize the monetary value of time, counting time as an essential component of money (Chen, NG, and Rao 2005). However, eastern people (usually Asians) have “Confucian dynamism,” which values perseverance, thrift, a sense of shame (Chen, NG, and Rao 2005), and long-term orientation (Hofstede and Bond 1988). As a result, they tend to care less about immediate need gratification (Hofstede and Minkov 2010), and do not appreciate monetary value of time. In this sense, American customers, who value immediate need satisfaction and recognize monetary value of time, will appreciate timely responses of firms than Korean customers.

Meanwhile, the hypothesis can be explained with individualism-collectivism dimension. According to cross-cultural research, people with independent self-construal
strive for efficiency while people with interdependent self-construal value harmony and interpersonal sensitivity (Agarwal, Malhotra, and Bolton, 2010; Higgins 1998). Therefore, American customers, who are more individualistic will value efficient handling of service recovery than collectivist Korean customers, resulting in preferring speedy recovery process than Koreans.

H2-2: American customers are more likely to identify procedural justice based on time/speed than Korean customers.

The final dimension is flexibility. Flexibility, “the adaptability of procedures to reflect individual circumstances” (Tax, Brown, and Chandrashekaran 1998), is closely related to personalization or customization (Bitner, Booms, and Tetreault 1990). The relationship between culture and product personalization has been investigated by several researchers (e.g., Kramer, Spolter-Weisfeld, and Thakkar 2007; Moon, Chadee, and Tikoo 2008). According to their research, consumers with a high individualistic orientation tend to prefer personalized products whereas collectivistic consumers like to have the same products with other customers'. However, the concept personalization/flexibility is different in services from products. Whereas personalization in products concerns providing an individual or unique product (Pine and Gilmore 1999), personalization in services is more related to “recognizing a customer’s uniqueness” (Raajpoot 2004). Consumers who experience personalized service recovery will perceive that the firm respects their social status and they are provided with preferential treatment (Raajpoot 2004). Hofstede (1983) acknowledges that consumers in societies with high power distance value public recognition of one’s social status. In this sense, Korean customers with high power distance will value flexibility/personalization more than American customers with relatively low power distance.

H2-3: Korean customers are more likely to identify procedural justice based on flexibility than American customers.

3. Interactional Justice

Interactional justice refers to “the fairness of the interpersonal treatment people receive during the enactment of a procedure” (Tax, Brown, and Chandrashekaran 1998). This type of justice explains why people still feel unfairly treated even with properly recovered distributive and procedural justice (Bies and Moag 1986; Bies and Shapiro 1987). Interactional justice in a service context also concerns how consumers feel they have been treated by a service provider throughout the recovery process (Maxham III and Netmeyer 2002). Since every step of a recovery process involves interactions between a service provider and a customer, this type of justice is a critical factor to consider in a service context (Blodgett, Hill, and Tax 1997).

Inglehart’s (2000) self-expression value can explain the difference between American and Korean customers on the importance of interactional justice. According to him, consumers begin to appreciate the self-expression value as they get richer and less materialistic. People with this value emphasize the quality of life and interpersonal trust rather than materialistic well-being. In this sense, American consumers, who are less materialistic than Korean customers, will value interactional justice more, which involves human interactions rather than materialistic exchange. Therefore,
H3: Interactional justice is more likely to influence the satisfaction of American customers than that of Korean customers.

Interactional justice consists of elements such as truthfulness, provision of an explanation, courtesy, respect, honesty, empathy, and assurance (Bies and Moag 1986; Bies and Shapiro 1987; Parasuraman, Zeithaml, and Berry 1985). These elements can be categorized into two basic dimensions: manners/attitudes and causal explanation (or interpersonal treatment and informational justice by Mattila and Cranage 2005). Manners/attitudes deal with how service providers present themselves to customers and include elements such as courtesy, respect, honesty, empathy, and assurance. The other dimension, causal explanation, pertains to how service providers inform customers as to why the failure occurs in the first place. The different levels of power distance between Koreans and Americans will influence the importance of manners/attitudes. In a society with high power distance, the position gap between a service provider and a customer is larger. Accordingly, customers in that culture will expect good manners/attitudes from a service provider (Wong 2004). Korean customers show a higher power-distance score (60) than American customers (40). Meanwhile, American customers are likely to value causal explanations from a service provider more than their Korean counterparts because they have a low-context culture, in which all information should be explicitly stated (Kim, Pan, and Park 1998; Ko, Roberts, and Cho 2006). In this sense, an explicit explanation of the cause of a failure will more likely influence interactional justice perceptions of American customers than that of Korean customers, who have a high-context culture.

H3-1: Korean customers are more likely to identify interactional justice based on a service provider’s manners/attitudes than American customers.

