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**Citation:** Benos, T., Kalogeros, N., de Ruyter, K. & Wetzels, M. (2018). Diagnosing member-customer ostracism in co-operatives and counterpoising its relationship-poisoning effects. *European Journal of Marketing*, 52(9/10), pp. 1778-1801. doi: 10.1108/ejm-11-2016-0634

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**Link to published version:** <https://doi.org/10.1108/ejm-11-2016-0634>

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**Diagnosing member-customer ostracism in co-operatives and counterpoising its relationship-poisoning effects**

Journal:	<i>European Journal of Marketing</i>
Manuscript ID	EJM-11-2016-0634.R2
Manuscript Type:	Original Article
Keywords:	Co-operatives, Membership, Relationship marketing, Ostracism, "Relationship poison", Coping strategy

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## Introduction

Co-operatives (co-ops) occupy a strong position globally, providing both economic and social returns. Just the world's largest 300 co-ops yield combined revenues of US\$2.36 trillion (ICA, 2015). Co-ops are common in many business sectors (e.g. banking, agriculture, retailing), have over a billion members and employ more than 100 million people (Ernst & Young, 2012). In the US and retail banking alone, credit unions total 100 million members and regularly outperform rivals (e.g. traditional banks) on customer satisfaction (McKinsey, 2012). The co-op model is a distinct, principles-based, people-centred business form, grounded on a membership structure, organised to meet member needs (Birchall, 2013; Puusa *et al.*, 2013). Members are co-op's core customers, but also those who own, finance and control it (Birchall, 2011). As such, they maintain a close relationship with the co-op, enjoying both economic benefits (e.g. determining the services/products offered) and social welfare (e.g. networking, community support) (Foreman and Whetten, 2002; Freathy and Hare, 2004). Inevitably, co-op survival, let alone co-op success, rest on relational assets like member-customer loyalty (Mazzarol *et al.*, 2014).

Despite their pervasiveness and high prospects, co-ops are faced with a member-related threat eroding their distinctive character. That is, member involvement and commitment are increasingly challenged by growing member disconnection, and declining stocks of influence and interaction (Harris, 2014; Nilsson *et al.*, 2012). A recent US study suggests that members' dissociation is rising (Kenkel and Fitzwater, 2012). The UK's traditionally largest co-op, The Co-operative Group, has recently experienced "an annus horribilis for the mutual model of business ownership", partly owing to members' neglect (Gray, 2014) and a crisis in membership commitment (Davis, 2016). Clearly, co-ops need to beware of the widening "membership distance", else they jeopardise their core advantage and distinguishing feature from other business models, namely their relational proximity to member-customers (Ernst & Young, 2012).

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3 Therefore, understanding how co-op members perceive being left out, disconnected, or  
4 unattended is crucial in helping co-op leadership to prevent attrition of co-ops' relational  
5 competitive advantage.  
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10 In order to address this issue, we turn to research on ostracism. Ostracism means being  
11 overlooked, ignored or excluded by other individuals or groups (Williams, 2001). It is a  
12 ubiquitous phenomenon, occurring across a broad range of social contexts (e.g. playgrounds,  
13 hallways, workplaces; cf. Nezelek *et al.*, 2015). Being ostracised in social groups is particularly  
14 aversive, unleashing a variety of physiological, cognitive, affective, and behavioural responses  
15 (Lustenberger and Jagacinski, 2010; Williams and Nida, 2011). Notably, even minimal forms of  
16 ostracism elicit significant perceptions of social disconnection (Gerber and Wheeler, 2014; Jones  
17 *et al.*, 2011). Connection and inclusion are central facets of co-op philosophy (Mellor, 2009;  
18 Novkovic, 2008), thus, ostracism can strike at the heart of co-op principles, poisoning intra-  
19 group relationships, and distancing members from their co-op.  
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33 While extant literature has repeatedly emphasised the importance of membership in co-ops  
34 (Byrne *et al.*, 2015; Fulton, 1999; Kalogeras *et al.*, 2009), and has long documented the co-op  
35 model advantages and shortcomings (Nilsson, 2001; Novkovic, 2008), it has paid limited  
36 attention to the social components of membership or the view of members on such issues  
37 (Bhuyan, 2007). As a result, little is known about core co-op threats from a member-customer  
38 standpoint. The principal objective of this paper, therefore, is to provide a conceptual analysis of  
39 a core co-op threat by drawing from research on ostracism and assess its impact on important  
40 membership and relational exchange outcomes. More specifically we contribute to the literature  
41 in two important ways.  
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3 First, we conceptualise and explore co-op ostracism, develop a measurement instrument, and  
4 assess its psychometric properties. We also develop a core conceptual model to empirically  
5 assess co-op ostracism's distinct influence on two relational exchange outcomes that condition  
6 co-ops' ability to maintain the symbiotic relationship with their cardinal customers (i.e.  
7 withdrawal intentions) and expand their customer reach (i.e. and word-of-mouth). The strong  
8 effects on both outcomes across three different co-op samples and types (i.e. agribusiness, retail  
9 banking, consumer) support our premise that ostracism presents a core threat to the core co-op  
10 relational advantage, acting as a "relationship poison" for both member-customers and the co-op  
11 itself. Our in-depth study of this relatively unexplored and implicit relationship-destroying factor  
12 in a de facto relationally profuse context advances our relationship marketing (RM) knowledge.  
13 It offers a fresh perspective on key RM elements like customer membership and, at the same  
14 time, offers a fresh critique of RM's *implicit* harmful effects. All RM efforts necessitate action,  
15 which time and again leads directly or indirectly to perceptions of customer mistreatment (e.g.  
16 exclusion) (Nguyen, 2012). What remains relatively unexplored is the dark side behaviour of  
17 RM (Payne and Frow, 2017), particularly how customers perceive and react to mistreatment  
18 related to *inaction*. Implicit and often inadvertent harm-doing might be best explained by  
19 ostracism, which, albeit a relational phenomenon, involves the omission, rather than the  
20 commission of behaviour (Robinson *et al.*, 2013; Williams, 2009).  
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44 Second, we develop a strategy to buffer ostracism' adverse effect on exchange outcomes. We  
45 follow the lead of recent ostracism studies which explore coping strategies, such as how to  
46 soothe the distress caused by ostracism (e.g. Wu *et al.*, 2012; Zwolinski, 2014) or how to reduce  
47 its aversive impacts (e.g. Lelieveld *et al.*, 2012; Tang and Richardson, 2013). In a separate  
48 follow-up study, we develop and test an extended core conceptual framework that centres on the  
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3 joint protective benefit of perceived “groupness” (i.e. entitativity) and social capital’s shared  
4 aspect (i.e. cognitive capital). We posit that cognitive capital reinforces group entitativity and  
5 empirically verify that their coupling appeases co-op ostracism’s influence on withdrawal  
6 intentions. Our approach extends the nomological network of RM with a cognitive-based  
7 intervention, which has important implications for relationship-building strategies, demonstrating  
8 that the (primarily cognitive) sense of community and mutuality serves as an effective “antidote”  
9 against the deleterious effects of customer disconnection.  
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19 The remainder of this article is structured as follows. We first review the extant literature on  
20 ostracism and define co-op ostracism. Subsequently, we develop the core conceptual model and  
21 derive the hypotheses. Next, we present the three empirical studies included in the article. In  
22 Study 1, we describe how we explored co-op ostracism and developed a scale to measure it. In  
23 Study 2, we empirically test our core conceptual framework with data from three different co-  
24 ops. In Study 3, we examine the suggested coping strategy and the extended core conceptual  
25 model. Finally, we conclude this article with theoretical and practical implications.  
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### 38 **Theoretical background**

#### 39 *Co-op membership, ostracism features, and ostracism robustness*

40 “Membership” is the central element of co-op enterprises that are jointly owned and  
41 democratically controlled by persons who choose to join them in order to meet their needs  
42 directly (ICA, 2013). Many enterprises attempt to emulate co-op membership by inviting  
43 customers to join loyalty schemes, club card packages, referral reward programs, and user  
44 communities. Moreover, several companies even adopt a membership structure (e.g. membership  
45 associations) with RM being vital for success (Vincent and Webster, 2013). Co-op membership  
46 differs, however, as its centrality renders co-ops value-to-members maximisers (Birchall, 2011;  
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3 Puusa *et al.*, 2013). Also, unlike co-op membership, conventional RM arrangements or  
4 membership associations do not grant customers rights of ownership or much involvement in  
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6 business decision-making. Unsurprisingly, co-ops are predominantly concerned with increasing,  
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8 holding and benefiting from a loyal member-customer base (Kalogeras *et al.*, 2009). This fills  
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10 both a central business aim - tapping member contribution and commitment - and the social  
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12 purposes of providing members with a sense of inclusion, participation, and community, as well  
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14 as the opportunity to co-decide about several issues (e.g. what services are offered) (Foreman  
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16 and Whetten, 2002; Freathy and Hare, 2004; Mazzarol *et al.*, 2014; Mellor, 2009).  
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21 Undermining or simply disregarding these co-op membership aspects is likely to form a  
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23 “distance” between the members and the co-op, and poison their relationship. Drawing on  
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25 ostracism research and adopting an individual member perspective seem best to shed light on  
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27 such social exchange-based and exclusionary membership hazards. Social ostracism is defined as  
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29 ignoring and excluding one or more individuals (Williams, 2001). Although some may think it is  
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31 an extreme or infrequent event, people experience about one ostracism episode every day  
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33 (Nezlek *et al.*, 2015). Individuals are ostracised in interpersonal friendships and relationships  
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35 (Poulsen and Carmon, 2015), by close others or strangers (Nezlek *et al.*, 2012), by in-group or  
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37 out-group members (Gómez *et al.*, 2011), online (Wolf *et al.*, 2015), in workplaces (Scott *et al.*,  
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39 2013; Wu *et al.*, 2011), and in marketplaces (Mattila *et al.*, 2013; Mead *et al.*, 2011).  
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45 Ostracism has distinct features which set it apart from physical or verbal altercations (e.g.  
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47 bullying, harassment) and point to its unique nature and effects (Williams and Nida, 2011). First,  
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49 ostracism is defined by acts of omission (Robinson *et al.*, 2013). That is, it is characterised by the  
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51 absence of positive attention and wanted behaviour rather than the presence of negative attention  
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53 or unwanted behaviour (O’Reilly *et al.*, 2014; Rajchert and Winiewski, 2016). This is why it  
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3 reduces social interaction, in contrast to other social mistreatment behaviours (e.g. assault),  
4 which are interactional by nature (Cullen *et al.*, 2012). Second, ostracism's underlying motives  
5 vary, making it more ambiguous than other forms of social disdain (Lustenberger and Jagacinski,  
6 2010; Zadro *et al.*, 2005). For example, individuals may ostracise a target to defend against being  
7 punished themselves (i.e. defensive ostracism) or because they might dislike something the target  
8 did (i.e. punitive ostracism; Poulsen and Carmon, 2015). Ostracism need not be intentional,  
9 however. People may simply overlook others (i.e. oblivious ostracism; Nezlek *et al.*, 2012). A  
10 precise cause cannot always be determined, thus, the motives ostracism targets infer might differ  
11 and trigger further ambiguity (Robinson *et al.*, 2013; Tang and Richardson, 2013). As ostracism  
12 perception is self-based and people have a tendency to over-detect it (Williams, 2009), it should  
13 not be surprising that its most aversive aspect is probably the enigma of whether one is  
14 purposefully ostracised and, if so, why.

