The Moderating Role of Attribution in Penalty Judgment: An Empirical Study in the Financial Service Industry

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⟨Abstract⟩

Many financial service organizations use various types of penalties (e.g., late payment fee, overdraft fee), often inflicting customer complaints and, in extreme cases, attrition. This study examines how customers evaluate penalties using concepts from attribution theory and literatures of social justice and customer satisfaction/dissatisfaction. The study hypothesizes that both cognitive (i.e., attribution, perceived fairness, disconfirmation) and affective (i.e., emotion) responses influence customer's penalty judgment and tests the effect of moderation between attribution and perceived fairness on penalty judgment. The study uses a cross sectional survey design and collects data using the critical incident technique. The results show that attributions have significant moderating effects on the relationship between perceived fairness and dissatisfaction with the penalty and that perceived fairness, emotion, and attribution have a significant influence on penalty evaluation. The study provides discussion of the findings and managerial implications.

Keywords: Penalty, Perceived Fairness, Attribution, Customer Dissatisfaction, Financial Service

Introduction

Current business presses point out that customers of financial service intuitions experience many different types of penalties (e.g., late payment fee, overdraft fee) and their complaints about the excessive and unreasonable penalties are on the rise. Some financial institutions charge a $39 penalty for late payment, even if it is only one day late. Overdraft fees imposed on customers who overdraw their account could be $25 per each overdraft. While many organizations have strived to satisfy and retain customers hoping that satisfied customers become the organization's advocates spreading positive word of mouth, a negative incident such as a penalty assessment may turn those satisfied customers into unhappy terrorists. Studies

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(Mizerski 1982; Taylor 1991) have consistently shown that negative incidents are weighed more heavily than positive ones in consumers' evaluations of the organization. This means that one unpleasant penalty experience may wash out customers' repeated positive experiences with the organization.

Given that penalties are extensively used in the financial service industry and negative events such as a penalty have a larger impact on customers than positive events, understanding how customers evaluate a penalty is important to managers of financial service institutions. Surprisingly, however, very little research has been done to understand how customers respond to a penalty. This study develops a framework based on concepts from attribution theory and literatures of social justice and customer satisfaction/dissatisfaction and examines customers' responses to penalties in the financial service industry. More specifically, the study examines the impacts of attribution, perceived fairness, expectancy disconfirmation, and emotion on customer's penalty judgment. Also, the study investigates the potential effect of moderation between attribution and perceived fairness on penalty evaluation. This study makes several theoretical contributions: (a) by testing well established concepts in a new situational context (i.e., penalty) and adding evidence to the literature; (b) by examining the role of attribution from a new perspective (i.e., moderator), and (c) by offering a model that contains both cognitive and affective antecedents. The model is tested on the sample of customers in the financial service industry using data collected via online survey.

Model Development and Hypotheses

A penalty is defined in this study as a fee that is imposed on a customer who fails to comply with the organization's rules (McCarthy and Fram 2000). Previous studies suggest that a negative stimulus such as a penalty is likely to invoke negative responses (e.g., negative emotion) and stimulate analytical cognitive process (e.g., contemplating what caused the penalty). For example, Smith and Bolton (2002) found that customers who responded with more (negative) emotion to a service failure were more systematic in their evaluations of an organization's recovery performance (i.e., relying heavily on whether the recovery was fair). Thus, this study examines several cognitive effects such as attribution, perceived fairness, and disconfirmation as well as affective (emotional response) effect on customer's overall evaluation of the

penalty (i.e., dissatisfaction with the penalty). The conceptual framework used in this study is outlined in Figure 1.
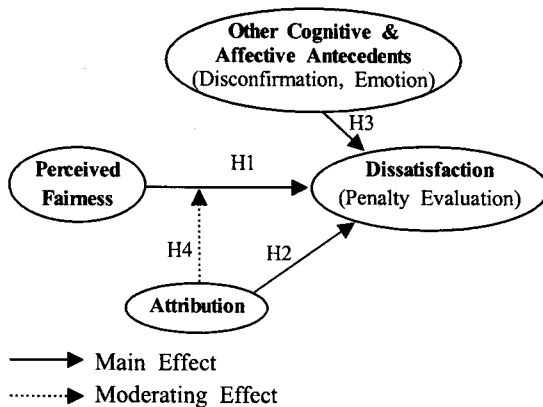