H3-2: American customers are more likely to identify interactional justice based on causal explanations than Korean customers.
Ⅲ. Research method

A memory-based survey method was adopted. The method is good to gather “naturally occurring responses” (Schoefer 2010) and used much in the service research (Tax, Brown, and Chandrashekaran 1998). Respondents were first asked to recall a particular incident during the past six months in which they experienced a service failure and the service firm tried to resolve the failure. Questions about the incident were asked to stimulate the respondents’ memory (e.g., “when and where was it?” “what did the firm do for your problem?”). This was followed by questions on justice, satisfaction, and repatronage intentions. Lastly, questions on cultural differences between the two countries (e.g., individualism vs. collectivism, high vs. low power distance) were asked to test for ecological fallacy (Chan and Wan 2008). A complete set of items inserted in the questionnaire can be found in the Appendix. After questionnaires were developed in English, translation into Korean was performed with following orders. First, research in Korean was investigated to see if any researcher translated the measurement items of the present study. Most of cultural dimensions and satisfaction were already translated and used in studies, but items on justice were not. Second, a bilingual was hired to translate English into Korean. Then, the result was compared to the item list from the existing Korean literature. Third, another bilingual executed back translation of items on justice (which do not have a translated version in the existing studies) to reduce any translation-related biases.

A student sample was used. Using a student sample provides an advantage particularly for a cross-cultural study because sample equivalence can be easily obtained (Hui and Au 2001) even though the use of the sample limits generalizability (Ko, Roberts, and Cho 2006). Data was collected simultaneously in both Korea and the United States and the same data gathering procedures were maintained. First, both universities in Korea and the USA were located in a large metropolitan city. Also, questionnaires were distributed in several undergraduate business classes in both countries. Finally, students in both countries were asked to fill out the questionnaires voluntarily during the class. A total of 398 responses (164 American and 234 Korean) were used for the analysis. The ratio of male to female is similar in both countries (55.8% in the American sample and 50% in the Korean sample) and the average age is not significantly different (22 for the American sample and 23 for the Korean sample, F= .055, p>.05). Service respondents mentioned were diverse from restaurants, hairdressers, and pizza delivery to cable TV, mobile phone services, and internet providers in both countries.

Ⅳ. Results

1. Cultural Differences between Korea and the USA

Before testing the hypotheses, the cultural differences of Korean and American customers were compared. All cultural differences used to develop the hypotheses show the same result as the findings of existing literature except for the collectivistic versus individualistic dimension. The Korean respondents were more materialistic (M_korea= 2.17, M_amer= 1.89; F= 7.79, p=.00) and
risk averse (M_{korea}=3.90, M_{usa}=3.55; F=32.746, p=.00) than their American counterparts. Also, the Koreans exhibited higher context culture (M_{korea}=3.14, M_{usa}=2.63; F=114.889, p=.00) and higher power distance (M_{korea}=2.94, M_{usa}=2.25; F=118.385, p=.00). However, Koreans and Americans did not show any statistical difference on the collectivistic dimension though the mean value of collectivism is higher for Koreans than Americans (M_{korea}=3.77, M_{usa}=3.68; F=2.609, p=.107). This result is discussed in the later section.

2. Hypothesis Testing

Data analysis was conducted with Partial Least Squares (PLS), a structural modeling technique because the research model includes formative second-order constructs such as distributive justice, procedural justice, and interactional justice. Since the present model contains formative second-order constructs, covariance-based SEM techniques such as LISREL and AMOS cannot be adopted. Particularly, a component-based structural equation modeling technique (i.e., multigroup PLS analysis) is also appropriate for this study in order to compare between-group differences (Qureshi and Compeau 2009).

3. The Measurement Model Assessment

The assessment of the measurement model includes the estimation of internal consistency and the convergent and discriminant validity of constructs (Barclay, Thompson,