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31 Ostracism is not only general and unique but also remarkably impactful. Even seemingly  
32 innocuous forms of ostracism like information exclusion have psychological and behavioural  
33 consequences (Jones *et al.*, 2011). In the last 15 years, numerous studies (e.g. Costantini and  
34 Ferri, 2013; Critcher and Zayas, 2014; Ferris *et al.*, 2008; Hitlan *et al.*, 2006; Wesselmann *et al.*,  
35 2015; Williams, 2001; Zadro *et al.*, 2005) have consistently demonstrated that ostracism thwarts  
36 fundamental social needs (i.e. belonging, self-esteem, control, and meaningful existence) and  
37 entails devastating personal, social, and clinical effects (Poon *et al.*, 2013; Wolf *et al.*, 2015).  
38 The strength and robustness of ostracism have strikingly been manifested in organisational and  
39 consumer behaviour. In organisational settings, it has repeatedly been associated with negative  
40 psychological and behavioural outcomes, such as psychological distress (e.g. job tension; Wu *et*  
41 *al.*, 2012), lower work engagement (Leunga *et al.*, 2011), less in-role behaviour (e.g. lower job  
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3 performance; Wu *et al.*, 2011), less extra-role behaviour (e.g. lowered organisational citizenship  
4 behaviours; Hitlan *et al.*, 2006), higher counterproductive work actions (e.g. hostility towards  
5 colleagues; Zhao *et al.*, 2013), higher employee turnover (O'Reilly *et al.*, 2014), and a negative  
6 spillover effect on family satisfaction (Liu *et al.*, 2013). Likewise, in consumer settings,  
7 ostracism spawns undesirable responses. It entices people to spend and consume strategically  
8 (e.g. buying symbolic products; Mead *et al.*, 2011), increases unhealthy food consumption  
9 (Salvy *et al.*, 2011), and exacerbates financial risk-taking (Duclos *et al.*, 2013). A mere  
10 “automatic reply e-mail” to customer complaints (i.e. a form of cyberostracism) has been found  
11 enough to inflict negative customer reactions (Mattila *et al.*, 2013). In summary, both workplace  
12 and marketplace ostracism undermine personal well-being, unleashing diverse adverse  
13 responses.  
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### 30 *Ostracism in co-ops and the definition of co-op ostracism*

31 Being left out or even merely unattended can be expected to be profoundly distressing to people  
32 who voluntarily join a co-op group and anticipate finding themselves cherished. Even in simple  
33 membership associations members crave for recognition (Vincent and Webster, 2013). Co-op  
34 membership implies a special relationship between the co-op and the people whose needs it is  
35 established to serve. The inherent relational advantage creates high expectations (Byrne *et al.*,  
36 2015; Mazzarol *et al.*, 2014). Ostracism probably disconfirms such expectations and sets the  
37 stage for negative reactions, tainting the underlying relationship and poisoning relational assets  
38 like membership maintenance.  
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50 It is not unusual that co-op members experience the extreme or complete form of ostracism  
51 (i.e. forced exit), rooted in its ancient origins[1], especially when they systematically free ride on  
52 collective benefits (Nilsson, 2001). Nevertheless, as we have detailed above, the phenomenon of  
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3 ostracism is typically represented by less dramatic behaviours (e.g. simply overlooking someone)  
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5 or partial forms (e.g. being out-of-the-loop). We attest to this dominant approach of *partial*  
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7 ostracism and, considering that the genetic code of co-ops is marked by the combination of  
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9 market and social components, we also integrated elements which reflect the distinctive features  
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11 of co-ops' value proposition (e.g. satisfying both individual and social needs, giving voice,  
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13 information access). As the primary users and sole owners, but also as an integral part of the  
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15 membership camaraderie, co-op member-customers anticipate individual attention and interest,  
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17 response to their requests, access to information, and voice, among others. So, we view such  
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19 social-market elements as the core reflective indicators of ostracism in co-ops and given their  
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21 interrelatedness we expect them to form a unidimensional construct. Based on the defining  
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23 characteristic of omission explained above (O'Reilly *et al.*, 2014), associated with the inherent  
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25 ambiguity ostracism encompasses (Robinson *et al.*, 2013), we assume that their absence or low  
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27 levels might infer perceptions of neglecting, ostracising conduct. In brief, we define co-op  
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29 ostracism *as the perception of a member-customer that he or she is being subjected to neglecting*  
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31 *behaviours (e.g., lack of attention, response, interaction, voice, concern for interests and*  
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33 *treatment) by others within the co-op.*  
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40 We anticipate that ostracism might be perpetrated by a variety of sources within the co-op,  
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42 such as by other members, Board members, employees or managers. In line with past research  
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44 (e.g. most workplace ostracism studies), we do not distinguish between sources, though. Besides,  
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46 a one-person exclusion is adequate to elicit negative outcomes against all others (Gaertner *et al.*,  
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48 2008), even against inclusive ones (Chernyak and Zayas, 2010; Critcher and Zayas, 2014).  
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### Core conceptual framework

In our central conceptual model, we focused on two key relational exchange outcomes, namely the expectation of continuity and word-of-mouth, for two reasons. First, as both are amongst the most common outcomes expected from RM efforts (Aurier and N'Goala, 2010; Choi and Choi, 2014; Verma *et al.*, 2016; Vincent and Webster, 2013). Second, both can be critical in view of member centrality in the co-op context. If co-ops are not able to maintain their member-customer base or to renew it, their survival is at stake (Hernández-Espallardo *et al.*, 2013; Mazzarol *et al.*, 2014). Hence, the expectation of discontinuity through the (reverse) measure of withdrawal intentions (WI) may damage membership while word-of-mouth (WOM) may foster it. We supplement our framework with a relationship-building concept and a competing account to ostracism. That is, we also examine whether ostracism reduces the likelihood of continuing the relationship or referring the co-op, over and above “trust” and “social undermining” respectively. The former is considered a vital determinant of relationship success and is one of the most frequently studied constructs in RM research (Aurier and N'Goala, 2010; Verma *et al.*, 2016). The latter is also an insidious form of social mistreatment, though flagrant and interactional (Duffy *et al.*, 2002; Ferris *et al.*, 2008). We aim to test whether trust or social undermining can overshadow ostracism's toxic effects.

- Insert Figure 1 about here -

Perhaps the prime reason why ostracism will hurt membership outcomes is its conflict with top co-op priorities, like the sense of inclusion, attention, and treatment (Nilsson, 2001; Novkovic, 2008). Though a subtle form of exclusion and mistreatment, ostracism presents a salient experience of being left out, violating individuals' expectancies of being included (Gerber

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3 and Wheeler, 2014; Poon *et al.*, 2013; Svetieva *et al.*, 2015). The purposeful or unintentional  
4 failure of co-op participants to act in ways that make members feel included or enjoy  
5 membership benefits (e.g. being attended to, having their voice heard) can be rather distressing.  
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7 Reaction to ostracism often involves withdrawal (Ren *et al.*, 2016; Wesselmann *et al.*, 2015;  
8 Williams, 2001), such as employee turnover (O'Reilly *et al.*, 2014), or adversarial demeanour  
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10 (Poon and Chen, 2014; Williams, 2001), such as displaced aggression (Rajchert and Winiewski,  
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12 2016). Ostracism can thus be expected to inflict member-customer ill-disposed responses (Poon  
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14 *et al.*, 2013), like withdrawal thoughts or reluctance to praise the co-op group to other people.  
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16 Formally, we hypothesise:  
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24 *H1.* Ostracism has (a) a positive effect on WI and (b) a negative effect on WOM.  
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28 The role of trust has been the focus of many studies dealing with relationships in markets and has  
29 been shown to play an essential role in relationship building and maintenance (Aurier and  
30 N'Goala, 2010; Morgan and Hunt, 1994; Nguyen, 2012). In the co-op context, trust between co-  
31 op participants (e.g. members, BoD members, managers) is crucial (Byrne *et al.*, 2015; Nilsson,  
32 2001; Nilsson *et al.*, 2012). In this article, we treat trust as a cognitive expectation represented by  
33 a member-customer's confidence in others' reliability and integrity (Morgan and Hunt, 1994). In  
34 customer relationships, trust is regularly used to explain an individual's behaviour towards the  
35 actual value provider (Sirdeshmukh *et al.*, 2002). Hence, we expect that if a co-op member  
36 thinks that others within the co-op can be relied on, he or she will also behave favourably  
37 towards what they jointly derive value from (i.e. the co-op itself). Central to the fundamental role  
38 of trust within exchange relationships is the tenet that it reduces behavioural uncertainty related  
39 to the actions of others (Morgan and Hunt, 1994; Nguyen, 2012; Sirdeshmukh *et al.*, 2002).  
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Ostracism, however, reflects the *inaction* of others, described as a “non-behaviour” (Rajchert and Winiewski, 2016; Williams, 2009). As a result, neglecting to act in ways that engage co-op members might add a different kind of uncertainty that instead disengages them. This is why we expect ostracism to exert undue influence on relational exchange outcomes, no matter what the effects of trust might be. In other words, ostracism perceptions might partially destroy the relationship that trust helps to build and maintain. Of course, we cannot rule out that ostracism’s influence is partly interceded by trust, which has repeatedly been shown to be a pivotal mediator of relationship maintenance and development (Aurier and N’Goala, 2010; Vincent and Webster, 2013). All in all, we anticipate that ostracism serves as a nonmatching extension to the explanation of relational-building factors (like trust), and should still significantly affect WI and WOM after accounting for the direct effects of trust. We, therefore, hypothesise:

*H2.* Ostracism has significant direct effects on (a) WI and (b) WOM, after accounting for the direct effects of trust.

Social rejection and ostracism are terms that are often used interchangeably (Wesselmann *et al.*, 2015). Even though each has specifically associated research paradigms, their fundamental theoretical premises are all compatible with research on social rejection, exclusion and especially mistreatment (Svetieva *et al.*, 2015; Zwolinski, 2014). Social undermining is a form of social rejection, but also an insidious social mistreatment form like ostracism (Ferris *et al.*, 2008). Unlike ostracism behaviours, social undermining ones (e.g. insults) are overt and allow targets know why they are mistreated. Ostracised targets, in contrast, commonly report abhorring the ambiguity inherent in ostracism episodes (e.g. whether or not it is purposeful, the reason for its use; Nezelek *et al.*, 2015). We expect ostracism to have a profound effect on relational exchange outcomes, despite the likely presence of competing mistreatment behaviour like social

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3 undermining. Besides, co-op members' ingrained need for connection with their co-op can be  
4 principally thwarted by ostracism, which habitually provokes heightened social disconnection  
5 (Gerber and Wheeler, 2014; Mead *et al.*, 2011). Nevertheless, we do not expect ostracism or  
6 social undermining to outperform or offset one another, thus, we do not formulate a particular  
7 hypothesis. We just set to confirm that co-op ostracism maintains its influence on critical  
8 exchange outcomes (and essential elements for co-op membership) even when other  
9 mistreatment behaviours might be manifest.  
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### 22 **Study 1: Exploring ostracism in co-ops and developing a measurement instrument**

23 In the absence of a validated self-report instrument and to better capture perceptions of ostracism  
24 experiences in the co-op context, we conducted Study 1. Before testing the core conceptual  
25 model and the derived hypotheses, we performed a separate study to develop and validate a new  
26 scale as well as to explore whether co-op members' and experts' conceptions of ostracism were  
27 similar to our conceptualization. As conventional practices for scale development efforts require  
28 extensive reporting, which is not feasible within the scope of this article, we present the detailed  
29 outcomes in the Web Appendix.  
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39 We followed a six-step process. We used the first three Steps for item generation, screening  
40 and reduction, but also to confront our conceptualization with members' (Step 2) and experts'  
41 (Step 3) notions respectively. Next, we further selected items based on a suitability task (Step 4)  
42 and an item-sort task (Step 5). In Step 6, we collected data from three different industries (i.e.  
43 retail banking, agribusiness, and consumer co-op) to provide evidence regarding the factor  
44 structure, scale reliability, and the overall construct validity. We targeted the three most popular  
45 co-op sectors globally and relied on International Cooperative Alliance's (ICA) categorisation  
46 and reports (ICA, 2015). These three collectively accounted for 64% of all sectors in 2013 global  
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3 turnover terms (27%, 21%, and 16% respectively). In Step 7, we found discrete support for the  
4 scale's external reliability (i.e. test-retest). The resulting scale contained 9 items (see Appendix).  
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6  
7 Study 1 findings supported its reliability and validity, but also provided initial evidence that  
8 ostracism is fairly common in co-op life.  
9

## 14 **Study 2: Testing the core conceptual framework**

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16 In Study 2, we set to test our overarching conceptual framework and empirically assess our  
17 hypotheses. That is, we empirically examined whether ostracism acts as a relationship-destroying  
18 aspect despite the presence of a relationship-building factor (i.e. trust) and that of a competing  
19 social mistreatment account (i.e. social undermining).  
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### 26 *Method*

