Introduction

Building and managing strong brands is considered one of the most critical tasks in brand management (Chen, Damanpour, and Reilly 2010; Taleghani and Almasi 2011), however, several important aspects regarding the antecedents, mediators, moderators, and consequences of brand loyalty still deserve further clarification. This study aims to fill this research gap by integrating related theories and developing a more comprehensive research model for further empirical validation. The objectives of this study are as follows: (1) To investigate the influences of perceived distributive, procedural, and interactional fairness on service recovery satisfaction; (2) to identify the relationships among service recovery satisfaction, brand personality, and CBI; (3) to identify the mediating roles of brand personality and CBI on brand loyalty and behavioral intention; and (4) to investigate the moderating effects of WOM and consumer inertia on the influences that brand personality and CBI have on brand loyalty and behavioral intention.

Literature Review and Hypothesis Development

According to Fairness Theory (Austin 1979), consumers are very concerned about how fairly they are treated in the process of service recovery. If consumers feel that they have been treated fairly with respect to the final outcome (distributive fairness), the policies and procedures involving the recovery effort are fair (procedural fairness), and they have been treated fairly regarding their personal interactions with service providers throughout the process of recovery (interactional fairness), then this will result in higher levels of perceived fairness and consumer satisfaction. Based on the above discussions, the following hypotheses are proposed:

H1: Perceived distributive fairness has a positive influence on service recovery satisfaction.

H2: Perceived procedural fairness has a positive influence on service recovery satisfaction.

H3: Perceived interactional fairness has a positive influence on service recovery satisfaction.

Previous research indicated that most consumers prefer brands that are compatible with their own personalities. If a firm’s complaint handling and service recovery efforts are able to satisfy consumers, then this will increase the positive effects of brand personality (Dolatabadis, Kazemi, and Rad 2012; Sung, Kim, and Jung 2010). In addition, service recovery satisfaction has positive effects on CBI and loyalty. Arnett, German, and Hunt (2003) contended that satisfaction leads to greater identification with the organization. In other words, the more satisfied an individual is with a firm’s offerings, the greater will be the level of identification that they feel towards it. Kuenzel and Halliday (2008) argued that higher satisfaction will result in greater brand identification. Customers who are satisfied with the products or services of a brand tend to give a positive identity to the brand, which then enhances brand loyalty and word-of-mouth (Kim, Han, and Park 2001). Orsingher, Sara, and Angelis (2010) argued that consumers who feel satisfied with service recovery efforts are more likely to repurchase from the same company. Based on the above discussions, the following hypotheses are developed.

H4: Service recovery satisfaction has a positive influence on brand personality.

H5: Service recovery satisfaction has a positive influence on brand loyalty.

H6: Service recovery satisfaction has a positive influence on consumer-brand identification.

Sung and Kim (2010) contended that a well-established brand personality will promote emotional ties with a specific brand, increase preferences and patronage, and improve loyalty. Wang, Yang, and Liu (2009) argued that both product-brand personality and company-brand personality have significant impacts on purchase intention. Ahearne, Bhattacharya, and Gruen (2005) argued that the more customers identify themselves with the brand, the greater the impact on repurchase behavior. Bartels and Hoogendam (2011) contended that consumers...
who have higher social identity concerning environmentally protection tend to have stronger attitudes and behavioral intentions toward organic products. Papista and Dimitriadis (2012) contended that higher levels of CBI will lead to greater brand trust, brand commitment, and brand loyalty. Based on the above discussion, the following hypotheses are proposed:

\( H_7: \) Brand personality has a positive influence on consumer-brand identification.

\( H_8: \) Brand personality has a positive influence on brand loyalty.

\( H_9: \) Consumer-brand identification has a positive influence on brand loyalty.

\( H_{10}: \) Brand personality has a positive influence on behavioral intention.

\( H_{11}: \) Brand loyalty has a positive influence on behavioral intention.

\( H_{12}: \) Consumer-brand identification has a positive influence on behavioral intention.

Because WOM always originates from market movers or experienced users, it is considered to be more reliable and trustworthy than more strictly commercial messages. Consumers now often visit online communities to search for brand/product-related information to reduce the degree of market uncertainty, and thus make more informed decisions (Kuo, Hu, and Yang 2013). According to the Accessibility-Diagnosticity Model (Heer, Kardes, and Kim 1991), when consumers perceive some WOM messages as more credible, they may consider them as more useful. The more WOM consumers receive, the more they are likely to be affected by it (Kuo, Hu, and Yang 2013). Based on the above discussion, this study posits that customers’ repeat-purchase intentions due to brand personality, CBI, and brand loyalty can only be effective when consumer inertia is low. When customer inertia is higher, its moderating impact with regard to the effects of brand personality and CBI on behavioral intention will be lower. Based on the above discussion, the following research hypotheses are proposed:

\( H_{13a}: \) WOM will positively moderate the influence of brand personality on consumers’ repeat-purchase intention.

\( H_{13b}: \) WOM will positively moderate the influence of brand loyalty on consumers’ repeat-purchase intention.

