CS/D&CB

JOURNAL OF CONSUMER SATISFACTION, DISSATISFACTION AND COMPLAINING BEHAVIOR

ISBN: 978-1-944245-16-0

VOLUME 28, 2015

JCS/D&CB INFORMATION AND STYLE SHEET

The Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior is published annually to present articles central to the theme of the journal. Conceptual pieces and research conducted in the contexts of B2B, Services, B2C and C2C are of equal interest.
Authors are solely responsible for all statements and facts in their articles. The Journal is not responsible for unsolicited manuscripts.

REVIEW PROCEDURE: The receipt of a manuscript is acknowledged by e-mail. Three or four scholars serve as reviewers in a double blind review process. Upon return of the reviews the accept/reject/revise decision is made by the editor and the contact author is notified. Reviewers' comments are provided to the author(s).

DOUBLE PUBLICATION: To protect JCS/D&CB, any and each author who allows a manuscript to be published in JCS/D&CB guarantees that the paper accepted for publication in JCS/D&CB is not copyrighted elsewhere or that all copyright clearances have been obtained and delivered to JCS/D&CB prior to any reviews being conducted and, if the article is subsequently accepted, also guarantees to pay any and all damages and legal expenses resulting from any copyright problem existing at the time of publication in JCS/D&CB. As the authors are the only ones who have full knowledge in this matter they are the ones who bear full responsibility and liability for full disclosure to JCS/D&CB.

TIMING OF SUBMISSION: Papers can be submitted at any time and will be reviewed and accepted/rejected in as timely a fashion as possible.

LENGTH: Any length manuscript will be considered for publication. However, manuscripts over 45 double-spaced printed pages including all tables and appendices will be looked at very carefully to see if the contribution warrants that much space.

ABSTRACT: Manuscripts must be accompanied by an abstract of at least 100 words, preferably around 150 words, and not exceeding 200 words. Key words, methodologies, and findings must be clearly articulated in the abstract.

E-MAIL REQUIRED: We require that manuscripts and all other correspondence come to us by e-mail. Articles to be considered for publication should be submitted using Microsoft WORD, be double spaced, and use a 12 pt. font. Be sure to get confirmation that the file was received.

AUTHOR IDENTIFICATION: Because JCS/D&CB uses a double blind, peer-review process it is inappropriate for authors to identify themselves or provide clues to their identity in their manuscripts. The contact author's full name, mailing address, telephone number, and e-mail address, along with the title of the paper, should be provided in a separate Word file. When there are additional authors, provide only names and professional affiliation for those co-authors.

REFERENCES: Reference citations in the text of the manuscript should be in parentheses, by author's last name and year of publication, for example (Hunt 1977). If the author's name appears in a sentence the name should be followed by the year, for example, "...Hunt (1977)..." If a page is cited it should be noted as follows: (Hunt 1977, p.26). If a citation has only two authors always use both authors' names (Day and Hunt 1978). If a citation has three or more authors, include all the authors' names the first time the citation appears. After the first appearance use only the name of the first author, for example, an article by Hunt, Day and Goodwin would be (Hunt, et al. 1978). In a series of citations in the same location, separate the citations with a semicolon, for example, (Day 1977; Hunt et al. 1978). Works published in the same year by the same author(s) should be differentiated by letters after the date, for example, Taylor 1997a; 1997b).

All references cited in the article and ONLY references cited in the article are to be fully listed in alphabetical order at the end of the article, with the first author surname first and other authors' names surname last. Standard reference punctuation is expected. Recent JCS/D&CB articles may be used for examples. First names as well as last names are required except where an author is known by their initial or initials, for example, H. Keith Hunt, not H. K. Hunt, or Ralph L. Day, not R. L. Day.

ACKNOWLEDGEMENTS: Acknowledgements are discouraged but may be used if required and will be placed at the end of the paper following the references section.

SUBMISSION OF FINAL COPY: After a Manuscript is accepted and all suggested revisions made; the final manuscript must be submitted as an e-mail attachment in Microsoft WORD format. Specific formatting instructions can be provided to the contact author for each accepted article. It is important that these instructions be carefully followed.

CAMERA-READY COPY: Camera-ready art work for any graphics may be requested from the authors after the manuscript is accepted for publication. JCS/D&CB prints with black ink on white paper. No colors other than black ink are allowed. Tables and figures must have a white background. What may be an attractive color figure in your manuscript could end up as uneven shading in the printed journal. Figures using shading sometimes do not print well.

PRINTED JOURNAL: JCS/D&CB is a print journal. We print annually at the end of our fiscal year which next will begin January 1, 2015 and end December 31, 2015. The Journal will be mailed to subscribers in January of the following year.

SUBSCRIPTIONS: Due to the rising cost of postage and printing, prices might increase from time to time. Currently, the price per volume is
$18 if mailed to an address in the U.S. or $28 ifmailed to a non-U.S. address (Air Mail is now the only option available and accounts for this higher price to non-U.S. addresses). These prices are inclusive of postage and handling.

PAYMENTS: Payment can be by check drawn in U.S. dollars on a U.S. bank location. It can also be made by MasterCard or Visa charge card, which is encouraged for international transactions.

FEIN: 46-4963090
ISSN: 0899-8620

ISBN#:
Volume 1, 1988: 0-922279-01-2
Volume 2, 1989: 0-922279-02-0
Volume 3, 1990: 0-922279-03-9
Volume 4, 1991: 0-922279-04-7
Volume 5, 1992: 0-922279-05-5
Volume 6, 1993: 0-922279-06-3
Volume 7, 1994: 0-922279-07-1
Volume 8, 1995: 0-922279-08-X
Volume 9, 1996: 0-922279-09-8
Volume 10, 1997: 0-922279-10-1
Volume 11, 1998: 0-922279-11-X
Volume 12, 1999: 0-922279-12-8
Volume 13, 2000: 0-922279-13-6
Volume 14, 2001: 0-922279-14-4
Volume 15, 2002: 0-922279-15-2
Volume 16, 2003: 0-922279-16-0
Volume 17, 2004: 0-922279-17-9
Volume 18, 2005: 1-58874-574-0
Volume 19, 2006: 1-58874-674-7
Volume 20, 2007: 978-1-58874-768-6
Volume 21, 2008: 1-58874-871-5
Volume 22, 2009: 1-58874-967-3
Volume 23, 2010: 978-1-60904-055-0
Volume 24, 2011: 978-1-60904-152-6
Volume 25, 2012: 978-1-60904-238-7
Volume 26, 2013: 978-1-60904-319-3
Volume 27, 2014: 978-1-60907-408-4
Volume 28, 2015: 978-1-944245-16-0

STANDING ORDERS: You are encouraged to enter a standing order for future volumes of the Journal. Each new volume is shipped, with an invoice, to all Standing Orders as soon as it is printed. If, after you receive a volume, you decide you don't want it, return the undamaged volume and the invoice will be cancelled. You are responsible for the return postage. A standing order is the easiest way to be sure you receive new volumes as soon as they are printed.

CS/DS&CB PUBLICATION LIST: Hard copies of most of the conference proceedings published from 1977 through 1985 and all back issues of the Journal are available at current Journal prices.

ADDRESS: Manuscripts, subscriptions, and all correspondence should be sent by email to:
Gillian.naylor@unlv.edu
Dr. Gillian S. Naylor
Chair, MIB Marketing and International Business
416A Beam Hall
4505 S. Maryland Pkwy, mail stop 6010 Las Vegas
NV 89154-6010

WEBSITE:
https://faculty.unlv.edu/gnaylor/JCSDCB/

FINANCIAL/LEGAL: Consumer Satisfaction, Dissatisfaction and Complaining Behavior, Inc., owner & publisher of JCS/D&CB, is incorporated in Nevada.

UNIVERSITY OF NEVADA, LAS VEGAS
has NO ownership involvement of any kind with JCS/D&CB and is in no way liable for anything to do with JCS/D&CB. Professor Naylor's unlv.edu e-mail address is to her faculty office and is used for JCS/D&CB solely as a convenience to her role as Editor.

CS/D&CB CONFERENCES: Since the late 1980's, CS/D&CB conferences had, with a few exceptions, been held in odd-numbered years. Since 2003, however, the conferences have been held in June '06, June '08, June '10 and June '12 and the next conference is scheduled to be held June 2016 at UNLV in New Orleans. Papers and presentations of all kinds are welcome, as long as they are focused on satisfaction, dissatisfaction and/or complaining behavior, or related topics. The paper submission deadline is usually in early April. Contact Gillian Naylor for more conference information. The Call for Papers and conference registration form can be found on the CS/D&CB website.

A HISTORICAL REVIEW AND FUTURE RESEARCH AGENDA FOR THE FIELD OF CONSUMER SATISFACTION, DISSATISFACTION, & COMPLAINING BEHAVIOR

Andrew Dahl, University of Wisconsin, Whitewater
Jimmy Peltier, University of Wisconsin, Whitewater

ABSTRACT

Researchers have shown increasing interest in the antecedents and consequences of consumer satisfaction, dissatisfaction, and complaining behavior (CS), with research published in a wide range of marketing journals over the past 30 years. Although CS research appears to be in the maturity stage, there is still much to learn about the topic particularly in light of contradictory findings that exist within the marketing literature. Adapting a methodology from a recent marketing education literature review, this article develops a framework to organize and review nearly 400 articles published in the *Journal of Consumer Satisfaction, Dissatisfaction, and Complaining Behavior*; identifying key research themes and future research directions aimed at developing a more complete understanding of the complex interrelationships of the antecedents and consequences of CS.

Keywords: *Consumer satisfaction, dissatisfaction, complaining behavior, literature review, content analysis*

INTRODUCTION

Marketers in both product- and service-based industries have increasingly focused on consumer satisfaction, dissatisfaction, and complaining behavior (hereafter referred to simply as consumer satisfaction or CS) as a key metric for monitoring business performance. In recognition of this increased interest, researchers have developed several CS-based indices and related measurement methods for monitoring and benchmarking customer experiences and service quality relative to other firms (Anderson et al. 1994; Fornell 1992; Fornell et al. 1996; Parasuraman et al. 1988; Reichheld 2003). In part, the business community's continued interest in consumer satisfaction is likely driven by findings that suggest satisfaction has a positive relationship with customer retention and loyalty (Anderson et al. 1997; Palmatier et al. 2006), and ultimately better firm performance via increased market share and lower marketing costs associated with retaining loyal customers (Rust and Zahorik 1993).

Although a few studies prior to the 1970s investigated consumer satisfaction issues, the late 1970s and early 1980s represent a key milestone in marketing scholarship related to the birth of modern consumer satisfaction research (Churchill Jr and Surprenant 1982; Perkins 2012b). During these formative years of CS research, the expectancy-disconfirmation (E-D) paradigm served as the predominant theoretical approach (Anderson 1973) and to this day offers a common perspective under which satisfaction is viewed - the difference between expected and perceived performance.

Perhaps tied to the increased adoption of CS metrics by practitioners, marketing scholars expanded their investigation to examine CS outcomes. As a result, the marketing literature is replete with empirical research suggesting consumer satisfaction has a positive relationship with outcomes such as customer loyalty (Lam et al. 2004; Mittal et al. 1999), repurchase intentions (Cronin et al. 2000), word-of-mouth (Brown et al. 2005), and market share (Rust and Zahorik 1993). Although the CS literature generally demonstrates a positive link to these business outcomes, conflicting results within the literature suggest there is still much to learn about the complex interrelationships between consumer satisfaction and its antecedents and consequences. For example, although empirical research supports a positive relationship between consumer satisfaction and outcomes like loyalty (Lam et al. 2004; Mittal et al. 1999), contradictory results have suggested a relatively weak link (Kumar et al. 2013) as well as others suggesting a more complex and possibly nonlinear relationship (Dong et al. 2011; Oliva et al. 1992; Picon et al. 2014). Similarly, Khan et al.'s (2012) meta-analysis suggests conflicting results related to CS and repurchase intentions. In combination, these and other contradictory findings suggest a new era of CS research is on the horizon and that there is still much to discover within the field.

A comprehensive framework is thus needed which organizes the CS literature and identifies future research directions to help fill the theoretical and empirical gaps.

The current research is driven by three research questions including (a) what research themes exist within the topic of consumer satisfaction, (b) what antecedents and outcomes of consumer satisfaction have scholars explored and what results have they found, and (c) what gaps in understanding exist that require further insight and hence more attention from researchers?

Since its inception in 1988, the *Journal of Consumer Satisfaction, Dissatisfaction, and Complaining Behavior* (*JCSD&CB*) has served as an integral scholarly research outlet dedicated to research examining the field of consumer satisfaction. Nearly thirty years and 400 articles later, the *JCSD&CB* remains a key publication outlet for consumer satisfaction research. Moreover, many within the scholarly community credit H. Keith Hunt and Ralph Day for stimulating CS research through the creation of an annual CS conference proceeding in 1977 which led to the establishment of this CS-focused journal. Given the *JCSD&CB's* focus remains solely on issues related to consumer satisfaction, this article sets out to review the current state of knowledge within the field based on the work published within the journal over its 27 year history. The goal is lofty - - to review every conceptual and empirical article published in the *Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior* in order to identify key research themes and provide recommendations for future research directions based on the current gaps in the literature. An organizing framework was created to categorize each of the 373 conceptual and empirical articles based on a number of factors.

The remainder of this article is organized as follows. First, a description of the coding methodology outlines the categorization process and provides a basis for descriptive analysis of all *JCSD&CB* articles. Next, the article highlights cross-era trends and provides a discussion based on patterns and themes among research contexts, relationships investigated, methodology/research designs, and other aspects identified via the categorization process. Finally, the article concludes with a visual framework of the antecedents, moderating variables, and consequences along with future research directions.

METHODOLOGY

It was an extensive undertaking to categorize and analyze all *JCSD&CB* articles from across the nearly three decades. The journal's coverage of CS-related topics has evolved over time to include a variety of contexts, topic areas, and sub-categories, thus making it important that the coding schema would allow for comparisons both within and across the three decades. With this as a background, a modified version of a categorization process used in a recent review of the *Journal of Marketing Education* (Gray et al. 2012) literature was followed for the purposes of managing the scope of the review. The following provides an overview of how the process was adapted for the current review:

1. *Prepared Data Files*: All articles published in *JCSD&CB* from 1988 to 2014 were placed into one of three eras with the exclusion of editor notes, prior reviews of *JCSD&CB*, and bibliographic entries: 1988-1997, 1998-2007, and 2008-2014. The author(s), title, volume, and abstract from each article were entered into a database.
2. *Identification of Categorization Rubric & Potential Categories:* Recent reviews authored by Davidow (2012) and Perkins (2012a) along with review pieces from early issues of *JCSD&CB* by Hunt (1993) and Swan and Trawick (1993) were examined to identify potential topical categories. The purpose of this step was to identify a manageable set of consumer satisfaction topical areas as part of the coding rubric to create consistency in coding across the 27 issues and thus better comparison within and across the three eras. Additionally, other dimensions were identified as important to attempt to categorize such as: type of article (conceptual or empirical); research design (exploratory, descriptive, or experimental); data collection methods (qualitative, quantitative); sample used (student, non-student); antecedents, moderators, and outcomes investigated; and context (geographic scope, B2C vs. B2B, product vs. service).
3. *Conducted Initial Categorization:* Next, the authors reviewed each article in-depth to identify the primary, secondary, and tertiary topics and record the articles other attributes in accordance with the initial categorization rubric.
4. *Refinement of Coding Rubric:* The complexity of CS and the interrelationships between many different aspects makes it particularly difficult to select a primary category for each article. Many of the *JCSD&CB* articles typically involve complex

interrelationships with (dis)satisfaction as a mediating variable. Therefore, initial categorization followed a relaxed iterative process which allowed for modification of categories and identification of new factors of interest during the review. As such, each article was reviewed multiple times to ensure capture of all relevant attributes for each article. Additionally, two marketing scholars familiar with the consumer satisfaction literature reviewed the coding rubric and a sample of articles to check for reliability and validity of the coding process. Discussions led to the development of broader topical categories and a more refined categorization process. Table 1 provides the final categories.

TABLE 1: ARTICLE CATEGORIES AND DESCRIPTIONS

Category	Description
CS Antecedents	Articles focused on exploring (dis)satisfaction formation related to products, services, and/or integrated product-service satisfaction with focus on attitudinal, cognitive, social, and demographic based antecedents.
CS Methods/ Measurement	Articles discussing issues related to the methodologies or measurement of CS including scale development, construct development, and/or potential measurement issues stemming from measurement scales, contexts, etc.
Complaining & Complimenting Behavior	Articles focusing on complaining/complimenting behaviors including word-of-mouth (negative and positive). Articles address issues related to the different types of complaining or complimenting behaviors, antecedents, and/or outcomes the behaviors.
Conceptual	Articles focused on providing reviews of the CS literature and building new conceptual frameworks without empirically testing.
CS Outcomes (non-CB)	Articles focused on examining the relationships between (dis)satisfaction and outcomes other than complaining/complimenting behaviors. Articles within this category include those examining the relationships between satisfaction and loyalty, repurchase intentions, and/or firm performance (i.e. service-profit chain).
Complaint Management/ Response	Articles addressing organization's handling and response to "consumer" complaints including management of the process, responses to complaints, "consumer" satisfaction with complaint redress, and third-party organizations.
CS & Decision Making	Articles which examine CS-issues in relation to the consumer decision making process.
CRM & Segmentation	Articles address the role of CS issues in customer relationship management and/or how firms can use CS for customer segmentation purposes.

DISCUSSION OF RESULTS

An overview of the frequency of categorical coverage from 1988 to 2014 is first presented to organize the discussion of the CS literature. Following the overview across all years, a comparison across the three eras provides a discussion of the evolution of topic areas across *JCSD&CB*'s 27 years in existence. Finally, this section provides an examination of the research contexts including product vs. service, B2B vs. B2C, geographic scope, and methodologies/data analysis utilized by researchers.

Overall Summary of Publications by Category

Table 2 provides an overview of the coverage of articles by category within each era and overall from 1988 to 2014. Since the number of articles varies across the three eras, the percentage of articles within each era allows for direct comparisons of topical coverage across eras.

CS Antecedents was the most popular area in terms of article count (n=95) and overall percentage (25.5%) across the 27 years. As shown in Table 1, articles within the CS Antecedents category focus on the formation of (dis)satisfaction across a variety of research contexts. Much of the research within this category investigated multiple explanatory variables across attitudinal, cognitive, and psycho-social dimensions. Additionally, many studies of the formation of CS included the explanatory impact of demographic characteristics such as gender, age, income, and ethnicity. However, relatively few (n=4) studies examined the antecedents to (dis)satisfaction through cross-cultural samples.

CS Methods/Measurement (n=71; 19.0%) and *Complaining/Complimenting Behavior* (n=70; 18.8%) are the next two most popular categories covered in the journal's history. Specific to *Methods/Measurement*, the measurement of CS and related constructs has drawn significant research attention over the years, resulting in a variety of measurement scales (scale development: n=24; 33.8%). Given the variety of measurement scales, a second sub-topic within the Methods/Measurement category includes studies presenting direct comparisons of the measurement of CS constructs by evaluating the difference in results across various models/scales (n=22; 31.0%). Finally, articles discussing other method/measurement-related issues (n=17; 23.9%) introduce new methods (i.e. critical incident technique, intensity comparison method, memory-work method), address measurement context issues, or discuss issues related to the applied measurement of satisfaction by practitioners.

Articles within the *Complaining/Complimenting Behavior* category primarily address consumers' complaining behaviors (n=60; 85.7%), with only two articles specifically focused on complimenting behavior. Research on word-of-mouth (WOM), both negative and positive, account for the remaining sub-topics within the complaining/complimenting behavior category (n=8) (while WOM is addressed in a variety of other articles, only eight primarily focus on this aspect).

TABLE 2: NUMBER AND PERCENTAGE OF ARTICLES BY CATEGORY

	1988-1997		1998-2007		2008-2014		1988-2014		
Category	**n**	**Era %**	**n**	**Era %**	**n**	**Era %**	**n**	**Overall %**	**Range %**
CS Antecedents	66	33.2	25	20.5	4	7.7	95	25.5	7.7-33.2
CS Methods/Measurement	34	17.1	27	22.1	10	19.2	71	19.0	17.1- 22.1
Complaining & Complimenting Behavior Conceptual	34	17.1	24	19.7	12	23.1	70	18.8	17.1- 23.1
CS Outcomes (non-CB)	31	15.6	16	13.1	7	13.5	54	14.5	13.1- 15.6
Complaint Management	11	5.5	13	10.7	7	13.5	31	8.3	5.5-13.5
CS & Decision Making	11	5.5	10	8.2	2	3.8	23	6.2	3.8-8.2
CRM & Segmentation	9	4.5	4	3.3	3	5.8	16	4.3	3.3-5.8
Totals	3	1.5	3	2.5	7	13.5	13	3.5	1.5-13.5
	199	100.0	122	100.0	52	100.0	373	100.0	

Much of the research within complaining behaviors builds off of Hirschman's exit-voice-loyalty model (1970) and Singh's (1988) taxonomy of complaining behaviors. The principal perspective taken within this stream of research concentrates on the consumers' decision to voice complaints publicly, privately, or via third-party organizations. Exceptions to this include studies which investigate consumers' engagement in post-consumption actions like grudgeholding, retaliation, and/or store avoidance (Aron 2001; Huefner et al. 2002; Huppertz 2003; Otto et al. 2004). In addition to addressing the types of actions/ behaviors taken, articles within this category address the antecedents and/or outcomes of complaining or complimenting.

Although a majority of articles in *JCSD&CB* test different models, a number of articles present integrative reviews of the CS literature without empirically testing the proposed *Conceptual Frameworks* (n=54; 14.5% overall). The two most common framework sub-topics were satisfaction formation (n=20; 30.7%) and complaining behavior (n=14; 25.9%). In combination, *CS Antecedents*, *CS Methods/Measurement*, *Complaining/Complimenting Behavior*, and *Conceptual Frameworks* account for 77.8% of the articles published in *JCSD&CB*.

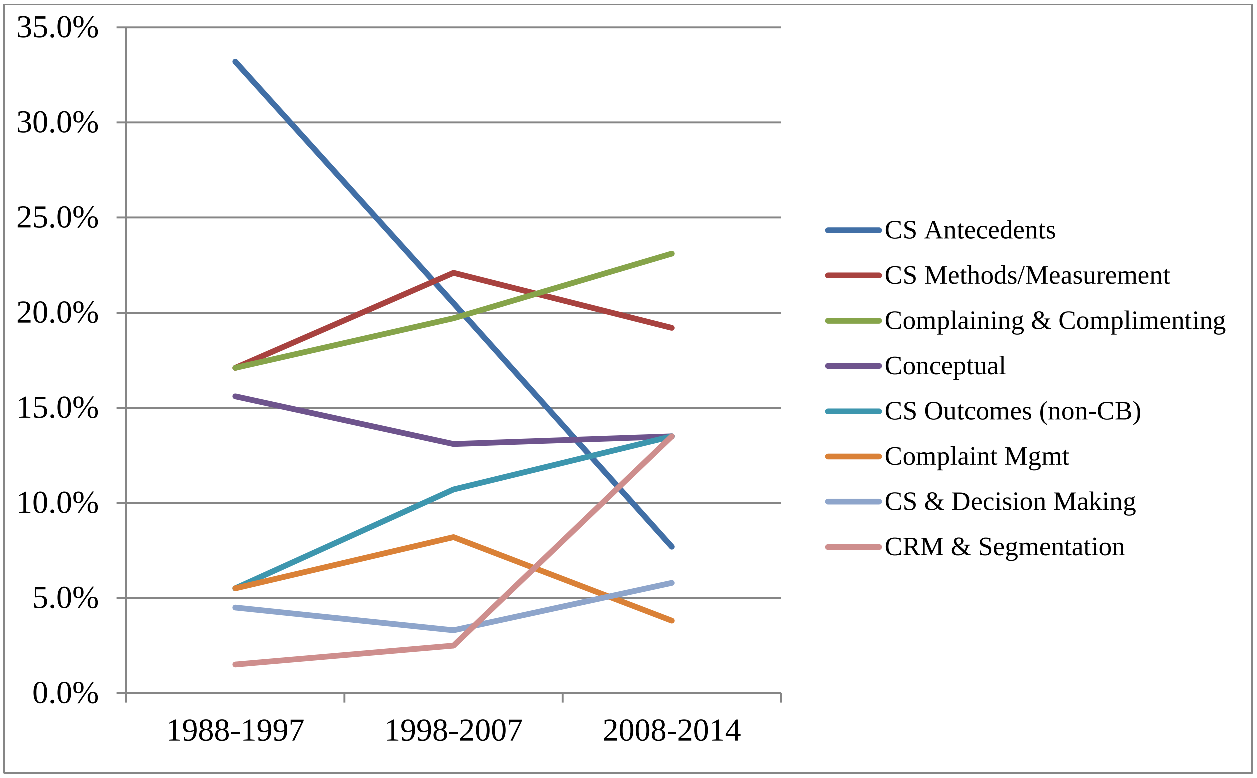
The remaining four categories each account for less than ten percent of the total articles published in the journal. *CS Outcomes* (n=31; 8.3%) address the various consequences of satisfaction other than complaining behaviors. The sub-topic coverage suggests a number of complex interrelationships between satisfaction and loyalty (n=15), repurchase intentions (n=12), firm performance (n=2), and non-complaining responses to dissatisfaction (n=2). *Complaint Management* (n=23; 6.2% overall) articles report on issues related to firms' handling of the complaint process, complaint redress, and third-party complaint agencies. *CS & Decision Making* (n=16; 4.3% overall) articles cover CS in relation to the consumer decision making process with emphasis on the use of different comparison/evaluative standards or information and changes over the pre- and post-purchase stages. Finally, *CRM & Segmentation* (n=13; 3.5% overall) articles focus on relationship management aspects as well as how firms can use CS for segmentation purposes.

Comparing Categories Across Eras

Although it is challenging to provide a comprehensive review of categorical coverage trends across the three eras, Table 2 and Figure 1 enable some insights. First, although *CS Antecedents* account for the most articles and greatest overall percentage across the three eras, there is a steady decline in coverage of this category since the formative years of *JCSD&CB* (33.2% of articles in 1988-1997 era; 20.5% from 1998-2007; 7.7% 2008-2014). As a relatively new field at the time the journal launched, enhancing our understanding of the precursors to (dis)satisfaction formation was an important research priority. The decreased coverage of this category is thus reflective of the maturation of the CS literature and movement toward investigating the consequences/outcomes of (dis)satisfaction. However, it is unlikely scholars have identified all of the precursors to (dis)satisfaction and this trend does not suggest there is nothing to learn in terms of its causes, particularly given recent contradictory findings suggesting moderating influences exist.

Second, the coverage of *CS Methods/Measurement* (17.1%; 22.1%; 19.2%) and *Complaining & Complimenting Behavior* (17.1%; 19.7%; 23.1%) consistently appear as one of the top three categories in each era and suggest these topics remain of interest to scholars and the *JCSD&CB*. Of note, the coverage of *Complaining & Complimenting Behavior* is on an upward trend, accounting for the largest percentage of articles within the current era (2008-2014). Similarly, coverage of *CS Outcomes (non-CB)* (5.5% to 13.5%) and *CRM & Segmentation* (1.5% to 13.5%) have increased over time, each reaching over 10% in the current era. Coverage of sub-topics like satisfaction's relationships with loyalty, repurchase intentions, and performance are of increased importance to both practitioners and scholars given firms' growing use of customer satisfaction measurement programs. Scholarly research examining the outcomes of these programs has thus experienced a surge in importance. Meanwhile, the growing coverage of satisfaction's role in *CRM & Segmentation* reflects an amplified focus on the sub-topic of CS-relationship management aspects.

FIGURE 1: CATEGORICAL TREND LINES BY ERA



Analysis of Content by Era

This section provides a discussion of content by era and highlights differences within each era based on sub-topics.

1988-1997: The Formative Years of CS Research

<u>*Era introduction*</u>: Ralph L. Day and H. Keith Hunt created the *Journal of Consumer Satisfaction Dissatisfaction & Complaining Behavior* after several years of CS-conference proceedings. Since its inception, the journal's primary objective has been to serve as a dedicated research outlet for what at the time was a growing research interest in consumer satisfaction among both scholars and practitioners. In part, the journal's start can be traced to interactions with the Federal Trade Commission (FTC) and thus was firmly grounded in research of relevance to practitioners (Perkins 2012b). Readers interested in an in-depth historical perspective on the CS field's birth and the development of *JCSD&CB* should refer to the narrative provided by Day and Perkins (1992).

<u>*Content discussion*</u>: Published articles from *JCSD&CB*'s beginning stage suggest authors focused on increasing the understanding of the underlying principles of CS and its measurement, and laid the groundwork for future research in the field. In fact, over half (53.6%) of all articles from *JCSD&CB* appeared during these formative years. Coverage of *CS Antecedents* (n=66; 33.2% of era), *Methods/Measurement* (n=34; 17.1%), *Complaining/Complimenting Behavior* (n=34; 17.1%), and *Conceptual Frameworks* (n=31; 15.6%) were the most popular topics, accounting for 83% of the 199 articles during the era.

Not surprisingly, 12 of the 16 most highly cited articles as found on Google Scholar are from the formative years and account for over 2,600 citations (see Table 3 for a list of the most cited articles from the journal's history). Although much of the other early literature in *JCSD&CB* on *CS Antecedents* focused on understanding the explanatory impact of demographic characteristics, during this era researchers began to examine the emotional drivers of satisfaction and the discrete emotional dimensions of the CS construct. The most cited article from

Richard L. Oliver (1989) provides one of the early conceptual frameworks extending the disconfirmation perspective to include the emotional drivers of satisfaction. In his model, Oliver suggested that consumers' post-purchase affective experience and attribution phase are key determinants of satisfaction beyond pre-purchase expectations. Accordingly, researchers began to examine satisfaction beyond the cognition-driven perspective associated with the disconfirmation paradigm to explore the emotional dimensions and drivers of CS/D (Hausknecht 1988; Muller et al. 1991; Nyer 1997; Oliver and Westbrook 1993).

Another salient issue addressed during the formative years of *JCSD&CB* is the comparison of different models, scales, and standards used in measuring CS (Erevelles and Leavitt 1992; Hausknecht 1990; Patterson and Johnson 1993; Woodruff et al. 1991). Erevelles and Leavitt (1992) compared the effectiveness of different models of (dis)satisfaction under different situations, suggesting CS measurement may be context driven and in part explains the development of multiple CS scales. Similarly, Woodruff et al. (1991) discussed the diagnostic implications of using different comparison standards prevalent in the CS literature. Despite different conceptualizations, expectation-based comparison standards continue to dominate the extant literature. Woodruff et al. noted potential measurement issues may exist due to consumers having multiple comparison standards in mind at a given point in time and questioned the appropriateness of standards for different situations such as changes in usage situations, performance of competitive products, and other aspects. In combination, articles in the formative years were often suggestive that CS related research may be context or situation-specific, while calling for more consistent conceptualization of CS constructs and research to develop a more comprehensive understanding of CS.

Research on consumers' complaining behaviors (CB) during the formative years in *JCSD&CB* examined the drivers of complaining along with CB's impact on repurchase intentions, negative word-of-mouth (WOM) and other outcomes. During the formative years, articles within this topic primarily focused on the complexity of CB while exploring the drivers beyond consumers' perceived success of complaining, attitudes toward complaining, and product importance. Blodgett and Granbois' (1992) conceptual model integrated multiple research streams to depict complaining behavior as a complex and dynamic process during which consumers' perceived justice of the complaint redress greatly influences the outcome of complaining behavior (e.g. negative word-of mouth, exit, third party complaints). Blodgett (1994) later empirically validated the impact of perceived justice with the complaint redress on

.

TABLE 3: MOST CITED ARTICLES[1]

Author	Category	Year	Citations
Oliver	Conceptual	1989	649
Bloemer & Odekerken-Schroder	CS Outcomes	2002	336
Erevelles & Leavitt	Conceptual	1992	307
Cadotte & Turgeon	Complaining Behavior	1988	272
Halstead & Page Jr.	Complaining Behavior	1992	257
Day & Crask	Conceptual	2000	187
Hausknecht	Method/Measurement	1990	185
Blodgett & Granbois	Conceptual	1992	179
Oliver & Westbrook	CS Antecedents	1993	164
Davidow	Complaint Management	2003	155
Goodwin & Ross	Complaint Management	1989	148
Patterson & Johnson	Conceptual	1993	147
Woodruff et al.	Conceptual	1991	142
Spreng et al.	Conceptual	1993	108
Wright & Larsen	CS Antecedents	1993	105
Halstead	Complaining Behavior	2002	104

[1] Based on Google Scholar citation counts >100 as of the end of November 2015.

both negative WOM and repatronage intentions. Similarly, Kolodinsky (1992) underscoreed the complex, recursive, and simultaneous nature of consumers' complaints and marketers' redress while estimating complaining, resolution, and repurchase. Halstead and Page's (1992) study offered contrary findings from prior studies suggesting complainers have higher repurchase intentions than non-complainers, but also showed satisfaction with complaint resolution is likely to result in higher repurchase intentions among complaining consumers initially dissatisfied with the product. The extension of complaining behavior outcomes including brand/store avoidance and consumer grudgeholding also were popular CB sub-topics during the first era. In combination, the studies in the initial era demonstrate CB is a complex, dynamic process, outlining the importance of marketers' redress and consumers' perceived justice of the resolution in determining engagement in repurchase, negative WOM, avoidance, and other behaviors.

1998-2007: "Finding 'Delight,' 'Value,'& Other Consequences in CS Literature"

Era introduction: Hunt and Day served as co-editors of the journal until Day's passing in 1999. Hunt continued to serve as editor until 2005 when Stephen A. Goodwin took over as *JCSD&CB* editor. Published articles from *JCSD&CB*'s second era show that the journal and marketing scholars increasingly focused on investigating the consequences of consumer (dis)satisfaction along with enhancing the measurement and methodologies of CS research. However, research also addressed different dimensions of satisfaction with continued focus on exploring the emotional aspects which surfaced during the first era.

Content discussion: Similar to the first era, *CS Methods/Measurement* (n=27; 22.1% of era), *CS Antecedents* (n=25; 20.5%), and *Complaining/Complimenting Behavior* (n=24; 19.7%) remained the three most popular topics in the second era. However, the second era of *JCSD&CB* indicates decreasing focus on research exploring *CS Antecedents* (33.2% in first era down to 20.5%); with research during this era increasingly focused on refining *CS Methods/Measurements* (17.1% up to 22.1%) and investigating *CS Outcomes* (5.5% up to 10.7%).

Building on literature from the first era, researchers in the second era delved into the *affective state* and *emotional aspects* of satisfaction. As an example, the investigation of the *customer delight* construct and its relationship to satisfaction was of particular interest during the second era of *JCSD&CB*. Building on marketing literature which introduced the concept of delight, research during the second era reflects a growing interest in the exploration of both the precursors and outcomes of the customer delight construct. Customer delight references an individual's positive affective state consisting of high levels of satisfaction stemming from elements of surprise (Vanhamme and Snelders 2001) and joy (Söderlund and Rosengren 2004) in relation to the individual's expectations and performance judgments. However, Kumar et al. (2001) suggested prior contradictory findings on customer delight were in part due to the possibility that consumers can be delighted independent of surprise when they are captivated by a product/service experience. Research within *JCSD&CB* also indicates customer delight is related to repurchase intentions (Hicks et al. 2005), positive WOM, and complimenting behaviors (Kraft and Martin 2001; Otto et al. 2005; Payne et al. 2002). However, research during this era also highlighted potential issues related to measuring the varying intensity of CS-related emotion constructs (Ganglmair and Lawson 2003). Finally, researchers also suggested the multi-dimensional nature of CS emotion constructs such as delight (Kumar et al. 2001) and joy (Söderlund and Rosengren 2004) which appear to add more complexity to CS measurement given the ease in which consumer emotions as well as other factors might change over their relationship with a firm. Similarly, research within the topic of *Complaining/Complimenting Behavior* during the second era enhanced our understanding of the influence of emotions while further examining consumers' responses to dissatisfaction. Research on this topic suggested emotion is a catalyst to many of behavioral responses to dissatisfaction such as brand/store avoidance, grudgeholding, negative WOM, and retaliation (Aron 2001; Halstead 2002; Huefner and Hunt 2000; Huefner et al. 2002; Otto et al. 2004). In combination, articles on delight and other emotional aspects of satisfaction during the second era highlighted a range of emotional dimensions related to CS and its consequences while highlighting measurement issues related to the affective states or emotions of consumers.

Value was also of emerging interest in the marketing literature and explored in the second era of *JCSD&CB* with a focus on defining the concept and exploring its relationship to decision making, satisfaction, and loyalty (Day and Crask 2000; Salegna and Goodwin 2005; Sánchez-Fernández and Iniesta-Bonillo 2006). In one of the highly cited articles of the journal's history, Day and Crask (2000) outlined seven key tenets of value while conceptualizing an individual's value assessment in terms of perceived risk as a key determinant of (dis)satisfaction. However, Day's (2002) qualitative study of consumers' value assessment indicated consumers only consider value during/after purchase on some rather than all occasions, thereby suggesting consumer value assessment processes are likely to be context-driven and different between consumer segments based on perceived sacrifices. Similarly, Sánchez-Fernández and Iniesta-Bonillo (2006) found multiple conceptualizations and uses of 'consumer value' within the marketing literature and suggest a consumers' value assessment can occur at varying points of the decision process to evaluate tangible and intangible aspects. Moreover, the consumer judgment of these elements is likely to be context driven by time, place, and circumstances of the value assessment. Together, studies on value in the *JCSD&CB* reflect the emerging interest in this topic across the marketing literature and indicate some of the conflicting findings may be due to diverse conceptualizations of value in the marketing literature, while others suggest the circumstances surrounding value assessment may also play a significant role.

Finally, the satisfaction-loyalty link was a key focus during the second era as part of the growing emphasis on *CS Outcomes*. Many of the studies in this era of *JCSD&CB* investigate the complexity of satisfaction-loyalty link by examining mediating and moderating influences. For example, Bloemer and Odekerken-Schroder (2002) noted that an individual's relationship proneness is an important precursor, while trust and commitment mediate the satisfaction-store loyalty link. Taylor and Hunter(2003) showed brand attitude mediates the satisfaction-loyalty relationship in a B2B eCRM setting. Solvang's (2007) findings from the furniture and grocery industries suggested the satisfaction-loyalty link with repurchase intentions may vary by industry as loyalty had a stronger effect on repurchase decisions in grocery stores. Meanwhile, Wangenheim (2003) identified moderating situational characteristics (product importance, purchase uncertainty, switching costs, relationship duration) which are likely to have differing effects on the satisfaction-loyalty link. In addition to the drivers of customer loyalty and the satisfaction-loyalty link, another sub-topic related to loyalty during the second era examines the different types/dimensions of loyalty. Authors separately explored brand, sales, and after-sales loyalty (Bloemer and Pauwels 1998), store loyalty (Bloemer and Odekerken-Schroder 2002), service provider loyalty (Salegna and Goodwin 2005), along with different loyalty dimensions (e.g. active vs. passive loyalty) (Wangenheim 2003). Together the findings of these studies suggest a satisfaction-loyalty link exists; however, the strength of the relationship is likely to differ based on the type or dimension of loyalty investigated as well as several mediating and/or moderating influences.

2008-2014: "Advocating for a Reinvigoration of CS Research"

<u>*Era introduction*</u>: Although incomplete, the third era signifies the further maturation of the CS literature with an increased focus on investigating the consequences of (dis)satisfaction and complaining behaviors. The emerging importance of customer relationship management (CRM) in the marketing literature has also received increased attention within *JCSD&CB* during the first seven years of the current era.

<u>*Content discussion:*</u> Published articles from the current era of *JCSD&CB* suggest the CS field continues to mature and increasingly focus on the consequences of CS and CB as well as the relationship management aspects. *Complaining & Complimenting Behavior* is currently the most popular topic in the current era (n=12; 23.1% of era). *CS Methods/Measurements* (n=10; 19.2%), followed by *Conceptual*, *CS Outcomes (non-CB)* and *CRM & Segmentation* (each include n=7; 13.5%) are the next most popular. Of note, both *CS Outcomes* and *CRM & Segmentation* represent topics of growing interest relative to their coverage in the first 20 years of the journal.

To date, much of the research within the current era on *Complaining/Complimenting Behavior* enhances our understanding of the antecedents of consumers' complaining behaviors. Early studies within the era examine antecedents such as differences between the precursors of public and private complaining behaviors (Fox 2008), the role of interpersonal influence (Yan and Lotz 2009), and the influence of loyalty on complaining behaviors (Ashley and Varki 2009). Research examining consumer perceptions of organizational responses to consumer redress suggest the differing importance of assuming responsibility and ease of alleviating negativity in product versus service-based failures (Bolkan and Daly 2008). Meanwhile, a recent study highlighted the mediating role of perceived justice between organizational responses and consumer satisfaction with complaint handling and outlines multiple research directions to expand our understanding of consumers' post-complaint behavior (Davidow 2014). Despite growing interest in consumer perceptions and reactions to marketers' redress efforts, relatively little research examined the firms' or marketers' perspective of complaint management (Audrain-Pontevia and Kimmel 2008). Similar to the prior era, research investigating *CS Outcomes* examining satisfaction's link to loyalty and repurchase intentions/behaviors (Akhter 2010; Leingpibul et al. 2009) as well as firm performance (Powers and Valentine 2008) remains of interest. A key question includes what other links might exist? Finally, positive and negative word-of-mouth (WOM) is a popular sub-topic within articles on *Complaining/Complimenting Behaviors* in the current era. Lee and Romaniuk (2009) examined the relationships between switching costs, switching intentions, and WOM. Although prior research suggests high switching costs tend to trigger negative WOM, Lee and Romaniuk offered a framework suggesting that the combination of switching costs and switching intentions plays a key role in retention and customers' engagement in positive or negative WOM. Additionally, as digital marketing and marketers' multi-channel efforts continue to grow, the investigation of factors that elicit offline and online consumer advocacy is of increased importance. Bechwati and Nasr (2011) investigated what leads consumers to recommend a product/firm and how the triggers differ in online vs. offline contexts. Their findings suggest that the concept of delight is an important driver of online recommendations while multiple external and internal triggers lead to offline recommendations. This leads us to wonder whether consumers' satisfaction with a particular marketing channel might influence consumer satisfaction with the company/brand. Similarly, does satisfaction (or delight) with a social media platform influence a consumers' propensity to complain via that channel? Finally, Lange and Hyde (2013) provide a review of sixty years of WOM literature and suggest commitment, trust, and customer satisfaction are three key antecedents of WOM while identifying a number of affective, cognitive, and behavioral outcomes. Additionally, their model offers areas requiring more insight on marketers' potential influence on managing the creation and sharing of customer WOM. In combination, the recent exploration of WOM research within JCSD&*CB* suggests a potential avenue for future research including continued exploration of the similarities and differences in the antecedents, management of, and consequences of WOM across both positive and negative WOM dimensions.

RESEARCH DESIGNS

Table 4 provides a breakdown of coverage across and within the eras related to research designs, contexts, and geographic scopes. The following section provides a synopsis of the trends and key findings.

TABLE 4: NUMBER AND PERCENTAGE OF ARTICLES BY RESEARCH DESIGN, METHODOLOGY, DATA COLLECTION, AND SAMPLE

	1988-1997		1998-2007		2008-2014		1988-2014		
Context	**n**	**Era %**	**n**	**Era %**	**n**	**Era %**	**n**	**Overall %**	**Range %**
B2C	141	91.0%	87	92.6%	38	86.4%	266	90.8%	86.4%-92.6%
B2B	9	5.8%	6	6.4%	5	11.4%	20	6.8%	5.8%-11.4%
G2C or G2B[2]	5	3.2%	1	1.1%	1	2.3%	7	2.4%	1.1%-3.2%
Design									
Descriptive	120	59.4%	73	59.8%	30	56.6%	223	59.2%	56.6%-59.8%
Conceptual	35	17.3%	20	16.4%	8	15.1%	63	16.7%	15.1%-17.3%
Experimental	25	12.4%	13	10.7%	12	22.6%	50	13.3%	10.7%-22.6%
Exploratory	22	10.9%	16	13.1%	3	5.7%	41	10.9%	5.7%-13.1%
Method									
Quantitative	132	84.1%	73	75.3%	39	84.8%	244	81.3%	75.3%-84.8%
Qualitative	19	12.1%	12	12.4%	5	10.9%	36	12.0%	10.9%-12.4%
Both	6	3.8%	12	12.4%	2	4.3%	20	6.7%	3.8%-12.4%
Data Collection									
Survey	102	52.6%	51	44.0%	25	47.2%	178	49.0%	44.0%-52.6%
Literature Review	36	18.6%	19	16.4%	8	15.1%	63	17.4%	15.1%-18.6%
Experiment	25	12.9%	13	11.2%	12	22.6%	50	13.8%	11.2%-22.6%
Mixed	9	4.6%	13	11.2%	4	7.5%	26	7.2%	4.6%-11.2%
Content Analysis	8	4.1%	6	5.2%	0	0.0%	14	3.9%	0%-5.2%
Ethnography/Case Study	2	1.0%	7	6.0%	0	0.0%	9	2.5%	0%-6.0%
Interviews	7	3.6%	0	0.0%	2	3.8%	9	2.5%	0%-3.8%
Secondary Data	1	0.5%	4	3.4%	1	1.9%	6	1.7%	0.5%-3.4%
Focus Groups	4	2.1%	1	0.9%	0	0.0%	5	1.4%	0%-2.1%
Other	0	0.0%	2	1.7%	1	1.9%	3	0.8%	0%-1.9%
Sample									
Non-Student	110	72.8%	61	67.8%	24	53.3%	195	68.2%	53.3%-72.8%
Student	41	27.2%	29	32.2%	21	46.7%	91	31.8%	27.2%-46.7%

[2] G2C/G2B refers to Government to Consumer/Business

Geographic Scope & Cross-Cultural Research: The journal has attracted scholars from around the globe with research samples investigating consumer satisfaction issues in a variety of countries. Although many geographic contexts are investigated, most of the research published within *JCSD&CB* does not focus on cross-cultural comparisons, with a majority focusing only on the U.S. (n=212; 73.1%). Only 15 (5.2%) of the articles included samples from multiple countries/cultures and thus focused on noting cross-cultural or cross-national differences. Many of these cross-cultural articles primarily focused on issues related to complaining behavior. Based on this, there appears to be a lack of research exploring cross-cultural differences that use samples from multiple countries and investigate a variety of CS issues.

B2B vs. B2C Context: A vast majority (90.8%) focus on CS issues in a B2C context. Prior reviews of the journal's foundation and history have called for increased inclusion of business-to-business related research (Perkins 2012a). Based on the review of all articles, only 20 (6.8%) of the non-conceptual articles have explored issues in a B2B context. Although, the current era is not complete, the coverage of CS in B2B contexts has increased across the first three eras (5.8% to 11.4%; see Table 4 for details). However, there remains a lack of CS research within the B2B context. Despite its name, the *JCSD&CB* continues to be interested in CS research beyond just the "consumer" context and represents a new perspective for advancing the CS field.

Research Designs, Methodology, Data Collection, & Samples: Table 4 shows the classification of articles by research design, methodology, data collection, and sample type overall and across eras. As noted earlier, articles focusing on research methods and measurement issues are common across the journal's history, with articles using a variety of research designs and methodologies. In general, the classification suggests relatively similar patterns in utilization of specific research designs, methodologies, data collection methods, and sample types across eras.