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28 We recruited respondents from Study 1 samples and offered them the chance to win vouchers  
29 redeemable at the co-op stores. Collection lasted three months and yielded a total of 573  
30 responses (see Table I). We generated fewer responses in more time than in Study 1 because we  
31 introduced a temporal separation between the focal construct (i.e. ostracism) and all the rest,  
32 following MacKenzie and Podsakoff's (2012) suggestion to diminish memory availability.  
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40 A three-item WOM scale (Choi and Choi, 2014) was adapted to measure the extent to which  
41 member-customers were willing to recommend the co-op to others. WI were examined by  
42 adapting three items from Jensen *et al.*'s (2013) turnover intentions measure, gauging members'  
43 propensity to withdraw from the co-op. We measured trust with four items capturing reliability  
44 and integrity of others in the co-op (i.e. other members, BoD members, and employees) (Morgan  
45 and Hunt, 1994). To measure social undermining, we picked four items that had demonstrated  
46 the highest substantive validity in Study 1, but also reflected behaviours of explicit mistreatment  
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3 (e.g. “others belittle you or your ideas”; Duffy *et al.*, 2002). All measures were reflective.  
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5 Finally, we controlled for age, gender, length of membership, patronage, and participation in  
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7 committees, all of which were likely to be associated with the intention to (dis)continue co-op  
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9 membership as well as to refer the co-op to others. Age and length of membership were self-  
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11 reported in years. Patronage was also self-reported but varied across samples (see Table I notes).  
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13 Gender and participation in committees were dummy-coded (i.e. male = “0”, female = “1”; no  
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15 participation = “0”, participation = “1”). The means, standard deviations, and correlations appear  
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17 in Table I. All constructs and measurement items can be found in Appendix.  
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24 - Insert Table I about here -  
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### 28 *Results*

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30 We performed structural equation modelling (SEM) analyses, using AMOS 23. We first  
31  
32 conducted a CFA to provide support for the construct validity of our scale measures. We tested  
33  
34 the degree of fit of the five-factor measurement model with the same fit indices as in Study 1. All  
35  
36 fit measures adhered to recommended benchmarks ( $\chi^2[220] = 404.8, p < .01, \chi^2/df = 1.84$  for  
37  
38 sample A;  $\chi^2[220] = 435.9, p < .01, \chi^2/df = 1.98$  for sample B;  $\chi^2[220] = 389.1, p < .01; \chi^2/df =$   
39  
40  $1.76$  for sample C; and ranges of CFI = 0.93 - 0.97, NNFI = 0.92 - 0.96, RMSEA = 0.06 - 0.08,  
41  
42 SRMR = 0.04 - 0.06). All factor loadings were significant ( $p < .001$ ; see Table AI) and AVEs for  
43  
44 all constructs were greater than 0.50, in support of convergent validity. Discriminant validity was  
45  
46 also established, as  $\sqrt{AVE}$  was greater than the correlation between any constructs. Scale  
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48 composite reliabilities ranged from 0.78 to 0.98 and scale alpha reliabilities from 0.75 to 0.97  
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51 (see Table I).  
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3 We then examined if common method variance was inherent in the dataset. Of course, the  
4 temporal separation we applied was already a first step in dealing with common method bias.  
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6 Moreover, we implemented the procedural remedies of Study 1 (e.g. psychological separation,  
7  
8 spatial separation, anonymity assurance). However, we still performed an empirical check  
9  
10 utilising the bi-factor procedure (Chen *et al.*, 2006; Podsakoff *et al.*, 2003; Williams *et al.*, 1989).  
11  
12 According to the latter, an unmeasured general method factor is added to a t-traits factor (latent  
13  
14 constructs) model and is compared to a model with just the t-traits factor specification. Our  
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16 analyses showed that while the method factor did improve model fit in all three samples ( $\Delta\chi^2[21]$   
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18 = 49.23,  $\Delta\chi^2[21] = 99.03$ ,  $\Delta\chi^2[21] = 75.75$ ,  $p < 0.05$  respectively), it accounted for only a small  
19  
20 portion of variance (i.e. 4.39%, 7.39%, and 7.86%), which was much lower than the 25%  
21  
22 suggested by Williams *et al.* (1989). Moreover, the trait factor loadings were significant and  
23  
24 almost intact after the method effects were partialled out. These results were fully indicative that  
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26 common method variance was not an inhibiting element in testing the hypotheses.  
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33 Next, we estimated the structural model (see Table II). The control variables were included  
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35 by adding direct paths from them to each of the two dependent variables. Only patronage  
36  
37 exhibited a somewhat strong influence on WI for samples A and C ( $\beta = -0.37$ ,  $p < 0.001$ ,  $\beta = -$   
38  
39  $0.15$ ,  $p < 0.05$  respectively) and on WOM for sample A ( $\beta = 0.18$ ,  $p < 0.01$ ). This should not be  
40  
41 surprising as member discontent is routinely associated with lower co-op patronage rates  
42  
43 (Bhuyan, 2007). For sample B, we could only use a proxy (see Table I notes) to measure  
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45 patronage, which might explain why it had no influence.  
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3 Based on the model estimates, ostracism had a strong effect on both outcomes across the three  
4 samples (WI:  $\beta = 0.37$  [A],  $\beta = 0.39$  [B],  $\beta = 0.51$  [C], all  $ps < 0.001$ ; WOM:  $\beta = -0.33$  [A],  $\beta = -$   
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11 ostracism's influence remained strong, despite the robust effect of trust on both WI ( $\beta = -0.59$   
12 [A],  $\beta = -0.42$  [B],  $\beta = -0.39$  [C], all  $ps < 0.001$ ) and WOM ( $\beta = 0.67$  [A],  $\beta = 0.45$  [B],  $\beta = 0.37$   
13 [C], all  $ps < 0.001$ ). Ostracism had an effect on trust too, albeit weaker. Interestingly, social  
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17 undermining had a strong negative relationship with trust, but its direct effects on both outcomes  
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21 were all insignificant (see Table II). Mediation paths were constructed using the bootstrapped  
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indirect effects were obtained with 5,000 bootstrapped resamples (Cullen *et al.*, 2012; Hayes, 2009). The indirect effects of ostracism-trust-WI (or WOM), as well as these of social undermining-trust-WI (or WOM), were all significant across the three samples (i.e. the 95% CI did not contain zero). Consequently, trust partially mediated the influence of ostracism and fully that of social undermining.

To substantiate that ostracism provides added value beyond trust, we considered the additional variance explained in WI and WOM when we added it to a structural model that included trust and the control variables. We found that the trust-only model explained 60.2% (sample A), 44.6% (sample B), and 37.8% (sample C) of variance in WI, and 50.2%, 34.3%, 35.2% in WOM. Adding ostracism to this model increased the variance explained to 71.2%, 56.3%, 50.5% in WI, and 58.6%, 40.6%, 40.7% in WOM, respectively. Additionally, chi-square difference tests indicated that, in all cases, the fit for the enriched model was significantly better than the fit for the trust-only model ( $\Delta\chi^2[133] = 202.19$  and  $\Delta\chi^2[133] = 227.44$ ,  $p < 0.05$  for sample A;  $\Delta\chi^2[133] = 280.53$  and  $\Delta\chi^2[133] = 307.07$ ,  $p < 0.05$  for sample B; and  $\Delta\chi^2[133] =$

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3 233.52 and  $\Delta\chi^2[133] = 212.1, p < 0.05$  for sample C). We, therefore, concluded that ostracism's  
4 influence on relational outcomes was genuine.  
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7  
8 Overall, Study 2 findings indicate that ostracism consistently “poisons” crucial relational  
9 outcomes. It acts as a relationship-destroying element notwithstanding the rock-solid effects of  
10 the relationship-building factor of trust. Trust typically serves to reduce behavioural uncertainties  
11 in exchange relationships, but ostracism and its inherent ambiguity seem to add a different kind  
12 of uncertainty that is not easy to match. In other words, the relationship poison of ostracism does  
13 not seem to be really “absorbed” by trust, which instead appears to captivate unambiguous social  
14 mistreatment effects like these of social undermining.  
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### 26 **Study 3: An “antidote” to the ostracism poison: The extended core model**

27 After showcasing ostracism's distinct nature and added value on critical co-op elements, we  
28 attempted to develop a coping strategy. Understanding how to cope with ostracism is vital  
29 because effective coping strategies may trim or even exterminate the effects of ostracism on  
30 individuals (Williams and Nida, 2011; Wu *et al.*, 2012). In the search for successful coping  
31 responses, scholars have explored several practices, like financial compensation (Lelieveld *et al.*,  
32 2012), turning to religion (Aydin *et al.*, 2010), and subsequent social inclusion efforts (Tang and  
33 Richardson, 2013). Also, personal characteristics have been examined, such as the moderating  
34 effect of just-world beliefs (Poon and Chen, 2014), political skill and proactive personality (Zhao  
35 *et al.*, 2013), and identity fusion (Gómez *et al.*, 2011). In contrast to extant research which has  
36 taken an individual-self perspective, we rather focused on how to neutralise the impact of  
37 ostracism on member withdrawal intentions from a group perspective. We followed a social  
38 perception approach and placed the emphasis on the joint protective benefits of perceived  
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3 groupness and the shared perspective of social capital, represented by the concepts of  
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5 “entitativity” and “cognitive capital” respectively.  
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8 Social perception varies from the individual level, in which persons serve as the perceptual  
9  
10 unit and are treated as distinct agents, to the group level, in which social groups serve as the  
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12 perceptual unit and individual members are considered undifferentiated and interchangeable  
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14 (Gaertner *et al.*, 2008). Campbell (1958) coined the term “entitativity” to convey that aggregates  
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16 of persons vary in the extent to which they are perceived as a cohesive whole or entity. Family  
17  
18 members, for instance, might be perceived more entity- or group-like than a project team. When  
19  
20 an aggregate of persons is seen as an entity, its members are expected to behave more  
21  
22 consistently and may be considered more similar to one another (Vock *et al.*, 2013). Perceived  
23  
24 entitativity promotes the integration of group representations (Gaertner *et al.*, 2008), enhances  
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26 judgments of collective responsibility (Lickel *et al.*, 2003), and, notably, promotes favourable  
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28 attitudes and actions toward a group when that is in-group (Gaertner *et al.*, 2006). Co-op  
29  
30 members voluntarily join their co-op association. Hence, the latter can be perceived as an entity-  
31  
32 like in-group. In turn, members can be expected to hold favourable associations towards the co-  
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34 op when perceived entitativity is salient. Therefore, if the “groupness” of a co-op group is solid  
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36 when members are glued in a coherent unit, ostracism’s influence on relational outcomes might  
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38 wane.  
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45 The cognitive dimension of social capital is symbolic of shared goals, values and vision  
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47 between exchange actors in a social system (Tsai and Ghoshal, 1998). It facilitates the  
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49 development of common understandings and collective ideologies, outlining norms for parties to  
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51 coordinate their exchange, and comprehend the synergistic potential of the relationship. This, in  
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53 turn, enables the alignment of interests and the attainment of collective outcomes (Villena *et al.*,  
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3 2011). In a related vein, cognitive capital in co-ops probably serves to increase the level of  
4 understanding among co-op actors (e.g. members, employees, managers) and stimulate a “self-  
5 interest collectively expressed” (Birchall, 2011). Besides, successful co-ops unite their  
6 membership into a common purpose (Birchall 2011; Fulton, 1999; Nilsson, 2001).  
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12 Several characteristics influence individuals’ perceptions of entitativity, such as interpersonal  
13 similarity, interpersonal bonds, sharing a common fate (e.g. collective goals) and collective  
14 movement (Campbell, 1958; Gaertner *et al.*, 2006). In a co-op, members cannot develop strong  
15 interpersonal bonds with many others. They share a common fate with each other to a great  
16 extent, however, as they pursue common goals on top of individual interests while they often  
17 have a similar philosophy or a shared vision (i.e. this implying high cognitive capital). In fact,  
18 co-ops are a form of collective movement. Hence, we expect cognitive capital to fuel entitativity  
19 and their joint effect to reinforce the “groupness” of a co-op group. In that respect, cognitive  
20 capital might provide the *mutual lens* (e.g. shared goals, philosophy, vision) through which a co-  
21 op group is viewed as an entity-like one by its member-customers, eventually deflecting threats  
22 from neglecting acts that distance them from their co-op. Moreover, entitativity typically shifts  
23 the attention from the self to the group, from the single to the common. Coupling cognitive  
24 capital with entitativity could probably divert members’ attention even further from the self to  
25 the group, from individual to mutual interest. This could serve as a mindful-based intervention  
26 that buffers the influence of ostracism on WI, “condensing” the distance between co-op  
27 participants while actively promoting the common sense of purpose. We hypothesised:  
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49 *H3*. Cognitive capital moderates the moderating effect of entitativity on the relationship between  
50 co-op ostracism and withdrawal intentions. High entitativity coupled with high cognitive capital  
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3 leads to the weakest relationship while low entitativity combined with low cognitive capital  
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5 results in the strongest relationship.  
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9 - Insert Figure 2 about here –  
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### 11 12 13 *Method*

