

## THE EFFECT OF RECOVER SATISFACTION, SEVERITY AND PSYCHOLOGICAL CONTRACT VIOLATION TOWARD BOYCOTT IN *HALAL* VIOLATION INCIDENT

Nor Asiah Omar<sup>1</sup>, Nordiana Ahmad Nordin<sup>2</sup> and Muhamad Azrin Nazri<sup>3</sup>

### Abstract

Understanding halal violation effect is important as it can harm product through negative behaviors. This study aims to investigate the effect of psychological contract violation (PCV), recovery satisfaction and severity of violation on boycott. Furthermore, this study will also examine the moderating effect of PCV in the relationship between recovery satisfaction and severity of violation on boycott. A total of 212 questionnaires were collected from consumers who were aware and/or had experienced the violation of a halal product in Malaysia. A hierarchical linear regression analysis was used to test the research model. This study found that PCV and recovery satisfaction have a significant influence on boycott. The contribution of this study is obvious as the resulting outcomes can be capitalized as a guideline for managers to design recovery action towards halal violation incident. This study is among the first few attempts towards investigating halal violation and psychological contract violation effect.

**Keywords:** recovery satisfaction; severity; psychological contract violation; boycott; halal

### INTRODUCTION

In Islam consuming *halal* products is an obligatory to all Muslims. As *halal* has been growing fast and becoming a profitable industry, countries in Southeast Asia, Europe, Africa and also in some Arab countries have prompted many foods marketed applying for the *halal* certificate to cater Muslim market demands (Othman *et al.*, 2011). Today, *halal* is associated with manufacturing clean, safe and hygienic consumer products and services; coupled with innovations towards green manufacturing and technology; and compliances as well as upholding strong ethical and religious values as the centers for the new business operations (Badrudin *et al.*, 2012). *Halal* is becoming a global symbol for quality assurance and lifestyle choice (Rezai *et al.*, 2012; Haque *et al.*, 2015) as well as food safety, sustainability, and environmental friendliness to non-Muslim (Abdul Aziz & Chok, 2012; Rezai *et al.*, 2010). In order to assure the consistency of quality standard and guidelines, most of the countries around the world have established institution specifically for *halal* certification such as Religious Department of Islamic Development Malaysia (JAKIM) (Malaysia), Majelis Ulama Indonesia (MUI), Islamic Religious Council of Singapore (MUIS), *Halal* Institute of Thailand, *Halal*

<sup>1</sup> Faculty of Economics and Management, Universiti Kebangsaan Malaysia. Correspondence: norasiah@ukm.edu.my

<sup>2</sup> Department of Business and Management, Faculty of Economics and Business, Universiti Malaysia Sarawak. email: annordiana@feb.unimas.my

<sup>3</sup> Faculty of Economics and Muamalat, Islamic Science University of Malaysia (USIM), Malaysia. email: muhdazrin@usim.edu.my

Australia, Muslim Food Board (United Kingdom) and ISWA *Halal* Certification (United State of America). As a highly reputed and recognized Islamic country, Malaysia is one of the pioneers in promoting *halal* throughout the world and is well poised to play a leading role in boosting the *halal* industry. The Malaysia government effort and supports are admirable, as setting up *Halal* certification authority, providing incentives for *Halal* businesses, funding research on *Halal* related studies through universities and research institutes as well as organizing *Halal* training for industry practitioners. This is to promote the *Halal* industry with the objective to make Malaysia the global *halal* hub for production and trade in *halal* goods and services (Mohamed *et al.*, 2013).

Due to the importance of *halal* among Muslim customer, *halal* violation among companies that have been awarded with *halal* accreditation is perceived to be unacceptable. There are also cases where *halal* certificates for restaurants and food factories were canceled because of non-*halal* compliance. Muslim consumers are becoming more alert when buying and consuming products that have *halal* certification (BBC World News, 2014; The Malaysia Insider, 2014) after such cases, even if, as some people suggest, the mass media has exaggerated their reports about these issues (Zakaria, 2008). As the trust of Muslims in any *halal* mark is implicit, such cases are considered as a breach of promise. To add more, severity of violation has been found to affect customer's trust and behavior in trust repair (Bansal & Zahedi, 2015) and service failure recovery (Hess *et al.*, 2003; Weun *et al.*, 2004; McQuilken, 2010). Although consumers may have different perceptions and responses towards the seriousness of *halal* violation by companies, the incident should not be treated as remote issues. Unfortunately, there is no study that has been carried out on investigating *halal* violation effect. The previous study on *halal* is mainly focused to supply chain management (Van der Spiegel *et al.*, 2012; Tieman *et al.*, 2012. Ab Talib *et al.*, 2015), purchase intention (Mukhtar & Mohsin Butt, 2012), *halal* certification (Marzuki *et al.*, 2012), and *halal* product such as cosmetic (Abd Rahman *et al.*, 2015; Auon & Tournois, 2015).