Research Design: A majority of the articles follow an empirical design (only 16.7% are conceptual); with over half of the articles in *JCSD&CB* utilizing a descriptive research methodology (59.2%). The remaining articles apply an experimental (13.3%) or exploratory (10.9%) research design. Although relatively similar across the journal's history, experimental research designs are more prevalent within the current era (12.4% from 1988-1997, 10.7% from 1998-2007, and 22.6% from 2008-2014).

Methodology: A majority of studies employ quantitative (n=244; 81.3%) research methods; with relatively few using qualitative (12.0%) or a combination (6.7%) of the two. Perhaps enhanced understanding of the process of CS/CB will come from additional research employing qualitative or mixed method designs?

Data Collection: Survey-based data collection (49.0%) is the most common – with most of these studies using cross-sectional surveys. Literature reviews (17.4%) and experiments (13.8%) are the only other data collection methods used in more than 10% of the published articles. Mixed (7.2%) data collection includes combined data collection such as interviews and focus groups, interviews and surveys, or focus groups and surveys.

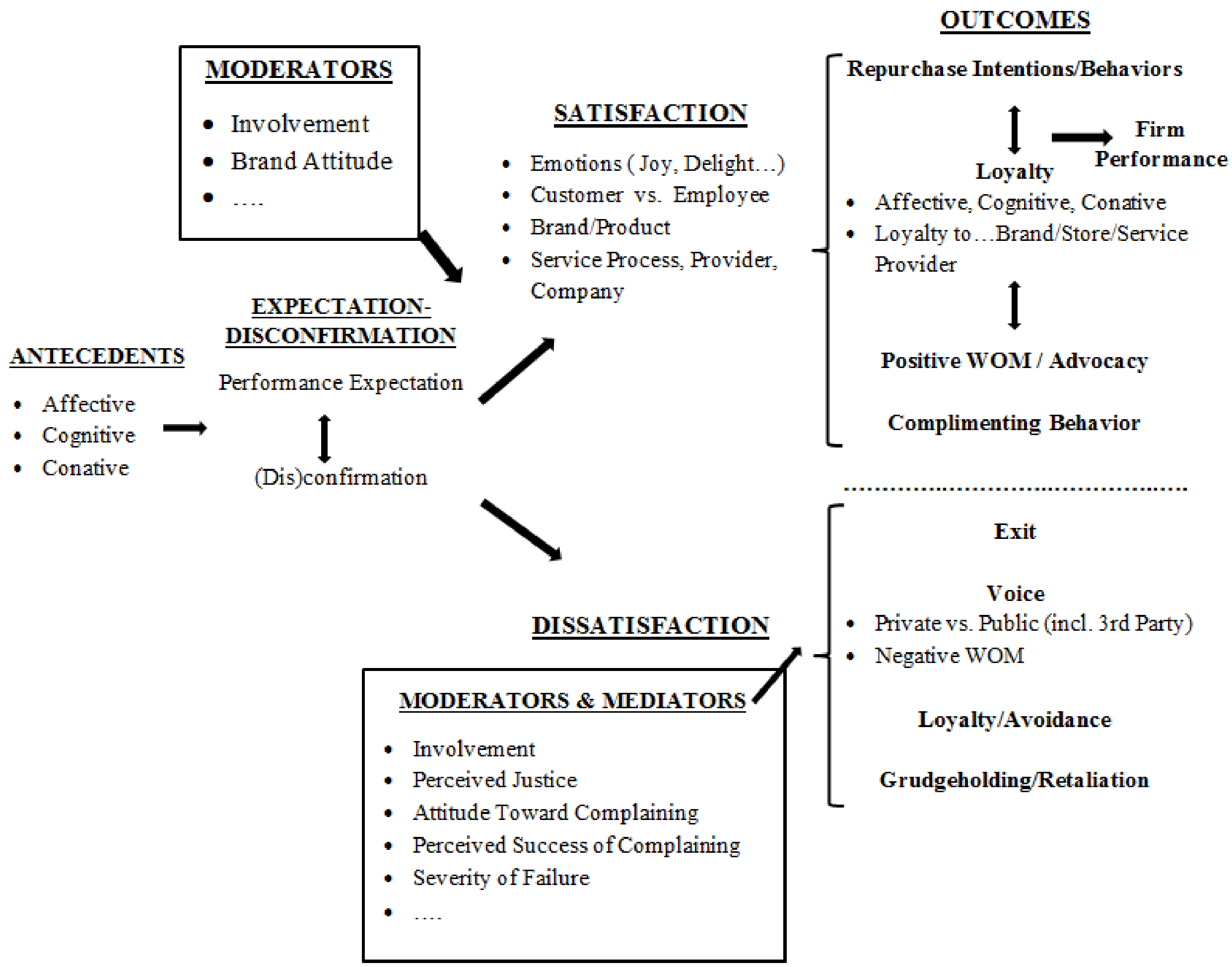
Samples: A majority of studies across the journal's history collect data using non-student samples (68.2%). However, a comparison across eras suggests student samples have become more prevalent in the *JCSD&CB* (includes 27.1% of articles in 1988-1997 era; 32.2% from 1998-2007; 46.7% 2008-2014). While studies investigating student satisfaction with education-related aspects account for some of the utilization of student samples, the increase in student samples also reflects an increase in the use of experimental-based research designs. Despite students being consumers of many products/services, the trend toward more student samples is concerning in that their satisfaction and complaining behaviors are likely to differ from more experienced consumers.

Data Analysis: Most of the articles apply multiple data analysis techniques to test the stated hypotheses making it difficult to categorize and analyze trends in data analysis techniques. Of note, authors have increased their use of structural equation modeling (path analysis) across the three eras (11.3%; 14.2%; 27.9%) as they examine complex, sequential interrelationships.

DISCUSSION & FUTURE RESEARCH DIRECTIONS

A complete review of 373 articles published in the *Journal of Consumer Satisfaction, Dissatisfaction, and Complaining Behavior* provides a historical perspective on research examining the field of consumer satisfaction, dissatisfaction, and complaining behavior (CS). Considering the journal's start was in part driven by interactions with the Federal Trade Commission (FTC) and Better Business Bureau (Day and Perkins 1992), one would hope the research streams in *JCSD&CB* remain relevant to practitioners. Researchers are encouraged to continue to highlight both theoretical and managerial implications while leveraging relationships with firms to examine CS issues in non-student samples. The following section provides a discussion of future research directions organized by most popular topic across the journal's history. Figure 2 provides a high-level categorization of common variables investigated in *JCSD&CB* by topic. Although not inclusive of all variables investigated, the framework provides a way of visually organizing the common interrelationships examined in CS research. Similarly, the suggested research directions provided here are by no means exhaustive of all potential research avenues. Rather, the review of the trends in research topics from across the journal's history helped identify gaps in the literature and topic areas likely to be of growing interest to marketing scholars.

FIGURE 2: CONSUMER SATISFACTION LITERATURE OVERVIEW[3]



[3] The items identified in the figure are only representative of the CS literature in *JCSD&CB* and do not constitute either an extensive or a comprehensive mapping of the literature in *JCSD&CB* or the CS domain.

CS Antecedents: Research on the antecedents of customer satisfaction accounts for the largest percentage of articles in the journal's history (25.5%). However, scholars have shifted their focus toward other topics within the current era (only 7.7%). Yet, there appears to be much to learn in terms of the moderating influences which lead to (dis)satisfaction as well as addressing issues with measurement of the expectancy-disconfirmation paradigm. Over the years, researchers examined several antecedents and moderating influences leading to consumers (dis)satisfaction beyond demographic characteristics and cognitive elements. Consumers' expectations along with their judgment of performance, quality, and/or value are frequently investigated as part of the expectancy-disconfirmation paradigm (Patterson and Johnson 1993; Perkins 2012a). Despite its dominance in research on CS/D, the expectancy-disconfirmation paradigm is not without conceptual flaws (Olshavsky and Kumar 2001) and research suggests consumers might reference a variety of possible comparison standards (Woodruff et al. 1991). Additionally, measurement issues exist in that the frequent use of cross-sectional studies means consumers' expectations of performance are often measured at the same time as the performance evaluation and thus may not be reflective of the consumers' preconceived expectations but rather represent "retrieved expectations" (Halstead 1993). While research within consumer behavior examines how consumers form their expectations, a valuable contribution to the CS literature may include a more focused examination of how these expectations change particularly in situations where consumers/businesses choose to repurchase a product/service either from the same brand/store or select a competing product/provider. Additionally, perhaps the next era of *JCSD&CB* will present alternative theories of satisfaction formation beyond the common expectation-disconfirmation perspective along with better ways of measuring expectations.

The extant literature also suggests satisfaction is a multi-dimensional construct (Mackoy and Spreng 1995). For example, satisfaction with different attributes (e.g. product, service experience, service provider) as well as the affective and emotional drivers of satisfaction received increasing research attention over the years identifying the different emotional dimensions of satisfaction such as joy, surprise, and delight (Aurîer 1994; Oliver and Westbrook 1993; Söderlund and Rosengren 2004; Vanhamme and Snelders 2001). What other satisfaction dimensions exist which are relevant across contexts? Employee satisfaction has also received recent interest in *JCSD&CB* (Aron 2006; Dahl and Peltier 2014; Perkins 2012a) and further investigation of this aspect may increase our understanding of consumer satisfaction formation and related implications for management in service settings.

The role of consumer involvement with the product/service presents another interesting case. Consumer behavior literature provides strong support for the role of involvement in (dis)satisfaction formation. In this light, prior research in *JCSD&CB* examines consumer involvement as both a precursor (Caughey et al. 1995) and moderating influence (Lai and Widdows 1993; Sirgy et al. 1998) when investigating satisfaction formation. Unfortunately, much of the research to date is often narrow in investigating satisfaction formation in a specific context or in experimental settings which expose the participant to either a high or low involvement setting but not both. Although prior research suggests many aspects may be context driven, it seems as though the field would benefit from examining factors which impact consumers' (dis)satisfaction formation across a variety of product/service scenarios to enhance our understanding of the underlying psycho-social factors as well as other moderating influences beyond involvement.

Methods/Measurement & Conceptual: The interest in CS Methods/Measurement and Conceptual Models is consistent across the three eras with *JCSD&CB* serving as an outlet for new methods, measurement scales, and models. Beyond empirically testing some of the proposed conceptual frameworks, several potential avenues for future research exist within the realm of improving the methods or measurements of CS in addition to the aforementioned expectancy-disconfirmation dilemma. Although this review provides a general overview of the different perspectives covered within the CS literature, the review across multiple categories is at a rather broad level. However, it is apparent researchers continue to use varying conceptualizations of many CS constructs along with a variety of meanings, scales, and models across a growing number of contexts (Day 2002; Lang and Hyde 2013; Sánchez-Fernández and Iniesta-Bonillo 2006). In part, the contradictory findings across different studies from the marketing literature are likely in part reflective of the various measurement scales and conceptual definitions used. In order to move the field forward, researchers should focus on refining current scales and arriving at common definitions for key CS constructs across product, service, and integrated product/service contexts.

At the same time, research within the CS field will benefit from examining CS research using a new perspective. One emerging area of interest in the service dominant logic and marketing literature is the consumers' role in value co-creation during the service delivery process (Gronroos and Voima 2013; McColl-Kennedy et al. 2012; Vargo and Lusch 2008). As consumers become more involved in the service delivery process, research examining how satisfaction and complaining behaviors differ appears valuable along with the impact co-creation has on loyalty, repurchase, WOM, and other outcomes. Given the prior research on involvement in satisfaction formation, consumers' involvement in co-creation offers an interesting perspective to consider. Additionally, research which addresses these issues from both the consumers' and service providers' perspective should receive more attention (Taylor and Hunter 2014).

Likewise, several conceptualization and measurement issues require further investigation related to the satisfaction-loyalty link despite increased attention over the last twenty years. Specifically, scholars have argued different types/dimensions of loyalty exist which are likely to have distinctive relationships with satisfaction, other antecedents, and result in different consequences (Bloemer and Odekerken-Schroder 2002; Bloemer and Pauwels 1998; Salegna and Goodwin 2005; Wangenheim 2003). Future research should continue to explore the similarities/differences in antecedents and consequences of the diverse customer loyalty dimensions suggested by prior research such as product, brand/store, personal, and service provider loyalty (Salegna and Fazel 2011). Additionally, the multi-dimensional nature of satisfaction, loyalty, and other CS constructs demonstrates the need for a more comprehensive review examining these dimensions and their relative strength/impact of the interrelationships.

Other aspects are also worth mentioning which apply to multiple topical categories and thus may relate more to the research designs or contexts investigated. Perkins (2012) recent review highlighted the continued call for longitudinal studies, and investigation in B2B and cross-cultural settings. The present review confirms these aspects are lacking in the published articles of the journal's history. Although studies investigating B2B contexts have increased in the current era relative to the journal's history, understanding of CS issues in this context is lacking. Given the enhanced importance of communication, trust, and other factors in buyer-seller relationships (Lam et al. 2004; Vargo and Lusch 2011), these aspects should receive more attention in future research within B2B contexts. Of significance, research investigating buying center members' expectations, satisfaction, and complaining behaviors will advance theory and provide implications for B2B marketers. Finally, researchers should devote more attention to macro-level research. Globalization marketing strategies and international outsourcing are of growing importance to marketers and are likely to have major influences on perceptions of service quality and other satisfaction-related issues (Morgeson et al. 2015; Pomirleanu et al. 2015). However, research within the last decade has questioned the established view of culture as a key underlying factor (Blodgett et al. 2006). While more cross-cultural and/or cross-national samples should be a priority, researchers should also examine what other underlying factors beyond culture might explain differences between consumers. Beyond consumer's cultural differences, potential cross-national research might further examine the role of factors such as market structures (Hernandez and Fugate 2004), competitive forces (Blodgett et al. 2006), developed versus emerging economies (Harris et al. 2013), across a variety of complaining/complimenting behaviors and other CS issues. Additionally, research which examines firms' management of satisfaction, complaints, and service recovery in cross-national contexts seems of value given the increase in internationalization marketing strategies.

Complaining/Complimenting Behavior: Research in this category has increased over the three eras of *JCSD&CB* to enhance our understanding of the antecedents as well as different forms of consumer complaining behaviors. Although most of the research focuses on how dissatisfaction leads to complaining behavior, research also suggests consumers may voice complaints in situations of satisfaction (Halstead 2002) or even loyalty in order to help organizations improve. The extant research typically notes these forms of public complaining can be beneficial since firms have an opportunity to recover from the product/service failure; whereas in private complaining or negative WOM between consumers the company does not have the same opportunity to respond (Fox 2008). In comparison, relatively less is known about what leads to complimenting behaviors, in which consumers' intended recipient of praise/compliments is the service provider or marketer. A key question is what differences exist between consumers who engage in this behavior relative to those who engage in positive WOM or customer advocacy? Although similar, one might view these actions as distinct since WOM-recommendation communications are often directed toward fellow consumers instead of the marketer. Additionally, private vs. public communication of both complaints and/or compliments would appear to be of increasing importance as social media and other digital platforms increasingly allow for "public" sharing. However, to date, relatively few studies investigate the differences in private and public complaining (or complimenting) in light of the digital marketing environment which now includes company websites, third party organizations (i.e. Yelp, Angie's List), along with a variety of social media platforms (Bechwati and Nasr 2011; Dabholkar and Sheng 2012).

Digital communications like social media allow consumers to directly share complaints/compliments with a brand or service provider and thus provide a potential avenue for investigating the prevalence of consumer complaining/complimenting behavior as well as the precursors which lead a consumer to proactively seek out and complain to/compliment a brand/service provider in a public forum. Considering consumers now have a plethora of communication channels available to complain/compliment, research which compares the similarities/differences in precursors for public vs. private complimenting seems worthy of further study and a topic likely to also be of interest to practitioners (Davidow 2012; Davidow 2014). Potential research in this area may examine how consumers use these digital communications channels to publicly share complaints/compliments, what influence this has on individual consumers who engage in public sharing of complaints/compliments, as well as the influence on other consumers who observe the complaints/compliments. Of significance, research in this area should also help firms identify how to manage the complaint resolution process (Lang and Hyde 2013) on social media including how public complaint resolution on a social media or other digital platform might impact satisfaction with redress, loyalty, and repurchase intentions of the complainer as well as other observers.

Finally, research which explores these topics from the marketers' perspective is also needed. Unfortunately, most of the complaint management-based articles address the issue from a consumer's perspective with relatively few exceptions addressing firms and marketers' strategic view of complaint management or coping strategies for responding to negative WOM and other complaining behaviors (Audrain-Pontevia and Kimmel 2008). More research is needed that examines the firm/marketer's perspective in addition to research which examines the two perspectives simultaneously (Hansen et al. 2009). Studies which incorporate the business perspective offer one underdeveloped area within the literature which will extend theory on complaint handling/management while also providing practical implications of interest to practitioners.

CS Outcomes: Compared to complaining behavior outcomes, satisfaction's impact on loyalty, repurchase (or repatronage) intentions, and firm's financial performance appear less often in the *JCSD&CB*. However, many contradictory findings exist within extant marketing literature on these complex relationships. Curtis et al.'s (2011) meta-analysis of prior research on the satisfaction-loyalty, satisfaction-repurchase (intentions) and satisfaction-loyalty links suggests some of these links are quite complex and different moderating factors or contextual settings may partially explain the contradictory findings of prior studies. In particular, their findings suggest the relationship between satisfaction and repurchase (intentions) needs further investigation. The intricacy of the satisfaction-loyalty-repurchase link and similar relationships suggests longitudinal studies may be necessary to confirm loyalty development while moving beyond the use of intentions to measure actual repurchase behavior (Soderlund and Ohman 2003). Furthermore, future research should examine what aspects may lead to changes in loyalty over time. Finally, the frequent use of intentions as a proxy and the related measurement issues (Soderlund and Ohman 2003), suggests further research is necessary which examines this link in relation to consumers' actual behaviors.

CRM & Segmentation: Finally, CS issues in light of customer relationship management and segmentation purposes have received increased attention. Future research within this sub-domain may leverage firms increased use of CRM software/platforms to segment and manage customer interactions. A wealth of data may exist within these databases which would increase our understanding of how firms can best manage the on-going relationships utilizing CS related concepts. Additionally, the longitudinal nature of this data would allow for assessment in changes of satisfaction, loyalty, and other available measures over time.

LIMITATIONS

A major limitation of the current review is it focuses only on articles published in the *Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior*. Since this journal's inception, CS research has expanded across a variety of marketing journals. Although this review excludes categorization of CS-related articles from other marketing journals, the presented framework represents a starting point for researchers interested in future research within the field of CS. Furthermore, many of the articles which appear in the journal incorporate literature from other scholarly journals and hence this review is likely to capture much of the current state of knowledge. However, future researchers should consider applying the developed categorization process to review other relevant journals for consumer satisfaction-related literature within a specific topic area (e.g. satisfaction formation, complaining behaviors) to generate a more integrative framework.

CONCLUSION

The domain of CS literature has grown extensively since the inception of the *Journal of Consumer Satisfaction, Dissatisfaction, and Complaining Behavior*. In terms of the marketing literature, one might argue CS research is in the maturity stage given its adoption across a wide range of marketing journals as well as the use of CS-related constructs and measures in other disciplines such as management, information technology, and other domains. The review of nearly 400 articles published in *JCSD&CB* since 1988 suggests rather complex interrelationships between multiple constructs and topics. The analysis of categorical coverage over time suggests a continued shift toward research which explores the consequences of (dis)satisfaction as well as complaining behaviors, while examining how firms can better manage relationships. Future research to reinvigorate the CS literature should consider examining these issues in terms of new perspectives. While many potential research directions are outlined, two particularly fertile streams for future research include examining CS in relation to (1) marketers growing use of on new channels (i.e. social media, mobile) and (2) the service dominant logic perspective and consumers role in the service value co-creation process.

REFERENCES

Akhter, Syed H. (2010), "Service attributes satisfaction and actual repurchase behavior: the mediating influence of overall satisfaction and purchase intention," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 23, 52-64.

Anderson, E. W., C. Fornell, and D. R. Lehmann (1994), "Customer satisfaction, market share, and profitability - findings from Sweden," *Journal of Marketing*, 58 (3), 53-66.

Anderson, E. W., C. Fornell, and R. T. Rust (1997), "Customer satisfaction, productivity, and profitability: Differences between goods and services," *Marketing Science*, 16 (2), 129-45.

Anderson, Rolph E. (1973), "Consumer Dissatisfaction: The Effect of Disconfirmed Expectancy on Perceived Product Performance," *Journal of Marketing Research (JMR)*, 10 (1), 38-44.

Aron, David (2001), "Consumer grudgeholding: Toward a conceptual model and research agenda," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 14, 108-19.

---- (2006), "The effect of counter-experiential marketing communication on satisfaction and repurchase intention," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 19, 1-17.

Ashley, Christy and Sajeev Varki (2009), "Loyalty and its influence on complaining behavior and service recovery satisfaction," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 22, 21-35.

Audrain-Pontevia, Anne-Françoise and Allan J. Escp- E. A. P. Kimmel (2008), "Negative word-of-mouth and redress strategies: an exploratory comparison of French and American managers," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 21, 124-36.

Aurîer, Philippe (1994), "The influence of emotions on satisfaction with movie consumption," *Journal of Consumer Satisfaction/Dissatisfaction and Complaining Behavior*, 7, 119.

Bechwati, Nada Nasr and Najoie I. Nasr (2011), "Understanding triggers of offline and online consumer recommendations," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 24, 56-68.

Blodgett, Jeffrey G. (1994), "The effects of perceived justice on complainants' repatronage intentions and negative word-of-mouth behavior," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 7 (1.14).

Blodgett, Jeffrey G. and Donald H. Granbois (1992), "Toward an integrated conceptual model of consumer complaining behavior," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 5 (1), 93-103.

Blodgett, Jeffrey, Donna Hill, and Aysen Bakir (2006), "Cross-cultural complaining behavior? an alternative explanation," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 19, 103-17.

Bloemer, Josee and Gaby Odekerken-Schroder (2002), "Store satisfaction and store loyalty explained by customer- and store-related factors," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 15, 68-80.

Bloemer, Josée M. M. and Koen H. Pauwels (1998), "Explaining brand loyalty, dealer sales loyalty and dealer after-sales loyalty: The influence of satisfaction with the car, satisfaction with the sales service and satisfaction with the after-sales service," *Journal of Consumer Satisfaction Dissatisfaction and Complaining Behavior*, 11, 78-90.

Bolkan, San and John A. Daly (2008), "Organizational responses to consumer complaints: a re-examination of the impact of organizational messages in response to service and product-based failures," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 21, 1-22.

Brown, T. J., T. E. Barry, P. A. Dacin, and R. F. Gunst (2005), "Spreading the word: Investigating antecedents of consumers' positive word-of-mouth intentions and behaviors in a retailing context," *Journal of the Academy of Marketing Science*, 33 (2), 123-38.

Caughey, Carol C., Dian A. Nafis, and Sally K. Francis (1995), "Level of involvement in relation to satisfaction with a student-owned dining facility," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 8, 234-38.

Churchill Jr, Gilbert A. and Carol Surprenant (1982), "An Investigation Into the Determinants of Customer Satisfaction," *Journal of Marketing Research (JMR)*, 19 (4), 491-504.

Cronin, J. J., M. K. Brady, and G. T. M. Hult (2000), "Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments," *Journal of Retailing*, 76 (2), 193-218.

Dabholkar, Pratibha A. and Xiaojing Sheng (2012), "Consumer participation and the trust transference process in using online recommendation agents," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 25, 96-117.

Dahl, Andrew J. and James W. Peltier (2014), "Internal marketing and employee satisfaction and loyalty: cross-cultural scale validation in context of U.S. and German nurses," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 27, 43-53.

Davidow, Moshe (2012), "CS/D&CB: The next 25 years," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 25, 1-6.

---- (2014), "The a-craft model of organizational responses to customer complaints and their impact on post-complaint customer behavior," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 27, 70-89.

Day, Ellen (2002), "The role of value in consumer satisfaction," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 15, 22-32.

Day, Ellen and Melvin R. Crask (2000), "Value assessment: the antecedent of customer satisfaction," *Journal of consumer satisfaction dissatisfaction and complaining behavior*, 13, 52-60.

Day, Ralph L. and Debra S. Perkins (1992), "Roots: A folk history of the consumer satisfaction literature," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 5 (223,227).

Dong, S. T., M. Ding, R. Grewal, and P. Zhao (2011), "Functional forms of the satisfaction-loyalty relationship," *International Journal of Research in Marketing*, 28 (1), 38-50.

Erevelles, Sunil and Clark Leavitt (1992), "A comparison of current models of consumer satisfaction/dissatisfaction," *Journal of consumer satisfaction, dissatisfaction and complaining behavior*, 5 (10), 104-14.

Fornell, C. (1992), "A national customer satisfaction barometer - the Swedish experience," *Journal of Marketing*, 56 (1), 6-21.

Fornell, C., M. D. Johnson, E. W. Anderson, J. S. Cha, and B. E. Bryant (1996), "The American customer satisfaction index: Nature, purpose, and findings," *Journal of Marketing*, 60 (4), 7-18.

Fox, Gavin L. (2008), "Getting good complaining without bad complaining," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 21, 23-40.

Ganglmair, Alexandra and Rob Lawson (2003), "Measuring affective response to consumption using Rasch modeling," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 16, 198-210.

Gray, Deborah M., James W. Peltier, and John A. Schibrowsky (2012), "The journal of marketing education: Past, present, and future," *Journal of Marketing Education*, 34 (3), 217-37.

Gronroos, C. and P. Voima (2013), "Critical service logic: making sense of value creation and co-creation," *Journal of the Academy of Marketing Science*, 41 (2), 133-50.

Halstead, Diane (1993), "Exploring the concept of retrieved expectations," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 6, 56-62.

---- (2002), "Negative word of mouth: Substitute for or supplement to consumer complaints?," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 15, 1-12.

Halstead, Diane and Thomas J. Page (1992), "The effects of satisfaction and complaining behavior on consumer repurchase intentions," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 5 (1), 1-11.

Hansen, Torben, Ricky Wilke, and Judith Lynne Zaichkowsky (2009), "How retailers handle complaint management," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 22, 1-20.

Harris, Kendra L., Lionel Thomas, and Jacqueline A. Williams (2013), "Justice for consumers complaining online or offline: exploring procedural, distributive, and interactional justice, and the issue of anonymity," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 26, 19-39.

Hausknecht, Douglas (1988), "Emotional measures of satisfaction/dissatisfaction," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 1, 25-33.

Hausknecht, Douglas R. (1990), "Measurement scales in consumer satisfaction/dissatisfaction," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 3 (1), 1-11.

Hernandez, Mariana and Douglas L. Fugate (2004), "Post purchase behavioral intentions: an empirical study of dissatisfied retail consumers in Mexico," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 17, 152-70.

Hicks, Jessica M., Thomas J. Page, Jr., Bridget K. Behe, Jennifer H. Dennis, and R. Thomas Fernandez (2005), "Delighted consumers buy again," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 18, 94-104.

Hirschman, Albert O. (1970), Exit, Voice, and Loyalty; Responses to Decline in Firms, Organizations, and States. Cambridge, MA:: Harvard UP.

Huefner, Jonathan C. and H. Keith Hunt (2000), "Consumer retaliation as a response to dissatisfaction," *Journal of Consumer Satisfaction Dissatisfaction and Complaining Behavior*, 13, 61-79.

Huefner, Jonathan C., Brian L. Parry, Collin R. Payne, Sean D. Otto, and et al. (2002), "Consumer retaliation: Confirmation and extension," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 15, 114-27.

Hunt, H. Keith (1993), "CSD&CB Research Suggestions and Observations for the 1990's," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 6, 40-42.

Huppertz, John W. (2003), "An effort model of first-stage complaining behavior," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 16, 132-44.

Khan, M. Sajid, Earl Naumann, and Paul Williams (2012), "Identifying the key drivers of customer satisfaction and repurchase intentions: an empirical investigation of japanese b2b services," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 25, 159-78.

Kolodinsky, Jane (1992), "A system for estimating complaints, complaint resolution and subsequent purchases of professional and personal services," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 5, 36-44.

Kraft, Frederic B. and Charles L. Martin (2001), "Customer compliments as more than complementary feedback," *Journal of Consumer Satisfaction Dissatisfaction and Complaining Behavior*, 14, 1-13.

Kumar, Anand, Richard W. Olshavsky, and Maryon F. King (2001), "Exploring alternative antecedents of customer delight," *Journal of Consumer Satisfaction Dissatisfaction and Complaining Behavior*, 14, 14-26.

Kumar, V., I. Dalla Pozza, and J. Ganesh (2013), "Revisiting the Satisfaction-Loyalty Relationship: Empirical Generalizations and Directions for Future Research," *Journal of Retailing*, 89 (3), 246-62.

Lai, Mengkuan and Richard Widdows (1993), "Determinants of Consumers' Satisfaction with Service: A Preliminary Study," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 6, 166-74.

Lam, S. Y., V. Shankar, M. K. Erramilli, and B. Murthy (2004), "Customer value, satisfaction, loyalty, and switching costs: An illustration from a business-to-business service context," *Journal of the Academy of Marketing Science*, 32 (3), 293-311.

Lang, Bodo and Kenneth F. Hyde (2013), "Word of mouth: what we know and what we have yet to learn," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 26, 1-18.

Lee, Richard and Jenni Romaniuk (2009), "Relating switching costs to positive and negative word-of-mouth," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 22, 54-67.

Leingpibul, Thaweephan, Sunil Thomas, S. Allen Broyles, and Robert H. Ross (2009), "Loyalty's influence on the consumer satisfaction and (re) purchase behavior relationship," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 22, 36-53.

Mackoy, Robert D. and Richard A. Spreng (1995), "The dimensionality of consumer satisfaction/dissatisfaction: an empirical examination," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 8, 53-58.

McColl-Kennedy, Janet R., Stephen L. Vargo, Tracey S. Dagger, Jillian C. Sweeney, and Yasmin van Kasteren (2012), "Health Care Customer Value Cocreation Practice Styles," *Journal of Service Research*, 15 (4), 370-89.

Mittal, V., P. Kumar, and M. Tsiros (1999), "Attribute-level performance, satisfaction, and behavioral intentions over time: A consumption-system approach," *Journal of Marketing*, 63 (2), 88-101.

Morgeson, Forrest V., Pratyush Nidhi Sharma, and G. Tomas M. Hult (2015), "Cross-National Differences in Consumer Satisfaction: Mobile Services in Emerging and Developed Markets," *Journal of International Marketing*, 23 (2), 1-24.

Muller, Thomas E., D. K. Tse, and Ramesh Venkatasubramaniam (1991), "Post-consumption emotions: Exploring their emergence and determinants," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 4 (1991), 13-20.

Nyer, Prashanth U. (1997), "Modeling the cognitive antecedents of post-consumption emotions," *Journal of Consumer Satisfaction Dissatisfaction and Complaining Behavior*, 10, 80-90.

Oliva, T. A., R. L. Oliver, and I. C. Macmillan (1992), "A catastrophe model for developing service satisfaction strategies," *Journal of Marketing*, 56 (3), 83-95.

Oliver, R. and R. Westbrook (1993), "Profiles of consumer emotions and satisfaction in ownership and usage," *emotion*, 6, 12-27.

Oliver, Richard L. (1989), "Processing of the satisfaction response in consumption: a suggested framework and research propositions," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 2 (1), 1-16.

Olshavsky, Richard W. and Anand Kumar (2001), "Revealing the actual roles of expectations in consumer satisfaction with experience and credence goods," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 14, 60-73.

Otto, Sean D., Brian L. Parry, Collin R. Payne, Jonathan C. Huefner, and H. Keith Hunt (2004), "When consumers get upset: modeling the cost of store avoidance," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 17, 42-53.

Otto, Sean D., Collin R. Payne, Brian L. Parry, and H. Keith Hunt (2005), "Complimenting behavior - the complimenter's perspective," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 18, 1-31.

Palmatier, R. W., R. R. Dant, D. Grewal, and K. R. Evans (2006), "Factors influencing the effectiveness of relationship marketing: A meta-analysis," *Journal of Marketing*, 70 (4), 136-53

Parasuraman, A., V. A. Zeithaml, and L. L. Berry (1988), "SERVQUAL - A multiple-item scale for measuring consumer perceptions of service quality," *Journal of Retailing*, 64 (1), 12-40.

Patterson, Paul G. and Lester W. Johnson (1993), "Disconfirmation of expectations and the gap model of service quality: an integrated paradigm," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 6 (1), 90-99.

Payne, Collin R., Brian L. Parry, Steven C. Huff, Sean D. Otto, and H. Keith Hunt (2002), "Consumer complimenting behavior: Exploration and elaboration," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 15, 128-47.

Perkins, Debra S. (2012a), "Future directions in consumer satisfaction, dissatisfaction and complaining behavior: so much more to come," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 25, 7-23.

---- (2012b), "Project remembrance: looking over our shoulder," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 25, 203-10.

Picon, A., I. Castro, and J. L. Roldan (2014), "The relationship between satisfaction and loyalty: A mediator analysis," *Journal of Business Research*, 67 (5), 746-51.

Pomirleanu, Nadia, Babu John Mariadoss, and Pavan Rao Chennamaneni (2015), "Managing service quality in high customer contact B2B services across domestic and international markets," *Industrial Marketing Management*.

Powers, Thomas L. and Dawn Bendall Valentine (2008), "A review of the role of satisfaction, quality, and value on firm performance," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 21, 80-101.

Reichheld, Frederick F. (2003), "The one number you need to grow," *Harvard business review*, 81 (12), 46-55.

Rust, R. T. and A. J. Zahorik (1993), "Customer satisfaction, customer retention, and market share," *Journal of Retailing*, 69 (2), 193-215.

Salegna, Gary J. and Farzaneh Fazel (2011), "An examination of the relationships and interactions among product, brand, personal and service provider loyalty," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 24, 42-55.

Salegna, Gary J. and Stephen A. Goodwin (2005), "Cy," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 18, 51-67.

Singh, Jagdip (1988), "Consumer complaint intentions and behavior: definitional and taxonomical issues," *The Journal of Marketing*, 93-107.

Sirgy, M. Joseph, Dong-Jin Lee, Val Larsen, and Newell Wright (1998), "Satisfaction with material possessions and general well-being: The role of materialism," *Journal of Consumer Satisfaction Dissatisfaction and Complaining Behavior*, 11, 103-18.

Soderlund, Magnus and Niclas Ohman (2003), "Behavioral intentions in satisfaction research revisited," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 16, 53-66.

Solvang, Bernt Krohn (2007), "Satisfaction, loyalty, and repurchase: A Study of Norwegian Customers of Furniture and Grocery Stores," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 20, 110-22.

Swan, John E. and F. J. Trawick (1993), "Consumer Satisfaction Research: 1983–1992 Accomplishments and Future Directions," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 6, 28-33.

Sánchez-Fernández, Raquel and M. Ángeles Iniesta-Bonillo (2006), "Consumer perception of value: literature review and a new conceptual framework," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 19, 40-58.

Söderlund, Magnus and Sara Rosengren (2004), "Dismantling "positive affect" and its effects on customer satisfaction: an empirical examination of customer joy in a service encounter," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 17, 27-41.

Taylor, Steven A. and Gary Hunter (2003), "An exploratory investigation into the antecedents of satisfaction, brand attitude, and loyalty within the (B2B) eCRM industry," *Journal of Consumer Satisfaction Dissatisfaction and Complaining Behavior*, 16, 19-35.

Taylor, Steven A. PhD and Gary PhD Hunter (2014), "Value, satisfaction, and loyalty: an evolving conceptualization," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 27, 19-23.

Vanhamme, Joelle and Dirk Snelders (2001), "The role of surprise in satisfaction judgements," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 14, 27-46.

Vargo, S. L. and R. F. Lusch (2011), "It's all B2B ... and beyond: Toward a systems perspective of the market," *Industrial Marketing Management*, 40 (2), 181-87.

Vargo, Stephen L. and Robert F. Lusch (2008), "Service-dominant logic: continuing the evolution," *Journal of the Academy of marketing Science*, 36 (1), 1-10.

Wangenheim, Florian v (2003), "Situational characteristics as moderators of the satisfaction-loyalty link: an investigation in a business-to-business context," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 16, 145-56.

Woodruff, Robert B., D. Scott Clemons, David W. Schumann, Sarah F. Gardial, and Mary Jane Burns (1991), "The standards issue in CS/D research: a historical perspective," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 4, 103-09.

Yan, Ruoh-Nan and Sherry Lotz (2009), "Taxonomy of the influence of other customers in consumer complaint behavior: a social-psychological perspective," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 22, 107-26.

Please address all correspondence to the second author.

Andrew Andrew J. Dahl*Department of Marketing, University of Wisconsin-Whitewater, Whitewater, Wisconsin, USA*

James W. Peltier (Contact Author)
Department of Marketing, Arno Kleimenhagen Professor of Sales & Marketing, Director UWW Institute for Sales Excellence, University of Wisconsin-Whitewater, Whitewater, Wisconsin, USA
800 W Main St, Whitewater, WI 53190, P: 262-472-6950, F: 262-472-4863, Peltierj@uww.edu

WHEN SOCIAL TIES BIND: AN EXPLORATION OF THE ADVERSE EFFECTS OF USING SOCIAL RELATIONSHIPS TO MAKE PURCHASES

Bryan R. Johnson, Creighton University
William T. Ross, Jr., University of Connecticut

ABSTRACT

In this paper, we extend previous research on social capital in the consumer domain by exploring the negative effects of consumers' use of social relationships to facilitate purchases. Although social capital research focuses primarily on the positive benefits derived from using social relationships, our research uncovers unintended negative consequences for consumers who draw upon such relationships to make purchases. Using a grounded theory methodology, we identify three categories of negative outcomes that can arise when consumers use social relationships for consumption purposes: *recourse restraint*, *trust decay*, and *relationship atrophy*. In addition, we identify possible higher order relationships among these negative outcome categories and we link them to important marketing outcomes, such as customer complaining behavior, satisfaction, and loyalty. Ultimately, our findings contribute to relationship marketing and social capital theory by highlighting and examining this overlooked dimension of consumer social capital behavior. Identifying these negative consequences and their impact on consumers and firms provides marketing scholars and practitioners with an enhanced conceptual foundation for studying and managing important marketing relationships.

INTRODUCTION

Given the influence of social ties in market cultures, many consumers draw upon social relationships to purchase everyday products and services (DiMaggio and Louch 1998; Frenzen and Davis 1990). While marketing scholars have recently begun to address the basic questions of whether and why consumers leverage pre-existing personal relationships in the marketplace (Johnson and Ross 2014), there is essentially no research aimed at understanding any negative implications of such behaviors for consumers specifically. As a basis for exploring the negative consequences of incorporating social relationships into consumption experiences, we draw upon the individualistic branch of social capital theory, which explains how individuals obtain benefits or returns as a result of their social relationships with others (Lin 2001; Portes 1998).

Because social capital research in the social sciences, in general, and in the consumer domain, in particular, has predominantly focused on the positive outcomes of this behavior, the primary objectives of this paper are to identify the potential negative outcomes of consumer social capital usage, and to explore how these outcomes relate to one another and to other important marketing constructs, such as complaining behavior and satisfaction. Ultimately, uncovering and explaining these negative outcomes becomes important if scholars are to begin to fully understand the influence of social relationships on consumers' experiences and behaviors.

The investigation of social relationships as the basis for studying the negative outcomes associated with marketing relationships has several advantages. First, it examines relationships that are typically more developed because they form and mature first in the social sphere before they are used for consumption. For the purposes of our study, social relationships are those that pre-date participants' consumption experiences. That is, they existed first as social relationships (i.e., friendships) before they were used for commercial purposes. Second, because many marketing related relationships do not reach advanced levels of relationship development (Price and Arnould 1999), social relationships provide an opportunity to examine elements that may be missing from existing marketing relationship frameworks. Examining developed social relationships reveals insights that might otherwise be obscured by the type or the level of maturity of traditional commercial relationships. Finally, examining social relationships provides an opportunity to study and extend social capital theory, while also examining a new and important category of marketing relationships. Ultimately, examining social relationships used for consumption purposes provides an important starting point for examining the potential negative outcomes that might result from various types of marketing relationships.

This study makes four important contributions. First, it highlights the notion that social capital usage may not be the panacea that research often portrays it to be; we show that social capital usage may sometimes result in negative outcomes for individuals. Second, this study extends previous research on social relationships in the marketplace by identifying three specific types of negative outcomes experienced by consumers using social capital for consumption purposes. Third, this study demonstrates that these negative outcomes can occur for individuals, not just for the groups or communities in which they associate, as has been suggested by previous social capital research. Fourth, it highlights the potential impact of these negative outcomes on consumers' purchase experiences, particularly regarding customer complaining behavior and customer satisfaction. When considered collectively, our findings have important implications for both consumer behavior and for social capital research in general.

LITERATURE REVIEW

Social Capital Theory

Social capital theory provides a unique perspective for investigating the interaction between social relationships and individual behaviors. Generally speaking, scholars tend to examine social capital from one of two perspectives (Portes 2000), typically focusing on individual actors and their social connections (Bourdieu 1986; Coleman 1988; Lin 2001), or on collectives (Putnam 1993, 1995; Temkin and Rohe, 1998). The first approach examines the different outcomes obtained by individuals as a result of their social relationships, whereas the second approach examines the effects of social ties on groups and communities. Because our study focuses on consumers as individuals, we focus on the individualistic strain of social capital theory to guide our study.

From the individualist perspective, social capital is conceptualized as the potential resources--advice, information, support, and opportunities--(Burt 2000; Lin 2001) embedded in an individual's relationships with others. As such, the theory focuses on these embedded resources and how they can be used to yield returns. These resources are considered to be social assets because they can only be accessed through direct and indirect social ties with other individuals. Ultimately, social capital is housed within an individual's network of interpersonal relationships. It is only through social interactions that social capital exists and provides benefits to its users (Coleman 1988; Lin 2001; Portes 1998).

Similar to other forms of capital, substantial variation exists among individuals with respect to the amount of social capital they possess. This variation is a result of differences in the structure of social relationships along several dimensions, including: (1) the number of personal relationships, (2) the strength of the relationships, and (3) the diversity of the relationships (Baker 2000; Burt 2000; Granovetter 1973, 1985; Lin 2001). Consequently, the composition of an individual's social relationships – with whom the individual interacts, the frequency of the interactions, and the type of interaction – largely defines the social capital available to the individual. Individuals with a favorable assortment of relationships are likely to have access to greater resources, thus allowing them to obtain favorable outcomes.

Social Capital Outcomes

In addition to the numerous studies across the social sciences demonstrating the positive returns obtained by individuals using social capital, marketing scholars have also begun to examine the impact of social capital in the consumer domain. For example, researchers have recently identified a number of positive outcomes resulting from the use of social relationships by consumers. These benefits include: (1) *resource preservation*, in which consumers save time or money by using social relationships to make purchases, (2) *knowledge acquisition,* which is gained from receiving information about products, services, or purchasing processes, and (3) *favoritism*, which results when they receive preferential treatment not available to other customers. Receiving these benefits contributes to customer satisfaction, both directly and indirectly, via the aforementioned outcomes (Johnson and Ross 2014).

Negative Social Capital Outcomes?

Not surprisingly, across various disciplines, scholars have focused on the positive returns yielded by social capital to its users, portraying the phenomenon as a sovereign remedy for improving everything from obtaining employment to making purchases. While the positive benefits of this behavior are well-documented across the social sciences, the complexity of the social interactions and personal relationships which define social capital make it unlikely that using social relationships *only* results in favorable outcomes for the individuals involved.

Interestingly, social capital scholars have recently started to note potential negative outcomes for the larger social group involved, when collective forms of social capital are used. For example, collective social capital can sometimes lead to conspiracies against the public good when certain groups exclude outsiders, as in the case of particular ethnic groups dominating certain occupations or industries (Portes and Landolt 1996; Portes and Sensenbrenner 1993). In addition, collective social capital can create downward leveling pressures, in which “the same kinds of ties that sometimes yield ‘public goods’ also produce ‘public bads’: mafia families, prostitution rings, and youth gangs,” which keep members of oppressed social groups in the same situation as their peers (Portes and Landolt 1996, p. 22; Portes and Sensenbrenner 1993).
Further, communal forms of social capital can also indirectly influence the individuals by restricting or constraining their freedom through adherence to community norms (Granovetter 1985; Portes and Landolt 1996; Portes and Sensenbrenner 1993). Therefore, while social capital scholars have not thoroughly addressed negative outcomes from an individualistic perspective, these findings indicate that negative outcomes may indeed be possible.

Along these lines, several marketing studies have alluded to less than favorable outcomes resulting from relationships in consumption settings. Although these outcomes were not specifically examined in the context of social capital, scholars have noted that marketing relationships have the potential to create relationship conflict, particularly when the boundaries of such relationships move beyond the commercial realm (Goodwin 1996; Grayson 2007; Price and Arnould 1999). Conflict, derived from relationship change, can occur for various reasons, such as the misinterpretation of social cues by the parties involved (Goodwin 1996), role conflict (Grayson 2007), or perceptual differences regarding relationship framing and relationship norms (Johar 2005; McGraw and Tetlock 2005). For reasons such as these, marketing scholars are also beginning to note the unintended outcomes associated with the development of long term commercial relationships (Brady, Vorhees, and Brusco 2012; Grayson and Ambler 1999; Palmatier et al 2008; Wuyts and Geyskins 2005; Wuyts, Verhoef, and Prins 2009).

Given the potential for unfavorable outcomes, in the remainder of this paper we seek to understand these types of events for consumers. We do so by identifying and categorizing the negative outcomes obtained by consumers using pre-existing social relationships to purchase products and services. Because the negative consequences of using pre-existing social relationships to make purchases have not been examined, we also discuss how they may impact consumers’ purchase experiences and subsequent interactions with individuals and firms. Ultimately these negative consequences represent a new dimension of social capital outcomes for individuals, which extends social capital theory in general, and within marketing, in particular.

STUDY DESIGN, DATA COLLECTION, AND DATA ANALYSIS

Although there has been considerable social capital related research across the social science disciplines, negative social capital outcomes for individuals have been understudied, in general, and they have not been identified at all in purchasing contexts. Thus, because specific negative outcomes resulting from social capital usage cannot be identified *a priori*, we used grounded theory because it can identify negative outcomes from consumers’ narratives of their social capital consumption experiences (Edmondson and McManus 2007). By interpreting consumers' narratives of their experiences, grounded theory allows us to develop novel theoretical understanding from consumers' actual experiences. Grounded theory allows important constructs and relationships to emerge from the data without the researchers’ foreknowledge of them (Strauss and Corbin 1998) and can reveal discrepancies from existing theory. At the outset, we were not sure that consumers would experience negative outcomes from using social relationships to make purchases, nor did we understand what those outcomes would entail. These emerged organically from participants’ accounts as we explored the outcomes resulting from social capital. In this respect, the use of grounded theory allowed us to uncover evidence beyond the positive outcomes typically associated with social capital theory.