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15 We sampled member-customers from a South-eastern European agribusiness supply co-op. Data  
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17 were collected using procedures identical to the previous studies. A total of 225 responses were  
18  
19 generated, yet 205 were usable. Of the participating members, 65% were male, the mean age was  
20  
21 39.5 years ( $SD=11.5$ ), the mean membership tenure was 6.9 years ( $SD = 5.05$ ), 19.5%  
22  
23 participated in at least one committee, and the mean patronage was 82.6% ( $SD=17.12$ ). As a  
24  
25 result, the sample was consistent with the demographic characteristics of Study 1 and Study 2.  
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29 We once again adapted existing reflective measures (see Appendix). We also controlled for  
30  
31 customer-company identification (CCI). It represents a connection between a customer's sense of  
32  
33 self and an organisation (Homburg *et al.*, 2009) and can be a rival account of entitativity.  
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35 However, it primarily focuses on the self, providing little information about the relationships  
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37 among other group members, and is thus conceptually different from entitativity. To measure it,  
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39 we used four items from Homburg *et al.*'s (2009) CCI scale.  
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### 44 *Results*

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46 To check the convergent and discriminant validity among all constructs (including CCI), we  
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48 conducted a CFA with maximum likelihood estimation. The five-factor model provided an  
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50 acceptable fit ( $\chi^2[199] = 489.5$ ,  $\chi^2/df = 2.46$ , CFI = 0.92, NNFI = 0.91, SRMR = 0.045, RMSEA  
51  
52 = 0.08). In support of convergent validity, all factor loadings were significant ( $p < 0.001$ ). We  
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54 also conducted Fornell and Larcker's (1981) test for discriminant validity. According to Table III  
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3 - which also provides the means, standard deviations, scale reliabilities and correlations for the  
4 study variables - the square root of the AVE for each construct was larger than the correlation  
5 between the respective constructs. This means that the distinction of the constructs was evident.  
6  
7 Moreover, all of the constructs were associated in the direction expected.  
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15 - Insert Table III about here -  
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18 Following Cohen *et al.* (2003), we conducted a five-step hierarchical multiple regression analysis  
19 to test our hypothesis. We first entered the control variables, followed by co-op ostracism in the  
20 second step. In the third step, we entered entitativity and cognitive capital. We next introduced  
21 the three two-way interaction terms. Finally, we entered the three-way interaction term in the  
22 fifth step for predicting WI. Before the analysis, all continuous measures were mean-centred to  
23 reduce any multicollinearity. Table IV presents the regression results.  
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34 - Insert Table IV about here -  
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38 As Step 5 of Table IV shows, co-op ostracism was significantly and positively associated with  
39 WI ( $\beta = 0.29, p < 0.01$ ), while both entitativity ( $\beta = -0.18, p < 0.05$ ) and cognitive capital ( $\beta = -$   
40  $0.49, p < 0.01$ ) were negatively related. Their interaction effect was also negatively associated  
41 with WI ( $\beta = -0.14, p < 0.05$ ), implying that their coupling led to a lower propensity to leave the  
42 co-op. As far as ostracism's interaction effects were concerned, only the interaction with  
43 entitativity was significant ( $\beta = -0.14, p < 0.05$ ), suggesting that the latter toppled the effect of  
44 ostracism on the intention to terminate the relationship. Finally, of the control variables, similar  
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3 to our previous studies, patronage had a negative significant effect ( $\beta = -0.10, p < 0.05$ ), followed  
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5 by age who had a similar effect ( $\beta = -0.11, p < 0.05$ ).  
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8 Our hypothesis predicted that entitativity and cognitive capital would jointly moderate the  
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10 ostracism-WI relationship. The three-way interaction term proved to be significantly and  
11  
12 negatively related to WI ( $\beta = -0.19, p < 0.01$ ), offering initial support to our hypothesis. As a  
13  
14 cross-check, and as a means to explore the interaction, we employed a bootstrapping method  
15  
16 (Hayes, 2013; 10,000 bootstrapped resamples; SPSS Macro PROCESS model 3), which also  
17  
18 accommodates the investigation of three-way interactions. The results indicated that the three-  
19  
20 way interaction effect was significant at 99% level (CI = [-0.28, -0.015]). This provided further  
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22 support for our hypothesis. Moreover, when inspecting the conditional effects (CE) of ostracism  
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24 on WI at values plus and minus one standard deviation from the means of entitativity and  
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26 cognitive capital, we could detect the nature of the three-way interaction. The only insignificant  
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28 conditional effect ( $\beta_{CE} = -0.04, p = 0.69$ ) was found for the highest levels of entitativity and  
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30 cognitive capital. In other words, the weakest effect of ostracism was found at the peak of the  
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32 entitativity-cognitive capital combination.  
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38 To further examine the nature of the significant three-way interaction, we performed a  
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40 spotlight analysis by plotting values plus and minus one standard deviation from the means of  
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42 ostracism, entitativity and cognitive capital (Cohen *et al.*, 2003). Figures 3a and 3b clearly  
43  
44 illustrated that only when both entitativity and cognitive capital were high, was co-op ostracism  
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46 unrelated to WI ( $\beta = 0.04, p = 0.64$ ). However, when both were low, co-op ostracism did not  
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48 exhibit the strongest positive relation to WI (i.e.  $\beta = 0.37, p < 0.01$  vs.  $\beta = 0.66, p < 0.01$  for the  
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50 low entitativity–high cognitive capital combination). Taken together, these findings suggested  
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3 that our hypothesis was partially supported, but our effort to discover an effective “antidote” to  
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5 co-op ostracism’s virulent effect was rather fruitful.  
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9 - Insert Figure 3 about here -  
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### 12 13 **General discussion and implications**

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15 Member-customer proximity enables co-ops to thrive, even when other business forms might  
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17 fail, as in times of crisis (Birchall, 2013; Byrne *et al.*, 2015). This inherent relational proximity,  
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19 however, is challenged by the core threat of membership “distance”, which acts as a relationship  
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21 poison. This co-op peril prompted us to turn to ostracism, a hallmark concept of social exclusion  
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23 and mistreatment research. To date, marketing scholars’ understanding of the unique co-op  
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25 model or the phenomenon of ostracism has been limited. Our first contribution was to fill these  
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27 gaps. We diagnosed ostracism’s poisonous presence in co-ops and developed a reliable and valid  
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29 tool that can support initiatives focused on confronting its deleterious effects while shielding  
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31 relational assets.  
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36 We built our co-op ostracism framework within a nomological network by specifying and  
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38 testing consequent effects, and examining its influence next to a dominant relationship-building  
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40 factor (i.e. trust) and a rival account (i.e. social undermining) on exchange outcomes. We  
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42 obtained strong support, across three studies, for our prediction that co-op ostracism has a  
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44 discrete impact, largely on what maintains and extends co-ops’ member-customer base. The  
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46 empirical evidence we present contributes to the relational perspective on marketing through a  
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48 more multifaceted view of relational exchanges, because it concentrates on understanding and  
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50 measuring an *implicit* relationship-destroying factor in a business type which possesses an *a*  
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52 *priori* relational advantage. Our research helps capture a more complete picture of the factors  
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3 influencing marketing relationships, providing scholars with a reason to further investigate and  
4 explain the firm's social environment. Marketing researchers and managers should not disregard  
5 that businesses, particularly the co-op ones, are a social construction, which humans have created  
6 to get specific problems solved and address both individual and social needs (Freathy and Hare,  
7 2004). Hence, inclusive membership should top the co-op leadership agenda (Davis, 2016).

14 Of no less interest is our finding on buffering withdrawal intentions associated with ostracism  
15 perceptions. The goal of our research was not only to show the potential usefulness of identifying  
16 co-op ostracism but also to provide a means to offset the phenomenon's effects. Co-ops are  
17 essentially business groups whose member-customers share properties (e.g. interdependence,  
18 common goals) characterising high entitativity groups (Vock *et al.*, 2013). As our results show,  
19 coupling entitativity with high cognitive capital reinforces the sense of community and mutuality  
20 among co-op member-customers and neutralises the particular ostracism effect on intentions to  
21 discontinue the relationship. This finding has important implications for how co-ops (or other  
22 firms) might fend off ostracism threats, offering a novel avenue for intervention strategies. For  
23 example, companies can channel communication efforts on sharing their vision, goals, and  
24 philosophy with their customers, but also further invest in organising active customer  
25 communities, injecting them with shared purposes and understanding. The financial services co-  
26 op which participated in our studies launched a communication campaign in which it even used a  
27 "lens" metaphor. It stressed that when its member-customers "look through the lens of shared  
28 goals and vision, they can clearly see their mutual fate of success as well as their difference from  
29 the isolated customers of conventional banks". Admittedly, this campaign boosted a vital capital  
30 stock increase undertaken shortly after.

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3 Our findings might also prove valuable to enrich the understanding of membership, not only  
4 in co-ops but in general. Companies increasingly attempt to infuse elements of membership in  
5 their RM arrangements (e.g. loyalty program membership) or their core business (e.g.  
6 membership associations) (Vincent and Webster, 2013). Membership needs to involve social  
7 benefits beyond the offer of monetary or in-kind rewards, so as to create the sense that customers  
8 are in a pleasurable long-lasting relationship rather than a recurring, yet passing, transaction.  
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11 Like any research project, our conceptualization and research design choices involve  
12 limitations. We took several precautionary steps and implemented plenty of the procedural and  
13 statistical remedies suggested by Podsakoff *et al.* (2003) and MacKenzie and Podsakoff (2012)  
14 to free our measure of methodological artefacts, but we cannot rule out that the latter may have  
15 exerted some influence. Furthermore, our scale was not designed to differentiate between  
16 different ostracism sources. In Study 1, we did test for differences in ostracism perceptions based  
17 on the source (i.e. other members, employees, BoD members), but none was found. Although it  
18 may be beneficial in future work to differentiate the foci of co-op ostracism and examine if  
19 differential responses are prompted, our conceptualisation of the construct was driven by  
20 prevailing theoretical and empirical considerations. In this regard, the vast majority of available  
21 literature - particularly the empirical one, such as workplace ostracism studies (e.g. Cullen *et al.*,  
22 2012; Leunga *et al.*, 2011; O'Reilly *et al.*, 2014; Scott *et al.*, 2013; Wu *et al.*, 2012) - suggests  
23 that ostracism or its responses are not dependent on the source. Besides, a mere one-person  
24 exclusion is sufficient to elicit negative outcomes, even against inclusive individuals who may be  
25 seen as part of the excluding alliance (Chernyak and Zayas 2010; Critcher and Zayas 2014).  
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51 Finally, the concept of co-op ostracism needs more dedicated research. We do not know all  
52 the consequences, especially the long-term ones, and further research could examine whether it  
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3 can predict specific behavioural outcomes (e.g. actual member exit). Longitudinal studies could  
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5 be designed that would allow exploring these, and other issues (e.g. coping mechanisms).  
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7 Similarly, RM literature needs to pay more attention to the “dark side” of RM (Payne and Frow,  
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9 2017), particularly to the overlooked, yet indispensable role of implicit mistreatment forms in  
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11 customer harm-doing. We have shown how core customers in a genuinely customer-focused  
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13 business form are driven away by simply not directing desired social behaviour towards them.  
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## 20 Notes

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22 1. Ostracism occurred long before it was named (*ostrakismos*), when ancient Athenians cast their  
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24 votes on shards of clay, *ostraca*, to determine whether a citizen would have to be expelled from  
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26 the city for ten years (Costantini and Ferri, 2013).  
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## 33 Appendix

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36 - Insert Table AI about here -  
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## TABLES

**Table I.** Study 2 descriptive statistics and correlations

Sample	Source	<i>N</i>	Gender	Average age	Average length of membership	Average patronage <sup>a</sup>	Committee participation
A	Agribusiness co-op	146	57% male	35	4.3 years	81%	31% yes
B	Financial services co-op	301	72% male	45	10 years	13 shares	22% yes
C	Consumer co-op	126	59% male	48	3.9 years	54%	23% yes

Sample A										
	<i>M</i>	<i>SD</i>	$\sqrt{\text{AVE}}$	<i>SCR</i>	1	2	3	4	5	
1 Co-op ostracism	2.53	1.65	0.90	0.98	(0.97)					
2 Social undermining	2.31	0.97	0.81	0.89	0.36	(0.88)				
3 Trust	5.39	0.95	0.74	0.83	-0.36	-0.70	(0.83)			
4 WI	2.36	1.12	0.81	0.85	0.54	0.59	-0.58	(0.84)		
5 WOM	5.70	1.10	0.86	0.89	-0.52	-0.58	0.59	-0.65	(0.89)	