### Table 1: Composite Reliability and Correlation of Reflective First-Order Constructs

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<tr>
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<th>Composite Reliability</th>
<th>AVE</th>
<th>Equality</th>
<th>Equity</th>
<th>Control</th>
<th>Time</th>
<th>Flexibility</th>
<th>Manners</th>
<th>Explanation</th>
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<tr>
<td><strong>Combined Sample (N=398)</strong></td>
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<td>Equality</td>
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<td>Equity</td>
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<td>Control</td>
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<td>0.55</td>
<td>0.62</td>
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<tr>
<td>Time</td>
<td>0.89</td>
<td>0.80</td>
<td>0.57</td>
<td>0.62</td>
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<td>Flexibility</td>
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<td>0.73</td>
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<td>0.63</td>
<td>0.93</td>
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<td>Manners</td>
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<td>0.57</td>
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<td>0.61</td>
<td>0.64</td>
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<td>0.37</td>
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<td>0.43</td>
<td>1.00</td>
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<tr>
<td><strong>USA (N=164)</strong></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Equality</td>
<td>0.86</td>
<td>0.76</td>
<td>0.87</td>
<td></td>
<td></td>
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<tr>
<td>Equity</td>
<td>0.96</td>
<td>0.92</td>
<td>0.75</td>
<td>0.96</td>
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<tr>
<td>Control</td>
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<td>0.71</td>
<td>0.54</td>
<td>0.64</td>
<td>0.84</td>
<td></td>
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</tr>
<tr>
<td>Time</td>
<td>0.90</td>
<td>0.81</td>
<td>0.55</td>
<td>0.65</td>
<td>0.63</td>
<td>0.90</td>
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<tr>
<td>Flexibility</td>
<td>0.92</td>
<td>0.85</td>
<td>0.48</td>
<td>0.69</td>
<td>0.59</td>
<td>0.60</td>
<td>0.92</td>
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<tr>
<td>Manners</td>
<td>0.85</td>
<td>0.65</td>
<td>0.57</td>
<td>0.65</td>
<td>0.64</td>
<td>0.63</td>
<td>0.60</td>
<td>0.81</td>
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</tr>
<tr>
<td>Explanation</td>
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<td>1.00</td>
<td>0.30</td>
<td>0.38</td>
<td>0.36</td>
<td>0.31</td>
<td>0.51</td>
<td>0.38</td>
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</tr>
<tr>
<td><strong>Korea (N=234)</strong></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equality</td>
<td>0.94</td>
<td>0.88</td>
<td>0.94</td>
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<td></td>
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</tr>
<tr>
<td>Equity</td>
<td>0.94</td>
<td>0.89</td>
<td>0.77</td>
<td>0.94</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control</td>
<td>0.82</td>
<td>0.69</td>
<td>0.56</td>
<td>0.61</td>
<td>0.83</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Time</td>
<td>0.88</td>
<td>0.78</td>
<td>0.57</td>
<td>0.60</td>
<td>0.65</td>
<td>0.88</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>0.93</td>
<td>0.87</td>
<td>0.61</td>
<td>0.77</td>
<td>0.70</td>
<td>0.66</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manners</td>
<td>0.87</td>
<td>0.68</td>
<td>0.55</td>
<td>0.62</td>
<td>0.58</td>
<td>0.59</td>
<td>0.68</td>
<td>0.83</td>
<td></td>
</tr>
<tr>
<td>Explanation</td>
<td>1.00</td>
<td>1.00</td>
<td>0.29</td>
<td>0.36</td>
<td>0.40</td>
<td>0.36</td>
<td>0.49</td>
<td>0.49</td>
<td>1.00</td>
</tr>
</tbody>
</table>

* Diagonal elements are the square root of average variance extracted (AVE).
* Significant at p value < 0.01; ** Significant at p value < 0.05; *** Significant at p value < 0.10
and Higgins 1995). However, reflective and formative measures should be treated differently. The first-order constructs such as equality, equity, control, time, flexibility, manners, and explanation are reflective because measurement items share common themes, are interchangeable, and have high positive intercorrelations (Coltman, Devinney, Midgley, and Venaik 2008). Table 1 shows the composite reliability, average variance extracted (AVE), and correlation of the reflective first-order constructs for the combined sample, USA sample and Korea Sample.

The composite reliability is internal consistency (Fornell and Larker 1981). All reliability measures were well above the recommended level of .70, indicating adequate internal consistency. The reflective first-order constructs also exhibited sufficient convergent and discriminant validity. Convergent validity is adequate when constructs have an AVE of at least .5 (Fornell and Larcker 1981). For satisfactory discriminant validity, the squared AVE for each construct should be greater than the correlations between constructs (Fornell and Larker, 1981). Convergent validity also is demonstrated when items load highly (loading>.60) on their associated constructs. Table 2 shows that all of the reflective measures for all three samples have significant loadings, which is higher than suggested threshold. Distributive justice, procedural justice, and interactional justice are formative constructs in the sense that these constructs are formed through combination of their dimensions (Coltman et al. 2008). Therefore, they are calculated by weighted sums of their first-order constructs. For formative constructs, the item weights can be examined to identify the relevance of the items to the research model (Wixom and Watson 2001). Table 3 shows that

(Table 2) Factor Loading of Items on Reflective First-Order Constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Combined Sample</th>
<th>USA</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Factor Loading</td>
<td>t value</td>
<td>Factor Loading</td>
</tr>
<tr>
<td>Equality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equality1</td>
<td>0.909</td>
<td>83.51*</td>
<td>0.869</td>
</tr>
<tr>
<td>Equality2</td>
<td>0.910</td>
<td>86.54*</td>
<td>0.871</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity1</td>
<td>0.948</td>
<td>42.90*</td>
<td>0.958</td>
</tr>
<tr>
<td>Equity2</td>
<td>0.948</td>
<td>42.90*</td>
<td>0.958</td>
</tr>
<tr>
<td>Control</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decision</td>
<td>0.834</td>
<td>54.82*</td>
<td>0.842</td>
</tr>
<tr>
<td>Accessibility</td>
<td>0.835</td>
<td>55.13*</td>
<td>0.842</td>
</tr>
<tr>
<td>Time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Speed1</td>
<td>0.892</td>
<td>81.92*</td>
<td>0.902</td>
</tr>
<tr>
<td>Speed2</td>
<td>0.892</td>
<td>81.73*</td>
<td>0.902</td>
</tr>
<tr>
<td>Flexibility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flex1</td>
<td>0.928</td>
<td>16.34*</td>
<td>0.922</td>
</tr>
<tr>
<td>Flex2</td>
<td>0.928</td>
<td>16.22*</td>
<td>0.924</td>
</tr>
<tr>
<td>Manners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honesty</td>
<td>0.746</td>
<td>22.97*</td>
<td>0.715</td>
</tr>
<tr>
<td>Polite</td>
<td>0.871</td>
<td>76.52*</td>
<td>0.864</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.840</td>
<td>53.90*</td>
<td>0.842</td>
</tr>
<tr>
<td>Explanation</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Exp1</td>
<td>1.00</td>
<td>0.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>

* Significant at p value < 0.01; ** Significant at p value < 0.05; *** Significant at p value < 0.10
all weights for all three samples were significant.

