ABSTRACT
This empirical study is based on social identity theory, and aims to highlight the potential impact of customer’s inertia in the context of online service recovery. Analyses of the data from China, results demonstrate that consumer inertia influences on the relationship of consumer-brand identification to brand personality and repurchase intention. The results demonstrate that the perception of service fairness is important to construct customer attitude on service recovery fairness to an online shop. The managerial implications that the identity marketing would not effective in online-shopping market, due to most of online shops have not established a distinguish brand personality. Instead of, well service recovery processing can increase consumers’ identification and repurchase intention, also facilitates the brand personality building. The most importance of consumer inertia decreases the effect of self-concept in online context.

Keywords: service recovery fairness, consumer inertia, brand identification, brand personality, self-concept

INTRODUCTION
Nowadays many people have the experience of shopping online. However, the characteristics of indirect contact in online shopping process generate a lot of trade disputes (i.e., service failure). E-service failure often occurs due to lack of the opportunity to interact with customers face to face, and resulting in an inability to make immediate service recovery (Wolfinbarger and Gilly, 2001). More specifically, previous studies prove that the fairness of service recovery evaluation of customers is driven by a three-dimensional approach to perceived fairness, i.e., distributive, procedural, and interactional fairness (Carr, 2007; Schoefer and Ennew, 2005).

Under such complicated and highly competitive virtual environment, identity marketing is considered a focal issue in marketing. Brand identity helps one company to be recognized readily among numerous of shopping site. As customers have stronger brand identity represents that their self-concept have higher connection with a brand. This sense may conduct their loyalty to a brand. The self-concept is complex, which involves both macro and micro level of processes (Stets and Burke, 2000). During the complex process of how customers become strongly attracted to the brands and products that help them to express who they are. In the consumer relationship marketing, self-concept plays an essential role. Especially, the concept of identification is known as an indicator of the strength of consumer-brand relationships in recent years. Consumer-brand identification (CBI) appears to a mediator leading to the behavioral outcomes of trust, commitment, loyalty, and repurchase intention (Kuenzel and Halliday, 2008). In addition, brand personality is also one of important concept relates to self-concept.
Although previous literatures have widely argued for self-concept either from social identity perspective (e.g. Reed, et. al., 2005; Kuenzel and Halliday, 2008) or from perceived fairness in the dynamic service recovery process (e.g. Blodgett, et al., 1993, 1997), few studies discuss them together. In reality, these two components generally lead customers to spread positive or negative word-of-mouth and influence on their formation of brand personality, further impact on their repurchase intention. A loyalty customer has positive attitude to the brand and repeat purchase behavior. However, not every product or service consumption customers is willing to spend time on making-decision. The type of customers also based on their past experience of using. Their repurchase action not based on truly loyalty to a brand, but a convenience and lower searching-cost concerns. This situation is very common to see on consumer behavior, namely, consumer inertia.

Recently, the research of online brand communities is blooming, which is object to build up the consumer identification to a brand. However, lack of literature to discuss whether identity marketing also suitable for applying in the context of online businesses. In the virtual network, is the importance of brand personality as important as in physical channel? Do brand identification and brand personality establishment increase consumers’ repurchasing intention? People who are online shoppers normally have the concern of convenience; does consumer inertia impact on their purchase behavior and their identification to a brand? Those questions have not been widely acknowledged. Thus, this study attempts to extend the understanding of consumer inertia, as well as, the role of perceive fairness, consumer brand identification, and brand personality in the context of online-shopping.

THEORETICAL FOUNDATION AND HYPOTHESES DEVELOPMENT

Social Identity Theory

Social identity theory (Tajfel, 1982; Turner, 1979) is first proposed in social psychology context. The theory has generally clarified the self-concepts through both macro and micro level of processes (Stets and Burke, 2000). This theory relevant to the concept of self-concept, that how individuals identify themselves with other social entities, as the self-concept is embedded in a collective society as whole (Stets and Burke, 2000). This theory was further extended to develop the basic concept of organizational identification, which is the extent to which organizational members define themselves in terms of oneness with the organization; it has been applied into numbers of organizational studies. Moreover, Social identity theory is also important to influence the purchase decision-making process of consumers (Reed, et. al., 2005). Moreover, many marketing studies have demonstrated that, using social identity theory on customer-brand relationship, it is contribute to companies to do brand management and brand communities establishment by identity marketing (e.g. Reed, et. al., 2005; Kuenzel and Halliday, 2008). Based on the above discussions, social identity theory is adopted in this study to explain the perception of consumers identified themselves with an online shop brand.