Sample B										
	<i>M</i>	<i>SD</i>	$\sqrt{\text{AVE}}$	<i>SCR</i>	1	2	3	4	5	
1 Co-op ostracism	2.07	1.26	0.83	0.95	(0.95)					
2 Social undermining	2.80	1.18	0.91	0.95	0.51	(0.95)				
3 Trust	5.20	1.09	0.78	0.86	-0.51	-0.63	(0.85)			
4 WI	2.66	1.30	0.88	0.91	0.59	0.53	-0.57	(0.89)		
5 WOM	5.60	1.22	0.93	0.95	-0.52	-0.44	0.51	-0.63	(0.95)	

Sample C										
	<i>M</i>	<i>SD</i>	$\sqrt{\text{AVE}}$	<i>SCR</i>	1	2	3	4	5	
1 Co-op ostracism	1.98	1.16	0.85	0.96	(0.95)					
2 Social undermining	2.21	0.78	0.70	0.78	0.46	(0.75)				
3 Trust	5.74	0.84	0.84	0.90	-0.45	-0.57	(0.90)			
4 WI	2.23	1.08	0.88	0.91	0.59	0.41	-0.52	(0.91)		
5 WOM	6.26	0.84	0.84	0.87	-0.50	-0.45	0.53	-0.60	(0.86)	

**Notes:** WI = withdrawal intentions; WOM = word of mouth; AVE = average variance extracted; SCR = scale composite reliability; Scale alpha reliabilities are given on the diagonal (in parentheses); All correlations significant at  $p < 0.001$  two-tailed; <sup>a</sup> For sample B, we were not given permission to measure the % of use members do with their co-op. We thus used a proxy, namely the number of shares people retain in the co-op. For sample A, patronage refers to the share of wallet in services terms, while for sample C, to the share of wallet in product terms

**Table II.** Parameter estimates and significance levels

	Sample A		Sample B		Sample C	
	Std. $\beta$	p	Std. $\beta$	p	Std. $\beta$	p
<b>Control variable paths</b>						
Gender $\rightarrow$ WI	0.08	(ns)	0.06	(ns)	0.07	(ns)
Age $\rightarrow$ WI	-0.04	(ns)	0.08	(ns)	-0.09	(ns)
Length of membership $\rightarrow$ WI	-0.11	(ns)	-0.08	(ns)	-0.03	(ns)
Patronage $\rightarrow$ WI	-0.37	***	-0.03	(ns)	-0.15	*
Committee participation $\rightarrow$ WI	-0.01	(ns)	-0.01	(ns)	0.02	(ns)
Gender $\rightarrow$ WOM	-0.06	(ns)	-0.02	(ns)	0.04	(ns)
Age $\rightarrow$ WOM	-0.05	(ns)	0.01	(ns)	-0.11	(ns)
Length of membership $\rightarrow$ WOM	0.13	(ns)	0.05	(ns)	0.09	(ns)
Patronage $\rightarrow$ WOM	0.18	**	0.07	(ns)	0.01	(ns)
Committee participation $\rightarrow$ WOM	-0.01	(ns)	0.06	(ns)	0.13	(ns)
<b>Hypothesized paths</b>						
Co-op ostracism $\rightarrow$ WI	0.37	***	0.39	***	0.51	***
Co-op ostracism $\rightarrow$ WOM	-0.33	***	-0.29	***	-0.37	***
Trust $\rightarrow$ WI	-0.59	***	-0.42	***	-0.39	***
Trust $\rightarrow$ WOM	0.67	***	0.45	***	0.37	**
<b>Other paths</b>						
Co-op ostracism $\rightarrow$ Trust	-0.16	*	-0.30	***	-0.26	**
Social undermining $\rightarrow$ Trust	-0.72	***	-0.53	***	-0.61	***
Social undermining $\rightarrow$ WI	0.02	(ns)	0.06	(ns)	0.06	(ns)
Social undermining $\rightarrow$ WOM	0.07	(ns)	-0.01	(ns)	-0.07	(ns)
R <sup>2</sup> WI	0.73		0.60		0.53	
R <sup>2</sup> WOM	0.60		0.45		0.42	

**Notes:** WI = withdrawal intentions; WOM = word of mouth; \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$ , ns = nonsignificant

**Table III.** Means, standard deviations, correlations, and assessment of discriminant validity

Constructs	M	S.D.	AVE	SCR	SAR	1	2	3	4	5	6	7	8
1 Age	39.47	11.49	-	-	-	-							
2 LoM	6.90	5.05	-	-	-	0.56**	-						
3 Patronage	82.59	17.12	-	-	-	-0.09	-0.05	-					
4 CCI	5.04	1.20	0.60	0.85	0.85	-0.13	-0.09	0.11	<b>0.77</b>				
5 Co-Os	3.07	1.46	0.67	0.95	0.94	0.06	0.09	-0.02	-0.54**	<b>0.82</b>			
6 Ent	4.83	1.53	0.73	0.89	0.89	-0.08	0.03	0.04	0.60**	-0.52**	<b>0.85</b>		
7 CogCa	5.03	1.30	0.65	0.85	0.84	-0.10	-0.08	0.11	0.46**	-0.47**	.58**	<b>0.81</b>	
8 WI	2.84	1.24	0.64	0.84	0.83	0.05	0.11	-0.20**	-0.58**	0.58**	-0.56**	-0.64**	<b>0.80</b>

**Notes:** LoM = length of membership; CCI = customer-company identification; Co-Os = co-op ostracism; Ent = entitativity; CogCa = cognitive capital; WI = withdrawal intentions; AVE = average variance extracted; SCR = scale composite reliability; SAR = scale alpha reliability; Square root of the AVE along the diagonal - \* $p < 0.01$ , \*\* $p < 0.001$



**Table IV.** Results of hierarchical regression analysis predicting withdrawal intentions

Variables	Withdrawal intentions as dependent variable (standardized $\beta$ )				
	Step 1	Step 2	Step 3	Step 4	Step 5
<b>Control variables</b>					
Gender	0.01	0.02	0.01	0.01	0.01
Age	-0.10	-0.08	-0.10	-0.10	-0.11*
LoM	0.11	0.08	0.10	0.08	0.08
ComPar	0.01	0.04	0.04	0.03	0.03
Patronage	-0.14*	-0.16**	-0.14**	-0.12**	-0.10*
CCI	-0.56**	-0.35**	-0.20**	-0.10	-0.09
<b>Independent variables</b>					
Co-os		0.38**	0.24**	0.22**	0.29**
Ent			-0.12	-0.14*	-0.18*
CogCa			-0.35**	-0.46**	-0.49**
<b>Two-way interactions</b>					
Co-Os x Ent				-0.17**	-0.14*
Co-Os x CogCa				0.05	-0.01
Ent x CogCa				-0.20**	-0.14*
<b>Three-way interaction</b>					
Co-Os x Ent x CogCa					-0.19**
R <sup>2</sup>	0.36	0.46	0.58	0.61	0.63
$\Delta R^2$	0.36	0.10	0.12	0.04	0.02
F	18.48**	24.03**	29.49**	25.49**	25.05**
$\Delta F$	18.48**	37.09**	26.68**	6.29**	8.23**

**Notes:** LoM = length of membership; ComPar = committee participation; CCI = customer-company identification; Co-Os = co-op ostracism; Ent = entitativity; CogCa = cognitive capital;  $\beta$  values are standardized coefficients - \* $p < 0.05$ , \*\* $p < 0.01$



**Table AI.** Measurement scales and items

Measure	Items	FL <sub>A</sub> <sup>2</sup>	FL <sub>B</sub> <sup>2</sup>	FL <sub>C</sub> <sup>2</sup>	FL <sup>3</sup>	Scale
Co-op ostracism <sup>1,2,3</sup>	<i>To what extent others at the co-op...</i>					7-point scale
	1. show no interest for you	0.94	0.80	0.82	0.77	(1= “not at all”, 7 = “to a large extent”)
	2. do not respond to you or your messages	0.91	0.80	0.93	0.80	
	3. avoid you	0.90	0.83	0.78	0.76	
	4. show little interest in your opinion	0.89	0.86	0.86	0.85	
	5. disregard your interests	0.94	0.88	0.79	0.85	
	6. ignore you	0.89	0.85	0.87	0.84	
	7. your voice is not heard	0.93	0.78	0.90	0.86	
	8. keep information from you	0.79	0.80	0.80	0.75	
9. do not pay attention to you	0.94	0.84	0.87	0.80		
Social undermining <sup>2</sup> (Duffy <i>et al.</i> , 2002)	<i>“Others at the co-op...”</i>					7-point scale
	1. belittle you or your ideas	0.79	0.92	0.73	-	(1= “not at all”, 7 = “to a large extent”)
	2. compete with you for status and recognition	0.88	0.91	0.85	-	
	3. criticize the way you handle things in a way that is not helpful	0.80	0.95	0.90	-	
4. insult you	0.76	0.87	0.81	-		
Trust <sup>2</sup> (Morgan and Hunt, 1994)	<i>“Others at the co-op...”</i>					7-point scale
	1. can generally be trusted	0.79	0.86	0.75	-	(1 = “strongly disagree”, 7 = “strongly agree”)
	2. can be counted on to do what is right	0.58	0.67	0.51	-	
	3. have high integrity	0.69	0.78	0.62	-	
4. can be relied on	0.78	0.76	0.76	-		
WOM <sup>2</sup> (Choi and Choi, 2014)	1. I usually say positive things about my co-op to other people	0.84	0.91	0.75	-	7-point scale (1 = “strongly disagree”, 7 = “strongly agree”)
	2. I tell other people to consider my co-op for membership	0.78	0.91	0.82	-	
	3. I recommend my co-op and its products/services to others	0.90	0.96	0.89	-	
Withdrawal intentions <sup>2,3</sup> (Jensen <i>et al.</i> , 2013)	1. I often think of quitting my membership at the co-op	0.72	0.74	0.80	0.68	7-point scale (1 = “strongly disagree”, 7 = “strongly agree”)
	2. If that were possible, I would look for a better co-op	0.81	0.95	0.91	0.85	
	3. There isn’t much to be gained by staying in the co-op	0.79	0.92	0.88	0.86	

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Construct	Item	Sample	FL	Study	Scale
Entitativity <sup>3</sup> (Vock <i>et al.</i> , 2013)	1. form an entity	-	-	-	0.86 (1 = “strongly disagree”, 7 = “strongly agree”)
	2. have a bond	-	-	-	0.85
	3. are a unity	-	-	-	0.85
Cognitive capital <sup>3</sup> (Villena <i>et al.</i> , 2011)	1. share similar corporate culture/values	-	-	-	0.69 7-point scale
	2. share similar philosophies/approaches to business dealings	-	-	-	0.87 (1 = “strongly disagree”, 7 = “strongly agree”)
	3. have compatible goals and objectives	-	-	-	0.85
Customer-company identification <sup>3</sup> (Homburg <i>et al.</i> , 2009)	1. I strongly identify with this co-op	-	-	-	0.74 7-point scale
	2. I feel good to be a member-customer of this co-op	-	-	-	0.79 (1 = “strongly disagree”, 7 = “strongly agree”)
	3. I like to tell that I am a member-customer of this co-op	-	-	-	0.77
	4. This co-op fits well to me	-	-	-	0.78

**Notes:** Subscripts indicate the corresponding sample in Study 2 (A = sample A, B = sample B, and C = sample C); Superscripts indicate the study in which each measure was used (1 = Study 1, 2 = Study 2, and 3 = Study 3); FL = factor loading; All factor loadings were highly significant ( $p < 0.001$ ); The three potential sources of ostracism (i.e. employees, other members, members of the BoD) were given as examples for “others”