4. The Structural Model Assessment

Based on the adequate measurement model, the proposed hypotheses are tested by assessing the structural model. Assessment of the structural model involves estimating the path coefficients (i.e., path analysis), which indicate the strengths of the relationships between the dependent and independent variables. The bootstrap resampling method was used in PLS to determine the significance of the path coefficients. Table 4 shows the path coefficients for three main hypotheses (i.e., $H_1$, $H_2$, and $H_3$) and the weights for the sub-hypotheses (i.e., $H_{1-1}$, $H_{1-2}$, $H_{2-1}$, $H_{2-2}$, $H_{2-3}$, $H_{3-1}$, and $H_{3-2}$).

The fifth column of the Table 4 shows the results of multigroup PLS analysis. The analysis reveals that the path coefficient from distributive justice to satisfaction of the Korea sample is significantly stronger than that of the USA sample (path coeff.$_{\text{USA}}=.36$, path coeff.$_{\text{Korea}}=.50$, Diff. path coeff.$=-.14$ at $p<.05$). Thus, $H_1$ is supported. Because the path coefficient from procedural justice to satisfaction of the USA sample is not stronger than that of the Korea sample (path coeff.$_{\text{USA}}=.31$, path coeff.$_{\text{Korea}}=.26$, Diff. path coeff.$=.06$), $H_2$ is also supported. Finally, the path coefficient from interactional justice to satisfaction of the USA sample is significantly stronger than that of the Korea sample (path coeff.$_{\text{USA}}=.33$, path coeff.$_{\text{Korea}}=.20$, Diff. path coeff.$=.13$ at $p<.05$). Thus, $H_3$ is also supported.

All sub-hypotheses show the direction between Korean and American customers as hypothesized in the present study, but only three (i.e., $H_{2-2}$, $H_{2-3}$ and $H_{3-2}$) have statistical significance. The item weight of time on procedural justice of the USA sample is significantly stronger than that of the Korea sample ($W_{\text{USA}}=.33$, $W_{\text{Korea}}=.18$, Diff.weight$=.15$ at $p<.10$), indicating $H_{2-2}$ is supported. Also, the item weight of flexibility on procedural justice of the Korea sample is significantly stronger than that of the USA sample ($W_{\text{USA}}=.54$, $W_{\text{Korea}}=.60$, Diff.weight$=.06$ at $p<.05$), indicating $H_{2-3}$ is supported.

### Table 3: Weight or Loading for Principal Constructs

<table>
<thead>
<tr>
<th></th>
<th>Combined Sample</th>
<th>USA</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weight</td>
<td>t value</td>
<td>Weight</td>
</tr>
<tr>
<td>Distributive Justice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equality</td>
<td>0.21</td>
<td>3.75*</td>
<td>0.18</td>
</tr>
<tr>
<td>Equity</td>
<td>0.84</td>
<td>17.97*</td>
<td>0.86</td>
</tr>
<tr>
<td>Procedural Justice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control</td>
<td>0.26</td>
<td>4.13*</td>
<td>0.29</td>
</tr>
<tr>
<td>Time</td>
<td>0.27</td>
<td>4.96*</td>
<td>0.33</td>
</tr>
<tr>
<td>Flexibility</td>
<td>0.60</td>
<td>12.37*</td>
<td>0.54</td>
</tr>
<tr>
<td>Interactional Justice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manners</td>
<td>0.92</td>
<td>33.06*</td>
<td>0.89</td>
</tr>
<tr>
<td>Explanation</td>
<td>0.16</td>
<td>3.39*</td>
<td>0.23</td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sat1</td>
<td>0.94</td>
<td>179.83*</td>
<td>0.95</td>
</tr>
<tr>
<td>Sat2</td>
<td>0.90</td>
<td>75.32*</td>
<td>0.89</td>
</tr>
<tr>
<td>Sat3</td>
<td>0.93</td>
<td>140.71*</td>
<td>0.94</td>
</tr>
</tbody>
</table>

* Distributive Justice, Procedural Justice, and Interactional Justice are second-order constructs formed by weighted sums of their first-order constructs (formative second-order constructs). Satisfaction is reflective construct.
* Significant at p value < 0.01; ** Significant at p value < 0.05; *** Significant at p value < 0.10
## Table 4) Results of Hypothesis Test*