\( H_{13c}: \) WOM will positively moderate the influence of CBI on consumers’ repeat-purchase intention.

However, since inert consumers tend to continue buying a brand without considering changes in the market environment, it can be inferred that the influences of brand personality and CBI on behavioral intention can only be effective when consumer inertia is low. When customer inertia is higher, its moderating impact with regard to the effects of brand personality and CBI on behavioral intention will be lower. Based on the above discussion, the following research hypotheses are proposed:

\( H_{14a}: \) Consumer inertia will negatively moderate the influence of brand personality on behavioral intention.

\( H_{14b}: \) Consumer inertia will negatively moderate the influence of brand loyalty on behavioral intention.

\( H_{14c}: \) Consumer inertia will negatively moderate the influence of CBI on behavioral intention.
analyses and results

the respondents for the formal online survey were customers in Taiwan who had encountered at least one online service failure and thus service recovery effort. a total of 351 valid questionnaires were obtained in the formal online survey. approximately 58% of the respondents were male, and the largest group were aged between 20 and 25 at the time of this study was conducted (32%), followed by those between 26 and 37 (24%). approximately 68% of the respondents had experience of buying things online, and of a service recovery effort. on average the respondents purchased approximately 0.6 items per month. following hair, ringle, and sarstedt (2011), all the research hypotheses examined in this study were tested using Smart PLS 2.0 and SPSS 18.0.

as shown in Figure 1 and Table 1, the three factors of perceived fairness all have significant impacts on service recovery satisfaction. Among them, interactional fairness ($β = 0.512, t = 14.515$) has a significantly greater influence on service recovery satisfaction than distributive fairness ($β = 0.307, t = 6.531$), and procedural fairness ($β = 0.318, t = 7.003$), and thus $H_1$, $H_2$, and $H_3$ are supported. In addition, service recovery satisfaction has significant effects on brand personality ($β = 0.423, t = 13.419$), CBI ($β = 0.208, t = 6.975$), and brand loyalty ($β = 0.413, t = 11.746$), while CBI has a significant effect on brand loyalty ($β = 0.305, t = 9.872$), thus supporting $H_5$, $H_6$, and $H_8$. Finally, brand personality ($β = 0.410, t = 12.117$), CBI ($β = 0.390, t = 11.142$), and brand loyalty ($β = 0.541, t = 10.281$) both have significant impacts on repurchase intention, supporting $H_{10}$, $H_{11}$, and $H_{12}$.

To identify the moderating effects of WOM, the interaction terms of (1) brand personality * WOM, (2) CBI * WOM, and (3) brand loyalty * WOM were created to evaluate their influence on repurchase intention. The PLS results indicate that all three interaction terms have significant effects on repurchase intention, confirming that WOM has positive moderating effects on the influence of brand personality ($β = 0.282, t = 7.695$) and brand loyalty ($β = 0.282, t = 7.695$) on repurchase intention, suggesting that consumers who receive a higher level of WOM from others tend to have stronger repeat-purchase behaviors. $H_{13a}$, $H_{13b}$, and $H_{13c}$ are thus supported. Furthermore, to identify the moderating effects of consumer inertia, the interaction terms of (1) brand personality * consumer inertia, (2) CBI and * consumer inertia, and (3) brand loyalty * consumer inertia were created to evaluate their influences on purchase intention. The results show that consumer inertia has negative moderating effects on the influence of brand personality ($β = 0.115, t = -3.953$) and brand loyalty ($β = 0.115, t = -3.953$) on repurchase intention. The detailed parameter coefficients and t values are shown in Figure 1 and Table 1.