Hypotheses Development

In the context of service recovery, the customer complaining behavior is consequently arisen from consumer’s perceived unfairness of treatment during the process of service delivery (Blodgett et al., 1993, 1997). Customer perceived unfairness is resulted from the inconsistency between customers’ expectations and they perceived actual service performance. Customer dissatisfaction is normally resulted
from service failure (Blodgett et al., 1993; Wolfinbarger and Gilly, 2001). Service fairness has significant influence on service satisfaction (Blodgett, et al., 1997; Tax, et al, 1998). Some studies focus on the consequences of service recovery fairness, including customer satisfaction, trust, commitment, word-of-mouth, purchase intention and brand loyalty (Blodgett et al., 1997; Kau & Elizabeth, 2006; Tax et. al., 1998).

The theoretical foundation of service fairness is based on the equity theory (Adams, 1965). Many scholars have argued that the consumer judgment of fairness is significantly positive impacted by three dimensions of distributive fairness, procedural fairness, and interactional fairness (Tax and Brown, 1998). Distributive fairness refers to perception of outcome fairness after resource distribution and allocation; procedural fairness refers to perception of fairness with respect to the procedure employed to produce the outcome; interactional fairness refers to perception of the information exchange attitude and the conflict resolution process through to the final outcome. It is suggested that these three dimensions of fairness are the antecedents of service recovery fairness. Therefore, service recovery fairness is a formative indicator (Carr, 2007; Schoefer and Ennew, 2005). Based on the above discussion, service recovery fairness is defined in this study as the outcomes of consumer perception from their experience of online shop service recovery processing .Based on the above literature, and the following hypotheses are posited:

H1: Distributive fairness has positive influence on service recovery fairness.

H2: Procedural fairness has positive influence on service recovery fairness.

H3: Interactional fairness has positive influence on service recovery fairness.

Furthermore, Tax and Brown (1998) discover that, compared to no service failure experienced customers, customers who have experienced satisfied service recovery will lead to higher satisfaction and loyalty to the company. The view is consistence with Blodgett et al. (1993; 1997) who state that perceived fairness will have a negative effect on complainant’s negative word-of-mouth behavior, but have a positive effect on complainant’s re-patronage intentions (such as repurchase intention, higher loyalty, etc.). Plenty of literature has argued that perceived fairness of a transaction is positively related to repurchase intention and brand loyalty (Tax et al., 1998; Huang, 2011; Pizzutti and Fernandes, 2010). According to the statement of Blodgett et al. (1993; 1997) and Tu (2004), stated that people who have positive fairness perception toward service recovery would result in positive emotions and these emotional experiences may enhance consumer identification. Based on the above literature, the following hypotheses are posited:

H4: Service recovery fairness has positive influence on consumer-brand identification.

H5: Service recovery fairness has positive influence on repurchase intention.

H6: Service recovery fairness has positive influence on brand personality.

Both affect and cognition are the important roles in attitude formation and change (Fabrigar and Petty, 1999; Bhattacharya and Sen (2003). Bergami and Bagozzi (2000) have demonstrated that, in the
early stage (i.e., the consumers have rare information of a new brand), affective factors have higher impact than cognition. However, as the amount of information increasing, the cognitive factors will be gradually strengthened (Homburg et al., 2006). Therefore, CBI is established based on the above components (Bagozzi and Lee, 2002; Bagozzi and Dholakia, 2006). With the above literature, this study adopts the definition of consumer-brand identification as a cognitive act which is motivated by the consumer to define his or her self, self-connection perception (i.e., belongingness) to a brand (Lam et al., 2010).

The effect of identification on repurchase intention is an emerging issue for recent studies (He and Li, 2010; Marin et al., 2009). Kuenzel and Halliday (2008) consider that repurchase intention is the outcome of brand identification. Cognitive and affective trusts are positively related to a customer’s intention of continuing the relationship due to the loyalty of a product or brand (Crosby et al., 1990; Doney & Cannon, 1997). Moreover, Parasuraman(1997) recognizes that customer value creation is a dynamic process. The customer value–loyalty process is likely to change over time. Therefore, this study adopts consumer-brand identification, because both social identification and service dynamics are all in the consumers’ psychological context (He et al., 2011).