<table>
<thead>
<tr>
<th>Paths#</th>
<th>Combined Sample</th>
<th>USA</th>
<th>Korea</th>
<th>USA-Korea</th>
<th>Hypothesis Support</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Path Coefficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1: Distributive Justice → Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.449* (10.52)</td>
<td>0.362* (5.73)</td>
<td>0.502* (9.39)</td>
<td>-0.140** (-1.69)</td>
<td>Support</td>
</tr>
<tr>
<td>H1-1: Equality → Distributive Justice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.206* (3.40)</td>
<td>0.176** (1.95)</td>
<td>0.205* (2.49)</td>
<td>-0.029 (-0.23)</td>
<td>Not support</td>
</tr>
<tr>
<td>H1-2: Equity → Distributive Justice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.836* (16.22)</td>
<td>0.861* (11.55)</td>
<td>0.834* (11.75)</td>
<td>0.027 (0.25)</td>
<td>Not support</td>
</tr>
<tr>
<td>H2: Procedural Justice → Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.281* (6.30)</td>
<td>0.314* (4.07)</td>
<td>0.258* (4.65)</td>
<td>0.056 (0.60)</td>
<td>Support</td>
</tr>
<tr>
<td>H2-1: Control → Procedural Justice</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>0.256* (4.01)</td>
<td>0.290* (4.02)</td>
<td>0.220* (2.73)</td>
<td>0.070 (0.62)</td>
<td>Not support</td>
</tr>
<tr>
<td>H2-2: Time → Procedural Justice</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>0.272* (4.31)</td>
<td>0.331* (4.70)</td>
<td>0.180* (2.43)</td>
<td>0.151*** (1.42)</td>
<td>Support</td>
</tr>
<tr>
<td>H2-3: Flexibility → Procedural Justice</td>
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<tr>
<td></td>
<td>0.603* (10.69)</td>
<td>0.536* (7.88)</td>
<td>0.698* (9.53)</td>
<td>-0.162*** (-1.55)</td>
<td>Support</td>
</tr>
<tr>
<td>H3: Interactional Justice → Satisfaction</td>
<td></td>
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<tr>
<td></td>
<td>0.251* (6.77)</td>
<td>0.329* (5.86)</td>
<td>0.199* (3.83)</td>
<td>0.130** (1.68)</td>
<td>Support</td>
</tr>
<tr>
<td>H3-1: Manners → Interactional Justice</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.920* (31.60)</td>
<td>0.882* (20.26)</td>
<td>0.943* (20.00)</td>
<td>-0.061 (-0.91)</td>
<td>Not support</td>
</tr>
<tr>
<td>H3-2: Explanation → Interactional Justice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.162* (3.16)</td>
<td>0.251* (3.22)</td>
<td>0.105*** (1.35)</td>
<td>0.143** (1.30)</td>
<td>Support</td>
</tr>
</tbody>
</table>

* Significant at p value < 0.01; ** Significant at p value < 0.05; *** Significant at p value < 0.10

# While main hypotheses (H1, H2, and H3) were tested using the path coefficients, sub-hypotheses (i.e., H1-1, H1-2, H2-1, H2-2, H2-3, H3-1, and H3-2) were tested using the item weights. T-value is in parenthesis.

WKorea=.70, Diff.weight=-.16 at p<.10, which indicates that H2-3 is supported. H3-2 is also supported indicating the item weight of explanation on interactional justice for the USA sample is stronger than that of Korean Sample (WUSA=.25, WKorea=.11, Diff.weight=.14 at p<.10).

## V. Conclusions

### 1. Summary and Discussion of the Results

The present study tries to reveal the cultural differences between Korean and American customers on how a particular type of justice influences consumers’ satisfaction after service failure and what dimensions they consider importantly in perceiving justice. The results of the study show that Korean customers consider distributive justice more importantly than Americans while American customers value interactional justice more significantly compared to their Korean counterparts. However, no significant difference exists in procedural justice perceptions between two countries.

However, the results do not mean that marketers should consider only distributive justice in Korea and interactional justice in the United States. Close examination of the results provides some interesting implications. The impact of the three types of justice, distributive, procedural, and interactive, is similar on recovery satisfaction in the American sample (coeff.=.36, .31, .33 respectively). However, Korean customers weigh distributive justice (coeff.=.50) more heavily than the other types of justice (.26 for procedural and .20 for
interactional). The findings imply that service marketers in the United States should be more “generalists” than marketers in Korea. Marketers in Korea can focus primarily on fulfilling distributive justice because this type of justice impacts the recovery satisfaction the most by far. In contrast, marketers in the United States should not focus on just one type of justice. Rather, they should consider achieving all three types together.