The problem of customer boycott due to the breakout news of *halal* violation incident is expected to bring damage to company sales, brand, and reputation (Klein *et al.*, 2001). *Halal* violation can be viewed as unethical corporate behavior that may elicit negative consumer emotions and behavior (Lindenmeier, 2012). Prior literature confirms that customer boycott leads to a strong negative impact on brand perception, brand judgment, brand loyalty and brand image of the product and even the company in question (Abosag & Farah, 2014; Al-Hyari *et al.*, 2012). On the positive side, customer boycotts can effectively direct corporate ethics of the company i.e. remedy the 'wrong' and enhance the market position of well-behaving companies (Glazer *et al.*, 2010). Customer boycott due to religiosity has been previously studied by Al-Hyari *et al.*, 2012, indicating that consumer behavior is becoming influenced progressively by religion. Prior literature exhibit that customer boycott can be due to consumer animosity, consumer efficacy (Smith & Li, 2010), self- enhancement and consistency (Klein *et al.*, 2001). There are several ways consumers react to maltreatment by companies. Some consumers

engage actively in negative word of mouth behaviors, complaining, boycotting companies, rage, retaliation, and legal actions that can cause a negative impact to companies (Fisk *et al.*, 2010; Grappi *et al.*, 2013; Grégoire & Fisher, 2008). Product boycott refers to consumers who have abstained from purchasing a particular product because of some form of ideological discontent (Lee *et al.*, 2009) or unethical credibility (Lavorata, 2014) with a company or country.

While the severity of customer boycott is critical to the business, there is still lack of study investigating the association of *halal* violation and customer boycott. Therefore, this study aims to study *halal* violation incident by investigating the severity of the *halal* violation, recovery satisfaction and psychological contract violation effect on customer boycott. Furthermore, the study also attempts to examine if psychological contract violation plays a moderating role in the relationship between severity of violation and recovery satisfaction on customer boycott.

The introduction will be followed by brief literature review to support hypotheses development. Next methodology section describes how this study designs. Finding and discussion will explain further the results from analysis and ended with implication and conclusion. This study is expected to provide new insight into the *halal* literature by introducing new variable that is PCV and a new issue that is *Halal* violation. Practitioners will benefit by having an empirical data to support and guide in facing *halal* violation incident.

## LITERATURE REVIEW

### Theoretical Background

Both psychological contract theory and social exchange theory are used and integrated into this study in explaining and justifying constructs involved. In addressing the research problems, this study incorporates psychological contract theory as a means of explaining the customer reaction toward the service provider when the service violation occur (Robinson, 1994). This theory illustrates that one party to the exchange need perceive that the contract exists in order for it to be in force. Nonetheless, psychological contract is considered difficult to manage as the violation of the contract is subjectively defined by one of the parties to the exchange, which is mainly the customer (Fullerton & Taylor, 2015). The reaction of violation of a psychological contract largely involves powerful and negative emotions directed toward the company that is responsible for the violation. Since the violation of the contract is subjective, the significant bias in the evaluation of events leading to the perception of violation exists (Fullerton & Taylor, 2015). While, social exchange theory (SET) which focuses on interpersonal exchanges, as well as market exchanges (Blau, 1964; Homans, 1958) provides a meaningful explanation of consumer perception of a service failure, service recovery effort and post recovery behavior (Smith *et al.*, 1999; Tax *et al.*, 1998). In most severe violation incidents, consumers tend to feel betrayed, difficult to forgive and likely to punish the firms through the act of punitive damages (Finkel *et al.*, 2002; Koehler & Gershoff, 2003). In social exchange theory perspective, PCV leads to the

creation of negative norms of reciprocity. Accordingly, the study utilizes severity of *halal* violation, recovery satisfaction, psychological contract violation and customer boycott as variables to be examined.

### **Boycott**

Dissatisfaction experiences are ordinary events in the marketplace. Unethical corporate behaviors frequently result in strong reactions from consumers and may elicit negative consumer emotions and behavior (Lindenmeier et al., 2012). There are several ways consumers react to mistreatment by companies. One of it is boycott participation. Boycott involves consumers abstain from purchasing products owing to some form of ideological discontent with a companies or country (Lee et al., 2009). Lavorata (2014) argue that boycott occurs when some consumers avoid specific products and brands due to companies' ethical credibility. Most consumers participate in boycotts as a way to express severe dissatisfaction (Braunsberger & Buckler, 2011). They claim that consumers participate in boycott because they want to force the company to change or abandon behaviors that are considered to be unethical or socially irresponsible. In the case of Halal, once a product is found to violated the halal certification awarded whether it is a speculation or actual incident, consumer especially Muslim consumers are expected to feel betray and angry. This will lead them to engage in negative consumption behavior such as boycott. Grégoire and Fisher (2008) reported that the higher level of the feeling of betrayal higher the level of retaliation. Thus in this study, we predicted that boycott participation on the product that is found violating halal certification will be higher when the case is more severe, the higher feeling of betrayal and low recovery satisfaction by the consumer.