To begin data collection, we selected participants using theoretical sampling, which calls for collecting pertinent data to elaborate and refine categories in the emerging theory (Glaser and Strauss 1967; Strauss and Corbin 1998). We began by selecting individuals who were known to the authors to use social relationships to make purchases. We then augmented our sample by leveraging our initial participants' knowledge through snowball sampling techniques (Neuman 2000); several participants suggested friends or relatives they knew to use social relationships to make purchases. Finally, we recruited additional participants, believed to employ social capital, using a heterogeneity sampling procedure to represent a wide array of demographic profiles (Patton 1990). As we iterated between data collection and analysis, we discovered negative outcomes in consumers' experiences (Charmaz 2006; Glaser and Strauss 1967).

We conducted semi-structured depth interviews (see Appendix) with 26 U.S. consumers. The average interview time was approximately one hour. The interviews were digitally recorded and later transcribed to ensure the accuracy of participants' accounts. Participants' ages ranged from 23 to 83. Participants' education levels ranged from high school degrees to doctoral degrees; disposable incomes varied from $10,000 to over $100,000 a year. In addition, participants represented different occupations and racial backgrounds.

Participants shared a total of 116 consumption experiences involving social capital. Twenty of these 116 experiences involved negative outcomes (17%). Interestingly, of the 26 participants in the study, 16 experienced some type of negative outcome using social capital (62% of participants). Thus, negative experiences represent a smaller proportion of total social capital encounters, but the majority of our participants reported at least one such experience. The characteristics of the participants who reported negative experiences are reported in Table 1. Pseudonyms have been used to protect participants' identities. Of the 20 experiences, 10 were related to products, and 10 to services. Examples of products included carpet, appliances, and homes; services included loans, rentals, and medical procedures.

To ensure trustworthiness of the data, we conducted member checks with study participants, as advocated in previous research (Belk, Sherry, and Wallendorf 1988; Lincoln and Guba 1985). To confirm data accuracy, we mailed interview transcripts to each participant and asked them whether the transcript accurately represented their thoughts and experiences. All participants responded, and several participants made additions, deletions, or clarifications.

TABLE 1
BACKGROUND CHARACTERISTICS OF STUDY PARTICIPANTS

Name	Sex	Age	Race	Occupation	Education Level	Income
Adrian	Male	29	Caucasian	PhD Student (Engineering)	Doctoral Degree	$20,001 - $30,000
Braden	Male	29	Caucasian	Landscape Architect	Bachelor's Degree	$90,001 - $100,000
Bridget	Female	23	Caucasian	Full-time Student	Associates Degree	$10,001 - $20,000
Bryce	Male	26	Caucasian	High School Teacher	Bachelor's Degree	$30,001 - $40,000
Carl	Male	64	Caucasian	Professor	Doctoral Degree	Over $100,000
Damian	Male	32	Caucasian	PhD Student (Humanities)	Master's Degree	$40,001 - $50,000
Dallas	Male	53	Caucasian	Contractor	Some College	$90,001 - $100,000
Jack	Male	29	Asian	Unemployed (Analyst)	Master's Degree	$10,001 - $20,000
Jordan	Male	24	Caucasian	Full-time Student	Bachelor's Degree	$10,001 - $20,000
Lillian	Female	47	Caucasian	Staff Assistant	Some College	$90,001 - $100,000
Paula	Female	55	Caucasian	Housewife	Some College	$70,001 - $80,000
Rodney	Male	56	Caucasian	Small Business Owner	Some College	Over $100,000
Teresa	Female	28	Caucasian	Staff Assistant	Associates Degree	$20,001 - $30,000
Trent	Male	36	Caucasian	PhD Student (Business)	Master's Degree	$50,001 - $60,000
Waylon	Male	30	Caucasian	Mechanical Designer	Bachelor's Degree	Over $100,000
Walter	Male	40	Asian	Professor	Doctoral Degree	Over $100,000

We used NVIVO 7 by QSR International to analyze the experiences. We used *open coding* and then *axial coding* (Strauss and Corbin 1998) and followed the "constant comparative approach" (Glaser and Strauss 1967) to ensure that the emerging theory was well-grounded in the data.As new codes emerged, we returned to previously coded transcripts and reanalyzed them in light of the emerging concepts (Bantham 2010; Bergadaa 1990; Thompson, Locander, & Pollio 1990). Ultimately, the coding process allowed us to refine and condense our code list to a set of three conceptual categories.

FINDINGS

Categories of Negative Social Capital Outcomes

In the sections that follow, we present negative outcomes using three categories that resulted from our analysis. Although our analysis occurred iteratively, we present our findings sequentially to increase clarity. We discuss representative cases for each category; however, additional examples for each category are presented in Table 2.

Recourse Restraint

Recourse restraint emerged as one category of negative outcomes resulting from the use of social relationships to make purchases. As illustrated by the following experiences, *recourse restraint* represents feelings or behaviors of constraint that consumers experience when they want to address or rectify a problem related to the purchase, but social forces discourage them from doing so, because of the social relationships involved.

Bryce, a 26-year-old teacher, shared an experience using an acquaintance, who was also his friend's uncle, to build a new home for his family. Bryce's reaction to unanticipated delays in the construction of his home reveals *recourse restraint*.

> The house got going with the construction – well, first of all, we closed on our loan in February. February 14, it was Valentine's Day. It wasn't until almost a month and a half later before construction actually began. This is a problem because once we buy the land we start accruing interest on our loan, at least on the land part. So, we are paying interest on land that nothing's happening to it. Once construction did begin, it was very slow – weeks in between anything happening. Finally, we got on him enough that he finally started framing the house up and we got a floor down and a couple walls up. Then again, it was another, probably 4 weeks go by and nothing's happening and some of the framing, with the wind, starts to blow in and things like that. It was a tough thing. At this point, I felt like the relationship was harmful because I think it was easier for him to tell us, "I'm sorry. I can't do it right now" . . . . For instance, he was building a store in another city called Family Dollar, a little dollar store. The penalties were higher. It was a more professional relationship and it wasn't easy for him to tell them, "I've got other things going on." At that point, it almost felt like I wish I didn't know Stewart so well because it made it hard to – because there was that relationship and we do know him, we didn't want to damage that. We were a little hesitant to be on his case too hard, when we would have liked to have been on it harder. . . . In this case, it may have hindered us, that relationship, in getting the results we wanted.

Similarly, Jordan, a 24-year-old student shared his experience trying to find a rental apartment before getting married. During a conversation with a coworker, Jordan mentioned that he and his fiancé were looking for an apartment. Because of their relationship, his coworker, who was also a property manager, bumped Jordan and his fiancé to the top of the waiting list so they could move in immediately. However, once they moved in, they began to notice problems with the apartment. Jordan's reaction to these problems reveals the constraint that can be imposed from using social relationships in the marketplace.

> Because we are friends with them they didn't really try to fix things as quickly. We have a wall, there's a closet over there, and water just leaks down the wall whenever it rains. And, there's a pipe that water just shoots out of every once in a while. . . .When you are friends with someone, it's kind of chummy, "ha ha, whatever." And, we are less willing to harp on them sometimes because we don't want them to get offended. If you don't

TABLE 2
NEGATIVE OUTCOMES ASSOCIATED WITH USING SOCIAL CAPITAL TO MAKE PURCHASES

Category	*Examples*
RECOURSE RESTRAINT *(E=13, I=11)*	• "He's doing this for us and so maybe I better step back a little bit and not push him so hard….one of the reasons I wasn't so on his case and getting after him so much is I felt like I owed it to him not to, because of the deal…." • "And, we are less willing to harp on them sometimes because we don't want them to get offended….Maybe that would go along with the whole not talking to them about the problems, just because they helped us out . . . . so we didn't want to jump on them about stuff." • "After that, this guy gives us a huge bill . . . . Since he is somebody's friend we would not go to him and say, "Hey look. You did this thing wrong." • "I would say it would be a little awkward, and that's probably why I didn't actually get as mad as I probably would have normally if it would have been someone I didn't know." • "I think it affected the way that I was—and just that friendship, it's like, "Oh, if he doesn't call me back I don't want to"—because I felt like I was bugging him." • "So, that's why I kind of avoided certain things. We just kind of let things go after a while. . . .
TRUST DECAY *(E=13, I=10)*	• "What was affected, was the only thing, that I don't trust his judgment 100 percent . . . . his judgment, rather than him….." • "The trust might not be quite as high, but I would still respect her opinion because I think she is very good." • "I've had friends and stuff that worked at certain places….I've had experiences in the past where people have said that they gave me a good deal, but then I saw it on sale somewhere else and it was cheaper that what they said it cost them at their cost and so I lost trust with them." • "I might be a little more hesitant to as quickly take his recommendation . . . . [In another situation like this], I might give him the friendly nod and smile and then not take it as literal as I had earlier. It's not like you're not friends anymore because the [recommendation] wasn't good, [but] I probably wouldn't go with him as much in big purchases." • "We got out of the whole thing . . . . without any trust left . . . ." • "And then I didn't trust him, either, because of that. I trusted him less."
RELATIONSHIP ATROPHY *(E=12, I=9)*	• "The relationship that we have with Stewart, now, feels different. It was more of a neighborly relationship earlier, now and as time has gone on, it feels more like a business type relationship. . . . It was kind of interesting the way that changed . . ." • "His relationship was affected. He was very angry and he really fought with this guy who was his friend's brother. He undermined his relationship with that guy because he was much closer to me." • "I think our relationship was good enough to where I don't think he would…. [If he had sold me a bad product], I think it would have hurt our friendship. I think when you put your trust in someone, if that is broken, especially when you have a closer relationship, it can hurt it." • "Whatever [relationship] this person had with us was destroyed. It had basically turned [negative]." • "It's definitely in the back of my mind every time I think about hooking up with the guy –grabbing lunch or a beer with him or something like that. To be honest with you, I probably haven't reached out . . ." • "Well, obviously [the relationship] would never be what it was before, because there's just some things you can't take back, you know."

Note: *(E, I)* represents the number of unique experiences and unique individuals contributing to the categories, respectively

> know whoever your landlord is then you would [say], "Get down here and fix this now, jerk!" I work with her all the time, so you don't want it to be awkward at work all the time, and then they are in our church, so you don't want them to always be worried whenever you see them.

Trent, 36, also shared an experience in which he called upon a friend from college, who was a home builder, to purchase a new home. After living in the house for a while, Trent discovered radon gas in the basement. When he tried to install a ventilation fan to remedy the problem, he realized that the electrical junction box required to power the fan had erroneously been omitted during construction, despite being part of the building code and included on the home blue prints. Trent's reaction to this unexpected situation further highlights the constraint that some consumers feel when using social relationships to make purchases.

> I thought that I could call and make an issue of this . . . . or, this Saturday morning, I can go out and buy a wire – I can do that – I'm handy and can do this stuff myself, and so I never brought it up. . . . I think that if I was just an anonymous customer I probably would have just called up and been all angry and belligerent about it, you know what I mean? I just didn't want it to get back to this guy, as my buddy, like "[Trent] called and he was an ass on the phone again."

As a final example, Waylon, a 30-year-old mechanical designer, shared an experience in which he purchased a home from someone he knew socially. The restraint Waylon demonstrated in dealing with a long string of problems related to the purchase is truly amazing, which is indicative of this key drawback to using social relationships in consumption contexts.

> So, anyway after we bought the house we lived there for 4 years, and in 4 years it flooded more times than I can even remember. It was just one after another; the basement seemed like it was always, always having a problem. I would fix the one problem and it would just move to the next and find a new way in. So, for 4 years it was just a constant battle to keep the water out of it. . . . I think [he] knew there were more problems. I don't know how he couldn't have known, because the very first time it rained, water just poured into the basement. So, I don't know how he could have not known. . . . it was kind of uncomfortable. I didn't talk to him about it until, I don't know, probably the 7th or 8th flood when we had to replace all the carpet and do drywall, and a bunch of stuff for the 3rd time, and our savings was tapped out and it was just a mess. . . . I think it definitely would have been different if it was somebody we didn't know. . . . we probably would have taken some action the 1st or 2nd time.

These examples highlight one major drawback of using social relationships for consumption. When things did not work out, participants reported feeling constrained from addressing the issues that troubled them. Interestingly, our data indicate that the same social forces that allow consumers to obtain benefits as they use their relationships to make purchases (Johnson and Ross 2014) also make it difficult for them to address problems, if they occur during the consumption experience.

Although the logic may be somewhat different, *recourse restraint* may be loosely related to negative outcomes that individuals face under collective social capital (Portes and Landolt 1996; Portes and Sensenbrenner 1993). However, while collective social capital can constrain individuals as a result of community norms and expectations, individualistic social capital appears to constrain its users through the perceived social discomfort that might result when friends are confronted with problems after they have granted favors or access to their resources. Thus, it is understandable why individuals fear confronting issues head-on; doing so may be perceived as repaying kindness with criticism, which could make any future interactions uncomfortable. As a result, *recourse restraint* represents an important and influential negative consequence of social capital use among consumers in the marketplace.

Trust Decay

Trust decay also emerged as an influential category of negative outcomes from the use of social relationships to make purchases. *Trust decay* represents the deterioration of trust between the consumer and the individual(s) whom the consumer has looked to in the purchasing context. Because social capital produces benefits via social relationships, aspects of those relationships are jeopardized each time it is used, as suggested in the following.

Jack, 29, shared an experience in which he drew upon one of his good friends from school to arrange transportation for his many wedding guests. Jack used his personal friendship to connect to his friend's friend who provided transportation. Although the service was rendered without problems, there were problems that arose afterwards. Jack reported, "We get good service. Everything is there. After that, this guy gives us a huge bill. 'You have to pay this much money'. . . . Even if we allow for some error, it is ridiculous." When talking about being taken advantage of by the friend of a friend, Jack said the following about the friend:

> What was affected – was the only thing – that I don't trust his judgment 100 percent. Our relationship is unaffected, but now when he tells me something that "This deal is good," then I ask him other questions (laughing). [I don't trust] his judgment, rather than him. I trust his intention. I know it is always good.

Braden, 29, also revealed the impact that using social relationships can have on trust in the social relationship. Asking a former roommate to assist him with a mortgage loan, Braden discussed some of the issues that arose and how they later impacted the trust he had in his friend.

> The payment that he had said would be lower, and the kind of loan that he was going to structure actually was not what we had asked for, and not what we were expecting as far as price. We actually ended up paying a higher loan amount, a higher mortgage every month with the way he structured it . . . . that actually soured it a little bit, because here we were expecting one payment and then it ended up being $500 more a month than what he said it would be. . . . Not that I wouldn't say hi to him or try to keep in touch with him, but it wouldn't be a thing where I would trust him to do a loan for me again.

Carl also experienced similar trust decay as the other participants. After being diagnosed with a brain tumor, he turned to a friend, who was a neurologist, for advice and a recommendation to a proficient neurosurgeon. After looking at the MRI films, she not only made a recommendation, but she personally introduced Carl to the surgeon. However, the surgery did not go as expected, which impacted Carl's trust in the neurologist friend.

> He only got half the tumor out and so we had to wait just to watch it and two years later it started growing again. I could see it on the film itself. He said, "Well oh, this just happens sometimes. We can't see everything. It's in a very tight space." I had the follow up MRIs and went in and knew. I had looked at the film already and knew it was starting to grow because I could compare it to earlier ones. . . . It didn't affect my relationship with the referring physician. Since she's a personal friend, it didn't really affect that. . . . The trust might not be quite as high, but I would still respect her opinion because I think she is very good.

While most participants experienced a relatively small decline in trust when problems arose when they used their social relationships to make purchases, other individuals lost much more trust, much faster. Paula shared an experience in which she lost tens of thousands of dollars after a long time friend, her financial advisor, lost her investment in an illegal Ponzi scheme. When discussing the experience, Paula described feeling "mad, violated, [and] sinking" knowing that all the money they had invested was gone. When talking about her friend, she said:

> Oh, I definitely wouldn't trust him again. You know, it's like, okay, you did what you did and I know you're—well, I'm not sure he's sorry, but, no I won't trust you again even if you had a really good deal. Even if he said, you know, "Oh, I am so sorry and I knew I was doing wrong," or whatever.

Interestingly, most of our participants who experienced trust decay initially suggested that the negative experiences had little impact on the trust they placed in their friends, as individuals. However, as their accounts unfolded, most of them later revealed that trust in their friends' judgment or decision making ability was affected. Additionally, in some cases, such as Paula's, the problems were substantial enough to deplete trust quickly, completely, and permanently. This consequence is particularly interesting because it provides insights concerning how individuals conceptualize trust.

There appear to be theoretical implications with respect to the way socially connected consumers deal with the impact of negative outcomes on trust. Marketing scholars have discussed both cognitive and affective dimensions of trust (Johnson & Grayson 2005). *Cognitive trust* is an individual's willingness to rely on others based of their own knowledge of the other party's competence and reliability. On the other hand, *affective trust* involves confidence in the other party based on feelings of the other party's care and concern for them as an individual. In this sense, cognitive trust is based on knowledge, whereas affective trust is based on emotion.

Based on our participants' accounts, cognitive trust appears to decay first. In purchase contexts in which friendships are used, consumers may not be as aware of the other party's abilities as much as they are aware of the other party's concern for them. Thus, our participants may be inclined to continue to affectively trust the person, but not their judgment or decision making abilities. This compartmentalization of trust may represent a coping strategy that allows the relationship to continue by letting the offender off the hook in terms of intentions, but holding them accountable in terms of performance. By viewing the breakdown as a problem of judgment, rather than a lack of concern, the consumer can still maintain a sense that the other party has good intentions, allowing the relationship to continue. However, as participants' accounts suggest, it appears that cognitive trust can only decay so far before affective trust is also impacted. Thus, there appears to be a threshold after which consumers perceive that the other party no longer has their interests at heart, resulting in a more comprehensive loss of trust.

The fact that trust is sometimes depleted, rather than enhanced, is ironic and interesting, particularly given that trust has been shown to be an important outcome of using social relationships to make purchases (Johnson & Ross 2014), as well as a key consequence of developing traditional commercial relationships with firms (Bendapudi & Berry 1997; Berry 1995; Coulter and Coulter 2002; Gwinner et al. 1998; Sheth and Parvatiyar 1995). Interestingly, because consumers using social connections to make purchases may begin with more trust than typical consumers, they may simply have more to lose, in the end, than those using regular commercial relationships. This notion, which has not been examined by consumer scholars, could prove to be useful in further understanding and managing this important and influential social dimension of consumer behavior.

Relationship Atrophy

Relationship atrophy emerged as the third category of negative outcomes resulting from participants' use of social capital to make purchases. *Relationship atrophy* represents a weakening of the relationship between the consumer and the individual (or individuals) to whom the consumer is socially tied in the purchasing context. Because social capital usage relies upon social relationships to operate, these relationships can sometimes become collateral damage when things don't work out well for consumers, as some participants' experiences show.

In addition to the electrical wiring issue Trent faced with his new home, an agreement with his friend involving the landscaping of his property also fell through. As a result, Trent ended up doing all of the work himself. This and other expectations that went unmet influenced the way Trent perceived and interacted with his college buddy. When talking about how the negative aspect of the consumption experiences impacted the relationship, Trent said:

> It's definitely in the back of my mind every time I think about hooking up with the guy –grabbing lunch or a beer with him or something like that. To be honest with you, I probably haven't reached out – I mean I live in the same town as the guy now, and it's probably been 3 or 4 months since I've talked to him.

Importantly, there was collateral damage involved when Jack was substantially overcharged for transportation for his wedding guests by the friend of a friend. Interestingly, while Jack lost trust in the friend, the most serious damage did not occur between Jack and his friend, but between Jack's friend and the transportation service provider. When talking about his friend's reaction when Jack told him that they were overcharged, Jack said,

> When we found out, he was really angry and he tried his best to get some money back. I don't think I can blame him. . . . His relationship was affected. He was very angry and he really fought with this guy who was his friend's brother. He undermined his relationship with that guy because he was much closer to me.

Also, as might be expected, Paula's financial loss transformed the course of her relationship with her friend, the financial advisor, who was eventually indicted and incarcerated on multiple counts of fraud. When talking about how her relationship changed, she commented:

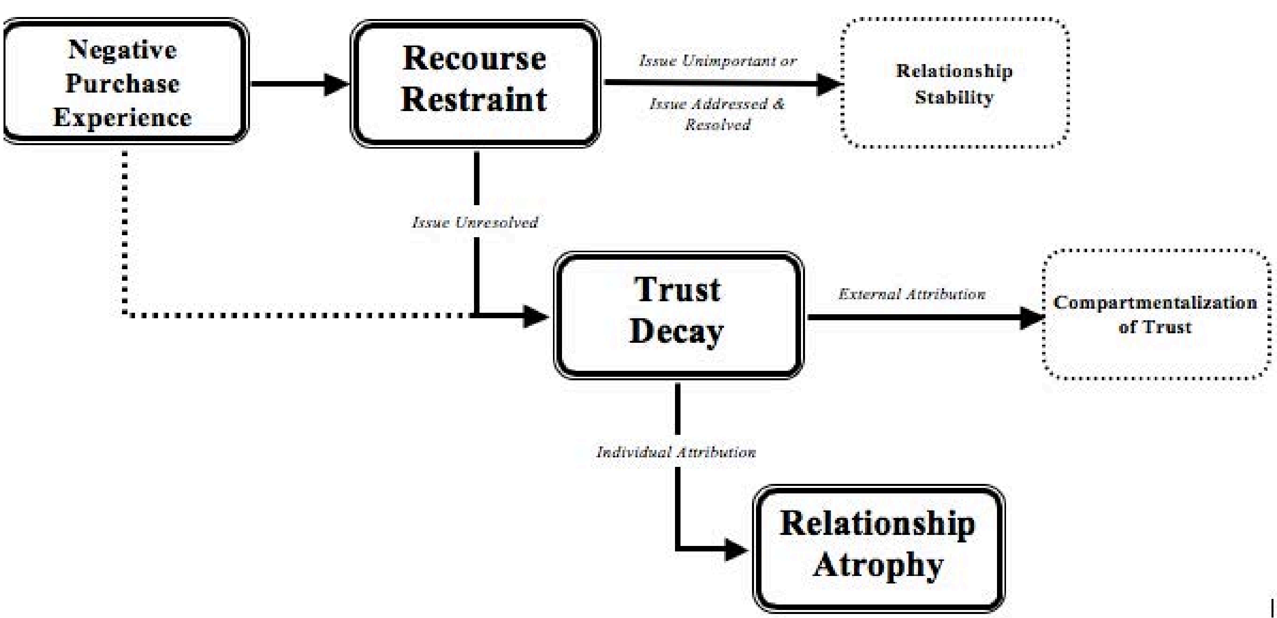
> Well, obviously it would never be what it was before, because there's just some things you can't take back, you know. We knew we had to go through a process to forgive him and to, you know, get through that and to just go on . . . . It wouldn't be like it was before, and I think—yeah, it probably would be awkward, because you'd be

> careful about what you said and nothing would be out in the open, so you'd be kind of skirting maybe something that should be said, but to him it would probably never be said. . . . You know, you can cover up and shake hands and, "Oh, what are you doing now?" kind of thing, instead of, "Oh, what are you doing now after your prison sentence?" (sarcastically).

Finally, as the problems that Bryce and his wife faced in building their home mounted, something had to give, and it turned out to be their relationship with Stewart, the builder. Despite many attempts to work things out, Bryce finally acted to change the course of events.

> After a while, I guess you get to a point, kind of like economics of emotions, where
> enough is enough. Suddenly, you don't care as much and so we did get on him and that's when things started to happen. . . . Once I came to the realization that he wasn't doing this for free, he's just doing it at a discount, that I finally said, "I'm going to have to take more of a business approach with him, rather than a friendship approach". . . . The relationship that we have with Stewart, now, feels different. It was more of a neighborly relationship earlier, now and as time has gone on, it feels more like a business type relationship. Particularly when things were going slow, there was a little tension. Not that we didn't like one another – it never went that far –but it just felt differently when he knew that he wasn't quite fulfilling what he'd promised to do and we knew it too. We still were wanting to be friends. . . . It was kind of interesting the way that changed the way we interacted with one another. [Our relationship] was changed. We took on different roles. Instead of being more of a neighborly – it was more of a professional – less personal is a good way to put it.

FIGURE 1
THE IMPACT OF NEGATIVE PURCHASE EXPERIENCES WHEN USING SOCIAL CAPITAL IN THE MARKETPLACE



Interestingly, Bryce's and Stewart's relationship continued to atrophy as time passed. Follow up conversations with Bryce and his wife revealed that the contention had escalated, ultimately culminating in a heated exchange in which Stewart confronted Bryce and accused him of ruining his business by publicly vocalizing his displeasure with Stewart and his company. In this case, the relationship between Bryce and Stewart degenerated from social, to business, to animosity, highlighting one of the major downsides to using social relationships to make purchases.

Based on our data, the actual deterioration of relationships is an advanced consequence of problems during the consumption process. As problems go unaddressed and expected benefits fail to materialize, individuals are often put in a position where they may have to make a choice between pursuing anticipated benefits and maintaining personal relationships. Based on participants' accounts, *relationship atrophy* typically occurs when individuals opt for the anticipated benefits over the present value or anticipated future value of the relationships. Interestingly, the mounting loss of trust that sometimes accompanies these breakdowns may signal a decrease in the future value of the relationships, which appears to influence consumers' decisions. Consequently, as decisions are made in favor of purchase outcomes, the relationships involved often change. Ironically, while these changes can be subtle, they sometimes adulterate and even destroy the personal relationships involved in the transaction.

An interesting way to think about the concept of *relationship atrophy* is in terms of the sacred and the profane, as characterized by Belk, Wallendorf, and Sherry (1989). A relationship with a friend may be inherently sacred, yet having it transform from a personal relationship to a distant or contentious type of relationship represents a movement from the sacred toward the profane, given the sense of loss that accompanies the transaction. Ironically, in some cases, the act of introducing personal relationships into the marketplace can inadvertently lead to the profaning of the sacred, which is likely the exact opposite of what is intended by consumers drawing upon their relationships to make purchases.

In summary, we have demonstrated that unfavorable experiences from using social capital may lead to *recourse restraint*, *trust decay*, and *relationship atrophy*. Using social relationships to make purchases appears to induce consumers to refrain from complaining behavior, likely as a result of feelings of indebtedness to friends and fears of feeling uncomfortable in future social interactions. Negative experiences can also damage important aspects of personal relationships, such as trust in friends and their judgments and recommendations. Finally, adverse experiences using social capital also have the capacity to change the relationships involved in unintended ways. Relationships may evolve to become less personal and friendly, and in some cases, they may even degenerate to the point of animosity.

TOWARDS A THEORETICAL STRUCTURE AMONG NEGATIVE OUTCOMES CATEGORIES

In the three previous sections we described conceptual categories of negative social capital outcomes. We now explore the relationships among these important categories[1]. Doing so reveals how the categories may influence one another to impact consumers' experiences. Identifying these interconnections provides a more comprehensive understanding of how negative outcomes can impact consumption and the relationships used to make purchases.

We used *selective coding* procedures (Strauss and Corbin 1998) to uncover and interpret the theoretical structure among the conceptual categories that emerged in the data. We interpret participants' experiences collectively to highlight the relationships among these outcome categories. The theoretical structure among the categories is shown in Figure 1.

Based on our sample, one of the outcomes that occurred most often for participants was *recourse restraint,* which occurred in 13 of the 20 (65%) negative experiences and was reported by 11 of the 16 (69%) participants. Interestingly, *when recourse restraint* occurred, it was not associated with either of the other negative outcomes about 40% of the time. That is, *recourse restraint* occurred by itself in 5 of 13 experiences shared by 5 of the 11 participants. Our analyses of these participants' experiences reveal that *recourse restraint* is less likely to escalate to other negative outcomes when the issue or the product is relatively unimportant (low involvement), or when the problem is appropriately addressed by the firm.

As an illustration, for consumers like Teresa, who purchased a Nalgene water bottle that later cracked, the issue simply wasn't important enough to cause serious problems. Teresa said, "It's 8 bucks. Like

[1] We note that the sample size, 20, while quite sufficient for identifying and describing consumers' negative experiences with social capital, carries with it the caveat that the percentages reported herein may completely representative of the larger population involving such experiences, as discussed further in the limitations not be section.

it's not going to break me or anything." Interestingly, Teresa wasn't even going to address the issue because of the *recourse restraint* she experienced, but her friend at the store convinced her to take the bottle back and have it replaced. In the end, the problem was easily resolved and no harm was done. The problem was addressed and Teresa's perception of the purchase experience was positive. Teresa's experience represents how the importance of the issue to the consumer and the way it is addressed by the firm can attenuate the harm done by negative experiences that arise when using social relationships.

Thus, *recourse restraint* can be an isolated event, but it is still associated with one or more of the other negative outcomes about 60% of the time (8 of 13 experiences shared by 6 of 11 participants also experiencing *trust decay* and/or *relationship atrophy*). This trend suggests that *recourse restraint* can act as a gateway to further problems with the consumption experience, particularly when the product or service is important and issues go unresolved. Under these conditions, our data reveal that *recourse restraint* typically leads to *trust decay*. A prime example of this is illustrated by Trent's negative experiences with the home he purchased from a former classmate. Trent's unwillingness to confront issues related to the landscaping and the wiring problems of his new home allowed several important issues to go unresolved, quickly deteriorating his trust in the friend involved. As a result, he, like others, experienced *trust decay,* in conjunction with *recourse restraint*, as a result of negative experiences related to the purchase.

In the sample examined for this study, *trust decay* occurred in about two-thirds of the experiences reported by participants (13 of 20 experiences, 10 of 16 participants). Although many participants reporting *trust decay* also experienced *recourse restraint*, there was a significant portion that did not. In fact, participants reported *trust decay* without *recourse constraint* about 40% of the time (5 of 13 experiences, 5 of 10 participants). These cases appear to occur primarily when involvement is particularly high and the purchase has high personal relevance for the consumer. For example, in our data *trust decay* only occurred without *recourse restraint* with major decisions, such as neurosurgery (Carl), home purchases (Trent and Walter), major home repairs (Dallas), and major investment decisions involving large sums of money (Paula). In such cases, the magnitude of the purchases and the proportional risks associated with them may push participants to skip *recourse restraint* entirely and move immediately to the other outcome categories.

For participants experiencing *trust decay*, there is nuance involved in how consumers react to the loss of trust. As they experience and evaluate issues with trust, they appear to make inferences about the source of the problem. When problems are attributed to situational or external factors – factors that are either out of the other party's control or beyond the other party's abilities – consumers appear to give the other party the benefit of the doubt and allow the relationship to continue much as it did before the infraction, by compartmentalizing trust. Both Jack and Carl demonstrated this compartmentalization when they stated that they still trusted their friends and wanted the relationships to continue, despite the negative outcomes, although they would be less likely to trust their judgment with such issues in the future. By compartmentalizing elements of trust in this way, relationships were allowed to continue much like they did before the problems arose.

Alternatively, when the negative outcomes are attributed to the other party's intentions, *trust decay* is likely to result in *relationship atrophy*. In our sample, *relationship atrophy* occurred with approximately 60% of all negative purchase experiences (12 of 20 experiences, 9 of 16 participants). In these cases, our data suggest that the consumer's final attribution is placed on the individual and his or her lack of care and concern for the consumer. When consumers perceive a decline in the intentions of the other party for their well-being, relationship atrophy generally follows. A prime example of this is Paula's experience with the financial advisor who was imprisoned for illegally investing her money in a pyramid scheme. Not only did Paula experience a severe loss of trust, but her attribution of the negative experience to the motivations and intentions of her one-time friend forever changed the relationship in a negative way. As she suggested when talking about the relationship, ". . . it would never be what it was before." Our data suggest that once *trust decay* leads to *relationship atrophy*, the relationships rarely return to their previous state.

Importantly, our data suggest that *trust decay* and *relationship atrophy* tend to occur together. *Relationship atrophy* and *trust decay* were present together about 75% of the time (11 of 14 experiences, shared by 8 of 11 individuals experiencing *trust decay* and/or *relationship atrophy*). This finding highlights the ability of *trust decay* to infect the relationships used to make purchases, which may ultimately weaken them. Participants' accounts suggest that it is only when breaches of trust are sufficiently compartmentalized in the mind of the consumer that relationships may continue unharmed. Otherwise, trust decay can continue to spread, eventually contaminating, changing, and even destroying relationships.

In sum, the categories of negative outcomes resulting from social capital usage seem to cascade from one to the other. When issues are unimportant or are sufficiently addressed and resolved, *recourse restraint* may have minimal impact on the purchase experience. However, when *recourse restraint* causes issues to go unresolved, *trust decay* can occur. The impact of *trust decay* appears to depend largely on the attributions made by consumers. When situational attributions are made for problems, consumers appear to compartmentalize trust and move forward with the relationship. However, when problems are attributed to individuals whose intentions have come under suspicion, *relationship atrophy* seems to be the result.

DISCUSSION **AND** IMPLICATIONS

Our findings, although exploratory, suggest that using social capital for consumption is not always the advantage it is proclaimed to be. Our analysis identifies three types of negative consequences that may result when consumers utilize social capital for consumption purposes. Although these outcomes appear to occur much less frequently than positive outcomes, identifying them improves our understanding of social capital theory, particularly in the consumption context.

Regarding negative outcomes, it is important to note something that did not emerge from our data. Interestingly, participants' narratives did not point to *reciprocity* as a negative outcome of using social relationships to make purchases. While our participants were cognizant of opportunities to reciprocate in the future, they did not tend to view reciprocity negatively. When asked if they would reciprocate if the occasion arose, many of them reported having already done so, while many others suggested that they would do so without hesitation, if given the chance. Rather than seeing it as a negative event, participants appeared to view reciprocity as an opportunity to express gratitude to their friends and to enhance their relationships with them. Given these reactions, despite the fact that reciprocity could potentially feel like a negative outcome for some consumers, it did not emerge as such from our data.

IMPLICATIONS FOR RESEARCH AND PRACTICE

Customer Expectations and Satisfaction

That individuals can experience negative consequences from using their relationships is important to marketers because it suggests the possibility that consumers' may have overly optimistic expectations associated with using social capital for consumption. Our analysis of consumers' experiences suggests that, while social capital may yield significant benefits, as suggested by previous research (Johnson and Ross 2014), there are often countervailing forces working against consumers and firms when social relationships are used to make purchases, including overly optimistic expectations regarding purchase outcomes.

As noted previously, marketing scholars have demonstrated that consumers obtain benefits from their ongoing commercial relationships with firms in the form of discounts, specialized treatment, confidence, and trust. Because consumers are accustomed to obtaining these benefits from traditional commercial interactions with firms, our data suggest that they may not only look for these same benefits when using social connections, but that they might expect to experience more of these benefits than normal, and faster than normal, than might otherwise be the case with traditional commercial relationships. However, such expectations for improved returns and faster benefits may be overly optimistic, or even unrealistic, setting up consumers to be disappointed when expectations are not met (Oliver 1980). This disconfirmation of expectations can have negative implications for customer satisfaction, and loyalty (Fornell et al. 1996; Meirovich and Little 2013; Mittal, Ross, and Baldasere 1998; Oliver 1999; Srivastava and Rai 2013), as well as for the relationship itself.

Our data suggest that the valence of the purchase experience itself has a tremendous ability to impact consumers' outcomes. Specifically, when purchase experiences are negative, consumers may experience even worse affective reactions than if they had no relationship at all, given the restraint that prevents them from rectifying issues, as well as the loss of trust and relational atrophy that can be brought about by the negative experience. As noted, this polarizing effect has both direct and indirect implications for customer complaining behavior, as well as the customer satisfaction and loyalty processes delineated in the marketing literature (Curtis, Abratt, Rhoades, and Dion 2011; Fornell et al. 1996; Meirovich and Little 2013; Oliver 1999; Srivastava and Rai 2013; Taylor 2012).

In our sample, roughly half of participants' negative experiences occurred directly with the owner or manager of the firm, whereas the other half took place with firm representatives. Given that consumers using social capital to make purchases may potentially interact with friends filling a variety of different roles (i.e., owner, manager, firm representative, etc.) across a variety of purchasing situations, we discuss the implications of these social capital behaviors from the perspective of general product and service providers. Doing so allows us to discuss general insights for conceptualizing and managing these important types of relationships.

Because customers using social connections to make purchases are drawing upon relationships with friends, product or service providers have an opportunity to more effectively manage these types of relationships by improving their understanding and management of customers who are friends. Because socially connected customers may come into the purchase experience with heightened expectations, providers may benefit by more effectively identifying and addressing those expectations. When such expectations are perceived to be overly optimistic, providers may need to carefully adjust customers' expectations by outlining what should and should not be expected as part of the purchase experience. Given that nearly all of the negative consequences outlined in our study occurred as a result of product or service failures, providers may need to focus on assuring that consumers' expectations are realistic and that they are met accordingly.

When issues do arise, providers may be able to minimize the impact of problems by implementing strategies that take advantage of the findings outlined in this paper. Understanding that customers may feel restrained to vocalize their problems, providers can enhance their existing policies to identify and facilitate problem resolution, helping to minimize the discomfort some consumers experience. Such policies may involve: (1) encouraging customers to report issues immediately, (2) reassuring customers that vocalizing problems is appropriate and helpful for meeting their expectations, (3) utilizing consistent follow-up procedures to assure that expectations are being met, and (4) when necessary, using third parties to carry out follow-up practices to attenuate the potential restraint consumers experience. Ultimately, product or service providers should strategically solicit feedback from such customers to keep channels of communication open. Doing so may help to counter the negative repercussions associated with friendship relationships.

Customer Attributions and Trust

Interestingly, because of the strong relational ties involved, many of our participants tended to provide situational attributions for negative experiences in which their friends were involved, rather than attributing problems to the friends responsible, indicative of attribution errors (Ross 1977; Meyers 2010). This finding provides insight into recent research indicating that friendship can attenuate the negative impact of an unfavorable purchase outcome. Ho (2012) finds that when salespeople and customers are close friends, customers perceive unfavorable outcomes to be more fair and satisfactory. Our data suggest that attributions play a key role in consumers' perceptions of such product and service outcomes. In addition, these attributions may also be indicative of a coping mechanism consumers use to reduce friction with friends and keep social relationships intact, even when things don't work out well.

The attributions that participants make and their compartmentalization of trust appears to signal that consumers are ready and willing to give their friends the benefit of the doubt, even when things go wrong, as long as they can assure themselves that their friends' intentions are pure. Ironically, however, the restraint they feel in addressing problems limits their ability to make such assessments. As a result, they often must ascertain the other party's intentions in other, less effective ways. Consequently, when the other party fails to properly signal intentions, trust can begin to decay and relationships may be jeopardized. Unfortunately, the downward spiral often begins with a lack of communication resulting from feelings of restraint.

Based on participants' reports, we suspect that many of participants' friends who were called upon so that participants could make purchases were not even aware of some of the problems their customers faced, because these problems were never discussed. And, when problems were addressed, it was often much later, after frustration had built and damage had been done. As noted previously, in these circumstances providers must work hard to identify potential problems. When problems do arise, our findings indicate that providers must effectively enhance policies to manage the attributions consumers make about the product or service failure. Such improvements may include:
(1) providing consumers with relevant situational information to allow them to make positive attributions, (2) reiterating care and concern for consumers in order to prevent them from obtaining incorrect information about intentions, and (3) when necessary, framing information in ways that allow consumers to cope with or compartmentalize the problem so that the

relationship can continue. In the end, being aware of the attributional processes consumers go through when experiencing negative outcomes can greatly inform the way relationships are perceived and managed in marketing contexts.

Social Capital Theory

Finally, in addition to the implications for marketers, identifying these problems at the individual level is important to scholars outside of marketing. Our discovery of negative outcomes at the individual-level is an important contribution to social capital theory that augments previous work that examines the negative impacts of collective forms of social capital on individuals. Given that these problems occur when using social capital for consumption purposes, it is likely that they occur in other individualistic contexts too. It is reasonable to assume that similar costs could also be incurred when using relationships for other purposes, such as finding a job or climbing the corporate ladder. As a result, individuals in other settings may also want to contemplate the potential for negative outcomes related to using social relationships.

LIMITATIONS AND FUTURE RESEARCH

The goal of this study was to identify and understand the negative outcomes obtained by consumers who used social capital. To do so, we used an exploratory grounded theory approach with purposive sampling to meet those objectives. Neither of these decisions was without tradeoffs. By design, the grounded theory approach identifies constructs and the theoretical relationships among them that emerge from the data. As a result, this approach may potentially highlight negative experiences and their consequences more than other approaches. Additionally, due to the manner in which purposive sampling is used to recruit participants engaging in the specific behaviors of interest, this approach may have resulted in a sample of consumers particularly experienced in using social capital, which in turn may have given our participants more opportunity for negative experiences. For this reason, the prevalence of negative social capital outcomes and the extent to which these outcomes occurred together in our sample should be interpreted with caution.

The identification of these outcomes identifies the existence of negative social capital experiences, but it may not necessarily represent the extent to which they might occur in the general population. Although our sample was of sufficient size for an in depth examination of participants' experiences, it was not large enough to ensure that our findings are fully generalizable. Thus, future researchers are encouraged to use different empirical techniques involving larger sample sizes to examine the extent to which our findings about negative social capital outcomes generalize across different contexts and populations. Assessing the external validity of our findings would provide insights as to how often the types of outcomes identified in this study take place, as well as how often they occur together.

Based on our findings, there are a number of avenues for future research. For example, research into how individual differences, including conflict resolution style and complaining behavior, affect the responses of consumers to negative outcomes may be of interest to marketers. In this vein, researchers may also wish to explore alternative modes consumers experiencing *recourse restraint* might use to express themselves. Although such consumers may not feel comfortable addressing consumption related issues with the friends involved, they may address their concerns in other ways. Do they compensate by engaging in negative word of mouth with others in their social circles? Do they vocalize their negative experiences and concerns with others in online environments? Exploring these possible behaviors would be an interesting extension of our work.

Other research opportunities might include examining how our results extend to other types of marketing relationships. For example, to what extent do new customers, compared to established customers, experience the outcomes identified in our study? Also, at what point do the outcomes identified in our study become relevant for other types of customers? Similarly, research in marketing has examined differences in consumers' responses to service failure recovery (Ashley and Varki 2009; Ringberg, Odekerken-Schroder, and Christensen 2007). Scholars may wish to examine how customers using social connections for their purchases respond to service failures and firms' attempts to recover from them, when experiencing the outcomes identified in our study.

Given the various negative outcomes that can occur for consumers using social capital, scholars may also wish to explore the processes consumers go through to make such decisions. Are these processes serendipitous or calculated? Who initiates the transaction? Are consumers aware of the potential negative outcomes? If so, what role do decision biases play, such as prospect theory – are consumers more risk taking with their relationships in order to avoid financial losses? Addressing questions such as these would help scholars to further extend our research.

Finally, this study examined the negative outcomes obtained by individuals directly involved in the purchase experience. But one can imagine that negative experiences might also affect individuals who were not the focal individual. Given the negative impact these experiences have on consumers and their relationship partners, it seems plausible that the negative outcomes could have repercussions for others who are indirectly associated with the purchase, such as spouses or significant others. Examining the ripple effects for other parties involved in the transaction seems to be an opportunity for interesting future research as well

CONCLUSION

Our study, based on interview data from everyday consumers, uncovered three categories of negative outcomes resulting from the use of social relationships to make purchases, and explored the interrelationships among these categories. From the perspective of the individualistic strand of social capital, these outcomes constitute a clear departure from existing theory and research. This departure adds depth to our understanding of social capital processes among consumers and provides marketers with a better foundation for conceptualizing and managing social capital in marketing. Identifying these drawbacks of social capital usage provides fresh insights to scholars and practitioners alike, in the field of marketing and beyond.

REFERENCES

Ashley, Christy and Sajeev Varki (2009), "Loyalty and Its Influence on Complaining Behavior and Service Recovery Satisfaction," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior,* 22, 21-35.

Baker, Wayne (2000), *Achieving Success through Social Capital*. New York, NY: John Wiley & Sons.

Bantham, John H. (2010), "An Exploratory Study of Satisfaction in Buyer-Seller Partnerships," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 23 (1-30).

Belk, Russell W., John F. Sherry, and Melanie Wallendorf (1988), "A Naturalistic Inquiry Into Buyer and Seller Behavior at A Swap Meet," *Journal of Consumer Research*, 14 (4), 449-70.

Belk, Russell W., Melanie Wallendorf, and John F. Sherry (1989), "The Sacred and the Profane in Consumer Behavior: Theodicy on the Odyssey," *Journal of Consumer Research*, 1-38.

Bendapudi, Neeli and Leonard L. Berry (1997), "Customers' Motivations for Maintaining Relationships with Service Providers," Journal of Retailing, 73 (1), 15-37.

Bergadaa, Michelle M. (1990), "The Role of Time in the Action of the Consumer," *Journal of Consumer Research*, 17 (3), 289-302.

Berry, Leonard L. (1995), "Relationship Marketing of Services: Growing Interest, Emerging Perspectives," *Journal of the Academy of Marketing Science*, 23 (4), 236-45.

Bourdieu, Pierre (1986), "The Forms of Capital" in *Handbook of Theory and Research for the Sociology of Education*, J.G Richardson, Ed. Westport, CT: Greenwood Press.

Brady, Michael K., Clay M. Voorhees, and Michael J. Brusco (2012), "Service Sweethearting: Its Antecedents and Customer Consequences," *Journal of Marketing*, 76 (2), 81-98.

Burt, Ronald. S. (2000), "The Network Structure of Social Capital," *Research in Organizational Behavior,* 22, 345-423.

Charmaz, Kathy (2006), *Constructing Grounded Theory*. Thousand Oaks, CA: Sage.

Coleman, James S. (1988), "Social Capital in the Creation of Human Capital," *The American Journal of Sociology*, 94, 95-120.

Coulter, Keith S. and Robin A. Coulter (2002), "Determinants of Trust in a Service Provider: The Moderating Role of Length of Relationship," *The Journal of Services Marketing*, 16 (1), 35-51.

Curtis, Tamilla, Russell Abratt, Dawna Rhoades, and Paul Dion (2011), "Customer Loyalty, Repurchase and Satisfaction: A Meta-Analytical Review," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 24, 1-26.

DiMaggio, Paul and Hugh Louch (1998), "Socially Embedded Consumer Transactions: For What Kinds of Purchases Do People Most Often Use Networks?" *American Sociological Review*, 63 (5), 619.

Edmondson, Amy C. and Stacy E. McManus (2007), "Methodological Fit in Management Field Research," *Academy of Management Review*, 32 (4), 1155.

Fornell, Claes, Michael D. Johnson, Eugene W. Anderson, Jaesung Cha, and Barbara Everitt Bryant (1996), "The American Customer Satisfaction Index: Nature, purpose, and findings," *Journal of Marketing*, 60 (4), 7-19.

Frenzen, Jonathan and Harry L. Davis (1990), "Purchasing Behavior In Embedded Markets," *Journal of Consumer Research*, 17 (1), 1-12.

Glaser, Barney G. and Anselm Strauss (1967), "The Constant Comparative Method of Qualitative Analysis," in *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Chicago, IL: Aldine.

Goodwin, Cathy (1996), "Communality as a Dimension of Service Relationships," *Journal of Consumer Psychology*, 5 (4), 387-415.

Granovetter, Mark (1985), "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology*, 91 (3), 481-510.

______ (1983), "The Strength of Weak Ties: A Network Theory Revisited," *Sociological Theory*, 1, 201-33.

______ (1973), "The Strength of Weak Ties," American *Journal of Sociology*, 78 (6), 1360-80.

Grayson, Kent (2007), "Friendship Versus Business in Marketing Relationships," *Journal of Marketing*, 71 (4), 121-39.

Grayson, Kent and Tim Ambler (1999), "The Dark Side of Long-Term Relationships in Marketing Services," *Journal of Marketing Research*, 132-41.