Brand personality refers to the human characteristics that can be attributed to a brand (Aaker, 1996). It leads customers to develop a strong connection to the brand, which is a key variable in the consumer’s choices of brands. Previous studies indicate that consumer perceived clearer brand personality of a brand will have stronger brand purchase intentions (Freling and Forbes, 2005; O’zsomer, and Lerzan, 2007). Based on the above literature, the following hypotheses are posited:

H7: Consumer-brand identification has positive influence on brand personality
H8: Consumer-brand identification has positive influence on repurchase intention.
H9: Brand personality has positive influence on repurchase intention.

Inertia is defined as a condition of the repurchasing behaviors being undertaken passively without much thought (White and Yanamandram, 2004), which is a condition that customers’ repeat purchases occurring because of their laziness, inactiveness, or passiveness (Yanamandram and White, 2006). With a trait of habitual attachment to unemotional, indifferent, and convenience driven, inertia is a goal-directed behaviors (Gounaris and Stathakopoulos, 2004; White and Yanamandram, 2004). Therefore, inertia customers are typified as lazy, inactive, or passive (Zeelenberg and Pieters, 2004). They tend to avoid making price comparison among alternative (Pitta et al., 2006).

In addition, Oliver (1999) argued that loyalty is accompanied by an additional desire to overcome obstacles to prevent action. If this engagement is repeated, action inertia develops. In this sense, action inertia is defined as the facilitator of repurchasing behaviors which lead consumers to habitual and routine repurchasing behaviors due to highly loyalty to a brand. However, Ganesh et al. (2000) indicate that inertia normally results in spurious loyalty. This type of inertia has very low degree of engagement and commitment involved in the consumer-brand relationship. Most literatures support that consumer loyalty is a result from inertia, but the degree of involvement may lead a different effect (Yanamandram and White 2006). In this study, consumer inertia is defined as a behavioral outcome of habitual attachment to unemotional, and convenience driven.
Prior literature has confirmed that consumer inertia has impact on brand loyalty (Vogel et al., 2008). Also, the inertia has been applied in the field of organizational behavior. Moreover, recently some studies adopt consumer-brand inertia as moderator to accelerate the influence of customer loyalty on satisfaction. Anderson and Srinivasan (2003) introduce this concept into the e-commerce context to explain how the online consumers are influenced by the inertia. It is suggested that customers with higher level of inertia that will result in higher level of e-loyalty and e-satisfaction. However, no study has addressed how inertia can moderate the influences of CBI, brand personality on repurchase intention in the online-shopping context. Based on all above literature review, the following three hypotheses are developed:

H10a: Consumer inertia can moderate the influence of consumer-brand identification on brand personality.

H10b: Consumer inertia can moderate the influence of consumer-brand identification on repurchase intention.

H10c: Consumer inertia can moderate the influence of brand personality on repurchase intention.

RESEARCH METHODOLOGY

The Conceptual Model

A comprehensive research model was developed to integrate the above phenomenon. Moreover, the research model will be evaluated through questionnaire survey by targeting the samples from China. The reliability and validity measurement scale of the research constructs were also evaluated. A multivariate data analysis was adopted to empirically test the developed research hypotheses. The research framework of this study is shown in Figure 1.

Figure 1. The framework of this study
Our scale development followed the recommendations of Straub, Boudreau, and Gefen (2004) and the standard psychometric scale development procedures of Devellis (2003). The scales of service recovery fairness was adapted from Carr (2007), Beugré (1998) and Blodgett et al. (1997); the construct of consumer-brand identification was adopted from Ward et al. (2007) and Bricker and Kerstetter (2000); the scale of brand personality was adopted from Aaker (1996). The scale of repurchase intention was adopted from Blodgett et al. (1993), Carr (2007), and the scale of consumer inertia was adopted from Wu (2010) and Kim et al. (2010). All items were measured using a 5-point Likert-type scale ranging from “strongly agree” to “strongly disagree”. A pilot study was conducted prior before formal test. The initial questionnaire was given to 50 subjects who had purchase products via online shops. The overall reliability scores of Cronbach’s alphas are ranging from 0.655 to 0.882, which implies that the scales are appropriated to measure this research framework.