In the meantime, sub-hypotheses show mixed results. The first two hypotheses (H1-1 and H1-2) assert that collectivistic Korean customers will like to be treated the same as other customers whereas individualistic USA customers will base their justice perception on equity. However, the results do not have statistically significant differences between Koreans and Americans though the value of weights followed the patterns of hypotheses (for equity, WUSA=.86, Wkorea=.83; for equality, WUSA=.17, Wkorea=.20). The result is consistent with the preliminary finding that Korean and American respondents are not different in the collectivism dimension (Mkorea=3.77, MUSA=3.68; F=2.609, p=.107). This finding is a possible indication that consumers in two countries are homogenizing (Lee et al. 2008). Koreans, especially, are embracing Western values rapidly. This phenomenon is expected to be more evident for the younger generation, the sample of the present study. Korean customers are becoming individualistic and the change seems to be reflected in the results on the effect of equality versus equity. Other explanations can be found in the research by Chen (1995). He investigated Chinese and American employees and found that Chinese employees prefer equitable reward allocation and North Americans are likely to use more equal allocations, contradictory to the existing literature. He explains the findings that goals of each society are opposite to its cultural characteristics such that individual American organizations try to become more humanistic while collectivistic Chinese focus on improved profitability. The result of the present study can be also explained in the similar way. Koreans, who have a collectivistic culture, try to adopt the other cultural values in their society and individual Americans try to embrace collectivistic culture. More research is necessary to explain the findings of the study.

For the dimensions of procedural justice, control/accessibility is not different between two customers, but Korean customers perceive procedural justice more from flexibility whereas American customers focus more on time/speed. In other words, Korean customers weigh how flexible the firm is in dealing with service failure to form procedural justice while Americans consider how fast the recovery is. In fact, fast recovery was a more important dimension than control/accessibility for Americans (Wcontrol=.29, Wspeed=.33) while Koreans weighed control/process (W=.22) more heavily than speed (W=.18). This finding suggests that marketers should consider recovery speed particularly important when they design recovery systems for American customers. Concerning the hypothesis on control/accessibility, it was not supported even though the direction indicated the same as the hypothesis. A plausible explanation for the result can be found from Koreans’ traits that they hate to get into conflict with other people (Leung 1987). Asians, including Koreans, are well-known for their reluctance to be in conflict with other people, and therefore, they tend to not complain to firms about their dissatisfactory experiences (Ho 1997). In this sense, if firms give consumers an easy access to express their complaints (increase accessibility) and well-designed complaining
handling process (control), consumers do not have to raise their voice, and at the same time they can resolve their frustration (Hui and Au 2001), resulting in greater satisfaction.

Finally, two dimensions of interactional justice, manners and explanation, also showed mixed results. In case of manners/attitude, both customers do not show much differences even though the weight was a little bit higher for Korean customers ($W_{korea} = .943, W_{USA} = .882$) as hypothesized. A possible explanation can be derived from American tip culture. Korean customers expect nice manners from employees out of cultural characteristics such as power distance, while American customers might expect nice manners because they tip employees. Researchers point out that many American customers tip out of social norms (Azar 2007), which means that they tip not to reward service providers for their excellent services but to follow a social pressure to be generous. Therefore, they expect nice manners from service providers to compensate what they spent as a tip. More research will enrich the understanding of the result.

However, USA and Korean customers show statistical difference in weighing explanation to decide interactional justice. USA customers perceive interactional justice based on service employees’ explanation more than Korean customers do. Similar to the present study, Mattila and Patterson (2004) investigated how the effect of a causal explanation differs between American and East-Asian customers (Thai and Malay) and found that American customers increase external attribution and decrease internal attribution when they are explained why the failure occurred. However, the effect was not found among Asian customers. The finding of the present study concerns a different effect of an explanation than Mattila and Patterson’s (e.g., effect to influence customers’ interactional justice perception), but both studies are similar in the sense that an explanation have a more positive influence to American customers than Asian customers.

2. Theoretical Implications

First, the difference in justice perceptions between two countries is expanded to the service context and similar results were found. The studies which compared justice perceptions between cultures deal with employees’ perceptions about firms’ fairness. For instance, Kim and Leung (2007) compare how employees form overall justice perceptions through three types of justice in China, Korea, Japan, and USA, and reveal similar results to the present study. According to them, Korean customers weigh distributive justice more heavily than Americans whereas Americans weigh interactional justice more heavily than Koreans. The fact that the pattern of justice perceptions is similar across different research areas, organizational research and service research, implies that the results can be generalized. In the same manner, most of the existing service literature focuses on individual recovery strategies such as compensation and apologies and tries to discern the different effects of each strategy in different countries. However, a more generalized approach for cross-cultural comparison toward service recovery is possible by focusing on justice rather than individual strategies.

Moreover, the focus on perceived justice makes the measurement of customers’ real experience possible. Existing studies usually use an experimental method, in which they compare the effects of individual recovery
strategies separately. However, the present study measures customers' real failure and recovery experiences and compares the comparative effects of each justice on customer satisfaction rather than measuring the effect from scenario-based hypothetical situations.

The other contribution lies in the finding that different customers perceive justice through different processes. Some studies argue that East Asians prefer equality while Americans perceive justice through equity (e.g., Leung and bond 1982), but no research deals with how procedural and interactional justice is achieved. According to the findings of this paper, American customers perceive justice more easily through the timely response of the firm while Korean customers like to receive personalized recovery. Also, American customers value causal explanation more than Korean customers. The results indicate that different customers formulate justice through different processes.

3. Practical Implications

The results of the present study can help answering some questions for practitioners who try to expand to foreign countries or who are doing business internationally.