Gwinner, Kevin P., Dwayne D. Gremler, and Mary Jo Bitner (1998), "Relational Benefits In Services Industries: The Customer's Perspective," *Journal of the Academy of Marketing Science*, 26 (2), 101-15.

Johar, Gita Venkataramani (2005), "The Price of Friendship: When, Why, and How Relational Norms Guide Social Exchange Behavior," *Journal of Consumer Psychology*, 15 (1), 22-27.

Johnson, Bryan R. and William T. Ross, Jr. (2014), “The Consequences of Consumers’ Use of Pre-Existing Social Relationships to Make Purchases,” *Journal of Relationship Marketing*, 13 (3), 207-242.

Johnson, Devon and Kent Grayson (2005), "Cognitive and Affective Trust in Service Relationships," *Journal of Business Research*, 58 (4), 500-07.

Lin, Nan (2001), *Social Capital: A Theory of Social Structure and Action* (1st ed.). Cambridge: Cambridge University Press.

Lincoln, Yvonna S. and Egon G. Guba (1985), "Designing a Naturalistic Inquiry," in *Naturalistic Inquiry*, Yvonna S. Lincoln and Egon G. Guba, Eds. Beverly Hills, CA: Sage.

McGraw, A. Peter and Philip Tetlock (2005), "Taboo Trade-Offs, Relational Framing, and the Acceptability of Exchanges," *Journal of Consumer Psychology*, 15 (1), 2-15.

Meirovich, Gavriel and Lillian Little (2013), "The Delineation and Interactions of Normative and Predictive Expectations in Customer Satisfaction and Emotions," *Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior*, 26, 40-54.

Meyers, David G. (2010), *Social Psychology*. New York, NY: McGraw-Hill.

Mittal, Vikas, William T. Ross Jr., and Patrick M. Baldasare (1998), "The Asymmetric Impact of Negative and Positive Attribute-level Performance on Overall Satisfaction and Repurchase Intentions," *Journal of Marketing*, 62 (1), 33-48.

Neuman, W. Lawrence (2000), *Social Research Methods* (4th ed.). Boston, MA: Allyn & Bacon.

Oliver, Richard L. (1980), "A Cognitive Model of the Antecedents and Consequences of "Satisfaction Decisions," *Journal of Marketing Research*, 17 (4), 460-69.

Oliver, Richard L. (1999), "Whence Consumer Loyalty?" *Journal of Marketing*, 63, 33-44.

Palmatier, Robert W., Lisa K. Scheer, Kenneth R. Evans, and Todd J. Arnold (2008), "Achieving Relationship Marketing Effectiveness in Business-to-Business Exchanges," *Journal of the Academy of Marketing Science*, 36 (2), 174-90.

Patton, Michael Q. (1990*), Qualitative Evaluation and Research Methods* (2nd ed.). Newbury Park, CA: Sage Publications.

Portes, Alejandro (1998), "Social Capital: Its Origins and Applications in Modern Sociology," *Annual Review of Sociology*, 24, 1-24.

______ (2000), "The Two Meanings of Social Capital," Sociological Forum, 15 (1), 1-12.

Portes, Alejandro and Patricia Landolt (1996), "The Downside of Social Capital," The American Prospect, 26, 18-22.

Portes, Alejandro and Julia Sensenbrenner (1993), "Embeddedness and Immigration: Notes on the Social Determinants of Economic Action," *The American Journal of Sociology*, 98 (6), 1320-50.

Price, Linda L. and Eric J. Arnould (1999), "Commercial Friendships: Service Provider-Client Relationships in Context," *Journal of Marketing*, 63 (4), 38-56.

Putnam, Robert D. (1993), “The Prosperous Community: Social Capital and Public Life,” *The American Prospect*, 24, 34-48.

______ (1995), “Bowling Alone: America’s Declining Social Capital,” Journal of Democracy, 6, 65-78.

Ringberg, Torsten, Odekerken-Schröder Gaby, and L. Christensen Glenn (2007), "A Cultural Models Approach to Service Recovery," *Journal of Marketing*, 71 (3), 194-214.

Ross, Lee (1977), “The ‘Intuitive Psychologist’ and His Shortcomings: Distortions in the Attribution Process,” in *Advances in Experimental Social Psychology*, Leonard Berkowitz, Ed. New York, NY: Academic Press.

Sheth, Jagdish N. and Atul Parvatiyar (1995), "Relationship Marketing in Consumer Markets: Antecedents and Consequences," *Journal of the Academy of Marketing Science*, 23 (4), 255.

Srivastava, Medha and Alok Kumar Rai (2013), "Investigating the Mediating Effect of Customer Satisfaction in the Service Quality-Customer Loyalty Relationship," *Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior*, 26, 95-109.

Strauss, Anselm and Juliet Corbin (1998), *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory* (2nd ed.). Thousand Oaks, CA: Sage.

Taylor, Steven A. (2012), "Satisfaction, Regret, and Status Quo Effects on the Formation of Consumer Loyalty," *Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior*, 25, 24-45.

Temkin, Kenneth and William M. Rohe (1998), "Social Capital and Neighborhood Stability: An Empirical Investigation," *Housing Policy Debate*, 9 (1), 61-89.

Thompson, Craig J., William B. Locander, and Howard R. Pollio (1990), "The Lived Meaning of Free Choice: An Existential-Phenomenological Description of Everyday Consumer Experiences of Contemporary Married Women," *The Journal of Consumer Research*, 17 (3), 346-361.

Wuyts, Stefan and Inge Geyskens (2005), "The Formation of Buyer—Supplier Relationships: Detailed Contract Drafting and Close Partner Selection," *Journal of Marketing*, 69 (4), 103-17.

Wuyts, Stefan, Peter C. Verhoef, and Remco Prins (2009), "Partner Selection in B2b Information Service Markets," *International Journal of Research in Marketing*, 26 (1), 41-51

Please address all correspondence to the first author.

Bryan R. Johnson is an Assistant Professor of Marketing at the Heider College of Business, 4079 Harper Center, Creighton University, Omaha, NE, 68178. Email: Bryan@creighton.edu.

William T. Ross, Jr. is the Voya Financial Chair and Professor of Marketing at the School of Business, 2100 Hillside Avenue, Unit 1041, University of Connecticut, Storrs, CT, 06238.
Email: bill.ross@business.uconn.edu.

APPENDIX

SEMI-STRUCTURED INTERVIEW INSTRUMENT

- Can you tell me about the approach you typically use when making a purchase?
- Have you relationships with others ever influenced the purchases decisions you've made? How?
- Have you recently drawn upon your relationships to purchase any products or services?
- Would you mind sharing the story with me regarding this purchase experience?
- What was your relationship to the person(s) who helped you?
- Did you know that this person(s) could help you before you talked to them? How?
- How often do you make this kind of purchase?
- What benefits did you receive from using this relationship(s) to make the purchase?
- Did you anticipate receiving any of these benefits beforehand? Which ones?
- Would you have been able to obtain these benefits without this relationship(s)?
- Did you anticipate receiving any benefits that weren't fully realized? What were they?
- Were there any drawbacks to using your relationship(s) to make this purchase? What happened?
- Did relying on your relationship(s) influence how you felt about the purchase experience? How?
- Were there any implications or consequences for the relationship(s) because you did this?
- What factors affect whether you will rely on your relationships for future purchases?
- How often do you purchase products using your social relationships?
- How did you learn to use your relationships to make purchases?
- What value do your social relationships have for you with respect to making purchases?
- Is there anything that you would like to add that we did not discuss regarding the products or services you have purchased or the way you purchased them?

ARE U.S. PLUS-SIZE WOMEN SATISFIED WITH RETAIL CLOTHING STORE ENVIRONMENTS?

Marianne C. Bickle, Ph.D., University of South Carolina
Katherine Annette Burnsed, Ph.D., University of South Carolina
Karen Lear Edwards, J.D., University of South Carolina

ABSTRACT

U.S. plus-size female consumers account for 28% of the nation's apparel purchasing power (Binkley 2013). This group of women, who wear size 14 or larger clothing, believe that fashion retailers do not understand their clothing needs. Despite the apparently under-tapped potential of the plus-size apparel market, there is a limited amount of information on how this demographic is affected by the retail store environment. Therefore, the purpose of this study is to examine attributes (clothing availability, fitting rooms, mannequins, in-store signage, sales associates, and human crowding) of mainstream retail clothing store shopping environments and determine how they affect the satisfaction and dissatisfaction of plus-size female consumers. Results reveal that the store attributes of clothing availability, fitting rooms, mannequins, and in-store signage are significant predictors of plus-size consumers' satisfaction with a retailer. Additionally, results indicate that while the human attributes of sales associates significantly impact this market's satisfaction with a retailer, human crowding does not. These findings are useful to retailers, marketers, and apparel manufacturers as they attempt to satisfy this under-served market for ready-to-wear apparel.

Keywords: Plus-size; Women; Consumer satisfaction; Retail environment

INTRODUCTION

According to PLUS Model Magazine (2007), plus-size is a fashion industry standard that applies to any woman who is over a size 12. Interestingly, the Centers for Disease Control (CDC) states that the average American woman wears a size 14; is 5' 4" in height, weighs 167 pounds, with a 37" waist (Binkley 2013). These dimensions place the average American woman into the plus-size market. According to Cornell University researchers, women wearing size 14 or larger possess 28% of apparel purchasing power in the U.S., while their spending accounts for only 17% (Binkley 2013). This disparity in spending may be due, at least in part, to the fact that the women's plus-size market is dissatisfied with the retail apparel assortment offered to them. Retailers are often accused of offering unflattering plus-size clothes made to intentionally conceal the body. Additionally, retail analysts suggest that plus-size women are discouraged from spending more on apparel because retailers mistakenly think larger women do not want to dress fashionably; this misperception results in manufacturers making fewer clothes that are flattering to the fuller figure (Associated Press 2013). Further, apparel designers and retailers frequently offer dark, plain apparel in the belief that this target market does not want attention drawn to the body. Thus, the plus-size female consumer is often limited to lackluster clothing that makes her feel unattractive and unfashionable (Associated Press 2013). To compensate for the limited clothing options, many plus-size female consumers purchase more shoes, purses, and accessories (Bogenrief 2012).

In light of the misconceptions held by designers and retailers, and the plus-size consumer's historical frustration with retail clothing stores, this study seeks to examine attributes of mainstream retail clothing store shopping environments. In doing so, the researchers will investigate how these attributes—(1) clothing availability, (2) fitting rooms, (3) mannequins, (4) in-store signage, (5) sales associates, and (6) human crowding—affect the satisfaction and dissatisfaction of plus-size female consumers. This research fills a gap in the literature by incorporating six key attributes rather than focusing on only one, as with the majority of past research. Additionally, this study adds to the extant literature by focusing solely on the U.S. plus-size female market and mainstream retail clothing store shopping environments. Further, this study aids retailers in satisfying the U.S. plus-size female market by giving them a better understanding of desired product assortments and displays, the importance of more thoughtful sales floor and fitting room planning, more considerate promotional materials and signage, and a more knowledgeable and empathetic sales staff.

LITERATURE REVIEW

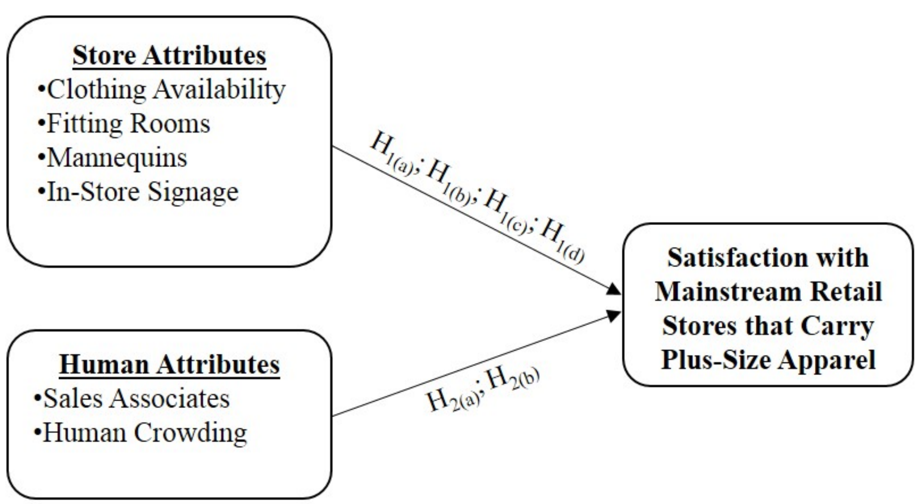
Theoretical Framework and Hypotheses Development

In general, consumer satisfaction is an overall positive evaluation of performance based on all prior experiences with a firm (Halstead, Jones, and Cox 2007). Westbrook (1981) proposes that consumer satisfaction with a retail establishment is viewed as an individual's emotional reaction to his or her evaluation of the total set of experiences realized from patronizing the retailer. As such, emotional dimensions are vital in the consumer decision making process and satisfaction (Meirovich and Little 2013). Consumer experiences with retail patronage are categorized into two broad types: (1) experiences that relate to being in the store itself and dealing with the organization (e.g., store personnel, store atmosphere, availability of merchandise, and other customers in the store), and (2) experiences that relate to consuming retail products and services (e.g., quality of merchandise assortment and fashion appeal of merchandise) (Westbrook 1981). Each experience receives an evaluation, and an accompanying emotional reaction, from the consumer (Westbrook 1981). Therefore, consumers derive satisfaction or dissatisfaction both from individual in-store experiences and in the use of retail products and/or services (Westbrook 1981).

Based on an adaption of Westbrook's (1981) conceptual model of retail satisfaction/dissatisfaction, this study examines the level of satisfaction of plus-size women regarding retail store environments. In doing so, the researchers identify the following attributes from past research (Bickle, Eckman, and Kotsiopulos 1998; Fister 2009; Otieno, Harrow, and

Figure 1

Theoretical Model of U.S. Plus-Size Female Consumers' Level of Satisfaction with Shopping Environments



Lea-Greenwood 2005; Seo 2013; Terblanche and Boshoff 2004; Westbrook 1981) and the researchers' direct appraisals of stores: clothing availability, fitting rooms, mannequins, in-store signage, sales associates, and crowding (see Figure 1). The hypotheses for testing consumers' level of satisfaction with retail store environments are separated into two areas: ($H_{1[a\text{-}d]}$) store attributes (clothing availability, fitting rooms, mannequins, and in-store signage) and ($H_{2[a\text{-}b]}$) human attributes (sales associates and human crowding).

Store Attributes of the Shopping Environment

-Clothing Availability

Research suggests that a sparse assortment of fashionable clothing and a lack of properly fitting clothing cause dissatisfaction among plus-size women (Otieno, Harrow, and Lea-Greenwood 2005; The NPD Group, Inc. 2012). According to The NPD Group, Inc. (2012), 63% of plus-size women perceive shopping for plus-size clothing as more stressful than shopping for standard-size clothing. Additionally, 62% of plus-size women experience difficulty finding desirable clothing styles, and 56% report that it is challenging to find good quality plus-size clothing (The NPD Group, Inc. 2012). These findings are revealing, since plus-size women rank fashionable/trendy clothing as the key driver in making clothing purchases (style #2; good quality #4) (Mintel Group Ltd. 2012).

According to Mintel Group Ltd. (2012), the most popular stores patronized by plus-size women are Walmart (47%), Kohl's (37%), JCPenney (35%), and Target (27%). Interestingly, plus-size specialty retailers (i.e., Lane Bryant) are shopped at less frequently compared to mass merchandisers and department stores (Mintel Group Ltd. 2012). The report suggests three possible reasons for lower patronage at specialty stores: (1) higher prices, (2) location inconvenience, and (3) reluctance to be seen carrying a shopping bag from a plus-size retailer (Mintel Group Ltd. 2012).

Further research by Scaraboto and Fischer (2013) indicates that Fatshionistas (fashion lovers who wear plus-size clothing) are frustrated with mainstream retailers because they provide too few fashionable clothing options. According to Marshal Cohen, chief industry analyst at The NPD Group, Inc., "the plus-size business is often regarded as tertiary, 'a stepchild.' Retailers don't nurture the business…so it leaves few players in the end" (Bellafante 2010). In addition to this, some retailers (Ann Taylor, Gap, and Old Navy) only recently offer these sizes online (Postrel 2009). Other retailers (Forever 21 and Macy's), who offer larger sizes in their brick-and-mortar stores, provide few color and pattern assortment options and distribute them unevenly across various stores (Popken 2008). Ultimately, this limits availability of clothing options for plus-size women. These findings signify that retailers and manufacturers must improve their offerings in order to satisfy these consumers.

> *$H_{1(a)}$: Greater clothing availability positively impacts U.S. plus-size female consumers' overall level of satisfaction with mainstream retail stores that carry plus-size apparel.*

-Fitting Rooms

Fitting rooms are perhaps the most important part of a retail store because they are where consumers often make final purchasing decisions (Seo 2013). According to the retail consulting firm Envision Retail, Ltd., customers who try on clothes in fitting rooms have a 67% conversion rate (shopper "converted" to purchaser) versus the 10% conversion rate for customers who do not use fitting rooms (Holmes and Smith 2011). Although women are more likely in general to try on clothes before making a purchase, many avoid fitting rooms because they feel negatively about themselves after trying on clothes (i.e., due to poor fit and body-image issues) (Hellmich 2008; Hengevelt 2014). Seo (2013) proposes that the fitting rooms' lighting and mirrors may cause dissatisfaction in consumers. In particular, most flat fitting room mirrors do not enable consumers to view the merchandise from different angles (Seo 2013). Hengevelt (2014) suggests that the inadequate size of many fitting rooms may cause dissatisfaction among consumers because the standard fitting room is approximately three feet by five feet in area. According to Holmes and Smith (2011), some retailers, such as Ann Taylor, Anthropologie, and Bloomingdale's, are trying to increase satisfaction and conversion rates by enlarging and beautifying fitting rooms with chandeliers, wallpaper, and back-lit mirrors. Other retailers, such as Yours Clothing, HeyGorgeous, ModCloth IRL, and Simply Be are trying to make the fitting room experience better for plus-size women by incorporating on-demand pre-recorded compliments, in-store stylists to assist shoppers while changing, larger fitting rooms with a boudoir feel, and "magic mirrors" that will take four photos of the customer, allowing them to email their friends for a second opinion and alleviate the need to leave the fitting room (Peiser 2015; Steiner 2011; Tan 2014). To date, there is a gap in the literature regarding the influence of fitting rooms on plus-size women's satisfaction.

$H_{1(b)}$: Enhanced fitting rooms positively impact U.S. plus-size female consumers' overall level of satisfaction with mainstream retail stores that carry plus-size apparel.

-Mannequins

Mannequins provide consumers with a visual image of the garment on a human body, thereby, decreasing the perceived purchase risk and influencing consumers' purchase intentions (D'Innocenzio 2014; Fister 2009). By taking what they view on the mannequin and mentally adapting the vision into their own body form, consumers are better able to make a purchase decision. Mannequins are financially valuable to retailers and referred to as the "quintessential silent sales people" (D'Innocenzio 2014). They are an influential factor in helping consumers make a purchase decision, ranked just behind family and friends (D`Innocenzio 2014). Although research demonstrates that mannequins affect consumers' purchase intentions, the majority of the existing information focuses on positive influences such as the size of mannequins. This reveals a gap in the literature regarding how plus-size female consumers are affected by mannequin displays in mainstream retail clothing stores.

Consumers desire clothing to look and fit them the same way it appears on the mannequin, regardless of the differences in body shape and size (Meierdierks-Lehman 2007). Currently, the majority of mannequins in retail stores do not represent the average consumer. They are designed to highlight the body rather than the fit of the clothing. Most female mannequins are created with extremely small waistlines, sloping shoulders, narrow waists, and a pert bust. The dress size of the majority of U.S. mannequins ranges from a size 2 to a size 6 (Luscombe 2013). The store model is used to create an image based on society's desire of being thin, athletic, and youthful (Meierdierks-Lehman 2007).

Some retailers are beginning to replace ultra-thin mannequins with more realistic size mannequins in an attempt to appeal to their target market, since the average U.S. female consumer wears a size 14 (Luscombe 2013). Updated mannequins may wear wigs and have makeup, tattoos, back fat, thicker waists, and lower bustlines; these store displays give consumers a more realistic image of how clothing appears on a plus-size body (D`Innocenzio 2014).

Existing mannequin studies are exploratory in nature. Additional research will provide a better understanding of the benefits with using target market sized mannequins. This analysis provides retailers with a better comprehension of consumers' attitudes toward mannequins, sizing, and shopping behaviors.

$H_{1(c)}$: Realistic mannequins (appearance and size) positively impact U.S. plus-size female consumers' overall level of satisfaction with mainstream retail stores that carry plus-size apparel.

-In-Store Signage

Retailers rely on in-store signage to express the company's identity, promote merchandise to consumers, and persuade consumers to purchase merchandise (Ruderman and Ruderman 1998). Therefore, advertising plays a key role in retailer and/or brand loyalty (or lack thereof), as well as potential sales. Altogether, if a customer dislikes certain attributes of an advertisement, the following is possible: a decrease in purchase intention, dissatisfaction with the retailer and/or brand, and complaining behavior regarding the advertisement (Fam, Grohs, and Waller 2011).

Models' weight in advertisements is approximately 15% below that of the average woman (Tucci and Peters 2008). Existing research regarding female consumers in general suggests that advertisements may have a negative impact because of the unrealistic body types shown (i.e., underweight and/or heavily airbrushed models) (Dahl, Argo, and Morales 2012; Krishen and Worthen 2011). For instance, young girls may have the propensity to become overly body conscious, or even anorexic as a result of the portrayal of female models in advertisements (Krishen and Worthen 2011; Serdar 2005). U.S clothing retailer American Eagle is using a campaign which shows models in their natural state including stretch marks, tattoos, and birthmarks (Dockterman 2014). While some retailers are making positive steps toward encouraging women to embrace their bodies, false representation in the media about the female body is still pervasive (Serdar 2005).

Harper and Tiggemann (2008) and Perrier (2008) demonstrate that the body size of models in advertisements influences women's attitudes. Harper and Tiggemann (2008) reveal that when women are exposed to idealized body images, they feel negatively about their own bodies. Perrier (2008) shows that, conversely, when viewing advertisements with plus-size models, women are more likely to feel positively about their bodies. While neither study focuses on in-store signage specifically, both provide evidence that women are influenced by models featured in advertisements.

Further exploratory research is needed to determine the extent to which in-store signage influences plus-size female consumers. This study explores how in-store signage impacts plus-size consumers' level of satisfaction with mainstream retail clothing stores, providing retailers with information that will be useful in their attempts to market toward this important demographic.

> $H_{1(d)}$: *In-store signage with realistic models positively impacts U.S. plus-size female consumers' overall level of satisfaction with mainstream retail stores that carry plus-size apparel.*

Human Attributes of the Shopping Environment

-Sales Associates

Sales associates are in a position to make customers feel wanted and appreciated, or they can intrude on the customer's space and impede sales (Cho 2001). Additionally, service quality is directly linked to customer satisfaction and loyalty (Srivastava and Rai 2013). Effective sales associates are those who possess product knowledge, are friendly, available to the customer, and have a well-groomed appearance (Shim and Kotsiopulos 1993). The majority of existing research exploring how sales associate characteristics affect consumers is not focused specifically on plus-size women (Kim, Ju, and Johnson 2009; Naylor and Frank 2000). While Otieno, Harrow, and Lea-Greenwood (2005) discuss that plus-size female consumers experience the same type of satisfaction and dissatisfaction with sales associates as other consumers, further research on this demographic is needed.

A five-year, Rice University study details some of the unpleasant experiences of plus-size women while shopping (Lozano 2005). The research reveals that obese consumers in general report higher levels of negative responses (i.e., more rudeness, less eye contact, unfriendliness, and hostility) from sales associates than thinner consumers. Furthermore, the plus-size women participating in the study state that they spend less time and money in stores where they face discrimination, and will not return (Lozano 2005).

> $H_{2(a)}$: *Effective sales associates positively impact U.S. plus-size female consumers' overall level of satisfaction with mainstream retail stores that carry plus-size apparel.*

-Human Crowding

Consumers in a crowded retail store often experience what researchers refer to as *perceived crowding*. Perceived crowding exists when a consumer feels the need for additional space in the store, regardless of the actual amount of space being used by other consumers, racks, merchandise, and employees (Machleit, Eroglu, and Mantel 2000). Consumers are often uncomfortable physically and psychologically and have negative feelings as they experience perceived crowding (Kim and Runyan 2011).

Human crowding consists of the length and number of interactions between sales associates and the consumer within the store. The interaction may be positive or negative depending upon situational factors such as the number of persons in the store, perceived anxiety of individuals, and consumers' expectations (Byun and Mann 2011; Kazakeviciute and Banyte 2012). Human crowding can negatively influence consumers. Some consumers may become angry, irritated, or feel shy in large crowds (Byun and Mann 2011; Noone and Mattila 2009). These feelings may result in consumers spending less time and money than previously planned, leave the store without making a purchase, or being too embarrassed to make a complaint regarding poor service (Yan and Lotz 2009). Although the majority of past studies reveal few positive aspects of human crowding, Byun and Mann (2011) suggest that human crowding provides consumers with competitive shopping excitement—consumers may view human crowding as an opportunity to find great deals, deep discounts, or special merchandise.

Research on human crowding does not focus solely on the plus-size female market. Although a minimal amount of information exists on how plus-size consumers are affected by in-store crowding, evidence suggests that overweight and obese individuals are negatively affected while in a public setting. For instance, media stories demonstrate instances of bullying, fat shaming, and discrimination against obese and/or overweight persons in public places (Long 2013). In particular, the issue of "fat shaming" is documented through a social experiment whereby strangers' expressions toward an overweight female in public are photographed (Bahadur 2013).

While scholars reveal that human crowding influences consumer shopping behavior in general, academic studies do not focus specifically on plus-size female consumers. What limited information exists is anecdotal and is primarily provided via media outlets (i.e., documentaries and blogs of plus-size females). As such, the inclusion of this attribute in the current study will aid retailers in the creation of more comfortable retail environments for customers.

$H_{2(b)}$: Affirmative human crowding positively impacts U.S. plus-size female consumers' overall level of satisfaction with mainstream retail stores that carry plus-size apparel.

Table 1
Descriptive Statistics of Participants

Variable	*N*	*%*
Age		
18-30	75	6.5%
31-45	290	25.0%
46-55	296	25.6%
56-65	339	29.3%
66+	158	13.6%
Household Income		
<$25,000	289	25.0%
$25,000-$40,000	304	26.3%
$40,001-$55,000	177	15.3%
$55,001-$70,000	137	11.9%
$70,001-$85,000	81	7.0%
$85,001-$100,000	65	5.6%
$100,000+	102	8.8%
Amount Spent on Apparel per Year		
<$100	253	21.8%
$101-$150	196	16.9%
$151-$200	147	12.7%
$201-$300	177	15.3%
$301-$400	109	9.4%
$401-$500	86	7.4%
$501-$600	59	5.1%
$600+	131	11.3%
Dress Size		
14	208	17.9%
16	246	21.1%
18	187	16.1%
20	96	8.2%
22	113	9.7%
24	69	5.9%
26	30	2.6%
28	8	0.7%
30-40	20	1.7%
Wear Multiple Sizes (e.g., 14-16)	87	7.5%
Specialty Size (1X-6X)	51	4.4%
Plus-Size (i.e., size ≥ 14, but unsure of exact size)	49	4.2%

METHODOLOGY

Data Collection and Study Sample

A nationwide random sample of 1,164 U.S. plus-size female (those who wear a size 14 or larger) adult consumers (aged 18+) are surveyed, using panel data from C & T Marketing Group, to investigate the theoretical model of satisfaction with shopping environments. The online survey consists of the following: (1) measurement of consumers' level of satisfaction with mainstream stores that carry plus-size apparel (dependent variable), (2) measurement of consumers' level of satisfaction and agreement with statements regarding store and human attributes (independent variables), and (3) demographic questions. Store satisfaction is generally measured using a self-reported categorical response on a single-dimensioned scale (Miller 1976; Westbrook 1981). As such, consumers' level of satisfaction with mainstream stores that carry plus-size apparel (dependent variable) is a single-item question with a five-point Likert type scale for measurement (1=very dissatisfied; 5=very satisfied). A rating of "0" is included for a category of "not applicable". The independent variables are comprised of level of satisfaction and agreement statements for the six individual attributes. Respondent selections, regarding the six attributes (independent variables) for retail store environments, for level of satisfaction (1=very dissatisfied; 5=very satisfied; 0=not applicable) or degree of agreement (1=strongly disagree; 5=strongly agree; 0=not applicable) are based on two five-point Likert type scales. The level of satisfaction with the six attributes is similar to the five-point Likert type scale measurement that is being used for the dependent variable. The degree of agreement scale measurement consists of statements regarding the individual independent variables (six attributes), which are based on a combination of the review of literature and researcher observations since a valid construct does not exist. Finally, demographic data are measured using categorical measures.

The dress size breakdown of respondents is as follows: 21.1% wear a size 16, 17.9% wear a size 14, 16.1% a size 18, 9.7% a size 22, 8.2% a size 20, 7.5% wear multiple sizes, 5.9% a size 24, 4.4% wear specialty sizes, 4.2% wear a plus-size however they are unsure of their exact size, 2.6% a size 26, 1.7% wear sizes 30-40, and 0.7% wear a size 28 (see Table 1). The 4.2%, who report wearing a plus-size although not knowing their exact size, may be attributed to a lack of accurate industry standards and/or vanity sizing (i.e., sizing down to make consumers feel better about themselves). Although six participants did not report their age, 1,158 provide the following age breakdown: 29.3% are between the ages of 56-65, 25.6% are aged 46-55, 25% were aged 31-45, 13.6% are 66+ years of age, and 6.5% of the respondents are between the ages of 18-30.

Nine of the 1,164 study participants decline to report their annual household income; the majority (78.5%) reporting had an annual household income ≤ $70,000. Although six of the 1,164 respondents decline to report the amount spent on apparel per year, 83.5% state that they spend less than $500 annually. According to the U.S. Bureau of Labor Statistics (2014), average annual expenditures for women aged 16+ spend $527 annually in 2013; therefore, a gap in average annual expenditures exists for plus-size women's clothing purchases. This could be due in part to dissatisfaction with store and human attributes of the shopping environment.

Analyses

Principal component factor analysis (PCA) with varimax rotation is conducted on the level of satisfaction and agreement statements regarding the six attributes. Items with a correlation ≥ 0.40 are indicative of multicollinearity and thus deleted from the study. Additionally, items with a factor loading of ≥ 0.50 and/or eigenvalues ≥ 1.0, which account for a total of 100% of variance for the factor, are included in the analysis. Cronbach's alpha is conducted on each factor. Factors with an alpha coefficient ≥ 0.50 are used in the analysis. PCA will yield the final versions of the independent variables (based on factor loadings) for further analysis.

Following PCA, stepwise regression analyses using a Sl-entry of 0.05 and Sl-stay of 0.10 is conducted to test the impact of store and human attributes on satisfaction with mainstream stores that carry plus-size apparel. Stepwise regression analysis is selected, because the analysis provides the ideal model for each hypothesis; therefore, supplying the researchers with the most significant predictors (Ott and Longnecker 2010). SPSS is the tool utilized for all statistical analyses.

RESULTS

Store Attributes: Hypotheses One(a-d)

Six items regarding *Clothing Availability* ($H_{1[a]}$) are included in the survey—(1) level of satisfaction with clothing availability, (2) I am able to readily find clothing in my size, (3) the fit of clothes influences my purchase intentions, (4) I am able to find clothing that fits my body type, (5) overall, I am satisfied by the plus-size clothing offered by retailers, and (6) clothing fit matters more to me than how a fitting room looks. After PCA, two items loaded on the *Clothing Availability* factor: (1) I am able to readily find clothing in my size (factor loading = 0.94) and (2) I am able to find clothing that fits my body type (factor loading = 0.94) (see Table 2).

The survey consists of five items regarding *Fitting Rooms* ($H_{1[b]}$)—(1) satisfaction with the ambiance of fitting rooms, (2) overall, I am satisfied with the fitting rooms offered by clothing retailers, (3) the size of fitting rooms accommodate me while shopping when shopping with a group, (4) the size of fitting rooms are adequate for my needs, and (5) fitting rooms lead to negative emotions regarding clothing fit. Of the five items, three loaded on the *Fitting Rooms* factor: (1) overall, I am satisfied with the fitting rooms offered by clothing retailers (factor loading = 0.85), (2) the size of fitting rooms accommodate me, while shopping with a group (factor loading = 0.84), and (3) clothing fit matters more to me than how a fitting room looks (factor loading =0.56) (see Table 2).

Table 2

Principle Components Factor Analysis: Satisfaction with Store Attributes ($H_{1[a-d]}$)

Factor & Sample Statements	*Factor Loading*	*Eigenvalue*	*% of Variance*	*Cumulative % of Variance*
Clothing Availability (2)				
• I am readily able to find merchandise in my size.	.94	1.76	88.14	88.14
• I am able to find clothing that fits my body type.	.94	.24	11.86	100.00
Fitting Rooms (3)				
• Overall, I am satisfied with the fitting rooms offered by clothing retailers.	.85	1.73	57.51	57.51
• The size of fitting rooms accommodate me, while shopping with a group.	.84	.84	28.02	85.53
• Clothing fit matters more to me than how a fitting room looks.	.56	.43	14.47	100.00
Mannequins (4)				
• Most mannequins in stores represent my body type.	.82	2.31	57.69	57.69
• The posing style of a mannequin influences my purchase intention.	.80	.88	22.10	79.79
• Mannequins alter my opinion of the clothing offered in mainstream retail stores.	.63	.46	11.58	91.37
• I can find clothing displayed on mannequins in my size.	.77	.35	8.63	100.00
In-Store Signage (2)				
• Models featured in in-store advertisements influence my purchase intentions.	.84	1.40	69.92	69.92
• In-store advertising evokes the need to compare myself to others.	.84	.60	30.08	100.00

Note. ( ) = number of sample statements loaded per factor.

Eight items regarding *Mannequins* ($H_{1[c]}$) are included in the survey—(1) satisfaction with mannequins in retail stores, (2) satisfaction with proportions of the mannequins in stores, (3) satisfaction with plus-size merchandise displayed on mannequins, (4) most mannequins in stores represent my body size, (5) most mannequins in stores represent my body type, (6) mannequins alter my opinion of the clothing offered in mainstream retail stores, (7) the posing style of a mannequin influences my purchase intentions, and (8) I can find clothing displayed on mannequins in my size. After PCA, four of the eight items loaded on the *Mannequins* factor: (1) most mannequins in stores represent my body type (factor loading = 0.82), (2) the posing style of a mannequin influences my purchase intention (factor loading = 0.80), (3) mannequins alter my opinion of the clothing offered in mainstream retail stores (factor loading = 0.63), and (4) I can find clothing displayed on mannequins in my size (factor loading = 0.77) (see Table 2).

The survey consists of six items regarding *In-Store Signage* ($H_{1[d]}$)—(1) satisfaction with in-store signage, (2) models used in in-store advertisements affect my shopping intentions, (3) in-store advertising evokes the need to compare myself to others, (4) in-store advertisements influence my positive emotions, (5) models featured in in-store advertisements influence my purchase intentions, and (6) models used in in-store advertisements are similar to me. Of the six items, two loaded on the *In-Store Signage* factor: (1) models featured in in-store advertisements influence my purchase intentions (factor loading = 0.84) and (2) in-store advertising evokes the need to compare myself to others (factor loading =0.84) (see Table 2).

Following PCA, stepwise regression analysis is conducted to test $H_{1(a\text{-}d)}$. The dependent variable is plus-size consumers' level of satisfaction with mainstream retail clothing stores that carry plus size apparel, while the independent variables are the store attributes—clothing availability, fitting rooms, mannequins, and in-store signage. Results reveal that all four store attribute variables are significant to the prediction of satisfaction with mainstream retail stores that carry plus-size apparel (see Table 3). The R^2 value for the model is 0.42, which reveals that approximately 42% of the variation in satisfaction with mainstream retail stores that carry plus-size apparel can be explained by the four independent variables in the model. Although the R^2 is low, the p-value is

Table 3
Regression: Satisfaction with Store Attributes ($H_{1[a\text{-}d]}$)

Predictor(s) & Model		*R*	*R^2*	*Sum of Square*	*df*	*Mean Square*	*F*
1 Clothing Availability	Regression Residual Total	.63	.39	1379.75 2148.87 3528.62	1 1162 1163	1379.75 1.85	746.10***
2 Clothing Availability Fitting Rooms	Regression Residual Total	.64	.41	1431.78 2096.84 3528.62	2 1161 1163	715.89 1.81	396.38***
3 Clothing Availability Fitting Rooms Mannequins	Regression Residual Total	.64	.42	1463.23 2065.40 3528.62	3 1160 1163	487.74 1.78	273.93***
4 Clothing Availability Fitting Rooms Mannequins In-Store Signage	Regression Residual Total	.65	.42	1473.07 2055.56 3528.62	4 1159 1163	368.27 1.77	207.64***

Note. ***p<0.000.

significant ($p < 0.000$) due to a large sample size. According to Tabachnick and Fidell (2001), as the number of cases (i.e., participants) becomes quite large, almost any multiple correlation will depart significantly from zero, even one that predicts negligible variance in the dependent variable. Further review of the significance probabilities for each of the independent variables reveal that all four store attribute variables contribute significantly to the prediction of satisfaction with mainstream retail stores that carry plus-size apparel: clothing availability (p-value = 0.000), fitting rooms (p-value = 0.000), mannequins (p-value = 0.005), and in-store signage (p-value = 0.019). Therefore, $H_{1(a\text{-}d)}$ are supported.

Human Attributes: Hypotheses Two(a-b)

Six items are included in the survey regarding *Sales Associates* ($H_{2[a]}$)—(1) satisfaction with sales associates at clothing retailers, (2) satisfaction with assistance from sales associates, (3) sales associates' behavior influences my decision to shop in a store, (4) sales associates influence my purchase intentions, (5) the attitude of sales associates influences my purchase intentions, and (6) the service quality of sales associates influences my purchase intentions. After PCA, two of the six items loaded on the *Sales Associates* factor: (1) overall, I am satisfied with the sales associates at clothing retailers (factor loading = 0.90) and (2) I am satisfied with assistance from sales associates (factor loading = 0.90) (see Table 4).

Three statements are included in the survey regarding *Human Crowding* ($H_{2[b]}$)—(1) I like to shop when there are fewer customers in the store (factor loading = 0.93), (2) I am happiest when the store has few people (factor loading = 0.93), and (3) when a store is crowded, I tend to spend less money (factor loading = 0.76). PCA indicates that all three statements loaded on the *Human Crowding* factor (see Table 4).

Following PCA, stepwise regression analysis is conducted to test $H_{2(a\text{-}b)}$. The dependent variable is plus-size consumers' level of satisfaction with mainstream retail clothing stores that carry plus size apparel, while the independent variables are the human attributes—sales associates and human crowding. Results reveal that the sales associate variable (p-value = 0.000) is the only significant predictor of satisfaction with mainstream retail stores that carry plus-size apparel, since human crowding is not entered into the model based on the SI-entry of 0.05 and SI-stay of 0.10 requirements ($H_{2[b]}$ is not supported). The R^2 value for the model is 0.34, which reveals that 34% of the variation in satisfaction with mainstream retail stores that carry plus-size apparel is explained by the sales associate variable (see Table 5). Although the R^2 is low, the p-value is significant ($p < 0.000$) due to a large sample size; therefore, only $H_{2(a)}$ is supported.

Table 4

Principle Components Factor Analysis: Satisfaction with Human Attributes ($H_{2[a\text{-}b]}$)

Factor & Sample Statements	*Factor Loading*	*Eigenvalue*	*% of Variance*	*Cumulative % of Variance*
Sales Associates (2)				
• Overall, I am satisfied with the sales associates at clothing retailers.	.90	1.60	80.09	80.09
• I am satisfied with assistance from the sales associates.	.90	.40	19.91	100.00
Human Crowding (3)				
• I like to shop when there are fewer customers in the store.	.93	2.32	77.16	77.16
• I am happiest when the store has few people.	.93	.56	18.64	95.80
• When a store is crowded, I tend to spend less money.	.76	.13	4.20	100.00

Note. ( ) = number of sample statements loaded per factor.

Table 5
Regression: Satisfaction with Human Attributes ($H_{2[a]}$)

Predictor & Model		*R*	*R^2*	*Sum of Square*	*df*	*Mean Square*	*F*
Sales Associates	Regression	.58	.34	1196.52	1	1196.52	599.45***
	Residual			2313.40	1159	2.00	
	Total			3509.92	1160		

Note. ***p<0.000.

DISCUSSION

To better serve the U.S. plus-size apparel market, retailers, marketers, and apparel manufacturers must listen and respond to consumer needs and preferences. While the number of American women who wear plus-size apparel is growing, research on these consumers' satisfaction with retailers that carry plus-size apparel is limited. To date, little is known about how the plus-size woman's level of satisfaction and corresponding intention to purchase apparel from mainstream retailers is affected by key factors impacting her in-store experience. This study begins to address that information gap, providing plus-size apparel manufacturers, marketers, and retailers with insights that may prove useful in developing product lines, planning store interiors and in-store visual communications, and training sales personnel.

While consumers determine satisfaction or dissatisfaction with a retailer from their in-store experience and actual use of the purchased product (Westbrook 1981), this study focuses on the pre-transaction experience of plus-size female consumers within mainstream brick-and-mortar retailers. Like Westbrook (1981), this study uses both a review of literature and the researchers' direct appraisals of stores for the creation of a list of independent variables and items regarding store and human attributes—clothing availability, fitting rooms, mannequins, in-store signage, sales associates, and human crowding—in order to test satisfaction/dissatisfaction of plus-size female consumers with mainstream retail clothing stores that offer plus-size apparel. Important both individually and in the aggregate, these attributes are believed to trigger strong emotional responses in consumers. As such, the current study adds validity to Westbrook's (1981) findings in that a simplistic prediction model of retailer satisfaction is pragmatic and can be carried out using multiple regression and other correlational analyses.

The study involves 1,164 adult females who wear size 14 or larger in broadly generalizable U.S. apparel sizes. Although the average American woman spends more than $500 annually on apparel, the median plus-size woman in this study spends less than $200. This suggests that the plus-size apparel market is seriously under-tapped, and prompts investigation into the reasons for, and remedies to such a disparity in spending. Prior studies and anecdotal evidence suggest that store attributes including clothing style and fit (Otieno, Harrow, and Lea-Greenwood 2005), fitting room configuration (Hengevelt 2014; Seo 2013), mannequin body size (D`Innocenzio 2014), and images appearing on signage within the store (Harper and Tiggemann 2008) may impact consumer levels of satisfaction with retailers. Likewise, the human attributes of sales associates (Cho 2001) and human crowding (Kazakeviciute and Banyte 2012) may have similar results.

With regard to the plus-size apparel market, this study reveals that all four identified store attributes—clothing availability, fitting rooms, mannequins, and in-store signage—are significant predictors of satisfaction with a retailer. Not surprisingly, this study reveals that consumer satisfaction increases when the plus-size shopper is readily able to find clothing in her size, and in styles that fit her body type. This reinforces and extends prior studies by Otieno, Harrow, and Lea-Greenwood (2005) and The NPD Group, Inc. (2012) which suggest that insufficient selection, size availability, and quality of apparel is a source of dissatisfaction among plus-size consumers.

Fitting rooms, in terms of size and overall acceptability, are also found to be a significant predictor of the plus-size consumer's satisfaction with a retailer. Although apparel fit is still a more important issue, this study supports earlier works which reveal that an inadequate fitting room size (Hengevelt 2014) and amenities such as flat wall-mounted mirrors (Seo 2013) may result in dissatisfaction among apparel consumers. Additionally, plus-size shoppers are more likely to be satisfied if fitting rooms have space for shopping companions.

This study reveals that mannequins, particularly those that represent the plus-size body type and are posed appropriately, positively influence purchase intention. These findings are congruent with previous research on the general population; whereby, viewing apparel on mannequins can help decrease perceived purchase risk and increase purchase intentions (D'Innocenzio 2014; Fister 2009).

In-store signage is the final store attribute that is indicative of plus-size consumer satisfaction with mainstream apparel retailers. This study brings to light the influence in-store advertisement models have on purchase intention and consumer self-comparisons. Since most retailers currently depict trimmer people in such materials, it is possible that after viewing them, the plus-size shopper experiences negative emotions and purchasing intention consequently diminishes. Our findings are in line with research conducted by Harper and Tiggemann (2008) and Dahl, Argo, and Morales (2012), who, without analyzing the issue of the shopper's size, identify that underweight and airbrushed model images on in-store signage have a negative impact on female consumers.

Of the human attributes tested, sales associates is the only attribute found to influence the plus-size consumer's satisfaction with a retailer. For plus-size females, satisfaction with sales associates and the assistance they provide is a significant predictor of overall satisfaction with the mainstream apparel retailer. Researchers agree that as a general rule, customers evaluate businesses, in part, based on the service provided by their front-line sales staff (Zeithaml, Berry, and Parasuraman 1996). This study supports that notion and validates the work of Otieno, Harrow, and Lea-Greenwood (2005), who state that plus-size female shoppers experience satisfaction and dissatisfaction with sales associates similar to that of other consumers.

Human crowding—being ill at ease from feeling that there are too many people in the store—is not shown to impact the plus-size consumer's overall satisfaction with a retailer. Supporting previous research (Machleit, Eroglu, and Mantel 2000), the influence of human crowding may be largely dependent on the internal perceptions of the individual, and not by their personal physical size.

Managerial Implications

Among women wearing size 14 or larger, the most popular stores patronized by plus-size women are Walmart, Kohl's, JCPenney, and Target (The Mintel Group 2012). Yet, despite broad access to these national retailers, plus-size American women seem to be spending less than the average American woman on apparel. Thus, these national retailers should attempt to respond to apparel fit and size availability issues by testing new styles and stocking deeper runs in larger sizes to determine whether sales volume can be gained. Ascena Retail Group, owner of the smaller but well-established national full-figure shops Catherine's and Lane Bryant, are successfully using this strategy (Kraft 2013). For regional retailers and smaller operations with less name recognition, attempts can be made to either tap into the plus-size market, or gain market share, by carrying appropriate styles, sizes, and stock levels of apparel, and aggressively marketing to the plus-size consumer. Cato, a successful regional retailer that provides near-identical style options to both misses and women's sizes, and devotes to them equal amounts of floor space, strategically leases space in strip plazas anchored by category competitor, WalMart (Kraft 2013).

Although many mainstream retailers understandably carry limited brands, styles, and quantities of plus-size apparel due to traditionally lower profit margins and floorspace constraints, these findings suggest that retailers who are able and willing to increase stock levels of adequate quality apparel can position themselves to gain both sales volume and market share within this underserved and important demographic.

Because conversion rates for shoppers who try on apparel are dramatically higher (Holmes and Smith 2011), retailers should make every effort to increase try-on rates. Store planners should ensure that fitting room environments are conducive to the plus-size customer's meaningful assessment of apparel fit, appearance, and comfort during movement, whether alone or with others. This will likely include providing three-sided mirrors, and building new or enlarging existing fitting rooms to enable a larger woman's freedom of movement and space for shopping companions. One solution for mainstream retailers may be to provide more than the required Americans with Disability Act (ADA) compliant fitting rooms, which are more spacious than standard fitting rooms, have a full length mirror, and include a bench for seating (U.S. Department of Justice 2010). Providing adequate directional signage and training staff to encourage fitting room use are also important.