### Table 1 Evaluation of Structural Model and Hypotheses Testing

<table>
<thead>
<tr>
<th>Hypo.</th>
<th>Path</th>
<th>Standardize Estimate</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_1$</td>
<td>Distributive Fairness → Service Recovery Satisfaction</td>
<td>0.307</td>
<td>6.531</td>
<td>***</td>
</tr>
<tr>
<td>$H_2$</td>
<td>Procedural Fairness → Service Recovery Satisfaction</td>
<td>0.318</td>
<td>7.003</td>
<td>***</td>
</tr>
<tr>
<td>$H_3$</td>
<td>Interactional Fairness Service → Recovery Satisfaction</td>
<td>0.512</td>
<td>14.515</td>
<td>***</td>
</tr>
<tr>
<td>$H_4$</td>
<td>Service Recovery Satisfaction → Brand Personality</td>
<td>0.423</td>
<td>13.419</td>
<td>***</td>
</tr>
<tr>
<td>$H_5$</td>
<td>Service Recovery Satisfaction → Brand Loyalty</td>
<td>0.491</td>
<td>14.216</td>
<td>***</td>
</tr>
<tr>
<td>$H_6$</td>
<td>Service Recovery Satisfaction → CBI</td>
<td>0.305</td>
<td>9.872</td>
<td>***</td>
</tr>
<tr>
<td>$H_7$</td>
<td>Brand Personality → CBI</td>
<td>0.398</td>
<td>12.093</td>
<td>***</td>
</tr>
<tr>
<td>$H_8$</td>
<td>Brand Personality → Brand Loyalty</td>
<td>0.413</td>
<td>11.746</td>
<td>***</td>
</tr>
<tr>
<td>$H_9$</td>
<td>CBI → Brand Loyalty</td>
<td>0.308</td>
<td>10.281</td>
<td>***</td>
</tr>
<tr>
<td>$H_{10}$</td>
<td>Brand Personality → Repurchase Intention</td>
<td>0.410</td>
<td>12.117</td>
<td>***</td>
</tr>
<tr>
<td>$H_{11}$</td>
<td>Brand Loyalty → Repurchase Intention</td>
<td>0.541</td>
<td>16.706</td>
<td>***</td>
</tr>
<tr>
<td>$H_{12}$</td>
<td>CBI → Repurchase Intention</td>
<td>0.390</td>
<td>10.142</td>
<td>***</td>
</tr>
<tr>
<td>$H_{13a}$</td>
<td>Brand Personality * WOM → Repurchase Intention</td>
<td>0.208</td>
<td>6.598</td>
<td>***</td>
</tr>
<tr>
<td>$H_{13b}$</td>
<td>Brand Loyalty * WOM → Repurchase Intention</td>
<td>0.397</td>
<td>10.890</td>
<td>***</td>
</tr>
<tr>
<td>$H_{13c}$</td>
<td>CBI * WOM → Repurchase Intention</td>
<td>0.282</td>
<td>7.695</td>
<td>***</td>
</tr>
<tr>
<td>$H_{14a}$</td>
<td>Brand Personality * Customer Inertia → Repurchase Intention</td>
<td>-0.115</td>
<td>-3.953</td>
<td>***</td>
</tr>
<tr>
<td>$H_{14b}$</td>
<td>CBI * Customer Inertia → Repurchase Intention</td>
<td>-0.131</td>
<td>-4.149</td>
<td>***</td>
</tr>
<tr>
<td>$H_{14c}$</td>
<td>Brand Loyalty * Customer Inertia → Repurchase Intention</td>
<td>-0.265</td>
<td>-7.018</td>
<td>***</td>
</tr>
</tbody>
</table>
Conclusions and Suggestions

Several conclusions can be drawn from the results of this work. First of all, the careful handling of complaints in order to promote distributive, procedural, and interactional fairness will have significant, positive effects on recovery satisfaction. Following the concept of Double Deviation Paradox (Bitner, Booms, and Tetreault 1990), firms should thus offer appropriate recovery strategy to fulfill the need of the customers. Second, the results also indicate that the level of satisfaction toward service recovery has a significant impact on brand personality, CBI, and brand loyalty. However, promoting brand personality and CBI is more difficult in an online retail context than a more conventional one. As noted in Kuenzel and Halliday (2008), satisfaction can be a very important factor for building relationships, and when complaint handling and service recovery programs are successful, and thus satisfy customers, then these individuals will more readily identify with the brand as expressing certain elements of their personality and self-image (Wang and Yang 2010). When customer satisfaction toward service recovery is high, this can have a direct influence on brand loyalty and repurchase intention, or an indirect one through the mediation of brand personality. Firms should thus aim to offer different recovery strategies to customers with different personalities. It is therefore very important to provide service recovery measures that not only fulfill customer needs, but also to promote brand personality in a way that is compatible with the personal characteristics of the focal customer(s).

The results also indicate that consumer satisfaction toward service recovery can also influence brand loyalty through consumer-brand identification. These results are in line with those of previous studies (Papista and Dimitriadis 2012), which suggested that satisfaction will not only lead to great identification with the organization (Arnett, German, and Hunt 2003), but also to increased identification with the brand (Kuenzel and Halliday 2008), as well as greater brand loyalty (Kim, Han, and Park 2001) and more repeated purchasing behavior (Ahearne, Bhattacharya, and Gruen 2005). Firms should thus consider promoting CBI during the process of complaint handling and service recovery.

Thirdly, since WOM is seen as more reliable and trustworthy than messages from advertisers and marketers, it is especially critical in the context of online shopping, which tends to be associated with a relatively high degree of uncertainty. The study results reveal that WOM is a moderator that can enhance the influences of brand personality, CBI, and brand loyalty on repeated purchasing. The more WOM a consumer receives, the more they may be influenced by it (Bansal and Voyer 2000). As Kuo, Hu, and Yang (2013) noted, customers may compare the WOM they receive with their own experiences and then make repeat-purchase decisions based on this. Online marketing should thus integrate WOM into promotion programs to enhance brand loyalty and behavioral intention.

Finally, the results further reveal that higher levels of consumer inertia tend to mitigate the influence of service recovery satisfaction, brand personality, CBI and brand loyalty on repurchase intention. In other words, consumers with high inertia may make repeated purchases without considering changes in the market or external environment. These consumers prefer to carry out routine purchases to avoid having to learn about and compare the prices, quality, and features of different offerings, and this group may be very difficult to attract with any marketing activities (Anderson and Srinivasan 2003). Such consumers may thus have to be contacted and convinced through other communication channels.
REFERENCES