## FIGURES

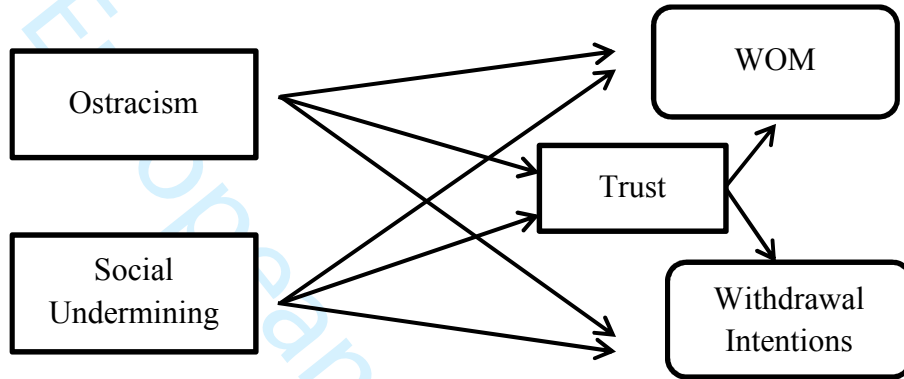


Figure 1. Core conceptual framework

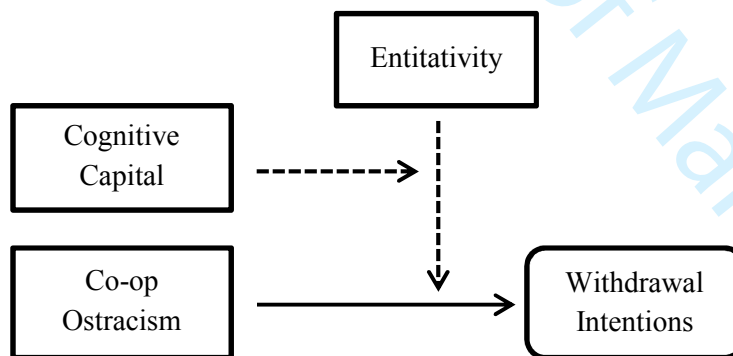


Figure 2. Conceptual framework of a co-op ostracism coping strategy

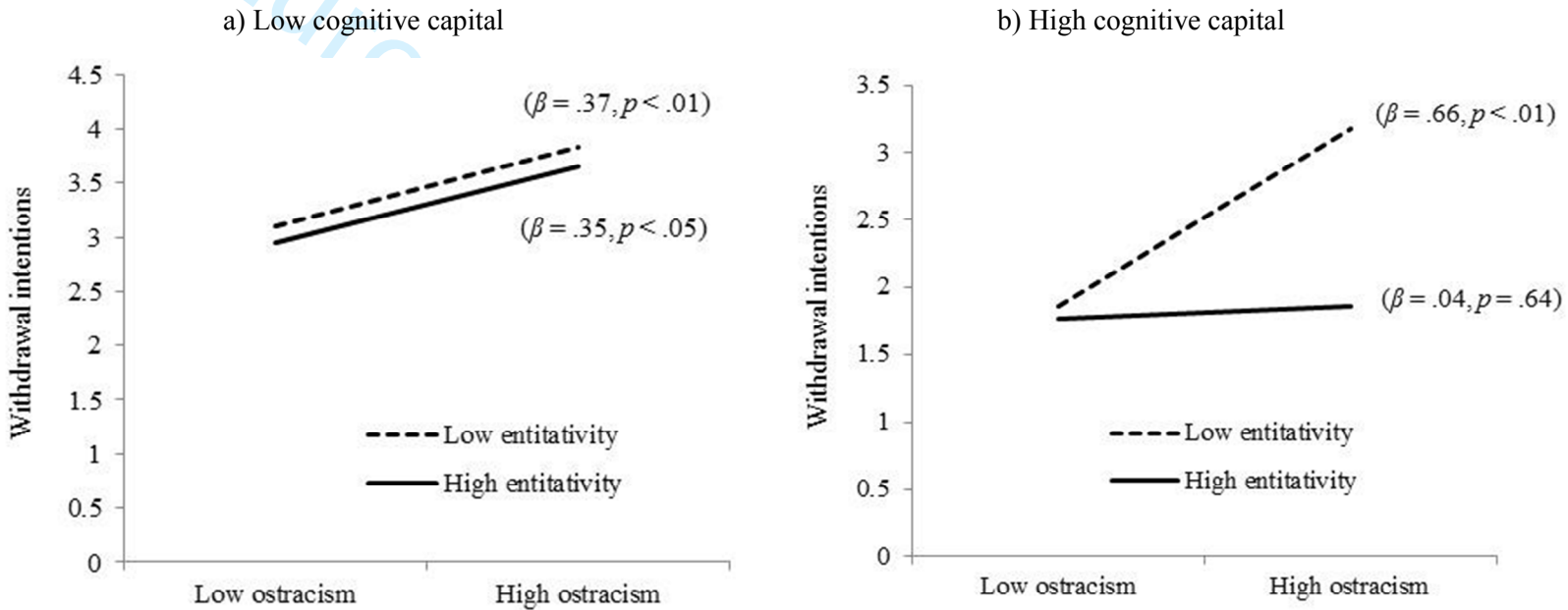


Figure 3. The joint effects of co-op ostracism, entitativity and cognitive capital on WI

Marketing

## WEB APPENDIX

### Study 1: Exploring ostracism in co-ops and developing a measurement instrument

Studies investigating social ostracism have largely evolved from research on social and organisational psychology. On the one hand, social psychologists have mainly focused on understanding the short-term, phenomenological experience of being ostracised, which is customarily induced under controlled, experimental conditions (e.g. Chernyak and Zayas, 2010; Lelieveld *et al.*, 2012; Lustenberger and Jagacinski, 2010; Salvy *et al.*, 2011; Schaafsma and Williams, 2012). Such methods may have limited external validity given that they often disregard the context(s) in which ostracism is manifested and sustained. Besides, our conceptualization entails domain specificity. Specific domains represent adaptations from more general ones intending to advancing the understanding of the focal construct and providing additional problem-solving ability (Kidwell *et al.*, 2008). On the other hand, even though the workplace ostracism scale (WOS; Ferris *et al.*, 2008) is a well-validated tool that has been used in a host of organizational studies (e.g. Cullen *et al.*, 2012; Leunga *et al.*, 2011; Liu *et al.*, 2013; Scott *et al.*, 2013; Wu *et al.*, 2012; Zhao *et al.*, 2013), it measures ostracism perceptions in a particular organizational domain, the workplace. Hence, we could not utilise WOS and, instead, developed a co-op domain-specific scale, consistent with our definition.

To begin, we describe the procedures used in the first three Steps to generate and purify the initial item pool, but also to confront our conceptualization with members' (Step 2) and experts' (Step 3) notions respectively. Next, we used data from these Steps to further select items, based on a suitability task (Step 4) and an item-sort task (Step 5). In Step 6, we collected data from three different industries (i.e. retail banking, agribusiness, and consumer co-op) to provide evidence regarding the factor structure, scale reliability, and the overall construct validity. In

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3 Step 7, we found discrete support for the scale's external reliability (i.e. test-retest). Longer  
4 descriptions of the Steps are available on request.  
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10 *Step 1: Item generation and initial selection*

11 The objective of Step 1 was to generate specific items for the proposed definition of co-op  
12 ostracism and to select those that were content valid, clear and concise. We took care in  
13 balancing the exhaustiveness of the item listings with the need to generate a set with limited  
14 redundancy that had the potential of transforming into an actionable, short form scale. Following  
15 accepted procedures (e.g. Nunnally and Bernstein, 1994; Netemeyer *et al.*, 2003), we based item  
16 generation on an extensive literature review focused on concepts related to ostracism and co-ops.  
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18 In fact, co-op, ostracism, social exclusion, social capital and relationship marketing literature  
19 were helpful in identifying an initial set. We also located items from existing scales of related  
20 constructs, such as "workplace ostracism", "loneliness", and "social undermining". Using our  
21 definition of co-op ostracism as a starting point, we generated items meeting two criteria. First,  
22 we constructed or selected those items that were consistent with the definition, particularly with  
23 the features identified in our conceptualization (e.g. attention, response, interaction, voice,  
24 concern for interests). Secondly, we favoured items that were readily comprehensible,  
25 behavioural in nature and did not confound affective responses or other consequences with  
26 ostracism behaviours. From the literature review, we generated 26 items. We supplemented them  
27 with another 13 items taken from the pre-existing related scales. Based on both inputs, an initial  
28 pool of 39 items was created.  
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3 *Step 2: Exploring ostracism in co-ops, item screening, and further item generation*

4 We then explored the ideas and opinions that co-op members held about several co-op as well as  
5 ostracism-related issues. In 26 in-depth interviews, co-op members were asked a series of  
6 questions to provoke thought about the co-op value proposition, the relational advantage of co-  
7 ops, ethical issues, ostracism experiences and membership outcomes (e.g. loyalty, withdrawal,  
8 WOM), among others. We also asked participants how relevant and important the aspects  
9 touched upon were to them. This round of interviews confirmed ostracism as a distressing and  
10 morally unworthy phenomenon. It also yielded another 7 items. To attain a broad coverage of  
11 item content, as well as to facilitate the use of language common to target informants,  
12 participants were then administered the items already generated from the previous Step. As a  
13 consequence of this, it was found that 12 of the items produced were inappropriate and, were  
14 therefore removed. This evaluation also helped to assess whether the actual items were succinct  
15 and intelligible. Comprehension issues were addressed, so the wording of a couple of items was  
16 adapted. Items were scaled using a Likert format ranging from 1 = “not at all” to 7 = “to a large  
17 extent”.

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39 *Step 3: Expert screening*

40 The modified set of 34 items was then critically evaluated by 12 academic experts in terms of  
41 face validity, content validity, and overall appropriateness. The use of experts as judges has been  
42 commonly used in customer research (e.g. Devlin *et al.*, 2014; Kidwell *et al.*, 2008; Shams *et al.*,  
43 2015). To assist, we gave each judge a description of the phenomenon, a summary of our  
44 research purpose and the definition used in the initial Steps. We also presented them with a  
45 description of rival constructs. Items that 10 or more of the 12 judges classified as representative  
46 of co-op ostracism were kept for further scale development. This resulted in 24 items being  
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3 retained from the 34 items originally assessed. The 10 items were eliminated due to having  
4 essentially identical meanings with other items, strong conceptual overlap with other constructs  
5 (e.g. social undermining), reference to a different domain of ostracism (e.g. workplace), or  
6 simply due to being generic or inconsistent with our conceptualization. Eliminating less than  
7 ideal items was consistent with the goal of creating a final scale with a manageable set of 8 to 15  
8 items. Besides, short scales with non-redundant content have been shown to be equally valid to  
9 those containing higher numbers of items (Brocato *et al.*, 2012; Richins, 2004).

#### 20 21 *Step 4: Further item reduction*

22 We designed Step 4 to select items generated in the first three Steps. As recommended by  
23 Netemeyer *et al.* (2003), a quantitative pilot study was conducted to reduce the number of items  
24 by deleting or altering those that did not meet psychometric criteria. We administered the 24  
25 items from Step 3 to a sample of postgraduate business students at a University in Western  
26 Europe who earned course credit for participating (N = 208). We asked them to indicate the  
27 extent to which these items described co-op ostracism experiences to a good extent (1 = “not at  
28 all descriptive,” and 7 = “very descriptive”). We provided them with the definition as well as  
29 with some examples. All of the students were familiar with the co-op context, as they had carried  
30 out a co-op related project for their course. Sixteen items received a mean value above average  
31 ( $M = 5.08$ ,  $SD = 0.55$ ). We subsequently conducted a principal factor analysis using oblique  
32 rotation (Brocato *et al.*, 2012; Kidwell *et al.*, 2008; Netemeyer *et al.*, 2003; Shams *et al.*, 2015).  
33 This analysis revealed a four-factor solution (variance explained = 60%). The sixteen items that  
34 had a mean score above average all loaded significantly on the first factor ( $> 0.65$ ) and had weak  
35 cross-loadings on the other three factors ( $< 0.2$ ). Moreover, Cronbach’s alpha for this set of items  
36 reached a value of 0.96, comfortably above the “excellence” level suggested by Nunnally and  
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3 Bernstein (1994) when gauging scale reliability (Devlin *et al.*, 2014). Strikingly, the eight items  
4 which had a mean score below average all had rather low item-to-total correlations ( $<0.20$ ) as  
5 well as low factor loadings ( $<0.08$ ) on the first factor.  
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10 To determine whether the one-factor solution could provide a more distinct structure and to  
11 be consistent with our unidimensional conceptualization, we removed these 8 items which had a  
12 mean score lower than average and only loaded significantly on the other three, hard to interpret  
13 factors. We then conducted a principal factor analysis that restricted the number of factors to one  
14 (variance explained = 60%) while setting a strict loading criterion ( $> 0.7$ ). All 16 items fulfilled  
15 the criterion. We decided to carry on with these 16 items and drop the rest. Before doing so,  
16 however, we conferred with some experts of the previous Step to make sure that deleting them  
17 did not reduce content and face validity.  
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### 30 *Step 5: Substantive validity and final selection*