All research hypotheses of this study were tested through SmartPLS 2.0 with the measurement items. Using SmartPLS 2.0 with the maximum-likelihood estimation, we tested the hypothesized models and paths of the models. The service recovery fairness construct included a second-order factor with three first-order factors as formative indicators, and first-order factors with reflective indicators. Also, the data analysis was divided into two sections, including an analysis of the measurement and of the structural model.

RESEARCH RESULTS AND ANALYSES

Descriptive Analysis

Before conducting the formal survey, a pre-test was conducted with a series of interviews. The author was in person to face to respondents in person. The respondents were encouraged to criticize the questionnaire items during the process of filling in answers. Total of 209 valid questionnaires were obtained with a valid response rate of 67.78 % from China for formal-test. For the formal survey, 69.2% of male respondents, 30.8% of female respondents. Majority of respondents’ age ranging is from 17 to 25, and following by the ranging is from 26 to 34. More than 65% of those respondents had bachelor degrees. Also, more than 71% respondents have purchased product or service through online shopping. Only 8.3% of respondents have never purchased through internet. The average frequency of purchase products online is 2.5 times a month.

Construct Validity and Reliability

Table 1 shows the Construct validity and reliability of this research framework. Firstly, results reveal that the variance extracted for all factors exceeded the minimum threshold value of .50 which was an indication of convergent validity of all scales. The Cronbach’s alpha coefficient ranged from 0.693 to 0.834, and the results are attested to the high internal consistency of the instrument in which all values were above the suggested level of 0.70 for scale robustness (Nunnally & Berstein, 1994). The internal consistency of the measurement model was assessed by computing the composite reliability. The coefficients ranged from 0.830 to 0.882. The average variance extracted (AVE) indicates what percentage of the variance of the construct is explained by an individual item. In this study, all constructs demonstrated average variance extracted values of between 0.600 and 0.689, all higher than the benchmark of 0.5 which recommended by Fornell and Larcker (1981). Overall, the AVE from
the constructs demonstrated a satisfactory reliability and validity. In sum, the internal consistency and validity results enabled us to proceed to an estimation of the structural model.

Table 1. Construct validity and reliability

<table>
<thead>
<tr>
<th>Construct</th>
<th>AVE</th>
<th>CR</th>
<th>$R^2$</th>
<th>Cronbach's Alpha($\alpha$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase intention</td>
<td>0.620</td>
<td>0.830</td>
<td>0.512</td>
<td>0.693</td>
</tr>
<tr>
<td>Brand Personality</td>
<td>0.689</td>
<td>0.869</td>
<td>0.497</td>
<td>0.776</td>
</tr>
<tr>
<td>Consumer-Brand Identification</td>
<td>0.647</td>
<td>0.845</td>
<td>0.351</td>
<td>0.728</td>
</tr>
<tr>
<td>Consumer Inertia</td>
<td>0.642</td>
<td>0.843</td>
<td></td>
<td>0.726</td>
</tr>
<tr>
<td>Distributive Fairness</td>
<td>0.637</td>
<td>0.839</td>
<td></td>
<td>0.712</td>
</tr>
<tr>
<td>Interactional Fairness</td>
<td>0.600</td>
<td>0.882</td>
<td></td>
<td>0.834</td>
</tr>
<tr>
<td>Procedural Fairness</td>
<td>0.651</td>
<td>0.881</td>
<td></td>
<td>0.819</td>
</tr>
</tbody>
</table>

To validate this measurement model, the factor loadings from the final PLS measurement models are reported in Figure 2. All items loaded significantly (> .70) on their respective factors which was an indication of indicator reliability. The individual path coefficients of this model are also shown in Figure 2. For evaluation of the structural model, the overall model of $R^2$ is 0.512. According to Hair et al. (2011), $R^2$ value of 0.50 for endogenous latent variables in the structural model can, as a rule of thumb, be described as moderate model in marketing research (shown in Table 1). Overall, it indicates that a good measurement model. Another important indicator for estimating PLS path model is GoF (Goodness of Fit) index, which is defined as the geometric mean of the average communality and average $R^2$ for all endogenous constructs, it is applied for both reflective and formative latent variables in a complex model as providing a measure of overall fit (Tenenhaus et al., 2005; Vinzi et al, 2010). The range of GoF index is between 0 and 1, based on the criteria of GoF index (GoFsmall = 0.10; GOfmedium = 0.25; GOflarge = 0.36), the GoF of 0.542 in this research model indicates that high prediction power.