The ability to easily locate the garments displayed on mannequins increases customer satisfaction with the retailer. Because mannequins are an important "silent sales force" that brings featured items to the attention of shoppers, failure to carry adequate size ranges/quantities of the featured product causes disappointment and frustration for the consumer and loss of profit-enhancing "impulse" purchases for the retailer. Where stock levels are adequate, training merchandising associates to place featured products in close proximity to the mannequin is paramount in increasing ease of shopping and reducing the likelihood of customer dissatisfaction and lost sales. Because shoppers expect apparel to look on them the same as on the mannequin (Meierdierks-Lehman 2007), retailers should place in their women's apparel departments' mannequins that more accurately reflect the body type of the intended wearer. While purchasing a troupe of new plus-size mannequins may be beyond some retailers' immediate budgetary allocation, they should at a minimum, replace unrealistically svelte mannequins as they are retired with larger-proportioned ones. In addition, at least in the women's apparel department, retailers should feature larger models on in-store promotional signage and print materials, offering images with which the plus-size consumer can positively identify, as suggested in earlier work by Perrier (2008).

In-store sales personnel possess the power to either strengthen or diminish the customer's satisfaction with the store in which they shop. At least one study (Lozano, 2005) reveals that plus-size women experience greater levels of discrimination from standard-size sales associates, retailers of all genres must work proactively to screen, hire, and train sales personnel who are friendly and welcoming to all customers, and treat plus-size shoppers with equal respect and dignity. Additionally, retailers could enhance the customer experience by providing specialized training to sales staff in plus-size apparel departments, focusing on the unique needs of their customer base. Accordingly, all retailers should strive to provide adequate space for safe and comfortable movement, regardless of the target customer base.

LIMITATIONS AND FUTURE RESEARCH

The authors are fortunate to have a sizable number of plus-size consumers responding to the survey. We are however, somewhat puzzled at the extremely low dollar amount plus-size consumers reported spending annually on apparel. Over 66% of those surveyed state that they spend $300 or less on apparel annually. These consumers are either (a) extremely frugal; (b) do not care about clothing; (c) do not want to reveal the actual amount spent; or (d) did not understand the question. This study clearly demonstrates that mainstream retailers that sell plus-size clothing are not meeting the store or human attributes of this target market. Retailers make changes based on financial implications. If this target market does not make a large impact on the retailer's financial statement, it is highly unlikely that the retailer will consider making changes. Future research must clarify the importance of data regarding this market if changes in the industry are to be considered.

Obesity is a global issue and is indiscriminate of age, race and gender; this study focuses only on U.S. adult (18^+ in age) women. Future research is warranted on the examination of the satisfaction and dissatisfaction of big and tall men and plus-size teens in relation to store and human attributes of mainstream retailers. Big and tall men may be particularly sensitive to mainstream retailers; the majority of men are not known to be as adept to shopping environments as are women. Plus-size teens may face different clothing and shopping issues. Teens often use shopping malls as a form of socialization. It will be interesting to learn how plus-size teens perceive mainstream retailers' ability to satisfy their clothing and shopping needs.

An examination of geographic location will assist academics and retailers in understanding attitudes and levels of satisfaction. Geographic location is an important variable due to the fact that geography is known to play an important role in obesity. For example, consumers in the South tend to more overweight than those living in the West.

REFERENCES

Associated Press (2013, October 21), "The plus-size market is one of the most neglected sectors in fashion. So why are brands still failing larger women?," *Daily Mail*, Retrieved from http://www.dailymail.co.uk/femail/article-2470139/The-plus-size-fashion-market-neglected-sectors-retail.html (accessed 10/4/2014).

Bahadur, Nina (2013, February 12), "Haley Morris-Cafiero, photographer, explores fat stigma in 'wait watchers' series," *The Huffington Post*, Retrieved from http://www.huffingtonpost.com/2013/02/07/haley-morris-cafiero-photographer-wait-watchers-fat-acceptance-weight-stigma_n_2631439.html (accessed 10/4/2014).

Bellafante, Gina (2010, July 28), "Plus-size wars," *New York Times*, Retrieved from http:// http://www.nytimes.com/2010/08/01/magazine/01plussize-t.html (accessed 8/3/2015).

Bickle, Marianne C., Molly Eckman, and Antigone Kotsiopulos (1998), "Comparative analysis of dissatisfied versus satisfied higher income Hispanic catalog consumers: Shopping orientation and store attributes," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 24, 171-179.

Binkley, Christina (2013, June 12), "On plus side: New fashion choices for size 18," *The Wall Street Journal*, Retrieved from http://online.wsj.com/news/articles/SB100014241278873 23949904578540002476232128 (accessed 10/4/2014).

Bogenrief, Margaret (2012, December 21), "Retailers can't ignore 100 million plus-size American women forever," *Business Insider*, Retrieved from http://www.businessinsider.com/why-isnt-plus-size-bigger-2012-12 (accessed 10/4/2014).

Byun, Sang-Eun and Manveer Mann (2011), "The influence of others: The impact of perceived human crowding on perceived competition, emotions, and hedonic shopping value," *Clothing & Textiles Research Journal*, 29(4), 284-297.

Cho, Siwon (2001), *Influence of consumer age and clothing type of salesperson on consumer satisfaction with salesperson's performance* (Master's thesis, Virginia Polytechnic Institute and State University), Retrieved from http://scholar.lib.vt.edu/theses/available/etd-04302001-182841/unrestricted/siwon_thesis.pdf (accessed 10/5/2014).

Dahl, Darren W., Jennifer J. Argo, and Andrea C. Morales (2012, February), "Social information in the retail environment: The importance of consumption alignment, referent identity, and self-esteem," *Journal of Consumer Research*, 38, 860-871.

D`Innocenzio, Anne (2014, January 28), "When one size doesn't fit all: Mannequins get a makeover," *The Denver Post*, Retrieved from http://www.denverpost.com/ci_25010462/when-one-size-doesnt-fit-all-mannequins-get (accessed 10/6/2014).

Dockterman, Eliana (2014, January 18), "American Eagle stops photoshopping models for new lingerie campaign," *Time*, Retrieved from http://time.com/1187/american-eagle-ditches-photoshop-for-new-lingerie-campaign/ (accessed 10/4/2014).

Fam, Kim-Shyan, Reinhard Grohs, and David S. Waller (2011), "Effects of disliked executional techniques in advertising: A five-country comparison," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 24, 69-89.

Fister, Sarah E. (2009), *Consumers' shopping value and their responses to visual merchandise displays in an in-store retail setting* (Master's thesis, Oregon State University), Retrieved from https://ir.library.oregonstate.edu/xmlui/bitstream/handle/1957/10530/Sarah%20 Fister%20Thesis%20Final.pdf?sequence=1 (accessed 10/6/2014).

Halstead, Diane, Michael A. Jones, and April N. Cox (2007), "Satisfaction theory and the disadvantaged consumer," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 20, 15-35.

Harper, Brit and Marika Tiggemann (2008), "The effect of thin ideal media images on women's self-objectification, mood, and body image," *Sex Roles*, 58, 649-657.

Hellmich, Nanci (2008, August 13), "Trying on clothes brings most women low," *USA Today,* Retrieved from http://usatoday30.usatoday.com/news/health/weightloss/2008-08-12-shopping-body-image_N.htm (accessed 10/6/2014).

Hengevelt, Jennifer (2014), *Dressing rooms: Love it or leave it! To what extent does the setting of a dressing room influence consumer experiences?* (Master's thesis, University of Twente), Retrieved from http://essay.utwente.nl/65017/1/Hengevelt%20Jennifer%20-s%201258753%20scriptie.pdf (accessed 10/5/2014).

Holmes, Elizabeth and Ray A. Smith (2011, April 6), "Why are fitting rooms so awful?," *The Wall Street Journal,* Retrieved from http://online.wsj.com/news/articles/SB10001424052748703806304576243184005228532?

mod=dist_smartbrief&mg=reno64-wsj (accessed 10/6/2014).

Kazakeviciute, Asta and Jurate Banyte (2012), "The relationship of consumers perceived hedonic value and behavior," *Engineering Economics*, 23(5), 532-540.

Kim, Jae-Eun, Hae Won Ju, and Kim K. P. Johnson (2009), "Sales associate's appearance: Links to consumers' emotions, store image, and purchases," *Journal of Retailing and Consumer Services*, 16, 407-413.

Kim, Jung-Hwan and Rodney Runyan (2011), "Where did all the benches go? The effects of mall kiosks on perceived retail crowding," *International Journal of Retail & Distribution Management*, 39(2), 130-143.

Kraft, Anna Lisa (2013, Oct. 14), "One small retailer with a big upside," *The Motley Fool*, Retrieved from http://www.fool.com/investing/general/2013/10/14/small-cap-retailers-to-avoid.aspx (access 2/26/15).

Krishen, Anjala S. and Dominique Worthen (2011), "Body image dissatisfaction and self-esteem: A consumer-centric exploration and a proposed research agenda," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 24, 90-105.

Long, Jamie (2013, September 25), "Are you a fat-shamer?," *Psychology Today,* Retrieved from http://www.psychologytoday.com/blog/finding-cloud9/201309/are-you-fat-shamer (accessed 10/4/2014).

Lozano, Juan A. (2005, April 11), "Study finds clerks ruder, less helpful to obese shoppers," *Star News Online,* Retrieved from http://www. starnewsonline.com/article/20050411/NEWS/ 204110338 (accessed 10/6/2014).

Luscombe, Belinda (2013, November 8), "When the fantasy is a size 16: Retailers introduce voluptuous mannequins," *Time*, Retrieved from http://healthland.time.com/2013/11/08/when -the-fantasy-is-a-size-16-retailers-introduce-voluptuous-mannequins/ (accessed 10/4/2014).

Machleit, Karen A., Sevgin A. Eroglu, and Susan Powell Mantel (2000), "Perceived retail crowding and shopping satisfaction: What modifies this relationship?," *Journal Of Consumer Psychology*, 9(1), 29-42.

Meirovich, Gavriel and Lillian Little (2013), "The delineation and interactions of normative and predictive expectations in customer satisfaction and emotions," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 26, 40-54.

Meierdierks-Lehman, Sheya (2007, April 29), "As America gets curvier, so do mannequins," *The Chicago Tribune,* Retrieved from http://articles.chicagotribune.com/2007-04-29/features/0704250711_1_mannequins-body-image-fashion-industry (accessed 10/6/2014).

Miller, John A. (1976), "Store satisfaction and aspiration theory (a conceptual basis for studying consumer discontent)," *Journal Of Retailing*, 52(3), 65-84.

Mintel Group Ltd. (2012), *Shopping for plus size teens' and women's clothing - US - November 2012* (Report No. 7259867), Retrieved from http://academic.mintel.com/display/590807/ (accessed 10/5/2014).

Naylor, Gillian and Kimberly E. Frank (2000), "The impact of retail sales force responsiveness on consumers' perceptions of value," *Journal of Services Marketing*, 14(4), 310-322.

Noone, Breffni M. and Anna S. Mattila (2009), "Consumer reaction to crowding for extended service encounters," *Managing Service Quality*, 19(1), 31-41.

Otieno, Rose, Chris Harrow, and Gaynor Lea-Greenwood (2005), "The unhappy shopper, a retail experience: Exploring fashion, fit and affordability," *International Journal of Retail & Distribution Management*, 33(4), 298-309.

Ott, R. Lyman and Micheal T. Longnecker (2010), *An introduction to statistical methods and data analysis* (6th ed.), Belmont, CA: Cengage Learning.

Perrier, Angela Michelle (2008), *Influence of model body size on consumer attitudes and purchase intention* (Master's thesis, Iowa State University), Retrieved from http://lib.dr.iastate.edu/cgi/viewcontent.cgi?article=2410&context=etd (accessed 10/5/2014).

Peiser, Jaclyn (2015, September 16), "Shopping for plus-size clothes in stores is depressing. These retailers want to change that," *Fortune*, Retrieved from http://fortune.com/ 2015/09/16/plus-size-retailers-stores/(accessed 10/7/2015).

PLUS Model Magazine (2007), "What is 'plus size'?," Retrieved from http://plusmodel.uberflip. com/i/235350/17 (accessed 10/6/2014).

Popken, Ben (2008, December 17), "Go to the black Macy's if you want plus-sized formal dresses," *Consumerist*, Retrieved from http:// consumerist.com/2008/12/17/go-to-the-black-macys-if-you-want-plus-sized-formal-dresses/ (accessed 8/3/2015).

Postrel, Virginia (2009, June 9), "The real reason that Ann Taylor hates plus-sizes," *Slate*, Retrieved from http://vpostrel.com/articles/the-real-reason-that-ann-taylor-hates-plus-sizes (accessed 8/3/2015).

Ruderman, Larry and Arthur Ruderman (1998), *In-store signage & graphics: Connecting with your customer,* Cincinnati, OH: ST Media Group International, Inc.

Scaraboto, Daiane and Eileen Fischer (2013), "Frustrated Fatshionistas: An institutional theory perspective on consumer quests for greater choice in mainstream markets," *Journal of Consumer Research*, 39(6), 1234-1257.

Seo, Kyungnam (2013), *Analysis of fitting room environments: Effects on older clothing shoppers' shopping patronage intention* (Doctoral dissertation, Iowa State University), Retrieved from http://lib.dr.iastate.edu/do/search/?q=author_lname%3A%22Seo%22%20author_fname%3A%22Kyungnam%22&start=0&context=1759512 (accessed 10/6/2014).

Serdar, Kasey L. (2005, Spring), "Female body image and the mass media: Perspectives on how women internalize the ideal beauty standard," *Westminster College*, Retrieved from http://www.westminstercollege.edu/myriad/index.cfm?parent=...&detail=4475&content=4795 (accessed 10/4/2014).

Shim, Soyeon and Antigone Kotsiopulos (1993), "A typology of apparel shopping orientation segments among female consumers," *Clothing and Textiles Research Journal*, 12(1), 73-85.

Steiner, Rupert (2011, October 12), "Fitting rooms getting fatter: Retail chain installs super size lounges for larger customers," *Daily Mail*, Retrieved from http://www.dailymail.col.uk /femail/article-2048006/Retail-chain-N-Brown-installs-super-size-fitting-rooms-Simply-Be-store.html (accessed 10/7/2015).

Srivastava, Medha and Alok Kumar Rai (2013), "Investigating the mediating effect of customer satisfaction in the service quality-customer loyalty relationship," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 26, 95-109.

Tabachnick, Barbara G. and Linda S. Fidell (2001), *Using multivariate statistics* (4th ed.), Needham Heights, MA: Allyn & Bacon.

Tan, Sara (2014, July 9), "This plus-size retailer's dressing rooms give out compliments while you try on that bathing suit," *Bustle*, Retrieved from http://www.bustle.com/articles/31011-this-plus-size-retailers-dressing-rooms-give-out-compliments-while-you-try-on-that-bathing-suit (accessed 10/7/2015).

Terblanche, Nic S. and Christo Boshoff (2004), "The in-store shopping experience: A comparative study of supermarket and clothing store customers," *South African Journal of Business Management*, 35(4), 1-10.

The NPD Group, Inc. (2012), "NPD Group reports size matters to American women," Retrieved from https://www.npd.com/wps/portal/npd/us/news/press-releases/pr_120910/ (accessed 10/4/2014).

Tucci, Sonia and Jennifer Peters (2008), "Media influences on body satisfaction in female students," *Psicothema*, 20(4), 521-524.

U.S. Bureau of Labor Statistics (2014), "Table 1300. Age of reference person: Annual expenditure means, shares, standard errors, and coefficients of variation, Consumer Expenditure Survey, 2013," Retrieved from http://www.bls.gov/cex/2013/combined/age.pdf(accessed 10/6/2014).

U.S. Department of Justice (2010, Sept. 15), "2010 Standards for public accommodations and commercial facilities: Title III," Retrieved from http://www.ada.gov/regs2010/2010ADAStandards/2010ADAstandards.htm#titleIII (accessed 2/26/15).

Westbrook, Robert A. (1981), "Sources of consumer satisfaction with retail outlets," *Journal of Retailing*, 57(3), 68-85.

Yan, Ruoh-Nan and Sherry Lotz (2009), "Taxonomy of the influence of other customers in consumer complaint behavior: A social-psychological perspective," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 22, 107-126.

Zeithaml, Valarie A., Leonard L. Berry and A. Parasuraman (1996), "The behavioral consequences of service quality," *Journal of Marketing*, *60*(2), 31–46.

Please address all correspondence to:

Katherine Annette Burnsed, Ph.D.
Department of Retailing
College of Hospitality, Retail and Sport Management
University of South Carolina
kburnsed@mailbox.sc.edu

CUSTOMER COMPLAINT BEHAVIOR: AN EXAMINATION OF CULTURAL VS. SITUATIONAL FACTORS

Jeffrey G. Blodgett PhD, University of Houston-Victoria
Aysen Bakir PhD, Illinois State University
Alok Saklani PhD, Apeejay School of Management
Manish Bachheti PhD, Apeejay School of Management
MS. Shilpa Bhaskar, Apeejay Scool of Management

ABSTRACT

The purpose of this research is to assess the extent to which cross-national differences in customer complaint behavior are due to cultural vs. situational factors. Previous research indicates that in collectivist and high-uncertainty avoidance cultures, dissatisfied customers are unlikely to complain to the seller, and instead are more likely to silently exit (taking their business elsewhere) and warn others about the offending company. Other evidence, though, indicates that culture has only a minor impact on customer complaint behavior, and that situational factors (i.e., retail policies) better account for these differences. This is an important issue, as effective recovery management first requires that dissatisfied customers voice their complaints to the seller. In order to gain a better understanding of this issue, three studies were conducted: two qualitative and one empirical. Collectively, the results indicate that the decision to voice a complaint and seek redress is influenced more by situational variables than by cultural factors. Given that recovery management has been shown to increase market share and profitability, these findings should be of value to all marketers.

INTRODUCTION

Understanding how cultural values and business practices in different countries influence consumer behavior is critical for global marketers. For retailers and service providers that are entering foreign markets, it is especially important to understand the key factors that impact customer satisfaction/dissatisfaction, complaint behavior, and recovery outcomes. A plethora of research indicates that dissatisfied customers in other countries react differently than those in the U.S. (e.g., Hui and Au 2001; Mattila and Patterson 2004; Reimann, Lünemann, and Chase 2008; Chan and Wan 2009; Mayser and von Wangenheim 2012; Liu, Wang, and Leach 2012). Several studies, for example, indicate that in collectivist and high-uncertainty avoidance cultures dissatisfied customers are unlikely to complain to the seller, and instead are more likely to silently exit (taking their business elsewhere) and warn others about the offending company (Hernandez, Strahle, Garcia, and Sorensen 1991; Watkins and Liu 1996; Liu and McClure 2001; Liu, Furrer, and Sudharshan 2001; Chan and Wan 2008). Other evidence, though, indicates that culture has only a minor impact on customer complaint behavior (Schoefer 2010), and that situational factors (i.e., retail policies) better account for these differences (Blodgett, Hill, and Bakir 2006). This issue has important implications for retailers and service providers, as effective recovery management first requires that dissatisfied customers voice their complaints to the seller and seek redress (i.e., request a refund, exchange, repair, or apology). Indeed, the decision to seek (or not seek) redress is the critical element in the satisfaction/dissatisfaction → complaint behavior → recovery process, as it determines whether the offending firm is allowed an opportunity to address the situation, and in doing so convert a potentially lost customer into a loyal patron. Given that recovery management has been shown to increase market share and profitability (Fornell and Wernerfelt 1987, 1988; Cambra-Fierro, Melero, and Sese 2015) a better understanding of the relative impact of cultural vs. situational factors on customer complaint behavior should be of value to all marketers. If culture is shown to have a dominant impact on dissatisfied customers' decision to voice (or not voice) their complaints and seek redress, companies that are entering foreign markets characterized by high levels of collectivism, uncertainty avoidance, and/or power distance (e.g., India, China, Turkey) stand to gain little advantage by implementing U.S.-style recovery management policies and procedures. On the other hand, if situational factors play a larger role, companies that effectively implement and promote recovery management policies and procedures in these markets stand to gain a competitive advantage. The purpose of this paper is to further address this issue.

CUSTOMER COMPLAINING BEHAVIOR AND RECOVERY FRAMEWORK

The customer dissatisfaction, complaining behavior, and recovery framework is well established. For various reasons, dissatisfied consumers do not always attempt to exchange or return the product (Stephens and Gwinner 1998; Blodgett and Anderson 2000). Some choose instead to simply exit and/or engage in negative word-of-mouth. As previously mentioned, the decision to seek (or not seek) redress is critical for retailers and service providers, since dissatisfied customers who complain provide the seller with an opportunity to recover. Previous research has shown that this decision is dependent upon personal (e.g., assertiveness), cultural (e.g. power distance), and situational factors (e.g., attribution of blame). For an overview, see meta-analyses by Orsingher, Valentini, and de Angelis (2010) and Gelbrich and Roschk (2011). Once a dissatisfied customer complains, the seller's recovery effort is the key determinant of perceived justice, overall satisfaction, word-of-mouth, and repatronage behavior. Importantly, complainants who subsequently perceive high levels of justice (interactional, distributive, and procedural), and are satisfied with the seller's recovery efforts, oftentimes become more loyal and profitable customers (Smith and Bolton 1998; Blodgett and Li 2007). Many of them also reward the firm with positive word-of-mouth (Blodgett and Anderson 2000; de Matos, Fernandes, Leis, and Trez 2011), thus generating goodwill, which in turn attracts new customers (Wangenheim and Bayón 2007) and increases profits.

A key situational variable that affects complaint behavior is "likelihood of success" (Chebat, Davidow, and Codjovi 2005). Dissatisfied customers who perceive that the seller will be responsive to complaints are more likely to seek redress, thus giving the seller a chance to recover. Dissatisfied customers who perceive that the seller will be uncooperative, however, are more likely to silently exit and shop elsewhere; and to retaliate (Grégoire and Fisher 2008) by warning family and friends not to patronize the seller, and by posting negative online reviews (Pfeffer, Zorbach and Carley 2014). In order to convey a high likelihood of success many retailers and service providers in the U.S. have adopted liberal return and exchange policies and "guarantee" satisfaction. Knowing that it is more costly to replace a lost customer than to remedy a complaint (Hart, Hesket, and Sasser 1990) many U.S. retailers and service providers make it easy for dissatisfied customers to return or exchange items. Retailers and service providers in other parts of the world, however, maintain more restrictive policies, and operate with an implicit understanding that "all sales are final." Even in highly developed countries such as France, Germany, Switzerland, Israel, and Japan, the retail environment is not as accommodating as in the U.S. (Blodgett et al. 2006). As a result, dissatisfied customers in many other countries are more apt to perceive that the seller will be uncooperative, and thus are less likely to seek redress and instead are more likely to exit and engage in negative word-of-mouth.

Previous research indicates that the underlying psychological traits driving satisfaction/dissatisfaction, complaint behavior, and recovery outcomes vary across cultures. Chan and Wan (2008), for example, found that Americans attributed greater responsibility to sellers for outcome failures, whereas Chinese consumers attributed greater responsibility to sellers when process failures occurred. Other studies have found that Asian complainants who received an explanation perceived higher levels of fairness, whereas compensation was more effective with American complainants (Mattila and Patterson 2004); and that Mexican-Americans react more strongly than Chinese-Americans when the service failure is severe (Meng, Wang, Peters, and Lawson 2010). Researchers have attributed these differences to cultural factors, such as individualism-collectivism, uncertainty avoidance, and power distance (for definitions of these cultural values, see Hofstede 2001). Indeed, Reimann et al. (2008) reported that individuals living in countries that are characterized by high levels of uncertainty avoidance are less satisfied when their service expectations are not met; and Wong (2004) found that in high power distance cultures (such as Singapore) apologies are more effective than compensation in restoring satisfaction, improving repurchase intentions, and generating positive word-of-mouth. Other researchers have found that cultural values interact with a firm's recovery tactics to influence customers' perceptions of fairness (Patterson, Cowley, and Prasongsukarn 2006); and that the effects of justice and recovery satisfaction on post-complaint intentions and behavior are moderated by uncertainty avoidance and power distance (de

Matos et al. 2011). Collectively, these studies seem to indicate that culture has a substantial impact on complaint behavior. However, recent studies indicate that the effects of culture on customer complaint behavior are relatively minor. Schoefer (2010), for example, found that culture explained only 2% - 4% of the variance in recovery satisfaction; and meta-analyses by Orsingher, Valentini, and de Angelis (2010) and Vaerenbergh, Orsingher, Vermeir, and Larivie`re (2014) reveal that its effects on different facets of complaint behavior are fairly small. These latter findings are significant, in that they suggest that cross-cultural differences in customer complaint behavior are due, to a greater extent, to situational factors.

Before proceeding further, it is important to note that most studies that have investigated cross-cultural complaint behavior have compared individuals in Asian countries (e.g., China, South Korea, Singapore, India) to those in the U.S. (e.g., Le Claire 1993; Mattila 1999; Wong 2004; Schoefer 2010). The U.S., however, differs from these countries not only in terms of culture; but also regards to many of the underlying situational factors that affect the likelihood of successful complaint resolution. Although it is widely recognized that U.S. culture is more individualistic, with lower levels of power distance and uncertainty avoidance than Asian cultures (Hosfstede 2001); the U.S. also has the most liberal and "consumer friendly" return policies in the world. Previous cross-cultural studies, however, have not accounted for this latter difference, and in failing to do so may have overstated the impact of culture on complaint behavior. To more accurately assess its causal impact on customer complaint behavior one must also control for situational factors.

THREE STUDIES

The purpose of this research is to better assess the relative influence of cultural vs. situational factors on customer complaint behavior. To do so, three studies were conducted: two qualitative and one empirical. The two qualitative studies were undertaken in order to better understand how the retail environment in India differs from that in the U.S., and the extent to which complaint behavior (or more specifically, the decision to seek redress) in that country is dependent upon this situational factor. In Study 1 we content analyzed feedback from 25 Indian immigrants and foreign nationals living in the U.S., and in Study 2 we analyzed insights from 34 consumers in India. A third study was then conducted in order to overcome the limitations associated with qualitative studies, and thus enhance the validity of this report. Study 3 utilized a quasi-experimental approach. Indians living in the U.S. and a cohort group in India were asked to respond to a set of scenarios, each of which described a situation in which a recently purchased product became defective or was the wrong size, and their answers were compared.

Study 1

A logical starting point to assess the influence of cultural vs. situational factors on complaint behavior is to query individuals who were born and raised in another country and are now living in the U.S. Based on the understanding that one's underlying cultural values are enduring (Schwartz 1994; Triandis 1995; Hofstede 2001) and thus do not change significantly after coming to the U.S., immigrants and foreign nationals provide rich insight into the factors that affect complaint behavior. Study 1, therefore, focused on immigrants and foreign nationals from India; and utilized a qualitative approach to uncover any significant differences in retail policies in India vis-à-vis the U.S., and to better understand how these differences influence consumer complaint behavior. It is well-recognized that qualitative studies can reveal rich details and insights, and are especially appropriate in the early stages of research (Denzin 2001). Individuals originally from India were chosen for three reasons: 1) convenience – as there are many Indian immigrants and foreign nationals living in the U.S., 2) the retail environment in India is substantially different from that in the U.S., 3) Indian culture differs substantially from that of the U.S. Indeed, several studies confirm that Indian culture is highly collectivist (e.g., Sinha, Sinha, Verma and Sinha 2001), whereas U.S. culture is more individualistic (Hofstede 2001; Triandis 1995). According to Hofstede, Hofstede, and Minkov (2010), India scores a 48, 77, 56, 40, and 51on individualism/collectivism, power distance, masculinity, uncertainty avoidance, and long-term orientation, respectively; whereas the U.S. scores a 91, 40, 62, 46, and 26 on these same dimensions.

A convenience sample of 25 individuals who were born and raised in India, but now live in the U.S., provided in-depth written responses to several open-ended questions. In exchange for their participation participants were given a $5 gift card to Starbucks. Subjects ranged in age from 22 to 63.

Some had lived in the U.S. for a relatively short time (one year or less), while others have been in the U.S. for over twenty-five years. Each person had been in India within the past three years; hence each was well aware of any differences between U.S. and Indian retail policies. When asked whether their cultural values had changed since coming to the U.S. a few respondents stated that they had become more confident and outgoing; however, none indicated that their underlying cultural values had changed significantly. See Appendix 1 for a profile of each respondent.

In general, respondents were asked to provide insights regarding differences in U.S. retailers' return and exchange policies versus those in India. They were also queried as to whether customers in India can return items that are not defective (e.g., a jacket that turned out to be the wrong size, or a blouse that did not match one's skirt); and whether they can return items that have been used, but quickly became worn out or defective (for example, a pair of running shoes that fell apart after being worn only a few times). Informants were also asked whether it is common for retailers in India to guarantee satisfaction with money-back guarantees, and encourage consumers to "try a product for 30 days" with the understanding that they can return it and get their money back if not satisfied. Another question posed to respondents was whether they would be equally as likely to return an unsatisfactory item and ask for a refund, or to exchange the item, if they were in India; i.e., as compared to when in the U.S.

CONTENT ANALYSIS

A grounded theory approach was used in conducting content analyses (Strauss and Corbin 1990). Several research assistants read through the entire set of responses, and together arrived at a set of underlying themes. Respondents' open-ended responses were then categorized according to the theme(s) that best reflected their response. Two raters independently categorized the responses. When finished, their categorizations were compared, and inter-rater reliability scores were calculated. Inter-rater reliability averaged 95%. In those instances in which the raters' classifications varied, a third individual acted as an arbitrator to arrive at a consensus.

Study 1 Results

Content analyses clearly indicate that the "return and exchange" policies prevalent among Indian retailers are more restrictive than those in the U.S. Indeed, only 16% of informants indicated that retail policies in India are similar to those in the U.S.; i.e., that customers in India can easily return items and receive a refund, or exchange a product for another item. Another 12% reported that although customers typically cannot return items, they can exchange these products. In contrast, 72% reported that exchanges are uncommon, or are not allowed at all. See Table 1, sections A and B. A key finding is that most retailers in India do not provide cash refunds; some, though, will offer store credit. Respondent #5 described the situation by stating "Cash back is something rare", and respondent #14 wrote that "In most cases shopkeepers almost never give you the money back. They will exchange your product or ask you to take something of equal worth."

Ninety-two percent of respondents further indicated that exchanges are allowed only for "valid" reasons (e.g., the item clearly is defective, it was never opened, has never been used, the price tag/label is still on item, and the customer has a receipt); see sections C and D of Table 1. One individual (#17), for example, wrote that "In India if the items are opened and used they do not take it back", and another (#20) stated that "I have not known of any store that will return an item that has been used and quickly wears out." A majority of informants also reported that Indian retailers do not allow customers to return items simply because they were the wrong size or color. Respondent #2 stated that "It's very rare for retailers to accept goods on the grounds of wrong choices made … retailers do so only when it is proven that the good sold was defective."

Content analyses also revealed that the likelihood of a return or exchange in India is largely dependent upon the relationship between the customer and the store owner. Indeed, 28% reported that exchanges are more likely if the customer and store owner have a close relationship; see Table 1, sections E and F. Respondent # 21, for example, indicated that "there is no concept of returning the merchandise in India. … only when the customer and the store owners have developed a trust relationship over the years" and respondent # 23 stated that "it is almost impossible to return or exchange even if the items are defective or have never been opened or used. … however, if the customer is personally known

Table 1 Coded Responses from Indian Nationals Living in the U.S. *n = 25*		
A. Is it common for retailers in India to allow customers to return or exchange items?		
1.	YES, most retailers allow returns/refunds *and* exchanges (i.e., the policy is similar to the U.S.)	16%
2.	Returns/refunds typically are not offered, but exchanges are fairly common.	12%
3.	Returns/refunds are not offered, although not common *once in a while* exchanges are allowed.	60%
4.	Retailers in India do not allow returns *or* exchanges.	12%
B. Do Indian retailers offer cash refunds, store credit?		
1.	Most retailers in India provide cash refunds, just like retailers in the U.S.	0%
2.	Cash refunds are uncommon. Instead, store credit is offered, or an exchange.	52%
3.	Issue was not specifically addressed	48%
C. Conditions in which customers are allowed to exchange items		
1.	Customers can exchange items for almost any reason. Similar to the U.S.	4%
2.	Even if an item is defective it usually cannot be returned or exchanged.	4%
3.	Exchange is possible only for a "valid" reason; e.g., the item clearly is defective, item was never opened, and/or if the price tag/label is still on item and customer has receipt.	92%
D. Can item be exchanged if wrong size, color, not opened, customer did not like it, etc.?		
1.	Most Indian retailers allow exchanges for wrong size or color, etc.; same as in U.S.	12%
2.	Indian retailers typically *do not* return/exchange for wrong size, color, don't like it.	36%
3.	Not specifically addressed	52%
E. Extent to which return/exchange depends on relationship with the retailer or store owner:		
1.	Returns/exchange not common. Only if the customer and store owner have a close relationship it is possible.	28%
2.	Not addressed	72%
F. Extent to which likelihood of return/exchange varies across type of store:		
1.	Returns/exchanges are more likely at department and chain stores.	24%
2.	Not addressed	76%
G. Is it common for retailers in India to guarantee "satisfaction, or your money back"?		
1.	No, this does not happen in India. Extremely rare, if ever.	64%
2.	Not common, but some bigger retailers (department stores, chain stores) are now doing so.	12%
3.	It depends on the type of item. It typically happens only for cosmetics or electronic items, and in those cases the guarantee is from the manufacturer.	20%
4.	YES, it is common, pretty much like in the U.S.	4%
H. Do retailers in India encourage consumers to "try for 30 days", etc.?		
1.	NO, never.	60%
2.	Not common, but some retailers (department and chain stores) in bigger cities are doing so.	16%
3.	YES, it is common.	4%
4.	Only in certain product categories, such as cosmetics, that are backed by manufacturer.	12%
5.	Issue not addressed.	8%
I. Would you be equally as likely to return an unsatisfactory item if you were in India (i.e., as compared to the US)?		
1.	I would not even try in India. No chance of success.	24%
2.	Less likely if in India. Although I might try, I realize that I would probably not be successful.	32%
3.	If I was in India I might try to exchange it, whereas if I was in the U.S. I would simply return it.	16%
4.	There would be no difference in my behavior. I would take it back just like I would in the U.S.	28%

by the store owner, there is a better chance of returning or exchanging the item". It also appears that returns and/or exchanges are more likely at department stores and chain stores, as compared to small, local stores.

As shown in Table 1, sections G and H, 64% of respondents indicated that "satisfaction or your money back" guarantees do not exist in India, and 60% reported that retailers do not promote trial offers (e.g., "try it for 30 days, and bring it back if not satisfied"). Respondent #20 commented "I have never come across any retailer in India to guarantee satisfaction … it is a uniquely a U.S. policy". A few individuals, however, indicated that some of the major department stores and chain stores in bigger cities are starting to guarantee satisfaction; but in most cases these promises are initiated and backed by the manufacturer and pertain to specific product categories, such as cosmetics and electronics. Indeed, respondent #10 wrote that "retailers give such kind of guarantees only in case of consumer durable goods such as TV, refrigerator, microwave etc. … but in all these cases these guarantees are backed by the manufacturers."

Interestingly, 56% of respondents indicated that they would be unlikely or less likely to attempt to return an unsatisfactory item for a refund or exchange if they were in India, as compared to the U.S.; and another 16% said they would simply attempt to exchange the product, whereas if they were in the U.S. they would ask for a refund. See Table 1, section I. Respondent #2, for example, remarked "I would be more inclined to do so in America rather than in India [because] my chance of a refund is almost negligible." Things appear to be changing somewhat, though, as indicated by respondent #11, who wrote that "If you had asked this question 10 years ago I would have said NO. But today the mall culture and computerized system has brought the limited return policies."

Overall, Study 1 clearly indicates that retail policies in India are more restrictive and less consumer friendly than in the U.S. The findings also suggest that situational factors affect consumers' propensity to seek redress when dissatisfied with a product, as a majority of respondents indicated that they would be unlikely to seek a refund if they were in India (i.e., as compared to the U.S.). Based on the understanding that cultural values are deeply embedded and enduring (Hofstede 2001), any differences in an individual's behavior while living in the U.S. – vis-à-vis one's actions while in his or her home country – can be largely attributed to situational factors. In this case, it appears that consumer complaint behavior might be influenced more by the prevailing retail policies than by cultural values. In those situations in which a customer and a seller have built a trusting relationship refunds and exchanges are more common; however, U.S.-style "satisfaction guaranteed" policies are not widely promoted in India.

Study 2

In order to further understand retail policies in India, and how these situational factors affect consumer complaint behavior, a second qualitative study was conducted with individuals living in New Delhi, India. The observations derived from this study complement those of Study 1 and enhance the validity of the content analyses. Once again, a convenience sampling approach was used. All 34 respondents were working adults and part-time graduate students. The sample was fairly evenly split between males and females, and most were married, with moderate to high income levels. See Appendix B for profiles of each subject. Similar to Study 1, individuals responded to open-ended questions, indicating whether retail stores in their country allow customers to return or exchange defective items, as well as items that are *not* defective (e.g., clothing that was the wrong size or color). They were also asked if they can return or exchange items that have been used for a short amount of time (e.g., a jacket whose zipper broke after only two weeks); and whether it is common for retailers and service providers to promise "satisfaction guaranteed, or your money back", or to encourage consumers to "try a product for 30 days and return it if not satisfied." In exchange for their participation, subjects were given a coupon to a local restaurant chain. The questionnaire, and respondents' answers, were in English.

As in Study 1, we used a grounded theory approach to conduct the content analysis (Strauss and Corbin 1990). Based on similar themes as in Study 1, respondents' open-ended responses were categorized by two research assistants. Inter-rater reliability averaged 91%. In those instances in which the raters' classifications varied a third individual acted as an arbitrator to arrive at a consensus.

Study 2 Results

Indian respondents were first asked whether it is common for retailers in their country to allow customers to return or exchange items. All subjects (100%) indicated that cash refunds are not allowed, or are uncommon. Only 29% reported that exchanges are common; in contrast, most (71%) wrote that exchanges are allowed only at large, well-known stores; or that the customer has to argue with the store to exchange an item. See Table 2, section A. Respondent #25, for example, wrote that "Exchange and refund depends on the type of store, product and personal relationship. Refunds are not common but exchanges are possible if defect is not caused by the customer." Thirty-six percent indicated that retailers in India do not allow consumers to return items that were the wrong size or color, and 91% reported that most retailers do not allow customers to return items that became defective after little use (e.g., a jacket whose zipper broke after only one week of use); see Table 2, sections B and C. Shedding light on this issue, respondent #21 wrote "Yes, the consumers can exchange but it depends upon the type of store. If it is a big store then they will exchange it provided they produce the bill and also exchange it within a week. But small stores do not exchange the product," and #29 stated "After using the product it is very difficult to return the product or get it exchanged. It can happen only when there would be any pre-ascertained and mutually agreed terms and conditions." Respondent #13 noted that "Defective products can be exchanged with great deal of difficulty (20% chance) but no refund can be obtained." Overall, 89% indicated that "satisfaction or your money back" guarantees are not common in India, and that typically such "promises" come with terms and conditions that negate the guarantee. Indeed, respondent #11 stated "Retails do not make such guarantees. If they say so it is not meant to be taken seriously, especially in case of small retailers." Moreover, in most situations, these guarantees are made by the manufacturer, rather than the retailer; see Table 2, section D.

Table 2
Coded Responses from Consumers in India
***n*=34**

A.	***Is it common for retailers in India to allow customers to return or exchange items?***	
a.	Cash refunds are common	0%
b.	Cash refunds are *not* common, but exchanges are common.	29%
c.	No refunds; exchanges depend on the type of store (bigger, well-known stores)	65%
d.	For exchanges you have to argue with the store for it to happen	6%
B.	***Can consumers return items simply because of wrong size or color, etc.?***	
a.	Most retailers allow exchanges for wrong size or color (with receipt and not used)	74%
b.	Happens at large, well-known chains, or depends on relationship with retailer.	24%
c.	This does not happen in my country.	2%
C.	***Can customers return items that become defective after being used (e.g., a jacket whose zipper broke after only two weeks)?***	
a.	Yes	9%
b.	Only at large, well-known stores and with durable products (e.g., electronics)	47%
c.	No, does not happen, or not common.	44%
D.	***Is it common for retailers to guarantee "satisfaction, or your money back" or to offer "try it for 30 days and return it if not satisfied"?***	
a.	YES, it is fairly common.	11%
b.	It happens, but with terms and conditions that make it not valid.	21%
c.	It depends on the type of item (cosmetics, electronics) or store. In such cases the guarantee typically is from the manufacturer.	20%
d.	No, this does not happen in my country; not common.	47%

Overall, the findings from Study 2 are consistent with those from Study 1, and provide further evidence that retail policies in India are significantly less generous than those in the U.S. Consumers living in India indicated that refunds are uncommon, and for the most part, only large and well-known stores will exchange items. In many cases, customers who later discover than an item is the wrong size or color are stuck with the item. Unlike in the U.S., items that become defective soon after purchase cannot be returned or exchanged.

Study 3

In order to better disentangle the effects of culture and situational factors on complaining behavior, a third study was conducted, comparing Indian immigrants and foreign nationals living in the U.S. to a cohort group in India. Study 3 utilized a quasi-experimental design (Cook and Campbell 1979). Indians living in the U.S. and a cohort group in India were presented with several scenarios, each describing an imaginary situation pertaining to a product they had recently purchased, and which was the wrong size or had become defective. After reading each scenario they were asked to respond to a series of questions.

In India, data was collected from adult, part-time graduate students, who in return for their participation were given a choice of a coupon for the school cafeteria or a nice ballpoint pen. The questionnaire and answers were in English. In the U.S., participants were recruited via email. To qualify, U.S. participants had to have been born and raised in India, and had to be at least 21 years of age. U.S. participants were given their choice of a $5 gift card to either Amazon or Starbucks.

A total of 140 respondents participated in the study; 68 were Indians living in the U.S. and 72 were cohorts in India. A total of three scenarios were employed; however, each participant was presented with only two of these. One scenario described a situation in which after wearing a recently purchased shirt a couple of times the stitching in one of the sleeves had come undone, and a gap in the seam appeared. Another scenario described a situation in which an individual had purchased a new jacket but did not try it on in the store because it was the size the person normally wears. However, after getting home and removing the price tag this person discovered that it did not fit very well, and was disappointed. A third scenario pertained to a recently purchased DVD/DVR player, which worked fine at first but after several months did not function properly. In each case respondents were asked to indicate the likelihood that the store would refund their money, give store credit, or exchange the item.

In order to control for culture, respondents were also presented with a set of items designed to measure individualism/collectivism, uncertainty avoidance, power distance, masculinity, and Confucian Dynamism. Items were adapted from scales developed by Hofstede (2001), Schwartz (1994) and Triandis (1995). In order to ensure the validity and reliability of the scales the items were factor analyzed. As anticipated, the cultural values items loaded on five factors, with reliability ranging from .71 to .79. Importantly, a series of t-tests revealed no significant differences between Indian nationals in the U.S. and their cohorts in India across each of the five cultural values; see Table 3. This finding is important, as it rules out culture as an explanatory variable for any subsequent differences between the two groups of subjects (i.e., regarding the perceived likelihood of receiving a refund, exchange, or store credit).

Table 3
Cultural Values
US Indians vs. Cohort Group in India
Mean Values and Group Statistics

	US Indians (n=68)	Cohorts (n=72)	t	df	Sig. (2-tailed)
Uncertainty Avoidance	5.16	5.31	.833	138	.406
Power Distance	3.33	3.24	.315	138	.753
Collectivism	4.80	4.84	.170	138	.866
Masculinity	5.57	5.84	1.481	138	.141
Confucian Dynamism	5.08	5.41	1.591	138	.114

Study 3 Results

The responses of Indians living in the U.S. and their cohorts in India were compared via a series of planned t-tests. The findings revealed significant differences between the two groups across each of the three scenarios. For the scenario in which the stitching in a recently purchased shirt had come undone, Indian cohorts perceived a significantly lower likelihood of receiving a refund as compared to their counterparts in the U.S. ($\bar{x}$ = 3.07 vs. 5.76), as well as a lower likelihood of being able to exchange the item ($\bar{x}$ = 5.27 vs. $\bar{x}$ = 6.19) or being granted store credit ($\bar{x}$ = 3.25 vs. $\bar{x}$ = 6.21). Similarly, for the scenario in which the customer discovered that the jacket was the wrong size, Indian cohorts reported a lower likelihood of receiving a refund ($\bar{x}$ = 2.31 vs. $\bar{x}$ = 5.73), store credit ($\bar{x}$ = 3.14 vs. $\bar{x}$ = 5.91), and of being able to exchange the item ($\bar{x}$ = 5.05 vs. $\bar{x}$ = 6.00). For the scenario in which the DVD/DVR player become defective, Indian cohorts once again indicated a significantly lower likelihood of a refund or store credit (2.91 vs. 5.84), or exchange (3.84 vs. 5.80), as compared to Indian nationals in the U.S. See Table 4, sections A, B, and C. Overall, these findings clearly indicate that retail policies in India are not as favorable to consumers as compared to those in U.S.

Table 4
Study 3 Results
US Indians vs. Cohort Group in India
Mean Values and Group Statistics

A. Shirt Scenario	US Indians (n=42)	Cohorts (n=41)	t	df	Sig. (2-tailed)
Likelihood of Refund	5.76	3.07	10.49	81	.000
Likelihood of Store Credit	6.21	3.25	10.67	80	.000
Likelihood of Exchange	6.19	5.27	3.39	81	.001
B. Jacket Scenario	**US Indians (n=44)**	**Cohorts (n=42)**	***t***	***df***	***Sig. (2-tailed)***
Likelihood of Refund	5.73	2.31	15.16	84	.000
Likelihood of Store Credit	5.91	3.14	10.36	84	.000
Likelihood of Exchange	6.00	5.05	3.52	84	.001
C. DVD/DVR Scenario	**US Indians (n=44)**	**Cohorts (n=43)**	***t***	***df***	***Sig. (2-tailed)***
Likelihood of Refund or Store Credit	5.84	2.91	10.92	85	.000
Likelihood of Exchange	5.80	3.84	6.59	85	.000

CONCLUSIONS

The overriding purpose of these three studies (two qualitative, and one empirical) was to better understand the relative influence of situational versus cultural factors on complaint behavior. Study 1 and Study 2 demonstrated that retail policies in India regarding returns and exchanges are much more restrictive and less consumer friendly than commonly found in the U.S. Together, Study 1 and Study 3 demonstrate that the decision to seek (or not seek) redress when dissatisfied with a product or service is influenced to a large degree by situational factors. Study 1 provides anecdotal evidence, and Study 3 provides empirical evidence, that situational factors have a greater impact on overt complaint behavior as compared to culture.

In Study 1, having confirmed that respondents' cultural values have not changed since coming to the U.S., any variations in their complaint behavior – depending whether they are in India or the U.S. – can reasonably be attributed to situational factors. In this case, the most obvious factor is the return and exchange policies of retailers in the two countries. Similarly, in Study 3, having controlled for cultural values across the two groups, any differences in their estimates as to likelihood of receiving a refund, store credit, or exchanging the item must be due to underlying differences in retail policies. In India, where the return and exchange policies are highly restrictive, the "likelihood of success" is low, and hence it is logical that dissatisfied consumers are somewhat reluctant to seek redress. In the U.S., though, where the return and exchange policies are consumer friendly and the likelihood of success is high, dissatisfied customers – regardless of their underlying cultural values – are much more likely to return or exchange items that do not perform up to their expectations. These findings challenge the notion that culture is the driving force behind differences in redress seeking behavior across national boundaries. Of course, more work needs to be done to disentangle the effects of cultural and situational variables on consumer complaint behavior.