### **Severity of Halal Violation**

Severity refers to the customer's perceived intensity of the service failure (e.g. Weun et al., 2004) or the magnitude of loss experienced by customers as an outcome of the service failure or violation (Hess Jr, 2008; Hsieh, 2012). The impact of the violation on customers is likely to be related to their subjective evaluation of the intensity or seriousness (severity) of the violation. Additionally, customers' losses due to violation could be a tangible monetary loss or intangible emotional losses such as frustration, feelings of betrayal or inconvenience (Hess Jr, 2008). Based on this, this study operationalizes severity of violation on halal as customer's perceived seriousness of the violation and the magnitude of loss experienced by customers as an outcome of the violation. It is expected that higher loss is incurred from a severe violation compared to a minor violation and the higher the severity of the violation on halal, the higher the retaliation and engage in a boycott.

### **Recovery Satisfaction**

Once a company faces halal violation incident, recovery action should be taken immediately. Recent studies found that consumers with resilient relationships with

the company are likely to react the most negatively (Trump, 2014). Accordingly, customers who feel more betrayed by the company are more prone to feel betrayed, which leads them to a higher level of retaliation (Grégoire & Fisher, 2008). This hostile response happens when these consumers disbelieve that the company will hold up its end of the relational bargain, such as treating the consumer dishonestly or by failing to right a transgression. Therefore, Trump (2014) proposes that if the company experiences a product performance failure, it would be wise to target recovery efforts to those who were personally affected by the problem, compared to investing in broad campaigns to solve the crisis. Reports of the investigation, public announcement, apologize, rebranding and new advertisements are some of the strategies taken by companies to recover from the damage.

Service recovery is designed not just to resolve the problem but also to alter negative behavior from dissatisfied customers, and ultimately retain these customers (Gronroos, 1988; Miller et al., 2000). While there is lack of study examining the link between recovery satisfaction and customer boycott, several past studies found that recovery satisfaction is strongly associated with customer behaviour or reaction such as revisit intention (Kim et al., 2009; Tax et al., 1998), word-of-mouth (Maxham III & Netemeyer, 2002; Wirtz & Mattila, 2004; Balaji & Sarkar, 2013). Interestingly, studies indicated that customer satisfaction after receiving adequate recovery is higher than the satisfaction before service failure arises (de Matos et al., 2007) even though it does not necessarily mean that the customer will develop equally high level of relationship quality with the company (Weun et al., 2004). Thus, it is crucial to ensure that consumer is satisfied with the recovery efforts by the company. However, until recently, research on the customer satisfaction following service recovery has been limited. Thus, consumer satisfaction towards the recovery action taken following to the halal violation issues will be tested.

### **Psychological Contract Violation**

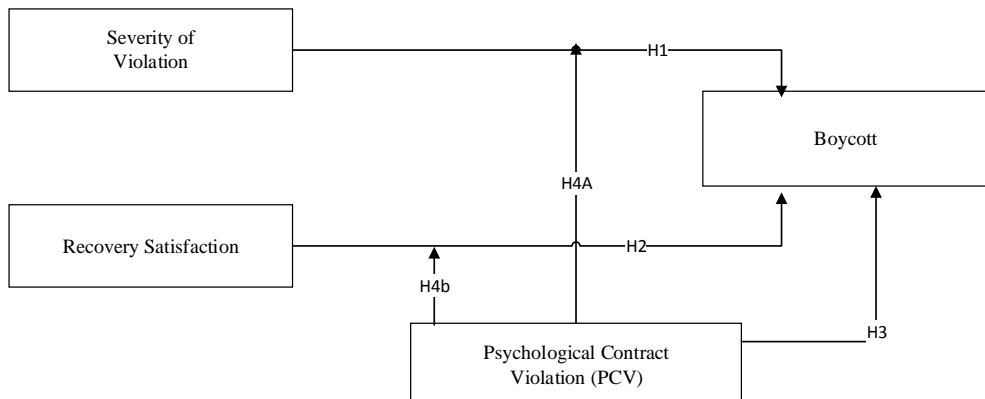
A psychological contract occurs when an individual's belief that another party is obligated to perform certain behaviors (Rousseau, 1989). This belief is predicated on the perception that a promise has been made and a consideration offered in exchange for it binding the parties to some set of reciprocal obligations (Robinson & Morrison, 2000). Psychological contracts are broader in nature than legal contracts, and they include perceptual, unwritten, and implicit terms that cannot be explicitly incorporated into a legal contract. This term has been widely used in the management field to picture the relationship between employee and the employer.

Psychological contract has been important studies in industry and any organization (Mohamed & Nor, 2013; Kiazad, Seibert & Kraimer, 2014) for its positive outcome (Conway & Briner, 2002; Coyle-Shapiro & Kessler, 2002). However, the psychological contract can be a breach if any of the parties failed to meet their obligation and may lead to psychological contract violation (PCV) (Rousseau, 1989; Robinson & Rousseau, 1994). The failure of one party to fulfill their promise can be expected to erode both the relationship and the affected

party's beliefs in the reciprocal obligations. Based on the literature that has validated the fundamental role of on psychological contract violation (PCV) and its potentially destructive impact on organizational relationships (e.g., Morrison & Robinson, 1997; Niehoff & Paul, 2001; Pugh et al., 2003; Rousseau, 1989), this study propose that PCV should be central to the understanding of halal violation effect. Most of the psychological contract literature has focused on employee-employer relationships, it is reasonable and desirable to extend the evaluation of this theory to relationships at another context (Hill et al., 2009).