Figure 2. The measurement model
Table 2 shows the examination of moderating effect of consumer inertia based on three model comparisons. Model 1 tests the main effect to each construct path without moderator of consumer inertia; the eight paths all significant, except for the path of CBI and repurchase intention, which indicate that besides of hypothesis 8 not supported, other eight hypotheses all supported. Model 2, it is object to view the moderating main effect, the results illustrate no main effect of consumer inertia significantly. In the model 3, aims to strengthen the moderating effect of inertia, interaction effects are tested. The result indicates that consumer inertia can moderate the relationship among consumer-brand identification, brand personality and repurchase intention. Therefore, hypothesis 10a and hypothesis 10c are supported.

Table 2. The examination of moderating effect of consumer inertia

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sample size (n=209)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model1</td>
</tr>
<tr>
<td>Distributive Fairness → Service Recovery Fairness</td>
<td>0.270***</td>
</tr>
<tr>
<td>Procedural Fairness → Service Recovery Fairness</td>
<td>0.179**</td>
</tr>
<tr>
<td>Interactional Fairness → Service Recovery Fairness</td>
<td>0.447***</td>
</tr>
<tr>
<td>Service Recovery Fairness → Repurchase Intention</td>
<td>0.424**</td>
</tr>
<tr>
<td>Service Recovery Fairness → Brand Personality</td>
<td>0.756**</td>
</tr>
<tr>
<td>Consumer-Brand Identification → Consumer-Brand Identification</td>
<td>0.586***</td>
</tr>
<tr>
<td>Consumer-Brand Identification → Brand Personality</td>
<td>-0.134*</td>
</tr>
<tr>
<td>Consumer-Brand Identification → Repurchase Intention</td>
<td>0.079</td>
</tr>
<tr>
<td>Brand Personality → Repurchase Intention</td>
<td>0.272**</td>
</tr>
<tr>
<td>Moderating Main Effect</td>
<td></td>
</tr>
<tr>
<td>Consumer Inertia → Consumer-Brand Identification</td>
<td>0.260</td>
</tr>
<tr>
<td>Consumer Inertia → Brand Personality</td>
<td>0.240</td>
</tr>
<tr>
<td>Consumer Inertia → Repurchase Intention</td>
<td>0.027</td>
</tr>
<tr>
<td>Interaction Effect</td>
<td></td>
</tr>
<tr>
<td>Consumer Inertia * Consumer-Brand Identification → Brand Personality</td>
<td>0.120**</td>
</tr>
<tr>
<td>Consumer Inertia * Consumer-Brand Identification → Repurchase Intention</td>
<td>0.113</td>
</tr>
<tr>
<td>Consumer Inertia * Brand Personality → Repurchase Intention</td>
<td>0.145*</td>
</tr>
<tr>
<td>( R^2 )</td>
<td>0.468</td>
</tr>
</tbody>
</table>

Note: 1) \( * p<0.05; \) \( ** p<0.01; \) \( *** p<0.001 \). 2) All coefficients are the standardized value.

**DISCUSSION AND CONCLUSION**

Several concluding could be drawn from the results of this study:

Firstly, the first finding indicates that distributive fairness, procedural fairness and interactional fairness significantly have positive impact on service recovery fairness, it interprets these three
dimensions of fairness are also the antecedents of service recovery fairness at the online circumstances. This finding is consistence with Carr (2007), Schoefer and Ennew (2005). This represents that perception of service fairness is important to construct customer attitude on service recovery fairness to an online shop.

The second finding is that summarizing the influence of the service recovery fairness to the self-concepts of consumer-brand identification and brand personality; it is important that, findings indicate service recovery fairness has positive impact on both of consumer-brand identification and brand personality. In the other words, in the context of online after service, while consumers perceived higher fairness will increase the higher identification to a brand, the brand personality will be also strengthened. This finding is consistence with (Carr, 2007; Schoefer and Ennew, 2005).