Figure 1
Conceptual Framework for Penalty Evaluation

The Effect of Perceived Fairness on Dissatisfaction with the Penalty

Prior research (Kim and Smith 2005; Oliver and Swan 1989; Smith, Bolton and Wagner 1999) has shown that customers rely heavily on perceptions of fairness when they evaluate a conflict situation (e.g., service failure, penalty) and that perceived fairness has a significant influence on their evaluations of the incident and the organization. Perceived fairness is known to have three dimensions (Kim and Smith 2005; Smith, Bolton, and Wagner 1999; Tax, Brown, and Chandrashekaran 1998): distributive justice (i.e., fairness in regard to

distribution of the outcome), procedural justice (i.e., fairness concerning the process used to reach the outcome), and interactional justice (i.e., fairness in terms of the manner of the exchange between service employees and the customer). While some studies show that one dimension is more important than others in certain situations, studies consistently show that overall perceived fairness is an important cognitive antecedent of customer satisfaction/dissatisfaction when customers are in a conflict situation (Smith and Bolton 2002; Tax, Brown, and Chandrashekaran 1998). In other words, perceptions of fairness will influence customers' dissatisfaction with the penalty. Thus, the following hypothesis is proposed.

H1: Customer dissatisfaction with the penalty will be lower (higher) when perceptions of fairness are higher (lower).

The Effects of Attributions on Dissatisfaction with the Penalty

Scholars (Bradley 1978; Heider 1958) have used attribution theory to explain how people engage in cognitive processing of information and evaluate events taking place around them. Attribution theory has evolved to include three dimensions of attribution: locus of causality (i.e., internal attribution versus external attribution), stability (i.e.,

likelihood that the same event will occur again), and controllability (i.e., volitional control). Heider (1958) laid a conceptual foundation for attribution theory by highlighting a need to understand individual's explanations of the world. Heider classified types of causes into two categories: personal (internal - e.g., personality) and environmental or situational (external - e.g., weather). Attribution research shows that people tend to attribute positive consequences to internal factors or themselves and negative consequences to external or situational causes (Bradley 1978; Weiner 2000). Thus, according to this principle of self-serving bias, when customers are faced with a penalty, they would be more likely to attribute the cause to an external factor in order to protect self-esteem.

Similarly, Bradley (1978, p. 68) suggests that human beings engage in defensive attributions (i.e., tendency to accept responsibility for negative outcomes) when they perceive themselves as having high choice in taking an action and, as a result, feel responsible for the outcome. This means that customers who attribute the penalty to an internal factor (themselves) are more likely to feel responsible for the penalty than those who attribute the cause to an external factor. This internal attribution (i.e., high tendency to accept the responsibility) will lower customer's

dissatisfaction with the penalty because he/she is predisposed to accept the penalty. In sum, customer's attribution with respect to locus of causality will influence his/her evaluation of the penalty (i.e., dissatisfaction with the penalty). Specifically, dissatisfaction with the penalty will be greater when a customer makes an external attribution than internal attribution.

Stability is concerned with the likelihood that a similar event will recur. This dimension of attribution involves people's prospect about the event. When a customer perceives the likelihood of the same negative incident to occur again as high, his/her evaluation of the current event will be rather negative than when he/she does not. For example, studies show that customer's attitude toward an organization's service recovery effort is affected by his/her perception of whether the same event would occur again in the future (Smith, Bolton, and Wagner 1999). Thus, based on prior research, this study expects that when customers view the penalty as to recur, their dissatisfaction with the penalty will be more negative than when they do not.

Controllability is another dimension of attribution and is involved with customer's perception of whether or not he/she had control over the situation that led to an outcome. Previous studies (Folks, Koletsky and Graham 1987; Kim and Smith 2005;

McCarthy and Fram 2000) found that when a customer perceived that a person or an organization had a high level of control over the situation, he/she felt that the person or the organization with volitional control should be responsible for the outcome. For example, if an airline company had to delay a flight because of an unexpected weather condition rather than a mechanical maintenance issue, passengers would be more understanding because they would perceive the airline company had no control over the situation. Even though the attribution literature identifies three main casual dimensions (locus, stability, and controllability), it is not easy to separate the effects of these dimensions from one another, especially between locus of causality and controllability (Weiner 1985; 2000). For instance, Folkes (1984) reports a high correlation ($r= 0.94$) between locus and controllability and suggests that these two dimensions may be more parsimoniously represented by a single dimension. Situations attributed to external causes usually occur in the absence of one's control over the situation. Therefore, this study employs two dimensions of attributions (i.e., locus of causality and stability). Based on principles of attribution theory, we make the following predictions about the effects of two dimensions of causality (locus and stability) on customers' responses to penalties by

service organizations:

H2 (a): Customer dissatisfaction with the penalty will be higher (lower) when the customer attributes the penalty to an external (internal) factor.