Extending the literature (Rousseau, 1989) to halal violation, a consumer may perceive PCV if an individual seller or company fails to adequately fulfil its contractual obligations which are by following the guideline provided in achieving and maintain JAKIM Halal certification due to hygienic issues or traces of porcine or alcohol during the production process and the end product. Based on the social exchange theory (SET), people tend to view relationships as social exchanges, and they mostly rely on trust to guide their behavior (Pavlou & Gefen, 2005). Whenever the trust is broken, suspicion takes over and trust becomes a lesser factor in determining their behavioral intentions (Blau, 1964). According to Pate, Martin, & McGoldrick (2003), violation of the psychological contract is associated with negative attitudes and behaviors. Previous study shows that PCV has been used as a moderating variable in the relationship between seller and buyers context (Pavlou & Gefen, 2005) and between authentic leadership and organizational deviance (Erkutlu & Chafra, 2013). Therefore, in the context of halal a company failure to fulfill its promises to the customer in convincing the halal status of its product is expected to moderate the relationship between severity of violation and recovery satisfaction on the boycott. Figure 1 below portrays how each of the variables discussed above expected to relate.

**Figure 1: Proposed Research Model**



This study is developed to tested the following hypotheses:

- H1: Severity of *halal* violation is associated with boycott.
- H2: Recovery satisfaction is associated with boycott.
- H3: Psychological contract violation is associated with boycott.
- H4a: Psychological contract violation will moderate the relationship between severity of *halal* violation and boycott.
- H4b: Psychological contract violation will moderate the relationship between recovery satisfaction and boycott.

## METHODOLOGY

### Sampling Design, Subjects and Procedures

The target population for this study involves consumers who are aware and/or had experienced the violation of a halal product. Respondents were given a list of Halal violation incidents in Malaysia and they were required to choose a specific incident in answering the questions based on the Halal violation issues. This study used a convenience sampling where the questionnaires were distributed in Selangor area. The reason for choosing Selangor is because most studies on consumer behavior in Malaysia used Selangor as the sampling area (Chamhuri & Batt, 2013; Omar *et al.*, 2015; Omar *et al.*, 2013) because the area is regarded as one of the best representative population of interest and viewed as the most advanced region in terms of economic and social aspects. Moreover, it is a densely populated area and encompasses of people from various ethnicities, education backgrounds and income levels (Euromonitor International, 2011). Data was collected via self-administered questionnaires. To ensure the questionnaire's reliability, an English version was developed first, reviewed and then translated into Bahasa Melayu. Then, the Bahasa Melayu version was translated back into English. The back-translated English version was then checked against the original English version. Questionnaires were distributed to consumers in Selangor for the period of one month. Questionnaires were drop-off and collect from consumers after they were completed. Respondents were assured of confidentiality and anonymity of their returned questionnaires. At the end of the data collection period, a total of 250 questionnaires were collected. However, only 212 useful questionnaires were usable for further analysis (85%).

The questionnaire was developed by adapting measurements from various studies. Five Likert- scale ranging from strong agree to strongly disagree were used for item measurement of boycott, severity of the violation, recovery satisfaction, and psychological contract violation. All the items were adapted from the existing literature as listed in Table 1. The internal consistency or reliability of the scale was assessed by Cronbach's alpha. Cronbach's alpha values were above 0.70 and thus acceptable in such a study (Hair *et al.*, 2006). Hierarchical regressions were then run to test whether PCV significantly moderated the association between severity of violation and boycott, and recovery satisfaction

and boycott (Frazier *et al.*, 2004). Baron and Kenny (1986) suggest that moderator variable is variable that presumed to change the causal relationship between an independent and dependent variable. Moreover, hierarchical linear regression was used in this study because it allows the researchers to enter variables in steps and in the order that the researchers deem relevant to the development impact of each predictor variable on the outcome variable (Warner, 2008). The independent variables were mean-centered before calculating the interaction terms to minimize the effects of multicollinearity.

## FINDING AND DISCUSSIONS

The majority of the participants were female (59.4%). The age group of 20-29 years (47.3%) account for the biggest portion of the sample followed by age 30-39 (33.8%) and 40-49 years (13%). For education attainment, about 27% possessed a postgraduate degree (Master and Ph.D.), 43% bachelor, and 16% diploma. In terms of respondents' marital status, 43% were single and 55% were married. The majority of the participants were Malay (85%) followed by Chinese (9%), and Indian 5%.

**Table 1: Measurements and reliability**

Construct	Item Measurement	Sources	Alpha Cronbach
<b>Boycott</b>	Feel guilty if bought product from company Whenever possible, avoid buying company ... products. Do not like the idea of owning company ... products. If two products were equal in quality, but one was from company ... and the other from other company, would pay more for the product from the other company.	<i>Abosag &amp; Farah (2014)</i>	<b>0.948</b>
<b>Psychological contract violation</b>	When think about the <i>Halal</i> incident, I feel betrayed by Company ... I feel that Company ... has violated the awarded <i>Halal</i> certification by JAKIM I feel extremely frustrated by how I have been treated by Company ... When I think about the <i>Halal</i> incident, I feel a great deal of anger towards Company ...	<i>Morrison &amp; Robinson (1997)</i>	<b>0.936</b>
<b>Recovery satisfaction</b>	Overall I was satisfied with company ... in handling with the <i>Halal</i> issues. In general, I was satisfied with the response from company ... in dealing with the <i>Halal</i> issues I was happy with the overall process of company ...	<i>McQuilken, (2010)</i>	<b>0.952</b>



in handling the *Halal* issues.

