Consumers' Evaluation After a Service Encounter: the Effects of the Actions of Company Unrelated Party

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Existing literature has shown that consumer responses to a service failure are influenced by the extent to which the failure is attributed to the company. This paper shows that this effect is indeed contingent on the normality of the behaviors of other existing parties. Specifically, the potential negative impacts of actions committed by a company are more mitigated when the behaviors of another party appear abnormal than when they appear normal. Attribution measures and respondents’ thought protocols give converging support that the focal interactive effect is driven by consumers’ tendency to hold company accountable for the failure.

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EXTENDED ABSTRACT

Existing literature has shown that consumers’ evaluation after a service encounter is determined by the performance of the company and the extent to which consumers attribute the performance to the company (Bitner 1990; Griffin, Babin, and Attaway 1996). Particularly, it is documented that consumers react more negatively to unexpected negative outcomes to the extent that the outcomes are the results of a company’s actions and that the actions are relatively stable and are under the company’s discretion (i.e., stability and controllability). Studies thus far share a focus on how a company’s actions and the characteristics of these actions determine consumers’ postpurchase evaluations. Yet, we argue that this view is inadequate for a full understanding of the evaluation process. Clearly, for most situations in real life, the actions or decisions of a company happen within a dynamic context where the actions of other parties also change. Failing to acknowledge the joint effects of the actions of a company and that of another party on consumers’ evaluation after a service encounter will undermine our full understanding of the process. In the present research, we studied the joint effects from an attribution perspective.

To begin, we hypothesized that consumers would generally respond more negatively to a service failure when the actions of a company committed before the failure were seen as more mutable (Kahneman and Miller 1986). This is because the highly mutable company action provides a cue for consumers to hold the company accountable for the service failure. And this tendency is further reinforced by the cognitive inertia in rejecting an initial belief once formed (a.k.a. confirmation bias, Snyder and Swann 1978). More importantly, however, we proposed that this effect would be attenuated when another party involved in the situation had done something unusual or abnormal. This is because the presence of unusual aspects in a situation should somehow break consumers’ cognitive inertia in rejecting a prior belief. They may now feel compelled to consider additional alternatives that may explain the service failure. Thus, albeit the presence of highly mutable elements in the company’s part, consumers are less inclined to hold the company accountable.

In sum, we expect that consumers’ evaluation of a service failure should be a joint function of the action of a company and that of another party, and that this interactive effect should be driven by the tendency to ascribe the failure to the company.

Study 1 tested the focal interaction by manipulating a company’s action (the commencement date of annual sale was kept unchanged vs. the commencement date was changed) and consumers’ behavior (they visited the usual store vs. they visited a store that they rarely went to). Across all four conditions, the participants experienced a purchase failure—that is, the target laptop computer that they intended to buy was out of stock. Undergraduate students participated in this study in exchange for course credits and were randomly assigned to one of the four conditions. After they read the scenario, they reported their dissatisfaction toward the service failure.

Results of this experiment support our prediction. An interaction between the mutability of company’s action and the behavior of consumers was found. Consistent with our contention, respondents were more dissatisfied when the company changed the date than when it did not. More importantly, these effects were tempered when the consumers visited a store that they rarely visited than when they went to the usual store.

Study 2 was conducted to show that the focal interactive effect was driven by the attribution of the service failure to the company. We replicated study 1 with the addition of attribution measures and a thought listing task. Consumers’ evaluation of the service encounter was captured by their negative postpurchase intention. Again, we obtained support for the focal interaction. The focal interaction emerged on both the negative postpurchase intention and the attribution ratings. More importantly, the mediation analyses supported our argument that the focal interaction was driven by the tendency to hold the company accountable for the failure. The thought protocols from the respondents further showed that the relative proportion of company related thoughts versus company unrelated thoughts mirrored their tendency to hold the company accountable and their negative postpurchase intention.

A third study reported in general discussion section replicated the key findings in another context. In this study, the other party existing in the situation referred to a partner company (whether there was a machine breakdown in the partner company). Thus, the three studies taken together show that consumers’ evaluations after a service encounter are not only governed by company’s related issues but also the actions of parties (customers and partner company) that are independent of the company. Implications of the findings are discussed.

References