H2 (b): Customer dissatisfaction with the penalty will be higher (lower) when the customer perceives the situation as likely (unlikely) to occur again.

The Effects of Other Cognitive (Disconfirmation) and Affective (Emotion) Antecedents

The relationship between disconfirmation and customer satisfaction/dissatisfaction has been well established in many different contexts (Oliver 1980; Smith, Bolton and Wagner 1999). Disconfirmation, a cognitive state of comparing an organization's performance against a customer's expectation, has been treated as an important variable in customer satisfaction/dissatisfaction modeling. When a customer's expectation is met or exceeded by the organization's performance, positive disconfirmation occurs. On the other hand, when the organization fails to meet the customer's expectation, negative disconfirmation is to occur. Prior research showed that disconfirmation explains a large portion of variance in customer satisfaction/ dissatisfaction, even after accounting for

perceptions of fairness (Smith and Bolton 2002). Thus, this study includes disconfirmation in the model as an antecedent of customer's dissatisfaction with the penalty and expects that positive disconfirmation (i.e., performance exceeding customer expectation) will have a negative influence on dissatisfaction.

Satisfaction (dissatisfaction) has traditionally been conceptualized as an evaluative state resulting from disconfirmation between expectation and performance (Oliver 1980). This view is based on the conceptualization that satisfaction (dissatisfaction) results from a *cognitive* evaluation of a service. However, some researchers (Alford and Sherrell 1996; Bagozzi, Gopinath, and Nyer 1999; Dube 1990; Oliver 1999) examining the role of emotion in customer satisfaction/ dissatisfaction judgment showed that *affective* evaluation plays a significant role especially when the product involves services. Most previous studies suggest two dimensions of emotions-positive and negative (Dube, Belanger and Trudeau 1996; Lilijander and Strandvik 1997; Yu and Dean 2001). Lilijander and Strandvik (1997) show that feelings of anger, depression, guilt, and humilitation are negatively related to satisfaction, and feelings of happiness, hopefulness, and positive surprise are positively related to satisfaction, suggesting two dimensions of consumption related emotion. Since penalties are likely to invoke only one dimension of emotion, that is, "negative" emotion, this study investigates the role of negative emotion and expects that negative emotion will explain variance in customer satisfaction/dissatisfaction judgment even after controlling for the effects of cognitive antecedents.

H3(a): Customer dissatisfaction with the penalty will be lower (higher) when positive disconfirmation is higher (lower).

H3(b): Customer dissatisfaction with the penalty will be lower (higher) when negative emotion is lower (higher).

The Moderating Role of Attributions: Interaction Effects

Some researchers believe that individuals' feelings and evaluations are influenced by attributions that individuals make in reference to the outcome (Utne and Kidd 1980; Weiner 1985). According to Weiner (2000), customers, facing a negative outcome, will conduct a cognitive attributional search, which will influence their judgments of the event. In evaluating fairness of the penalty, customers will rely on attributions. In other words, effects of interactions between attributions (i.e., locus of causality and stability) and perceived fairness on penalty evaluation are expected. When the cause is

attributed to an external factor, the effect of perceived fairness on dissatisfaction will be greater than when the cause is attributed to the customer or an internal factor. Thus, the incremental impact of perceived fairness on dissatisfaction will be greater when causes are attributed to an external factor rather than an internal factor. In sum, locus of causality is expected to moderate the relationship between perceived fairness and dissatisfaction with the penalty.

Similarly, an interaction between stability and perceived fairness is expected. The effect of perceived fairness on dissatisfaction will be greater when the customer perceives the cause of the penalty as stable than when he/she does not. For example, a customer will have less tolerance for lack of fairness when the situation is perceived as to occur again than when it is not. Customers will generally require higher levels of fairness when they perceive the situation as likely to occur again. In sum, as perceptions of stability increase, the incremental impacts of perceived fairness on dissatisfaction will be greater. Thus, stability is expected to moderate the relationship between perceived fairness and dissatisfaction with the penalty.

H4(a): The effects of perceptions of fairness on dissatisfaction with the penalty will be higher (lower) when the penalty is attributed to an external (internal) factor.

H4(b): The effects of perceptions of fairness on dissatisfaction with the penalty will be higher (lower) when the customer perceives the situation as likely (unlikely) to occur again.