I was satisfied with the recovery of the *Halal* incident provided by Company ....

Company ... provided recovery that met my needs.

<b>Severity of <i>halal</i> violation</b>	The <i>Halal</i> incident involving Company ... is severe	<i>Weun et al., (2004); Bansal &amp; Zahedi (2015)</i>	<b>0.806</b>
	The <i>Halal</i> incident involving Company ... may result in a major problem		
	The <i>Halal</i> incident could cause a great deal of inconvenience		
	I believe that the <i>Halal</i> incident is not threatening at all		

**Table 2: Predicting boycott: hierarchical linear regression result**

<b>Independent variable:</b> Recovery Satisfaction, Severity, Psychological Contract Violation (PCV)		
	<b>Model 1</b>	<b>Model 2</b>
Recovery Satisfaction	-.246*	-.266*
Severity	.104*	.101
PCV	.585*	.573*
PCV x Recovery Satisfaction		.055
PCV x Severity		-.019
F	102.109*	.835
R <sup>2</sup>	.604	.607
Adjusted R <sup>2</sup>	.598	.597
ΔR <sup>2</sup>	-	.003

**Note:** \* $p < .05$

Table 2 illustrates the regression results. In Model I, all the independent variables (recovery satisfaction, severity, and PCV) were entered to test the impact on the dependent variable (boycott). In Model II, PCV was entered as moderating variables that interaction with recovery satisfaction and severity. The results indicated that in Model 1, recovery satisfaction is negatively and significantly associated with boycott participation while, severity and PCV are positively and significantly associated with boycott participation. These findings support H1, H2, and H3. In Model 2 when PCV was entered as moderator to interact with recovery satisfaction and severity all variables were found not significant, thus, H4a and H4b were rejected. However, Model 2 that tested the presence of moderator is found not significant due to the insignificant value of F change. The result implies

that regardless of the level of PCV experienced by the consumers, it will not significantly influence the strength of the contribution of the severity of the *halal* violation and recovery satisfaction towards consumers who were taking part in the boycott. Recent study found no support for the interaction of severity and recovery effort on recovery disconfirmation, loyalty, and negative word-of-mouth and partial support for satisfaction (Balaji & Sarkar, 2013). Even a successful and satisfactory recovery could not compensate for the loss when the severity of failure is high. Customers that experiencing poor recovery effort may sense contract violation or betrayal and exit the relationship with the company (Balaji & Sarkar, 2013).

This study shows that severity of violation on *halal* is positively related to boycott. The finding is in line with past studies that suggest failure severity lead to anger and desire for revenge (Joireman *et al.*, 2013), and negative word of mouth (de Matos *et al.*, 2012). Moreover, we find that in an incident involving a *halal* violation, no matter how severe and serious the incident (low or high), consumers felt betrayed to the promise and obligation by the company to provide a *Halal* product. Positive relationship indicated that the more the consumer feel betray, more likely they will engage in a boycott. It is consistent with previous research that PCV leads to destructive impact to the organization (Morrison & Robinson, 1997; Niehoff & Paul, 2001; Pugh *et al.*, 2003). In this study, recovery satisfaction is also found to be significant. The negative association between recovery satisfactions to boycott explained that the more satisfied customers towards recovery action by the company on the *halal* violation incident, less likely they will engage in a boycott. As this is confirmed, company should pay attention to react wisely when the product involves in violation incident. Immediate, satisfactory and trustworthy actions are important to reduce the damage.

## IMPLICATION AND CONCLUSION

The uniqueness of this study exists in the fact that it is one of few studies that investigates *Halal* violation issues and the first to known to examine the moderating effect of psychological contract violation in the context of *Halal*. The results of this investigation show that once a product is found to violate *Halal* certification awarded, severity of violation, PCV and recovery satisfaction are found to be significantly related to boycott. This study also tested PCV as moderated but was found to be not significant.

With the growth demand for *Halal* food among Muslim and non-Muslims market due to its purity and quality standards been maintained through certification, the significance of this empirical research to the *halal* industry is undeniably important. The *halal* certification acts as a symbol of confidence, quality and trust for product consumption in which once violated will impact on consumer negative behaviors such as boycott. The contribution of this study is obvious as the resulting outcomes can be capitalized as a guideline for managers to design recovery action towards *halal* violation incident.

In a *Halal* violation case, the manager needs to ensure that the strategy to reconcile the incident is satisfactory, genuine and trustworthy. Severity, recovery satisfaction, and PCV have been pointed as an important ingredient to hinder

boycott by consumers. Furthermore, this study proved that it is essential and crucial that the *Halal* certification and its quality standards need to be strictly followed to prevent a breach of trust, continuous assurance for product consumption and protecting and preserving the *Halal* certification authenticity. With regards to the direction for future research, an important line to further study is to examine the role of trust recovery in the context of *halal* violation in motivating certain behaviors in response to service recovery experiences. It will also be interesting to test the model to other Muslim consumers from other countries. In addition, with the increase of awareness as well as the association of *halal* with environmental friendliness and food safety among non-Muslim (Abdul Aziz & Chok, 2012), it is suggested for future study to test the model from the non-Muslim perspective. This will allow the model to be useful to the academic research, *halal* manufacturers as well as marketing practitioners.