LIMITATIONS

With any given study there are limitations, of course. In this case, however, some of the methodological limitations are overcome by the fact that multiple and different types of studies were conducted. Study 1, like many qualitative studies, was limited in that it was based on a convenience sampling of only a few individuals whose background, values, and experiences might not be fully representative of the general population of India. However, this limitation was largely overcome with the addition of Study 2, which yielded similar findings, and by Study 3, which controlled for cultural values. None of these studies, though, attempted to control for other socio-demographic (e.g., income, education, social group), situational (e.g., product importance, problem severity, time and effort required to complain), or personal variables (consumer confidence) that might influence complaint behavior. As a result, although this study clearly indicates that retail policies have a substantial influence on complaint behavior, it is impossible to more explicitly quantify the effects of each possible type of variable.

This study was also limited in scope, in that it addressed only the impact of culture vs. situational factors on overt complaint behavior, and not on recovery outcomes such as trust and loyalty. Although it appears that situational factors have a greater impact on the decision to seek (or not seek) redress when dissatisfied with a product or service, culture might have a larger impact on recovery outcomes such as trust, loyalty, and word-of-mouth (in-person and online). Further research is needed to better assess direct and indirect effects of both factors.

SUMMARY

Retailers and service providers that develop policies based on an accurate understanding of the effects of situational and cultural variables on consumer behavior have an advantage in the global marketplace. An assumption that consumers in countries that are highly collectivist (or are characterized by higher levels of power distance or uncertainty avoidance) are unlikely to seek redress when dissatisfied with a product or service, might lead to missed opportunities. Instead of focusing predominantly on acquiring new customers, retailers operating in these countries might also adopt recovery management policies and procedures that facilitate loyalty. By offering consumer friendly return policies (like those in the U.S.), retailers can signal a higher "likelihood of success" and reduce consumers' perceived risk. By encouraging dissatisfied customers to seek redress, retailers and service providers can remedy problems and retain these customers. Doing so is less costly than attracting new customers; and moreover, many of these individuals will become more loyal customers and generate valuable goodwill via positive word-of-mouth and online reviews. As previously mentioned, effective recovery management can ultimately lead to higher market share and greater profits (Fornell and Wernerfelt 1987, 1988). We readily acknowledge, though, that implementation of more liberal return policies is not without its challenges (e.g., preventing abuses, effective training of employees, etc.)

In conclusion, it is hoped that these findings will lead to more sophisticated research designed to assess the relative influence of situational and cultural factors on consumer complaint behavior. These findings certainly do not imply that culture has no influence on consumer complaint behavior at all; nonetheless, they do call into question the magnitude of its effect. It is hoped that this exploratory study will lead to further investigations regarding the impact of cultural vs. situational factors on consumer complaint behavior and recovery outcomes.

REFERENCES

Blodgett, Jeffrey G. and Ronald D. Anderson (2000), "A Bayesian Network Model of the Consumer Complaint Process", *Journal of Service Research*, 2 (4), 321-338.

Blodgett, Jeffrey G., Donna J. Hill, and Aysen Bakir (2006), "Cross-Cultural Complaining Behavior? An Alternative Explanation", *Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior*, 19, 103-117.

Blodgett, Jeffrey G. and Haitao Li (2007), "Assessing the Effects of Post-Purchase Dissat-isfaction and Complaint Behavior on Profitability: A Monte Carlo Simulation", *Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior*, 20, 1-14.

Cambra-Fierro, Jesus, Iguacel Melero, and F. Javier Sese (2015), "Managing Complaints to Improve Customer Profitability", *Journal of Retailing*, 91 (1), 109-124.

Chan, Haksin and Lisa C. Wan (2008), "Consumer Responses to Service Failures: A Resource Preference Model of Cultural Influences", *Journal of International Marketing,* 16 (1), 72-97.

Chan, Haksin and Lisa C. Wan (2009), "Dual Influences of Moderating Variables in the Dissatisfaction Process: Theory and Evidence", *Journal of International Consumer Marketing*, 21 (2), 125-135.

Chebat, Jean-Charles, Moshe Davidow, and Isabelle Codjovi (2005), "Silent Voices: Why Some Dissatisfied Consumers Fail to Complain?", *Journal of Service Research*, 7 (4), 328-342.

Cook, T.D. and D.T. Campbell (1979), *Quasi-Experimentation: Design & Analysis Issues for Field Settings.* Boston: Houghton Mifflin.

de Matos, Celso Augusto, Daniel Von der Heyde Fernandes, Rodrigo Pinto Leis, Guilherme Trez (2011), "A Cross-Cultural Investigation of Customer Reactions to Service Failure and Recovery", *Journal of International Consumer Marketing*, 23 (3-4), 211-228.

Denzin Norman K. (2001), "The Seventh Moment: Qualitative Inquiry and the Practices of a More Radical Consumer Research", *Journal of Consumer Research*, 28 (2), 324-330.

Fornell, Claes and Birger Wernerfelt (1987), "Defensive Marketing Strategy by Customer Complaint Management: A Theoretical Analysis," *Journal of Marketing Research*, 24 (November), 337-46.

Fornell, Claes and Birger Wernerfelt (1988), "A Model for Customer Complaint Management," M*arketing Science*, 7 (Summer), 287-98.

Gelbrich, Katja and Holger Roschk (2011), "A Meta-Analysis of Organizational Complaint Handling and Customer Responses", *Journal of Service Research,* 14 (1), 24-43.

Grégoire, Yany and Robert J. Fisher (2008), "Customer Betrayal and Retaliation: When Your Best Customers Become Your Worst Enemies", *Journal of the Academy of Marketing Science,* 36 (2), 247-261.

Hart, Christopher W. L., James L. Heskett, and Earl W. Sasser Jr. (1990), "The Profitable Art of Service Recovery", *Harvard Business Review*, 68 (4), 148-156.

Hernandez, Sigfredo A., William Strahle, Hector L. Garcia, and Robert C. Sorensen (1991), "A Cross-Cultural Study of Consumer Complaining Behavior: VCR Owners in the U.S. and Puerto Rico", *Journal of Consumer Policy*, 14 (1), 35-62.

Hofstede, Geert (2001*), Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations*, 2nd ed., Sage Publications, Thousand Oaks, CA.

Hofstede, Geert, Gert Jan Hofstede, and Michael Minkov (2010), *Cultures and Organizations: Software of the Mind,* 3rd ed., New York: McGraw-Hill.

Hui, Michael and Kevin Au (2001), "Justice Perceptions of Complaint-Handling: A Cross-Cultural Comparison between PRC and Canadian Customers", *Journal of Business Research*, 52 (2), 161-173.

Le Claire, Kenneth A. (1993), "Chinese Complaints Behavior", *Journal of International Consumer Marketing*, 5 (4), 73-92.

Liu, Ben Shaw-Ching, Olivier Furrer, and D. Sudharshan (2001), "The Relationships Between Culture and Behavioral Intentions Toward Services", *Journal of Service Research*, 4 (2), 118-129.

Liu, Raymond R. and Peter McClure (2001), "Recognizing Cross-Cultural Differences in Consumer Complaint Behavior and Intentions: An Empirical Examination", *Journal of Consumer Marketing*, 18 (1), 54-75.

Liu, Annie H., Sijun Wang, and Mark Leach (2012), "Considering Culture to Win Back Lost Customers: Comparing Chinese and American Consumers", *Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior,* 25, 149-158.

Mattila, Anna S. (1999), "The Role of Culture and Purchase Motivation in Service Encounter Evaluations", *Journal of Services Marketing*, 13 (4/5), 376-389.

Mattila, Anna S. and Paul G. Patterson (2004), "Service Recovery and Fairness Perceptions in Collectivist and Individualist Contexts", *Journal of Service Research,* 6 (4), 336-346.

Mayser, Sabine and Florian von Wangenheim (2012), "Perceived Fairness of Differential Customer Treatment: Consumers' Understanding of Distributive Justice Really Matters", *Journal of Service Research*, 16 (1), 99-113.

Meng, Fanchen, Sijun Wang, Susan Peters, Gary W. Lawson (2010), "A Glimpse into the Consumer Complaining Behavior of Immigrants", *Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior,* 23, 111-136.

Orsingher, Chiara, Sara Valentini, and Matteo de Angelis (2010), "A Meta-analysis of Satisfaction with Complaint Handling in Services", *Journal of the Academy of Marketing Science*, 38 (2), 169-186.

Patterson, Paul G., Elizabeth Cowley, and Kriengsin Prasongsukarn (2006), "Service Failure Recovery: The Moderating Impact of Individual-Level Cultural Value Orientation on Perceptions of Justice", *International Journal of Research in Marketing*, 23 (3), 263-77.

Pfeffer, J., T. Zorbach and K. M. Carley (2014), "Understanding Online Firestorms: Negative Word-of-Mouth Dynamics in Social Media Networks", *Journal of Marketing Communications*, 20 (1-2), 117-128.

Reimann, Martin; Ulrich F. Lünemann, and Richard B. Chase (2008), "Uncertainty Avoidance as a Moderator of the Relationship between Perceived Service Quality and Customer Satisfaction", *Journal of Service Research*, 11 (1), 63-73.

Schoefer, Klaus (2010), "Cultural Moderation in the Formation of Recovery Satisfaction Judgments: A Cognitive-Affective Perspective", *Journal of Service Research*, 13 (1), 52-66.

Schwartz, S.H. (1994), "Beyond Individualism/Collectivism: New Cultural Dimensions of Values", in Kim, U., Triandis, H., Kagitcibasi, C., Choi, S.C. and Yoon, G. (Eds), *Individualism and Collectivism: Theory, Method, and Applications,* Sage, Newbury Park, CA, 85-119.

Sinha, Jai B. P., T. N. Sinha, Jyoti Verma, and R.B.N. Sinha (2001), "Collectivism Coexisting with Individualism: An Indian Scenario", *Asian Journal of Social Psychology*, 4 (2), 133–145.

Smith, Amy K. and Ruth N. Bolton (1998), "An Experimental Investigation of Customer Reactions to Service Failure and Recovery Encounters, *Journal of Service Research*, 1 (1), 65-81.

Stephens, Nancy and Kevin P. Gwinner (1998), "Why Don't Some People Complain? A Cognitive-Emotive Process Model of Consumer Complaint Behavior", *Journal of the Academy of Marketing Science*, 26 (3), 172-189.

Strauss, Anselm L. and Juliet M. Corbin (1990), *Basics of Qualitative research: Grounded Theory Procedures and Techniques*, Thousand Oaks, CA: Sage Publications.

Triandis, H.C. (1995), *Individualism and Collectivism*, Boulder, CO: Westview Press.

Vaerenbergh, Yves Van, Chiara Orsingher, Iris Vermeir, and Bart Larivie`re (2014), "A Meta-Analysis of Relationships Linking Service Failure Attributions to Customer Outcomes", *Journal of Service Research*, 17 (4), 1-18.

Wangenheim, Florien v. and Tomás Bayón (2007), "The Chain from Customer Satisfaction via Word-of-Mouth Referrals to New Customer Acquisition", *Journal of the Academy of Marketing Science,* 35 (2), 233–249.

Watkins, Harry S. and Raymond Liu (1996), "Collectivism, Individualism and In-Group Membership: Implications for Consumer Complaining Behaviors in Multicultural Contexts", *Journal of International Consumer Marketing*, 8 (3/4), 69-96.

Wong, Nancy Y. (2004), "The Role of Culture in the Perception of Service Recovery", *Journal of Business Research*, 57 (9), 957-963.

Jeffrey G. Blodgett, PhD
Professor of Marketing
School of Business Administration University of Houston-Victoria blodgettj@uhv.edu

Aysen Bakir, PhD Professor of Marketing College of Business
Illinois State University
abakir2@ilstu.edu

Alok Saklani, PhD Professor of Marketing
Apeejay School of Management Sector VIII, Institutional Area aloksaklani@yahoo.co.in

Manisha Bachheti, PhD
Instructor
Apeejay School of Management
Sector VIII, Institutional Area

Ms. Shilpa Bhaskar
Instructor
Apeejay School of Management
Sector VIII, Institutional Area
Dwarka, Delhi – 110077

Appendix 1
Profiles of Informants of Studv 1

#	Sex	Marital	Age	Occupation	Length of time living in U.S. and last visit to India
1	F	M	32	GradStudent	In U.S. 6 years; last visit to India 2 years ago.
2	M	S	25	GradStudent	In U.S. less than one year.
3	M	S	26	GradStudent	In U.S. less than one year.
4	M	M	33	Software Eng.	In U.S. 5 years; last time in India was 3 years ago.
5	M	S	26	GradStudent	In U.S. 3 years; last visit 6 months ago.
6	F	S	25	GradStudent	In the U.S. almost 1 year.
7	M	S	22	GradStudent	Live in U.S. for 9 months.
8	M	S	24	GradStudent	Living almost 1 year in the U.S.
9	M	S	24	GradStudent	In U.S. 3 years.
10	F	M	29	Consultant	In U.S. 3 years; visited 1 year ago.
11	F	M	33	Medical Field	In U.S. 4 years; last visit to India 2 years ago.
12	M	M	33	Professor	In U.S. 10 years, back last year.
13	F	M	31	Professor	In U.S. 7 years; last visit 6 months ago.
14	M	M	35	Professor	In U.S. 8 years in the U.S; last visit was 18 months ago.
15	M	?	40	Professor	In U.S. 20 years; visited India 2 years ago.
16	M	M	27	Engineer	In the U.S for 6 years.
17	F	M	32	Homemaker	In U.S. 8 years; visited India 6 months ago.
18	F	M	29	Software Eng.	In U.S. 4 years; last trip to India was 1 year ago.
19	M	M	41	Software Eng.	In U.S. 30 years, last in India 3 months ago.
20	F	M	33	Physician	In U.S. most of my life but we go back every year.
21	F	M	30	Analyst	In the U.S. for 6 years; last visited India 4 years ago
22	M	M	53	Manager	In U.S. for 10 years; last visit was 3 months ago.
23	M	M	63	Engineer	In U.S. for more than 30 years; last visit 9 months ago.
24	M	M	63	Engineer	In U.S. 33 years; last visit was 3 years ago.
25	M	M	40	Manager	In U.S. 26 years; last visit was 1 year ago.

Appendix 2
Profiles of Informants of Study 2

#	Gender	Marital	Age	Education	Occupation	Income
1	Female	Married	25-34	Graduate	Other	300,000 - 500,000 Rs.
2	Female	Single	18-24	Post-Graduation	Professional	less than 300,000 Rs
3	Male	Married	25-34	Post-Graduation	Professional	500,000 - 1,000,000 Rs.
4	Female	Single	18-24	Post-Graduation	Professional	300,000 - 500,000 Rs.
5	Male	Married	25-34	1 -2 Year Diploma	Professional	500,000 - 1,000,000 Rs.
6	Female	Married	35-44	Post-Graduation	Professional	500,000 - 1,000,000 Rs.
7	Female	Married	25-34	Post-Graduation	Clerical	500,000 - 1,000,000 Rs.
8	Male	Married	35-44	Post-Graduation	Professional	300,000 - 500,000 Rs.
9	Male	Married	45-64	Post-Graduation	Retired	500,000 - 1,000,000 Rs.
10	Female	Married	25-34	Graduate	Other	500,000 - 1,000,000 Rs.
11	Male	Married	25-34	Graduate	Professional	500,000 - 1,000,000 Rs.
12	Female	Married	35-44	Graduate	Other	300,000 - 500,000 Rs.
13	Male	Married	45-64	Post-Graduation	Professional	300,000 - 500,000 Rs.
14	Female	Single	18-24	Post-Graduation	Professional	more than 1,500,000 Rs.
15	Female	Married	25-34	Post-Graduation	Professional	more than 1,500,000 Rs.
16	Male	Married	35-44	Post-Graduation	Service Worker	500,000 - 1,000,000 Rs.
17	Male	Married	35-44	Post-Graduation	Professional	1,000,000 - 1,500,000 Rs.
18	Female	Married	25-34	Post-Graduation	Other	1,000,000 - 1,500,000 Rs.
19	Female	Married	25-34	Graduate	Professional	1,000,000 - 1,500,000 Rs.
20	Male	Married	35-44	Post-Graduation	Professional	1,000,000 - 1,500,000 Rs.
21	Female	Married	35-44	Graduate	Other	500,000 - 1,000,000 Rs.
22	Male	Single	25-34	Post-Graduation	Clerical	less than 300,000 Rs
23	Male	Married	65 +	Post-Graduation	Professional	500,000 - 1,000,000 Rs.
24	Male	Married	45-64	Post-Graduation	Professional	1,000,000 - 1,500,000 Rs.
25	Male	Married	35-44	Post-Graduation	Professional	1,000,000 - 1,500,000 Rs.
26	Male	Married	35-44	Post-Graduation	Professional	more than 1,500,000 Rs.
27	Female	Married	35-44	Post-Graduation	Professional	1,000,000 - 1,500,000 Rs.
28	Female	Married	35-44	Post-Graduation	Professional	1,000,000 - 1,500,000 Rs.
29	Male	Married	35-44	Post-Graduation	Professional	1,000,000 - 1,500,000 Rs.
30	Male	Married	35-44	Post-Graduation	Professional	more than 1,500,000 Rs.
31	Male	Married	25-34	Post-Graduation	Professional	more than 1,500,000 Rs.
32	Female	Married	35-44	Post-Graduation	Professional	more than 1,500,000 Rs.
33	Male	Married	25-34	Post-Graduation	Professional	more than 1,500,000 Rs.
34	Female	Married	25-34	Post-Graduation	Professional	more than 1,500,000 Rs.

HOW EMPLOYEE TRUSTWORTHY BEHAVIORS INTERACT TO EMOTIONALLY BOND SERVICE CUSTOMERS

Carl Saxby, University of Southern Indiana
Kevin Celuch, University of Southern Indiana
Anna Walz, Grand Valley State University

ABSTRACT

Customer relationship management (CRM) vendors have created hardware and software solutions which allow firms to better capture information and activities that help manage the firm-customer relationship. However, there is growing recognition that CRM involves more than the implementation of sophisticated technology and also requires a deeper understanding of firm processes and capabilities. The present study contributes to relational marketing research by exploring the integration of subprocesses critical to high quality business-to-business relationships. Specifically, we examine the interaction of front-line employee behaviors that influence customer satisfaction and affective commitment. Survey data from 103 business bank customers was analyzed with hierarchical regression analysis. Results find that the perception of employee benevolence interacts with perceptions associated with employee problem solving to moderate the relationship between employee problem solving and bank customer satisfaction. Specifically, when perceived employee benevolence is high, employee problem solving has a strong positive effect on bank customer satisfaction. Further, consistent with predictions, customer satisfaction mediates the effect of employee behavior on bank customer affective commitment. Conceptual and managerial implications for strategically bonding customers are discussed.

INTRODUCTION

Over the last twenty years, there has been a strong and growing interest in the concept of relationship marketing. The dynamics of today's business environment have resulted in diverse organizations across a host of service industries attempting to strengthen their understanding and operationalization of firm-customer relationships (Boulding et al. 2005; Ndubisi 2007). For example, in the financial services industry, increasing customer sophistication due to information availability, rising expectations, increasing competitor activity to influence customer switching, and technology integration in service processes have made the provision and delivery of services with a customer relationship focus particularly challenging (Lewis and Soureli 2006).

Customer relationship management (CRM) vendors in attempting to capitalize on these issues have created hardware and software solutions which allow firms to better manage the capture of information and activities that comprise the management of the firm-customer relationship. CRM implementation has been linked to customer satisfaction, retention, and profitability (Ryals 2005; Srinivasan and Moorman 2005; Jayachandran et al. 2005). While this trend has clearly led to the development of proven CRM practices that enhance service firm performance, there is growing recognition that CRM involves more than the implementation of sophisticated technology and also includes the deeper understanding of the CRM-service firm "fit," more specifically, how CRM is integrated with firm processes and capabilities (Boulding et al. 2005).

The present study contributes to relational marketing research by exploring the integration of subprocesses critical to high quality business-to-business relationships. While there is recognition that front-line employees can play a significant role in CRM processes, there is much to be learned about how services can better utilize these critical resources in creating emotionally bonded customers.

Specifically, we examine front-line employee behaviors that work through customer satisfaction and influence affective commitment for business bank customers. This research was conceived to address imperatives identified by satisfaction researchers which hold implications for better CRM outcomes. As noted in the Twenty-Fifth Anniversary Edition of the *Journal of Consumer Satisfaction/Dissatisfaction & Complaining Behavior*, there is a need for researchers to better bridge the researcher-manager "gap" as well as address intervening variables particularly those emotionally-related variables such as social bonding and commitment (Davidow 2012). Further, Perkins (2012) notes the need for more realistic samples as opposed to the overreliance on student samples.

To these ends this research was developed with a regional bank's management team who is interested in developing actionable research results to drive a strategy based on high value customer service as opposed to price-based competition. We examine moderating and mediating relationships associated with employee behaviors (problem solving and benevolence) which are susceptible to managerial intervention as a means of emotionally bonding business customers beyond satisfaction. Lastly, we utilize respondents who represent business customers of banks, an underrepresented sector for service research.

FINANCIAL SERVICES, CRM, AND RELATIONSHIP MARKETING

The financial services sector has seen dramatic changes consisting of deregulation and intense competition. Many banks, in an attempt to increase customer retention and loyalty have introduced new products and services (Meidan 1996). However, such innovations are often easy to imitate and do not contribute to long-term competitive advantage and, as a result, have spawned calls for bank strategies to focus on less tangible, less easy to imitate aspects of services (Bloemer et al. 1998). Paralleling this recognition in financial services is the broader conceptualization of CRM to encompass not only implementation of specific technology applications but the more holistic approach of managing relationships as part of value creation (Payne and Frow 2005). Work by Jayachandran and colleagues (2005) reinforce this perspective as their research showed that companies with good relational processes obtained good performance. As such, Boulding and colleagues (2005) conclude that given the importance of the integration of relational processes and subprocesses to CRM success, future CRM research should focus on examining the behavior and interaction of critical processes (or subprocesses). Consistent with this view is the new Service-Dominant logic that is grounded in the notion of collaborative processes where exchange partners engage in co-creation of value through reciprocal resource integration (Lusch et al. 2007). Thus, this form of co-creation implies interactively doing things *with* the customer rather than doing things *to* the customer and is closely related to conceptions of "value-in-use" and "customer experience" (Lusch et al. 2007).

The cornerstone of relational processes is where service employees interact with customers. As a consequence, the very embodiment of relational marketing is when employees exhibit customer-oriented behaviors (Brady and Cronin 2001). This is particularly critical in service environments characterized by intangibility and inseparability where employee behavior is one of the most conspicuously experienced facets of the service (Mahajan et al.1994; Webster 1988). The service literature is strong with its pronouncement that front-line employees largely determine customer perceptions of their service experience (Brady and Cronin 2001; Babin and Boles 1998).

FRONT-LINE EMPLOYEE BEHAVIOR AND CUSTOMER SATISFACTION AND AFFECTIVE COMMITMENT

The evaluation of service is inextricably tied to the front-line employees that customers interact with in service encounters (Gronroos 1990). Indeed, the behaviors of employees can impact customers' assessment of the quality of such a service (Bitner et al. 1990; Wall and Berry 2007). Hartline and Ferrell (1996) suggest that the employee-customer relationship is the most important determinant of service quality. Beyond impacting service quality, perceptions of service employees have also been found to impact customer satisfaction, customer commitment to the firm, and customer retention and as such are key drivers of a firm's success (Hennig-Thurau, 2004). What specific employee behaviors play a role in important relational outcomes?

Gummesson (1987) identified two dimensions of firm-customer relationships – professional relations and social relations. Professional relations consist of the technical competence of the provider while social relations capture the nature of the social interaction with the provider. Similarly, Hennig-Thurau (2004) conceptualizes the skill dimensions of the customer orientation of service employees to include technical and social skills. Among employees' skills, social skills were found to have the strongest influence on satisfaction and commitment.

The dimensions of service quality also appear to coalesce around these “technical” and “social” aspects of service personnel as they include: reliability, responsiveness, assurance, and empathy (Parasuraman et al. 1988). With respect to banking services, such service quality dimensions as competence and responsiveness, competence and customer-orientedness, and reliability and the service interaction have been identified and their relationship to satisfaction explored (Rai 2009; Pal and Choudhury 2009; Arora et al. 2011).

Through an integration of agency theory that views relational exchanges as interactions between principals and agents and trust perspectives that incorporate psychological approaches to relationships, Singh and Sirdeshmukh (2000) posit differential effects for two dimensions of trust - competence and benevolence - in influencing satisfaction and loyalty in relational encounters. Finally, the Service-Dominant logic (Lusch et al. 2007) posits dynamic resources such as skills and knowledge acting in combination with other resources (often in complementary fashion) to produce not only tangible but experiential benefits for a relational partner. Lusch et al. (2007) note the importance of a particular competence - collaborative competence - given the integrative nature of service provision and the need to learn and adapt in dynamic environments.

Based on the conceptualizations outlined above as well as the context of our research, business customers of banks, we focused on front-line employee behaviors that relate to more “technical” and “social” aspects of relational exchange. We use the employee problem solving and benevolence dimensions identified by Sirdeshmukh et al.’s (2002) dimensions of “trustworthy behaviors” of employees in their work addressing trust, value, and loyalty in service industries. These dimensions are behavioral in nature and serve to operationalize (externalize) underlying employee orientation toward the consumer. It is recognized that conceptions of trust in the literature have included such dimensions as ability, competence, problem solving, integrity, and benevolence. In consultation with management of the focal bank, employee problem solving and benevolence were deemed most critical in servicing small business customers. Customer perceptions of employee problem solving relate to employee ability to anticipate and resolve problems that may arise during and after service exchanges. Problem solving was viewed as more appropriate for capturing “technical” employee behavior rather than competence or ability dimensions given small business customer dependence on banks for not only external funding but business advisory services as well. Given the nature of small business customers’ needs and related banking services, problems inevitably arise over the course of interactions. For example, credit availability and terms –loan interest rates and collateral requirements, in addition to advisory services related to planning, marketing, and operations all require an iterative process of reciprocal information and expertise sharing in order to develop unique problem solutions (Berger and Udell 2002; Goland et al. 2013). The work of Sirdeshmukh and colleagues (2002) among others support the notion that problem solving behaviors are a unique aspect of service relational exchanges. Indeed, lack of responsiveness of service personnel in addressing problems during service delivery is a major cause of dissatisfaction (Hart et al. 1990).

Customer perceptions of employee benevolence recognize employee willingness to honor the consumer’s interest. Front-line personnel behavior that demonstrate they have the consumer’s best interest at heart has been found to be a major determinant of consumer trust in the service provider (Hess 1995) and future investment in the relationship (Smith and Barclay 1997). In the bank-small business relationship, the concept of relationship lending, where interactions involve not only the use of “hard” data but are also supplemented with “soft” information based on the quality of the relationship, play an important role in value-creating exchanges (Berger and Udell 2002). When customers perceive that employees are benevolent, that is, employees respect and value them and are concerned with their needs, this may lead to a particular class of relational outcomes akin to interpersonal bonds (Celuch et al. 2015).

While research supports the potential utility of assessing front-line employee trustworthy behaviors in service industries (Sirdeshmukh et al. 2002) and banking contexts in particular (Shainessh 2012), questions remain about the nature of their influence on important relational outcomes. Specifically, what is the role of employee problem solving and benevolence in influencing satisfaction and commitment?

Dirks and Ferrin (2001) highlight many studies that have examined the role of trust (or aspects of trust) as a mediator of relational antecedents and outcomes. For example, Caceres and Paparoidamis (2007) and Kantzperger and Kunz (2010) suggest trust (dimensions) mediate the relationship between satisfaction and loyalty. However, earlier work by Singh and Sirdeshmukh (2000) suggest that trust dimensions (competence and benevolence) can operate both pre-purchase and post-purchase and as mediators and moderators. In their conception, depending on the nature of the research question, aspects of trust can be viewed as important antecedents of satisfaction and/or viewed as important antecedents of loyalty. Overall, owing to the salience of trust in relational exchanges, they view the role of trust as more complex than previously recognized.

Given that trust has been typically treated as a mediator in most studies, Singh and Sirdeshmukh (2000) and Dirks and Ferrin (2001) raise the possibility that trust (aspects) may play a role as a moderator in relational processes. If this is true, aspects of trust may alter the way we think about relationships among antecedents of satisfaction, commitment and other relational outcomes. Further, the work of Scheer (2012) in business-to-business contexts specifically raises the issue that facets of trust might interact to affect relational dynamics. Specifically, of relevance to the present research, she posits that aspects of partner trust (integrity, benevolence, and competence) interact to influence intermediate relational outcomes.

Based on the foregoing discussion, we propose that within the context of banking services for business customers, customer perceptions of employee problem solving will be positively related to customer satisfaction. However, the relationship between problem solving and satisfaction should be stronger when perceptions of employee benevolence are higher. Bank employee problem solving that occurs in dealing with business customers are likely to be viewed by customers as an expected requirement of the job or part of the core service and therefore based on the bank's self-interest to keep their business. In contrast, the employee expression of benevolence (caring) is likely to be viewed by customers as "above and beyond" business requirements. It is associated with how the service is delivered and more of an expression of the bank's concern with the customer's interests. When these "above and beyond" benevolence perceptions are combined with the required problem solving or the core service associated with business banking, the evaluation of the service should be enhanced. Thus, it is not the main effects of problem solving and/or benevolence that are important in understanding satisfaction but their combined effect. We formally hypothesize that:

> H1: Customer perceptions of employee problem solving will interact with (be moderated by) customer perceptions of employee benevolence to influence customer satisfaction (such that the impact of employee problem solving on satisfaction will be stronger when employee benevolence is higher).

Customer satisfaction is a good starting point for building service loyalty. However, it does not guarantee it, as satisfied customers will switch banks (Nordman 2004). Indeed, Salegna and Goodwin (2005) conceive of repeat purchase behavior, satisfaction, and emotional commitment to collectively embody loyalty to a service provider. Thus, it is important that relational marketing efforts link customer satisfaction to affective commitment as this would implicate satisfaction in the creation of truly loyal customers.

Given that the goal of relationship marketing is to create mutually beneficial exchanges and interactions that bond the customer to a firm, companies desire true loyalty behaviors that include exclusive purchasing behavior (Liu 2007) where the company not only gets all of the customer's business but also referral behavior (Dean 2007). These loyalty behaviors are the type motivated not by constraints or habit but by emotional bonds formed between the company (or its representatives) and the customer (e.g., Zhang and Bloemer 2008; Wang 2002; Dean 2007). The bonds that unite buyer and seller together are the foundation of relationship marketing (Roberts, Varkie, and Brodie 2003). The emotional bond is a necessary element for sustainable relational exchanges (Wu 2011). This bond is manifested by affective commitment, which is defined as a customer's attachment to or identification with an organization (Auh, Bell, McLeod, and Shih 2007, p. 362; Meyer and Allen 1991). Johnson et al. (2001), in work on the National Consumer Satisfaction Index, found that satisfaction had a large effect on affective commitment across a number of services including banks. So, if satisfaction is a linking mechanism to affective commitment, exactly what and how does it serve to link relational antecedents to affective commitment?

We propose that within the context of banking services for business customers, owing to the salience of front-line employee behaviors in relationship development and maintenance, the interaction of employee problem solving and benevolence behaviors should work through customer satisfaction to positively influence affective commitment, the very foundation of true loyalty. Therefore, we hypothesize that:

> H2: The interaction of perceived employee problem solving and benevolence will work through (be mediated by) satisfaction to influence customer affective commitment (please refer to Figure 1).

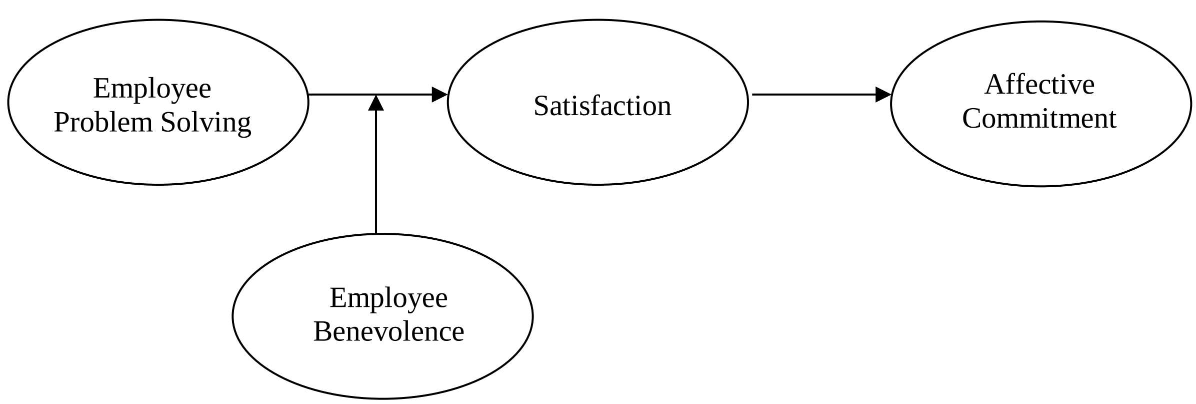
METHOD

Sample and Procedure

The sampling frame was small businesses within a 50 mile geographic radius of a mid-sized Midwestern city. We used the Small Business Administration's classification of firms with fewer than 500 full-time employees to represent small businesses. First, we included all 160 of the focal bank's small business customers. Next, to increase the geographic representation and generalizability of the sample, we identified approximately 3,500 potential firms that were not customers of the bank from available local data bases. We excluded banks and firms with more than 500 employees and further eliminated any firms for which we could not identify a current contact individual as the owner or manager. As a result, this list was parsed to approximately 2,400 contact individuals. The final non-customer sample was selected by choosing every third contact on the list until a total of 800 was reached.

Potential participants were mailed a survey form and a postage paid reply envelope. A total of 103 usable responses were received for a response rate of approximately 11%. This response rate was consistent across customer and noncustomer samples. The response rate is consistent with response rates in the business-to-business sector with no pre-notification or follow-up contact. As a check for non-response bias, mean scores for the constructs under investigation in this study were compared for early vs. later respondents. No differences were observed across groups on any of the four constructs examined in this study (p-values ranged from .51 to .77). All respondents were offered the option to receive a summary of the research findings upon completion of the survey.

FIGURE 1
HYPOTHESIZED MODERATING AND MEDIATING RELATIONSHIPS



Most respondents were middle aged business persons with 55% between the ages of 51 and 65 years old and 24% between the ages of 36 and 50 years old. Respondents represented small businesses with most (44%) reporting less than 10 employees and 40% reporting between 10 and 50 employees. Firms tended to fall into three business categories: services, retail, and construction. In general, these small businesses had "stood the test of time" and had been in operation for at least 4 years. Approximately 15% of the small businesses had worked with their bank for less than 5 years with another 35% having been a customer of their bank between 5 and 10 years.

Measures

The questionnaire included measures of customer perceptions related to employee problem solving and employee benevolence, satisfaction with the bank, and affective commitment to the bank, and demographic descriptors. All measures were developed from a review of relevant literature in addition to addressing practical considerations in consultation with the focal client bank (i.e., tradeoffs regarding survey content, item wording, survey length, etc.) as they had direct knowledge of the industry. Table 1 includes a complete description of construct items.

TABLE 1
RESULTS OF CONVERGENT AND DISCRIMINANT ANALYSIS

Constructs and Items	Standardized Coefficient
Employee Problem Solving *(scaled: strongly disagree/strongly agree)*	
Cronbach's Alpha = .92; composite reliability = .93: AVE = .81	
In general, my bank's employees…	
Take care of any kind of problem without hesitating .	.83
Appear approachable and eager to help customers and each other.	.94
Go out of their way to help customers.	.93
Employee Benevolence *(scaled: strongly disagree/strongly agree)*	
Items correlation = .87	
In general, my bank's employees…	
Show concern for customers' specific needs.	.91
Treat customers with respect.	.96
Satisfaction *(scaled: strongly disagree/strongly agree)*	
Items correlation = .57	
As compared to other banking alternatives…	
I am satisfied with the services I receive as a customer.	.89
I am satisfied with the convenience of my bank.	.46
Affective Commitment *(scaled: strongly disagree/strongly agree)*	
Cronbach's Alpha = .94; composite reliability = .93; AVE = .69	
Overall…	
I am proud to be associated with my bank.	.92
I enjoy discussing my bank with people outside of it.	.85
I really care about the fate of my bank.	.84
My values are similar to my bank's values.	.82
If something went wrong, I would give my bank another chance.	.65
I really care about my bank's long term success.	.83
I plan to remain a customer because I feel connected to my bank.	.91

Note: All standardized coefficients are significant at $p<.05$.

Perceived employee behavior – problem solving and benevolence. Employee behavior assessed customer perceptions relating to the extent that the employees of the bank engaged in certain behaviors. The problem solving construct was made up of three, seven-point items relating to employee responsiveness and helpfulness in problem solving. The benevolence construct was made up of two, seven-point items assessing employees showing concern for and treating customers with respect. These measures were adapted from Sirdeshmukh, Singh, and Sabol's (2002) dimensions of "trustworthy behaviors" of employees.

Perceived satisfaction and affective commitment. Satisfaction consisted of two seven-point items assessing customer satisfaction with the bank's services and convenience. Beyond aspects of services such as competence and assurance, convenience has been identified as a critical importance of bank services (Lewis 1991; Manrai and Manrai 2007; Kumar et al. 2010). This is particularly relevant for small business customers of banks who value convenience in location and operating hours in their banks as transactions are typically face-to-face in nature. Further, convenience (extended hours on a Saturday) could act as a signaling mechanism that the bank is customer-oriented. Following the work of Levesque, et al. (1996) we also utilize a measure of general satisfaction to capture an evaluation based on multiple interactions. Affective commitment assessed customer feelings for and emotional attachment to the bank, with measures adapted from Garbarino and Johnson (1999) and Verhoef (2003). The construct was made up of seven, seven-point items, relating to a customer's pride, caring, attachment, and values similarity to their bank.

RESULTS

The purpose of this study is to test for mediated moderation; that is, that the effect of employee problem solving varies across levels of employee benevolence to influence affective commitment and that the effect is mediated by satisfaction. As a precursor to analyses, reliability, convergent validity, and discriminant validity were assessed for all multi-item measures. For multi-item measures (including three or more items), reliabilities (Cronbach's Alpha and composite reliability) were above .90 and average variance extracted (AVE's) were above .60 which are greater than recommended thresholds (Fornell and Larker 1981). Note that benevolence and satisfaction are two item measures with items correlated at .87 and .57, respectively. Confirmatory factor analysis (AMOS 18) also supports the convergent validity of measures as observed indicators were all statistically significant ($p < .05$) for their corresponding factors. Measurement model fit statistics χ^2 (67) = 118.36, $p < .01$, NNFI = .92, CFI= .97, RMSEA = .08 suggest that the observed indicators are representative of constructs with the combination of NNFI, CFI, and RMSEA consistent with fit index standards recommended for good fitting models (Bagozzi and Yi 2012), particularly for small sample sizes with a small number of observed variables (Hu and Bentler 1999; Hair et al. 2006). Table 1 presents reliabilities and results of convergent and discriminant analysis for measures used in this study.

TABLE 2
DESCRIPTIVE STATISTICS AND CORRELATIONS FOR CONSTRUCTS

	Mean	Standard Deviation	X1	X2	X3	X4
X1 Problem Solving	5.8	1.10				
X2 Benevolence	6.0	1.09	.88**			
X3 Satisfaction	5.9	1.07	.57**	.61**		
X4 Affective Commitment	5.4	1.33	.73**	.75**	.61**	

** Correlation is significant at the .01 level.

With respect to discriminant validity, the amount of variance extracted for each construct is greater than the squared correlation between constructs except for one instance – the squared correlation between employee problem solving and benevolence which is not surprising given that they are components of employee trustworthy behavior. Overall, these results provide support for the discriminant validity of the construct measures (Fornell and Larker 1981). Summated scores of the multi-item scales were used to address the research hypotheses. Table 2 provides the means, standard deviations, and correlations.

Hierarchical regression analysis, involving a series of models increasing in complexity, was used as a means of testing the hypothesized moderating and mediating relationships (Cohen and Cohen 1983). In the first series of models, to test the moderating effect of benevolence, problem solving, problem solving and benevolence, and finally problem solving, benevolence, and the interaction term (problem solving x benevolence) are entered as predictors of satisfaction. To test for mediation, these same series of variables are entered predicting affective commitment. Finally, for the last model, satisfaction is entered as an additional predictor of affective commitment.

TABLE 3
HIERARCHICAL REGRESSION ANALYSES TESTING THE MODERATING EFFECT OF BENEVOLENCE AND THE MEDIATING EFFECT OF SATISFACTION ON PROBLEM SOLVING AND AFFECTIVE COMMITMENT

	Standardized Coefficient	Adjusted R^2	R^2 Change	VIF
Moderation Test Predicting Satisfaction (step and variables)				
Problem Solving	.55**	.30**		
Problem Solving	.08			
Benevolence	.52**	.35**	.05**	4.93
Problem Solving	-.76*			
Benevolence	-.07			
Problem Solving X Benevolence	1.42*	.39**	.04*	57.01
Mediation Test Predicting Affective Commitment (step and variables)				
Problem Solving	-.26			
Benevolence	.05			
Problem Solving X Benevolence	.95*	.55**		57.01
Problem Solving	-.08			
Benevolence	.07			
Problem Solving X Benevolence	.60			
Satisfaction	.24**	.59**	.04*	1.63

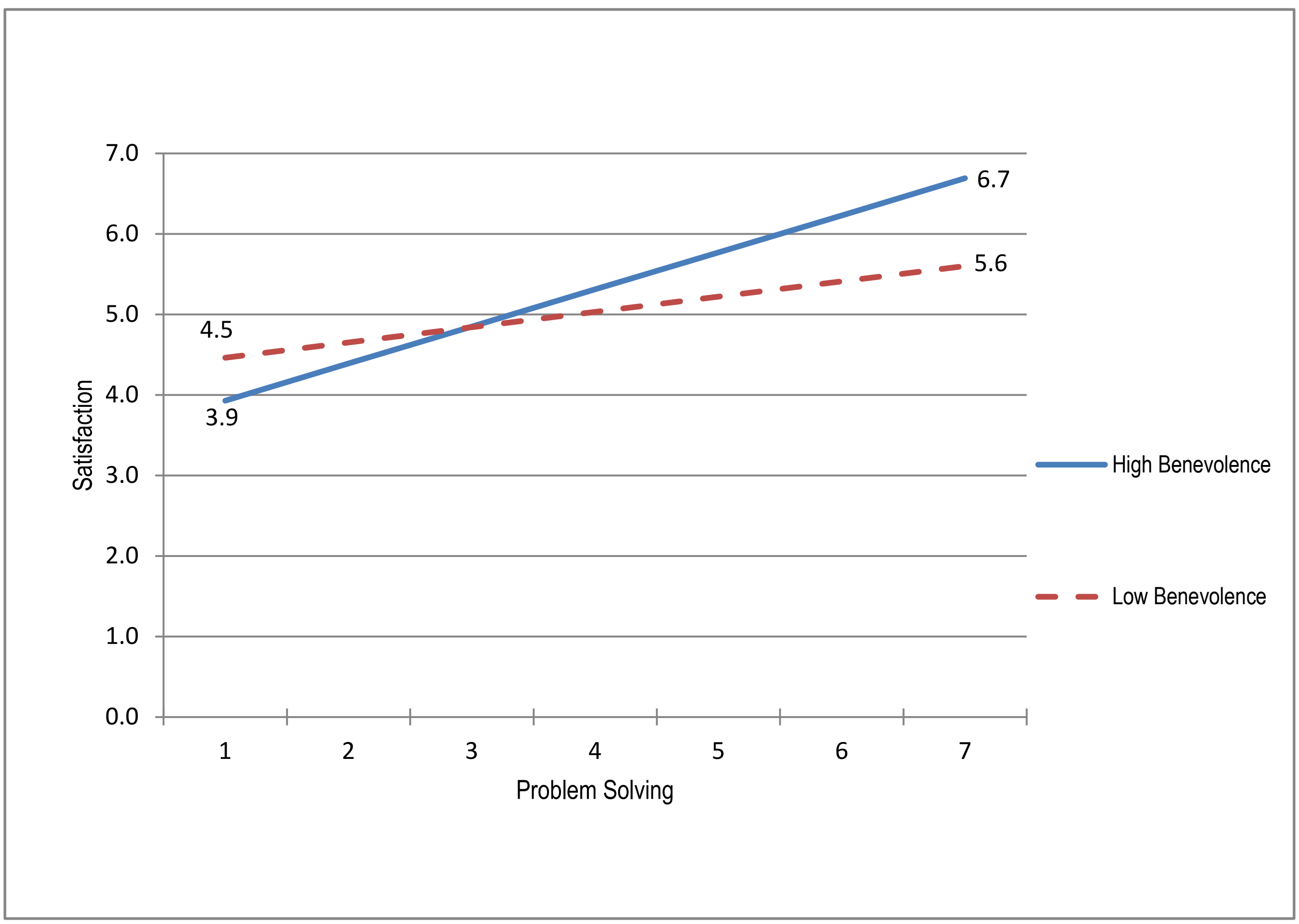
Note: * p < .05; ** p < .01

We first examine the moderating role of benevolence (H1). In the first steps, problem solving and then problem solving and benevolence are entered as predictors of satisfaction. While not the focus of this study, we first examine main effects to establish baseline models in order to observe model change statistics when the interaction term is added to main effects (Frazier et al. 2004). In the last step, to test the moderating effect of benevolence, the interaction term (problem solving x benevolence) is added to the model. Mean centering was not employed, as evidence suggests that there is no advantage to mean centering in terms of addressing collinearity issues or the stability of estimates (Echambadi and Hess 2007).

Table 3 presents results of the hierarchical regression analyses. Predictions receive support given that the interaction term significantly explains an additional amount of variance in satisfaction (R^2 change = .04, significant at $p< .05$ level), after controlling for the direct effects of problem solving and benevolence. This effect compares favorably with common ranges (R^2 changes .02-.03) reported for moderator effects in non-experimental studies (Champoux and Peters 1987).

As a precaution, variance inflation factors (VIF's) were examined to assess the effects of collinearity among the independent variables, particularly when the interaction term is a function of the other independent variables. Note that the VIF for the interaction term is above the recommended 10.0 cutoff (Hair et al. 2006). As a further check, the authors also utilized the two-step procedure identifying condition indices above 30, and for any such indices, identifying multiple constructs with variance proportions above 90 percent. The condition index for the interaction term was over 80. However, the proportion of variance accounted for by this term did not exceed .90 for two or more variables (Hair et al. 2006). Thus, a collinearity problem is not indicated. Taken together, results support the prediction of moderation, that is, the effect of problem solving on satisfaction varies across levels of benevolence.