What to emphasize when designing a recovery system? Consumers in different countries value different types of justice when they decide satisfaction. Therefore, marketers should consider what type of justice they will focus on when they design recovery systems. For instance, Korean customers prefer to have distributive justice according to the results. Therefore, systems should be centered on recovering distributive justice in the Korean market. In contrast, marketers in the American market should pay more attention to recovering interactional justice. For this purpose, practitioners can use the same strategy to influence different justice. Suppose marketers try to provide coupons for their service failure. For Koreans who prefer distributive justice, marketers should focus on the amount of discount. In other words, they have to think about how big the discount should be according to the severity of the failure. However, it would be more effective to focus on how to provide coupons rather than the amount of compensation for American customers because American customers value recovering interactional justice.

How much to compensate? According to the results, equitable compensation influences customer satisfaction more positively (WKorea=.83, WUSA=.86) than equal treatment (WKorea=.20, WUSA=.18) for both Korean and American customers. In other words, as Smith, Bolton, and Wagner (1999) emphasizes, both over-and under-compensation may lead customers to feel less satisfied in the two countries. In this sense, flexible compensation should be adopted in both countries. Marketers can classify the severity of failure into groups such as severe, less severe, or trivial failure and provide an adequate amount of compensation for each level of failure.

One issue to be noted in designing a compensation system is that an interaction effect can occur between compensation and other types of recovery strategies. For example, studies such as Bies and Shapiro (1987), Conlon and Murray (1996), and Tax, Brown, and Chandrashekaran (1998) argue that the effect of recovery strategies which are related to distributive justice (compensation is a typical example) can be enhanced if other strategies such as an apology, an explanation, or a speedy process (related to either procedural or
interactional justice) are used with them. Proper mixture of the strategies can enhance the effect of compensation. However, the issue needs more investigation.

How to organize recovery flow? Another issue to consider when designing recovery systems is how to design recovery flow, which is related to procedural justice. The results of the study show that Korean customers like to receive personalized flexible recovery. Therefore, the best strategy for Korean customers would be to empower service personnel so that they can adopt recovery strategies tailored to individual customers. However, American customers place more value on speedy recovery. In this sense, designing a system that accelerates the recovery process might lead to more successful service recovery in the American market.

On the issue of timely response, Korean customers consider it as the least important factor to decide satisfaction (W = .17) while American customers consider it as the most important one (W = .35). That does not necessarily mean that a speedy response is not important for Koreans. Rather, it indicates what not to focus for firms with limited resources.

4. Limitations and Future Research Suggestions

The study has several limitations that invite future research. First, the present study just tested how different customers perceive justice differently, and it can be extended by testing underlying cultural values that operate the difference revealed in the study. For example, the present study argued that different cultural values function even though Korean and American customers do not show any difference in weighing procedural justice to decide satisfaction. Future study can focus underlying reason for the results of the study to give practitioners and researchers more detailed implications.

Second, the study did not incorporate interaction effects between justice types, which is highly possible. For instance, it is possible that some types of justice act as a hygiene factor, while others are more of a vantage factor. Distributive justice may have been less important for American customers in this study because this form of justice is like a hygiene factor for them. According to Hui and Au (2001), the USA has developed consumerism and Americans are familiar with receiving compensation. Also, Americans have a “tip” culture, one form of monetary transaction in a service sector. As a result, they might take monetary rewards or recovery for granted, considering them as a hygiene factor. In case of Korea, distributive justice might not be a hygiene factor and consumers weigh distributive justice heavily. More research on the interactions between types of justice and cultural differences on these interactions will provide valuable insights for practitioners.

Also, the present study compares Korea and the USA based on the assumption that these two countries have separate cultures. However, many researchers argue that cultural values and norms should be measured at the individual level rather than the country level (Patterson, Cowley, and Prasongsukarn 2006) because culture is not equivalent to a country and using national generalization to explain individual behaviors is an ecological fallacy (Yoo and Donthu 2002). The present study tested empirically that Korea and the USA are actually different in many cultural dimensions such as power distance, uncertainty avoidance, high versus low context, and materialism, resulting in avoiding an ecological fallacy Yoo and Donthu (2002) mentioned. Still, it would be
worthwhile for practitioners and marketers if the framework of the study is applied to the individual level.

Related to the issue of cultural values, the current study did not reveal the relationship between individualism and the preferred standards to decide distributive justice (e.g., equity vs. equality), and the result seems to come from the fact that Korean and American respondents did not show differences in individual/collectivistic value. Korean and American customers may have shown no differences in this value because two cultures are homogenizing as stated before (Lee et al. 2008). However, it might have come from the sample characteristics. Younger generations such as college students are more westernized than older ones in Asian countries. In this sense, it is possible that different age group will show different result from the present study. Including diverse age groups in the subsequent research must be done to gain generalizability of the results. Moreover, consumers use other standards to perceive justice besides equality and equity. Extant research identifies as many as 17 standards (Reis 1986; Tax, Brown, and Chandrashekaran 1998). It would be interesting and meaningful if future research reveals which rules are more prevalent in each country.