Research Methodology

Sampling Frame and Data Collection Method

The study collected cross-sectional data from customers of various financial service organizations by using an online survey. Two organizations that agreed to cooperate with data collection disseminated an email to their respective members to solicit responses. In their emails, respondents were asked to visit a web site that facilitated an online survey and complete the questionnaire consisting of open-ended questions and structured questions.

Respondents were asked to complete the questionnaire based on a penalty incident that occurred within the past year. Responses relating to financial service organizations were included for data analyses. Due to missing information, several responses were discarded, leading to the final sample size of 111. Due to the small

sample size and concerns for non-response bias, t tests between the early respondent and late respondent groups were conducted to compare the means of key variables (e.g., perceptions of fairness, demographic variables) assuming that late respondent group is similar to non respondent group. The results show no significant difference between the two groups on the key variables.

The responses included different types of financial service organizations ranging from banking and credit card services to mortgage service organizations. Table 1 summarizes the descriptive characteristics of the responses. As shown in Table 1, a majority of the penalties assessed in the financial service industry are related to late payment (71%) and overdraft (24%). Even though penalties related to late payment occur most frequently with the average amount reaching $36, the average amount of overdraft fees is well over $40 ($46). This may be due to

Table 1 Descriptive Characteristics of Responses

Variables	Statistics (n=111)
Penalty Profile	
Type of Penalty	
Late payment	79 (71%)
Overdraft fee	27 (24%)
Other (e.g., early payment fee)	5 (5%)
Average (median) penalty amount	$36 ($29)
Late payment (average)	$34
Overdraft (average)	$46
Other (average)	$13
Penalty amount considered appropriate by the respondents (average)	$8
Late payment (average)	$7
Overdraft (average)	$12
Other (average)	$0
Penalty amount considered appropriate by the respondents	
$0	34 (40%)
$0.25 - $10	32 (38%)
$11 - $25	15 (17%)
$26 and higher	4 (5%)
Respondents' Profile	
Sex	
Male	42 (38%)
Female	68 (62%)
Average (median) age of the respondents	36 (33)
Median household income	$45,000-$64,999
Median length of the relationship	5 years

the fact that customers who are assessed an overdraft fee for non sufficient fund end up with overdrawing the account again, causing another overdraft fee. Most respondents felt that the penalty amount should be much lower than the actual amount charged. For example, they felt that the appropriate amounts of penalties for late payment and overdraft are $7 and $12 on average, respectively, which are almost one fourth of the actual penalties imposed. Moreover, many of the respondents (40%) felt that the penalty should have not been charged at all.

Measures

Table 2 shows a list of the measures

Table 2 Final Scale Items

Construct and Item Measures	Factor Loadings
Perceived Fairness	$\alpha = 0.79$
Seven-point scale anchored by 'strongly disagree' and 'strongly agree'	0.71
DJUST1—Fair penalty	0.68
DJUST2—Right amount of the penalty	0.79
PJUST1—Showed adequate flexibility in responding to customers' situations.	0.78
IJUST1—Gave me the courtesy I was due	0.71
IJUST2—Appropriate level of concerns	
Locus of Causality	
Who was primarily responsible for the cause of the penalty? (myself, organization/others)	n/a
Stability	$\alpha = 0.68$
Seven-point scale anchored by 'not at all likely' and 'very likely'	
STAB1—Likelihood for a similar situation to occur again	0.87
STAB2—Likelihood to experience this type of penalty again	0.87
Disconfirmation	$\alpha = 0.72$
Seven-point scale anchored by 'much worse than expected' and 'much better than expected'	
DISC1—Penalty received	0.71
DISC2—Handling of the penalty	0.82
DISC3—Overall penalty practice	0.87
Emotion	$\alpha = 0.76$
Seven-point scale anchored by 'very little' and 'very much'	
EMOTION1—Angry	0.86
EMOTION2—Frustrated	0.82
EMOTION3—Irritated	0.78
Dissatisfaction with the Penalty	$\alpha = 0.79$
Seven-point scale anchored by 'not at all dissatisfied' and 'very dissatisfied'	
DISS1—About the organization during the particular incident	0.82
DISS2—About the penalty amount	0.84
DISS3—About the way the penalty was administered	0.86

used in this study. Multiple items on a seven-point scale were used to measure each construct except for locus of causality, which used a nominal scale measure. Items were subjected to reliability and validity analyses. Cronbach's alpha coefficients for multiple measures ranged from 0.68 to 0.79. For validity analysis, principal components analysis with varimax rotation was used to examine if the items measuring each construct loaded properly on the hypothesized factors. The items were purified through an iterative process of eliminating items that had high cross-loading and low factor loading. Table 2 shows the final scale items with Cronbach's alphas. Table 3 shows the correlation matrix and descriptive statistics for the variables used.