## REFERENCES

- Abosag, I., and F. Farah, M. (2014). The influence of religiously motivated consumer boycotts on brand image, loyalty and product judgment. *European Journal of Marketing*, 48(11/12), 2262-2283.
- Abdullah, K., and Ismail Ahmad, M. (2010). Compliance to Islamic marketing practices among businesses in Malaysia. *Journal of Islamic Marketing*, 1(3), 286-297.
- Ab Talib, M. S., Abdul Hamid, A. B., and Zufakar, M. H. (2015). *Halal* supply chain critical success factors: a literature review. *Journal of Islamic Marketing*, 6(1), 44-71.
- Abd Rahman, A., Asrarhaghighi, E., and Ab Rahman, S. (2015). Consumers and *Halal* cosmetic products: knowledge, religiosity, attitude and intention. *Journal of Islamic Marketing*, 6(1), 148-163.
- Al-Hyari, K., Alnsour, M., Al-Weshah, G., and Haffar, M., (2012). Religion beliefs and consumer behavior: From loyalty to boycotts. *Journal of Islamic Marketing*, 3(2), 155-174.
- Ambali, A. R., and Bakar, A. N. (2013). *Halal* food and products in Malaysia: People's awareness and policy implications. *Intellectual Discourse*, 21(1), 7.
- Abdul Aziz, Y. A., and Chok, N. V. (2013). The role of *Halal* awareness, *Halal* certification, and marketing components in determining *Halal* purchase intention among non-Muslims in Malaysia: A structural equation modeling approach. *Journal of International Food and Agribusiness Marketing*, 25(1), 1-23.
- Aoun, I., and Tournois, L. (2015). Building holistic brands: an exploratory study of *Halal* cosmetics. *Journal of Islamic Marketing*, 6(1), 109-132.
- Badrudin, B., Mohamed, Z., Sharifuddin, J., Rezai, G., Mahir Abdullah, A., Abd Latif, I., and Ghazali Mohayidin, M. (2012). Clients' perception towards JAKIM service quality in *Halal* certification. *Journal of Islamic Marketing*, 3(1), 59-71.
- Balaji, M.S., and Sarkar, A. (2013). Does successful recovery mitigate failure severity? *International Journal of Emerging Markets*, 8(1), 65-81.

- Bansal, G., and Zahedi, F. M. (2015). Trust violation and repair: The information privacy perspective. *Decision Support Systems*, 71, 62-77.
- Baron, R.M., and Kenny, D.A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic and statistical considerations. *Journal of Personality and Social Psychology*, 51, 1173-1182.
- BBC World News (2014), "Cadbury Chocolate pork free, says Malaysian Islamic body", 2 June. Retrieved from <http://www.bbc.com/news/business-27663857> (accessed 14 June 2014)
- Blau, P.M. (1964), *Exchange and Power in Social Life*, New York: John Wiley & Sons, pp. 88-111.
- Braunsberger, K., and Buckler, B. (2011). What motivates consumers to participate in boycotts: Lessons from the ongoing Canadian seafood boycott. *Journal of Business Research*, 64(1), 96–102.
- Chamhuri, N., and Batt, P. J. (2013). Exploring the factors influencing consumers' choice of retail store when purchasing fresh meat in Malaysia. *International Food and Agribusiness Management Review*, 16(3), 99-122.
- Conway, N., and Briner, R. B. (2002). A daily diary study of affective responses to psychological contract breach and exceeded promises. *Journal of Organizational Behavior*, 23(3), 287-302.
- Coyle-Shapiro, J. A. M., and Kessler, I. (2002). Exploring reciprocity through the lens of the psychological contract: Employee and employer perspectives. *European journal of work and organizational psychology*, 11(1), 69-86.
- de Matos, C. A., Henrique, J. L., and Rossi, C. A. V. (2007). Service recovery paradox: a meta-analysis. *Journal of service research*, 10(1), 60-77.
- de Matos, C. A., Vieira, V. A., and Veiga, R. T. (2012). Behavioural responses to service encounter involving failure and recovery: the influence of contextual factors. *The Service Industries Journal*, 32(14), 2203-2217.
- Erkutlu, H., and Chafra, J. (2013). Effects of trust and psychological contract violation on authentic leadership and organizational deviance. *Management Research Review*, 36(9), 828-848.
- EuroMonitor International (2011) *Passport Global Market Information Database*: EuroMonitor International.
- Finkel, E. J., Rusbult, C. E., Kumashiro, M. and Hannon, P. A. (2002), "Dealing with betrayal in close relationships: Does commitment promote forgiveness", *Journal of Personality and Social Psychology*, 82, 956–974
- Fisk, R., Grove, S., Harris, L.C., Keeffe, D.A., Daunt, K.L., Russell-Bennett, R. and Wirtz, J. (2010), "Customers behaving badly: a state of the art review, research agenda and implications for practitioners", *Journal of Services Marketing*, 24(6), 417-429.
- Frazier, P.A., Tix, A.P., and Barron, K.E. (2004). Testing moderator and mediator effects in counseling psychology research. *Journal of Counseling Psychology*, 51(1), 115