Surprisingly, the third finding, this study empirical evidence shows that the relationship between consumer-brand identification and brand personality has negative influence (in model 1). Previous literature often views brand personality as a part of consumer-brand identification, or antecedence of consumer-brand identification (literature). The result indicates that consumers have higher identification to a brand cause of weaker perception on the brand personality.

Finally, the last finding is the moderating effect of consumer inertia in the context of online-shopping is powerful. Initially, under the condition without consumer inertia concerns, consumer-brand identification and brand personality has negative relationship; brand personality is positive influences on consumer repurchase intention. However, while the effect of consumer inertia is concerned, these two self-concepts of consumer-brand identification and brand personality are not as the expectation of self-concept can enhance consumer’s repurchase intention in online-shopping context. The results are inconsistence with prior studies (Kuenzel and Halliday, 2008; Marin et al., 2009; He and Li, 2010). Based on the investigation of this study, the respondents express that they know some of famous brand name of online shops, and they can distinguish what products or service they provided among numbers of online shops. However, it is difficult to recognize the brand personality of online shops. This situation could be concluded that the characters of online shops causes of vague brand personality to consumer perception.

To sum up, this study contributes that finding in the context of online-shopping, the perceived service fairness and consumer inertia effect are much powerful than self-concept impact. The identity marketing would not effective in the online-shopping market, while the processing of service failure may encourage consumer’s identification to a brand. On the contrary, even if the consumers have identification to a brand, but because of inertia effect, sometimes they may just consider convenience then choose the online shop which they see in the first sight on the homepages.

Implications

Academically, this study has the following theoretical implications. Unlike previous research, this study particularly focus on the context of online service recovery; to discuss whether online perceived service recovery fairness and the two major self-concepts of identity marketing can also impact on consumers repurchase intention as in psychical retail market. To test possible relationships among service recovery, CBI, brand personality and repurchase intention. Most specially, consumer inertia matter in the context of online-shopping, particularly most of online shops brand personality still in the indistinct stage to consumers. The repurchase behavior is the outcomes of habitual attachment and convenience driven,
not a certainty caused by consumers’ identification and the attraction of online shops’ brand personality.

This study contributes to managerial implications that provide the insight that perception of brand personality could not be constructing from consumer identification in the online context. The identity marketing would not effective in online-shopping market, due to most of online shops have not established a distinguish brand personality. Instead of, well service recovery processing can increase consumers’ identification and repurchase intention, also facilitates the brand personality building. The most importance of consumer inertia decreases the effect of self-concept in online context. Also, it has to be stressed that the data source is collected from China, in other words, it implies that identity marketing would not effective in the online-shopping market of China. China online shoppers will be influence by consumer inertia, then consequence of repurchase behavior.

The online-shopping companies are suggested that pay more attentions on their after service, because the result indicates a good service recovery processing is much effective than promoting identify marketing to enhance consumers’ repurchase intentions in China. Providing a good service recovery processing is effectively facilitate to strengthen the brand identification and makes distinct brand personality to consumers. Service recovery fairness should be the main objective of consumer- relationship management, which assists with long-term relationship to online shoppers. In addition, due to consumer inertia, based on convenience and habitual attachment, online shops should be having a distinct brand logo on the homepages accompanies promptly link to the shopping site. While consumers are habituated to the brand of online shop, and having a good experience on the processing of online shop service recovery, they will have higher repurchase intention to the online shop.

**Study limitations and future research**

This study applies social identity theory with new areas not previously fully explored. The results present that in the context of online-shopping, the part of after service is important which leads consumers to establish brand identification and toward brand personality clearly. Most of China online-shoppers have the trait of consumer inertia; however, different national culture may lead different results. Further research can modify and seek to apply a similar research framework in other markets. Furthermore, the results of this research should be carry qualitative method out, in order to fully understand the link between CBI and brand personality and to estimate the validity and reliability of the existing theories. This research forms the initial stage of an extended investigation. We are confident that this study has made a step forward in the area of service recovery fairness and it can serve as a stepping stone for further research in the future.

**Reference**