Analysis and Results

In order to estimate the model, a composite index was created for each construct by computing the average of the items. This method was adopted based on the evidence of reliabilities and validity of the measures. Several potential control variables (e.g., age, income, frequency, familiarity with the penalty) were tested in the model. Only one variable (i.e., frequency of the penalty---"How often are you penalized by organizations in general?" anchored by 'very rarely' and 'very frequently') was found to be significant at $p < 0.05$ and was retained to control for its effect. Regression analysis was performed to test the hypotheses. The results of the model estimation are presented in Table 4. The R^2 value for the dissatisfaction equation is 0.63, suggesting that a large portion of the variance in dissatisfaction with the penalty is explained by the variables.

Table 3 Correlation Matrix and Descriptive Statistics of the Variables

Variables	FAIR	LOC	STAB	DISC	EMO	DISS
Mean	3.27	N/A	3.59	3.43	4.97	4.84
Standard Deviation	1.46	N/A	1.80	1.07	1.67	1.66
Perceived Fairness (FAIR)	1.00					
Locus (LOC)	-0.17*	1.00				
Stability (STAB)	-0.13	-0.03	1.00			
Disconfirmation (DISC)	0.67***	-0.17*	0.03	1.00		
Emotion (EMO)	-0.37***	0.18*	0.03	-0.35***	1.00	
Dissatisfaction (DISS)	-0.53***	0.27***	0.13	-0.51***	0.56***	1.00

*p < 0.05,   **p< 0.01,   ***p<.001

H1, positing that perceived fairness (β = -0.49 p < 0.01), has a negative influence on dissatisfaction with the penalty, is supported. H2 (a-b) predicts that customer dissatisfaction judgment will be influenced by attributions. The results presented in Tables 3 indicate that the hypotheses are supported because both locus of causality and stability have a significant direct effect on dissatisfaction with the penalty. The test results support H3, indicating that both disconfirmation (β = -0.28, p < 0.01) and

emotion (β = 0.38, p < 0.01) have a significant influence on dissatisfaction with the penalty.

The moderating effects of attributions were tested using hierarchical moderated regression analysis (Aiken and West 1991). An initial regression was run to examine the main effects of attributions, perceived fairness, disconfirmation, and emotion on dissatisfaction with the penalty. For the second regression equation, the hypothesized interaction terms were added. The results

Table 4 Summary of Model Estimation Results

Predictor Variables	Standardized Coefficients	Hypothesis	Testing Results	Explained Variance (%)
Perceived Fairness				
FAIR♠	-0.49***	H1	S	33%
Attributions				
LOC	0.13**	H2 (a)	S	2%
STAB♠	0.16**	H2 (b)	S	4%
Evaluations				
DISCONFIRMATION	-0.28***	H3 (a)	S	11%
EMOTION	0.38***	H3 (b)	S	20%
Interaction Effects♠				
FAIR*LOC	0.44***	H4 (a)	S	27%
FAIR*STAB	-0.08	H4 (b)	N/S	1%
Control Variable				
FREQUENCY	-0.15**			3%
R^2	0.63			
F	21.37			
df	8, 102			
P Value	0.000			

Notes: Two-tailed tests ***p ≤ 0.01 **p ≤ 0.05 *p ≤ 0.10
Standardized Coefficients are reported.
LOC is dummy coded where 0 represents internal factors and 1 represents external factors.
Explained variance was calculated by dividing the squared beta by the sum of all squared betas included in the equation.
♠ Mean-centered values were used.

show that the addition of interaction terms increased the R^2 value by 0.12. Because Aiken and West (1991) suggest that mean centered data may be used to reduce potential multicollinearity problems when interaction terms are included in the model, the variables whose interaction terms were to be included were mean-centered first before being entered in the regression. Mean centered values were obtained by subtracting each case from the mean of the variable. A nested model joint F-test was performed to examine whether inclusion of interaction effects significantly increased the explained variance in dissatisfaction with the penalty. The test result suggests that the full model with interaction effects is significantly different from the reduced model without the interaction terms ($\Delta F = 16.5$, $p < .001$).