FIGURE 2
INTERACTIVE EFFECTS OF PROBLEM SOLVING AND BENEVOLENCE ON SATISFACTION



To identify the nature of the interaction, slopes are plotted for individuals one standard deviation above the mean (Mean = 6.9) and for individuals one standard deviation below the mean (Mean = 4.6) for benevolence. Figure 2 displays the interaction effect on satisfaction. As expected, for customers perceiving high employee benevolence, perceptions of greater employee problem solving had a relatively strong effect on customer satisfaction ($F=3.79$, $p = .05$). In contrast, problem solving perceptions do not have this effect on satisfaction when benevolence perceptions are low ($F=0.88$, $p = .36$). This observed interaction effect is notable in that recommended sample sizes to detect interaction effects are much greater (n = 300-400) than the sample size of the present study. As such, the ability to detect a "true" effect is greatly reduced with the bias toward not finding an effect when one exists. Thus, finding an effect in the present study, leads to the interpretation that it must be a relatively large effect (Frazier et al. 2004).

With respect to H2, in order to test whether satisfaction mediates the effect of employee problem solving and benevolence on affective commitment, three conditions must be met. 1. The problem solving x benevolence interaction has a significant effect on satisfaction ($p < .05$). 2. The problem solving x benevolence interaction should also have a significant effect on affective commitment ($p < .05$). 3. As compared to condition #2, the impact of the interaction term on affective commitment should significantly diminish when satisfaction is included in a regression model with employee behavior predicting commitment (with the standardized coefficient decreasing from .95 ($p < .05$) to .60 (ns) (Baron and Kenny 1986).

As noted earlier, the problem solving x benevolence interaction has a significant effect on satisfaction, thus, condition #1 is met. The interaction also significantly influences affective commitment, thus, condition #2 is met. Lastly, the influence of the problem solving x benevolence interaction is significantly diminished (with the standardized coefficient changing from significant to nonsignificant) when satisfaction is included in the regression model predicting commitment, meeting condition #3. Thus, consistent with predictions, satisfaction is found to mediate the relationship between problem solving and benevolence and affective commitment (please refer to Table 3).

As with the moderation analysis, variance inflation factors (VIF's) were examined to assess the effects of collinearity. As with the prior analysis, the VIF for the interaction term is above the recommended 10.0 cutoff (Hair et al. 2006). We again utilized the two-step procedure identifying condition indices above 30, and for any such indices, identifying multiple constructs with variance proportions above 90 percent. The condition index for the interaction term was over 80. However, the proportion of variance accounted for by this term did not exceed .90 for two or more variables (Hair et al. 2006). Thus, collinearity is not indicated.

In summary, the perception of employee benevolence is found to interact with perceptions associated with employee problem solving to moderate the relationship between employee problem solving and bank customer satisfaction. Specifically, when perceived employee benevolence is high, employee problem solving has a strong positive effect on bank customer satisfaction. In contrast, when perceived employee benevolence is low, employee problem solving does not have as strong an effect on bank customer satisfaction. Further, consistent with predictions, customer satisfaction mediates the effect of employee behavior (perceived problem solving and benevolence) on bank customer affective commitment.

DISCUSSION

The financial services sector has been grappling with how to best respond to dynamism in its environment. Many banks, in an attempt to increase customer loyalty, have introduced new products and services yet these are often easy to imitate and do not contribute to long-term, sustainable competitive advantage. To this end, CRM is evolving to incorporate the integration of relational processes and subprocesses to enhance effectiveness (Boulding et al. 2005).

The present research aims to address issues related to a more nuanced exploration of customer relationship dynamics in the services sector. Specifically, we examine the interaction of front-line employee behaviors that impact customer satisfaction and affective commitment for business bank customers. In doing so the study addresses satisfaction research imperatives such as the need for research which bridges the researcher-manager "gap," the inclusion of intervening variables that influence emotional bonding, and the use of a business customer as opposed to student sample (Davidow 2012; Perkins 2012).

Results of the research suggest that it is the combined influence of bank employee problem solving and benevolence that influences business customer satisfaction. Further, business customer satisfaction mediates the effect of employee behavior on affective commitment. These findings contribute to the extant theoretical and managerial literature in several ways.

The present findings extend thinking in the relationship marketing arena. As noted by Fournier et al. (1998), relationship marketing theory has powerful potential that has not been fully realized. By exploring interactions among arguably the most important entity in services - employee behavior - we hope to shed light on relational dynamics that contributes to satisfied and committed customers. We also address the relationship management call to investigate the interaction of critical processes (or subprocesses) (Boulding et al. 2005). To our knowledge, this study is the first time these constructs have been examined in this way. Our findings imply that, in a business-to-business financial services context, while improving aspects of employee problem solving positively contribute to satisfaction, if problem solving is combined with benevolence it can contribute to even stronger satisfaction, and perhaps delight. Thus, the *way* an employee approaches problem solving, that is, with care and concern, can augment the impact of their problem solving skills. Clearly, we support the significance of "professional" skills and "social" skills in professional services and that their *interaction* is important. This research raises issues about the nature of other potential moderating relationships in the antecedent-satisfaction-commitment-loyalty chain.

Another contribution of the research relates to the exploration of satisfaction as a mediator of employee behavior on affective commitment. Some research considers satisfaction as a more *immediate* antecedent to affective commitment (Johnson et al. 2000) while others consider it a more *intermediate* antecedent (Goodwin and Selegna 2005) while still others say it depends on the nature of the relationship (Garbarino and Johnson 1999). In the context of the present research, we find satisfaction to mediate the relationship between employee behavior and affective commitment. Recall that researchers have been increasingly interested in understanding the dynamics of true loyalty since it can greatly extend the effectiveness and efficiency of relationship marketing efforts. Although many studies use repeat purchase behavior as a proxy for loyalty behavior, inertia can explain this type of loyalty behavior (Wu 2011; Huang and Yu 1999). Affective commitment has been shown to lead to exclusive purchase behavior (Walz et al. 2012; Wang 2002), as well as advocacy (Melancon et al. 2011). Thus, in the present business-to-business context, satisfaction is viewed as playing a critical role in the development of truly loyal customers.

Findings of this research offer managerial value in that core and relational service components can both be used to improve service satisfaction and commitment. Attention should be paid to recruitment, selection, and training of front-line service providers. First, the benevolence aspect of employee service is closely allied with empathic behavior which is predominantly associated with empathy as a personality trait (Bettencourt et al. 2001). Therefore, it behooves service providers interested in this capacity of employees to recruit and select the "right" individuals who are able to genuinely relate to customers and express caring and concern. Further, training with respect to the application of knowledge and procedures as well as continuous education should ensure that the "right" employees are able to confidently address a range of potential problems in order to positively impact satisfaction. However, note that hiring "professionally" experienced individuals without the concomitant customer benevolence orientation could be shortsighted in terms of developing truly loyal customers.

Of further managerial relevance in increasing attention to the recruitment and selection of individuals who can manifest benevolence is the signaling of positive intent in operating in the best interest of the customer. Such signaling and subsequent bonding has been identified as a powerful source of competitive advantage. Such emotional bonding is likely to create high switching costs associated with locating another relational partner through which emotional bonding can be built (Barney and Hansen 1994). Note that switching costs are usually associated with calculative commitment rather than affective commitment. However, Saparito et al. (2002) found given strong relational bonds, calculative or economic bonding had no additional effect on bank switching behavior. As such, the present research broadens our view of the employee behavior-satisfaction-affective commitment chain to one of greater strategic significance in supplanting economic or calculus-based switching costs given that it is more unique and harder to emulate (Saparito et al. 2002).

Another managerial implication of hiring boundary spanning service employees for benevolence is that this dimension of employee behavior signals a deeper motivation of how they want to treat and relate to others. Such customer-based (concern and respect-based) motivation also translates to employee-based motivation. As noted by Donavan et al. (2004) this type of motivation not only tends to contribute to employees who tend to thrive in high-contact service environments in satisfying customers but also to more satisfied and committed employees who engage in positive organizational citizenship behavior. As such, this motivation can be viewed as an important non-salary-based driver of employee organizational commitment.

Another managerial implication tied to the significance of employee benevolence is associated with service recovery. In most service environments, service delivery problems will occur. Front-line employees frequently are the "first responders" to customer complaints. In one study, 65% of complaints were addressed to front-line employees (Tax et al. 1998). Tax and colleagues (1998) found interactional justice to interact with distributive justice in customer evaluation of complaint handling. That is, outcomes delivered by rude employees appeared less valuable to customers. It stands to reason that more benevolent employees will be more successful in service recovery than less benevolent employees given the greater potential to impact interactional justice.

This study has several limitations which can be addressed in future research. The application of constructs, measures, and results across relational exchange contexts is sometimes inappropriate (Sirdeshmukh et al. 2002); therefore, care should be taken, and these results should be considered in their context and applied to studies investigating similar business-to-business contexts. Another limitation is this study's cross-sectional, single-source measurement design; however, future longitudinal research could assess how these relationships hold over the life of a customer-service relationship. It is important to note that common methods variance is not likely to account for interaction effects, a focus of this research, as method variance should increase correlations consistently between construct measures (Aiken and West 1991).

As with all research, additional constructs and measures could be included. For example, Salegna and Goodwin (2005) define true service loyalty as consisting of satisfaction, emotional commitment, and repeat purchase behavior. While the present study includes constructs related to satisfaction and emotional commitment, future research could build on this thinking and include actual behavior. Further, Ganesh et al. (2000) found that customers who switched services are significantly different in terms of relational outcomes than customers who do not. As such, prior switching behavior would be an interesting moderator to explore in future research. How findings identified in the present research might relate to small business customers in relationships with multiple banks could also prove interesting. Additional dimensions of trust or trustworthy behaviors such as integrity and competence could also be incorporated into future research to examine potential interactions.

Of course, construct measures used in the present study were adapted from existing measures in concert with bank management input. The assessment of satisfaction as related to services and convenience with the potential for convenience to be interpreted in multiple ways (i.e., hours and or location) perhaps accounts for the low coefficient for this item in the measurement model. Although measures follow the practice of prior research, future research could develop more fine-grained approaches which would provide greater diagnostic value for management. However, there is a tradeoff in developing more specific (i.e., longer) assessments of customer perceptions in that survey length can negatively impact response rate. Additionally, future research could also include perceptions from both customers and employees that could help better validate customer perceptions.

In conclusion, while there is still much to be learned about how services can create emotionally bonded customers, the interaction of front-line employee behaviors can have a significant role in the process. The present study contributes to relational marketing research by exploring the integration of subprocesses critical to high quality business-to-business relationships.

REFERENCES

Aiken, L.S. and S.G.West (1991), *Multiple Regression: Testing and Interpreting Interactions*, Sage: Thousand Oaks, CA.

Arora, V., D. Nravichandran, and N.K. Jain. (2011), "Dimensionality of Service Quality and its Critical Predictors to Customer Satisfaction in Indian Retail Banking." *International Journal of Multidisciplinary Research,* 1 (5), 1-11.

Auh, S., S.J. Bell, C. S. McLeod and E. Shih (2007), "Co-Production and Customer Loyalty in Financial Services," *Journal of Retailing*, *83* (3)*,* 359-370.

Babin, A.J. and J.S. Boles (1998), "Employee Behavior in a Service Environment: A Model and Test of Potential Differences Between Men and Women," *Journal of Marketing*, 62, 77-91.

Bagozzi, R.P. and Y. Yi (1988), "On the Evaluation of Structural Equation Model," *Journal of the Academy of Marketing Science*, Vol. 16 (1), 74–94.

Barney, J. B. and M. H. Hansen (1994), "Trustworthiness: Can it Be a Source of Competitive Advantage?" *Strategic Management Journal,* 15 (S2), 175-203.

Baron, R. M. and D. A. Kenny (1986), "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations," *Journal of Personality and Social Psychology*, 51*,* 1173-1182.

Berger, A. N. and G. F. Udell (2002), "Small Business Credit Availability and Relationship Lending: The Importance of Bank Organisational Structure," *The Economic Journal,* 112, F32-F53.

Bettencourt, L., K.P. Gwinner, and M.L. Meuter (2001), "A Comparison of Attitude, Personality, and Knowledge Predictors of Service-Oriented Organizational Citizenship Behaviors," *Journal of Applied Psychology*, 86 (1), 29-41.

Bitner, M.J., B.H. Booms, and M.S. Tetreault (1990), "The Service Encounter: Diagnosing Favorable and Unfavorable Incidents," *Journal of Marketing*, 54 (1), 71-84.

Bloemer, J., K. Ruyter, and P. Peeters (1998), "Investigating Drivers of Bank Loyalty: The Complex Relationship Between Image, Service Quality and Satisfaction," *International Journal of Bank Marketing*, 16 (7), 276-286.

Boulding, W., R. Staelin, M. Ehret, and J.J.Wesley (2005), "A Customer Relationship Management Roadmap: What Is Known, Potential Pitfalls, and Where to Go," *Journal of Marketing*, 69 (October), 155-166.

Brady, M.K. and J.J. Cronin Jr. (2001), "Customer Orientation: Effects on Customer Service Perceptions and Outcome Behaviors," *Journal of Service Research*, 3 (3), 241-251.

Caceres, R. C., and N. G. Paparoidamis (2007), "Service Quality, Relationship Satisfaction, Trust, Commitment and Business-to-Business Loyalty." *European Journal of Marketing,* 41 (7/8), 836-867.

Celuch, K., N. M. Robinson, and A. M. Walz (2015), "A Framework for Encouraging Retail Customer Feedback," *Journal of Services Marketing*, 29 (4), 280-292.

Champoux, J. E., and W. S. Peters (1987), "Form, Effect Size, and Power in Moderated Regression Analysis," *Journal of Occupational Psychology*, *60* (September)*,* 243-255.

Cohen, J., and P. Cohen (1983), *Applied Multiple Regression/Correlation Analysis for Behavior Sciences* (2nd Ed.), Mahwah, New Jersey: Lawrence Erlbaum Associates, Inc.

Davidow, M. (2012), "CS/D&CB: The Next 25 Years," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 25, 1-6.

Dean, A.M. (2007), "The Impact of the Customer Orientation of Call Center Employees on Customers' Affective Commitment and Loyalty," *Journal of Service Research*, 10 (2), 99-113.

Dirks, K. T. and D. L. Ferrin (2001), "The Role of Trust in Organizational Settings," *Organization Science,* 12 (4), 450-467.

Donavan, D. T., T.J. Brown, and J.C. Mowen (2004), "Internal Benefits of Service-Worker Customer Orientation: Job Satisfaction, Commitment, and Organizational Citizenship Behaviors," *Journal of Marketing*, 68 (1), 128-146.

Echambadi, R., and J. D. Hess (2007), "Mean-Centering Does Not Alleviate Collinearity Problems in Moderated Multiple Regression Models," *Marketing Science,* 26 (May- June), 438-445.

Fornell, C., and D.F. Larcker (1981), "Evaluating Structural Equation Models with Unobservable Variables and Measurement Error," *Journal of Marketing Research*, 18 (1), 39-50.

Fournier, S., S. Dobsha, and D. G. Mick (1998), "Preventing the Premature Death of Relationship Marketing," *Harvard Business Review*, 76 (January/February), 42-51.

Frazier, P. A., A. P. Tix, and K. E. Barron. (2004), "Testing Moderator and Mediator Effects in Counseling Psychology," *Journal of Counseling Psychology.* 51(1), 115-134.

Ganesh, J., M.J. Arnold, and K.E. Reynolds (2000), "Understanding the Customer Base of Service Providers: An Examination of the Differences Between Switchers and Stayers," *Journal of Marketing*, 64 (3), 65-87.

Garbarino, E., and M. S. Johnson (1999), "The Different Roles of Satisfaction, Trust, and Commitment in Customer Relationships," *Journal of Marketing*, 63 (2), 70-87.

Goland, T., M. N. Maxwell, R. Schiff, D. Ewing, and R. Lentz (2013), "Digital Models for a Digital Age:

Transition and Opportunity in Small Business Banking," *Financial Services Practice,* 1-12.

Gronroos, C. (1990), *Service Management and Marketing: Managing the Moments of Truth in Service Competition*, Lexington Books: Lexington, MA.

Gummesson, E. (1987), "The New Marketing—Developing Long-Term Interactive Relationships," *Long Range Planning*, 20 (4), 10-20.

Hair, J. F., W.C. Black, B.J. Babin, R.E. Anderson, and R. Tatham (2006), *Multivariate Data Analysis*, 6th ed., Pearson: Upper Saddle River, NJ.

Hart, C.W.L., J. L. Heskett, and W.E. Sasser Jr. (1990), "The Profitable Art of Science Recovery," *Harvard Business Review*, 68 (July-August), 148-156.

Hartline, M. D. and O.C. Ferrell (1996), "The Management of Customer-Contact Service Employees: An Empirical Investigation," *Journal of Marketing*, 60 (4), 52-70.

Hennig-Thurau, T. (2004), "Customer Orientation of Service Employees: Its Impact on Customer Satisfaction, Commitment, and Retention," *International Journal of Service Industry Management*, 15 (5), 460-478.

Hess, J. (1995), "Construction and Assessment of a Scale to Measure Consumer Trust." in Stern, B.B. et al, (Eds), American Marketing Association, Chicago, IL, Summer, 6, 20-26.

Hu, L. and P.M. Bentler (1999), "Cutoff Criteria for Fit Indexes in Covariance Structure Analysis: Conventional Criteria Versus New Alternatives," *Structural Equation Modeling*, 6 (1), 1-55.

Huang, M.H. and Shihti Yu (1999), "Are Consumers Inherently or Situationally Brand Loyal? – A Set Intercorrelational Account for Conscious Brand Loyalty and Nonconscious Inertia," *Psychology and Marketing*, 16 (6), 523-544.

Jayachandran, S., Sharma, S., Kaufman, P., and Raman, P. (2005), "The Role of Relational Information Processes and Technology Use in Customer Relationship Management," *Journal of Marketing*, 69 (4), 177-192.

Johnson, M. D., A. Gustafsson, T. W. Andreassen, L. Lervik, and J. Cha (2001), "The Evolution and Future of National Customer Satisfaction Index Models," *Journal of Economic Psychology*, 22 (April), 217-45.

Kantsperger, R., and W.H. Kunz (2010), "Consumer Trust in Service Companies: A Multiple Mediating Analysis." *Managing Service Quality*. 20 (1), 4-25.

Kumar, M., F.T. Kee, and V. Charles (2010), "Comparative Evaluation of Critical Factors in Delivering Service Quality of Banks: An Application of Dominance Analysis in Modified SERVQUAL Model," *International Journal of Quality and Reliability Management*. 27 (3), 351-377.

Levesque, T., and G.H.G. McDougall (1996), "Determinants of Customer Satisfaction in Retail Banking," *International Journal of Bank Marketing*, 7, 12-20.

Lewis, B. R. (1991), "Service Quality: An International Comparison of Bank Customers' Expectations and Perceptions," *Journal of Marketing Management*, 7, 47-62.

Lewis, B. R., and M. Soureli (2006), "The Antecedents of Consumer Loyalty in Retail Banking," *Journal of Consumer Behavior*, 5, 15-31.

Liu, Y. (2007), "The Long-Term Impact of Loyalty Programs on Consumer Purchase Behavior and Loyalty," *Journal of Marketing*, 71 (4), 19-35.

Lusch, R. F., S. L. Vargo, and M. O'Brien (2007), "Competing Through Service: Insights from Service-Dominant Logic," *Journal of Retailing.* 83 (1), 5-18.

Mahajan, J., A.J. Vakharia, P. Paul, and R.B. Chase (1994), "An Exploratory Investigation of the Interdependence Between Marketing and Operations Functions in Service Firms," *International Journal of Research in Marketing*, 11, 1-15.

Manrai, L. A., and A. K. Manrai (2007), "A Field Study of Customers' Switching Behavior for Bank Services," *Journal of Retailing and Consumer Service,* 14 (3), 208-215.

Meidan, A. (1996), *Marketing Financial Service*, MacMillan Press: Houndmills.

Melancon, J. P., S. M. Noble and C. H. Noble (2011), "Managing Rewards to Enhance Relational Worth," *Journal of the Academy of Marketing Science,39,* 341-362.

Meyer, J. P. and N.J. Allen (1997), *Commitment in the Workplace: Theory, Research, and Application*, Sage: Thousand Oaks, CA.

Ndubisi, N. O. (2006), "Relationship Marketing and Customer Loyalty," *Marketing Intelligence & Planning*, 25 (1), 98-106.

Nordamn, C. (2004), *Understanding Customer Loyalty and Disloyalty – The Effect of Loyalty- supporting and –repressing Factors*, Doctoral thesis No. 125, Swedish School of Economics and Business Administration, Helsinki, Finland.

Pal, M.N., and K. Choudhury (2009), "Exploring the Dimensionality of Service Quality: An Application of TOPSIS in the Indian Banking Industry," *Asia-Pacific Journal of Operational Research.* 26 (1), 115-133.

Parasuraman, A., V. Zeithaml, and L. Berry (1998), "SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality," *Journal of Retailing*, 64, Spring, 12-40.

Payne, A., and P. Frow (2005), "A Strategic Framework for Customer Relationship Management," *Journal of Marketing*, 69 (4), 167-176.

Perkins, D. S. (2012), "Future Directions in Consumer Satisfaction, Dissatisfaction and Complaining Behavior: So much More to Come," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 25, 7-23.

Rai, R. (2009), "Service Quality Gap Analysis in Indian Bank: An Empirical Study," *Paradigm*. 13(2), July-Dec, 29-35.

Roberts, K., S. Varki, and R. Brodie (2003), "Measuring The Quality of Relationships In Consumer Services: An Empirical Study," *European Journal of Marketing,* 37 (1/2), 169-196.

Ryals, L., and H. Wilson (2005), "Experimental Methods in Market Research," *International Journal of Market Research,* 47 (4), 347-366.

Salegna, G. J., and S.A. Goodwin (2005), "Consumer Loyalty to Service Providers: An Integrated Conceptual Model," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 18, 51-67.

Saparito, P., C. Chao, and H.J. Sapienza (2002), "The Central Role of Calculus-Based Trust and Relationship trust in Bank-Small Firm Relationships," *Academy of Management Proceedings & Membership Directory*, K1-K6.

Scheer, L. K. (2012), "18 Trust, Distrust and Confidence in B2B Relationships," *Handbook on Business to Business Marketing*, 332.

Shainesh, G. (2012), "Effects of Trustworthiness and Trust on Loyalty Intentions Validating a Parsimonious Model in Banking," *International Journal of Bank Marketing*, 30 (4), 267-279.

Singh, J., and D. Sirdeshmukh (2000), "Agency and Trust Mechanisms in Consumer Satisfaction and Loyalty Judgments," *Journal of the Academy of Marketing Science.*150-167.

Sirdeshmukh, D., J. Singh, and B. Sabol (2002), "Consumer Trust, Value and Loyalty in Relational Exchanges," *Journal of Marketing*, 66 (1), 15-37.

Smith, J. B., and D.W. Barclay (1997), "The Effects of Organizational Differences and Trust on the Effectiveness of Selling Partner Relationships," *Journal of Marketing*, 3-21.

Srinivasan, R., and C. Moorman (2005), "Strategic Firm Commitments and Rewards for Customer Relationship Management in Online Retailing," *Journal of Marketing*, 69 (4), 193-200.

Tax, S., S. Brown and M. Chandrashekaran (1998), "Customer Evaluations of Service Complaint Experience: Implications for Relationship Marketing," *Journal of Marketing*, 60, 60-76.

Verhoef, P.C. (2003), "Understanding the Effect of Customer Relationship Management Efforts on Customer Retention and Customer Share Development," *Journal of Marketing*, 67 (4), 30-45.

Wall, E. and L. Berry (2007), "The Combined Effects of the Physical Environment and Employee Behavior on Customer Perception of Restaurant Service Quality," *Cornell Hotel and Restaurant Administration Quarterly*, 48 (1), 59-69.

Walz, A., M., K. G. Celuch, and N. M. Robinson (2012), "I Will Have No Other! - The Role of Communication and Trust in Driving Exclusive Behavior," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 25, 80-95.

Wang, G. (2002), "Attitudinal Correlates of Brand Commitment: An Empirical Study," *Journal of Relationship Marketing*, 1 (2), 57-75.

Webster, F. E. Jr. (1988), "Rediscovering the Marketing Concept," *Business Horizons*, 31, 29-39.

Wu, L. W. (2011), "Inertia: Spurious Loyalty or Action Loyalty?" *Asia Pacific Management Review*, 16 (1), 31-50.

Zhang, J., and J. M. Bloemer (2008), "The Impact of Value Congruence on Consumer- Service Brand Relationships," *Journal of Service Research,* 11 (2), 161-178.

Please address all correspondence to the second author*
Carl Saxby, PhD
Kevin Celuch, PhD*
University of Southern Indiana
8600 University Boulevard
Evansville, IN 47712
(812) 464-1806 (office); csaxby@usi.edu
(812) 461-5297 (office); kceluch@usi.edu

Anna Walz, PhD
Grand Valley State University
Seidman College of Business
364C DeVos, Grand Rapids, MI 49504
(616) 331-7487 (office); walza@gvsu.edu

NO MERCY FOR PRODUCTS: RECOVERY EFFECTS FOR PRODUCTS AND SERVICES

Prof. Dr. Marcel Paulssen, University of Geneva
Giuseppe Catenazzo, University of Geneva

ABSTRACT

Despite manufacturers' efforts to implement stringent quality control and monitoring of their production processes, products can still fail. In contrast to the abundant literature on service failures, research on product defects is surprisingly scarce. When there are product failures customers may choose to complain and eventually have their product defect fully fixed. Alternatively, they can decide not to complain, forgoing the opportunity to have their product repaired. In this paper, we examine the impact of not complaining versus complaining, as well as the effect of the outcome of the complaint resolution process (i.e., whether defects are fully fixed or not) on the relationship between the original product manufacturer and the service operation (retailer) responsible for fixing product defects. We demonstrate that for non-complaining customers, the perceptions of product quality and loyalty to the product manufacturer still deteriorate. Further, we confirm support for the well-documented service recovery effect but fail to find the effect for product manufacturers. Even if product defects are completely fixed, customers' perceptions of product quality and loyalty to the product manufacturer are damaged.

Keywords: product defects, product failure, complainers, non-complainers, consumer satisfaction, loyalty

INTRODUCTION

Customers often experience problems with the products they purchase. In the United States (U.S.), over 20 million vehicles were recalled by the automotive industry in 2010, with Toyota alone withdrawing six million cars (Bae and Benítez-Silva 2011). Customers also experience product defects in other industries, which makes recalls an increasing concern for companies (Hora et al. 2011). Yet, product performance is crucial for consumers to assess the quality of the goods they purchase: Reliable, long-lasting, and well-designed products drive consumers' perceptions of quality, and lead eventually to product satisfaction and loyalty (Churchill and Surprenant 1982; Taguchi and Clausing 1990). Manufacturing high quality products that meet customers' performance expectations is therefore essential for any product manufacturer as this leads to customer satisfaction and loyalty, with subsequent positive effects on both sales and profitability (Jacobson and Aaker 1987; Nagar and Rajan 2001).

When products fail to perform adequately, we observe both an increase in operational costs and a subsequent decline in revenues. Replacement and remedying costs and the costs of staff travel are typical charges that occur when customers experience product failures (Nagar and Rajan 2001). In addition to these post-purchase direct costs, product defaults imply the loss of market share, followed by decreasing revenue. Nagar and Rajan (2001) show that product defects have significant negative consequences for product sales and that these effects persist for at least a year. A further adverse effect of product failures is negative word-of-mouth.

From a theoretical point of view, Anderson and Mittal (2000) call for research to gain a better understanding of the relationships between the constructs of the satisfaction profit chain, i.e., product performance, customer satisfaction, loyalty, and profitability. To our surprise, no study to date has investigated the impact of product performance at the lowest bound, i.e., product defects, on marketing constructs such as product quality perception and customer loyalty. This stands in stark contrast to the widespread literature on service failures (e.g., Folkes 1984; Smith and Bolton 1998). Moreover, researchers seem to extend the results from the service failure research to product failures. For instance, Folkes and Kotsos (1986) assume implicitly that the service recovery paradox also holds for products. They state "when complaints about products are handled well, consumers express even more satisfaction with the product than those not experiencing problems" (p. 79). However, given the different nature of products and services, it is still unclear whether the findings concerning service failures can be extended to product defects. Therefore, this research intends to contribute to the literature by examining the impact of product defects and the subsequent recovery efforts on service satisfaction, product quality perceptions, and loyalty to the service operation and to the manufacturer.

An equally under-researched area in marketing concerns the effects of individuals' complaining behavior on their relationship with the manufacturer and service operation. Most of the existing research on complaints looks at the determinants of complaining (e.g., Heung and Lam 2003; Thøgersen et al. 2009), but only very little research focuses specifically on the effects of complaining versus non-complaining on an existing relationship (Voorhees et al. 2006). In this study, we consider the impact of non-complaining and complaining customers as a response to a product defect in the relationship with the product manufacturer.

Based on the complaining literature initiated by Hirschman (1970) and Fornell and Wernerfeld (1987), we distinguish in our model between customers who experience a product defect but do not complain about it *(non-complainers)*, and customers who complain about product defects to the service operation/retailer *(complainers)*. Among those customers who submit a complaint regarding a product defect, a further distinction is made between customers who had their product defect fully fixed *(complainers' defects fully fixed)*, and customers who had their product defects only partially fixed or not at all *(complainers' defects not fixed).*

Typically, most product manufacturers sell their products through a network of independent retailers, who are in charge of handling the interactions with the end customers. In such a distribution framework, the retailers are usually entrusted by product manufacturers to handle complaints and to conduct the recovery efforts (Verhoef et al. 2007). The automotive industry is a typical example of such a distribution system: Customers are supposed to submit their complaints directly to the dealership where they purchased their car (Verhoef et al. 2007). In this distribution system, it is possible to distinguish between the effects of a product defect in the customers' relationships with the product manufacturer and the retailer, or another intermediary in charge of the recovery effort (Archer and Wesolowsky 1996; Mansfield and Warwick 2002). This study is based on the U.S. automotive industry, in which retailers are independent of the manufacturers, but they are in charge of handling complaints and repairing car defects. After that, we specifically examine the impact of product defects and the subsequent recovery efforts on the customers' relationships with both the car manufacturer and the dealer.

The goal of the paper is to provide answers to the following research questions: (1) What are the effects of product defects on product quality perceptions and loyalty to the product manufacturer? (2) How do these effects vary between non-complaining and complaining customers? (3) How does the quality of the complaint resolution influence both product quality perceptions and loyalty to the product manufacturer? (4) How does the effect of the complaint resolution on the intermediary (car dealer) responsible for complaint handling differ from its effect on the product manufacturer? In the next section, we develop hypotheses to address these research questions.

CONCEPTUAL MODEL AND HYPOTHESES

It is well known in the marketing literature that customers frequently do not voice their disappointment with their purchased products or services. A study by the Technical Assistance Research Program (TARP 1979, p. 10) reports that 31% of the customers do not express their dissatisfaction with poor products and services; in the case of product defects, Thorelli and Puri (1977, p. 135) show that more than one in four (26.4%) customers experiencing product defects do not complain to their dealer or manufacturer. In general no-complaint rates display quite some variation across industries (Andreasen 1988; Kotler 1994; Van Looy et al. 2003). Customers who experience problems with the products or services they purchase but do not complain are a so-called "silent mess" (Hart et al. 1990; Voorhees et al. 2006).

Like Halstead and Page (1992) and Voorhees et al. (2006), we call these customers who experience product defects but do not submit a complaint to the retailer from which they purchased the defective products *"non-complainers."* Non-complainers lose the opportunity to have their purchased products fixed and provide firms with no suggestions on how to improve their manufacturing processes (Boshoff 1997; Voorhees et al. 2006). Harari (1997) even warns firms of the risks of clients' silence: Their inertia when experiencing product defects may be a sign of their propensity to switch to alternative suppliers. Determinants of not complaining have been identified in the literature; namely, the high opportunity costs necessary for taking action, as well as individuals' situational and personality factors (Andreasen 1988; Voorhees et al. 2006; Thøgersen et al. 2009).

The customers' perceptions of product quality can be assessed as the sum of attribute performance (Churchill and Surprenant 1982), with negative performance having a stronger impact than positive performance on overall product quality perceptions (Mittal et al. 1998) Thus, extremely low levels of attribute performance, as in the case of product defects, should severely damage overall product quality perceptions. Therefore, although non-complainers choose not to voice their complaints when they experience product defects, their product quality perceptions should be lower compared to customers who experience no defects. Furthermore, as proposed by Harari (1997), non-complainers should demonstrate less loyalty to the manufacturer compared to customers who experience no product defects. This adverse effect may be even more striking when defects occur in relation to a new and expensive product (e.g., a car), which has been purchased recently and is expected to perform without any problem and to have no defects (Deravaj et al. 2001). Thus, we propose the two following hypotheses:

H1: Non-complainers exhibit lower product quality perceptions than customers who experience no product defects.

H2: Non-complainers exhibit less loyalty to the manufacturer than customers who experience no product defects.

TARP (1979, p. 10) reports that 90% of complaints are addressed to either the retailer or the manufacturer, but only 10% to third parties. Submitting a complaint to the retailer or manufacturer provides the customers with a satisfactory (40%), dissatisfactory (40%) or mixed outcome (10%). In the automotive industry, McNeil and Miller (1980, p. 414) show that in the first year of car ownership, 52.3% of customers experienced no product problems, 34% experienced product defects and had them fixed by the retailer (dealership), while 13.7% complained to the dealer, but ultimately had their product defects only partially fixed or not at all.

A prominent stream of research has looked at the effects of satisfactory recovery in service contexts (e.g., Kelley et al. 1994; Myrden and Kelloway, 2014). To date, it is still disputed whether adequate recovery only reduces the negative impact of the service failure (Boshoff 1997), or whether it recaptures the customers' pre-failure perceptions of satisfaction (Ok et al. 2007). In the automotive industry, Donnevert et al. (2008) have shown that adequate recovery redresses customers' satisfaction with the dealership to the pre-failure level and has a positive impact on their loyalty to the dealership (Mansfield and Warwick 2002). Building on these results, we expect that once product defects are fully fixed, customers display equivalent satisfaction with the service (dealership) compared to consumers who do not experience any product defect. Also, fully fixing complainers' defects should result in comparable loyalty to the retailer as for customers who do not experience any product defect.

H3: Customers whose product defects are fully fixed after complaining exhibit no difference in their service satisfaction compared to customers who do not experience any product defect.

H4: Customers whose product defects are fully fixed after complaining exhibit no difference in their loyalty to the service provider compared to customers who do not experience any product defect.

Alternatively, products may only be partially remedied or not at all. Double deviations (Bitner et al. 1990; Ok et al. 2007) frequently occur with services and strengthen customer dissatisfaction (Hart et al. 1990). Complainers dissatisfied by service recovery exhibit the least loyalty compared to complainers who experience satisfactory recovery and non-complainers (Voorhees et al. 2006). Building on this, we expect that customers who experience product defects and do not get their product defects fully fixed after complaining *(complainers' defects not fixed)* will display the lowest service satisfaction and loyalty to the retailer compared to any other group of customers, i.e., customers who experience no product defects, non-complainers, and complainers' whose defects are fixed. Therefore, we propose:

H5: Customers whose product defects are not fixed after complaining exhibit lower service satisfaction compared to any other group of customers.

H6: Customers whose product defects are not fixed after complaining exhibit less loyalty to the retailer compared to any other group of customers.

Concerning the consumers' perceptions of product quality, we argue that consumers react differently to post-failure experiences with services and manufactured products. Research has shown consistently that customer satisfaction is usually lower for services than for products. This is because services are typically coproduced with the customer and are based mainly on human interaction. Therefore, it is more difficult to maintain consistent quality levels for services than for manufactured products (Johnson et al. 2002). Failures happen more frequently in the production of services and are more likely to be attributed by the customer to the human element of the service production process (Gustafsson 2009). Therefore, the customer is also more willing to forgive failures in the service delivery process in the case that they are fixed following a complaint. Conversely, a product defect can hardly be attributed to the vagaries of human interaction; rather, a product defect is a consequence of a defective manufacturing process. Indeed, Priluck and Lala (2009) state that “compensation for a defective product does not change the fact that the product is not functional” (p. 44). Hence, the impact of the recovery on the perceptions of quality when product defects are fixed should differ between manufactured products and services. In the case of manufactured products, the perceptions of quality among customers whose product defects are fully repaired should still be lower than for customers who experience no product defects. Thus, complainers whose defects are fully fixed should exhibit more inferior product quality perceptions than customers who experience no product defects. As perceived product quality influences loyalty directly (Devaraj et al. 2001), we also predict that the loyalty to the manufacturer should be lower among complainers who get their product defects fully fixed compared to customers who experience no product defects.

H7: Customers whose product defects are fully fixed after complaining exhibit lower product quality perceptions compared to customers who do not experience any product defect.

H8: Customers whose product defects are fully fixed after complaining exhibit less loyalty to the manufacturer compared to customers who do not experience any product defect.

When a customer complains about product defects but the retailer is unable to fixed them, the customer is left with a defective product. Not only did the product not work in the first place, but the manufacturer’s intermediary could not even fix the defects. In a similar way, we propose that a similar double-deviation effect (Bitner et al. 1990; Ok et al. 2007) amplifies the customers’ negative perceptions of product quality and substantially decreases loyalty to the product manufacturer. Complainers whose defects are not fixed will exhibit the lowest product quality perceptions and loyalty to the manufacturer compared to the other categories under study, i.e., customers who experience no product defects, non-complainers, and complainers whose defects are completely fixed. Hence:

H9: Customers whose product defects are not fixed after complaining exhibit the lowest product quality perceptions compared to any other group of customers.

H10: Customers whose product defects are not fixed after complaining exhibit the least loyalty to the manufacturer compared to any other group of customers.

Table 1 summarizes the hypotheses and their relationships according the expected effects of each on the customers’ perceptions of product quality, their service satisfaction towards the retailer, and loyalty to the retailer or the manufacturer.

TABLE 1: RESEARCH HYPOTHESES

Impact on product quality perceptions
H1: Non-complainers < no product defects.
H7: Product defects fully fixed < no product defects.
H9: Product defects not fixed < any other group of customers.
Impact on service satisfaction
H3: Product defects fully fixed = no product defect.
H5: Product defects not fixed < any other group of customers.
Impact on the loyalty to the retailer
H4: Product defects fully fixed = no product defect.
H6: Product defects not fixed < other groups of customers.
Impact on the loyalty to the manufacturer
H2: Non-complainers < no product defects.
H8: Product defects fully fixed < no product defect.
H10: Product defects not fixed < any other group of customers.

RESEARCH METHOD

To test the hypotheses presented in the previous section, we partnered with a major car manufacturer. This company conducts an annual study through a research agency, which, among other things, asks customers to list the most severe product defect experienced in the past year of car ownership. Each respondent provides a description of product defects. Next, customers are asked whether they complained about the defects they listed to their respective car dealership (retailer). If they report that they did complain, they are asked whether the product defect was completely solved, partially fixed or not fixed at all.

We used a U.S. dataset from a single car brand; all cars were sold in the U.S. through independent retailers across the country. These non-branded dealerships sell cars of different makes and are in charge of handling complaints and repairing defects. We restricted our analysis solely to consumers who had recently purchased a new car as "the [customers'] perception when buying a new vehicle is that it is going to be defect-free" (Devaraj et al. 2001, p. 426). On the other hand, customers who possess old or used cars have different expectations of the product and might be more willing to tolerate some defects. Therefore, we examined customers who had bought a new car and owned it for less than three years (N=1348). Despite restricting our sample to this particular population, only 21.7% of all respondents (N=292) reported details of product defects. Among customers who experienced product defects, approximately 30.1% (N=88) did not complain at all, 30.9% (N=90) complained and had the product defects fully fixed, while 39% (N=114) complained but the problem was only partially resolved or not at all. In this study, 69.9% of the customers who experienced product defects complained to their retailer. Further sampling statistics are reported in Table 2.

As in Van Doorn and Verhoef's (2008) study on critical incidents, we considered experiencing product defects as a single binary category, although they may also differ in severity. Thus, we only distinguished between customers who experienced a product defect or not. Likewise, among customers who experienced product defects, we used binary (dummy) coding to identify each subcategory, i.e., non-complainers, complainers whose defects were fully fixed, and complainers whose defects were only partially fixed or not at all.

TABLE 2: SAMPLE

Total sample size	N= 1348	
Category of customers	No product defect	78.3%
	Non-complainers	6.5%
	Complainers – defects fully fixed	6.7%
	Complainers – defects not fixed	8.5%
Brand Tier	Compact	38%
	Midsize	41.7%
	Large	20.3%
Geographic Location	North Central	8.9%
	Northeast	17.1%
	South	34.6%
	West	39.3%
Gender	Male	64.2%
	Female	35.8%

MEASURES

Measures for the four constructs were selected based on the literature on relationship marketing (Selnes 1993; Smith et al. 1999), as well as for operations management (Archer and Wesolowsky 1996). We used eight items overall to measure the four constructs, i.e., service satisfaction, perceived product quality, loyalty to the dealer, and loyalty to the manufacturer. The sometimes suboptimal choice of rating scales (three and 10 points) and the two-item measures were imposed by the cooperating manufacturer. Nonetheless, these suboptimal measurements are consistent with the literature in the field of complaining and service recovery, such as, for example, in Chelminski and Coulter (2011), Hansen et al. (2011), and Verhoef et al. (2007).

Service satisfaction was measured using two items. First, we asked the customers to rate their overall satisfaction with the service dealer (Mansfield and Warwick 2002). This item was measured with a 10-point scale, ranging from 1 "unacceptable" to 10 "truly exceptional." Respondents were also asked to compare their experience with their expectations using a three-point scale: "below expectations," "met expectations," and "above expectations."

Perceived product quality was measured with two items, based on Garvin's (1984) components of product quality. The respondents were asked to rate the overall quality, reliability and appeal of their vehicle. Both items were measured with a 10-point scale, 1 being "unacceptable" and 10 "truly exceptional."

Loyalty to the retailer was measured using two items enquiring about the likelihood of customers returning to that particular facility for the service for which they paid, and the likelihood that they would recommend the dealership service department to friends, relatives, and colleagues (adapted from Bei and Chiao 2001). Both items were measured on a four-point scale, defined as follows: 1 "I definitely will not"; 2 "I probably will not"; 3 "I probably will"; 4 "I definitely will."

Loyalty to the manufacturer was measured with two items enquiring about the likelihood of customers repurchasing or leasing a vehicle of the same make (adapted from Archer and Wesolowsky 1996), and the likelihood that they would recommend the make of the vehicle to others (Selnes 1993). Again, we used items measured with a four-point scale, defined as follows: 1 "I definitely will not"; 2 "I probably will not"; 3 "I probably will"; 4 "I definitely will."

RESULTS

In a first step, the reliability and validity of the four constructs were assessed through confirmatory factor analysis with Lisrel. The analysis of the model yields a comparative fit index (CFI) of .99, and a root mean square error of approximation (RMSEA) of .068, indicating that the model fits the data well. The chi-square test (χ^2 (13) =47.76 ($p<.00$) χ^2/df = 3.67) shows that the model is within the recommended range: χ^2/df between two and five (Verhoef et al. 2007, p. 105). We illustrate scale reliability, means, standard deviations, and average variance extracted (AVE) in Appendix 1. Composite reliability and the AVE for all measurement scales show sufficient reliability and convergent validity. More specifically, the Cronbach's alpha coefficients range from .78 to .88, and the composite reliability indicators are between .64 and .94, consistent with Bagozzi and Yi (1988). The AVE from all studied scales exceeds the recommended critical value of .5 (Bagozzi and Yi 1988). All item loadings are positive and statistically significant, and item reliability is also high. To assess discriminant validity, we use the Fornell and Larcker (1981) criteria. The results show that all constructs fulfil this criterion and thus discriminant validity is achieved.

In the next step, we tested the research hypotheses (Table 1) with one-way analyses of covariance (ANCOVA) and planned contrasts on the factor scores of the constructs validated above. Four ANCOVA analyses were run, one per dependent variable, i.e., service satisfaction, loyalty to the service, perceived product quality, and loyalty to the product manufacturer. The independent variable (factor) distinguishes four levels of customers: customers with no product defects, non-complainers, complainers who had their product defects fully fixed, and complainers who had their product defects only partially fixed or not at all.

Four covariates—gender, brand tier, number of service visits, lease or purchase—were chosen based on the literature on consumer complaining behavior and research in the automotive industry. The extant literature on consumer complaining behavior shows that gender produces differences in the frequency (Heung and Lam 2003), directness, and character of complaints (Kowalski 1996). Next, in the automotive industry, Verhoef et al. (2007) establish empirically that the effects of dealerships on loyalty to the manufacturer vary according to the brand tier of the cars they sell. We coded the brand model according to the industry classification: "compact," "midsize," and "large." The number of service visits customers made in the past three years with their new car, and whether the car was on a leasing contract or fully purchased at the time of the survey were used as additional covariates. The Bonferroni procedure was used to control for Type I errors across the three levels of the independent group (α = 0.05/3 = 0.0166). ANCOVA assumptions (Tabachnik and Fidell 2012) relating to the independence of covariates and the homogeneity of the regression slopes were also tested. As reported in Appendix 2, the covariates are independent or very poorly correlated (highest correlation coefficient = -.112). Similarly, the homogeneity of the regression slopes is also confirmed (see Appendix 3 for service satisfaction). The results for the remaining variables are equivalent, but not reported for reasons of space. The significance of the ANCOVA testing is reported in the Table 3. Multiple comparisons and mean differences are reported in the text and more detail is given in Appendix 4.

Consistent with the service recovery effect in the literature on service failures (e.g., Ok et al. 2007), we observe that customers who complain about their product defects and have them fully fixed exhibit no significant mean difference (ΔM) in terms of their service satisfaction (ΔM = -.138, $p>0.05$) and loyalty to the retailer (ΔM = -.173, $p>0.05$) compared to customers who do not experience any product defect. Both customer satisfaction and loyalty to the retailer are fully recovered; thus, our results clearly confirm H3 and H4. As proposed in H3 and H4, service satisfaction and loyalty to the retailer on the part of complainers whose defects are fully fixed are not significantly different from customers who do not experience any product defect. These findings confirm previous literature on the recovery effect (Donnevert et al. 2008; Priluck and Lala 2009). Therefore, the service recovery effect applies to the context of services associated with durable goods: When customers complain to the dealership about defects and have their products fixed, their relationship with their dealership is ultimately reestablished.

We can also confirm the double deviation effect (e.g., Bitner et al. 1990), as found in the service literature: Customers who do not have their product defects fixed after complaining exhibit the lowest levels of service satisfaction and the lowest loyalty to the retailer compared to other groups of customers. These findings support H5, the mean difference between customers who do not have their product defects fixed after complaining and all other groups of customers being -.480 ($p<0.001$), and H6 with a mean difference of -.495 ($p<0.001$). These findings also confirm those of Voorhees et al. (2006): Complainers whose defects are not fixed exhibit both the lowest levels of service satisfaction and loyalty to the retailer compared to the other categories of customers. Thus, double deviations also occur when the service failure is associated with a manufactured product, i.e., experiencing a product defect and a recovery failure severely damages customers' relationships with their retailers.

Non-complainers exhibit lower perceived product quality (ΔM = -.337, $p<0.01$) and loyalty to the manufacturer (ΔM = -.394, $p<0.001$) compared to customers who experience no product defect. Thus, hypotheses H1 and H2 are confirmed. Also, even if the product defect is entirely fixed, product quality perceptions (ΔM = -.326, $p<0.01$) and loyalty to the manufacturer (ΔM = -.275, $p<0.05$) are still damaged. This confirms hypotheses H7 and H8. Therefore, fixing product defects successfully does not entirely redress the customers' perceptions of product quality, and the recovery effect from the service failure literature should not be generalized to products. Unlike the findings of TARP (1979), but consistent with Voorhees et al. (2006), complainers whose defects are not fixed exhibit the lowest levels of quality perception (ΔM = -.409, $p<0.001$) and loyalty to the product manufacturer, (ΔM = -.538, $p<0.001$), confirming H9 and H10.