Finally, future research should incorporate service characteristics in the present model. The present study did not confine to a specific service. Rather, various services are included as each respondent chose an industry to answer. This procedure can help obtaining generalized results across services. However, the importance of each justice might be different by service type. For example, Park, Lehto, and Park (2006) reveal that service failures related to each justice types are different by industry sector in family travel. Failures related to interactional justice occur the most common in cruises whereas travel agents have procedural justice-related failures the most. Similarly, customers in different services might give a different weight to each justice for the failure they experience. For example, interactional justice might be more important in hedonic services and distribution justice in utilitarian services. Research on this issue will provide practitioners in each industry a valuable guidance.

References


APPENDIX: MEASUREMENT ITEMS

* All items were measured in likert scale (1 = strongly disagree and 5 = strongly agree).

Interactional Justice (Tax, Brown, and Chandrashekaran 1998; Smith, Bolton, and Wagner 1999)

1. They did not appear to be telling me the truth (honesty).
2. I was given a reasonable account as to why the original problem occurred (explanation).
3. The employees were appropriately concerned about my problem (empathy).
4. I felt I was treated rudely (politeness).
5. The employees did not give me the courtesy I was due (politeness).
6. They put a lot of positive energy into handling my problem (effort).
7. The employees did not put the proper effort into resolving my problem (effort).

Procedural Justice (Tax, Brown, and Chandrashekaran 1998; Smith, Bolton, and Wagner 1999; Brockner et al. 2001)

8. I had no say in the outcome of the complaint (decision control).
9. My views were considered and taken into account (decision control).
10. It was hard to figure who to complain to in this organization (accessibility).
11. They responded quickly to my complaint (timing/speed).
12. The length of time taken to resolve my problem was longer than necessary (timing/speed).
13. I was not given an opportunity to tell my side of the story (process control).
14. I had a lot of opportunity to present my views about how this dispute should be resolved (process control).
15. They were willing to adapt their complaint handling procedures to satisfy my needs (flexibility).
16. They showed adequate flexibility in dealing with my problem (flexibility).

Distributive Justice (Tax, Brown, and Chandrashekaran 1998; Smith, Bolton, and Wagner 1999)

17. I got what I deserved (equity).
18. The outcome I received was fair (equity).
19. I got what is fair and equal compared others (equality).
20. I received same treatment with others (equality).

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1 Exploratory factor analysis was executed first and four items (# 6, 7, 13, 14) were eliminated in the main analysis because those items showed loadings less .5. Also, measures which have more than two measurement items (e.g., flexibility has two items 15 and 16) used their mean values in the reflective first-order factor analysis.
Satisfaction (Seiders et al, 2005)
21. I am pleased with the overall service.
22. It was a delightful experience.
23. I am completely satisfied with the experience.

Individualism/Collectivism (Hui and Au 2001)
24. I would help within my means if a relative told me that (s)he is in financial difficulty.
25. When faced with a difficult personal problem, it is better to decide what to do yourself, rather than follow the advice of others.
26. I like to live close to my good friends.
27. It does not matter to me how my country is viewed in the eyes of other nations.
28. One of the pleasures of life is to be related interdependently to others.
29. What happens to me is my own doing.
30. What I look for in a job is a friendly group of co-workers.
31. I would rather struggle through a personal problem by myself, than discuss it with my friends.
32. Aging parents should live at home with their children.
33. The most important thing in my life is to make myself happy.
34. When faced with a difficult personal problem, one should consult widely one’s friends and relatives.
35. One of the pleasures of life is to feel being part of a large group of people.
36. I tend to do my own things, and most people in my family do the same.
37. I like to live in cities, where there is anonymity.

Power Distance (Brockner et al, 2001)
38. There should be established ranks in society with everyone occupying their rightful place regardless of whether that place is high or low in the ranking.
39. Even if an employee may feel he deserves a salary increase, it would be disrespectful to ask his manager for it.
40. People are better off not questioning the decisions of those in authority.
41. Communications with superiors should always be done using formally established procedures.

High versus Low Context (Kim, Pan, and Park 1998)
42. A person’s word is his bond and you need not spell out the details to make him behave as promised.
43. A person cannot think unless (s)he can put it into words.
44. It is not wise to sacrifice one’s interest for the benefit of the organization (s)he belongs to.
45. Being able to work in harmony with others should at times come before doing the job well.

46. The primary responsibility for a mistake in an organization is on the supervisor rather than on the subordinate who actually made it.

47. I conform to social norms even when they conflict with my personal desires.

Uncertainty Avoidance (Patterson, Cowely, and Prasongsukarn 2006)

48. It is important to have instructions spelled out in detail.

49. It is important to closely follow instructions and procedures.

50. Standardization work procedures are helpful. Instructions for operations are important.

Materialism (Richins and Dawsons 1992)

51. I admire people who own expensive homes, cars, and clothes.

52. Some of the most important achievements in life include acquiring material possessions.

53. The things I own say a lot about how well I am doing in life.

54. Money and things are more important than people.