- Fullerton, G., and Taylor, S. (2015). Dissatisfaction and violation: two distinct consequences of the wait experience. *Journal of Service Theory and Practice*, 25(1), 31-50.
- Glazer, A., Kannianen, V., and Poutvaara, P. (2010). Firms' ethic, consumer boycotts, and signaling. *European Journal of Political Economy*, 26(3), 340-350.
- Grappi, S., Romani, S. and Bagozzi, R. P. (2013), "Consumer response to corporate irresponsible behavior: Moral emotions and virtues", *Journal of Business Research*, 66(10), 1814–1821.
- Grégoire, Y., and Fisher, R. J. (2008). "Customer betrayal and retaliation: When your best customers become your worst enemies. *Journal of the Academy of Marketing Science*, 36(2), 247–261.
- Gronroos, C., (1988), Service Quality: The Six Criteria of Good Perceived Service Quality, *Review of Business*, 9 (winter), 10-13.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., and Tatham, R. L. (2006). *Multivariate data analysis* (Vol. 6). Upper Saddle River, NJ: Pearson Prentice Hall.
- Haque, A., Sarwar, A., Yasmin, F., Tarofder, A. K., and Hossain, M. A. (2015). Non-Muslim consumers' perception toward purchasing *halal* food products in Malaysia. *Journal of Islamic Marketing*, 6(1), 133-147.
- Hess, R. L., Ganesan, S., and Klein, N. M. (2003). Service failure and recovery: the impact of relationship factors on customer satisfaction. *Journal of the Academy of Marketing Science*, 31(2), 127-145.
- Hess R. L. Jr., (2008), "The impact of firm reputation and failure severity on customers' responses to service failures", *Journal of Services Marketing*, 22(5), 385-398
- Hill, J. A., Eckerd, S., Wilson, D. and Greer, B. (2009), "The effect of unethical behavior on trust in a buyer-supplier relationship: The mediating role of psychological contract violation", *Journal of Operations Management*, 27(4), 281–293.
- Homans, G. C. (1958). Social behavior as exchange. *American journal of sociology*, 597-606.
- Joireman, J., Grégoire, Y., Devezer, B. and Tripp, T. M. (2013), "When do customers offer firms a "second chance" following a double deviation? The impact of inferred firm motives on customer revenge and reconciliation", *Journal of Retailing*, 89(3), 315-337.
- Kiazad, K., Seibert, S. E., and Kraimer, M. L. (2014). Psychological contract breach and employee innovation: A conservation of resources perspective. *Journal of Occupational and Organizational Psychology*, 87(3), 535-556.
- Kim, T. T., Kim, W. G., and Kim, H. B. (2009). The effects of perceived justice on recovery satisfaction, trust, word-of-mouth, and revisit intention in upscale hotels. *Tourism Management*, 30(1), 51-62.
- Klein, J.G, John, A., and Smith, N.C. (2001). Exploring motivations for participation in a consumer boycott. *Centre for Marketing Working Paper (Vol. 1-701)*, London Business School

- Koehler, J. J. and Gershoff, A. D. (2003). Betrayal aversion: When agents of protection become agents of harm. *Organizational Behavior and Human Decision Processes*, 90(2), 244-261.
- Lavorata, L. (2014). Influence of retailers' commitment to sustainable development on store image, consumer loyalty and consumer boycotts: Proposal for a model using the theory of planned behavior. *Journal of Retailing and Consumer Services*, 21(6), 1021–1027.
- Lindenmeier, J., Schleer, C., and Priel, D. (2012). Consumer outrage: Emotional reactions to unethical corporate behavior. *Journal of Business Research*, 65(9), 1364-1373.
- Marzuki, S., and Zannierah, S. (2012). Understanding Restaurant Managers' Expectations of *Halal* Certification in Malaysia.
- Maxham, J. G., III, and Netemeyer, R. G. (2002). Modeling customer perceptions of complaint handling over time: the effects of perceived justice on satisfaction and intent. *Journal of Retailing*, 78(4), 239–252.
- McQuilken, L. (2010). The influence of failure severity and employee effort on service recovery in a service guarantee context, *Australasian Marketing Journal*, 18, 214–221.
- Morrison, E. W., and Robinson, S. L. (1997). When employees feel betrayed: A model of how psychological contract violation develops. *Academy of management Review*, 22(1), 226-256.
- Miller, J. L., Craighead, C. W., and Karwan, K. R. (2000). Service recovery: A framework and empirical investigation. *Journal of Operations Management*, 18, 387–400.
- Mohamed, Z., Shamsudin, M. N., and Rezai, G. (2013). The effect of possessing information about *halal* logo on consumer confidence in Malaysia. *Journal of International Food & Agribusiness Marketing*, 25(sup1), 73-86.
- Mohamed, Z., Rezai, G., Shamsudin, M. N., and Eddie Chiew, F. C. (2008). *Halal* logo and consumers' confidence: What are the important factors. *Economic and Technology Management Review*, 3, 37-45.
- Mohamed, R. K. M. H., and Nor, C. S. M. (2013). The Relationship between McGregor's XY Theory Management Style and Fulfillment of Psychological Contract: A Literature Review. *International Journal of Academic Research in Business and Social Sciences*, 3(5), 715.
- Mukhtar, A., and Mohsin Butt, M. (2012). Intention to choose *Halal* products: the role of religiosity. *Journal of Islamic Marketing*, 3(2), 108-120.
- Niehoff, B. P., and Paul, R. J. (2001). The just workplace: Developing and maintaining effective psychological contracts. *Review of Business*, 22(1/2), 5.
- Omar, N. A., Osman, L. H., Alam, S. S., and Sanusi, A. (2015). Ecological conscious behaviour in Malaysia. *Malaysian Journal of Consumer and Family Economics*, 18, 17-34.
- Omar, N.A., Yusof, R., and Nazri, M.A. (2013). Meneliti kesan tanggungjawab sosial korporat dan imej terhadap kesetiaan pelanggan dalam kalangan pembeli barangan runcit. *Jurnal Pengurusan*, 39, 151-167.