Additional tests were run to investigate differences in terms of perceived product quality and loyalty to the manufacturer between non-complainers and complainers who had their product defects entirely fixed. The results of these tests confirm the findings in most complaint management literature (e.g., TARP 1979; Voorhees et al. 2006), in which non-complainers exhibit lower perceived product quality (ΔM = -.293, $p<0.05$) and loyalty (ΔM = -.366, $p<0.01$) compared to customers satisfied with the outcome of their complaint.

TABLE 3: SIGNIFICANCE OF THE FOUR ANCOVA TESTS

Dependent variable	F-value	Sig.	R^2	Adjusted R^2
Service satisfaction	5.877	.000	.065	.054
Perceived product quality	10.615	.000	.095	.086
Loyalty to the retailer	9.471	.000	.089	.079
Loyalty to the manufacturer	11.338	.000	.102	.093

DISCUSSION

In contrast to the widespread literature on service failures, there is almost no research on product defects and their impact on customer relationships. We built our research on Voorhees et al.'s (2006) study, which investigated the effects of non-complainers and complainers on major marketing constructs. In this paper, we modeled the impact of product defects for a durable and expensive good (i.e., a new car) on customer relationships. When customers experience product defects, their relationship with the product manufacturer and retailer (dealership) deteriorates. As in most manufacturing industries, in the automotive field, manufacturers sell their products through a network of independent retailers, who are in charge of handling complaints and remedying defects. Thus, we examined the effects of product defects on customers' perceptions of product quality and service satisfaction among non-complainers and complainers, both those who had their defects completely fixed and those who did not.

First of all, our results draw attention to the importance of non-complainers. These customers experienced product defects but did not complain to the retailer who sold them a defective product. Therefore, non-complainers lost the opportunity to make their product function properly and provided the manufacturers with no feedback to improve their production processes (Boshoff 1997). As advocated in the literature (e.g., Hart et al. 1990), both manufacturers and service providers (retailers) should encourage customers to voice any problems they encounter with their purchases. Managers should also implement effective complaint-handling measures to collect and process this valuable feedback (Harari 1997). Furthermore, non-complainers exhibited deterioration in both perceived product quality and loyalty to the manufacturer: Hence, experiencing product defects makes them vulnerable to switching to the competition.

We also show that the recovery effects found in research on service failures cannot be transferred to product defects as frequently occurs in the literature (e.g., Folkes and Kotsos 1986). Repairing product defects only returns a customer's relationship with the service provider (retailer) to its pre-failure level. In contrast, even if a product defect is fully fixed, the customers' perceptions of product quality and their loyalty to the manufacturer remain damaged compared to customers who experience no product defects. We attribute these differences between products and services to different expectations. We argue that customers are more willing to forgive service failures as these are more likely to depend on human interaction. In service industries, errors are more likely to be expected and tolerated, especially when they are resolved. On the other hand, products are supposed to perform perfectly immediately after purchase. Thus, experiencing product defects has an irremediable negative impact on the customers' perceptions of product quality, as well as their loyalty to the manufacturer.

In a post hoc analysis, we also found that complainers who had their product defects fully fixed displayed higher product quality perceptions and loyalty to the manufacturer compared to non-complainers. This confirms some of the extant literature, in which complainers who are satisfied with the service recovery are ranked above non-complainers (Voorhees et al. 2006). These results show that even though product quality perceptions and loyalty are not restored to the no-defect level, when the retailers completely remedy defective products, the customers' perceptions of product quality and their loyalty to the manufacturer are higher than in the no-complaint case.

Double deviation effects (e.g., Bitner et al. 1990; Ok et al. 2007) are also confirmed in this study. Customers who did not get their product defects entirely fixed after complaining exhibited the lowest levels of service satisfaction, product quality perceptions, and loyalty to the retailer and the product manufacturer, compared to the other categories of customers. Both product manufacturers and retailers should be highly concerned about the quality of their after-sales maintenance services to avoid considerable damage to the relationship with their customers.

MANAGERIAL RECOMMENDATIONS

In the context of durable goods, making perfectly functioning products is essential to benefit from customers' high perceptions of quality and loyalty (Taguchi and Clausing 1990). Customers expect that an expensive and recently purchased new product, such as a car, should perform well and last for a long time (Devaraj et al. 2001). However, whenever products fail to perform and exhibit defects, both manufacturers and retailers should take action to reduce the adverse effects of these failures on the relationship with their customers.

When products display defects, a large proportion of customers do not voice dissatisfaction to the retailer. In our study of the automotive industry, 30.1% of customers who experienced product defects fell into the category of silent customers, exhibiting a reduction in perceptions of product quality and loyalty to the manufacturer compared to customers who experienced no product defects. They were more likely to switch to alternative product manufacturers. Both manufacturers and their service providers (retailers) should encourage customers to declare the problems they encounter with their purchases. Managers should also implement effective complaint-handling policies to collect and process valuable feedback (Harari 1997). More importantly, even effective tactics for encouraging and handling complaints are unlikely to activate a large portion of the silent majority of customers who experience defects but do not complain. Therefore, a further step would be to survey customers systematically regarding product defects, through the ownership cycle. A stringent monitoring system would provide the management with a comprehensive view of the defects and problems that customers experience with their products over the ownership period. The information provided by such a monitoring system would yield an undistorted picture of product quality and would allow manufacturers to improve their manufacturing processes. There are types of product defects about which customers are not likely to complain, but which will still damage the relationship (quality perceptions, loyalty) in the long run and will not be detected through standard complaint management systems. Our results on non-complainers show that these can inflict substantial damage on the customer relationship.

In a distribution scheme in which retailers are independent of their suppliers and sell products from different manufacturers, such retail managers should handle complaints carefully. We show in this research that complainers who have their product defects fully fixed exhibit equivalent service satisfaction and loyalty to the retailer as if they had experienced no product defects. Therefore, fixing product defects should not be considered merely as a contractual task undertaken with suppliers. Indeed, fixing product defects represents an excellent opportunity for retailers to remedy having sold a defective product to a customer. Solving product defects is insufficient for full recovery of the customers' perceptions of product quality and loyalty to the manufacturer. Fixing defects only makes complainers' perceptions of product quality and loyalty to the manufacturer higher than those of non-complainers. However, this level is still lower than that of customers who experience no product defects.

Therefore, a concentrated focus by product manufacturers on zero defects and total quality management is warranted. It is not appropriate to generalize the results from service failures to product defects, as has frequently been done in the literature (e.g., Folkes and Kotsos 1986). Our results show that consumers do not forgive product defects even if they are fully fixed, so product manufacturers are well advised to get things right the first time.

On the other hand, when product defects are not fixed properly, the relationship between complainers with both the retailer and the manufacturer are severely damaged. The customers' perceptions of product quality, their service satisfaction, as well as their loyalty to both the manufacturer and retailer, drop substantially. By missing the opportunity to solve defects, both the retailer and manufacturer suffer a deteriorated relationship, which may consequently lead to negative word-of-mouth, decreased sales, and profits.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This study only focused on a single category of products. We used cars as a proxy for durable and expensive products. Replications of this study should be conducted with other product categories, such as major household appliances, computers, etc., to enable the findings presented in this paper to be generalized. The use of data related to a single U.S. car manufacturer may be an additional limitation of this research. We therefore suggest testing our model within alternative distribution contexts. In many other countries, such as the Netherlands (Verhoef et al. 2007), the car industry is based on exclusive distribution (i.e., the dealer sells only one brand). Future research should examine the impact of product defects and the subsequent recovery efforts on the relationships with retailers and manufacturers in brand-exclusive distribution systems.

Another limitation of this study concerns the use of two-item scales for our four dependent variables. As stated before, the two-item constructs and the sometimes unusual scale formats were trade-offs that needed to be made to secure the cooperation of a car manufacturer and thereby gain access to real world data. Even though the two-item constructs are not optimal, the items used were adapted from standard scales, and furthermore, the confirmatory factor analysis of the four constructs showed a good fit. Nonetheless, our literature research also highlighted another promising area for future research. In contrast to the abundant literature on service quality (e.g., Parasuraman et al. 1988; Parasuraman et al. 1991; Srivastava and

Rai, 2013) and its measurement, the literature on measuring perceived product quality is comparatively scarce. While different instruments have been developed and extensively validated to measure service quality (e.g., Babakus and Boller 1992; Cronin and Taylor 1994; Katarachia, 2013), our literature research did not uncover an equally convincing and broadly validated scale for the measurement of product quality. To the best of our knowledge, there is no established measurement instrument that sufficiently captures the multidimensional conceptualization of perceived quality developed in Garvin's (1984) seminal work.

An additional promising path for future studies would be to examine the impact of different types, as well as the frequency and sequence of product defects in consumer relationships. Cars are complex products and customers may experience product defects that are likely to vary in severity. Even in the literature stream of service failures, research on the effects of failure severity of consumer's reactions is scarce (for an exception, see Maxham and Netemeyer 2002). Most of the research that has investigated contingencies moderating the influence of service failures on consumer reactions has focused on consumer attributions (e.g., Folkes 1984; Tsiros et al. 2004). In our study, as in other published research (e.g., Van Doorn and Verhoef 2008), we treat product defects as a "general category, though [they] may differ in terms of content, severity, and sequence" (p. 139). Complaining behavior and its impact on major marketing constructs may depend on the severity and the type of the product defects experienced. For example, there may be defects concerning which consumers rarely complain, but which still damage their relationship with the retailer/manufacturer.

Alternatively, retailers/manufacturers may experience many complaints concerning defects that only have a small damaging impact on customer relationships. Furthermore, the frequency and sequence of product defects may also influence the customers' perceptions of product quality and loyalty to the manufacturer (Edvardsson and Strandvik 2000). Therefore, another promising avenue for further research could be longitudinal studies that investigate the dynamics of customer relationships over time. With very few exceptions, most of the studies on customer relationships, including this study, are what Lewicki et al. (2006) criticize as snapshot studies. However, since the seminal paper of Dwyer et al. (1987), relationships between customers and firms have been conceptualized as dynamic and evolving over time. Longitudinal studies have the potential to deepen our understanding of the evolution of customer relationships over time (see recent papers, such as Palmatier et al. 2013; Haumann et al. 2014), and shed light on the long-term and cumulative effects of product defects. This is especially relevant for durable products with a long ownership cycle.

A final issue that we could not cover in this research concerns the effects of warranty on consumer perceptions. Many car manufacturers nowadays offer long warranties on their cars. Research on warranty has focused on its role as a quality signal and the impact on product choice (Chu and Chintagunta 2011; Etzion and Pe'er 2014). Thus, an interesting research question is whether warranty could mitigate the damaging effects of product defects on customer relationships or whether quality perceptions remain tainted.

In summary, we think that research on product defects, product quality perceptions, and their measurement is surprisingly scarce. As our results show that findings on service failures cannot be extrapolated to product defects, we hope that this study can serve as a starting point to motivate more research in this neglected area.

REFERENCES

Anderson, E.W. and Mittal, V. (2000), "Strengthening the satisfaction-profit chain," *Journal of Service Research*, 3(2), 107-120.

Andreasen, A.R. (1988), "Consumer complaints and redress: what we know and what we don't know," in *The Frontier of Research in the Consumer Interest*, Meynes E.S., ed., Columbia, MI: American Council on Consumer Interests, 675-722.

Archer, N.P. and Wesolowsky, G.O. (1996), "Consumer response to service and product quality: a study of motor vehicle owners," *Journal of Operations Management*, 14, 103-118.

Bagozzi, R.P. and Yi, Y. (1988), "On the evaluation of structural equation models", *Journal of the Academy of Marketing Science*, 16(1), 74-94.

Bae, Y.K. and Benítez-Silva, H. (2011), "Do vehicle recalls reduce the number of accidents? The case of the US car market," *Journal of Policy Analysis and Management*, 30(4), 821-862.

Bei, L.-T. and Chiao, Y.-C. (2001), "An integrated model for the effects of perceived product, perceived service quality, and perceived price fairness on consumer satisfaction and loyalty," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 14, 125-140.

Babakus, E. and Boller, G.W. (1992), "An empirical assessment of the SERVQUAL scale," *Journal of Business Research*, 26(6), 253-268.

Bitner, M.J., Booms, B.H. and Tetreault, M.S. (1990), "The service encounter: Diagnosing favorable and unfavorable incidents," *Journal of Marketing*, 54, 71-84.

Boshoff, C. (1997), "An experimental study of service recovery options," *International Journal of Service Industry Management*, 8(2), 110-130.

Chelminski, P. and Coulter, R.A. (2011), "An examination of consumer advocacy and complaining behavior in the context of service failure", *Journal of Services Marketing*, 25, 5, 361-370.

Chu, J. and Chintagunta P. K. (2011), "An empirical test of warranty theories in the U.S. computer server and automobile markets," *Journal of Marketing*, 75, 75-92.

Churchill, Jr., G.A. and Surprenant, C. (1982), "An investigation into the determinants of customer satisfaction," *Journal of Marketing Research*, 19, 491-504.

Cronin, Jr. J.J. and Taylor, S.A. (1994), "SERVPERF versus SERVQUAL: Reconciling performance-based and perceptions-minus-expectations measurement of service quality," *Journal of Marketing*, 58, 125-131.

Devaraj, S., Matta, K.F. and Conlon, E. (2001), "Product and service quality: The antecedents of customer loyalty in the automotive industry," *Production and Operations Management*, 10(4), 424-439.

Donnevert, T., Hammerschmidt, M. and Bauer, H.H. (2007), "Turning failures into opportunities for value creation," in *Proceedings of the American Marketing Association Relationship Marketing Summit*, Buenos Aires, Argentina, December 13–15, 2007, Chicago, IL: American Marketing Association.

Donnevert, T., Hammerschmidt, M., Falk, T., Bauer, H. H. and Moser, M. (2008), "Making a virtue of necessity: How firms can benefit from product failures," in *Enhancing Knowledge Development in Marketing, Proceedings of the American Marketing Association Summer Educators' Conference,* in San Diego, USA, August 8–11, 2008, Chicago, IL: American Marketing Association, pp. 218-219.

Dwyer, F. R. and Schurr, P. H. and Oh, S. (1987), "Developing Buyer-Seller Relationships", *Journal of Marketing*, 51(2), 11-27.

Edvardsson, B. and Strandvik, T. (2000), "Is a critical incident critical for a customer relationship?" *Managing Service Quality*, 10(2), 82-91.

Etzion, D. and Pe'er, A. (2014), "Mixed signals: a dynamic analysis of warranty provision in the automotive industry, 1960–2008," *Strategic Management Journal*, 35(11), 1605-1625.

Folkes, V.S. (1984), "Consumer reactions to product failure: an attributional approach," *Journal of Consumer Research*, 10, 398-409.

Folkes, V.S. and Kotsos, B. (1986), "Buyers' and sellers' explanations for product failure: who done It?" *Journal of Marketing*, 50, 74-80.

Fornell, C. and Larcker, D.F. (1981), "Evaluating structural equation models with unobservable variables and measurement error," *Journal of Marketing Research*, 18(1), 39-50.

Fornell, C. and Wernerfeld, B. (1988), "A Model for Customer Complaint Management", *Marketing Science*, 7(3), 287-298.

Garvin, D.A. (1984), "Product quality: an important strategic weapon," *Business Horizons,* 27(3), 40-43.

Gustafsson, A. (2009), "Customer satisfaction with service recovery," *Journal of Business Research*, 62, 1220-1222.

Halstead, D. and Page Jr., T.J. (1992), "The effects of satisfaction and complaining behavior on consumer repurchase intentions," *Journal of Consumers Satisfaction, Dissatisfaction and Complaining Behavior*, 5, 1-11.

Hansen, H., Samuelsen, B.M. and Andreassen, T.W. (2011), "Trying to complain: the impact of self-referencing on complaining intentions," *International Journal of Consumer Studies*, 35, 375-382.

Harari, O. (1997), "Thank heavens for complainers," *Management Review*, 86, 25-29.

Hart, C.W.L., Heskett, J.L. and Earl Sasser Jr., W. (1990), "The profitable art of service recovery," *Harvard Business Review* (July-August), 148-156.

Haumann, T., Quaiser, B., Wieseke, J. and Rese, M. (2014), "Footprints in the sands of time: a comparative analysis of the effectiveness of customer satisfaction and customer-company identification over time," *Journal of Marketing*, 78(6), 78-102.

Heung, V.C.S. and Lam, T. (2003), "Customer complaint behavior towards hotel restaurant services," *International Journal of Contemporary Hospitality Management*, 15(5), 283-289.

Hirschmann, A.O. (1970), *Exit, Voice, and Loyalty*, Cambridge, MA: Harvard University Press.

Hora, M., Bapuji, H. and Roth, A.V. (2011), "Safety hazard and time to recall: the role of recall strategy, product defect type, and supply chain player in the US toy industry," *Journal of Operations Management*, 29, 766-777.

Jacobson, R. and Aaker, A.D. (1987), "The strategic role of product quality," *Journal of Marketing*, 51, 31-44.

Johnson, M.D., Herrmann, A. and Gustafsson, A. (2002), "Comparing customer satisfaction across industries and countries," *Journal of Economic Psychology*, 23(6), 749-769.

Katarachia, A. (2013), "Measuring service quality and satisfaction in Greek cooperative banking: An exploratory study," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 26, 55-75.

Kelley, S.W., Hoffman, K.D and Davis, M.A. (1994), "A typology of retail failures and recoveries," *Journal of Retailing*, 69(4), 429-452.

Kotler, P. (1994), *Marketing Management, Analysis, Planning, Implementation and Control*, Englewood Cliffs, NJ: Prentice-Hall.

Kowalski, R.M. (1996), "Complaints and complaining: functions, antecedents, and consequences," *Psychological Bulletin*, 119(2), 179-196.

Lewicki, R.J., Tomlinson, E.C. and Gillespie, N. (2006), "Models of interpersonal trust development: theoretical approaches, empirical evidence, and future directions," *Journal of Management*, 32(6), 991-1022.

Mansfield, P. and Warwick, J. (2002), "The impact of post-complaint satisfaction with the salesperson, retailer, and manufacturer on relationship commitment," *The Marketing Management Journal*, 12(2), 10-22.

Maxham, III, J.G. and Netemeyer, R.G. (2002), "A longitudinal study of complaining customers' evaluations of multiple service failures and recovery efforts," *Journal of Marketing*, 66(4), 57-71.

McNeil, K. and Miller, R.E. (1980), "The profitability of consumer protection: warranty policy in the auto industry," *Administrative Science Quarterly*, 25(3), 407-427.

Mittal, V., Ross Jr., W.T. and Baldasare, P.M. (1998), "The asymmetric impact of negative and positive attribute-level performance on overall satisfaction and repurchase intentions," *Journal of Marketing*, 62, 33-47.

Myrden, S.E. and Kelloway, E.K. (2014), "Service guarantees: The impact of playing 'hard to get' on perceptions of firm credibility and repurchase intent," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 24, 55-69.

Nagar, V. and Rajan, M.V. (2001), "The revenue implications of financial and operational measures of product quality," *The Accounting Review*, 76(4), 495-513.

Ok, C., Back, K.-J. and Shanklin, C.W. (2007), "Mixed findings on the service recovery paradox," *The Service Industries Journal*, 27(6), 671-686.

Palmatier, R.W., Dant, R.P., Grewal, D., and Evans, K.R. (2006), "Factors influencing the effectiveness of relationship marketing: a meta-analysis," *Journal of Marketing*, 136-153.

Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1988), "SERVQUAL: a multi-item scale for measuring consumer perceptions of the service quality," *Journal of Retailing*, 64(1), 12-40.

Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1991), "Refinement and reassessment of the SERVQUAL scale," *Journal of Retailing*, 67, 420-450.

Priluck, R. and Lala, V. (2009), "The impact of the recovery paradox on retailer-customer relationships," *Managing Service Quality*, 19(1), 42-59.

Selnes, F. (1993), "An examination of the effect of product performance on brand reputation, satisfaction and loyalty," *European Journal of Marketing*, 27(9), 19-35.

Smith, A.K. and Bolton, R.N. (1998), "An experimental investigation of customer reactions to service failure and recovery encounters: paradox or peril," *Journal of Service Research*, 1(1), 5-17.

Smith, A.K., Bolton, R.N. and Wagner, J. (1999), "A model of customer satisfaction with service encounters involving failure and recovery," *Journal of Marketing Research*, 36, 356-372.

Srivastava, M. and Rai, A.K. (2013), "Investigating the Mediating Effect of Customer Satisfaction in the Service Quality – Customer Loyalty Relationship," *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 26, 95-109.

Tabachnik, B.G. and Fidell, L.S. (2012), *Using Multivariate Statistics*, Upper Saddle River, NJ: Pearson Education.

Taguchi, G. and Clausing, D. (1990), "Robust quality," *Harvard Business Review*, 68(1), 65-75.

TARP (Technical Assistance Research Program) (1979), *Consumer Complaint Handling in America: Final Report*, Washington, DC: United States Office of Consumer Affairs.

Thøgersen, J., Juhl, H.J. and Poulsen, C.S. (2009), "Complaining: a function of attitude, personality, and situation," *Psychology and Marketing*, 26(8), 760-777.

Thorelli, H.B. and Puri, R.P. (1977), "On complaining in Norway and the role of information seekers", in *Consumer Satisfaction, Dissatisfaction, and Complaining Behavior*, Day R.L., ed., Bloomington, IN: Department of Marketing, Indiana University, pp. 130-137.

Tsiros, M., Mittal, V. and Ross, Jr., W.T. (2004), "The role of attributions in customer satisfaction: a reexamination," *Journal of Consumer Research*, 31(2), 476-483.

Van Doorn, J. and Verhoef, P.C. (2008), "Critical incidents and the impact of satisfaction on customer share," *Journal of Marketing*, 72, 123-142.

Van Looy, B., Gemmel, P. and Van Dierdonck, R. (2003), *Services Management: An Integrated Approach*, 2nd edition, Harlow, UK: Prentice Hall, Financial Times.

Verhoef, P.C., Langerak, F. and Donkers, B. (2007), "Understanding brand and dealer retention in the new car market: the moderating role of brand tier," *Journal of Retailing*, 83(1), 97-113.

Voorhees, C.M., Brady, M.K. and Horowitz, D.M. (2006), "A voice from the silent masses: an exploratory and comparative analysis of noncomplainers," *Journal of the Academy of Marketing Science*, 34(4), 514-527.

Corresponding authors:

Prof. Dr. Marcel Paulssen
University of Geneva
40, boulevard du Pont d'Arve
CH-1211 Genève 4, Switzerland
Phone: +41 22 379 89 40
Fax: +41 22 379 81 04
marcel.paulssen@unige.ch

Giuseppe Catenazzo
University of Geneva
40, boulevard du Pont d'Arve
CH-1211 Genève 4, Switzerland
giuseppe.catenazzo@unige.ch

Appendix 1: Constructs and Measures

Construct/Item	Mean	Standard deviation	Construct reliability/ standardized loading
Service Satisfaction			0.78
Please rate your overall satisfaction with the service dealer [(a)]	7.67	2.214	0.94
Please rate your overall experience compared to your expectations [(b)]	2.21	0.578	0.64
Perceived Product Quality			0.88
Please rate your vehicle's quality and reliability overall [(a)]	8.09	2.034	0.93
Please rate the overall appeal of your vehicle [(a)]	8.50	1.722	0.85
Loyalty to the dealer			0.82
How likely are you to purchase/lease from the dealership that most recently serviced your current vehicle? [(c)]	2.99	0.878	0.77
How likely are you to recommend the dealer that services your vehicle? [(c)]	3.24	0.835	0.90
Loyalty to the maker			0.81
How likely are you to purchase/lease a vehicle of the same make? [(c)]	3.07	0.882	0.74
How likely are you to recommend this make of vehicle? [(c)]	3.29	0.808	0.90

(a) Item measured on a 10-point scale spanning from 1 "unacceptable" to 10 "truly exceptional."
(b) Item measured on a three-point scale: 1 "below expectations," 2 "met expectations," and 3 "above expectations."
(c) Item measured on a four-point scale: 1 "I definitely will not," 2 "I probably will not," 3 "I probably will," and 4 "I definitely will."

Appendix 2: Correlations between covariates of ANCOVA

	1	2	3	4
Brand tier	1			
No. of visits to dealership during the past year	.075**	1		
Purchased or leased vehicle	.006	.042	1	
Gender	-.112**	.027	.011	1

* p<0.05, ** p<0.01

Appendix 3: Homogeneity test of the regression slopes for service satisfaction

	Type III sum of squares	df	Mean square	F	Sig.
Corrected model	46.212 [(a)]	19	2.432	2.710	.000
Intercept	.006	1	.006	.007	.936
Independent factor: Non-complaining, complaining (defects fully fixed), and complaining (defects only partially fixed or not at all)	3.186	3	1.062	1.183	.315
Gender	.126	1	.126	.141	.708
Brand tier	.362	1	.362	.403	.526
Number of service visits to dealership during the past year	.017	1	.017	.019	.890
Lease or purchase	.190	1	.190	.212	.646
Independent factor * Gender	1.927	3	.642	.716	.543
Independent factor * Brand tier	1.170	3	.390	.435	.728
Independent factor * No. service visits	2.296	3	.765	.853	.465
Independent factor * Lease or purchase	3.950	3	1.317	1.467	.222
Error	519.655	579	.898		
Total	570.400	599			
Corrected total	565.867	598			

(a) R-squared = .082, adjusted R-squared = .052

Appendix 4: Multiple comparisons and mean differences in the ANCOVA tests

	Mean difference	S.E.	95% confidence interval for mean difference
Service satisfaction			
No defects vs. defects fully fixed	-.138#	.125	-.384, .107
Other groups vs. defects not fixed	-.480***	.114	-.705, -.225
Perceived product quality			
No defects vs. non-complainers	-.337**	.108	-.550, -.124
No defects vs. defects fully fixed	-.326**	.107	-.537, -.116
Other groups vs. defects not fixed	-.409***	.099	-.603, -.215
Loyalty to the retailer			
No defects vs. defects fully fixed	-.173#	.113	-.395, .050
Other groups vs. defects not fixed	-.495***	.104	-.699, -.291
Loyalty to the manufacturer			
No defects vs. non-complainers	-.394***	.106	-.603, -.186
No defects vs. defects fully fixed	-.275*	.107	-.484, -.065
Other groups vs. defects not fixed	-.538***	.099	-.731, -.344

n.s., * $p < .05$, ** $p < .01$, *** $p < .001$

No defects: Customers who experience no product defects.
Non-complainers: Customers experiencing product defects but do not complain to the retailer.
Defects fully fixed: Complainers who get their product defects fully fixed.
Defects not fixed: Complainers who get their product defects only partially fixed or not at all.
All groups: Customers who experience no product defects, customers who do not complain to the retailer, and complainers who have their product defects fully fixed.

AN EXPERIMENT IN MANAGING WORD OF MOUTH

Douglas Pruden, Customer Experience Partners, LLC.
Terry G. Vavra, PhD, Customer Experience Partners, LLC.

ABSTRACT

While unarguably one of the most potent forces in marketing, word of mouth has most generally been considered uncontrollable and therefore problematic as an effective marketing promotions tool. In this paper we explore the extent to which word of mouth can be influenced both in content and volume by using strategically delivered communications to potential word of mouth agents. Results from an experiment conducted by the authors show that word of mouth can be seeded, influenced, and amplified. A model is developed to help others do similar experiments manipulating word of mouth, with the goal of eventually making it a recognized and effective promotional tool.

INTRODUCTION

One of the most perplexing phenomena in marketing is word of mouth: in spite of being universally revered, it is still ignored in most marketing promotional plans. Word of mouth is defined as "Communication between a non-commercial communicator and a receiver concerning a brand, product, service, company or organization" (Lang and Hyde, 2013).

Positive word of mouth is one of the most hoped for consequences of successful marketing, since it means that satisfied customers are going out of their way to suggest to other consumers that they might similarly find the product or service useful. For the last 60 years, word of mouth has been recognized as a powerful force in shaping consumer behavior. It has been described as, "the dominant decision clincher" (Arndt, 1967a), "almost irresistible" (Arndt, 1967b), the "ultimate test of the customer's relationship" (Bendapudi and Berry, 1997), and the "gift that keeps on giving" (Trusov et al, 2009). Its true force is evidenced by the fact that over 3.3 billion brand impressions are generated by word of mouth *each day*! (Keller and Libai, 2009).

Surprisingly, as esteemed as it is among marketers, word of mouth is still not fully understood. In fact, a media specialist recently observed that "the consumer packaged goods industry is only in its infancy in learning how to use word of mouth to market its products". We agree, but believe that the opportunity to benefit from the measurement and management of word of mouth extends well beyond packaged goods into most sectors and to businesses of all sizes.

The surprise is, however, that while advertising, public relations and sales promotion have become extensively refined tools of American businesses, word of mouth has not. Word of mouth - the seemingly free, strongly persuasive, and highly credible (perceived as unbiased) form of communication - has gone largely unexploited. Against total US advertising expenses of $139.5 billion in 2012, spending on word of mouth was projected to be only $2.5 billion (PQ Media, 2007).

LITERATURE REVIEW

Traditional explanations for the slow adoption of word of mouth as a marketing communications tool have included the difficulty of measuring it as well as the challenge of controlling and managing it (some would even say the impossibility of managing it). Until very recently, it was viewed as insignificant compared to mass media because of its reliance on 'personal media'. Not too many years ago large advertisers "owned" mass media (what we would call 'private media'). No matter the sector or geographic market, there were only a limited number of outlets (magazines, television stations, newspapers, and radio stations) available to reach the masses. Also, since media space was finite (and therefore limited and costly), only the largest brands could afford to buy it; by using their purchasing power, they dominated the media (and therefore the market). (Communications with the smaller segments of the B-to-B world were viewed simply as 'niches', while communications to individual consumers were considered inconsequential and left to the 'underworld' of direct marketers.) In addition, there were only a limited number of agencies and media professionals who had the tools and the skills to produce messages high enough in quality (required by the media) to position a brand, raise awareness, stimulate consideration, and motivate a purchase.

The impact of the internet and social media networks – what we would call '*public social media*' – has resulted in a seismic redistribution of power with regard to the ability to communicate. Public social media offers far greater reach and visibility than private mass media. Most significantly, public social media is available to <u>everyone</u>. While word of mouth has no doubt existed in some form since the beginning of spoken language, social media has led to exponential growth of word of mouth. People have always talked with and written to their friends, neighbors, relatives, and co-workers about issues that involve them; however, prior to social media the reach of any one individual's opinions was considerably constrained. Today, social media channels have removed all constraints, offering individuals access to mass-distribution channels, and giving their opinions an astronomical reach which often rivals or exceeds the reach of traditional mass media (e.g. radio, television, print).

Consequently (and whether or not they are willing to admit it), marketers have lost much of their ability to dominate public dialogue. Some corporate executives have even remarked that they've lost the ability to manage their brand's image! None of this should be interpreted to mean that marketers have to abandon efforts to influence (or more importantly manage) word of mouth about their brand; However rather than attempting to influence opinion via a one-sided 'attack' of assaulting consumers with paid mass media messages, today's smart marketers need to learn how to work <u>with</u> their customers to optimize the value of word of mouth for their brand(s). We call such collaboration *managed word of mouth*. We distinguish managed word of mouth from incentivized word of mouth, because in managed word of mouth the potential advocates are in no way incentivized to communicate - content is simply made available to them. In our opinion, incentivized word of mouth contradicts the very essence of true word of mouth; once there is any incentive offered for the transmittal of information, word of mouth agents become mercenaries, and lose the objectivity that makes them and their opinions so uniquely trustworthy (Martin, 2014).

Paradoxically, even with the amplification advantages offered by social media and even with the possibility of influencing how and when customers talk about their products and services, marketers still have not readily embraced word of mouth as a feasible promotional tool. Without a proven means of measuring it and managing it, marketers have continued to avoid word of mouth, or have argued (somewhat irrationally) that it is beyond their control.

CONCEPT DEVELOPMENT

Consumers spend their lives talking to one another. We are a species focused on communication. Much of this communication consists of reactions to products and services. In a given week, an average consumer will mention brands 90 times to family, friends, and co-workers. (Erin Richards-Kunkel, 2013). The more conspicuous or ego-involving a brand or product category is, the more likely it is to capture one of these communication "slots".

We define consumers who willingly (and freely) transmit word of mouth as ***everyday advocates***[1]. They are those friends, neighbors, and colleagues who seem predisposed to talk about brands, products, and companies.[2] People listen to everyday advocates because they are known and respected. Everyday advocates are trusted because they lack any economic involvement; their opinions are offered without reward or incentive. In contrast, sponsored advertising is distrusted because of its admitted proselytizing goals (Nielsen, 2010).

We posit that there are certain conditions which must be fulfilled in order for word of mouth to be easily and freely disseminated. Specifically we identify three antecedent components we believe stimulate and sustain word of mouth among everyday advocates:

[1] Within the literature, those disseminating information have been called "WOM agents" (this term seems particular to consumers who are incentivized to disseminate word of mouth about brands, services and companies). We use the term "everyday advocates" to refer to customers who are screened for communication desires and skills, and then offered privileged information that compels them to discuss it with others.

[2] Berger (2014) posits five basic functions of word of mouth: impression management; emotion regulation; information acquisition; social bonding; and persuasion. The specific motives for transmitting word of mouth, are not, however, the purpose of this study.

- **Content:** A potential advocate must have something to say about a brand or product. Study after study shows that negative word of mouth is far more prevalent in the marketplace than positive word of mouth. We think that is because underlying negative word of mouth is a 'ready-made story' for a consumer to tell; the problem or service failure he/she had with a product, brand, company or manufacturer. Without content – i.e. something to tell - word of mouth doesn't occur.as easily.
- **Motivation:** With content, a potential advocate still needs a reason or motive to disseminate the information he/she has about a product or brand. Again, using the negative word of mouth example, saving others from suffering the same fate, or just plain "getting even" with an aggrieving company is more than sufficient motivation to compel conversation. Lacking motivation, a consumer will be far less likely to engage in word of mouth.
- **Opportunity:** Opportunity is the invitation to speak about a product or service; a way to insert information about a product or brand into everyday conversations. Ideally, an advocate would be asked, "What do you think about brand X?" But lacking that request, an advocate needs a potential opening. Without this opening, content and motivation by themselves are not sufficient to create word of mouth.

MEASUREMENT MODEL

We created an experiment to 'seed' word of mouth content among a general population of customers. To determine our effectiveness in creating word of mouth, we constructed a measurement protocol. Adopting dimensions commonly believed to be present in word of mouth, we advance the following dimensions as appropriate criteria by which to judge if we successfully produced (managed) word of mouth in our experiment (McKinsey & Co., April 2010):

- **Valence** – how subjectively positive or negative the information contained in the word of mouth is;
- **Active-Passive** – was the word of mouth actively disseminated, or was it withheld until it was asked for;
- **Multiplier** – to how many other individuals was the word of mouth transmitted;
- **Expertise** – how is the communicator viewed among his/her cohorts (highly knowledgeable or possessing only passable knowledge)..

We suppose these dimensions to be multiplicative in impact, but that is not the focus of this paper.

RESEARCH METHODOLOGY

With the assistance of a Learning Center franchise in Darien, Connecticut, we conducted a test to see if it was possible to stimulate and manage word of mouth. The franchise owners agreed to allow us access to their clients for a period of six weeks. Consequently our test (and the results presented here) are from an admittedly brief period of time.

Our first step was to meet with the owners of the Center to develop interesting and relevant 'news stories' concerning the expertise and philosophy of the Learning Center; this content was used to 'seed' or generate word of mouth. In creating the content, our goal was to eliminate all self-serving promotion, and to simply focus on information that would be of interest (and offer valuable insights) for the parent-clients. One 'news story' we developed concerned the new Common Core curriculum that Connecticut was about to adopt in its elementary and secondary school systems. The story focused on how students might be challenged by the changes of perspective inherent in the new curriculum and how they might be helped to cope with the changes. Another story consisted of an interview with a previous student-client – now a freshman in college – and his evaluation of the tutoring he received at the Learning Center.

Each story was formatted as a one-page email message from the Director of the Center, under the Learning Center's full-color logo. The emails were sent to 345 parents. Within the six-week time frame, our objective was to send out a similar, thought-provoking message every week to parents in the Learning Center's database. As mentioned previously, the time frame was admittedly a short period of time in which to significantly impact word of mouth; however it was the longest period of time the directors of the Learning Center would allow for experimentation. To structure our test in a scientific manner, we held out 25% of the parents as a control sample. Parents in the *control group* continued to be interact with the Learning Center in a conventional manner; they simply did not receive the targeted communications sent to the parents comprising the *experimental group*.

At the conclusion of the six-week trial period, all parents in the Center's database received an invitation to complete a short online questionnaire about a fictitious, masking topic, identified as their "impressions of the Center". In truth the questionnaire was composed of items from our Buzz Barometer® measurement tool[3]. Our evaluation of the effectiveness of the email campaign in stimulating word of mouth would be drawn from a comparison of the responses from the experimental group parents with responses from the control group parents on questions in the Buzz Barometer.

RESULTS

Because of the emotional involvement parents likely felt with the Learning Center, response rates to our online questionnaire were reasonably high. Among the 345 parents constituting the experimental group, 107 (31%) responded, while 38 (29%) of the 131 parents within the control group responded.

Our first and primary question was whether or not the six-weeks of email messages stimulated additional discussion (word of mouth) about the Center as we had predicted. The first question in our email survey probed that issue. We found that among the experimental group, 51% of the parents reported discussing the Center with friends or acquaintances. This compared to only 33% among the control group parents. The difference is significant at the 93% level of confidence. Comparing the 51% to the 33%, one could say the experimental group was about a third more likely to have engaged in word of mouth about the Center. This finding offers reasonably strong evidence that supplying content does, in fact, facilitate (if not stimulate) word of mouth.

The 'directionality' or passivity-activity aspect of the tendered communications was our next focus of inquiry. We asked respondents how the communication-exchange in which they took part occurred. Did they initiate it, or did the other party? A majority - 64% - of the experimental group admitted to volunteering their opinion, while only 40% of the control group claimed the same. This difference is statistically significant at the 95% level of confidence. We interpret these findings to indicate that having 'content' (a message to communicate) appears to enable and/or stimulate active transmission of word of mouth.

Another of the advantages of word of mouth is its tendency to be disseminated in a geometric or 'snowball' pattern. This recognizes that ideas spread by word of mouth enjoy a 'magnification' by being sequentially disseminated or spread in increasingly larger numbers of interactions. We attempted to document, within the relatively short time span of this experiment, this effect by asking those of our respondents who reported telling others about the Learning Center, how many people they had interacted with. The average number was 1.8 individuals, suggesting a multiplier of approximately two-times in the first-order communications.

In probing the medium of the information exchange, 'face-to-face' communications were most frequently cited (by 87%). Telephone conversations were second, with 18% reporting using the phone. While these findings may surprise many readers, they confirm the oft-observed fact that the majority of word of mouth still is conveyed by the traditional, *private social media*; <u>not</u> the *public social media*[4]. Further substantiating this observation, email and

[3] Our Buzz Barometer is a self-report survey instrument of word of mouth activity among a specific population. Consisting of approximately 16 questions, it operationalizes five dimensions identified with word of mouth: occurrence of word of mouth, valence of comments made/received, whether the word of mouth was received or requested, to how many others the information was relayed to, and the expertise or authority accorded the source.

For purposes of this experiment, only certain questions of the Buzz Barometer were used, and the individual dimensions are reported separately rather than being combined as is frequently done. The Buzz Barometer has been used as a comparative measure for a brand over time, but can also serve (as in this case) to evaluate the comparative impact of the presence or absence of word of mouth for a brand.

[4] We distinguish social media in the public eye (computer exchange platforms like Twitter and Facebook) versus those conducted privately (personal conversations) as *public* versus *private* social media.

TABLE 1
PAST SIX WEEK VERBAL INTERACTIONS WITH OTHERS CONCERNING THE LEARNING CENTER

	Experimental Group		Control Group	
n	107		38	
Yes	55	51%	13	33%
No	52	49%	25	67%

Chi Square = 3.33; significant at the 93% level of confidence
Q1. In the past 6 weeks have you spoken or written to anyone (other than Sylvan staff and your family) about Sylvan of Darien and its philosophies – discussing your experiences, your impressions, or other reactions to the learning center and its philosophies. Please include face-to-face conversations, text messaging, telephone calls, letters, or emails. (Let's not consider blogs, online postings, or social media now).

TABLE 2
CIRCUMSTANCES IN WHICH A CONVERSATION ABOUT THE LEARNING CENTER OCCURRED

	Experimental Group		Control Group	
n	55		38	
Someone asked you a question or asked your opinion	20	36%	23	60%
You volunteered your opinions or ideas without being asked	35	64%	15	40%

Chi Square = 5.28; significant beyond 95% level of confidence
Q3. In general, which best describes the circumstances in you spoke/wrote about the Learning Center? Did …

TABLE 3
AWARENESS OF COMMUNICATIONS ABOUT THE LEARNING CENTER FROM OTHER PEOPLE

	Experimental Group		Control Group	
n	97		38	
Yes	20	21%	3	7%
No	77	79%	35	93%

Chi Square = 3.13; significant at the 92% level of confidence
Q11. In the past 6 weeks have you heard or read comments FROM OTHER PEOPLE about Sylvan (other than from Sylvan staff or your family) discussing their experiences, their impressions, or other reactions to the learning center. Please include face-to-face conversations, text messaging, telephone calls, letters, or emails.

TABLE 4
YOUR INFLUENCE OVER OTHERS

	Experimental Group		Control Group	
n	107		35	
Always influence the opinions of your friends and neighbors	15	17%	13	36%
Sometimes influence the opinions of your friends and neighbors	67	77%	18	50%
Only occasionally influence the opinions of your friends and neighbors	5	6%	4	14%

Chi Square = 7.74; Significant at the 99% level of confidence
Q19. How do you think of yourself? Would you say you...? (Three options pre-listed.)

social media were reported by only 9% and 6%, respectively, of those engaging in communications regarding the Learning Center.[5]

To determine the value or detriment to the Learning Center of the transmitted word of mouth, we also asked about the tonality of the word of mouth communication. A vast majority (91%) reported their communication contained positive comments about the Learning Center. This is a further indication that the news stories created in this experiment facilitated the communication, since all of the stories recognized positive attributes of the Learning Center.

A successful word of mouth management program should also make individuals more receptive/open to receiving information from others. We therefore asked our survey respondents if they had heard about the Learning Center through communications from other people. Again, the experimental group outdistanced the control group, with 21% indicating they had heard information from other people, versus 7% in the control group. This difference is significant at greater than a 90% level of confidence. These findings suggest an enhanced receptivity among members of the experimental group for information about the Learning Center.

To determine the conditions under which the information was received from other people, we asked whether it had been actively sought or passively received. Respondents who heard information from others were split (44%-44%) between having asked for it and having been told it without a request. Identifying the sources of 'received' word of mouth, private sources (face-to-face 65%, email or letters 22% and telephone 13%) again outpaced public social media sources.

To eliminate the possibility that our experimental group was composed of more extroverted individuals than our control group, we asked a demographic question concerning their self-perception of their influence over others. Self-reported influence was measured for both the experimental group and the control group. The control group members described themselves as more influential than the members of the experimental group. The difference is significant beyond the 95% level of confidence. The control group's perception of themselves as more influential strengthens the results shown in Table 1; despite lower perceptions of influence over others, the experimental group still reported higher word of mouth activity than the control group.

[5] The life-stage of our subjects – parents of school-aged children – may also explain some of the lower levels of social media presence in the reported word of mouth. But we still subscribe to belief that private social media is superior for conveying person-to-person influence.

SUMMARY

An experiment was conducted in the field among actual customers to test the possibility of stimulating word of mouth communications about a business. Customers of a children's Learning Center were (unknown to themselves) empaneled into either a control or an experimental group. Over an admittedly short time period (six weeks) parents in the experimental group received a weekly email communicating positive aspects of the Learning Center. At the end of the test period, all parents were asked to complete a "customer satisfaction survey" (which, in a concealed manner, also asked whether or not the parent had discussed the Learning Center with others during the six- week experimental period.)

The results indicate that the potential exists to stimulate positive word of mouth by strategically supplying 'content' to customers. Over the six-week experimental period, parents in the experimental sample were one-third more likely to have promoted positive word of mouth about the Learning Center as were those in the control sample. These results indicate that word of mouth is not only manageable, but it is measurable as well. It is hoped that this pioneering study will trigger more experimentation into the management and measurement of word of mouth.

REFERENCES

Arndt, Johan A., (1967a), *Word of Mouth Advertising*, Ed. New York, NY, Advertising Research Foundation.

Arndt, Johan A., (1967b), "Word of Mouth Advertising and Informal Communication", in *Risk Taking and Information Handling in Consumer Behavior*, ed. D. F. Cox, Cambridge, MA, Harvard University Press.

Bendapudi, N. and Berry, L.L., (1997), "Customers' Motivations for Maintaining Relationships with Service Providers", *Journal of Retailing*, Vol. 73, no.1, pp. 15-37.

Berger, Jonah, (2014), "Word of Mouth and Interpersonal Communication: A Review and Directions for Future Research," *Journal of Consumer Psychology*, Vol. 24, no. 4, pp. 586-607.

Keller Fay Group, "What Drives Online vs. Offline Word of Mouth: Major Differences Revealed in New Academic Study", http://www.kellerfay.com/what-drives-online-vs-offline-word-of-mouth-major-differences-revealed-in-new-academic-study/ , August 26, 2013

Keller, E. and Libai, B., "A Holistic Approach to the Measurement of WOM." Presented at the ESOMAR Worldwide Media Measurement Conference, Stockholm, 2009..

Lang, Bodo and Kenneth F. Hyde, Word of Mouth: (2013), "What We Know and What We Have Yet to Learn", *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 23, 1-12.

Martin, William C., "Independent versus Incentivized Word-of-Mouth: Effects on Listeners ," *Academy of Marketing Studies Journal* (2014)Vol. 18, No. 1, pp. 261-271.

McKinsey & Co., "A New Way to Measure Word-of-Mouth Marketing", April 2010.

Nielsen, "Where Do Your Prospects Turn for Information They Can Trust to Help Them Make Buying Decisions?", http://blog.nielsen.com/nielsenwire/media_entertainment/ consumer-trust-in-online-social-and-mobile-advertising-grows/, April 10, 2012.

PQ Media, Word of Mouth Marketing Forecast 2009-2013: Spending, Trends & Analysis, Stamford, CT, 2007.

Richards-Kunkel, Erin, "15 Social Media Statistics That Every Business Needs to Know", Business to Community, Feb 26, 2013, www.business2community.com.

Trusov, Michael and Randolph E. Bucklin, and Koen Pauwels (2009), "Effects of Word of Mouth Versus Traditional Marketing: Findings from an Internet Social Networking Site", *Journal of Marketing*, Vol. 73, no. 5, pp. 90-102.

Please address all correspondence to the second author.

Douglas Pruden, Customer Experience Partners, LLC.
Terry G. Vavra, Customer Experience Partners, LLC.
P.O. Box 574, Allendale, NJ 07401
tel: 201-825-2556
terry@terryvavra.com