31 In Step 5, we sought to further select items retained from Step 4 and also assess their substantive  
32 validity with an item-sort task (see Anderson and Gerbing, 1991 for an overview). Substantive  
33 validity is a type of content validity defined as the extent to which the items of a scale are judged  
34 to reflect or to be theoretically linked to the construct of interest (Hinkin and Tracey, 1999).  
35 When constructing a new scale, researchers often create an over-representative item list (Hinkin,  
36 1998; Howard and Melloy, 2016). An item-sort task is a customary method to reduce such lists,  
37 as it furnishes a guide for removing items that are not conceptually consistent with the construct  
38 under investigation while predicting which items will perform best in a confirmatory factor  
39 analysis (Anderson and Gerbing, 1991; Hinkin and Tracey, 1999). On top of testing for an item's  
40 substantive validity, an item-sort task also gives respondents the chance to provide qualitative  
41 feedback on each item's wording if they are given a free-response blank next to each item  
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3 (Howard and Melloy, 2016). For example, this allows respondents to identify items that are  
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5 confusing, leading, or double-barrelled.  
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8 *Participants and procedure.* We recruited a sample of 31 academics from a variety of  
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10 disciplines (e.g. marketing, management, economics). One of the benefits of conducting a pre-  
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12 test assessment of a measure's content adequacy is the ability to use small samples before a  
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14 major data collection (Anderson and Gerbing, 1991; Hinkin and Tracey, 1999). Hence, even  
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16 though a sample size of 31 would seem small for other types of analysis, it was adequate for this  
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18 one. We provided participants with the definition of co-op ostracism, the definitions of other  
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20 related constructs, and the list of all items presented in random order. Participants were asked to  
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22 assign each item to one of the construct categories according to the respective construct  
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24 definitions. We used all items from the constructs of "social undermining" developed by Duffy  
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26 *et al.* (2002) (sample item: "to what extent others at the co-op compete with you for status and  
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28 recognition") and "interpersonal justice" developed by Colquitt (2001) (sample item: "to what  
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30 extent others at the co-op treat you in a polite manner"). We chose these constructs not only  
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32 because they bear conceptual relevance to ostracism, but also because, unlike ostracism, they  
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34 engage rather than disengage targets in social dynamics and at the same time constitute flagrant  
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36 forms of (mis)treatment. More specifically, social undermining involves the presence of  
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38 unwanted behaviour and negative social attention and treatment, while interpersonal justice  
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40 comprises the presence of wanted behaviour and positive social attention and treatment.  
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42 Moreover, these constructs contained items that had been included in our pool of ostracism items  
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44 in the item-generation stage, giving us now the possibility also to examine whether these items  
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46 better reflected ostracism. Finally, we used all items from "distrust" adapted from Scott *et al.*  
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48 (2013) (sample item: "to what extent you cannot rely on others at the co-op). Even though  
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3 distrust might be treated more as a consequence of - rather than a negative interpersonal  
4 experience in itself - it is strongly related to exclusionary behaviours (like ostracism), and it  
5 typically generates further incivility (Scott *et al.*, 2013). Additionally, we treated distrust from  
6 the source's viewpoint, considering that interpersonal mistreatment involves two parties (i.e.  
7 sources and targets), thus also testing whether participants would distinguish between the two. In  
8 sum, we used 33 items, namely 16 for ostracism, 10 for social undermining, 4 for interpersonal  
9 justice, and 3 for distrust.

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19 *Results.* First of all, the qualitative feedback was positive, and no issues were reported. We  
20 next assessed the substantive validity of the scale items. Anderson and Gerbing (1991) developed  
21 two indices for this kind of assessment: the substantive agreement index ( $P_{SA}$ ) and the  
22 substantive validity index ( $C_{SV}$ ). The former reflects the proportion of respondents who assign an  
23 item to its intended construct. The latter measures the extent to which respondents assign an item  
24 to its posited construct more than to any other construct. Items that are assigned to their correct  
25 constructs demonstrate higher levels of substantive validity than do items that are attached to  
26 incorrect ones. To balance substantive validity and scale economy, we retained items with a  $P_{SA}$   
27 of at least 0.90 and a  $C_{SV}$  of at least 0.85, even though such thresholds would be considered as  
28 strict if our sample size would be taken into account (see Howard and Melloy, 2016). The  
29 resulting scale contained 9 items[1]. All of them were significantly assigned to the ostracism  
30 construct beyond chance levels and tapped into the notion of being ostracised within a co-op. We  
31 also viewed this as strong evidence for their face validity.

#### 51 *Step 6: Assessment of scale properties*

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53 To assess the properties of our 9-item scale we targeted the three most popular co-op sectors  
54 globally (ICA, 2015). We thus collaborated with an agribusiness supply co-op (i.e. sample A), a

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3 retail banking co-op (i.e. sample B), and a consumer co-op (i.e. sample C) from a country in  
4 South-eastern Europe. We recruited participants from all samples using the store-intercept  
5 approach (Sharma, 2010) and an online invitation. We offered all respondents the chance to  
6 participate in a drawing for a voucher redeemable at the co-op stores. The collection took place  
7 over a two-month term, and a total of 627 co-op members took part (see Table WA1). To check  
8 for response bias, we compared online responses (46%) with offline ones across background  
9 characteristics (e.g. gender, age). We found no significant differences.  
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22 **Table WA1.** Characteristics of the Study 1 samples

Sample	Source	N	Gender	Average age	Average length of membership	Average patronage <sup>a</sup>	Committee participation
A	Agribusiness co-op	159	57% male	36	4.3 years	81%	30% yes
B	Financial services co-op	324	72% male	45	10 years	18 shares	22% yes
C	Consumer co-op	144	58% male	48	3.9 years	53%	22% yes

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31 **Notes:** <sup>a</sup> For sample B, we were not permitted to measure the % of use members do with their co-op. We thus used a proxy,  
32 namely the number of shares people retain in the co-op. For sample A, patronage refers to the share of wallet in services terms,  
33 while for sample C, to the share of wallet in product terms.  
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38 *Results: Dimensionality and validation.* We first performed an exploratory factor analysis (EFA -  
39 principal component analysis with oblique rotation) on each sample to provide an initial  
40 assessment of the dimensionality and the properties of our scale items. Across the three samples,  
41 only one factor was extracted, with the 9-item scale accounting for 82.04%, 73.39%, and 74.15%  
42 of the variance respectively. Moreover, items loaded consistently on the sole factor, with  
43 loadings which ranged from 0.79 to 0.94. We then performed a confirmatory factor analysis  
44 (CFA) using AMOS 23 to cross-validate the solution obtained in the EFA. The model fit was  
45 evaluated using a series of indices recommended by Hu and Bentler (1999) while also favoured  
46 by marketing studies (e.g. Batra *et al.*, 2012; Shams *et al.*, 2015) - the comparative fit index  
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(CFI), non-normed fit index (NNFI), and standardized root mean square residual (SRMR) - along with the reporting of chi-square ( $\chi^2$ ), degrees of freedom, and their ratio. These fit indices are also reported because of their robustness, stability, and lack of sensitivity to sample size (Fan *et al.*, 1999). Moreover, Hair *et al.* (2010) recommend reporting a goodness (e.g. CFI) and a badness of fit indicator (e.g. SRMR). Fit statistics met all the standard criteria (see Table WA2). We also calculated coefficient alpha and scale composite reliability to assess construct reliability (Hair *et al.*, 2010). High levels of both were achieved ( $> 0.95$ ). Average variance extracted (AVE; Fornell and Larcker, 1981) and the item factor loadings (Anderson and Gerbing, 1988) were used for the assessment of convergent validity. Our construct demonstrated high convergent validity (see Table WA2), as all AVEs were well above the 0.5 criterion and all standardized factor loadings ranged from 0.76 to 0.93.

**Table WA2.** CFA summary

Measurement item	Sample A			Sample B			Sample C		
	Mean	S.D.	SL	Mean	S.D.	SL	Mean	S.D.	SL
Others show no interest for you	2.43	1.76	0.92	2.14	1.53	0.81	1.97	1.33	0.81
Others do not respond to you or to your messages	2.54	1.80	0.90	2.06	1.49	0.83	2.01	1.38	0.93
Others avoid you	2.38	1.79	0.90	2.02	1.50	0.84	1.76	1.16	0.81
Others show little interest in your opinion	2.60	1.72	0.87	2.19	1.54	0.85	2.14	1.39	0.84
Others disregard your interests	2.48	1.82	0.93	2.23	1.54	0.88	2.14	1.39	0.78
Others ignore you	2.33	1.69	0.88	1.81	1.34	0.86	1.81	1.13	0.86
Your voice is not heard	2.48	1.70	0.92	2.26	1.59	0.79	2.04	1.27	0.89
Others keep information from you	2.74	1.80	0.76	2.19	1.58	0.81	1.96	1.20	0.79
Others do not pay attention to you	2.50	1.80	0.93	1.95	1.46	0.84	2.06	1.36	0.85
CFI ( $> .95$ ) / NNFI ( $> .9$ )	0.99 / 0.98			0.98 / 0.98			0.98 / 0.97		
SRMR ( $< .08$ )	0.017			0.020			0.027		
$\chi^2/df$ ( $< 5$ )	(46.6/27) 1.73			(66.8/27) 2.47			(49.4/27) 1.83		
Cronbach's $\alpha$ / Scale composite reliability	0.97 / 0.97			0.95 / 0.95			0.95 / 0.96		
Average variance extracted (AVE)	0.80			0.70			0.71		

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3        *Results: Discriminant and nomological validity.* To establish discriminant validity and assess  
4 the nomological net of co-op ostracism we employed social (mis)treatment and customer-related  
5 constructs. First, we contrasted it with conceptually related, albeit dissimilar, constructs  
6 assessing (dys)functional social relations. We used interpersonal justice (IJ; Colquitt, 2001) and  
7 interpersonal conflict (IC; Spector and Jex, 1998). Unlike ostracism, these concepts are  
8 interactional and blatant forms of social (mis)treatment. IJ, for example, comprises the presence  
9 of wanted behaviour as well as positive social attention and treatment. We would expect IJ and  
10 ostracism to be negatively related because the former reflects behaviour that will be desirable  
11 and beneficial to co-op member-customers. In contrast, we would expect a positive relationship  
12 between IC and ostracism as both reflect potentially harmful experiences. In both cases, we  
13 anticipated a strong relationship, the pattern of which would still prove their distinction and  
14 provide support for discriminant validity.  
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31        We then evaluated the relationship between co-op ostracism and members' perceptions of  
32 service quality or store attributes, as well as with overall satisfaction. Satisfaction is a focal  
33 consequence of relational and social aspects (Lusch *et al.*, 2011), particularly in a co-op context  
34 (Mazzarol *et al.*, 2014). Ostracism strikes at the heart of these aspects (Williams, 2009), thus  
35 possibly lowering the general appraisal of the partnership. Moreover, ostracism might harm the  
36 more particular facets of partnership appraisal, like service quality or store attributes, because  
37 members' primary purpose is still to obtain goods or services they need as co-op users (Birchall,  
38 2013). Besides, as core customers, members expect to enjoy special customer care (Puusa *et al.*,  
39 2013), rather than negligence or ill-treatment. We, therefore, posited that members with higher  
40 ostracism perceptions would have lower scores on service assessment and satisfaction. However,  
41 we expected that members would distinguish between ostracism and such customer-related  
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constructs, or satisfaction. For the latter's measurement, Hernández-Espallardo *et al.*'s (2013) scale was adopted. For service quality assessment in samples A and B, seven items from the SERVQUAL scale (Parasuraman *et al.*, 1988) were adopted. For sample C, we used three store attribute factors from Gómez *et al.* (2004), namely "customer service", "quality", and "value". All measurement items can be found in Table WA4 in the Appendix.

We report bivariate correlations between co-op ostracism and all other constructs in Table WA3. Overall, correlation coefficients were consistent with our expectations. IC was positively related to ostracism, while IJ was negatively related. Likewise, we observed a significant, negative correlation between our ostracism scale and all other customer-related constructs. We also conducted Fornell and Larcker's (1981) discriminant validity test, which requires that, when taking any pair of constructs, the square root of the AVE for each should be greater than the correlation coefficient between the two (Devlin *et al.*, 2014). As we can see from Table WA3, this condition was met.