- Othman, A. A., Che Hashim, R., and Abdul Aziz, A. (2010). An overview of Shari'ah issues regarding the application of the Islamic letter of credit practice in Malaysia. *ISRA International Journal of Islamic Finance*, 2(2), 37-66.
- Pavlou, P. A., and Gefen, D. (2005). Psychological contract violation in online marketplaces: Antecedents, consequences, and moderating role. *Information Systems Research*, 16(4), 372-399.
- Pate, J., Martin, G., and McGoldrick, J. (2003). The impact of psychological contract violation on employee attitudes and behaviour. *Employee Relations*, 25(6), 557-573.
- Povera, A. (2010). Tap big *Halal* demand, SME players urged. *Business Times*, Aug 16 2010
- Pugh, S. D., Skarlicki, D. P., and Passell, B. S. (2003). After the fall: Layoff victims' trust and cynicism in re-employment. *Journal of Occupational and Organizational Psychology*, 76(2), 201-212.
- Rezai, G., Mohamed, Z. A., Shamsudin, M. N., and Chiew, E. F. C. (2010). Non-Muslims' awareness of *Halal* principles and related food products in Malaysia. *International Food Research Journal*, 17(3), 667-674.
- Rezai, G., Mohamed, Z., and Nasir Shamsudin, M. (2012). Non-Muslim consumers' understanding of *Halal* principles in Malaysia. *Journal of Islamic Marketing*, 3(1), 35-46.
- Robinson, S. L., and Morrison, E. W. (2000). The development of psychological contract breach and violation: A longitudinal study. *Journal of organizational Behavior*, 21(5), 525-546.
- Robinson, S. L., and Rousseau, D. M. (1994). Violating the psychological contract: Not the exception but the norm. *Journal of Organizational Behavior*, 15(3), 245-259.
- Rousseau, D. M. (1989). Psychological and implied contracts in organizations. *Employee Responsibilities and Rights Journal*, 2(2), 121-139.
- Said, M., Hassan, F., Musa, R., and Rahman, N. A. (2014). Assessing Consumers' Perception, Knowledge and Religiosity on Malaysia's *Halal* Food Products. *Procedia-Social and Behavioral Sciences*, 130, 120-128.
- Tax, S. S., Brown, S. W., and Chandrashekar, M. (1998). Customer evaluations of service complaint experiences: implication for relationship marketing. *Journal of Marketing*, 62(2), 60-76.
- Tieman, M., van der Vorst, J. G., and Che Ghazali, M. (2012). Principles in *halal* supply chain management. *Journal of Islamic Marketing*, 3(3), 217-243.
- Trump, R. K. (2014). Connected consumers' responses to negative brand actions: The roles of transgression self-relevance and domain. *Journal of Business Research*, 67(9), 1824-1830.
- Van der Spiegel, M., Van Der Fels-Klerx, H. J., Sterrenburg, P., Van Ruth, S. M., Scholtens-Toma, I. M. J., and Kok, E. J. (2012). *Halal* assurance in food supply chains: Verification of *halal* certificates using audits and laboratory analysis. *Trends in Food Science and Technology*, 27(2), 109-119.
- Warner, P. (2008). Ordinal logistic regression. *Journal of Family Planning and Reproductive Health Care*, 34(3), 169-170.

- Weun, S., Beatty, S.E. and Jones, M.A. (2004). The impact of service failure severity on service recovery evaluations and post-recovery relationships, *Journal of Services Marketing*, 18(2), 133-146.
- Wirtz, J., and Mattila, A. S. (2004). Consumer responses to compensation, speed of recovery and apology after a service failure. *International Journal of Service Industry Management*, 15(2), 150-166.
- Zakaria, Z. (2008). Tapping into the world *halal* market: Some discussions on Malaysian laws and standards. *Shariah Journal*, 16(3), 603-616.