H4(a) and H4(b) addressed the effects of interaction between attributions (i.e., locus of causality and stability) and perceived fairness on dissatisfaction with the penalty. The test results support H4(a), indicating a significant moderating role of locus on perceived fairness ($\beta = .44$, $p < .01$). This means that the effects of perceived fairness on dissatisfaction are greater when customers attribute the penalty to external factors than when they do not. However, H4(b) is not supported because the coefficient is not significant.

Discussion and Managerial Implications

The study found that perceived fairness has a significant effect on dissatisfaction judgment, representing 33% of the explained variance. This means that customers rely heavily on *perceived fairness* of the penalty rather than disconfirmation, which is a traditional conceptualization of satisfaction/ dissatisfaction. In a penalty situation where customers experience a negative stimulus (i.e., penalty) inflicted to deprive them of economic resource, they will engage in analytical cognitive process and base their judgment on perceived *equity,* that is, one's ratio of outcome to input relative to his partner's outcome/input ratio (Adams 1965). In other words, they will examine the ratio of the penalty amount (outcome) to harm caused by them to the organization (input). This means that customers' perceptions of what is fair are determined not only by the amount of the penalty but also by perceived harm caused by them to the organization. The study found that many respondents view their failure to comply with the organization's rule has not caused much harm to the organization and feel that their penalties were unproportional and excessive. For example, half of the respondents felt an appropriate penalty should have been $5 or

less when the actual median penalty was $29. Even though some customers felt they deserved a penalty, about 40% of the respondents felt that the organization should have never charged any (see Table 1). Thus, it is no surprise that the average rating of perceived fairness is 3.27 out of 7 where 1 was 'strongly disagree' and 7 was 'strongly agree' to fairness related items. This study demonstrates that in order to reduce customer dissatisfaction with the penalty, organizations should identify and use the right amount of the penalty. The amount perceived as fair may differ based on customer's perceived harm caused to the organization. For example, a customer who was late only one day for his credit card payment would not want to pay a $39 penalty because he/she wouldn't equate the harm caused by him/her to $39.

The study also found that attributions play an important role in customers' cognitive processing of penalty information and their evaluations of the penalties. As expected, customers tend to refuse the penalty and feel more dissatisfied when the cause of the penalty is attributed to an external factor or the organization than themselves. This is true especially when the penalty amount is excessive. For example, a customer whose payment was late solely because of the mail delivery system may not feel good about paying a $39 late payment penalty. There

are many different situations where the cause of the penalties is not attributed to the customers but an external factor or the organization. Organizations should identify different types of penalty causes that are considered beyond customers' control and use that information to train front line employees to properly handle the customers.

The significant effect of perceived fairness on dissatisfaction is moderated by locus of causality. The positive sign of the interaction effect between locus of causality and perceived fairness suggest that the effects of perceived fairness on dissatisfaction are greater when customers attribute the penalty to external factors. In other words, customers value "fairness" more in a situation when the penalty is attributed to an external factor than an internal factor. The result suggests that service organizations should consider customers' attributions in administering penalties because perceptions of fairness have differential impacts on penalty evaluations based on attributions.

Financial service organizations have focused on customer retention for the past decade by spending substantial amount of resources on offering and maintaining customer "reward" programs such as "cash back" programs (i.e., a certain percentage of the purchase amount is given back to the customers) offered by credit card service companies. Interestingly, many organizations,

at the same time, have increasingly used penalties to "punish" customers for their undesirable behaviors, generating customer complaints and, in extremely cases, attrition. In response to customers' complaints, many financial service organizations started to waive a penalty when a customer with a good record asks for a waiver.   Service organizations may want to weigh potential harm caused to the relationship with customers when a penalty is used.   They may also want to consider how their "reward" program and "punishment" program fit together for the organization's marketing goals and study both short term and long term effects of penalties.

Future Research

The current study used a critical incident technique to collect data and relied on customers' past experiences with a penalty. Future studies may want to investigate the impact of penalties and penalty policies on customers by using an experimental design. In such a study, many interesting variables such as penalty amount and the organization's communication policy about the penalty may be manipulated and studied. This study viewed that cognitive and affective responses occur simultaneously.

Future studies may want to examine a sequential effect that may exist between affect and attribution: initial affect following a penalty--attribution--updating of the affect. Also, future studies may want to expand the model to examine how dissatisfaction with the penalty (i.e., transaction-specific evaluation) influences customers' overall satisfaction with the organization (i.e., global evaluation) and their subsequent behaviors as well as to test the model in other types of financial services (e.g., investment banking).

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