**Table WA3.** Discriminant & nomological validity – Co-op ostracism relationships to theoretically related constructs

Construct name	Sample A			Sample B			Sample C		
	SCR	√AVE	r	SCR	√AVE	r	SCR	√AVE	r
Ostracism	0.97	0.89	1	0.96	0.84	1	0.96	0.84	1
IC	0.95	0.93	0.58	0.96	0.95	0.65	0.94	0.92	0.40
IJ	0.79	0.71	-0.50	0.95	0.90	-0.50	0.88	0.81	-0.44
SERVQUAL	0.86	0.74	-0.41	0.88	0.72	-0.60	n/a	n/a	n/a
Satisfaction	0.89	0.85	-0.58	0.93	0.91	-0.70	0.83	0.79	-0.66
CS	n/a	n/a	n/a	n/a	n/a	n/a	0.80	0.71	-0.49
Quality	n/a	n/a	n/a	n/a	n/a	n/a	0.86	0.71	-0.46
Value	n/a	n/a	n/a	n/a	n/a	n/a	0.90	0.83	-0.52

**Notes:** IC = interpersonal conflict; IJ = interpersonal justice; CS = customer service; SCR = scale composite reliability; AVE = average variance extracted; n/a = non-applicable; All correlations significant at  $p < .001$



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3 Taken together, the results of these analyses confirmed that co-op ostracism and all other scales  
4 measure distinct theoretical constructs, yet, as expected, exhibit strong links. These findings  
5 supported the discriminant and nomological validity of the proposed scale and provided initial  
6 evidence that ostracism, albeit a low base-rate phenomenon is a common unsettling experience in  
7 co-op life.  
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### 16 *Differences between members' and non-members' evaluations*

17 The consumer co-op[2] has a lot of non-member customers. To ascertain that members maintain  
18 higher expectations, we tested for differences between members' and non-members' (a sample of  
19 110) evaluations across the three store attribute factors (i.e. customer service = CS; quality = Q;  
20 value = V). Not surprisingly, all three had a lower mean score when members rated them (i.e.  
21  $M_{CS\text{difference}} = -0.16$ ,  $t(252) = -2.04$ ,  $p < 0.05$ ;  $M_{Q\text{difference}} = -0.31$ ,  $t(252) = -2.85$ ,  $p < 0.01$ ;  
22  $M_{V\text{difference}} = -0.42$ ,  $t(252) = -3.14$ ,  $p < .01$ ). In addition, members had a higher mean patronage  
23 (i.e. share of wallet in % terms;  $M_{P\text{difference}} = 8.21$ ,  $t(246) = 2.45$ ,  $p < 0.05$ ). In other words, it  
24 seems that, as the core patrons and cardinal stakeholders, members are more demanding than  
25 other customers.  
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### 41 *Method effects and socially desirable responding*

42 To diminish common method variance, social desirability bias and evaluation apprehension, we  
43 implemented several of the procedural remedies suggested by Podsakoff *et al.* (2003) and  
44 MacKenzie and Podsakoff (2012): We psychologically separated our measures by placing them  
45 into different thematic sections in the questionnaire, such that they appeared unrelated. We  
46 dispersed buffer items and used different instructions. We assured participants that their  
47 responses would be aggregated and used only for research purposes while no other would see  
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3 them. Finally, we veiled the study's purpose, emphasised our interest in their personal opinions,  
4 and clarified that our intention was not to evaluate them. What is more, we investigated the  
5 potential for social desirability bias. Respondents provided their answers to a subset (i.e. 5 items)  
6 of the Marlowe-Crowne Scale (Crowne and Marlowe, 1960) using a 7-point scale (1 = "not true"  
7 to 7 = "very true"). Results revealed that ostracism was not significantly correlated with the  
8 social desirability set (i.e. sample A:  $r = -0.09, p > 0.10$ ; sample B:  $r = -0.09, p > 0.10$ ; sample C:  
9  $r = -0.11, p > 0.10$ ).

#### 20 21 *Step 7: External reliability*

22 To assess our scale's external reliability, we performed a test-retest reliability check. When  
23 doing so, factors such as the time between administrations of the study and the nature of the scale  
24 need to be considered. We, therefore, employed careful controls during the Step 7 study design  
25 as well as during the data collection process in an effort to reduce biases associated with memory  
26 or variability effects. For example, we adopted standard procedural remedies (e.g. spatial  
27 separation, dispersion of unrelated buffer items, masked study purpose) (MacKenzie and  
28 Podsakoff, 2012) and controlled for potential confounds (e.g. intervening events) (Podsakoff *et*  
29 *al.*, 2003).

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41 *Participants and procedure.* Responses were collected on two occasions, separated by four  
42 weeks, using an online survey distributed through Amazon Mechanical Turk, an online  
43 marketplace in which contributors can volunteer to respond to surveys for a nominal  
44 remuneration. We requested a sample of 150 respondents, and the survey was hosted on a first  
45 come, first served basis. As many as 177 people opened the link to the survey, 150 of which  
46 completed it on the first occasion and 146 on the second. We included two test questions to  
47 ensure that participants were paying sufficient attention. In total, 18 cases were dropped for  
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3 failing the quality tests or for not being the same participants or due to major episodes having  
4 taken place in between administrations, resulting in 132 usable responses.  
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8 *Results.* The sample was composed of U.S. and Canadian citizens who had been members in  
9 a broad array of co-ops (e.g. agricultural, financial, consumer, housing, social) for at least 2 years  
10 ( $M = 4.77$ ,  $SD = 2.96$ ), had a mean age of 32.16 years ( $SD = 9.81$ ), and 65% were male. In  
11 assessing the test-retest reliability of the scale, paired sample t-tests and test-retest correlations  
12 were first calculated between individual scale items. The results of the paired t-tests revealed no  
13 significant differences. Also, correlations between the scale items ranged from 0.47 to 0.67.  
14 Moreover, the scale demonstrated a rather high overall test-retest reliability, as overall mean  
15 scale scores from  $t_1$  and  $t_2$  were highly related ( $r = 0.84$ ,  $p < 0.01$ ). Taken as a whole, these  
16 results suggested that the measures were stable across time periods, providing further support for  
17 the general stability of the newly developed co-op ostracism scale.  
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### 32 Notes

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- 34 1. Three items from the construct of social undermining had been sourced in the item generation  
35 stage and then used in the initial Steps until they were eliminated. These three items were the  
36 following: “to what extent others at the co-op belittled you or your ideas”, “to what extent others  
37 at the co-op did not give you as much help as they promised”, and “to what extent others at the  
38 co-op gave you incorrect or misleading information”. In the item-sort task of Step 5, the first one  
39 exhibited a high  $P_{SA}$  of 0.97 and a high  $C_{SV}$  of 0.94, while no respondent matched it with  
40 ostracism. The second one had a low  $P_{SA}$  of 0.55 and a very low  $C_{SV}$  of 0.32, with quite a few  
41 respondents matching it with ostracism (7 out of 31) instead of its original construct. Finally, the  
42 third one had a mediocre  $P_{SA}$  of 0.71 and a low  $C_{SV}$  of 0.55, with a mere 3 respondents matching  
43 it with ostracism. We viewed these results as further evidence for the validity of the resulting 9-  
44 item co-op ostracism scale.  
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  - 52 2. In our conceptualization, we had stressed that we expected ostracism not to be dependent on the  
53 source, in line with past research (e.g. WOS studies). We also tested for differences between the 3  
54 potential sources, namely members, employees and BoD members, in sample C. None of the  
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independent samples t-tests proved significant ( $t(104) = 0.69, p = 0.49$ ;  $t(104) = -1.49, p = 0.14$ ;  $t(104) = -1.37, p = 0.17$ , respectively). Also, all ANOVA F-tests exploring interactions were not significant either.

## Appendix

**Table WA4.** Measurement scales and items for nomological validity

Measure	Items
Interpersonal justice (Colquitt, 2001)	<i>To what extent others at the co-op...</i> 1. treat you in a polite manner 2. treat you with dignity 3. treat you with respect 4. refrain from improper remarks or comments
Interpersonal conflict (Spector and Jex, 1998)	1. You get into arguments with others at the co-op 2. Others at the co-op are rude to you 3. Others at the co-op do nasty things to you
SERVQUAL (Parasuraman <i>et al.</i> , 1988)	1. Your co-op has up-to-date equipment 2. Your co-op's physical facilities are visually appealing 3. Your co-op keeps its records accurately 4. Your co-op gives you individual attention 5. You can trust employees of your co-op 6. Employees of your co-op know what your needs are 7. Your co-op has your best interests at heart
Satisfaction (Hernández-Espallardo <i>et al.</i> , 2013)	1. The co-op is a good firm to do business with 2. You are very pleased with the way the co-op works 3. Overall, you are satisfied with the results of your co-op membership
Customer service (Gómez <i>et al.</i> , 2004)	<i>How satisfied are you with the...</i> 1. overall store service 2. speed of checkout 3. service provided by baggers 4. overall friendliness of the store associates
Quality (Gómez <i>et al.</i> , 2004)	1. variety in the produce department 2. quality of the produce department 3. overall store cleanliness inside 4. variety of fresh meat items 5. quality of fresh meat items 6. availability of everyday grocery items
Value (Gómez <i>et al.</i> , 2004)	1. overall prices as compared to competition 2. prices of loyalty card specials 3. availability of loyalty card specials 4. overall value for your money

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## Replies to the Comments Raised by the EiC

### Comment 1

*I have provisionally accepted your manuscript for publication to allow you one final opportunity to carefully copy edit the piece. In particular please consider tightening the paper, which is, in parts, redundant and repetitive.*

#### REPLY

We are truly grateful for inviting us to copy edit and tighten the paper. Following your advice, we took great care to correct any remaining mistakes, but also avoid repetitions and redundant sentences throughout the manuscript. More specifically, we first corrected the manuscript for grammar, punctuation, and sentence structure. Next, we adapted the wording and vocabulary to improve the flow of the manuscript. Above all, we located and removed some excess material and repetitive sentences at different positions, particularly in the “Introduction” and the “Theoretical background”. We also excluded some material from the “General discussion and implications” to make this final section even more focused on the research context. In summary, the article is now shorter and at the same time more coherent.

### Comment 2

*Also, if possible restructure the paper the development of the measurement scale from the appendix to the main body.*

#### REPLY

Thank you for pointing this out and please allow us to clarify. Indeed, our initial intention was to provide more extensive reporting for Study 1. However, we had to deal with the length constraints of the journal. Hence, we decided to create a Web Appendix fully dedicated to Study 1, where we describe in detail how we explored co-op ostracism and how we developed a scale to measure it. In the initial submitted version of the manuscript, reviewer 3 had pointed out that the methodology presentation was somewhat difficult to understand as a result of the brief reporting of Study 1 vis-à-vis the extensive explanations of the Web Appendix. Following the reviewer’s suggestion, we trimmed the theoretical portrayal and created some space for more methodological presentation in the



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3 actual manuscript, illuminating what we did in Study 1. In particular, we added a  
4 description regarding the structure of the Study at hand, and the Steps followed.  
5 Moreover, we added a few sentences revealing why we sampled co-ops from three  
6 specific sectors (i.e. agribusiness, retail banking, consumer), detailing that we targeted the  
7 three most popular co-op sectors globally based on ICA's categorisation and reports.  
8 Furthermore, each sample's characteristics for Study 1 were added in Table WA1 (e.g.  
9 sample size, gender, mean age, mean patronage, committee participation) to familiarise  
10 the reader with the sample features of Study 1' key Step (*Step 6: Assessment of scale*  
11 *properties*). Notably, this set the stage for the associated sample description of Study 2,  
12 which is presented identically in Table I. All in all, even though we would prefer  
13 ourselves too to transfer Study 1 from the Web Appendix to the main body, our leeway to  
14 do so has been rather small, also considering that we had to tighten the paper overall.

### 21 22 **Comment 3**

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24 *Please also make a final check to ensure consistency with the EJM formatting guidelines. EJM*  
25 *does not provide final proofs for review prior to publication so this will be your last opportunity*  
26 *to make any changes.*  
27

### 28 29 30 **REPLY**

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32 We really appreciate your suggestion. We made a final check to ensure consistency with  
33 the EJM formatting guidelines. In particular, we made sure that the length of the article  
34 conforms to limits set out in the Author Guidelines and that the article title does not  
35 exceed the set length either. The article title page is also coherent with the Author  
36 Guidelines (e.g. author information, keywords, compliant structured abstract). Moreover,  
37 headings have been formatted as per the Author Guidelines too (e.g. first-level headings  
38 are presented in bold, sub-headings are presented in italics), while the single endnote has  
39 been enclosed in square brackets and listed at the end of the article, just before the  
40 Appendix and the reference list. Tables and Figures have also been prepared in  
41 accordance with the Author Guidelines (e.g., submitted as a separate file to the main  
42 body of the manuscript, numbered consecutively, their position clearly labelled in the  
43 body text of the article). The Web Appendix is also consistent with the EJM formatting  
44 guidelines. Finally, all references are in Harvard style and have been checked for  
45 completeness, accuracy, and consistency.  
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